

# Audit and Risk Committee Meeting

7 December 2020

## Agenda



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## **1 Opening and announcement of visitors**

*Presiding Member to declare the meeting open and welcome all in attendance.*

## **2 Acknowledgement of country**

*Presiding Member to read the Acknowledgement of country*

*"It gives me great pleasure to welcome you all here and before commencing the proceedings, I would like to acknowledge that we come together tonight on the traditional land of the Noongar people and we pay our respects to their Elders past and present."*

## **3 Attendance, apologies, Leave(s) of absence (previously approved)**

**Apologies**

**Leave(s) of Absence (previously approved):**

## **4 Declarations of Interest (financial, proximity, impartiality – both real and perceived) by Members and City Officers**

Section 5.65(1) of the *Local Government Act 1995* states:

A member who has an interest in any matter to be discussed at a council or committee meeting that will be attended by the member must disclose the nature of the interest —

- (a) in a written notice given to the CEO before the meeting; or
- (b) at the meeting immediately before the matter is discussed.

Section 5.66 of the *Local Government Act 1995* states:

If a member has disclosed an interest in a written notice given to the CEO before a meeting then —

- (a) before the meeting the CEO is to cause the notice to be given to the person who is to preside at the meeting; and
- (b) at the meeting the person presiding is to bring the notice and its contents to the attention of the persons present immediately before the matters to which the disclosure relates are discussed.

## 5 Confirmation of minutes

### 5.1 Audit Committee Meeting held on 21 September 2020:

#### COMMITTEE DECISION

###

**MOVED CR**

**SECONDED CR**

**That the Minutes of the Audit Committee Meeting held on 21 September 2020 be confirmed as a true and correct record of the meeting.**

## 6 Reports

### 6.1 2021 Audit and Risk Committee Meeting Dates

#### DECLARATION OF INTEREST:

#### SUMMARY:

At the Ordinary Council Meeting held on 11 March 2020, the Audit and Risk Committee had delegation 7.2 revoked following a review of all delegations to the Chief Executive Officer, Officers and Committees. The delegation was revoked on the basis that the Audit and Risk Committee's Terms of Reference adequately addressed the duties and responsibilities of the Committee. In accordance with Section 5 of the *Local Government (Administration) Regulations 1996*, there is no requirement for a committee with no delegation to be open to the public.

Despite the Audit and Risk Committee no longer being delegated any local government power or duty and not having the requirement to being open to the public, it is proposed that Council resolve to have the Audit and Risk Committee open to the public given the City's continued focus on transparency and accountability.

In accordance with the *Local Government Act 1995*, meetings that are open to the public must be resolved by Council and advertised to provide the Kwinana community and its stakeholders with the opportunity to attend a meeting should they wish to.

The Audit and Risk Committee Meeting dates for 2021 are proposed for Council endorsement.

#### OFFICER RECOMMENDATION:

That the Audit and Risk Committee:

1. Authorise for Audit and Risk Committee Meetings to be open to the public.
2. Approve the schedule of the Audit and Risk Committee Meeting dates and commencement times for 2021, with each meeting being held in the Council Chambers and commencing at 5:30pm, as follows:

Audit and Risk Committee Meeting Dates
1 March 2021
28 June 2021
4 October 2021
6 December 2021

3. Approve Council providing local public notice for the 2021 Audit and Risk Committee Meetings dates and times.

## 6.1 2021 AUDIT AND RISK COMMITTEE MEETING DATES

### DISCUSSION:

In accordance with Section 5.25(1)(g) of the *Local Government Act 1995*, Council is required to advertise the Committee meeting dates for the following year. Regulation 12(1) of the *Local Government (Administration) Regulations 1996* states that a local government is to give public notice of the dates, time and place of each Committee Meeting which are to be held in the next 12 months.

The City of Kwinana traditionally holds four Audit and Risk Committee Meetings per year.

Agendas and Minutes for all meetings will be made available online at [www.kwinana.wa.gov.au](http://www.kwinana.wa.gov.au). Advertising of the Audit and Risk Committee Meetings will occur via a local newspaper, the City's website and social media.

Should, for some reason, the Audit and Risk Committee Meeting dates change during the year, a report to Council will be prepared and if approved by Council, an advertisement will be placed in local newspapers and notices will be placed on City notice boards, social media pages and website.

### LEGAL/POLICY IMPLICATIONS:

*Local Government Act 1995*

#### 5.24 Question time for public

- (1) Time is to be allocated for questions to be raised by members of the public and responded to at —
  - (a) every ordinary meeting of a council; and
  - (b) such other meetings of councils or committees as may be prescribed.
- (2) Procedures and the minimum time to be allocated for the asking of and responding to questions raised by members of the public at council or committee meetings are to be in accordance with regulations.

#### 5.25. Regulations about council and committee meetings and committees

- (1) Without limiting the generality of section 9.59, regulations may make provision in relation to —
  - (g) the giving of public notice of the date and agenda for council or committee meetings; and

*Local Government (Administration) Regulations 1996*

#### 5. Question time for public, meetings that require prescribed (Act s. 5.24)

For the purposes of section 5.24(1)(b), the meetings at which time is to be allocated for questions to be raised by members of the public and responded to are —

- (a) every special meeting of a council;
- (b) every meeting of a committee to which the local government has delegated a power or duty.

**6.1 2021 AUDIT AND RISK COMMITTEE MEETING DATES**

12. (1) *At least once each year a local government is to give local public notice of the dates on which and the time and place at which —*
- (a) the ordinary council meetings; and*
  - (b) the committee meetings that are required under the Act to be open to members of the public or that are proposed to be open to members of the public, are to be held in the next 12 months.*
- (2) *A local government is to give local public notice of any change to the date, time or place of a meeting referred to in subregulation (1).*

**FINANCIAL/BUDGET IMPLICATIONS:**

Cost of advertising in local papers is approximately \$300 and has been provided for in the City Legal Advertising and Promotions budget.

**ASSET MANAGEMENT IMPLICATIONS:**

No asset management implications have been identified as a result of this report or recommendation.

**ENVIRONMENTAL IMPLICATIONS:**

No environmental implications have been identified as a result of this report or recommendation.

**STRATEGIC/SOCIAL IMPLICATIONS:**

There are no strategic/social implications as a result of this proposal.

**COMMUNITY ENGAGEMENT:**

There are no community engagement implications as a result of this report.

**PUBLIC HEALTH IMPLICATIONS:**

There are no implications on any determinants of health as a result of this report.

**RISK IMPLICATIONS:**

The risk implications in relation to this proposal are as follows:

Risk Event	If Council does not set these dates then any meeting held that is open to the public, would be in contravention of the <i>Local Government Act 1995</i> .
Risk Theme	Failure to fulfil statutory regulations or compliance requirements

## 6.1 2021 AUDIT AND RISK COMMITTEE MEETING DATES

Risk Effect/Impact	Compliance
Risk Assessment Context	Operational
Consequence	Moderate
Likelihood	Rare
Rating (before treatment)	Low
Risk Treatment in place	Avoid - remove cause of risk
Response to risk treatment required/in place	City Officers have prepared a Council Report, to ensure the City sets, approves and advertises the Audit and Risk Committee Meeting dates as required by the <i>Local Government Act 1995 and the Local Government (Administration) Regulations 1996</i> .
Rating (after treatment)	Low

## 6.2 Organisational Risk Report

### DECLARATION OF INTEREST:

### SUMMARY:

This report is provided to the Audit and Risk Committee for noting.

Council has endorsed a Risk Management Council Policy to manage all risks that have been identified and that could impact the City if they were not managed and evaluated appropriately. At each Audit and Risk Committee ('Committee') meeting, a report is received detailing identified risks as well as the progress of the actions to manage those risks. This report entitled the City of Kwinana Risk Report ('Risk Report') is enclosed at Confidential Attachment A.

At its meeting of 21 September 2020, the Committee noted the following with respect to the Risk Report:

*"In future that the City of Kwinana Risk Report Confidential Attachment not only have additional comments provided in red text, but also include the indicative date, reasons why and revised date, if required to be extended."*

Extra columns have been added to the Risk Report to reflect the above recommendation, namely:

- 'Expected Due Date' (column S); and
- 'Revised Due and Comments' (column T).

### OFFICER RECOMMENDATION:

**That the Audit and Risk Committee note the City of Kwinana Risk Report detailed in Confidential Attachment A.**

### DISCUSSION:

The Organisational Risk Report is provided to the Audit and Risk Committee at each Audit and Risk Committee Meeting. The City accepts the taking of calculated risks, the use of innovative approaches and the development of new opportunities to improve service delivery and achieve its objectives, provided that the risks are properly identified, evaluated and managed.

### LEGAL/POLICY IMPLICATIONS:

*Regulation 17 of the Local Government (Audit) Regulations 1996 provides:*

17. CEO to review certain systems and procedures
- (1) The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to —
  - (a) risk management; and
  - (b) internal control; and
  - (c) legislative compliance.

**6.2 ORGANISATIONAL RISK REPORT**

- (2) *The review may relate to any or all of the matters referred to in subregulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review not less than once in every 3 financial years.*
- (3) *The CEO is to report to the audit committee the results of that review.*

**FINANCIAL/BUDGET IMPLICATIONS:**

There are no financial/budget implications as a result of this report.

**ASSET MANAGEMENT IMPLICATIONS:**

There are no asset management implications as a result of this report.

**ENVIRONMENTAL IMPLICATIONS:**

There are no environmental implications as a result of this report.

**STRATEGIC/SOCIAL IMPLICATIONS:**

There are no strategic/social implications as a result of this proposal.

**COMMUNITY ENGAGEMENT:**

There are no community engagement implications as a result of this report.

**PUBLIC HEALTH IMPLICATIONS:**

There are no implications on any determinants of health as a result of this report.

**RISK IMPLICATIONS:**

The risk implications in relation to this proposal are as follows:

Risk Event	The Audit and Risk Committee does not receive the Organisational Risk Report.
Risk Theme	Failure to fulfil statutory regulations or compliance requirements
Risk Effect/Impact	Compliance
Risk Assessment Context	Strategic
Consequence	Major
Likelihood	Unlikely
Rating (before treatment)	Moderate

## 6.2 ORGANISATIONAL RISK REPORT

Risk Treatment in place	Reduce - mitigate risk
Response to risk treatment required/in place	Risk Report will be presented to the Audit and Risk Committee at each Audit and Risk Committee Meeting to ensure compliance with the <i>Local Government (Audit) Regulations 1996</i> for the CEO to have systems and processes in place for risk management.
Rating (after treatment)	Low

## 6.3 Fraud and Corruption Policy

### DECLARATION OF INTEREST:

### SUMMARY:

The City recognises that the prevention and control of fraud and corruption is an integral component of good governance and risk management and therefore have prepared a Fraud and Corruption Policy for adoption.

The purpose of this policy is to demonstrate the City's commitment to prevention, deterrence, detection and investigation of all forms of fraud and corrupt conduct, as well as to establish processes to prevent fraud and corrupt conduct.

Suspected fraud and/or corruption will be reported, investigated and resolved in accordance with City policies, processes and the *Corruption, Crime and Misconduct Act 2003*.

### OFFICER RECOMMENDATION:

**That the Audit and Risk Committee review the proposed Fraud and Corruption Policy as at Attachment A and provide comment where necessary.**

### DISCUSSION:

As a result of recent high profile investigations into public sector fraud by the Corruption and Crime Commission (CCC), the Office of the Auditor General has recommended that, in line with better practice, all entities should ensure they implement a coordinated approach to managing fraud risks.

The overarching aim of this policy is to reinforce the City's commitment to an organisational culture that is free of fraud, corruption and misconduct by embedding controls throughout the City's operational work areas. Fraud and corruption are a risk to the City, particularly in relation to:

- financial loss;
- reputational impact;
- diversion of management energy;
- organisational morale;
- organisational disruption;
- loss of employment;
- reduced performance; and
- diminished safety.

Fraud and corruption control forms part of the City's Risk Management Strategy and Risk Management Policy. It is a risk that Council actively seeks to identify and limit its exposure to, by reducing the potential opportunity (risk likelihood) for fraud and corruption to occur.

### 6.3 FRAUD AND CORRUPTION POLICY

All Councillors and employees have a key responsibility to safeguard against damage and loss through fraud, corruption or misconduct and have an obligation to support efforts to reduce associated risk by behaving with integrity and professionalism in undertaking their duties.

#### **LEGAL/POLICY IMPLICATIONS:**

##### Legislation

*Local Government Act 1995*

*Corruption, Crime and Misconduct Act 2003*

*Public Interest Disclosure Act 2003*

*Local Government (Rules of Conduct) Regulations 2007*

*Local Government (Audit) Regulations 1996*

*Local Government (Financial Management) Regulations 1996*

*Public Sector Management Act 1994*

*Fair Work Act 2009*

##### Standards

Fraud and Corruption Control Standards (AS 8001-2008)

#### **FINANCIAL/BUDGET IMPLICATIONS:**

Failure to manage fraud and corruption risks will have a significant impact on the City's finances. To implement the actions within the Fraud and Corruption Policy has limited financial implications as these will be delivered as business as usual.

#### **ASSET MANAGEMENT IMPLICATIONS:**

The City is committed to a strong culture and sound governance that will safeguard public funds and property.

All suspected instances of fraudulent or corrupt conduct will be thoroughly investigated and the appropriate reporting, disciplinary, prosecution and recovery actions initiated.

#### **ENVIRONMENTAL IMPLICATIONS:**

There are no environmental implications as a result of this proposal.

#### **STRATEGIC/SOCIAL IMPLICATIONS:**

There are no strategic/social implications as a result of this proposal.

**6.3 FRAUD AND CORRUPTION POLICY****COMMUNITY ENGAGEMENT:**

There are no community engagement implications as a result of this report.

**PUBLIC HEALTH IMPLICATIONS:**

There are no implications on any determinants of health as a result of this report.

**RISK IMPLICATIONS:**

The risk implications in relation to this proposal are as follows:

Risk Event	That the City does not have a Fraud and Corruption Policy in place and appropriate fraud and corruption prevention and controls set.
Risk Theme	Misconduct External theft and fraud Business and community disruption Failure of IT or systems and infrastructure Providing inaccurate advice/ information Inadequate safety and security practices Inadequate asset sustainability practices Inadequate supplier/contract management Ineffective employment practices Ineffective management of facilities/venues/events
Risk Effect/Impact	Service Delivery People/Health Financial Environment Reputation Compliance Property
Risk Assessment Context	Operational
Consequence	Moderate
Likelihood	Possible
Rating (before treatment)	High
Risk Treatment in place	Reduce - mitigate risk
Response to risk treatment required/in place	The City has prepared a Fraud and Corruption Policy and established best practice prevention and detection programs and standards. Including the principles of risk management, planning, monitoring and remedial action.
Rating (after treatment)	Moderate

# Council Policy

## Fraud and Corruption



<b>Council Policy</b>	
Legal Authority	<i>Corruption, Crime and Misconduct Act 2003</i> <i>Fair Work Act 2009</i>
Department	Governance and Legal

- Title**  
Fraud and Corruption Policy

- Purpose**  
Fraud and corruption is damaging to the City of Kwinana through financial loss, loss of public confidence (either perceived or real), reputational damage and adverse publicity.

The purpose of this policy is to provide direction on the strategies to be utilised by the City for implementing and monitoring fraud and corruption prevention, detection, as well as response initiatives and activities.

- Scope**  
This policy applies to any actual, alleged or suspected fraud or corruption involving employees and representatives of the City as well as external parties such as, but not limited to, suppliers, contractors, consultants or any other external agency undertaking transactions with the City.

Employees and representatives of the City must have, and be seen to have, the highest standards of honesty, transparency, propriety and integrity in discharging their obligations to the community.

The City is committed to treating all suspected instances of fraud or corruption seriously. In doing so, the City will:

- Investigate all suspected instances of fraud or corruption by City employees, representatives or external parties. Any proven allegations of fraud or corruption will be treated as serious misconduct and may result in summary dismissal of an employee, or immediate termination of a representative's contract with the City, or notification to the Local Government Standards Panel, Department Local Government, Sport and Cultural Industries or the Corruption and Crime Commission depending on the breach committed.

In accordance with Clause 24.6, Suspension Pending Investigation of the City of Kwinana Enterprise Agreement, the City may suspend an employee from duty where it considers it necessary to investigate the matter.

- Seek to recover funds/assets lost through this behaviour wherever possible and practical.
- Refer any behaviour that could amount to illegal activity to the WA Police at an appropriate time during the investigation process and/or subsequent disciplinary procedure. Note that any criminal investigation will be separate to a City investigation.

The City is committed to developing and maintaining processes and procedures to prevent and detect fraud and corruption.

Fraud and corruption control forms part of the City's Risk Management Policy and Strategy. It is a risk that the City actively seeks to identify and limit its exposure to, by reducing the potential opportunity (risk likelihood) for fraud and corruption to occur.

All Councillors and employees have a key responsibility to safeguard against damage and loss through fraud, corruption or misconduct and have an obligation to support efforts to reduce associated risk by behaving with integrity and professionalism in undertaking their duties.

The City expects its Elected Members and employees to act in compliance with relevant Code of Conduct and behave ethically and honestly when performing their functions and during their interactions with each other, the community and all stakeholders of the City.

All suspected instances of fraudulent or corrupt conduct will be thoroughly investigated and the appropriate reporting, disciplinary, prosecution and recovery actions initiated.

#### **4. Definitions**

**Fraud** is defined by Australian Standard AS8001 – 2008 as:

*Dishonest activity causing actual or potential financial loss to any person or entity including theft of monies or other property by employees or persons external to the entity and where deception is used at the time, immediately before or immediately following the activity.*

It includes the deliberate falsification, concealment, destruction or use of falsified documentation used or intended for use for a normal business purpose or the improper use of information or position for personal financial benefit.

The theft of property belonging to an entity by a person or persons internal to the entity by where deception is not used is also considered 'fraud' for the purposes of this Standard.

Note: the concept of fraud within the meaning of the standard can involve fraudulent or corrupt conduct by internal or external parties targeting the entity or fraudulent or corrupt conduct by the entity itself targeting external parties.

Fraud can take many forms including:

- the misappropriation of assets;
- the manipulation of financial reporting (either internal or external to the Department); and
- corruption involving abuse of position for personal gain.

**Corruption** is defined by Australian Standard AS8001 – 2008 as:

*Dishonest activity in which an employee or contractor of the entity acts contrary to the interests of the entity and abuses their position of trust in order to achieve some personal gain or advantage for themselves or for another person or organisation. The concept of 'corruption' can also involve corrupt conduct by the entity, or a person purporting to act on behalf of and in the interests of the entity, in order to secure some form of improper advantage for the entity.*

Corruption is any deliberate or intentional wrongdoing that is improper, dishonest or fraudulent and may include:

- conflict of interest;
- failure to disclose acceptance of gifts or hospitality;
- acceptance of a bribe;
- misuse of internet or email; or
- release of confidential or private information or intellectual property.

**Corrupt conduct** tends to show a deliberate intent or an improper purpose and motivation and may involve conduct such as the deliberate failure to perform the functions of office properly; the exercise of a power or duty for an improper purpose; or dishonesty.

**Representative**, for the purposes of this policy, a representative of the City includes:

- Any contractor or consultant
- Temporary staff supplied through an agency
- Seconded personnel
- Volunteers
- Elected Members
- Committee Members

## 5. Policy statement

The City considers unauthorised possession (theft/robbery), unauthorised use, misappropriation, fraud, corruption, impropriety and dishonesty unacceptable to Council. This behaviour is treated seriously and will be investigated in all suspected and/or alleged instances, whether these involve Council employees, representatives or external parties.

The City is committed to a strong culture and sound governance that will safeguard public funds and property. The City considers fraud, corruption and misconduct to be serious matters. Such behaviours are considered unacceptable and a zero tolerance approach is adopted by the City towards such behaviour.

Fraud and corruption are a risk to the City, including in terms of:

- financial loss;
- reputational impact;
- diversion of management energy;
- organisational morale;
- organisational disruption;
- loss of employment;
- reduced performance; and
- diminished safety.

All employees are accountable for, and have a role to play in, fraud and corruption prevention and control. The City encourages staff to disclose actual or suspected fraudulent or corrupt activity. When identified, any suspected fraudulent or corrupt activity will be promptly investigated, and where appropriate legal remedies available under the law will be pursued. All alleged incidences will be investigated thoroughly. Where appropriate, the City will protect the anonymity of those reporting the activity.

Detrimental actions are not permitted against anyone who reports suspected or known incidents, consistent with the *Public Interest Disclosure Act 2003*. The City adopts a similar approach to those who maliciously and knowingly create a false and/or vexatious allegation.

## **5.1 Reporting**

- 5.1.1 Any person reporting any suspected fraudulent act (the informant) must do so to their immediate Manager, City of Kwinana Grievance Officer, Public Interest Disclosure Officer and/or Manager Human Resources.
- 5.1.2 If the informant has reason to believe their Manager is implicated in the suspected fraud, the matter must be reported to the Manager Human Resources.
- 5.1.3 If Chief Executive Officer involvement is suspected, the matter must be reported to the Mayor.
- 5.1.4 If Elected Member involvement is suspected, the matter must be reported to the Chief Executive Officer.
- 5.1.5 In all instances, suspected fraud must also be reported to the City of Kwinana Grievance Officer, Public Interest Disclosure Officer and/or Manager Human Resources whom will notify the Chief Executive Officer and initiate investigations
- 5.1.6 The informant reporting the activity/behaviour may remain anonymous.
- 5.1.7 All inquiries concerning the activities under investigation from the suspected individual, his or her lawyer, or representative, or any other enquirer must be directed to the Manager Human Resources.

## **5.2 Investigations**

- 5.2.1 The Manager Human Resources has primary responsibility for investigation of all suspected unauthorised possession (theft), fraudulent or corrupt acts or behaviour as defined in this policy.
- 5.2.2 Any investigation carried out should comply with the City of Kwinana employment policies, namely the Grievance Management Policy.
- 5.2.3 Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title or relationship to Council.
- 5.2.4 At the conclusion of the investigation the events will be documented in a confidential report which will be provided to the Chief Executive Officer and they may determine that the report be provided to the Council and the Audit and Risk Committee, where appropriate. Recommendations may be made to enhance internal control procedures.
- 5.2.5 Decisions to refer the investigation results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made by the Chief Executive Officer, in consultation with the Manager Human Resources and with legal advice if appropriate.

- 5.2.6 The Manager Human Resources have free and unrestricted access to all Council records and premises and authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets and other storage facilities on premises without prior knowledge or consult of any individual who may have custody of any such items or facilities when it is within the scope of their investigation.

### **5.3 Equity and Fairness**

- 5.3.1 The means for ensuring that every individual suspected of committing fraud (Whether they are an employee or someone external to the entity) is dealt with consistently and fairly.
- 5.3.2 All parties suspected of committing fraudulent acts must be dealt with in the same manner. This includes all Elected Members, employees or associated parties external to the City.
- 5.3.3 Any individual reporting suspected fraud has the right to expect their actions will be dealt with in confidence.
- 5.3.4 Evidence collected as part of any fraud investigation must substantiate any further action the organisation takes. There must be transparency in the fraud response action that the process has been adhered to.

### **5.4 Consequences of an investigation**

- 5.4.1 Fraud perpetrated against the City will be reported to the City's insurers, Office of the Auditor General and the Corruption and Crime Commission as required.
- 5.4.2 Any investigation may result in a recommendation to terminate a supplier's, consultants or contractors contract or, in the case of an employee, the commencement of a disciplinary process, the outcome of which may be dismissal of the employee where appropriate.
- 5.4.3 Any decision to begin disciplinary process, or to terminate an employee's employment at the conclusion of that process, will be made in conjunction with Human Resources.
- 5.4.4 Where instances of fraud or corruption are substantiated, any decisions to take no action, or to take action that is seen inappropriate by either the City of Kwinana Grievance Officer, Public Interest Disclosure Officer and/or Manager Human Resources, will be referred to the Chief Executive Officer for authorisation.

## **5.5 Media**

- 5.5.1 No information concerning the status of an investigation will be disclosed, except to the Chief Executive Officer, City of Kwinana Grievance Officer, Public Interest Disclosure Officer and/or Manager Human Resources in cases where an employee is suspected of unauthorised possession or fraud.
- 5.5.2 The proper response to an enquiry is:
- “I am not at liberty to discuss this matter” and/or “Fraud perpetrated against the City will be reported to the City’s insurers, Office of the Auditor General and Corruption and Crime Commission as required”

## **5.6 Fraud and Corruption Management**

Incorporating fraud and corruption risk identification and mitigation strategies as part of the integrated and reporting planning framework, educating employees in accountable conduct and fraud awareness issues, including ongoing performance assessment and counselling and monitoring, auditing and communicating processes.

Where fraud or corruption is detected the relevant Manager of the team will be responsible to assess the adequacy of the relevant internal control environment and provide a report to City Leadership outlining any recommended improvements identified.

## **5.7 Roles and responsibilities**

### **5.7.1 Chief Executive Officer – All Managers and Senior Officers**

- Ensure appropriate controls are in place at all levels to safeguard against fraud and corruption and take action to implement and maintain these controls.
- Regularly review transactions and activities that may be susceptible to fraud or corruption.
- Promote the scope of this policy.
- Take appropriate action in liaison with the Manager Human Resources and the Chief Executive Officer when breaches of this policy occur.

The Chief Executive Officer applies the City's resources to fraud prevention and ensures the implementation of adequate controls for managing fraud and corruption risks within the City.

The Chief Executive Officer, under the *Corruption, Crime and Misconduct Act 2003* must notify the Corruption and Crime Commission or the Public Sector Commission if misconduct is suspected.

#### 5.7.2 Audit and Risk Committee

In relation to fraud control, the Audit and Risk Committee's responsibilities include:

- reviewing risk management frameworks and associated procedures for the effective identification and management of fraud risks;
- providing leadership in preventing fraud and corruption.

#### 5.7.3 Public Interest Disclosure (PID) Officer

Public Interest Disclosure Officers investigate disclosures, and take action following the completion of investigations under the *Public Interest Disclosure Act 2003*.

#### 5.7.4 Manager Human Resources

The Manager Human Resources or delegated officer, will manage the grievance and discipline process.

#### 5.7.5 City Employees and representatives

- Adherence and compliance with this policy
- The immediate reporting of an actual or suspected fraud or corruption incident to the relevant person

All employees have a responsibility to contribute to preventing fraud and corruption by following the relevant City of Kwinana Code of Conduct, complying with controls, policies, processes, resisting opportunities to engage in fraudulent or corrupt behaviour and reporting suspected fraudulent or corrupt incidents or behaviour.

Report all suspected or actual incidents of fraud and corruption that they may be aware of to their supervisor. Alternatively, employees can make a Public Interest Disclosure under the *Public Interest Disclosure Act 2003*.

#### 5.7.6 Internal Auditors

Internal auditors provide an independent and objective review and advisory service to:

- provide assurance to the Chief Executive Officer/Council that the financial and operational controls designed to manage the City's risks and achieve the City's objectives are operating in an efficient, effective and ethical manner; and
- assist management in improving the City's business performance.
- Review six monthly fraud reporting and ensure fraud issues are disclosed to the external auditor

#### 5.7.7 External Auditors

Review whether there are appropriate systems processes and controls in place to prevent, detect and effectively investigate fraud.

External auditors provide an opinion on whether the City's Annual Report represents a true and fair view of the financial position at a certain date.

Annual external audit of the Financial Reports assists in the detection of fraud under Australian Auditing Standard ASA 240: The Auditors' Responsibility to Consider Fraud in an Audit of a Financial Report.

In addition, the auditor's accountability for the detection of fraud will form part of any audit. These provisions will increase the likelihood of detecting material miss-statements or errors in the City's financial statements.

## 6. References

Date of adoption and resolution No.	
Review dates and resolution No.	
Next review due date	December 2023
Related documents	<p><b>Acts/Regulations</b></p> <p><i>r.17, Local Government (Audit) Regulations 1996</i></p> <p><i>r.5, Local Government (Financial Management) Regulations 1996</i></p> <p><i>Local Government Act 1995</i></p> <p><i>Corruption, Crime and Misconduct Act 2003</i></p> <p><i>Public Interest Disclosure Act 2003</i></p> <p><i>Local Government (Rules of Conduct) Regulations 2007</i></p> <p><i>Public Sector Management Act 1994</i></p> <p><i>Australian Standard AS 8001-2008</i></p> <p><i>Local Government Framework – Fraud &amp; Corruption Control, July 2015</i></p> <p><b>Plans/Strategies/Policies/Processes</b></p> <p>Grievance Management HR Policy</p> <p>Code of Conduct</p> <p>Risk Management Policy</p> <p>Risk Management Strategy</p> <p>City of Kwinana Enterprise Agreement</p>

**Note:** Changes to references may be made without the need to take the Policy to Council for review.

## 6.4 Internal Audit Policy

### DECLARATION OF INTEREST:

### SUMMARY:

Internal audit is a function involved in helping an organisation achieve its objectives, although it is not an activity required by the *Local Government Act 1995* (Act), it is considered to be an essential part of achieving best practice in risk management and effective and efficient internal controls. The City of Kwinana's (the City) internal audit function has now been established and is due for implementation in the 2020/21 financial year. The Audit and Risk Committee are requested to review the City's Internal Audit Policy prior to it being presented to Council for adoption.

The Internal Audit policy sets out the nature, role, responsibility, status, scope and authority of Internal Audit within the City.

The role of Internal Audit at the City of Kwinana is to assist the Council and senior management meet the Council's objectives by providing an independent appraisal of the adequacy and effectiveness of the processes and controls in place for the management of strategic and operational risk.

Internal audit assists with the identification of measures to achieve greater effectiveness, efficiency and economy and to remedy practices that expose the City of Kwinana to risk and vulnerability. It brings a systematic and disciplined approach to evaluating and improving the effectiveness of the City of Kwinana's risk management, control and governance processes.

### OFFICER RECOMMENDATION:

**That the Audit and Risk Committee review, provide comment where necessary and refer the Internal Audit Policy (as at Attachment A) to Council for adoption.**

### DISCUSSION:

An Expression of Interest has been prepared regarding the City's Internal Auditor and the tender process is soon to begin with an Internal Auditor expected to be appointed in the New Year. The responsibilities of the Internal Auditor outlined within the Internal Audit Policy, include:

- The Internal Auditor is responsible for carrying out the assignments in the agreed Internal Audit Plan and completing an annual organisational risk management assessment.
- The Internal Auditor will report to the Executive and the Audit and Risk Committee in accordance with the Internal Audit Plan and agreed audit timetables. Where appropriate it will initiate contact with the Chief Executive Officer, the Manager Governance and Legal and the Chair of the Audit and Risk Committee independently of the reporting timeframes.

#### 6.4 INTERNAL AUDIT POLICY

- The Internal Auditor is responsible for conducting its work in accordance with best practice and will have regard to relevant standards and requirements of the Office of the Auditor General.
- The Internal Auditor is required to carry out the Internal Audit function in a manner that ensures its integrity, objectivity, confidentiality, and competency are not open to question. They shall comply with the standards of professional behaviour required by the City of Kwinana Code of Conduct.
- The Internal Auditor will make comment and recommendations as to the robustness of the design, installation, and operation of systems and procedures, and benchmark organisational policies against best practice. However, the Internal Auditor is not responsible for any activities that are audited. Nor is it responsible for the design, installation, operation, or control of any procedures or systems.

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by evaluating and improving the effectiveness of risk management, control, and governance processes. In addition to supporting good internal governance and ongoing improvements to the City's operations, internal audit should also help to instil public confidence in the City's ability to operate effectively.

An effective internal audit function should evaluate and monitor the adequacy and effectiveness of the internal control framework as a minimum. Risk management is also an essential part of the City's management and internal control function. It looks at what risks the City may face and the best way to address these risks. Assessment and management of risk is central to determining internal audit activities.

Legislative Audit Framework Regulation 17 of the *Local Government (Audit) Regulations 1996* (Audit Regulations) requires a triennial review of the appropriateness and effectiveness of a Local Government's systems and procedures in relation to risk management, legislative compliance and internal control. It has been deemed necessary by the City that internal audit is an essential function in meeting the requirements of this regulation.

Regulation 14 of the Audit Regulations requires the City to carry out a compliance audit each year and submit a Compliance Audit Return to the Department of Local Government, Sport and Cultural Industries (DLGSC). The auditable areas are determined by the DLGSC, however they focus on compliance by City staff and Elected Members with the Act, concentrating on areas of compliance considered 'high risk'.

Regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996* (Financial Management Regulations) requires the Chief Executive Officer to undertake a review of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 3 financial years) and report to the local government the results of those reviews.

## 6.4 INTERNAL AUDIT POLICY

### LEGAL/POLICY IMPLICATIONS:

*Local Government (Audit) Regulations 1996*, particularly:

Regulation 14, Compliance audits by local governments

- (1) A local government is to carry out a compliance audit for the period 1 January to 31 December in each year.
- (2) After carrying out a compliance audit the local government is to prepare a compliance audit return in a form approved by the Minister.
- (3A) The local government's audit committee is to review the compliance audit return and is to report to the council the results of that review.
- (3) After the audit committee has reported to the council under subregulation (3A), the compliance audit return is to be —
  - (a) presented to the council at a meeting of the council; and
  - (b) adopted by the council; and
  - (c) recorded in the minutes of the meeting at which it is adopted.

Regulation 17, CEO to review certain systems and procedures

- (1) The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to —
  - (a) risk management; and
  - (b) internal control; and
  - (c) legislative compliance.
- (2) The review may relate to any or all of the matters referred to in subregulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review not less than once in every 3 financial years.
- (3) The CEO is to report to the audit committee the results of that review.

*Local Government (Financial Management) Regulations 1996*

Regulation 5, CEO's duties as to financial management

5(2)(c)

- (2) The CEO is to —
  - (c) undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 3 financial years) and report to the local government the results of those reviews.

### FINANCIAL/BUDGET IMPLICATIONS:

The Internal Audit Policy has financial/budget implications with the appointment of an internal auditor. In the financial year 2020/2021 it is proposed to undertake one internal audit at approximately \$15k to \$20k. It is proposed that \$50k per year be allocated going forward from financial year 2021/2022.

#### 6.4 INTERNAL AUDIT POLICY

##### **ASSET MANAGEMENT IMPLICATIONS:**

There are no asset management implications as a result of this report.

##### **ENVIRONMENTAL IMPLICATIONS:**

There are no environmental implications as a result of this report.

##### **STRATEGIC/SOCIAL IMPLICATIONS:**

There are no strategic/social implications as a result of this report.

##### **COMMUNITY ENGAGEMENT:**

There are no community engagement implications as a result of this report.

##### **PUBLIC HEALTH IMPLICATIONS:**

There are no implications on any determinants of health as a result of this report.

##### **RISK IMPLICATIONS:**

The risk implications in relation to this proposal are as follows:

Risk Event	That the City does not have a policy addressing internal audit and that sets out the nature, role, responsibility, status, scope and authority of Internal Audit within the City.
Risk Theme	Select theme: Failure to fulfil statutory regulations or compliance requirements Providing inaccurate advice/ information Inadequate Document Management Processes
Risk Effect/Impact	Service Delivery Financial Reputation Compliance
Risk Assessment Context	Strategic Operational
Consequence	Moderate
Likelihood	Possible
Rating (before treatment)	Moderate

**6.4 INTERNAL AUDIT POLICY**

Risk Treatment in place	Avoid - remove cause of risk
Response to risk treatment required/in place	That the City endorses the Internal Audit Policy to assist the Council and senior management meet the Council's objectives by providing an independent appraisal of the adequacy and effectiveness of the processes and controls in place for the management of strategic and operational risk.
Rating (after treatment)	Low

# Council Policy

## Internal Audit



<b>Council Policy</b>	
Legal Authority	<i>Local Government (Audit) Regulations 1996</i> <i>Local Government (Financial Management) Regulations 1996</i>
Department	Audit and Risk Committee Governance and Legal

### 1. Title

Internal Audit Policy

### 2. Purpose

This policy sets out the nature, role, responsibility, status, scope and authority of Internal Audit within the City.

The role of Internal Audit at the City of Kwinana is to assist the Council and senior management meet the Council's objectives by providing an independent appraisal of the adequacy and effectiveness of the processes and controls in place for the management of strategic and operational risk.

Internal audit assists with the identification of measures to achieve greater effectiveness, efficiency and economy and to remedy practices that expose the City of Kwinana to risk and vulnerability. It brings a systematic and disciplined approach to evaluating and improving the effectiveness of the City of Kwinana's risk management, control and governance processes.

### 3. Scope

This policy applies to:

- All employees of the City of Kwinana, including temporary employees and contractors.
- Any person who is involved in the operation of the City of Kwinana, including Elected Members, volunteers and those people with honorary or unpaid staff status.
- Every business department, service or activity of the City of Kwinana.

Principles of the policy are:

- The Internal Auditor reports to the Audit and Risk Committee. Communication and liaison will ordinarily be through the Chair of the Audit and Risk Committee and the Manager Governance and Legal.
- The Internal Auditor is accountable to the Council via the Audit and Risk Committee.
- Internal Audit will be tendered on a three year cycle unless unusual circumstances exist.
- The appointment or removal of the Internal Auditor will follow the Audit and Risk Committee's recommendation to Council.
- The Internal Auditor will be required to be independent and provide no other significant advisory services to the Council other than those set out in section 5.5.

- The Internal Auditor will have direct access to the Chief Executive Officer and the Audit and Risk Committee whenever required.
- There are no restrictions placed upon the scope of Internal Audit. The Internal Auditor may have access to any records, personnel, or physical property of the City of Kwinana and receive whatever information or explanations they consider necessary to fulfil their obligations.
- Internal Audit has operational support from City of Kwinana Executive and strategic support from the Audit and Risk Committee.

#### 4. Definitions

**Council**, refers to either the staff or Elected Members or both depending on the context.

**Internal Auditor**, refers to the organisation appointed as Internal Auditor by the City of Kwinana.

**Internal Audit**, refers to an instance of, or the function of, auditing the internal processes and controls of the Council.

**External Auditor**, refers to the organisation appointed by the Office of the Auditor General to conduct the statutory audits of the City of Kwinana's Annual Report and Long Term Financial Plan (LTFP).

#### 5. Policy statement

##### 5.1 Responsibilities of the Audit and Risk Committee

- 5.1.1 The Audit and Risk Committee is responsible for the development, oversight and modification of Internal Audit functions, policies and procedures.
- 5.1.2 The Audit and Risk Committee recommends the budget allocation for internal audit as part of the annual plan development process.
- 5.1.3 The Audit and Risk Committee sets the Internal Audit work plan in conjunction with the Internal Auditor. This plan shall be informed by the organisational risk assessments of the Internal and External Auditors and the need to ensure compliance with the City of Kwinana policies and relevant legislation.
- 5.1.4 The Audit and Risk Committee recommends the appointment of the Internal Auditor to Council. In discharging this responsibility, due regard will be given to ensuring that the Internal Auditor has personnel who are sufficiently skilled and experienced in the local government sector.
- 5.1.5 The Audit and Risk Committee receives the reports of the Internal Auditor, considers management's recommendations arising from the reports, and monitors the implementation of agreed recommendations.
- 5.1.6 The decision to set aside any recommendations of the Internal Auditor rests with the Audit and Risk Committee.
- 5.1.7 The Audit and Risk Committee shall meet with the Internal Auditor independent of management at least annually.

## **5.2 Responsibilities of Management**

- 5.2.1 The Chief Executive Officer and Manager Governance and Legal shall assist the Audit and Risk Committee to identify and recommend the scope of Internal Audit work, and shall recommend action to be taken on the outcome or findings from such work.
- 5.2.2 Management is responsible for maintaining internal controls, including setting appropriate policies and monitoring compliance with these, and maintaining proper accounting records and other appropriate management information to assist with effective stewardship.
- 5.2.3 Management shall ensure that the Internal Audit function has:
  - a) Operational co-operation from staff throughout the organisation;
  - b) Access to staff and systems as requested by the Internal Auditor;
  - c) Direct access and freedom to report to the Executive; and
  - d) Unrestricted and independent access to the Audit and Risk Committee.
- 5.2.4 The City Leadership must ensure that the capability and capacity exist to implement and monitor Internal Audit recommendations.

## **5.3 Responsibilities of the Internal Auditor**

- 5.3.1 The Internal Auditor is responsible for carrying out the assignments in the agreed Internal Audit Plan and completing an annual organisational risk management assessment.
- 5.3.2 The Internal Auditor will report to the Executive and the Audit and Risk Committee in accordance with the Internal Audit Plan and agreed audit timetables. Where appropriate it will initiate contact with the Chief Executive Officer, the Manager Governance and Legal and the Chair of the Audit and Risk Committee independently of the reporting timeframes.
- 5.3.3 The Internal Auditor is responsible for conducting its work in accordance with best practice and will have regard to relevant standards and requirements of the Office of the Auditor General.
- 5.3.4 The Internal Auditor is required to carry out the Internal Audit function in a manner that ensures its integrity, objectivity, confidentiality, and competency are not open to question. They shall comply with the standards of professional behaviour required by the City of Kwinana Code of Conduct.
- 5.3.5 The Internal Auditor will make comment and recommendations as to the robustness of the design, installation, and operation of systems and procedures, and benchmark organisational policies against best practice. However, the Internal Auditor is not responsible for any activities that are audited. Nor is it responsible for the design, installation, operation, or control of any procedures or systems.

## **5.4 Relationship with External Auditor and other Regulatory Bodies**

5.4.1 The Internal Auditor will coordinate with the External Auditors and others as directed by the Audit and Risk Committee and Executive to ensure that duplication of audit work is minimised. This will be accomplished by:

- a) Consideration by the committee and Management of opportunities for synergies when the Internal Audit Plan is set;
- b) Provision of the Internal Audit Plan and the Internal Auditor's reports and other documentation to the External Auditors;
- c) Provision of the External Auditor's management letters, including management feedback to the Internal Auditor;
- d) Exchange of organisational risk assessments; and
- e) Access to operational and systems documentation.

## **5.5 Scope of Internal Audit Work**

5.5.1 The Internal Auditor will complete the reviews identified and agreed in the annual Internal Audit Plan. The Internal Audit Plan will set the scope for each review, but will include:

- a) Reviewing systems established by management to ensure that major risks to the achievement of the organisation's objectives are being appropriately addressed by the controls inherent in these systems;
- b) Reviewing the reliability and integrity of financial and operating information and the means used to identify, measure, classify, and report such information;
- c) Assessing compliance with policies, plans, procedures, laws, and regulations that could have a significant impact on operations and reports;
- d) Reviewing the means of safeguarding assets and, as appropriate, verifying the existence of assets;
- e) Appraising the economy and efficiency with which resources are employed;
- f) Reviewing operations or programmes to ascertain whether results are consistent with established objectives and goals, and whether the operations or programmes are being carried out as effectively and efficiently as planned;
- g) Investigating and reporting on alleged violations of policies and procedures, errors, fraud, or misuse of City of Kwinana assets;
- h) Assessing and reporting on the identified organisational and internal control risks to the City of Kwinana within the scope of each assignment; and
- i) Performing and reporting on follow-up reviews to determine the status of recommendations contained in previous reports.

5.5.2 To the extent that the Internal Audit engagement specifies, the Internal Auditor will provide advice and assistance to the City of Kwinana when requested, by serving as a consulting resource for:

- a) The review of policies and procedures, financial and administrative systems, organisational structures, and other related administrative activities.
- b) The development of control procedures for new or significantly modified departmental manuals or computer-based financial or administrative systems.
- c) Carrying out a full organisation wide risk assessment, or updating the organisational risk assessment as and when required.

## **5.6 Planning and Reporting**

5.6.1 The Internal Auditor will work with Executive and the Audit and Risk Committee to agree on a three year Internal Audit Plan which sets out the recommended scope of Internal Audit for the period. The work plan should have due regard to the key areas of internal controls for strategic and operational risk identified within the risk management framework, include monitoring compliance to policies and procedures associated with the Fraud and Corruption Policy, and an appropriate level of forensic audit.

5.6.2 The three year plan will be reviewed annually and inform an annual Internal Audit Plan. All plans will be developed with reference to the longer-term strategic context for Internal Audit, be prepared in consultation with the Executive, and have regard to the business plans, risks, and strategic outlook of the organisation as a whole.

5.6.3 The key elements of Internal Audit reporting will be as follows:

- a) Internal Audit reports are addressed to the Audit and Risk Committee;
- b) Each assignment will be reported separately in writing. The report will set out the scope of the work completed and report on the issues identified, summarising the concerns, the control implication, the assessed degree of risk/priority and the recommendations for improvement. The process will be as follows:
  - (i) The Internal Auditor will undertake the field work for the assignment and prepare a draft report on their findings.
  - (ii) The draft report will be presented to management within agreed timeframes.
  - (iii) The Executive will provide feedback to the Internal Auditor in a timely manner and where appropriate the report will be amended.
  - (iv) The Internal Auditor will provide the Executive with the final updated report in a fixed format for initial reporting to the Audit and Risk Committee and as a word document for subsequent reporting and monitoring.
- c) The Internal Auditor's completed written report on each audit assignment will be presented to the Audit and Risk Committee, by the Internal Auditor when appropriate;

- d) Following the initial presentation Internal Audit reports will be included in agendas of the Audit and Risk Committee in a format that provides information about:
  - (i) The status of each recommendation.
  - (ii) Who is responsible for each agreed action.
  - (iii) The timeframe for implementation of the recommendation or agreed action.
- e) In addition to the individual audit assignment reports, the Internal Auditor will report annually to the Audit and Risk Committee against the agreed Internal Audit programme detailing:
  - (i) Progress against the work plan.
  - (ii) Key findings over the year.
  - (iii) Any resulting recommendations for the following audit period.
  - (iv) The timeframe for follow-up of implementation of recommendations from prior reports.
- f) The Internal Auditor will raise any serious concerns about unresolved issues relating to assignments or the Executive itself directly with the Audit and Risk Committee Chair;
- g) The Internal Auditor will formally review the corporate risk register(s) annually and report its findings to the Audit and Risk Committee. The review will be informed by the outcomes of the internal audit plan and will focus on the risk identified to the organisation and strategies to mitigate these risks and improve operational effectiveness.

## 6. References

Date of adoption and resolution No.	
Review dates and resolution No.	
Next review due date	December 2022
Related documents	<b>Acts/Regulations</b> <i>Local Government Act 1995</i>  <i>Local Government (Audit) Regulations 1996</i>  <i>Local Government (Financial Management) Regulations 1996</i>  <b>Plans/Strategies/Policies/Processes</b> Fraud and Corruption Policy  Risk Management Strategy  Risk Management Policy  Code of Conduct - Staff

**Note:** Changes to references may be made without the need to take the Policy to Council for review.

## **6.5 Occupational Safety and Health (OSH) Statistical Data Report and the Safety and Health Management System Framework – Tier Two Document**

### **DECLARATION OF INTEREST:**

### **SUMMARY:**

This statistical data is provided to the Audit Committee for noting.

Council has endorsed a Health and Safety Policy to meet its moral and legal obligation to provide a safe and healthy work environment for all employees, contractors, customers and visitors. This commitment extends to ensuring the City's operations do not place the community at risk of injury, illness or property damage. At every Audit and Risk Committee Meeting the Committee receives a report detailing statistical data. This report entitled the City of Kwinana OSH Statistical Data Report is enclosed as Attachment A.

Relevant to the management of workplace safety is the City's Safety plan. Ultimately, this plan should be considered by the Audit and Risk Committee and, if appropriate, endorsed. Officers have determined that the current Safety Plan does not set out a suitable improvement strategy, and requires revision. Accordingly, Officers are currently developing a Safety and Health Management System Framework, using a risk approach to direct resources to address the City's biggest risks, with an overall approach of perpetual continuous improvement. The second tier of the framework has been completed and is enclosed as Attachment B.

### **OFFICER RECOMMENDATION:**

**That the Audit and Risk Committee:**

- 1. Note City of Kwinana OSH Statistical Data Report detailed in Attachment A.**
- 2. Endorse the Safety and Health Management System Framework, Tier Two document detailed in Attachment B.**

### **DISCUSSION:**

The OSH Statistical Data Report is provided to the Audit and Risk Committee at each Audit and Risk Committee Meeting. The City assesses the incident reporting data to provide information on the nature and extent of injury and/or disease, including a comprehensive set of data for the workplace, to assist in the efficient allocation of resources, to identify appropriate preventative strategies and monitor the effectiveness of these strategies and to provide a set of data for benchmarking against other Local Governments. As a result, the City can adequately identify, evaluate and manage the safety and health aspects of its workforce operations.

#### Summary of Statistical Data:

The statistical data report details information over a three month period, 1 August 2020 to 31 October 2020. From the represented data, it is noted a decrease in incident frequency trend from the September to October period from eight to five incidents. (Noting, the data recorded at the Quarter ending 21 December captures the incidents recorded in the month of November 2020).

## 6.5 OCCUPATIONAL SAFETY AND HEALTH (OSH) STATISTICAL DATA REPORT AND THE SAFETY AND HEALTH MANAGEMENT SYSTEM FRAMEWORK – TIER TWO DOCUMENT

During the month of October, the City's organisational structure was amended (due to the departure of Director, City Legal) with departments being re-distributed. A directorate, Office of the CEO, was created and is now represented in the statistical data base. (Noting, as reporting progresses, the now obsolete directorate data will cease to be recorded.)

A total of 17 incidents were recorded for the three month period. Ten from the City Infrastructure directorate, six from the City Engagement directorate and one from the Office of the CEO; (Noting, the teams that are domiciled to both the City Infrastructure and Engagement directorates have teams that are considered as "high risk" teams due to their operational nature). Six of the incidents were listed as Injuries but no lost time resulted, one near miss, two motor vehicle damages, three property damages and five reports only.

### Safety and Health Management System Framework:

The City is currently developing a Safety and Health Management System Framework which will provide a structured approach to the City's safety and health activity, foster and protect personnel well-being, meet legislative requirements for safety and health, minimise overall risk from the City's perspective and promote continuous improvement in safety and health performance.

The framework will comprise of a three tiered approach, with the tier two documentation now finalised. Safety and Health management processes shall be implemented based on the commitments in the City's policy, and the performance requirements are outlined in this document. The tier two document has a focus on the standards and procedures that comprise the framework

### **LEGAL/POLICY IMPLICATIONS:**

*Regulation 17 of the Local Government (Audit) Regulations 1996 provides:*

#### **17. CEO to review certain systems and procedures**

- (1) *The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to —*
  - (a) *risk management; and*
  - (b) *internal control; and*
  - (c) *legislative compliance.*
- (2) *The review may relate to any or all of the matters referred to in sub regulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review not less than once in every 3 financial years.*
- (3) *The CEO is to report to the audit committee the results of that review.*

### **FINANCIAL/BUDGET IMPLICATIONS:**

There are no financial/budget implications as a result of this report.

### **ASSET MANAGEMENT IMPLICATIONS:**

There are no asset management implications as a result of this report.

## 6.5 OCCUPATIONAL SAFETY AND HEALTH (OSH) STATISTICAL DATA REPORT AND THE SAFETY AND HEALTH MANAGEMENT SYSTEM FRAMEWORK – TIER TWO DOCUMENT

### ENVIRONMENTAL IMPLICATIONS:

There are no environmental implications as a result of this report.

### STRATEGIC/SOCIAL IMPLICATIONS:

This proposal will support the achievement of the following outcome and objective detailed in the Corporate Business Plan.

Plan	Outcome	Objective
Corporate Business Plan	Business Performance	7.1 Attract and retain a high quality, motivated and empowered workforce so as to position the organisation as an “Employer of Choice”

### COMMUNITY ENGAGEMENT:

There are no community engagement implications as a result of this report.

### PUBLIC HEALTH IMPLICATIONS

There are no implications on any determinants of health as a result of this report.

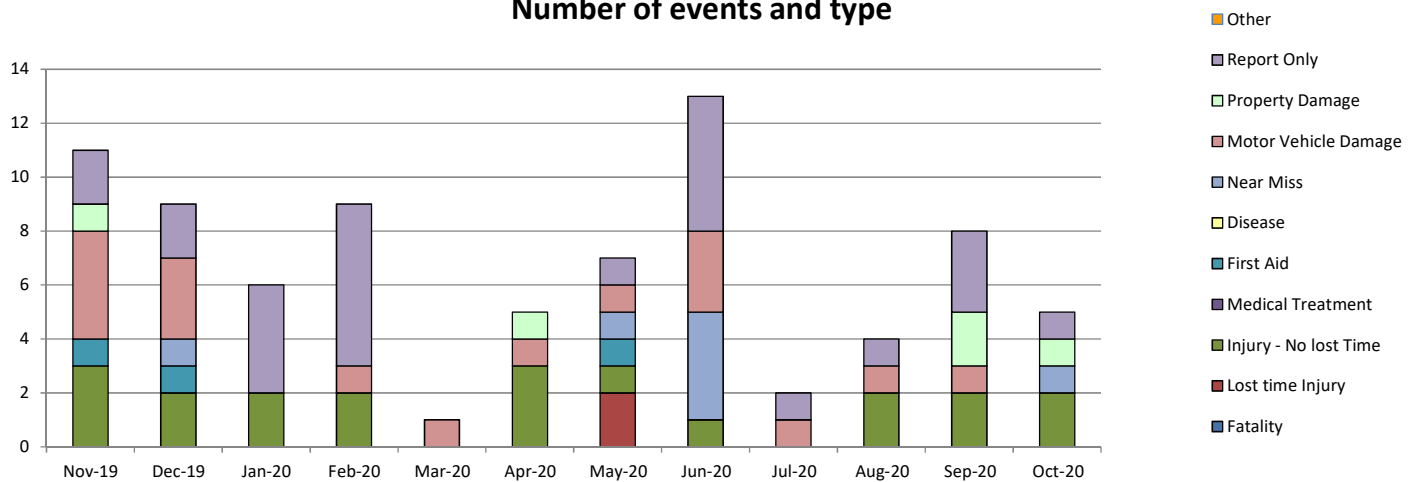
### RISK IMPLICATIONS:

The risk implications in relation to this proposal are as follows:

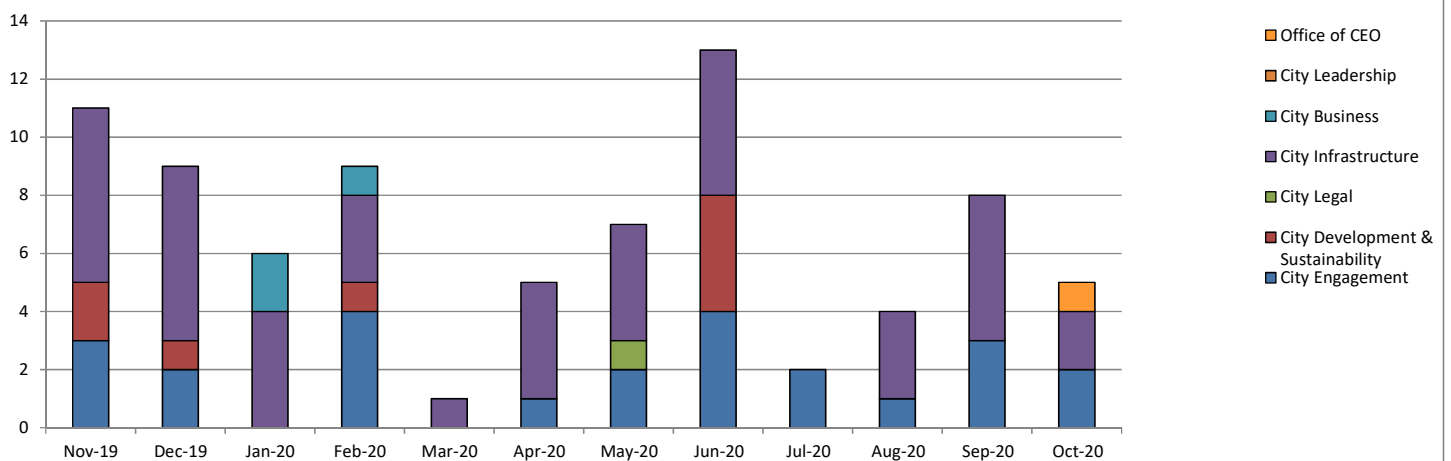
Risk Event	The Audit Committee does not receive the OSH Statistical Data Report
Risk Theme	Inadequate safety and security practices
Risk Effect/Impact	People/Health Reputation Compliance
Risk Assessment Context	Operational
Consequence	Moderate
Likelihood	Unlikely
Rating (before treatment)	Moderate
Risk Treatment in place	Reduce - mitigate risk
Risk Treatment in place	OSH Statistical Data Report will be presented to the Audit Committee at each Audit Committee Meeting to ensure compliance with the <i>Local Government (Audit) Regulations 1996</i> for the CEO to have systems and processes in place for safety and health requirements
Rating (after treatment)	Low

# City of Kwinana - OSH Statistical Data Report - 31 October 2020

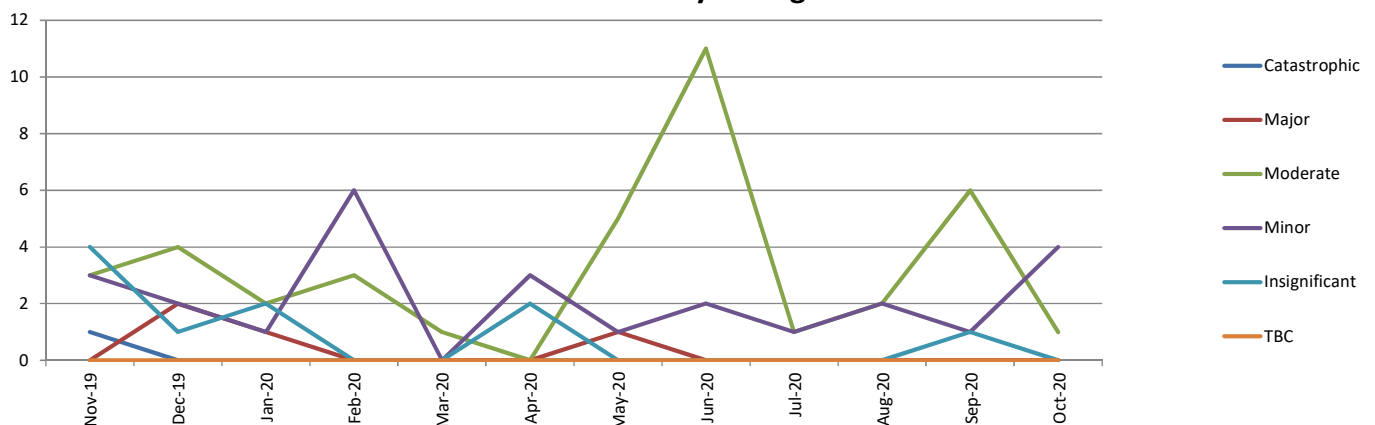
## Number of events and type



## Events per Directorate

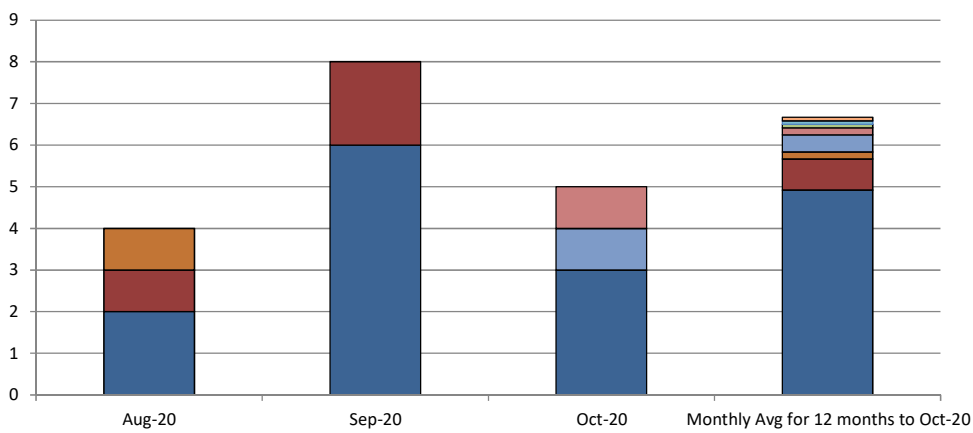


## Event Severity Rating

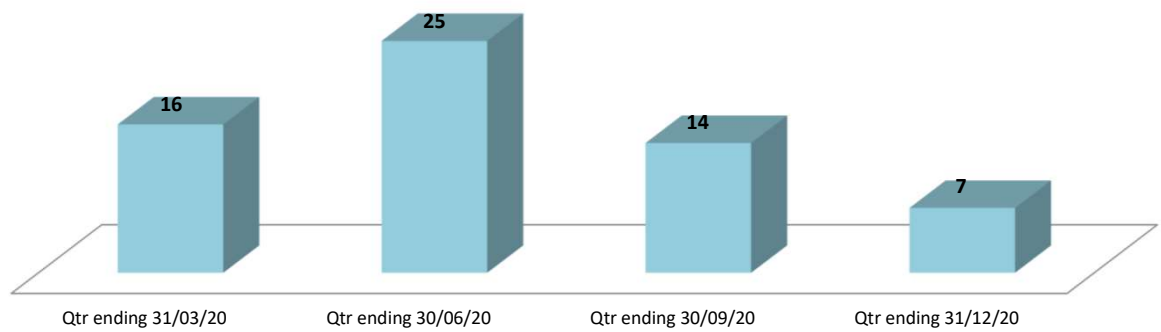




### Nature of Injury

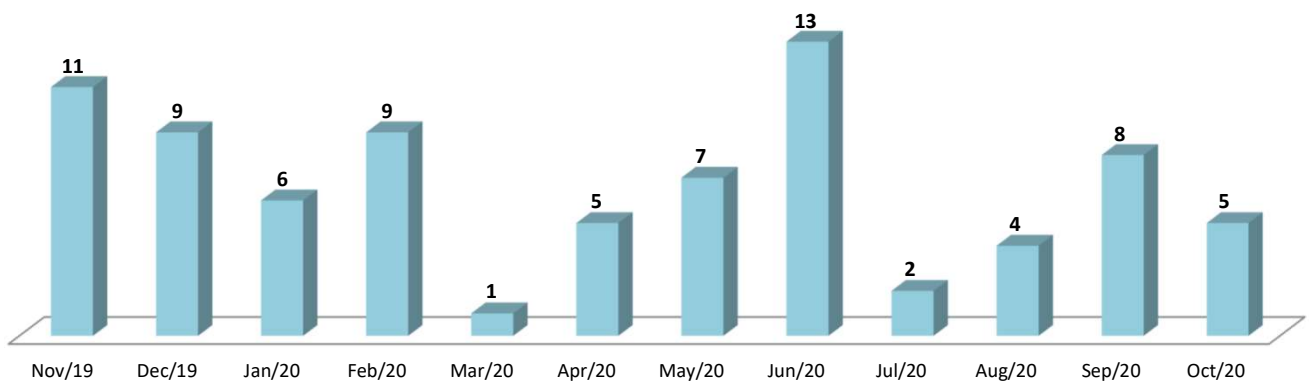


### Incident Frequency Trend



\*Note: Data does not include full quarter

### Incident Frequency Trend





# **Safety and Health Management System Framework Tier 2**

**Standards and Procedures**

**[What and How]**

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# 1. POLICY

Occupational Safety and Health (OSH) Policy			
Approved by:	Executive Team		
Department:	Human Resources (Internal Policy)		
Original Approval Date	2006	Review Approval Date	October 2017
Next Review Deadline	September 2020	Document #	D16/34075 v*
<i>Occupational Safety and Health Act 1984;</i> <i>Occupational Safety and Health Regulations 1996;</i> <i>Workers Compensation and Injury Management Act 1981;</i>			

## Policy Rationale:

The City of Kwinana (the **City**) recognises that it has a responsibility for the safety and health of all persons employed or engaged by the **City** and is committed to achieving zero harm within the **City's** working environment.

## Occupational Safety and Health (OSH) Policy Statement(s):

The **City** recognizes its corporate responsibility under the *WA Occupational Safety and Health Act (1984)* and associated legislation and is fully committed to ensuring, that as far as practicable, it will provide a working environment that is without risk to its employees and others in the **City's** workplaces.

The **City** is committed to meeting its moral and legal obligation to provide a safe and healthy work environment for employees, contractors, customers and visitors. This commitment extends to ensuring the **City's** operations do not place the community at risk of injury, illness or property damage.

The **City**, in partnership with its employees, will endeavour to recognize the potential risks associated with hazards that may exist within the workplace and will take practical steps to provide and maintain a safe and healthy work environment for all persons.

The **City** will encourage and promote a culture of hazard identification, injury prevention and OSH awareness throughout the organization. In particular, the **City** will:-

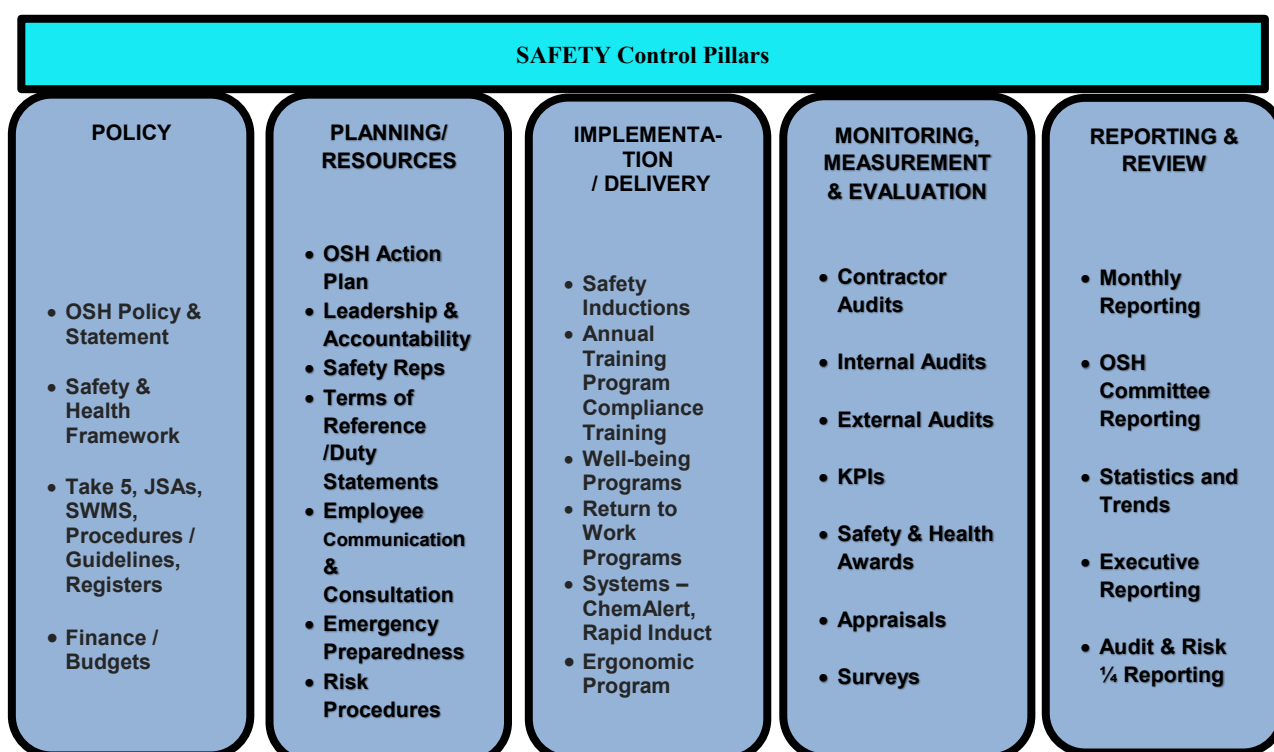
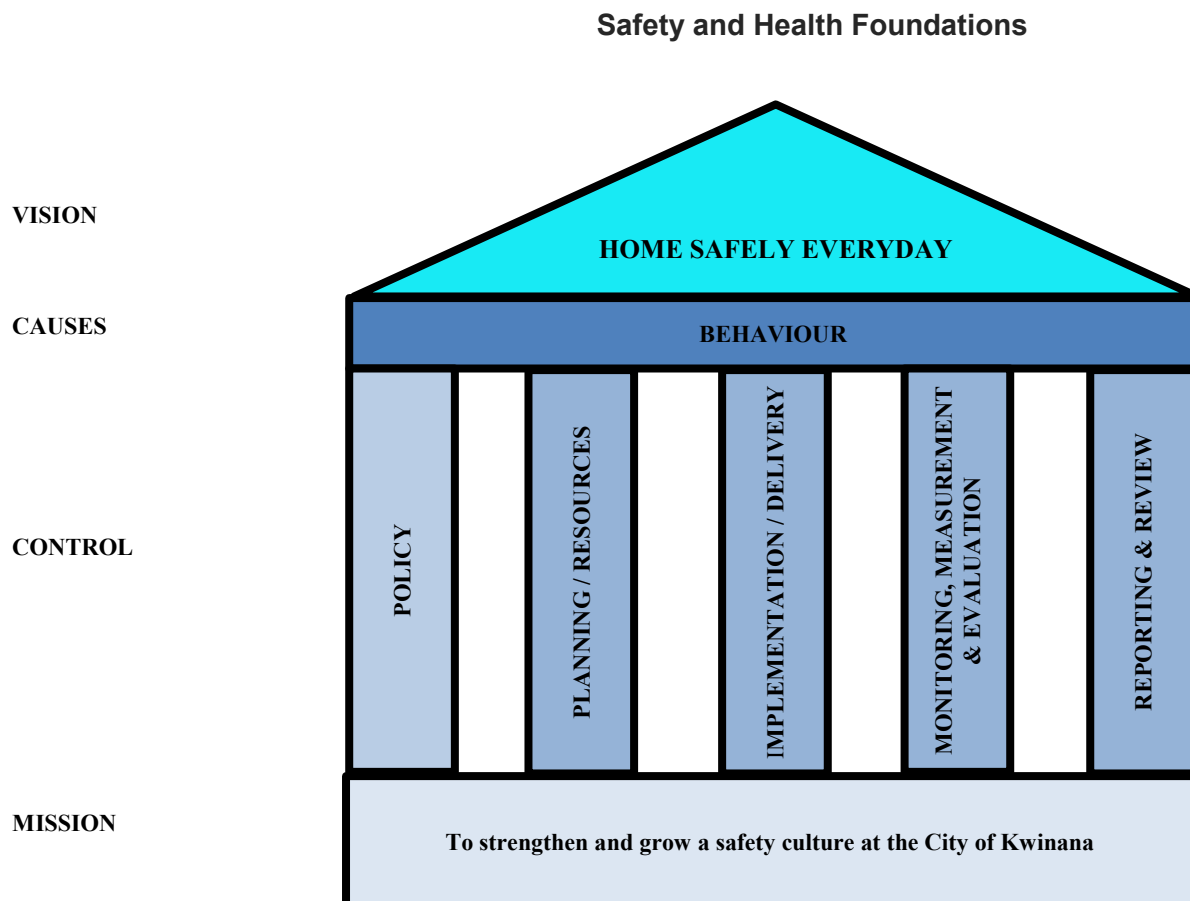
- Be responsive to the needs and diversity of the organisation through the principles of equity, equality, access and participation;
- Recognise that all persons in the workplace are valued and that there will be no compromise in ensuring their safety;
- Foster an organizational culture where all employees share their safety responsibilities;
- Consult with employees and management by means of the **City's** OSH Committee, safety and healthy representatives, risk assessments and hazard identification and prevention;
- Comply with all relevant legislation and best practice;
- Ensure risk management processes are effectively being undertaken to eliminate or control risk exposure to the **City** as well as identify, promote and continuously improve safety and health performance within the organization;
- Provide and maintain relevant policies, procedures, systems, workplace information and training, associated programs and consultative mechanisms to support safety and health in the workplace; and
- Monitor the **City's** safety and health performance.

Wayne Jack

Date

## 1.1 CITY OF KWINANA – SAFETY AND HEALTH PILLARS

Health and Safety Management is an integral part of business planning with Health and Safety Management goals and targets established to drive continual improvement in performance.



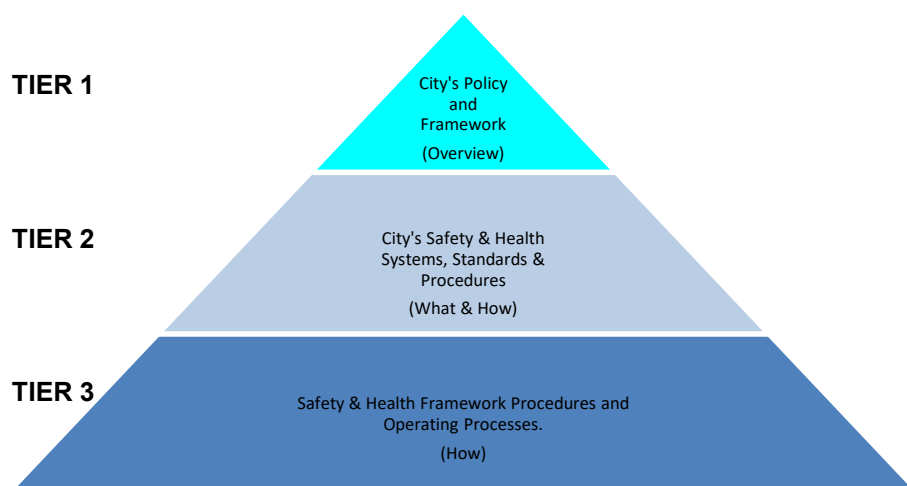
## 1.2 SAFETY AND HEALTH MANAGEMENT SYSTEM FRAMEWORK

### INTRODUCTION

The purpose of the City of Kwinana (the **City**) Safety and Health Management System Framework is to:

1. Provide a structured approach to the **City's** safety and health activity.
2. Foster and protect personnel well-being.
3. Meet legislative requirements for safety and health.
4. Minimise overall risk from the **City's** perspective.
5. Promote continuous improvement in safety and health performance.

This document sets out policy and specifies desired outcomes. It defines responsibilities and accountabilities, provides guidance on where to obtain additional information, and is the basis against which Safety and Health programs will be audited and appraised.



#### **Tier 1: City's Safety and Health Framework**

This is mandatory to all City operations as defined in the Framework. Safety and Health management processes shall be implemented based on the commitments in the Policy, and the Performance Requirements outlined in this Framework Tier 1.

#### **Tier 2: City's Safety and Health Systems, Standards and Procedures**

These are mandatory to all City operations as defined in this Framework. Safety and Health Standards are performance based in nature and typically focus on more specific areas of risk. Procedures are typically prescriptive in nature and address specific areas e.g. incident reporting and investigation, hazard and risk management, where it is important that activities are carried out consistently across the City.

### Tier 3: Safety and Health Framework Procedures and Operating Processes

Each Business Unit shall apply Tier 1, 2 & 3 Systems and Procedures. In applying the Framework Tier 3 Procedure, the Business Unit will in addition develop its own processes, procedures, JSA's, SWMS's, Work Instructions, Guidelines etc, and that will act as the basis for developing safety and health competencies of people.

### RISK MATRIX

The following is the Risk Matrix used by the City. (For a comprehensive overview of the City's commitment and management of Risk across the organisation, please refer to the City's Council Policy – Risk Management D15/57852 v\*).

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

#### Consequences:

Focuses on the potential consequence/s presented by the hazard in its assessed state of control. The consequences are those of credible scenarios (taking the prevailing circumstances into consideration) that can develop from the hazard. These can be thought of as the consequences that could have resulted from the release of the hazard if circumstances had been less favourable.

#### Likelihood:

Likelihood is estimated on the basis of historical evidence or experience that such severity has materialised within the industry the hazard is primarily associated with, or the company.

Cross-reference the Consequence and Likelihood to determine the Risk score. The colours within the matrix are aligned with the level of risk. The level of risk is utilised to determine the controls, communication and monitoring requirements of the hazard.

## 1.3 DEFINITIONS

Term	Definition
<b>As low as reasonably practicable (ALARP)</b>	In relation to the control of hazards to a state where they are seen as acceptable and cannot be reduced further without expenditure or effort that is disproportionate to the benefit gained or where the solution is impractical to implement.
<b>Competent Person</b>	A person who has sufficient knowledge, skills and experience appropriate techniques and procedures including interpreting results. (E.g. for health monitoring this is an Occupational Hygienist)
<b>Contract</b>	A formal arrangement entered into-whether in writing or not – between the City and a contractor, for the supply of services by the contractor to the City in exchange for payment.
<b>Contract Manager</b>	This will be contract specific and does not refer to a dedicated Contract Manager role. Some examples follow; <ul style="list-style-type: none"> <li>• Infrastructure Manager engaging earth moving contractors</li> <li>• Maintenance Manager engaging contract cleaners or building maintenance contractors</li> <li>• Project Manager engaging construction contractors</li> <li>• IT Manager engaging IT hardware installation contractors</li> </ul>
<b>Contractor</b>	Any person or entity that carries out work at the City workplace or facility under a contract between the City and the person, entity or the person's employer.
<b>Critical Risk</b>	Risks that have the potential to fatally injure, or permanently disable, our people, contractors or third parties.
<b>Employee</b>	Any direct employee of City of Kwinana.
<b>ERP</b>	Emergency Response Plan.
<b>Event</b>	Accident, Incident, Near Miss, Injury.
<b>Event Owner</b>	The Event owner is the person responsible for: <ul style="list-style-type: none"> <li>• The workplace where the event took place, or</li> <li>• The Manager of the worker reporting the event if the event happened outside a City workplace.</li> </ul> <p>The Event Owner is responsible for tracking the Event process through to completion. This includes signing off various stages of completion.</p>
<b>Exposure</b>	When a person or the environment comes into contact with a hazard.
<b>Harm</b>	Illness, injury or death.
<b>Hazard</b>	A hazard can be defined as anything that has the potential to cause harm (illness or injury) to a person and can include the following broad categories: <ol style="list-style-type: none"> <li>1. Physical (vehicles, slips, trips and falls)</li> <li>2. Psychological (workplace stressors)</li> <li>3. Chemical (poisons, drugs)</li> <li>4. Ergonomic (manual handling, gradual process injury)</li> <li>5. Biological (blood borne pathogens)</li> </ol>

<b>Hazard and Risk Management:</b>	Incorporates the following: <ol style="list-style-type: none"> <li>1. The systematic identification of hazards</li> <li>2. The assessment of the risk posed by the hazard</li> <li>3. The control of all hazards to as low as reasonable practical</li> <li>4. The instatement of recovery measures should controls fail</li> <li>5. The monitoring and review of hazards and their associated risks on a regular basis</li> </ol>
<b>Hazardous Substances</b>	Any substance that could cause harm to a person that is controlled under the National Code of Practice for the Control of Workplace Hazardous Substances (NOHS:2007(1994))
<b>Hierarchy of Control</b>	The mechanism by which hazards are required to be controlled. <ol style="list-style-type: none"> <li>1. Elimination</li> <li>2. Substitution</li> <li>3. Isolation</li> <li>4. Engineering</li> <li>5. Administration</li> <li>6. PPE</li> </ol>
<b>Incident</b>	An unplanned event, or chain of events, which has, or could have, caused injury or illness and/or damage (loss) to people, assets, the environment, or reputation.
<b>Incident Report</b>	The incident report is the official record of the Event occurring and the initial views and actions.
<b>Initial Risk</b>	The degree of potential harm and likelihood of it occurring presented by a hazard in an uncontrolled state.
<b>Investigation</b>	An investigation is a structured analysis of an Event that identifies the immediate and underlying root causes of an Event, leading to corrective actions that will prevent a recurrence.
<b>JSA or TA or SWMS</b>	Job Safety Analysis or Task Analysis or Safe Work Method Statement. This defines the chronological steps to be taken and includes risks and controls.
<b>Lessons Learnt</b>	The outcomes from an investigation must be reported to the Business through Lessons Learnt. Lessons Learnt help prevent the same Event or potential Event occurring in another part of the business, through sharing of learned experiences and controls. The Manager is responsible for issuing shared learnings.
<b>Near Miss</b>	An Incident which did not, but could have resulted in negative consequences in any of the areas defined in the event definition.
<b>Notifiable Event</b>	As defined by WorkSafe.
<b>OSH Act</b>	<i>Occupational Safety and Health Act 1984</i>
<b>Other</b>	Anyone else in the workplace or facility of the City.
<b>PCBU</b>	Person Conducting a Business or Undertaking. (A business entity such as a company.)
<b>PPE</b>	Personal Protective Equipment.
<b>PTW</b>	Permit to Work. (Examples are Confined Space Entry or Hot Work)
<b>Reasonably Practicable</b>	Something that is reasonably able to be done to control a hazard, taking into account: <ol style="list-style-type: none"> <li>1. How likely is it that something could go wrong?</li> <li>2. What would happen if it did go wrong?</li> </ol>

	3. The information available about how to control the hazard or risk? 4. What controls can be used? 5. Whether the cost of control is grossly disproportionate to the risk?
<b>Regulatory Bodies Notification</b>	Notification of Events to Regulatory bodies in accordance with legislative, licence and/or other requirements.
<b>Residual Risk</b>	The degree of potential harm and likelihood of it occurring presented by a hazard after the application of controls.
<b>Risk</b>	The possibility that harm (of a particular nature) might occur to someone if they are exposed to a hazard.
<b>S &amp; H Plan</b>	A documented course of action, outlining responsibilities and objectives, within a defined period.
<b>Shall or must</b>	Indicates a statement is mandatory.
<b>SHMS Framework</b>	This Safety and Health Management System Framework document.
<b>Should or May</b>	Indicates a recommendation
<b>Significant Hazard</b>	A hazard that is an actual or potential cause or source of serious harm; or; Harm (being harm that is more than trivial) the severity of whose effects on any person depend (entirely or among other things) on the extent or frequency of the person's exposure to the hazard; or Harm that does not usually occur, or usually is not easily detectable, until a significant time after exposure to the hazard'.
<b>SOP</b>	Safe Operating Procedure. This outlines how to do a job safely and with consistency. It is used for training purposes to establish competency.
<b>SSSP</b>	Site Specific Safety Plan. This is a suite of documents that outline the agreement for risk mitigation when undertaking work at a specific site.
<b>SWMS or TA or JSA</b>	Safe Work Method Statement or Task Analysis or Job Safety Analysis. This defines the chronological steps to be taken and includes risks and controls.
<b>TA or JSA or SWMS</b>	Task Analysis or Job Safety Analysis or Safe Work Method Statement. This defines the chronological steps to be taken and includes risks and controls.
<b>Worker</b>	Any person who carries out work in any capacity regardless of employment class e.g. employee or contractor.

## **2. PLANNING AND RESOURCES**

### **2.1 PERSONAL PROTECTIVE EQUIPMENT**

#### **INTRODUCTION**

##### **Purpose**

The purpose of the Personal Protective Equipment (PPE) Standard is to ensure that appropriate PPE is identified, provided, and is in use, so that employees of the City are protected from exposure to work place hazards and the risk of injury.

##### **Scope**

This standard applies to City employees who are issued with PPE.

#### **PERSONAL PROTECTIVE EQUIPMENT CONTROLS (PPE)**

PPE is not a substitute for more effective control methods and its use will be considered only when other means of protection against hazards are not adequate or feasible. It will be used in conjunction with other controls unless no other means of hazard control exist.

Personal protective equipment will be provided, used, and maintained when it has been determined that its use is required to ensure the safety and health of our employees and that such use will lessen the likelihood of occupational injury and/or illness.

##### **PPE General**

The City's PPE requirements, include eye and face, head, foot and leg, hand and arm, body protection, protection from drowning, hearing protection and respiratory protection.

The City's Personal Protective Equipment Standard includes:

- Responsibilities
- Hazard assessment and selection of PPE
- Employee training
- Cleaning and Maintenance of PPE

#### **RESPONSIBILITIES**

##### **Pre-Employment Requirements:**

Affected employees whose jobs require the use of PPE will be informed of the PPE selection and will be provided PPE by the City. Careful consideration will be given to the comfort and proper fit of PPE in order to ensure that the right size is selected and that it will be used.

##### **Team Manager/Leader:**

- To have in place a documented system for the supply of PPE that is appropriate to the individual Team's need.
- Will issue Personal Protective Equipment on 'as required' basis.
- Will ensure the amount and type of equipment such as work shirts/trousers, vests, coats etc. is issued as agreed between individual Managers and their Team Members, (i.e. annually and/or fair wear and tear, as each area has different needs).
- Equipment such as foot protection, eye protection, hearing protection etc. will be replaced on a fair wear, tear and damage basis.
- To ensure that any identified hazardous area at which PPE is required to be worn is clearly identified with appropriate signage.

- To ensure that Team Members are trained in the correct usage of personal protective equipment before using such equipment.
- To ensure these Procedures are implemented within their area of responsibility.

#### **Team Member:**

- To use PPE that is issued to them as instructed by their Manager/delegate.
- To attend training sessions on the correct usage of PPE as required by their Team/Section.
- To keep PPE in a good, clean and hygienic condition and report any defects.
- To request replacement protective equipment on a timely basis.

#### **Occupational Safety and Health (OSH) Committee:**

The OSH Committee are responsible for:

- Facilitating consultation and co-operation between an employer and the employees of the employer in initiating, developing and implementing measures designed to ensure the safety and health of employees at the workplace;
- Keeping itself informed as to standards relating to safety and health generally recommended or prevailing in workplaces of a comparable nature and to review and make recommendations to the employer on, rules and procedures at the workplace relating to the safety and health of the employees;
- Recommending to the employer and employees the establishment, maintenance and monitoring of programs, measures and procedures at the workplace relating to the safety and health of the employees.

The above includes Personal Protective Equipment (PPE).

#### **Guidelines for the Selection and Issue of Personal Protective Equipment (PPE):**

- **Quality Standard of Personal Protective Equipment**  
All PPE purchased by the City must comply with the current Australian Standard applicable to that product. When purchasing PPE the Teams/Business Units should ensure that the product being supplied meets the appropriate Standard.
- **Personal Protective Equipment - General Usage and Hygiene**  
PPE shall be provided for the exclusive use of the Team Member it is issued to. For work involving chemicals, the Material Safety Data Sheet (MSDS) is to be consulted before selecting PPE, as most MSDS's usually signify PPE required.
- **Application of this Standard to New Team Members, Volunteers, Trainees and Visitors**  
It may be necessary for new Team Members under probation, Volunteers, Trainees, Visitors or Contractors to supply their own PPE. It is the responsibility of the Manager/Team Leader to determine the method of ensuring that PPE is available.
- **Types of Personal Protective Equipment**  
Personal Protective Equipment is available for nine common types of protection. These categories are:
  1. Head - safety helmets, caps and sun hats.
  2. Respiratory - disposable masks and self-contained breathing apparatus.

3. Hearing - ear muffs and ear plugs.
4. Skin – garment, sun creams and insect repellent
5. Hand - protective gloves
6. Foot - safety footwear
7. Clothing – trousers, overalls, wind jackets, rain coats, reflective vest etc.
8. Eye - safety spectacles/goggles, sunglasses, shields and visors.
9. Prescribed eye protection.

## **PROCEDURES**

### **Hazard Assessment for PPE**

As part of a hazard/risk assessment and review of all the controls, it may include the use of PPE for work tasks or work areas. The assessment of PPE should be taken into consideration whenever one of the following occurs:

- A job changes;
- New equipment is used;
- There has been an event;
- A Manager, Team Leader or employee requests it;
- A review or update of a hazard/risk assessment.

### **SELECTION OF PPE**

Once the hazards of a workplace have been identified, the Safety Representatives in conjunction with Team Leaders will determine if the hazards can first be eliminated or reduced by methods from the hierarchy of control with PPE being the last form of control. If such methods are not adequate or feasible, then Safety Representatives in conjunction with Team will determine the suitability of the PPE presently available; and as necessary, will select new or additional equipment, which ensures a level of protection greater than the minimum required to protect our employees from the hazards/risks. Care will be taken to recognise the possibility of multiple and simultaneous exposure to a variety of hazards.

Adequate protection against the highest level of each of the hazards/risks will be recommended for purchase. All personal protective clothing and equipment will be of safe design and construction for the work to be performed and will be maintained in a sanitary and reliable condition, i.e. fit for purpose.

Affected employees whose jobs require the use of PPE will be informed of the PPE selection and will be provided PPE by the City. Careful consideration will be given to the comfort and proper fit of PPE in order to ensure that the right size is selected and that it will be used.

### **EMPLOYEE TRAINING**

Any employee required to wear PPE will receive training in the proper use and care of PPE before being allowed to perform work requiring the use of PPE. Periodic retraining in the use and care of PPE will be provided to PPE users as needed. The training will include, but not necessarily be limited to, the following subjects:

- When PPE is necessary to be worn;
- How to properly adjust and wear PPE to personal requirements;
- The limitations of the PPE;
- The proper care, maintenance, useful life, and disposal of the PPE.

After the training, the Manager/Team Leaders will evaluate the employee's understanding of the application of the PPE.

## Retraining

The need for retraining will be indicated when

- An employee's work habits or knowledge indicates a lack of the necessary understanding, motivation, and skills required to use the PPE (i.e. uses PPE improperly);
- New equipment is installed;
- Changes in the workplace make previous training out-of-date;
- Changes in the types of PPE to be used make previous training out-of-date;
- Annually as PPE requires. (E.g. at Health Monitoring time, fit testing of respirators, noise and hearing.)

## CLEANING AND MAINTENANCE OF PPE

It is important that all PPE be kept clean and properly maintained. Cleaning is particularly important for eye and face protection where dirty or fogged lenses could impair vision. Employees must inspect, clean, and maintain their PPE according to the manufacturers' instructions before and after each use. Coordinators/Supervisors/Team Leaders are responsible for ensuring that users properly maintain their PPE in good condition.

Personal protective equipment must **NOT** be shared between workers; PPE will be distributed for individual use only.

If employees provide their own PPE, make sure that it is adequate for the work place hazards/risks, and that it is maintained in a clean and reliable condition and must be approved and in agreeance with the City's procedures.

Defective or damaged PPE will not be used and will be immediately discarded and replaced. (Noting: Defective equipment can be worse than no PPE at all.)

It is also important to ensure that contaminated PPE, which cannot be decontaminated, is disposed of in a manner that protects employees from exposure to hazards.

## 2.2 MANUAL HANDLING

### INTRODUCTION

In May 2010, the Code of Practice for Manual Tasks was approved under section 57 of the *Occupational Safety and Health Act 1984* (the OSH Act). The code of practice applies to all workplaces in Western Australia covered by the OSH Act. It provides:

- **general guidance for employers and workers on the identification, assessment and control of safety and health hazards and risks associated with manual tasks in which forces exerted, loads handled, repetitive movement, awkward postures, sustained postures and equipment and tools that expose workers to vibration are of concern; and**
- **information on key legislative requirements in the OSH Act and the OSH Regulations, as they relate to hazardous manual tasks.**

**Hazardous manual tasks include:**

**(a) manual tasks having any of the following characteristics:**

- i. **forces exerted by the worker (eg lifting, lowering or carrying) or on the worker by an item, person or animal (eg restraining a dog);**
  - ii. **awkward postures (eg bending forwards, twisting or reaching);**
  - iii. **sustained postures (eg prolonged sitting or standing);**
  - iv. **repetitive movements (eg repeating an action frequently, without breaks);**
  - v. **vibration – whole-body (eg sitting in certain vehicles) and hand-arm (eg using certain powered tools);**
- (b) manual tasks involving the handling of a person or an animal; or**
- (c) manual tasks involving the handling of unstable or unbalanced loads or loads difficult to grasp or hold.**

**The benefits of implementing programs to eliminate or reduce the risk arising from performing manual tasks include:**

- **preventing injury, illness, pain and suffering of individuals in the workplace;**
- **improved business performance, efficiency and productivity;**
- **fewer workers' compensation claims, which may lead to lower premiums;**
- **faster and easier return to work for workers who do sustain an injury;**
- **fewer absences from work and less disruption;**
- **retention of skilled workers; and**
- **a safe workplace with a positive safety culture.**

## **MANUAL HANDLING MANAGEMENT**

Performing manual tasks is an essential part of jobs in most workplaces. Managing the risks from performing manual tasks requires systematically identifying, assessing and control those risk factors. Where a manual handling risk has been identified a job safety analysis or safe work procedure will be associated with this task.

If a hazardous manual task cannot be eliminated, the risk factors will be reduced by addressing the source through redesign, modification, alteration and substitution in accordance with specific training to:-

- The work area and layout;
- Nature of items, equipment and tools;
- the nature of the load;
- the working environment;
- systems of work, work organisation and work practices.

Manual handling training is provided regularly to permanent employees at the City. In addition, mechanical aids are provided in each workplace and must be used in accordance with specific training. The City has developed a Manual Handling Checklist D14/91734v\* to assist with correct processes. Any identified manual handling risk in the workplace should be reported as a hazard.

## **2.3 INCIDENT MANAGEMENT RESPONSE (CRITICAL INCIDENT)**

### **INTRODUCTION**

A critical incident is an unexpected event that causes suffering and loss, and whose impact goes beyond the bounds of normal stress. A natural disaster, a company being placed in receivership, strike, merger, sudden death of a work colleague, violence and threats are all examples of a critical incident in a workplace.

A critical incident is a significant emotional event that, due to its nature or circumstances in which it occurs, can cause unusual psychological distress in healthy, normal people.

The City has established a Business Continuity Response Plan which is designed to address the operations of the City in the event of a business disruption.

This plan is to be read in conjunction with the following legislation, City policies and procedures including:

- *Occupational Safety and Health Act 1984 (WA) & Occupational Safety and Health Regulations 1996 (WA)*
- *Emergency Management Act 2005 (WA)*
- Safety and Health Management Framework

#### **Purpose**

The purpose of this Business Continuity Response Plan is to provide direction on the recommended procedures to follow should a critical incident occur. It outlines the minimum standard for providing support services to staff and managers of the City.

#### **Scope**

The City's Executive team are committed to providing staff with safe working environments, which include protection from physical and psychological harm. The City recognises the need for a proactive approach to managing critical incidents and post-traumatic stress. In addition to the plan, it is expected that processes will be established to assist and support staff, in particular those affected by a critical incident, to set realistic expectations and develop effective coping strategies to manage the impact of critical incidents.

#### **Goal**

The goal is to return people to pre-crisis levels of wellbeing and performance as soon as possible and without long-term detrimental affect. This is achieved by providing knowledge and tools to alleviate the impact of stress associated with critical incidents.

### **RESPONSIBILITIES**

Human Resources has the responsibility to manage any critical incident, with assistance and guidance from the CEO, Directors and Managers as well as the Employee Assistance Programme (EAP) provider and other appropriate agencies as required.

The management of this procedure is the responsibility of the Human Resources team with the help of the Managers. This procedure will be reviewed post any critical incident. The Safety and Health Management Framework must be partly or fully reviewed as part of the critical incident. Suggested amendments are to be sent to Human Resources in writing for investigation and/or discussion with relevant parties as part of the review process. The Health, Safety and Injury Management Advisor is responsible for updating the procedure.

## **2.3 MANAGING STAFF DURING CRISIS SITUATIONS**

### **INTRODUCTION**

#### **Purpose**

The purpose of this document is to assist managers to understand the implications for staff and business continuity during a crisis event such as a pandemic, earthquake or other unforeseeable events. The document also identifies actions required by the Human Resources Team to ensure business continuity in support of Human Resource & Safety and Health functions. The document is intended as a supplement to the City's Incident Management/Business Continuity Response Plan and Emergency Management Planning procedures.

Central to workforce planning in a crisis is working together to take all necessary precautions to ensure the safety and wellbeing of staff, while balancing the essential and core functions of the City.

The four key functions are:

#### **Workforce crisis characteristics and impacts**

- Notice
- Effect on staffing levels
- Reasons for staff absences

#### **Legislative framework**

- Any risks to employees and others must be reasonable
- Other relevant legislation

#### **Crisis Management Guidelines**

- Action plan guidelines and considerations
- Preparing for the possibility of the City closure in the event of emergency

#### **Pay and leave entitlements for staff**

- Personal (sick) leave provision
- Determination of essential and non-essential workers
- Remote working and/or social distancing
- Alternative duties / skill capability

### **Workforce Crisis Characteristics and Impacts**

A workforce crisis is when a significant physical or environmental disaster or infectious disease of pandemic proportion impacts the City whether nationally or at a local level. The impact may be in only one area but have an impact across the business.

- **Notice**

In many instances there will be no advance notice of significant event e.g. earthquake or fire but in circumstances such as an infectious disease there may be some ability to limit the spread of a disease by giving advance notice of the situation. In all events it is

important to keep workers informed of the situation and what they might be expected to do in the event of a crisis.

- **Effect on Staffing Levels**

Natural disasters will likely have an impact on staff both in terms of their availability and the continuance of the business. Many staff may be unable to get to work or could be focused on impacts to their immediate family. In an infectious type pandemic emergency it is anticipated the effect would be mainly on staff being required to stay away from the workplace due to infection. This will however impact on staff who remain in or are able to attend the workplace. There are also likely to be recurrent “waves” or absence peaks.

- **Reasons for Staff Absences**

Staff absences can be expected for many reasons:

- Worker preoccupation with own or family survival or emergency response mitigation;
- Staff illness incapacity (suspected, actual or recovery);
- Some workers may need to stay at home to care for others;
- People may feel safer at home e.g. to keep out of crowded places and not use public transport;
- Some people may be fulfilling other voluntary roles in the community; and
- Others may need to stay at home to look after school aged children as schools are likely to be closed.

A large scale disaster could last many months and may contain peaks followed by periods of reduced absences.

### **Legislative Framework**

- **Any Risks to Employees and Others Must be Reasonable**

Under the *Occupational Health and Safety Act 1984* the City is responsible for providing a safe workplace, and for ensuring the safety and health of those working in or visiting the City workplace. To achieve this City is expected to:

- Systematically identify hazards;
- Systematically manage those hazards;
- Manage significant hazards by eliminating, isolating, or minimising them, in that order of preference;
- Provide suitable protective clothing and equipment to staff and ensure it is worn, where a hazard cannot be eliminated;
- Provide safety information to staff;
- Provide training and supervision so that work is done safely;
- Develop procedures for dealing with emergencies that may arise in the workplace;
- Record all workplace accidents and illness and report those that cause “serious harm”;
- Monitor the health of employees in relation to the hazards of their work; and
- Provide opportunities for employees to participate in safety and health.

Staff can refuse to perform work if they have reasonable grounds to believe it is likely to cause serious harm. They can only continue to refuse to carry out that work if, after discussing the matter with the employer and Safety Health Representative, the matter is not resolved and the employee still believes on reasonable grounds that the work is likely to cause them serious harm. This sort of issue needs to be worked through between the employee and the employer.

### **CRISIS MANAGEMENT GUIDELINES**

- **Action Plan guidelines and considerations**

The following guidelines are designed for the City. They are based on epidemic infection, but may be applicable to other crisis situations.

- The City is encouraged to maintain as full a service as possible for as long and as safely as possible during an emergency.
- During an emergency which closes a site, the City may consider alternative means of delivering business to the public and workers, such as working remotely.
- Closing sites to public can occur as part of the crisis e.g. in a pandemic, site closure is a way of preventing the pandemic spreading; Direction from other agencies such as the Department of Health.
- Although organisations might be closed to the public they will not necessarily be closed for staff. With the City's prior approval, staff may continue working at a site, working remotely, e.g. from home, or carry out additional or alternative duties for their employer or another business. City staff may also be used for alternative purposes in an emergency.
- An emergency may be prolonged with significant staff absences as a result of: illness, looking after sick dependents, recovery of their own living situation, medial or carrying out alternative duties in priority areas for the City or another business e.g. in health or welfare roles.

In emergency planning there are employment issues. The key issues are:

- Attendance in the workplace, the issues that relate to an employees refusal to do so and utilisation of remote working, usually working from home.
- Salary payments during an absence and related issues of additional paid leave over and above an employees accrued entitlement (e.g. COVID-19 pandemic leave).
- The ability to require staff to provide wider support during an emergency by undertaking additional duties that are not in the employees position description, and
- Approaches to take if there is a request for workplace closure by a regulatory agency.

Preparing for the possibility of the City's closure in the event of an emergency.

There are several scenarios which could occur in an emergency. The most likely are:

- Business as usual
- Workplace closed to staff
- Workplace becomes unsafe
- Workplace closed to staff and public
- Workplace used for an alternative purpose

This information should be detailed in any response/pandemic plan as part of the preparedness planning.

Statutory requirements relating to the employment relationship e.g. *Fair Work Act 2009*, the City's current Enterprise Agreement and the City's policies will be the source of reference for the City's closure to staff in an emergency.

In the event that the City decides, or is required to, close to staff or suspend business during an emergency, it is important that the employment conditions during the business suspension are discussed with and made clear to, employees and other workers. Those discussions may include, for example, the use of annual leave.

Contractors will be subject to the provisions of their contracts, and contract law generally.

In the event of an emergency, employees have the right to refuse to perform work if they believe it is likely to lead to serious harm. However, their belief must be on reasonable grounds, and they must have attempted to resolve the matter with their employer before they can continue to refuse. The right to refuse unsafe work does not apply unless the understood risks of the work have materially increased.

- **If a City Business Unit Stays Open**

If a business unit stays open during an emergency, employment relations legislation will continue to apply according to the circumstances.

## **PAY AND LEAVE ENTITLEMENTS FOR STAFF**

Depending on the scenario different issues may arise as to what staff can expect in relation to whether or not they are paid or required to take leave. Statutory requirements will remain the basis of any decision.

If staff choose to stop work without talking to their manager about their concerns or ways to protect themselves, they are putting their relationship, and ultimately their employment, at risk. Obviously, managers will want to avoid making judgements or taking action about absences before they have talked to the staff member and gathered all the information.

- **Personal (Sick) Leave Provisions**

Arrangements within the City's current Enterprise Agreement and associated policies and individual contracts may vary but will include specific information pertaining to Personal Leave and taking thereof.

Staff members are required to keep in contact with their managers or nominated alternative manager advising of an absence due to taking of personal leave as soon as possible.

It is recognised that employee absences may create pressure for other employees, and if willing, the working of longer hours in order to keep essential processes going may be considered. In this event, the manager will work with the employees at work to ensure that their safety and health is maintained and the wellbeing of the employee and his/her family is being met.

- **Determination of Essential and Non-Essential Workers**

The City has essential services and functions which the Incident Management team will ensure are kept going during the crisis. Additional staff may also be determined with essential mission-critical functions which would be required to operate during an emergency, for example, City Operations staff. These functions are to be documented in the Business Continuity Response plan for that department.

- **Remote Working and/or Social Distancing**

Staff are permitted to work from an alternative workplace including home if their site office facility is uninhabitable and prior approval has been sought from the manager. (Note: the City's Flexible Working Arrangements and Working from Home policy provides detailed information).

In an infectious disease emergency, working remotely and/or practising social distancing should occur. Social distancing involves minimising contact with others and avoiding crowded places and large gatherings of people, whether in internal or external spaces. Visiting or other contact with unwell people should be avoided wherever practicable. Directions with respect to social distancing requirements will be issued by the applicable regulatory body.

- **Alternative Duties/Skill Capability**

In the event of a local emergency for the local government district, the Local Emergency Management Committee (LEMC) will take control and management of critical services. In

this scenario, the local emergency management arrangements will be enacted for the local government district.

If the workplace is used for an alternative use, then staff who are available for alternative duties may volunteer to assist with the alternative use of some facilities.

### **3. IMPLEMENTATION AND DELIVERY**

#### **3.1 HAZARD AND RISK MANAGEMENT**

##### **INTRODUCTION**

###### **Purpose**

To provide a framework for the systematic identification, assessment, control, and monitoring of hazards and their associated risks to prevent related illness and injuries.

###### **Scope**

This Procedure shall apply to all City operations/worksites. It is to be used as a guide in the identification and subsequent management of hazards/risks and associated risks that could negatively impact on worker or other third party's Safety and Health.

##### **HAZARD AND RISK MANAGEMENT PROCESS**

The Hazard and Risk Management Process is divided into 5 specific areas of focus. For it to be effective all must be covered. These five areas are:

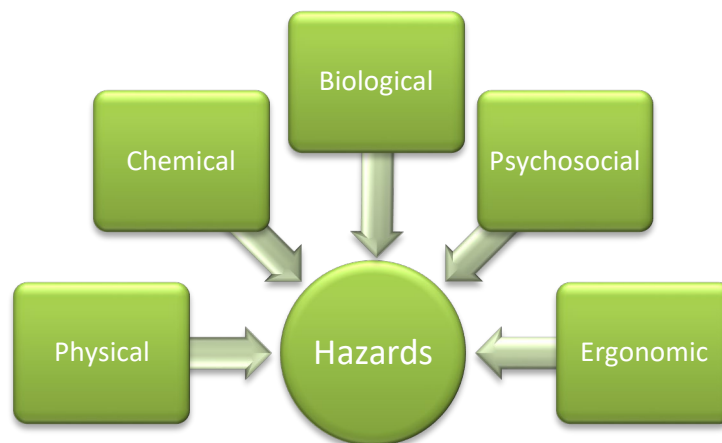
1. Identification of the Hazard
2. Assessment of the risk associated with the Hazard
3. Identification of appropriate controls for the Risk
4. Recovery processes in place in case the controls fail
5. Monitoring and review process to ensure the Risk is being controlled

The City's Safety and Health Framework requires hazard and risk management processes to:

1. Be applied to existing operations and new projects
2. Be undertaken and/or controlled by persons with relevant knowledge and experience
3. Involve all potentially affected stakeholders.

Hazard Identification	Risk Assessment	Hazard Controls	Recovery	Hazard monitoring and review
Day to day tasks	Assess hazard for risk score	Apply controls following hierarchy of controls	Establish and document recovery methods	Monitor and review all hazards not eliminated
Safe practices	Consequence x likelihood	Eliminate hazard altogether (includes substitution)	What if controls fail?	Ensure risk is as low as reasonably practicable
Incident investigation	Consequence: potential credible scenarios	Isolation (engineering controls)		Regularly monitor and review to check all controls are still appropriate and adequate to the risk
Inspections	Likelihood: based on history and looks at chance of consequence occurring	Minimisation (admin controls, PPE, training)		
Contractor Safety and Health plans	Risk score shows potential risk of hazard causing injury	Contractor - Minimisation (admin controls, PPE, training)		
Reviews, audits, technical assessments				
Safety and Health reviews for projects				

## Types of Hazards



- Physical** Noise, temperature, trips, slips, falls, cuts, burns, ventilation, electricity, vibration, housekeeping, machinery, ultraviolet burns, crushing, radiation, vehicles, wires or cords, slippery floors.
- Chemical** Fumes, gas, lack of oxygen, aerosols, corrosives, alkalis, chemical burns, solvents, sprays, heavy metals, poisons, pesticides, dust, smoke, mist, cleaners, toners.
- Biological** Infection, legionnaires disease, needle-stick injuries, hepatitis, allergies, brucellosis, insects.
- Psychosocial** Stress, fatigue, risk of assault, drugs, alcohol, personality problems, effects of shift work, boredom, lack of clear reporting lines, peer cohesion, reward systems.

- **Ergonomic** Manual handling, work postures, overuse injuries, seating, workstation layout, badly designed controls and dials, interface with computer systems

There are numerous types of hazards that can impact on personnel while working for the City. The following are some examples of generic hazards within the City:

- Manual Handling
- Confined Spaces/Excavation
- Hazardous Substances
- Animals
- Machinery/Vehicle Movements
- Abusive Public
- Working alone

## HAZARD AND RISK MANAGEMENT

### Identification of Hazards

The City will utilise the following methods to identify hazards:

- Ongoing monitoring of day to day tasks and work areas
- Observation and inspection
- Use of one off hazard/risk identification processes
- Investigation of incidents
- Contractors submitting work activity specific safety and health plans (if engaged)
- Reviews and audits, or technical assessments of high-risk activities, areas, or processes.

When a hazard has been identified it is currently recorded in the City's CRM (Customer Response Management) system. The system also permits/enters the request to allocate tasks to the applicable team that will mitigate the risk of the hazard(s)/ get the issue addressed. (e.g. repairs to /interim control measures put in place.) Identification of a safety hazard may also be determined through the use of the Safety Interaction Form D20/41036\*.

### Assessment of Risk:

Once a hazard has been identified a formal assessment must take place.

**Risk Score** is a value which indicates the potential negative outcomes of a hazard and is primarily utilised to determine what action to take to control the hazard. The values are utilised to assist with the prioritisation of actions to control the hazard.

For every hazard an initial risk score and residual risk score will be documented.

**Initial risk score** (also known as the raw risk score) is the risk score associated with the hazard without any controls in place.

**Residual risk score** is the risk score associated with the hazard after the controls are put in place.

The City's risk matrix will assist in determining the overall risk score of the hazard by defining the potential consequences of the hazard and the likelihood of these consequences occurring (in its assessed state of control).

### Managing Critical Risks:

Critical Risks are any that have a risk rating of High or Extreme. Critical risks generally require a more structured approach to the assessment of the hazard and the adequacy of the controls shall be required. Critical risks should have a root cause analysis undertaken, or other structured hazard assessment completed for them.

### Develop Controls:

The purpose of hazard/risk controls is to reduce the level of residual risk to as low as reasonably practicable. Controls are to be introduced to safeguard people in the most effective and practical way. Ideally controls should endeavour to eliminate the hazard/risk but if this is not practicable then they should target the hazard source (e.g. guard on a machine), and the people that are exposed (e.g. procedure and training).

The following table describes the required control activity associated with each risk level. It should be noted that the risk score that determines the activity is the **residual risk score**.

Priority Level	Level of RESIDUAL Risk	Immediate Action
1	Extreme Risk	<b>STOP ACTIVITY OR PROCESS IMMEDIATELY</b> <ul style="list-style-type: none"><li>• The Executive Leadership team in conjunction with the OSH Committee must authorise in writing that they are satisfied with the control measures before the activity can be started again.</li><li>• All relevant data must be recorded as a CRM. Can also be reported via email to the H.I.S.M Advisor.</li><li>• A root cause analysis is undertaken or other formal hazard assessment approach is recommended within 7 days focused on prevention of personal harm.</li></ul>
2	High Risk	<b>MANAGE RISK IMMEDIATELY</b> <ul style="list-style-type: none"><li>• The Executive Leadership team in conjunction with the OSH Committee must authorise in writing that they are satisfied with the control measures before the activity can be started again.</li><li>• All relevant data must be recorded as a CRM. Can also be reported via email to the H.I.S.M Advisor.</li><li>• A root cause analysis is undertaken or other formal hazard assessment approach is recommended within 14 days focused on prevention of personal harm.</li></ul>
3	Medium Risk	<b>ACTION REQUIRED BUT NOT IMMEDIATE</b> <ul style="list-style-type: none"><li>• Line Managers must authorise in writing that they are satisfied that the Moderate Risk hazard is adequately controlled.</li><li>• All relevant data must be recorded as a CRM. Can also be reported via email to the H.I.S.M Advisor.</li></ul>

4	Low Risk	<b>MANAGED VIA CONTINUOUS IMPROVEMENT PROCESS</b> <ul style="list-style-type: none"> <li>Hazards deemed to be low risk shall be managed by line management and workers as part of the continuous improvement process.</li> <li>All relevant data must be recorded as a CRM. Can also be reported via email to the H.I.S.M Advisor.</li> </ul>
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## Hierarchy of Control

It is important to maintain best practice standards in hazard and risk management.

When determining the controls to be applied to a hazard/risk the hierarchy of controls must be utilised. This is with the aim to manage the hazard to as low as reasonably practicable. The hierarchy of controls follows the premise that elimination is always the first choice as it is the best solution to get rid of the hazard/risk completely.

The hierarchy of control is as follows:

<b>ELIMINATE</b> the hazard altogether For example - get rid of the dangerous machine	<b>Most Effective Control</b>
If the hazard cannot be eliminated then:	
<b>SUBSTITUTE</b> the hazard for a safer alternative For example - replace the machine with a safer one	
<b>ISOLATE</b> the hazard from anyone who could be harmed For example – keep the machine in a closed room and operate it remotely	
Use <b>ENGINEERING CONTROLS</b> to reduce the risk For example – attach guards to the machine to protect users	
Use <b>ADMINISTRATIVE CONTROLS</b> to reduce the risk For example – train workers how to use the machine safely	
Use <b>PERSONAL PROTECTIVE EQUIPMENT (PPE)</b> For example – use gloves and goggles to use the machine	<b>Least Effective Control</b>

Administration and the use of personal protective equipment are the least effective of the hierarchy of controls. These types of controls should NOT be relied on as the primary means of hazard control unless the options higher in the hierarchy have been exhausted.

All hazard controls require management, enforcement, commitment and review.

## DEVELOPMENT OF HAZARD RECOVERY MEASURES

Despite best efforts, history indicates that there is the potential for hazard controls to fail. Worst case scenarios need to be identified and planned for including recovery measures. Recovery

measures must be established for all extreme and high-risk hazards and associated activities. These may be dealt with through Emergency Management and/or Business Continuity Response/Incident Management Response procedures. Recovery measures should be referenced and/or documented in procedures including JSAs, SWMS's and work instructions etc.

## **HAZARD MONITORING & REVIEW**

### **Hazard Review**

Any hazard that has not been eliminated must be reviewed to ensure the implemented controls are continuously effective. The hazard review shall be undertaken by the Manager or their delegate.

### **Review of Hazard Management Procedures**

An annual review of the content, efficacy and suitability of the Hazard Management Procedure will be carried out

The following representatives should be involved in this review:

1. Business Unit Manager
2. Related Managers/Specialists
3. Health, Injury and Safety Management Advisor
4. Employee Representatives
5. Review of implementation and performance

### **Hazard Management Training**

All individuals exposed to hazards are required to be provided with information about the hazard and the controls that are necessary to keep themselves and others safe from harm.

Hazard management training shall be made available to those who are involved in managing hazards. This may include training in hazard management methodology, specific hazards, on the job training (focusing on specific hazards encountered during work), or a combination of all of these.

## **3.2 WORKING ALONE GUIDELINE**

### **INTRODUCTION**

#### **Purpose**

The purpose of this guideline is to define how the City manages the risks associated with an employee, contractor or volunteer working alone.

#### **Definition of Working Alone**

"Working Alone" is defined as work carried out in an area where a person is set apart, detached or separate so as to be alone where they cannot expect a visit from another person. Further the interaction with other staff (either verbal or sight) is not available, so that the potential risk of existing hazards is increased to the extent that extra precautions are needed. This may include working in isolated or remote areas, onsite or offsite, either during or outside normal working hours.

Examples may include:

- Working with-in a facility;

- Leaving a facility at the completion of a work period;
- Contact with members of the public (MOP) without support of another person and where the requirements of the work has the potential to cause hostilities;
- Undertaking field work in a remote location;
- Conducting any high risk constructions work;
- Operating hazardous plant or equipment;
- Exposure to dangerous or hazardous substances; and
- Working from home.

The Guidance Note – Working Alone issued by the Government of WA’s Department of Commerce, specifically requires a business to manage any risks to the safety and health of their lone workers. This has been reflected in the City’s Guideline – Working Alone. If risks cannot be eliminated, they must be minimised, as far as is reasonably practicable. Each work situation is different and the City considers the risk to lone workers on a case-by-case basis. Each business unit/department has been required to develop “Check In/Check Out” work instructions which detail the specific requirements. The relevant document references have been recorded in the Guidelines D20/30427 v\*.

The City’s Emergency Planning Committee (EPC) must ensure that working alone is included in emergency risk assessments and that processes are documented, reviewed and maintained for managing duress situations. Where the work is remote, the selection of communication devices could include a selection of devices. The use of communication devices form part of the working alone processes. Communication devices include:-

- Fixed Duress Alarm System (FDAS)
- Portable Duress Alarm System (PDAS)
- Telephone and mobile phones
- Two-way radios.

Where an employee and business unit has been issued with the device, it is compulsory to use it.

## RESPONSIBILITIES

There is a general duty under the *Occupational Safety and Health Act 1984* to eliminate all risks to safety and health, and if risks cannot be eliminated they must be minimised as far as is reasonably practicable.

The following table outlines responsibilities associated with this guideline.

Role	Responsibilities
Emergency Planning Committee (EPC)	<ul style="list-style-type: none"> <li>• Ensure that duress risks are included in the facility emergency risk assessment.</li> <li>• Ensure duress procedures are included in the Facility Emergency Plan.</li> <li>• Ensure emergency exercises are scheduled at regular intervals to test the effectiveness of the duress processes (including FDAS and PDAS).</li> <li>• Monitor the performance of duress processes and report any issues to the Health, Safety and Injury Management Advisor.</li> </ul>

Emergency Control Organisation (ECO)	<ul style="list-style-type: none"> <li>• Ensure that emergency exercises are conducted in accordance with the EPC schedule.</li> <li>• Report any defects to Building Maintenance and other performance issues to the EPC.</li> </ul>
Building Maintenance Coordinator	<ul style="list-style-type: none"> <li>• Provide information to the EPC about the installation, maintenance and testing for the FDAS.</li> <li>• Must ensure FDAS is maintained and tested in accordance with the manufactures specifications.</li> <li>• Ensure any reported defect is treated as a High Priority maintenance request.</li> </ul>
Health Safety and Injury Management Advisor	<ul style="list-style-type: none"> <li>• Provide information to the EPC about the installation, maintenance and testing requirements for the PDAS.</li> <li>• Report on the performance of the PDAS, FDAS and other duress processes to the EPC, OSH Committee and Executive in accordance with the internal OSH Performance Reporting Guidelines.</li> </ul>
Manager Human Resources	<ul style="list-style-type: none"> <li>• Ensure arrangements are in place for Crisis Management and Mental First Aid with the City's Employee Assistance Program provider.</li> <li>• Ensure appropriate arrangements are in place for training of employees identified with exposures to Members of the Public.</li> </ul>
Responsible Officers (Managers, Coordinators, Supervisors and Contract Owners)	<ul style="list-style-type: none"> <li>• Ensure they are familiar with HR GPS Policy, OSH – Guideline - Working Alone and other relevant work instructions.</li> <li>• Ensure an opening and closing work instruction for those facilities within their area of responsibility are developed, reviewed and maintained.</li> <li>• Ensure check in and check work instructions for their area of responsibility are developed, reviewed and maintained.</li> <li>• Ensure employees within their area of responsibility complete area specific induction, training and follow the City's processes for managing working alone.</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Ensure they complete appropriate training relating to the risks of their position.</li> <li>• Ensure they follow safety instructions in accordance with their Duty of Care.</li> </ul>

## GENERIC SITE SAFETY CONSIDERATIONS

Site Hazard Identified	Potential Harm	Suggested Controls
Working alone	Possibility of debilitating injury or illness occurring	Have operational mobile phone on person at all times. Use of FDAS and PDAS Follow Working Alone instructions regarding checking in and out of sites.
Slips, trips and falls	Sprains Bruising Broken bones Head injuries	Wear suitable safety shoes. Take care when walking on rough, covered or uneven ground, or on wet and slippery surfaces.
The public	Confrontation, intimidation or assault by member(s) of the general public	Wear City uniform and ID at all times. Have operational mobile phone on person at all times. Use of PDAS Situational training to be completed.
Animals	Physical attack	Do not enter property or fenced areas where animals are held. If in doubt, do not enter. Follow legislation and Procedures.
Electric Fences	Electric shock	Treat all farm fences as if they were electrified. Use rubber handles to remove fence wire if necessary.
Weather	Slip, trip and fall injuries Cold and flu infection Conditions can exacerbate other hazards	Have wet and windy weather clothing and footwear available. Change out of wet clothes as soon as possible.
Rough terrain	Slip, trip and fall injuries Damage to vehicle	Wear suitable safety shoes. Take care when walking on rough, covered or uneven ground. Use suitable vehicle for terrain type. Drive to the conditions. Situational Driving training to be completed
Working around Water	Drowning	Perform site hazard assessment before working near deep or fast flowing water. Identify required controls or site modification. Wear a checked floatation jacket.

## **General**

Only those tasks within the worker's capabilities should be completed. Where hazards are significant, assistance must be requested and the task only carried out when this assistance arrives. No work should proceed where assistance is necessary but is unavailable. Under these circumstances, until assistance arrives, action may be necessary to make the situation safe in the interim.

## **Preparation**

It is essential that staff working alone are experienced in the work to be completed, are fully aware of all hazards associated with the work and of those hazards likely to cause incapacitation such as falls, moving machinery, deep or fast-flowing water, or electricity.

Staff who have medical conditions which may give rise to a life threatening situation when working alone should notify their manager.

Before leaving the City, staff going on a job where you will be working alone must ensure other staff are aware of the route for the day with approximate times.

Staff going into a working alone situation, must have charged and operational mobile phones turned on, relevant vehicle fuel card, contact phone numbers and relevant PPE. Staff going into a working alone situation should have an approved First Aid kit and should be trained in its use. This must be kept in the vehicle.

## **Remote Sites**

Where it is necessary to be working in a remote location, solo work should be discouraged. Where such work is unavoidable, it is essential that workers follow the detailed specific procedures for "Checking In/ Checking Out" for their respective business unit/department. (Individual references to specific instructions can be located in document D09/30427 v\* Guideline – Working Alone.)

## **Vehicle Breakdown**

In case of breakdowns or locks outs, staff will follow their Business Units/Departments "Check In/Check Out" procedures.

# **3.3 CONTRACTOR MANAGEMENT**

## **INTRODUCTION**

### **Purpose**

This document will provide the City with clear guidance in understanding and implementing the safety and health requirements relating to the selection, engagement and subsequent management of contractors, subcontractors and others in the workplace. The City has developed a Guideline – Contractor Management which provides an overarching summary of the Contract Management process D14/89249v\* and Contractor Safety and Health Handbook D10/50829 v\*.

### **Objective**

The guideline provides employees at the City, who engage contractors to undertake work for or on behalf of the City, a process to follow from appointment to completion of works. The process has been developed to ensure that no one is harmed by any of its activities by complying with the *Occupational Safety and Health Act 1984* and demonstrating best practice in its processes.

The City will actively encourage all employees, contractors, subcontractors and others in the workplace to fully participate and comply with our processes. The City will achieve this by taking

all reasonably practicable steps to ensure no one is harmed as a result of the work that they have been engaged to undertake.

### **Legislation**

The following legislation *Occupational Health and Safety Act 1984 (WA)* and relevant Regulations, Standards, Codes of Practice and Guidelines apply to the management of contractors.

In addition, all of the City's contractors are obliged to comply with the provisions of the City's Contractors Handbook D10/50829 v\* (where applicable) unless otherwise directed by the City. The provisions contained in the handbook set out the minimum requirements (that may apply in total or in part) to any contract work being undertaken on any of the City premises or worksites and have been prepared for the Contractor's benefit. Contractors must indicate acceptance of the provisions of the handbook, as a precondition to beginning any work on the City's premises or worksites.

**Note:** *Contractor is defined as a person/s engaged by the City for the purpose of performing work or providing a service, where that person is not engaged as an employee. The engagement can be by a written contract or pursuant to an oral request. This includes contractors, sub-contractors and their employees who are doing work for the benefit of the City.*

### **CONTRACTOR MANAGEMENT REQUIREMENTS**

At all-times, Contractors must ensure that the following minimum criteria is achieved:

- Compliance with *Occupational Safety and Health Act 1984 (WA)* and all associated regulations, generally accepted industry practices and other applicable federal and state legislation.
- that Contractors are aware of their responsibilities and obligations to comply with all of the City's safety, health and environmental policies & procedures, and all individual site requirements while working at the City's sites;
- Maintain a working environment that ensures the safety and health of all their employees and other persons at that place of work;
- Minimise disruptions to the daily running of the City's activities;
- Familiarise themselves with the site/s on which they are working;
- Familiarise themselves with, and comply with, all legal requirements, including risk assessments, licensing and certificates.

### **NON-COMPLIANCE BY CONTRACTORS**

In the event the City (acting reasonably) determines that the contractor is not to its satisfaction meeting the requirements outlined within this handbook, depending on the severity of the non-compliance, the City may:

- Refer the matter for investigation to a responsible City officer or third party;
- Issue the contractor with a verbal or written warning, and direction to take immediate remedial action; and
- Direct the contractor to cease work until the matter has been rectified to the satisfaction of the City, and the worksite and/or procedures are considered safe.

Refusal or failure to comply with the City's remedial direction or a non-compliance of such a serious nature that it is incapable of remedy may result in one or all of the below:

- Termination of the contract due to a material breach of contract;
- Removal of the Contractor from the City Preferred Contractor List;
- Reporting to WorkSafe WA, depending on the severity of the breach.

## **SAFETY AND HEALTH MANAGEMENT**

Before any Contractor can begin any contracted works for the City, the Contractor must: Complete the City's Occupational Safety and Health assessment process through the City's Rapid Contractor Management System (RCMS);

- Ensure (where appropriate) it's employees and it's sub-contractors and employees have completed the City's online OSH induction through Rapid;
- Complete the appropriate documentation for the scope of works in accordance with the requirements outlined in the handbook document; and
- Ensure (where appropriate) that their employees or subcontractors have completed the City's premises or worksites site inductions.

Note: During the tendering/quoting process, the contractor is required to provide details of requested, specific documentation such as ACN/ABN, Insurances, Licences and Registrations, Creditor Banking Details, OSH Prosecution and Safety Management documentation.

## **OSH ASSESSMENT**

The OSH assessment process requires contractors to submit for assessment all appropriate certificates, licences, insurances and safety documentation the City deems applicable to the contracted works.

The contractor must assign an administrator for the contractor management system, who will be responsible for:

- Completing the OSH assessment process; and
- Administering passwords to enable its employees and sub-contractor employees to complete the online induction.

Re-submission of certificates of insurance is mandatory on an annual basis and the system will request this electronically. Not completing this may result in all works being suspended and the contractor will be unable to induct their employees and sub-contractors through the online induction process.

## **CONTRACTOR OSH INDUCTIONS**

### **ONLINE INDUCTIONS**

The on-line OSH induction is made available on completion of the OSH assessment process.

At the end of the induction, the contractor must print the completed induction certificate, sign and carry the certificate as evidence of completing the induction on all of the City's worksites.

A Contractor's employees or sub-contractors that are unable to provide this certificate will be removed from site until evidence can be provided.

Inductions are valid for three years.

## **AREA SPECIFIC INDUCTION**

Where a contractor's employees or sub-contractors are working within the City's operational area, then an area specific induction must be completed to advise of local area check in and check out processes, emergency procedures and site specific hazards.

The City's Responsible Officer shall ensure that this is provided before work commences and records shall be maintained on site. This will be audited from time to time by the City's Health, Safety and Injury Management Advisor.

## **SECURITY**

### **SECURITY CARDS AND ACCESS KEYS**

Where applicable to the scope of works, the City's Responsible Officer and Contractor shall determine where and when security cards and access keys are required.

Contractors issued with security cards and access keys must ensure these are returned as agreed, based on the needs of the work.

Lost or stolen security cards and access keys should be reported immediately to the City's Responsible Officer, and the replacement cost shall be charged to the contractor.

## **EQUIPMENT, TOOLS AND MATERIALS**

The City will not at any times be responsible for the security or protection of contractor's equipment, tools and/or materials unless explicitly determined within the terms of the contract and agreed that the City provide or allocate a location for these to be stored.

Where temporary storage of equipment, tools and/or materials is allocated at City Operations' Works Depot, the Manager Operations, shall be consulted prior to lay down with the contractor being responsible for ensuring that any lay down area is kept in a clean, safe condition.

## **PERMIT TO WORK**

In circumstances where the requirements of a Contract require the Contractor to have management or control of the worksite, the Contractor must have a comprehensive Permit to Work system in place. This will be assessed as part of the Rapid assessment and contract/tender processes.

## **HOT WORK**

Prior to commencing work which; generates heat, flame or sparks in any area other than a designated hot work area, requires a Hot Work Permit.

The contractor must submit a risk assessment for the work in conjunction with the Hot Work Permit. The risk assessment and permit must address as a minimum the following items:

- Flammable atmosphere and materials
- Explosive environments

- Fire alarm isolation and reinstatement (where required)
- Fire Watch

On approval, the contractor shall ensure they comply with the requirements set out in the permit.

At the completion of the work, the Hot Work Permit must be signed off by the City's Responsible Officer.

## **CONFINED SPACE ENTRY**

Entry into a Confined Space or Restricted Work Space listed in the Confined Space Register requires a confined Space Entry Permit. If the work involves hot work, an additional Hot Work Permit is required.

As a minimum, contractors that are involved in working in confined spaces shall ensure compliance with the *WA Occupational Safety and Health Regulations 1996*, Australian Standard 2865 and the Confined Space Entry Permit.

Only persons trained in confined space entry can undertake work within a confined space.

At the completion of the work, the Confined Space Entry Permit must be signed off by the City's Responsible Officer.

## **EXCAVATION**

Any excavation which exceeds a depth of 300mm, requires an Excavation Permit.

The Excavation permit must be supported by a Safe Work Method Statement with any other additional information such as "Dial Before You Dig" information, Pot Holing Method and/or service survey.

The contractor shall allow a minimum time of 10 days for approval. This allows the City to review its internal information for services not included in "Dial Before You Dig" or obtain further information.

At a minimum, the contractor should ensure all excavation works are completed in accordance with the *WA Occupational Safety and Health Regulations 1996* and Code of Practice for Excavation.

At the end of each day the contractor must ensure that the excavations are made safe either by back filling or by placing appropriate barricading and signage in place to prevent other persons from entry.

## **WORKING AT HEIGHT**

Where a person will be required to work above two metres, then a Working at Heights Permit is required. The contractor must also provide a safe work method statement which outlines how the risk will be managed, including the training requirements for employees.

The Contractor is responsible to undertake a site review, which must be completed prior to preparation of the Working at Heights Permit.

Contractors are responsible for provide workers with harnesses and lanyards complying with AS/NZS 1891, ladders complying with AS1892 and ensure that they are in good condition and other risks have been identified i.e. contact with electrical equipment.

Where access and anchorage points are not available the contractor must ensure that other appropriate controls are in place in accordance with the WA Occupational Safety and Health Regulations 1996 and Code of Practise for Prevention of falls at workplaces, including:

- Edge protection
- Scaffolding
- Elevated Work Platforms

Scaffolding shall be constructed in accordance with AS4576. Scaffolding which exceeds a height of four metres can only be erected, altered or dismantled by a certified scaffolder.

Where an elevated work platform is to be used, the contractor must ensure the appliance is in good working order and that the person using the appliance has the appropriate level of training.

- EWP > 11 metres – High Risk Work Licence (Licence Class - WP)
- EWP < 11 metres – Verification of Competency

All areas where work at height is being conducted and there is risk to people from dropped objects, appropriate barricading with adequate signage indicating the hazards shall be installed.

## **ISOLATIONS**

Interruptions to services must be kept to a minimum during business hours and then only at such times as agreed to by the City. An Isolation Permit is required when isolation of electricity, gas, water, data and communication source is disconnected from the service, plant or equipment prior to servicing, repair or routine maintenance.

At the completion of work, the contractor's designated responsible person shall coordinate with the City's Responsible Officer to ensure that all persons have been removed from the work area before re-instatement or testing of the equipment.

## **LOCKING DEVICES AND PERSONAL DANGER TAGS**

The City shall make available locking devices and personal danger tags where practicable.

Only the individual whose name is on the personal danger tag may place or remove these items from the designated lock out point.

Where a Contractor's employee has left site and a locking device and/or personal danger tag has been left on, the contractor's designated responsible officer shall make reasonable effort to confirm the location of the employee, and request the person return to remove these items. Where the location of the individual is known and not practicable for the person to return, the City's Responsible Officer and contractor designated officer shall determine removal.

## **FIRE SYSTEM ISOLATIONS**

On occasions where the fire system requires isolation, the permit shall cover only one working day except in exceptional circumstances such as working at night, or where a building is isolated from the fire detection system altogether, with the system being re-instated at 5.00pm on that day, as no building may remain isolated overnight.

## **EMERGENCY WORK**

Where a contractor is required to undertake emergency repair work outside of normal working hours, the City Assist Team shall be the designated City's Responsible Officer for the contractor.

City Assist maintains a list of emergency contractors in consultation with Building Maintenance area.

## **SAFETY MANAGEMENT PLANS**

Where the works involves construction work as defined by the *Occupational Safety and Health Regulations 1996 (WA)*; where five or more persons are or are likely to be, a Safety Management Plan must be prepared and approved by the City.

The Main Contractor must ensure the Safety Management Plan is submitted to the City at least 2 weeks prior to the commencement of works on site. The City will review and approve all Safety Management Plans before any work can commence.

## **RISK ASSESSMENTS**

The contractor shall ensure that appropriate method of risk assessment is completed for the scope of works.

## **SAFE WORK METHOD STATEMENTS (SWMS)**

The contractor shall ensure that work which is defined as high risk construction work within the *Occupational Safety and Health Regulations 1996 (WA)*, that a SWMS is prepared and provided to the City Responsible Officer for review prior to the commencement of works.

## **JOB SAFETY ANALYSIS (JSA)**

Where the work is not high risk construction work, then the contractor must ensure that a JSA is prepared and provided to the City Responsible Officer for review prior to the commencement of works.

## **INCIDENT REPORTING**

Incidents involving injury, damage, or loss, must report immediately to the City Responsible Officer. The contractor is responsible for providing first aid, medical and/or injury management to any parties involved in the incident.

The contractor is responsible for undertaking a comprehensive investigation of the incident, providing the City with a detailed report on the incident, corrective actions required to mitigate re-occurrence and notifying the appropriate authorities where required.

## **FIRST AID**

The Contractor is responsible for ensuring adequate first aid supplies are available for the work, and a suitably qualified person is available on site.

## **HAZARDOUS SUBSTANCES**

Where a contractor requires a hazardous substance be used on site, they must ensure that a current Material Safety Data Sheet (MSDS) for each hazardous substance is available at the point of use and applicable controls are listed in the task specific JSA or SWMS.

Where the volume of hazardous substance exceeds the quantities for transport of dangerous goods by road or rail, then the contractor is responsible for appropriate storage and handling in accordance with the appropriate Australian Standards.

For construction sites, any hazardous substances on site must be listed in the site hazardous substance register.

## **ASBESTOS MANAGEMENT**

The City has an Asbestos Materials Register (AMR) and Asbestos Management Plan (AMP). The City Responsible Officer will advise the contractor of the location of any known asbestos at the worksite in relation to the works. The contractor, if not informed, must seek the information from the City Responsible Officer.

Removal of asbestos containing materials shall only be carried out by a licensed Asbestos Removalist. Asbestos removal contractors shall comply with the requirements of the Code of Practice for safe removal of asbestos and their licence arrangements.

If a contractor comes across any other material that is suspected of containing asbestos they shall cease all works and report it to the City's Responsible Officer immediately.

## **POLYCHLORINATED BIPHENYLS (PCBS)**

Contractors must assume that PCBs are present in any building built prior to 1980, although their importation and use was banned in the mid-1970s. PCBs can be found in transformers, capacitors, electrical motors, welders and fluorescent lights. Equipment containing PCBs are usually not labelled.

PCBs are a hazard to health and to the environment. They are classified as controlled waste under the Environmental Protection (Controlled Waste) Regulations 2004 and as a dangerous good under the Australian Dangerous Goods Code.

Contractors must consult with the City Responsible Officer to ascertain the age of the building for any refurbishments or demolition work which includes electrical equipment. Contractors must handle and dispose of PCBs according to WorkSafe guidelines on PCBs. This will require the use of relevant spill kits, PPE, proper methods for storage and correct procedures for their disposal.

A waste disposal certificate must be provided where PCBs have been removed and disposed of as part of the works.

## **TOOLS, EQUIPMENT AND MACHINERY**

Tools, equipment and machinery to be used for the contracted work are to be supplied by the Contractor.

Such tools, equipment and machinery shall be adequately designed for the task to be undertaken and maintained in good condition and inspected/licensed in accordance with appropriate statutory requirements or standards.

Where appropriate the operator shall hold an appropriate license or certificate.

## **MOBILE PLANT**

All contractor mobile plant shall meet the requirements of the *Occupational Health and Safety Regulations 1996 (WA)*, a daily pre-start inspection must be completed and personnel operating mobile plant shall hold the appropriate qualifications or certificates of competency.

## **PERSONAL PROTECTIVE CLOTHING AND EQUIPMENT**

Contractors shall ensure that the personal protective clothing and/or equipment is provided for their employees and is in accordance with legislation and comply with the relevant Australian Standard.

Contractors shall wear specific protective equipment in certain sign-posted areas. Protective clothing and equipment shall be maintained in good condition.

## **SKIN PROTECTION**

When working outside, contractors shall comply with the City's Skin Protection Policy (D11/232 v\*) which includes:

- Long sleeved shirts and pants;
- Use of a wide brimmed hats or neck covers;
- Application of sunscreen;
- Appropriate water supply, shade and rest breaks.

Contractors shall wear specific protective equipment in sign-posted areas. Protective clothing and equipment shall be maintained in good condition.

## **HOUSEKEEPING**

The contractor is required to maintain the worksite to ensure additional hazards do not present a risk to others. The contractor shall ensure that throughout the day and at the end of the work, all waste, materials and tools are maintained in a tidy manner or removed.

## **TRAFFIC MANAGEMENT**

Where the work is within a pedestrian trafficable area, the contractor must ensure that appropriate barricading and signage is installed to prevent access by others i.e. members of the public, employees and visitors.

Where the work is within a road reserve, the contractor must develop and implement an appropriate Traffic Management Plan.

## **DEMOLITION MANAGEMENT**

Where the works involve the demolition of a structure, then the contractor is responsible for developing a demolition plan in accordance with the Australian Standard AS2601.

These will be reviewed and approved by the City's Responsible Officer.

## **NOISE AND VIBRATION MANAGEMENT**

Where the works is likely to generate noise and/or vibration which will impact on the community, then the contractor is responsible for developing a construction noise and vibration management plan in accordance with Australian Standard AS 2436.

These will be reviewed and approved by a City of Kwinana Environmental and Health Services Team.

## **OCCUPATIONAL NOISE**

Contractors shall take all practicable precautions to minimise noise resulting from the works.

Unless otherwise agreed to with the City Responsible Officer, work that is likely to exceed the normal office operating levels shall be undertaken outside standard working hours as co-ordinated by the City Responsible Officer.

Where the contractor employees are exposed to noise above the action level set out in the *Occupational Safety and Health Regulations 1996(WA)*, the contractor must ensure appropriate personal protective hearing protection is provided.

## **ENVIRONMENTAL MANAGEMENT**

Contractors shall seek to avoid, minimise and control any impacts on the natural and built environment.

Due diligence is required from contractors. They need to, as a minimum:

- take all reasonable steps to prevent pollution and protect the environment;
- ensure that all necessary pollution control measures are in place and are regularly checked and maintained to minimise the risk of an environmental incident;
- show that everything that could have been done to prevent an incident from occurring has been done.

## **3.4 CHANGE MANAGEMENT STANDARD**

### **(OUTSIDE THE CAPITAL APPROVAL PROCESS)**

#### **INTRODUCTION**

##### **Purpose**

The purpose of this standard requirement is to ensure changes that have a reasonable potential to impact health and safety are effectively risk managed to eliminate or mitigate risks and ensure health and safety regulatory, certification and council requirements are able to be maintained prior to implementation of the change.

##### **Change Management**

Change is defined as an addition, revision, deletion, modification or replacement that is not "Replacement in Kind". Examples of change include, but are not limited to the following:

- Deviation from a set work process or instruction
- Modification of a component on an item of plant or equipment
- Addition or introduction of new plant, equipment or related software
- Replacement of plant and equipment with different ratings, speeds, physical displacement, weight and operating features
- Changes to temporary or permanent works design

"Replacement in Kind" is an identical exchange or replacement of equipment or skilled persons such that there would be no change in anticipated performance or results. Change does not occur when variations to plant, equipment, processes and people are within designed or agreed boundaries or tolerances. The change management process is used to ensure:

- New or existing work areas, processes, plant, equipment, material or substances are not adversely affected by the change
- All required changes are managed through a risk management process that is relevant to the type of change.

#### **ACTIVITIES THAT BRING ABOUT CHANGE**

There are various activities that can bring about change within council and they can be both reactive and proactive as listed below:

- Risk and opportunity analysis and audit outcomes
- Issue resolution, incident investigation findings and emergency situations
- Design and engineering modifications
- Modifications to plant, equipment or substances
- People management, for example communications, consultation, records and competencies
- Changes to legislation, regulation, responsibilities, authorities and accountabilities
- Rescheduling of activities
- Unscheduled reallocation of staff or plant resources
- Adverse weather conditions

##### **Tools To Assist Change Management**

There are various processes and forms that support risk analysis, management and communication of change.

These include, but not limited to:

- Design Change,
- Project Risk Assessment,
- Safe Work Method Statements,
- Plant Hazard Assessments,
- Chemical Risk Assessments,
- Capital Approval Process.

Consultation is necessary so workers affected by the change, may express their opinions on whether the change is warranted and how things may best be arranged and carried out to effectively implement the change.

## **EMERGENCY CHANGES**

Where changes are required to be carried out in an emergency or because of an emergency, the basic change management processes are still to be followed. In line with the urgency for an emergency change, the worker proposing the change (if competent) or a competent worker must carry out a documented risk assessment on the change to:

- Identify the potential hazards,
- Analyse the level of risk involved,
- Determine controls required to implement change under the emergency conditions.

## **AUTHORISING CHANGES**

The levels of approval for changes to policy, management systems and processes are:

At the Policy Level:

- Chief Executive (in consultation with the Executive leadership team) where it affects the Council as a whole; or
- The Executive Leadership team where it affects the operational requirements of the City.

At Management Systems Level:

- Relevant worker nominated to authorise change to the specific management systems.

At Procedural and Task Level:

- Relevant worker nominated as responsible for the documented process can change that document, approval is by the relevant worker's supervisor.
- A manager within their relevant area of responsibility and their level of authority can authorise change to a site based process, if no documented process is in place.

Changes to Plant or Equipment:

- Manager or designate, for an item of plant or equipment can authorise change to the item only with the manufacturer's, supplier's, designer's and/or an engineer's approval, as applicable. Retraining or familiarisation may be required for plant and equipment following change.

Design or Engineering Change:

- Engineering Change needs to satisfy the requirements of relevant legislation, design authority, any applicable design specifications and shall require technical approval from the manufacturer, supplier, designer and/or an engineer approval, as applicable.

Emergency Change:

Manager or incident controller to authorise emergency change.

## **3.5 TRAINING AND SUPERVISION**

### **INTRODUCTION**

#### **Scope**

This Standard applies to all City operations.

#### **General**

Training and supervision is provided to ensure employees or embedded contractors are:

1. Adequately trained in how to use the elements of the Safety and Health Management Standard as it applies to them.
2. Adequately trained in safety specific topics e.g. hazardous substance handling, work at height, first aid, confined spaces, etcetera so they may carry out their role appropriately.
3. Adequately trained in the use of all-relevant equipment, materials, substances, and personal protective equipment.
4. Either competent to carry out their work or are supervised by a person who has appropriate knowledge and experience to ensure that they are doing the work safely until they are deemed competent to work unsupervised.

### **INDUCTION TRAINING**

All new employees, embedded contractors and volunteers, will complete a safety and health induction. This induction is ideally completed within approximately the first week of employment. The Induction covers the following topics:

- Occupational Safety and Health Policy and Policy Statements (D16/34075 v\* & D16/34076 v\*)
- Responsibilities
- Emergency procedures
- Incident reporting
- Hazard Management (general and job specific hazards)
- Any work authority requirements including, Confined Space Permits, Permit to Work
- Personal Protective Equipment
- Employee Participation

The employee/embedded contractor/volunteer and responsible officer jointly sign the induction checklist, which is kept on the employees/embedded contractors/volunteers file as a record of the induction. Additionally, the induction for embedded contractors is entered into the Rapid Software system.

### **SPECIALIST SAFETY TRAINING**

External training providers shall be used for training in specialist high risk areas or where training is a regulatory or pseudo regulatory requirement. Examples include:

- Certified Handler
- Working at Heights
- Working in Confined Spaces
- Safety and Health Representative
- First Aid
- Other areas that involve significantly hazardous situations

All specialist high-risk training shall be delivered to ATQF Standard level where available.

### “ON THE JOB TRAINING”

When a new employee or volunteer starts or transfers to a different role in City, they will be supervised until deemed competent to work unsupervised. This is to ensure that they are safe. The process for this is as follows:

Activity	Responsibility	Process
Complete health and safety induction	Manager or Team Leader	Work through induction checklist
Introduce new employee/embedded contractor/volunteer to team	Manager or Team Leader	This is done to ensure everyone knows they will be learning and not yet competent in the role
Manager or Team Leader to assign suitable buddy to new employee/volunteer D09/11909 v*	Manager or Team Leader	Suitable buddies must: <ul style="list-style-type: none"> <li>▪ Have suitable experience in the role that they are buddy for</li> <li>▪ Have good communication and people skills</li> </ul>
Buddy to supervise new employee /volunteer through basic operational on-job training	Buddy (overseen by Manager or Team Leader)	This process includes reading operating procedures and ensuring practical application is followed through
Team Leader, assessor and new employee meet to discuss competence in role	Manager or Team Leader	This discussion includes: <ul style="list-style-type: none"> <li>▪ Progress to date</li> <li>▪ Challenges they have had</li> <li>▪ Areas they need more assistance in</li> </ul>
Employee assessed – is the employee competent?	Manager or Team Leader	Yes: put employee onto regular duties No: Options available: <ul style="list-style-type: none"> <li>▪ Continue training with buddy</li> <li>▪ Reassess buddy for suitability</li> </ul>
New employee is put into regular duties	Manager or Team Leader	

## **Training Records and Refresher Training**

All training records will be entered into HR Skills and Course register and any refresher requirements will be managed by HR through the system.

## **3.6 HEALTH AND WELLBEING**

### **INTRODUCTION**

#### **Purpose**

The City is committed to building and maintaining a workplace environment and culture that supports healthy lifestyle choices, increasing worker knowledge and awareness of health and wellbeing issues and healthy lifestyle behaviours. The City will facilitate workers active participation in a range of initiatives that support health and wellbeing.

#### **Objectives**

The City will:

- Promote flexible working arrangements where possible, to encourage healthy behaviours e.g. flexible lunch break for more time to exercise. (HR Policy – Work Flexibility - D09/30391 v\*)
- Encourage staff to be more physically active by making provisions in the workplace for activity opportunities, including reducing sitting time where relevant and practical e.g. standing desks.
- Promote a smoke free workplace environment and support staff to quit smoking. (HR – Policy – Smoke Free Workplace – D20/44934 v\*)
- Promote staff social and emotional wellbeing through workplace practices, guidelines and procedures.
- Provision of an Employee Assistance Program (EAP) a free, confidential counselling service to assist staff experiencing personal or work related issues.
- Access to the Recquatic Centre to provide staff with support to improve physical fitness. (HR – Policy – Recquatic Gym Membership for Staff)
- Annual Skin Cancer checks.
- Annual flu shots.
- Increase staff knowledge and awareness around key health topics, including the risks of alcohol consumption. (HR – Drug and Alcohol Package including Health Rehabilitation Contract)
- Creating and supporting a workplace health and wellbeing yearly plan.
- Consulting with staff to ensure workplace health and wellbeing meets the needs of the workforce.
- Supporting employee participation in health and wellbeing activities, including allowing activities that may be held on work premises during and/or outside of work hours where applicable e.g. Spring-Tivity
- Supporting employees to adopt and maintain healthy behaviours and decrease unhealthy behaviours.
- Increase worker knowledge and awareness of health and wellbeing issues.
- To facilitate staff active participation in a range of initiatives that support health and wellbeing.
- Encourage staff to provide input into health and wellbeing initiatives.

## **RESPONSIBILITY**

Staff are encouraged to:

- Understand these guidelines and seek clarification from the Human Resources department, their supervisor or OSH Committee, where applicable.
- Consider the guidelines while completing work-related duties and at any time while representing the City
- Support fellow staff in their awareness of these guidelines.
- Support and contribute to City's aims of providing a safe, healthy and supportive environment for all staff.

Managers / Team Leaders have a responsibility to:

- Ensure that all staff are made aware of these guidelines.
- Actively support and contribute to the implementation of these guidelines, including its goals and objectives.
- Communicate Health and Wellbeing activities to members on their team who do not have access to emails, the intranet and/or computers.

### **Communication**

The City will ensure that:

- These guidelines are easily accessible by all employees of the City.
- Staff are informed when a particular activity aligns with these guidelines.
- Staff are empowered to actively contribute and provide feedback to these guidelines.
- Staff are notified of all changes to these guidelines.

### **Monitoring and Review**

The City will review these guidelines twelve months after implementation and annually thereafter. Effectiveness of these guidelines will be assessed through:

- Feedback from staff and the Occupational Safety and Health Committee.
- Review of the guidelines will determine if objectives have been met and to identify barriers and enablers to ongoing guideline implementation.

## **3.7 EXPOSURE AND HEALTH MONITORING**

### **INTRODUCTION**

#### **Purpose**

To provide a framework for the identification of Exposure and Health Monitoring, assessment, control, and monitoring of health related risks to prevent illness to all workers.

#### **Scope**

This standard shall apply to all City operations. It is to be used as a guide in the identification and management of exposure and health related monitoring that could negatively affect a worker or other third party.

### **EXPOSURE AND HEALTH MONITORING**

Health monitoring, or health surveillance, in the workplace refers to the health monitoring of employees where there is a risk to health from exposure to certain hazardous substances and

environmental exposure such as noise. The legislation requires PCBU's to identify, quantify and manage hazards in the workplace. Health surveillance in WA must be supervised by an Appointed Medical Practitioner, such as Work Health Professionals' Occupational Physicians or a suitably competent person. An employer has the responsibility of providing health surveillance at no cost to their employees, and to appoint a medical practitioner to supervise health monitoring for their employees. The PCBU must ensure that health surveillance is carried out in accordance with the *Occupational Safety and Health (OSH) Regulations 1996*. (Regulation 5.1. defines "health surveillance" and regulation 5.23 requires an employer, main contractor or self-employed person to provide health surveillance to a worker in relation to hazard substances.)

Monitoring does not replace the need for control measures to reduce exposure. Exposure monitoring is done by having workers wear personal monitoring equipment as they do their job. It can also be done periodically or without having workers wear monitoring equipment under some circumstances (e.g. to test the effectiveness of controls such as noise levels).

**Examples of exposure monitoring include:**

- Monitoring the level of noise a worker is exposed to;
- Monitoring the air a worker breathes to check how much of a substance they are being exposed to;
- Testing workers' blood or urine for the presence of a harmful substance or the by-products (metabolites) of a substance (called biological exposure monitoring).

## **HEALTH MONITORING**

A pre-employment health assessment will be completed for all new permanent Employees who work at the City. The purpose of the pre-employment health assessment is to assess prospective Employee's medical capacity to safely complete work tasks, and records benchmarking for on-going health surveillance. The assessment is part of the recruitment process prior to offer and commencement of employment.

The City operates a three tiered pre-employment health assessment process.

1. High Risk - Occupations working on high-risk operational sites will undergo a medical examination via the City's approved medical provider. This may, at the discretion of the City, include a physical capacity assessment. (Employees domiciled at the City Operations Centre will be required to undergo audiometric testing).
2. Low Risk - For lower risk permanent Employees e.g. office based staff, a basic pre-employment health assessment will be undertaken by the City's approved medical provider
3. Staff Employed on a casual basis will complete a series of questions regarding the Employee's health status.

Note: Employees in tiers 1 and 2 will also undertake a pre-employment drug and alcohol test via the City's approved medical provider.

To ensure that the City maintains a current understanding of health assessment requirements, it will review the pre-employment health assessment requirements (based on exposure to hazards) as part of the Safety and Health Framework review.

### **Responsibilities – Recruitment staff**

- Ensuring any recruitment activity for permanent roles (both new and existing) that the medical provider engaged is provided with the necessary documentation to undertake the pre-employment medical assessment (noting the above listed categories).
- Where available, provide the medical provider with a job dictionary of a specific role from the library of dictionaries prepared by degree qualified experts.
- For staff domiciled at the City Operations Centre and who have undertaken an audiometric test on commencement with the City, that a copy of the test results is also issued to the employee.

### **Responsibilities – Health, Safety and Injury Management Advisor**

- When advised of any sub-optimal results relating to an exposure assessment :
  - Conduct an investigation, seeking specialist advice where relevant
  - Reviewing the effectiveness and suitability of existing hazard controls. Review findings with senior management, management and employees.

### **Responsibilities - Manager/Coordinator/Team Leader:**

- Ensuring that employees are released from work in order to participate in the health monitoring program or assessment.

## **POST CRITICAL EVENT HEALTH TESTING INCLUDING SUB-OPTIMAL TEST RESULTS**

This process will be used when one of the existing reporting systems is inadequate to meet the needs of the organisation or event. It will ensure the appropriate management after any critical event, gradual process or incident involving exposure to an actual or potential health risk, for example an adverse chemical exposure.

### **Post Critical Event Health Testing Procedure**

<b>Refer:</b>	The exposed employee for medical/rehabilitation assessment.
<b>Conduct:</b>	An investigation, seek specialist advice as appropriate.
<b>Review:</b>	The hazards and any risk associated with the incident, e.g. hazard register, controls, health and environmental monitoring.
<b>Review:</b>	Any sub-optimal results relating to the medical assessment. Give consideration to the medical and vocational needs of the injured employee and identify actions arising. Establish a plan for rehabilitation if relevant.
<b>Update:</b>	The hazard register and/or relevant documentation or processes.
<b>Feedback:</b>	Findings to the Manager Human Resources, management and nominated employees as appropriate.

## 3.8 THREATENING, ABUSIVE, AND INTIMIDATING BEHAVIOUR

### INTRODUCTION

#### Purpose and Statement

The City has **zero tolerance** for threatening, abusive or intimidating behaviour in circumstances related to work, including commuting to and from work. The City recognises such behaviour to staff by members of the public (MOP), may cause real challenges to the safety, wellbeing or health of staff or others, and that verbal and other forms of non-physical behaviour have the potential to escalate to physical violence. The City will ensure measures are in place to:

- Report the occurrence of such behaviour (via the Incident reporting process);
- Report (to applicable party/agency) and if required, investigate incidents of such behaviour;
- Provide appropriate training and procedural guidance to equip staff with the knowledge and skills to avoid, de-escalate, and to cope with such incidents.

#### Scope

This procedure applies to all employees of the City.

#### Definitions

Threatening, abusive and intimidating behaviour includes the following activities that are likely or intended to cause alarm, harassment, intimidation, or distress:

- Threatening or abusive words, language, or disorderly behaviour
- Digital communication including texts, emails, social media posts, voicemail messages
- Displaying any writing, signs or other visible representation likely to cause offence
- Physical conduct that threaten or attempt to cause physical harm.

These activities could result in:-

- An injury or disease of a person;
- Damage to equipment or infrastructure;
- Loss of service, capacity to operate or material item; and
- Behaviour which is perceived as unacceptable.

### PROCEDURES

1. It is recognised that all City staff working areas that involve direct contact with the public face potential exposure of the risk of abusive, threatening and intimidating behaviour. Each area of the City will maintain in place procedural guidance for staff on the prevention and de-escalation of such behavioural incidents.
2. Incidents of abusive, threatening or intimidating behaviour will be reported through the City's normal mechanisms for reporting health and safety related incidents.
3. The risks associated with abusive, threatening or intimidating behaviour will be regularly assessed and the measures in place for mitigating such risks reviewed.
4. Appropriate quality training will be provided for staff, including (but not limited to), customer services skills, communications skills and Dealing with Difficult Customers and Challenging Members of the Public.

5. Appropriate support will be available for staff through the Employee Assistance Programme (EAP), Human Resources Team and Health, Safety and Injury Management Advisor.

## 3.9 SKIN PROTECTION

### INTRODUCTION

#### Purpose

The City the goal of **zero harm** for its employees (regardless of employment status and will encompass contractors and volunteers) ; this includes minimizing the risk of potential harm associated with exposing skin to the elements, such as harmful effects of Ultra Violet Radiation (UVR) and the transmission of diseases from insect bites.

The City has developed a policy that aims to provide ongoing organisational support to the well being of staff working outdoors to protect them from these harmful effects. (OSH – Policy – Skin Protection D11/232 v\*).

### THE CITY'S COMMITMENT

- The City will reduce staff exposure to these harmful effects by requiring the use of sun protection measures, such as; the Five Minute Rule, dress requirements, sun-screen and transmission of disease by insect through use of repellents.
- The City recognises that supervision of outdoor workers and monitoring of the use of sun protection measures and insect repellent is required to ensure compliance.
- The City will ensure injury reporting procedures are followed when an incident of sunburn or excessive exposure to UVR occurs in the workplace.
- The City recognises that a combination of sun protection measures, which includes; providing shade where possible, if practicable change work hours, provide protective clothing and equipment like long/long clothing and sunscreen.

### RESPONSIBILITIES

#### Management responsibilities

- Managers and Team Leaders are accountable under the *Occupational Safety and Health Act 1984* for implementing this procedure in their area of responsibility and must ensure that staff under their control are compliant and educated in the hazards of working in an outdoor environment.

#### Workers responsibilities

- Must take reasonable care for their own safety and health ensuring that their work does not adversely affect the safety and health of other persons.
- The *Occupational Safety and Health Act 1984* requires employers to provide appropriate personal protective clothing and equipment (PPE) when the use of such is identified to control risks.
- PPE includes: Long sleeved shirts, long pants. A wide-brimmed hat (or equivalent) must shade the face, head, ears and neck, and hard hats will require a neck flap attachment. Sunscreen will be supplied by the City.
- Co-operate with all safety measures introduced, to minimise the risks associated with exposure to solar UVR and insect bites.

## **3.10 FITNESS FOR WORK**

### **INTRODUCTION**

#### **Purpose**

The City recognises that it has a responsibility to fulfill obligations under Work Health and Safety Legislation to ensure the health, safety and welfare of employees, contractors (including labour hire and temporary employees), volunteers, work experience personnel, and other workers in the workplace. The OSH policy has been developed to outline the responsibilities of the City and all employees in meeting this “Duty of Care” (D09/30417 v\*).

Please note: this policy should be read in conjunction with the City’s Occupational Safety and Health (OSH) policy (D16/34075v\*) and the Drug and Alcohol policy (D16/74900 v\*).

#### **Scope**

The term “Fit for Work” means that an individual is in a state of mental, physical and emotional health to competently complete the inherent tasks of their position, and in a manner which does not negatively affect or threaten the safety of themselves or others.

An individual’s fitness for work can be affected in a variety of ways including, but not limited to: illness, injury, fatigue, stress, alcohol, drugs and emotional or behavioural issues. These factors may lead to an increased likelihood of workplace incidents or injuries.

The City adopts the approach that early intervention in such issues can assist people to deal with the situations which may otherwise place at risk their own, or others’ health and safety.

### **PRINCIPLES**

The guiding principles are incorporated into the normal management functions of the business and include the following:

- An employee must be in a fit state to undertake the inherent tasks of their role;
- An employer has a “duty of care” to ensure, as far as practicable, that all individuals are fit for work.

#### **These principles will be managed through:**

- The appropriate planning of work tasks;
- Defined responsibilities for Managers and employees;
- Education and training;
- Assessment of fitness for work;
- Management of assessment results;
- Management of employees who are unfit for work; and
- Disciplinary processes.

In addition to these principles, the City will endeavour to ascertain the cause and take preventative action for every accident (whether caused injury or not) that occurs and make changes to this policy, if need be, to prevent any reoccurrences.

## **DUTIES**

### **Safety and Health Duties**

The safety and health duties in relation to managing the risk of fatigue is that everyone in the workplace has safety and health duties to prevent and manage the risk of fatigue.

#### **Management**

Have a general duty to:

- Managers/Supervisors under work health and safety legislation have a responsibility for the health, safety and welfare of all individuals under their control.
- Managers/Supervisors are responsible for monitoring the fitness of employees reporting for work to ensure they are fit for work at the beginning of, and throughout the work day.
- If the Manager/Supervisor is of the opinion that an employee is at risk of injuring themselves or others then the Manager's/Supervisor's actions may include, but are not limited to:
  - Immediate and appropriate action to prevent injury to the employee or others;
  - Consult with employee regarding their behaviour, and seek feedback as to possible cause;
  - Maintain confidentiality of situation;
  - Providing information in relation to the Employee Assistance Program (EAP);
  - Standing the employee down on personal leave until medical advice/clearance is available;
  - Consult with Human Resources; and
  - Arranging for a work fitness assessment.

Note: For matters that relate to fit for work in relation to being under the influence of Drugs and Alcohol, refer to the **City's** Drug and Alcohol policy.

- Provide and maintain a working environment that is without risk to safety and health
- Provide and maintain facilities for the safety and health of staff at work
- Ensure that machinery and equipment is safe for staff
- Ensure adequate training to complete tasks
- Engage so far as reasonably practicable, with staff with respect to health and safety matters.

## Staff

Have a general duty to:

- Staff have a “duty of care” to take reasonable care as to not expose themselves or others to risks. It is the employee’s responsibility to ensure they commence at the beginning of each day, work throughout the day and finish the work day in a fit state.
- If an employee believes they have become “unfit” during any part of the workday they are required to report the situation immediately to their Manager/Supervisor.
- Employees who believe another employee is attending work not “fit for work” or witness a co-worker who is not “fit for work” are required to report the situation to their Manager/Supervisor.
- All employees are required to:
  - Maintain their individual fitness to allow them to meet the requirements of their position;
  - Attend work in a state which enables them to meet the requirements of their position;
  - Advise their Manager/Supervisor prior to commencing work, or as soon as they become aware of any issues that would affect or influence their ability to work in a safe manner, and
  - Report any situation to their Manager/Supervisor where they believe a co-worker may not be fit.
- Comply with reasonable instructions from the City’s management
- Cooperate with any safety and health policy
- Ensure they are adequately trained to completed the tasks and to identify risks associated with their work, this includes identifying the signs and symptoms of fatigue
- Attend any training on fatigue in the workplace to understand what the risks are and how to mitigate any such risks.

## **4. REPORTING & REVIEW**

### **4.1 INCIDENT REPORTING AND INVESTIGATION**

#### **INTRODUCTION**

##### **Purpose**

An incident is an event with actual or potential for injury, disease, damage or loss. The purpose of this procedure is to define the process to ensure that all Incidents which have the potential or may have resulted in harm to City employees, contractors, volunteers or visitors are reported and investigated so that the appropriate level of preventative and corrective actions can be implemented.

##### **An incident must be reported if:**

- Any incident involving injury/disease, damage to plant, equipment or building, environmental damage or spill;
- Any near miss where an injury, damage or environmental damage or spill could have occurred;
- Includes employees, contractors, visitors, volunteers, work experience personnel or members of the public.

The incident must be reported, as soon as possible, to the person responsible for the management of the works (director, supervisor, manager, contract owner or if applicable, and appropriate regulatory agency (e.g. Western Power)) AND directly to the City's Health, Safety and Injury Management Advisor.

##### **Scope**

This procedure applies to all City employees.

#### **RESPONSIBILITIES**

##### **Managers**

Business Unit Managers are:

- a) Responsible for the implementation and maintenance of this procedure for their Business Units.
- b) The investigation of the incident is the responsibility of the manager. (Noting, the manager may assign applicable employees to undertake the necessary investigation.)

##### **Managers, Coordinators/Supervisors and Team Leaders**

Managers, Coordinators/Supervisors and Team Leaders have a responsibility to:

- a) Ensuring this procedure is followed in their areas.
- b) Assigning investigators for simple investigations.
- c) Managing breaches of this procedure.
- d) Lead by example in terms of reporting and managing Incidents within their sphere of control.
- e) Seek advice on Incident management (as required.) by contacting the Health, Safety and Injury Management Advisor.

- f) Ensure all external parties working within a City Workplace comply with this procedure.
- g) Maintain Incident management records as required.
- h) Investigate Incidents as defined in this procedure.

## **Employees**

Employees have a responsibility to:

- a) Lead by example in terms of reporting and managing Incidents within their areas of work.
- b) Act according to the processes outlined in this document.
- c) Notify any absent hazard control, or failed hazard control (observation).
- d) Report safe behaviour, or unsafe behaviour (observation).

## **Health, Safety and Injury Management Advisor**

- a) Review and comment on investigations.
- b) Reporting and work flowing Incident documentation to the Directors, Managers, Coordinators/Supervisors and Team Leaders.
- c) Advise Managers, Coordinators/Supervisors and Team Leaders whether the Incident should be a full investigation or a simple investigation.
- d) Notification of notifiable events to WorkSafe Australia.

## **Safety Health Representatives**

On notification from the employer, to participate in an investigation of an incident in accordance with the incident reporting and investigation procedure.

Note: The Incident Reporting Form is D10/711 v\* and the procedure including process map can be located in the Promapp library – “Report an Incident”.

**Incident Management comprises the following elements:**

<b>Process Description</b>	<b>Notes</b>
<b>Assess Incident</b>	The first action when presented with an Incident is to assess the situation to ensure it is safe and then determine the immediate actions to occur.
<b>Manage Site where Incident occurred</b>	Determine the level of risk. Preserve the site.
<b>Notify Supervisor and HSIMA</b>	All Incidents must be reported to their Manager/Team Leader immediately, or no later than 24 hours after the incident AND the HSIMA.
<b>Notify Incident Management Team (if applicable)</b>	The Incident Management Team need to be notified if the consequences are likely to occur that are listed on the risk matrix as being shaded in red.
<b>Complete Incident Report</b>	Complete form D10/711 v*.
<b>Notify Appropriate Government Agency (if reportable)</b>	Is there a serious injury, illness or dangerous as per the <i>Occupational Safety and Health Act 1984</i> ? Did the incident involve an electric shock? If so, report to Appropriate Agency.
<b>Investigate Incident</b>	Incident investigation parties will be determined by the severity of the incident.
<b>Record details of incident and investigation</b>	Record all applicable details/information. Follow-up on identified actions. Follow-up on outstanding actions. Report on completed actions to relevant parties.

## **MANAGING THE INCIDENT**

### **Immediate Actions (Health and Safety or Asset Damage Incident)**

Immediate actions may be necessary where an Incident has the potential to cause or may have resulted in harm, and may include, but not limited to the following:

- Evaluate the scene and remove people from any immediate danger, if safe to do so.
- Provide First Aid or obtain Medical Assistance to any injured person/s.
- Make the area safe e.g. isolate equipment, evacuate the building.
- Secure the Incident site (as per legislative requirements if required). Do not disturb the Incident site unless for safety reasons - cordon off the area if possible.

- e) Where possible, obtain names and contact details of any witnesses within the area.
- f) Notify management relevant to the area of occurrence, and Health, Safety and Injury Management Advisor.

## **Reporting Incident**

**What to Report** - The following Incident types must be reported to management

- Incident – e.g. injury, illness, body discomfort, vehicle, spill
- Near Miss Incident
- Observation – e.g. safe practice, unsafe condition, unsafe practice, suggestion.

Reports are entered into CM9 by the Health, Safety and Injury Management Advisor.

## **Incident Recording**

The incident reporting form (D10/711 v\*) contains all the additional information required. The incident report is to be initiated within 24 hours of the incident and forward to the Manager/Coordinator/Supervisor/Team Leader and to the Health, Safety and Injury Management Advisor who will update the Incident register (contained in CM9) and work flow the necessary follow-up.

## **External Notifications**

Any incident that results in serious injury, illness or is dangerous as per the *Occupational Safety and Health Act 1984 (WA)* is a notifiable incident to be reported to **WorkSafe Australia**. If the incident involves electricity, then Western Power must be notified.

## **Investigate Incident**

The level of investigation required for an incident is determined by the potential severity of the Incident.

The City records the causes, outcomes and lessons learnt from an investigation on a specific template (Investigations Completed). The findings from these investigations are discussed at the Occupational Safety and Health Committee and at the Executive Leadership team meetings. (The City is currently assessing and formalising the process for investigating incidents to determine the “root-cause” of the incident. (Noting, further information will be updated in this document once determined)).

Investigations should be of adequate quality to identify root causes of the Incident and provide practical corrective actions to prevent future recurrence of a similar Incident.

## **Close Incident**

The Incident Owner is responsible for closing an Incident.

Prior to closure, the Incident Owner must check that all relevant fields in the Incidents Investigated table are completed, the corrective actions are entered, and a close out comment is recorded.

## **Monitor Recommendations**

Managers shall ensure that the people responsible for corrective actions have the necessary time and resource to complete the action by the agreed date.

## 5. DOCUMENT CONTROL

### DOCUMENT CONTROL – SAFETY AND HEALTH MANAGEMENT SYSTEM FRAMEWORK TIER 2

This page is to be used to track updates.

Changes will be made as necessary as per the process set out in the Safety and Health Management Framework Tier 2.

**Document Title:** Safety and Health Management Framework Tier 2

#### DOCUMENT CHANGE DETAILS

Date	Recent Amendments	Authority to Amend
October 2020	Document Creation	Executive Team

#### DOCUMENT CONTROL

The master copy of this document (for the purposes of document control) is held in CM9.

All printed copies of this Health and Safety Management System Framework Tier 2 and any related forms are uncontrolled.

Uncontrolled if printed.

## 6. RELATED DOCUMENTS

Details of documents discussed in this framework.

### Relevant Legislation

- *Occupational Safety and Health Act 1984 (WA)*;
- *Occupational Safety and Health Regulations 1996*

### Other Relevant Legislation

There is a variety of related legislation that also needs to be factored into the City's response to a crisis situation;

- *Dangerous Goods Safety Act 2004* provides for the list of approved codes of practice
- *Emergency Management Act 2005 (WA)*
- *Fair Work Act 2009 Cth.*
- *Environmental Protection (Controlled Waste) Regulations 2004*
- ISO 31000: 2009: Risk Management – Principles and Guidelines
- AS 2436:2010: Guide to Noise and Vibration Control on construction, demolition and maintenance sites
- AS 2601: 2001: The demolition of structures - summary
- AS 2865: Confined Spaces
- AS/NZS 4360: 2004: Risk Management
- AS/NZS 1891 Series: Industrial fall-arrest system and devices – Harnesses and ancillary equipment
- AS/NZS 4576:1995: Guidelines for Scaffolding
- AS/NZS 4804: 2001. Occupational health and safety management systems – General guidelines on principles, systems and supporting techniques
- AS/NZS 4801: 2001. Occupational health and safety management systems – Specification with guidance for use
- National Code of Practice for the Control of Workplace Hazardous Substances (NOHS:2007(1994))
- National Code of Practice for the Safe Removal of Asbestos 2<sup>nd</sup> Edition (NOHS:2002(2005))
- Code of Practice – Excavation (WA)
- Codes of Practice – First Aid Facilities and Services; Workplace Amenities and Facilities; Personal Protective Clothing and Equipment: 2002 (WA)
- Code of Practice – Prevention of falls from height at workplaces (WA)

## **INFORMATION**

Safety and Health information is available on:

WorkSafe WA (<https://www.safeworkaustralia.gov.au>)

Information regarding legislation is available on the website ([www.slp.wa.gov.au](http://www.slp.wa.gov.au)).

## **6.6 Adoption of the City of Kwinana Annual Report (including the full set of Audited Financial Statements) for the year ending 30 June 2020 and acceptance date set for Electors' General Meeting**

### **DECLARATION OF INTEREST:**

### **SUMMARY:**

The Audit Committee is to examine the Annual Financial Report, review any matters raised by the Auditor in the Management Report and ensure that appropriate action is taken in respect to those matters raised.

For the year ended 30 June 2020 the City's Auditors have been the Office of the Auditor General (OAG) for Western Australia. The OAG subsequently contracted the audit work to RSM, however it is the OAG that issue the final opinion and any relevant management points.

This report presents the audited Annual Financial Report including the draft Independent Auditor's Report and the draft Management Letter from the City's Auditors for the year ended 30 June 2020. An unqualified opinion is expected to be issued, meaning that the City of Kwinana's financial records and statements are fairly and appropriately presented, and in accordance with *Australian Accounting Standards Board (AASB)* and the *Local Government Act 1995*.

Each year the City is required to hold an Electors' General Meeting to consider matters arising with respect to the previous financial year. In order to set a date for the 2021 Electors' General Meeting, the Council is required to have both received the audit report for the prior period as well as having accepted the Annual Report.

A copy of the draft Annual Report (Part 1 – Community, Part 2 – Audited Financial Statements) for the year ended 30 June 2020 are attached for the Audit and Risk Committee's review.

In addition to acceptance of the Annual Report, approval of Council will be sought to set the date of the Electors' General Meeting.

### **OFFICER RECOMMENDATION:**

**That the Audit and Risk Committee recommends that Council, at its next Ordinary Council Meeting, receive:**

- 1. The draft Annual Financial Report for the year ended 30 June 2020, including the draft Independent Auditor's Report as detailed in Attachment A;**
- 2. The draft Auditor's Management Letter as detailed in Confidential Attachment B; and**
- 3. The Audit Concluding Memorandum as detailed in Confidential Attachment C.**
- 4. Adopt the 2019/20 Annual Report, Part 1 – Community, as detailed in Attachment D.**

**6.6 ADOPTION OF THE CITY OF KWINANA ANNUAL REPORT (INCLUDING THE FULL SET OF AUDITED FINANCIAL STATEMENTS) FOR THE YEAR ENDING 30 JUNE 2020 AND ACCEPTANCE DATE SET FOR ELECTORS' GENERAL MEETING**

- 5. Advertise the availability of the Annual Report in accordance with Section 5.55 of the Local Government Act 1995.**
- 6. In accordance with Section 5.27 of the *Local Government Act 1995*, accept the date for the Electors' General Meeting as Wednesday, 27 January 2021 commencing at 5pm.**

**NOTE: ABSOLUTE MAJORITY OF COUNCIL REQUIRED**

**DISCUSSION:**

As a requirement of the *Local Government Act 1995* the City's Auditor's are required to report on certain compliance matters and any other matters which arise during the course of their audit. The Independent Auditors Report is the format in which the Auditors report this information.

The Office of the Auditor General has issued its draft Audit Report and draft Management letter with no significant matters expected to be identified by the Auditor in the final Audit Report.

The finalisation of the Annual Financial Report audit for the year ended 30 June 2020 is currently awaiting the finalisation of the SMRC Annual Financial Report to which the City is required to recognise its share in net assets as a member council. This is expected to be available by Thursday 10 December.

The Annual Report is in final draft format, with only minor changes to be made as required.

Section 5.27 of the *Local Government Act 1995* requires a general meeting of electors to be held not more than 56 days after the local government accepts the annual report.

If Council adopts the Annual Report, the Electors' General Meeting (EGM) is required to be held not later than 5 February 2021. It is proposed that the EGM be held prior to the Ordinary Council Meeting in January 2020, being 27 January 2021 at 5pm.

Upon acceptance of the Annual Report and approval of the EGM date and time, statutory advertising will take place within the district and the final version of the report will be distributed through the Administration Centre and at the City Library. Additionally the Annual Report will be made available for viewing on the night of the Elector's General Meeting and at any time on the City's website.

**Adoption of new Accounting Standards and Local Government (Financial Management) Regulation changes.**

During the year the City adopted three new accounting standards;

- AASB 15 Revenue from Contracts
- AASB 16 Leases
- AASB 1058 Income for Not-for-Profit Entities

The City adopted the new standards retrospectively with the cumulative effect applied initially on 1 July 2019. The effect of initial application are outlined in Note 29 of the Annual Financial Report and are summarised below:

**6.6 ADOPTION OF THE CITY OF KWINANA ANNUAL REPORT (INCLUDING THE FULL SET OF AUDITED FINANCIAL STATEMENTS) FOR THE YEAR ENDING 30 JUNE 2020 AND ACCEPTANCE DATE SET FOR ELECTORS' GENERAL MEETING**

- Rates received in advance were previously recognised as revenue upon receipt, are now to be recognised as a financial liability.
- Revenue received in relation to a contract with performance obligations is now treated as a contract liability until the performance obligation(s) under the contract are satisfied. This predominantly relates to unspent operating grants as well as annual gym memberships paid up front.
- Unspent grants and contributions received for the purpose of acquiring or constructing a non-financial asset to be controlled by the City are also recognised as a liability. This includes \$26.9m in unspent developer contributions as at 30 June 2020.
- Leases for assets of an underlying value >\$5k and for a term greater than 12months are to be recognised as an asset and amortised over the term of the lease. A corresponding lease liability is also to be recognised in-line with the present value of all future lease payments. Lease payments have previously been recognised as an operating expense in the year in which they were paid.

On 6 November 2020 changes to the Local Government (Financial Management) Regulation were gazetted with Regulation 16 being deleted and Regulation 17A being amended. The changes were effective for financial years ending on or after 30 June 2020 and are required to be applied retrospectively with cumulative effect applied initially on 1 July 2019. The changes relate to the valuation of non-financial assets and the financial effect on the City is summarised below:

- Right of use assets are to be recognised at cost, including vested land and other vested assets.
  - The City was required to de-recognise land under its Golf Course Reserve previously recognised at fair value, resulting in a \$12.14m adjustment to assets and the land revaluation reserve.

**Key Indicators included in the 2019/2020 Annual Financial Report**

- Closing Surplus \$2,833,954
  - The 2020/2021 adopted Annual Budget estimated a closing surplus brought forward of \$1,360,000. The increase in expected carry forward surplus is \$1,473,954, predominantly due to the inclusion of the City contribution to DCA1 as an expense in the budgeted 2019/2020 closing as well as some minor carry forward projects.
  - Budget variations adopted by Council in August and October 2021 account for \$61,046 of this variance with the remaining surplus in funds to be addressed as part of the FY21 budget review to be presented to Council in February 2021.
- Total operating revenue \$61,707,960
  - Total rate revenue \$39,435,048
    - This is a 4% increase on prior year rates revenue as a result of the growth of the City and ongoing land developments.
- Total operating expenditure (\$72,541,275)
  - This reflects a 1% increase from the prior year operating expenditure. The average year on year increase in operating expenditure over a 3year period is 3%.

**6.6 ADOPTION OF THE CITY OF KWINANA ANNUAL REPORT (INCLUDING THE FULL SET OF AUDITED FINANCIAL STATEMENTS) FOR THE YEAR ENDING 30 JUNE 2020 AND ACCEPTANCE DATE SET FOR ELECTORS' GENERAL MEETING**

- Non-Operating Revenue \$10,810,522
  - This reflects grants and contributions received for the development of City infrastructure excluding unspent funds carried forward as a liability.
- Reserves \$55,249,686
  - This predominantly reflects funds restricted for future City infrastructure development and asset management.
- Outstanding borrowings \$20,268,705

**Adverse trends in Ratios**

The Current Ratio, Asset Sustainability Ratio and the Operating Surplus Ratio have been below the Department of Local Government, Sport and Cultural Industries (DLGSC) standard for the past 4 years.

**Current Ratio:**

The Current ratio focuses on the liquidity position of a local government. The ratio is used to determine if a Local Government has sufficient assets to meet its short-term commitments. The standards set by the Department of Local Government, Sports and Cultural Industries (DLGSC) is that the standard is met if the ratio is greater than 1.1 (100% or greater).

The current ratio has been between 25-33% for the last 4 years. This ratio does not allow for the variable timing of revenues and expenses, for example rates revenue due to be received early in the new financial year to cover the current liabilities. The City adequately manages its cash-flow timing by tracking all operating and capital revenue and expenditure including the realisation of investments and transfers to and from restricted reserves accordingly.

This ratio also deems 'restricted cash' to be inaccessible, whereas the City does in fact have the ability to transfer funds from a number of restricted reserves with Council approval should the need arise. The City has a deliberate strategy to improve its Cash Backed Reserve position to enable financially sustainable and responsible management of large future or multi-year projects and long-term liabilities.

The Current ratio includes the Banksia Park Retirement Village Unit Contribution liability of \$17m. Although the City does not have a right to defer the liability, it does not expect to realise the full liability within the next 12 months and any future lease terminations will be accompanied by a corresponding debtor. The City has provided an adjusted current ratio in the Annual Financial Statements that excludes the Unit Contribution liability to better reflect its ability to meet any short term financial obligations. 2019/2020 is the first year the adjusted ratio of 0.81 has fallen below the benchmark, this is predominantly due to an increase in closing trade payables \$2.9m, the City's share of SMRC loan becoming current \$0.4m and an increase in employee related provisions not covered in reserve funds.

**6.6 ADOPTION OF THE CITY OF KWINANA ANNUAL REPORT (INCLUDING THE FULL SET OF AUDITED FINANCIAL STATEMENTS) FOR THE YEAR ENDING 30 JUNE 2020 AND ACCEPTANCE DATE SET FOR ELECTORS' GENERAL MEETING**

**Operating Surplus Ratio**

The Operating Surplus Ratio represents the percentage by which the operating surplus (or deficit) differs from the City's own source revenue, which includes rates and operating grants.

The standards set by the Department of Local Government, Sports and Cultural Industries (DLGSC) is that the basic standard is between 1% and 15% (0.01 and 0.15) and the advanced standard is greater than 15% (>0.15).

The City's ratio has deteriorated in the current year from (0.14) to (0.20). Analysis of the City's Statement of Comprehensive Income indicates the deterioration of the ratio is attributable to a decrease in operating revenue along with an increase to operating expenditure. Operating revenue decreased by \$2.4m in 2019/2020 due to lower operating grants, subsidies and contributions received and lower fees and charges received (related to cancellation of events and closure of venues in response to Covid-19), lower interest rates received on term deposits and a lower increase to fair value in our Banksia Park lease liability. Operating expenditure has had a minor increase in 2019/2020 by \$177k.

The ratio includes non-cash expenses such as depreciation, fair value adjustments for operating liabilities and profit and loss on sale of assets. The depreciation cost for the 2019/2020 financial year was \$15.6 million. It is important for local governments to recognise that assets depreciate and there should be sufficient funds available for renewal and replacement of these assets. DLGSC states that this ratio indicates the percentage of total own source revenue that is available to fund proposed capital expenditure, transfer to cash reserves or reduce debt. The DLGSC however, also require a rate setting statement that excludes such non-cash items, to determine the level of rates income required to balance a budget. The rate setting statement's purpose is also to determine the amount available to fund proposed capital expenditure, transfer to cash reserves or to reduce debt.

The City's negative operating surplus ratio indicates that the City's current services and/or depreciation expenses are higher than the total operating income. For a high growth local government such as Kwinana, this ratio will be lower than an established local government and will improve in the future as the number of rateable properties increase. The City is actively identifying practical ways of increasing the City's operating position in the future in order to increase the ratio above the basic acceptable target level as a part of the Long Term Financial Plan review. The review of the Long Term Financial Plan is considering the sustainability of the current rating structure, identifying potential new avenues of revenue, and finding the optimum level of operating expenses.

**Asset Sustainability Ratio**

The Asset Sustainability Ratio expresses capital expenditure on renewal and replacement of existing assets as a percentage of depreciation costs. It is used to identify any potential decline or improvement in asset conditions. A percentage of less than 100% on an ongoing basis indicates assets may be deteriorating at a greater rate than spending on renewal or replacement.

The DLGSC states that the purpose of this ratio is to indicate whether a local government is replacing or renewing existing non-financial assets at the same rate that its overall asset stock is wearing out. This ratio has improved slightly from 0.22 last year to 0.27 in 2019/2020, however has been below the Department of Local Government, Sport and Cultural Industries target level of 0.90 for the last 4 years.

## 6.6 ADOPTION OF THE CITY OF KWINANA ANNUAL REPORT (INCLUDING THE FULL SET OF AUDITED FINANCIAL STATEMENTS) FOR THE YEAR ENDING 30 JUNE 2020 AND ACCEPTANCE DATE SET FOR ELECTORS' GENERAL MEETING

The City of Kwinana is a high growth local government and continues to work to balance the expectations of the community and the services provided with the revenue sources available at the time. As the City continues to mature capital funds will be allocated to maintaining the existing asset base rather than acquiring or constructing new infrastructure. As the City grows towards its projected population, revenue sources receivable through rates and other fees and charges income will also increase.

The City is currently reviewing its Long Term Financial Plan, prioritising the renewal of assets to directly improve this ratio. The City's goal is to reach an 80% ratio within ten years, by gradually increasing renewal expenditure each financial year.

Ratios provide useful information when compared to industry and internal benchmarks and can assist in identifying trends. Whilst not conclusive in themselves, understanding ratios, their trends and how they interact is beneficial for the allocation of scarce resources and planning for the future.

### LEGAL/POLICY IMPLICATIONS:

#### **Local Government Act 1995**

##### **5.121 Register of certain complaints of minor breaches**

- (1) *The complaints officer for each local government is required to maintain a register of complaints which records all complaints that result in action under section 5.110(6)(b) or (c).*
- (2) *The register of complaints is to include, for each recorded complaint —*
  - (a) *the name of the Council member about whom the complaint is made; and*
  - (b) *the name of the person who makes the complaint; and*
  - (c) *a description of the minor breach that the standards panel finds has occurred; and*
  - (d) *details of the action taken under section 5.110(6)(b) or (c).*

##### **5.27 Electors' general meeting**

- (1) *A general meeting of the electors of a district is to be held once every financial year.*
- (2) *A general meeting is to be held on a day selected by the local government but not more than 56 days after the local government accepts the annual report for the previous financial year.*
- (3) *The matters to be discussed at general electors' meetings are to be those prescribed.*

**6.6 ADOPTION OF THE CITY OF KWINANA ANNUAL REPORT (INCLUDING THE FULL SET OF AUDITED FINANCIAL STATEMENTS) FOR THE YEAR ENDING 30 JUNE 2020 AND ACCEPTANCE DATE SET FOR ELECTORS' GENERAL MEETING**

**5.53 Annual Reports**

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

**5.54. Acceptance of annual reports**

- (1) *Subject to subsection (2), the annual report for a financial year is to be accepted\* by the local government no later than 31 December after that financial year.*

*\* Absolute majority required.*

- (2) *If the auditor's report is not available in time for the annual report for a financial year to be accepted by 31 December after that financial year, the annual report is to be accepted by the local government no later than 2 months after the auditor's report becomes available.*

**5.55. Notice of annual reports**

- (1) *The CEO is to give local public notice of the availability of the annual report as soon as practicable after the report has been accepted by the local government.*

**5.56. Planning for the future**

- (1) *A local government is to plan for the future of the district.*
- (2) *A local government is to ensure that plans made under subsection (1) are in accordance with any regulations made about planning for the future of the district.*

**6.6 ADOPTION OF THE CITY OF KWINANA ANNUAL REPORT (INCLUDING THE FULL SET OF AUDITED FINANCIAL STATEMENTS) FOR THE YEAR ENDING 30 JUNE 2020 AND ACCEPTANCE DATE SET FOR ELECTORS' GENERAL MEETING**

**2.4. Financial report**

- (1) *A local government is to prepare an annual financial report for the preceding financial year and such other financial reports as are prescribed.*
- (2) *The financial report is to —*
  - (a) *be prepared and presented in the manner and form prescribed; and*
  - (b) *contain the prescribed information.*
- (3) *By 30 September following each financial year or such extended time as the Minister allows, a local government is to submit to its auditor —*
  - (a) *the accounts of the local government, balanced up to the last day of the preceding financial year; and*
  - (b) *the annual financial report of the local government for the preceding financial year.*

**Disability Services Act 1993**

**29. Report about disability access and inclusion plan**

- (2) *A local government or regional local government that has a disability access and inclusion plan must include in its annual report prepared under section 5.53 of the Local Government Act 1995 a report about the implementation of the plan.*

**FINANCIAL/BUDGET IMPLICATIONS:**

The FY20 end of year surplus result differs from the forecast surplus in the 2020/2021 budget by \$1,473,954. Budget variations adopted by Council in August and October 2021 account for \$61,046 of this variance with the remaining surplus in funds to be addressed as part of the budget review process and presented to Council in February 2021.

The City has made provision for the Electors' General Meeting in its adopted budget for the 2020/21 financial year. There will be a minimal budget implication for the production of the Annual Report (Part 1 - Community) as only a small print run will be produced. This has been budgeted at approximately \$600 with the cost being covered within the 2020/21 Marketing and Communications Budget.

**ASSET MANAGEMENT IMPLICATIONS:**

No asset management implications have been identified as a result of this report or recommendation.

**ENVIRONMENTAL IMPLICATIONS:**

There are no environmental implications have been identified as a result of this report or recommendation.

**6.6 ADOPTION OF THE CITY OF KWINANA ANNUAL REPORT (INCLUDING THE FULL SET OF AUDITED FINANCIAL STATEMENTS) FOR THE YEAR ENDING 30 JUNE 2020 AND ACCEPTANCE DATE SET FOR ELECTORS' GENERAL MEETING**

**STRATEGIC/SOCIAL IMPLICATIONS:**

This proposal will support the achievement of the following outcome and objective detailed in the Corporate Business Plan.

Plan	Outcome	Objective
Corporate Business Plan	Civic Leadership	5.1 An active and engaged Local Government, focussed on achieving the community's vision

**COMMUNITY ENGAGEMENT:**

There are no community engagement implications as a result of this report.

**PUBLIC HEALTH IMPLICATIONS**

There are no implications on any determinants of health as a result of this report.

**RISK IMPLICATIONS:**

The risk implications in relation to this proposal are as follows:

<b>Risk Event</b>	Annual Financial Report not completed and lodged in specified timeframes with the Department of Local Government, Sport and Cultural Industries.
<b>Risk Theme</b>	Failure to fulfil statutory regulations or compliance Providing inaccurate advice/information
<b>Risk Effect/Impact</b>	Financial Reputation Compliance
<b>Risk Assessment Context</b>	Operational
<b>Consequence</b>	Minor
<b>Likelihood</b>	Unlikely
<b>Rating (before treatment)</b>	Low
<b>Risk Treatment in place</b>	Reduce – Mitigate Risk
<b>Response to risk treatment required/in place</b>	Annual Financial Statement and Audit cycle forms part of the finance corporate compliance calendar.
<b>Rating (after treatment)</b>	Low

<b>Risk Event</b>	Failure to adopt the Annual Report and set the date of the EGM as recommended.
<b>Risk Theme</b>	Failure to fulfil statutory regs or compliance requirements
<b>Risk Effect/Impact</b>	Compliance

6.6 ADOPTION OF THE CITY OF KWINANA ANNUAL REPORT (INCLUDING THE FULL SET OF AUDITED FINANCIAL STATEMENTS) FOR THE YEAR ENDING 30 JUNE 2020 AND ACCEPTANCE DATE SET FOR ELECTORS' GENERAL MEETING

Risk Assessment Context	Strategic
Consequence	Minor
Likelihood	Unlikely
Rating (before treatment)	Low
Risk Treatment in place	Prepare Contingent Plans - in event risk occurs
Response to risk treatment required/in place	The holding of an annual Electors' General Meeting (EGM) is required in accordance with the <i>Local Government Act 1995</i> . Deferral of the adoption of the Annual Report will delay the holding of the EGM and require the reorganisation of a further meeting, within 56 days following adoption, as prescribed in Section 5.54 of the <i>Local Government Act 1995</i> .
Rating (after treatment)	Low

# Annual Financial Report

For the Year Ended 30 June 2020



**CITY OF KWINANA**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

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**COMMUNITY VISION**

Kwinana 2030: Rich in spirit, alive with opportunities, surrounded by nature - it's all here!

Principal place of business:  
Corner Gilmore Avenue and Sulphur Road  
Kwinana WA 6167

**CITY OF KWINANA  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

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

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

The attached financial report of the City of Kwinana for the financial year ended 30 June 2020 is based on proper accounts and records to present fairly the financial position of the City of Kwinana at 30 June 2020 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the

*3rd*

day of

*December*

2020

  
\_\_\_\_\_  
Chief Executive Officer

Wayne Jack

\_\_\_\_\_  
Name of Chief Executive Officer

**CITY OF KWINANA**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>Revenue</b>				
Rates	26(a)	39,435,048	39,802,378	38,074,897
Operating grants, subsidies and contributions	2(a)	7,445,800	8,971,318	8,608,169
Fees and charges	2(a)	11,438,704	12,254,403	11,876,679
Interest earnings	2(a)	1,825,211	2,088,408	2,309,386
Other revenue	2(a)	1,308,211	685,839	2,946,617
		61,452,974	63,802,346	63,815,748
<b>Expenses</b>				
Employee costs		(27,440,286)	(29,800,091)	(27,064,970)
Materials and contracts		(24,052,350)	(29,036,680)	(24,574,645)
Utility charges		(2,500,313)	(2,377,800)	(2,414,314)
Depreciation on non-current assets	11(b)	(15,630,143)	(14,269,092)	(15,359,581)
Interest expenses	2(b)	(1,058,626)	(1,054,610)	(1,110,457)
Insurance expenses		(574,494)	(575,863)	(571,974)
Other expenditure		(37,756)	(122,229)	(20,507)
		(71,293,968)	(77,236,365)	(71,116,448)
		(9,840,994)	(13,434,019)	(7,300,700)
Non-operating grants, subsidies and contributions	2(a)	10,810,522	10,936,569	14,907,344
Profit on asset disposals	11(a)	124,076	42,863	6,178
(Loss) on asset disposals	11(a)	(1,247,307)	(101,926)	(152,265)
Fair value adjustments to financial assets at fair value through profit or loss - Banksia Park Deferred Management Fee		110,762	0	(610,100)
Fair value adjustments to financial assets at fair value through profit or loss - Local Government House Trust		2,017	0	122,620
Share of net profit of associates accounted for using the equity method	25	18,131	0	61,124
		9,818,201	10,877,506	14,334,901
<b>Net result for the period</b>		<b>(22,793)</b>	<b>(2,556,513)</b>	<b>7,034,201</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	14	431,670	0	0
<b>Total other comprehensive income for the period</b>		<b>431,670</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>		<b>408,877</b>	<b>(2,556,513)</b>	<b>7,034,201</b>

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

**CITY OF KWINANA**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>Revenue</b>				
Governance	2(a)	457,683	31,786	277,380
General purpose funding		43,528,014	43,734,955	42,768,055
Law, order, public safety		579,054	345,445	545,969
Health		167,748	166,229	92,426
Education and welfare		6,525,695	8,408,713	9,843,996
Community amenities		6,060,354	6,074,580	5,596,612
Recreation and culture		2,343,973	2,980,825	2,993,510
Transport		345,961	324,478	307,985
Economic services		1,164,861	1,260,737	1,188,472
Other property and services		279,631	474,598	201,343
		<b>61,452,974</b>	<b>63,802,346</b>	<b>63,815,748</b>
<b>Expenses</b>				
Governance	2(b)	(4,938,245)	(4,750,355)	(2,212,220)
General purpose funding		(1,153,777)	(1,099,586)	(756,875)
Law, order, public safety		(3,098,933)	(3,318,431)	(3,440,502)
Health		(856,942)	(940,939)	(997,155)
Education and welfare		(10,204,491)	(12,652,758)	(11,451,861)
Community amenities		(9,540,849)	(10,410,075)	(9,561,640)
Recreation and culture		(20,669,023)	(22,117,455)	(21,521,585)
Transport		(14,915,194)	(14,935,910)	(14,601,299)
Economic services		(1,360,878)	(1,742,856)	(1,599,830)
Other property and services		(3,497,010)	(4,213,390)	(3,863,024)
		<b>(70,235,342)</b>	<b>(76,181,755)</b>	<b>(70,005,991)</b>
<b>Finance Costs</b>				
Governance	2(b)	(50,204)	(45,130)	(51,272)
General purpose funding		(253)	0	0
Education and welfare		(82,765)	(82,693)	(91,138)
Recreation and culture		(785,313)	(786,562)	(819,581)
Transport		(140,091)	(140,225)	(148,466)
		<b>(1,058,626)</b>	<b>(1,054,610)</b>	<b>(1,110,457)</b>
		<b>(9,840,994)</b>	<b>(13,434,019)</b>	<b>(7,300,700)</b>
Non-operating grants, subsidies and contributions	2(a)	10,810,522	10,936,569	14,907,344
Profit on disposal of assets	11(a)	124,076	42,863	6,178
(Loss) on disposal of assets	11(a)	(1,247,307)	(101,926)	(152,265)
Fair value adjustments to financial assets at fair value through profit or loss		112,779	0	(487,480)
Share of net profit of associates accounted for using the equity method	25	18,131	0	61,124
		<b>9,818,201</b>	<b>10,877,506</b>	<b>14,334,901</b>
<b>Net result for the period</b>		<b>(22,793)</b>	<b>(2,556,513)</b>	<b>7,034,201</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	14	431,670	0	0
<b>Total other comprehensive income for the period</b>		<b>431,670</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>		<b>408,877</b>	<b>(2,556,513)</b>	<b>7,034,201</b>

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

**CITY OF KWINANA**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2020**

	NOTE	2020 \$	2019 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	25,471,026	11,888,157
Trade and other receivables	6	4,455,262	4,541,131
Other financial assets	5(a)	34,124,318	45,662,914
Inventories	7	37,323	32,920
Contract assets	2(a)	44,388	0
Other assets	8	1,731,667	656,144
<b>TOTAL CURRENT ASSETS</b>		<b>65,863,984</b>	<b>62,781,266</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	6	760,126	711,755
Other financial assets	5(b)	3,542,013	3,468,175
Investment in associate	25	504,775	319,244
Property, plant and equipment	9	135,058,794	150,484,396
Infrastructure	10	363,572,821	362,312,960
Intangible assets	13	616,115	308,673
Right of use assets	12(a)	190,679	0
<b>TOTAL NON-CURRENT ASSETS</b>		<b>504,245,323</b>	<b>517,605,203</b>
<b>TOTAL ASSETS</b>		<b>570,109,307</b>	<b>580,386,469</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	15	24,256,420	21,391,450
Contract liabilities	16	356,545	0
Other liabilities	16	10,087,995	0
Lease liabilities	17(a)	114,357	0
Borrowings	18(a)	2,314,779	1,451,093
Employee related provisions	19	5,505,931	4,902,379
<b>TOTAL CURRENT LIABILITIES</b>		<b>42,636,027</b>	<b>27,744,922</b>
<b>NON-CURRENT LIABILITIES</b>			
Other liabilities	16	16,953,626	0
Lease liabilities	17(a)	77,148	0
Borrowings	18(a)	17,953,926	20,101,305
Employee related provisions	19	410,209	469,604
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>35,394,909</b>	<b>20,570,909</b>
<b>TOTAL LIABILITIES</b>		<b>78,030,936</b>	<b>48,315,831</b>
<b>NET ASSETS</b>		<b>492,078,371</b>	<b>532,070,638</b>
<b>EQUITY</b>			
Retained surplus		216,805,180	244,608,437
Reserves - cash/financial asset backed	4	55,249,686	55,730,366
Revaluation surplus	14	220,023,505	231,731,835
<b>TOTAL EQUITY</b>		<b>492,078,371</b>	<b>532,070,638</b>

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

**CITY OF KWINANA  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2020**

		RESERVES CASH/FINANCIAL		
	NOTE	RETAINED SURPLUS	ASSET BACKED	REVALUATION SURPLUS
		\$	\$	\$
<b>Balance as at 1 July 2018</b>		<b>241,396,775</b>	<b>52,072,348</b>	<b>231,731,835</b>
Change in accounting policy		(164,521)	0	0
<b>Restated total equity at the beginning of the financial year</b>		<b>241,232,254</b>	<b>52,072,348</b>	<b>231,731,835</b>
Comprehensive income				
Net result for the period		7,034,201	0	0
Total comprehensive income		7,034,201	0	0
Transfers from reserves	4	6,042,436	(6,042,436)	0
Transfers to reserves	4	(9,700,454)	9,700,454	0
<b>Balance as at 30 June 2019</b>		<b>244,608,437</b>	<b>55,730,366</b>	<b>231,731,835</b>
Change in accounting policy	30(b)	(28,261,144)	0	(12,140,000)
<b>Restated total equity at 1 July 2019</b>		<b>216,347,293</b>	<b>55,730,366</b>	<b>219,591,835</b>
Comprehensive income				
Net result for the period		(22,793)	0	0
Changes on revaluation of assets		0	0	431,670
Total comprehensive income		(22,793)	0	431,670
Transfers from reserves	4	15,090,636	(15,090,636)	0
Transfers to reserves	4	(14,609,956)	14,609,956	0
<b>Balance as at 30 June 2020</b>		<b>216,805,180</b>	<b>55,249,686</b>	<b>220,023,505</b>

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

**CITY OF KWINANA**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		39,956,734	41,502,378	37,773,991
Operating grants, subsidies and contributions		6,682,681	9,121,318	6,390,524
Fees and charges		8,649,778	12,254,403	11,876,679
Interest received		1,811,395	2,088,408	1,884,438
Goods and services tax received		2,738,222	0	2,835,628
Other revenue		1,308,211	685,839	2,946,617
		61,147,021	65,652,346	63,707,877
<b>Payments</b>				
Employee costs		(26,697,613)	(29,800,091)	(27,141,971)
Materials and contracts		(23,107,086)	(29,536,680)	(25,580,365)
Utility charges		(2,500,313)	(2,377,800)	(2,414,314)
Interest expenses		(1,060,470)	(1,054,610)	(1,111,761)
Insurance paid		(574,494)	(575,863)	(571,974)
Goods and services tax paid		(671,965)	0	(531,932)
Other expenditure		(37,756)	(122,229)	(20,507)
		(54,649,697)	(63,467,273)	(57,372,824)
<b>Net cash provided by (used in) operating activities</b>	20	6,497,324	2,185,073	6,335,053
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for financial assets at amortised cost		0	0	(1,819,027)
Payments for purchase of property, plant & equipment	9(a)	(2,520,306)	(8,098,360)	(1,793,705)
Payments for construction of infrastructure	10(a)	(4,738,586)	(12,242,614)	(3,982,448)
Payments for intangible assets	13(a)	(307,442)	0	(308,673)
Non-operating grants, subsidies and contributions	2(a)	3,944,619	10,936,569	4,476,940
Proceeds from financial assets at amortised cost - term deposits		11,560,827	0	0
Proceeds from financial assets at amortised cost - self supporting loans		16,710	16,709	16,168
Proceeds from sale of property, plant & equipment	11(a)	696,834	334,500	373,433
<b>Net cash provided by (used in) investment activities</b>		8,652,656	(9,053,196)	(3,037,312)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	18(b)	(1,451,093)	(1,451,093)	(777,133)
Payments for principal portion of lease liabilities	17(b)	(116,018)	0	0
Proceeds from new borrowings	18(b)	0	2,268,000	0
<b>Net cash provided by (used in) financing activities</b>		(1,567,111)	816,907	(777,133)
<b>Net increase (decrease) in cash held</b>		13,582,869	(6,051,216)	2,520,608
Cash at beginning of year		11,888,157	54,690,424	9,367,549
<b>Cash and cash equivalents at the end of the year</b>	20	25,471,026	48,639,208	11,888,157

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

**CITY OF KWINANA**  
**RATE SETTING STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual
<b>OPERATING ACTIVITIES</b>				
Net current assets at start of financial year - surplus/(deficit)	27 (b)	1,573,505	1,504,912	1,898,805
		1,573,505	1,504,912	1,898,805
<b>Revenue from operating activities (excluding rates)</b>				
Governance		483,250	37,438	277,380
General purpose funding		4,092,966	3,932,577	4,693,158
Law, order, public safety		594,845	357,487	545,969
Health		176,266	166,229	92,426
Education and welfare		6,636,457	8,408,713	9,843,996
Community amenities		6,082,531	6,081,141	5,596,612
Recreation and culture		2,346,762	2,983,041	2,993,510
Transport		345,961	324,478	307,985
Economic services		1,185,400	1,261,187	1,188,472
Other property and services		328,474	490,540	207,521
		22,272,912	24,042,831	25,747,029
<b>Expenditure from operating activities</b>				
Governance		(4,991,014)	(4,795,485)	(2,299,800)
General purpose funding		(1,154,030)	(1,099,586)	(756,875)
Law, order, public safety		(3,122,690)	(3,318,431)	(3,478,283)
Health		(862,553)	(949,882)	(997,155)
Education and welfare		(10,287,256)	(12,735,451)	(12,153,099)
Community amenities		(9,550,266)	(10,423,143)	(9,564,944)
Recreation and culture		(21,477,137)	(22,904,017)	(22,360,221)
Transport		(16,137,127)	(15,076,180)	(14,752,938)
Economic services		(1,360,878)	(1,742,856)	(1,609,317)
Other property and services		(3,598,324)	(4,293,260)	(3,906,181)
		(72,541,275)	(77,338,291)	(71,878,813)
Non-cash amounts excluded from operating activities	27(a)	16,843,365	14,328,155	14,289,865
<b>Amount attributable to operating activities</b>		(31,851,493)	(37,462,393)	(29,943,114)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	2(a)	10,810,522	10,936,569	14,907,344
Proceeds from disposal of assets	11(a)	696,834	334,500	373,433
Proceeds from financial assets at amortised cost - self supporting loans		16,710	16,709	16,168
Purchase of property, plant and equipment	9(a)	(2,603,033)	(8,098,360)	(1,793,705)
Purchase and construction of infrastructure	10(a)	(12,276,761)	(12,242,614)	(14,412,852)
Payments for intangible assets	13(a)	(307,442)	0	(308,673)
<b>Amount attributable to investing activities</b>		(3,663,170)	(9,053,196)	(1,218,285)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	18(b)	(1,451,093)	(1,451,093)	(777,133)
Proceeds from borrowings	18(c)	0	2,268,000	0
Payments for principal portion of lease liabilities	17(b)	(116,018)	0	0
Transfers to reserves (restricted assets)	4	(14,609,956)	(15,869,208)	(9,700,454)
Transfers from reserves (restricted assets)	4	15,090,636	21,765,512	6,042,436
<b>Amount attributable to financing activities</b>		(1,086,431)	6,713,211	(4,435,151)
<b>Surplus/(deficit) before imposition of general rates</b>		(36,601,094)	(39,802,378)	(35,596,550)
<b>Total amount raised from general rates</b>	26(a)	39,435,048	39,802,378	38,074,897
<b>Surplus/(deficit) after imposition of general rates</b>	27(b)	<b>2,833,954</b>	<b>0</b>	<b>2,478,347</b>

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

**CITY OF KWINANA**  
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**FOR THE YEAR ENDED 30 JUNE 2020**

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## 1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations.

### AMENDMENTS TO LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

The *Local Government (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards. Prior to 1 July 2019, *Financial Management Regulation 16* arbitrarily prohibited a local government from recognising as assets Crown land that is a public thoroughfare, i.e. land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets pertaining to vested land, including land under roads acquired on or after 1 July 2008, were not recognised in previous financial reports of the City. This was not in accordance with the requirements of AASB 1051 *Land Under Roads* paragraph 15 and AASB 116 *Property, Plant and Equipment* paragraph 7.

From 1 July 2019, the City has applied AASB 16 *Leases* which requires leases to be included by lessees in the statement of financial position. Also, the *Local Government (Financial Management) Regulations 1996* have been amended to specify that vested land is a right-of-use asset to be measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included in the statement of financial position) rather than at fair value. The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the City to measure any vested improvements at zero cost.

The City has accounted for the removal of the vested land values associated with vested land previously recognised by removing the land value and associated revaluation reserve as at 1 July 2019. The comparative year amounts have been retained as AASB 16 does not require comparatives to be restated in the year of transition.

Therefore the departure from AASB 1051 and AASB 16 in respect of the comparatives for the year ended 30 June 2019 remains.

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

### NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

On 1 July 2020 the following new accounting standards are to be adopted:

- AASB 1059 *Service Concession Arrangements: Grantors*
- AASB 2018-7 *Amendments to Australian Accounting Standards - Materiality*

AASB 1059 *Service Concession Arrangements: Grantors* is not expected to impact the financial report.

Specific impacts of AASB 2018-7 *Amendments to Australian Accounting Standards - Materiality*, have not been identified.

### CRITICAL ACCOUNTING ESTIMATES

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

### THE LOCAL GOVERNMENT REPORTING ENTITY

All funds through which the City controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between funds) have been eliminated.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 31 to these financial statements.

# CITY OF KWINANA

## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

### FOR THE YEAR ENDED 30 JUNE 2020

## 2. REVENUE AND EXPENSES

### REVENUE RECOGNITION POLICY

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within terms	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusion of hire
Memberships	Gym and pool membership	Over time	Payment in full in advance or by instalments	Refund as per terms and conditions	Adopted by council annually	Apportioned equally across the access period	Returns limited to repayment of transaction price	Output method Over 12 months matched to access right
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

**CITY OF KWINANA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**2. REVENUE AND EXPENSES**

**(a) Grant revenue**

Grants, subsidies and contributions are included as both operating and non-operating revenues in the Statement of Comprehensive Income:

	<b>2020 Actual</b>	<b>2020 Budget</b>	<b>2019 Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Operating grants, subsidies and contributions</b>			
General purpose funding	1,796,876	1,580,138	1,978,780
Law, order, public safety	202,912	163,650	182,144
Health	14,703	12,150	35,072
Education and welfare	4,772,577	6,406,485	5,708,537
Community amenities	78,832	107,000	42,017
Recreation and culture	250,337	377,417	353,634
Transport	329,563	324,478	307,985
	<b>7,445,800</b>	<b>8,971,318</b>	<b>8,608,169</b>
<b>Non-operating grants, subsidies and contributions</b>			
Law, order, public safety	260,745	631,000	72,000
Community amenities	891,296	8,015,014	3,144,657
Recreation and culture	201,506	279,836	39,603
Transport	9,366,982	1,910,719	11,604,814
Economic services	89,993	100,000	0
Other property and services	0	0	46,270
	<b>10,810,522</b>	<b>10,936,569</b>	<b>14,907,344</b>
<b>Total grants, subsidies and contributions</b>	<b>18,256,322</b>	<b>19,907,887</b>	<b>23,515,513</b>
<b>Fees and charges</b>			
Governance	4,124	8,800	15,966
General purpose funding	253,441	181,600	195,531
Law, order, public safety	318,813	146,095	303,782
Health	126,491	145,959	42,533
Education and welfare	1,557,274	1,966,551	1,995,768
Community amenities	5,946,335	5,938,370	5,541,723
Recreation and culture	1,976,234	2,507,170	2,533,678
Economic services	1,113,046	1,199,560	1,147,445
Other property and services	142,946	160,298	100,253
	<b>11,438,704</b>	<b>12,254,403</b>	<b>11,876,679</b>

**Grants, subsidies and contributions**

Operating grants, subsidies and contributions are grants, subsidies or contributions that are not non-operating in nature.

Non-operating grants, subsidies and contributions are amounts received for the acquisition or construction of recognisable non-financial assets to be controlled by the local government.

**Fees and Charges**

Revenue (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees.

**CITY OF KWINANA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**2. REVENUE AND EXPENSES (Continued)**

**(a) Revenue (Continued)**

**Contracts with customers and transfers  
for recognisable non-financial assets**

Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the City was recognised during the year for the following nature or types of goods or services:

Operating grants, subsidies and contributions  
Fees and charges  
Non-operating grants, subsidies and contributions

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Operating grants, subsidies and contributions	953,896	8,971,318	0
Fees and charges	10,161,087	11,189,173	10,693,362
Non-operating grants, subsidies and contributions	3,272,347	10,936,569	0
	14,387,330	31,097,060	10,693,362

Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the City is comprised of:

Contracts with customers included as a contract liability at the start of the period

Other revenue from contracts with customers recognised during the year

Transfers intended for acquiring or constructing recognisable non financial assets included as a liability at the start of the period

Other revenue from performance obligations satisfied during the year

Contracts with customers included as a contract liability at the start of the period	72,428	0	0
Other revenue from contracts with customers recognised during the year	11,042,554	20,160,491	0
Transfers intended for acquiring or constructing recognisable non financial assets included as a liability at the start of the period	928,646	0	0
Other revenue from performance obligations satisfied during the year	2,343,701	10,936,569	10,693,362
	14,387,330	31,097,060	0

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

Trade and other receivables from contracts with customers  
Contract assets  
Other liabilities from contracts with customers  
Financial assets held from transfers for recognisable financial assets  
Other liabilities from transfers for recognisable non financial assets

Trade and other receivables from contracts with customers	560,351	0	0
Contract assets	44,388	0	0
Other liabilities from contracts with customers	(194,030)	0	0
Financial assets held from transfers for recognisable financial assets	27,041,621	0	0
Other liabilities from transfers for recognisable non financial assets	(27,041,621)	0	0

Contract assets primarily relate to the City's right to consideration for work completed but not billed at 30 June 2020.

Impairment of assets associated with contracts with customers are detailed at note 2 (b) under 'Other expenditure'.

Contract liabilities for contracts with customers primarily relate to grants with performance obligations received in advance, for which revenue is recognised over time as the performance obligations are met.

Information is not provided about remaining performance obligations for contracts with customers that had an original expected duration of one year or less.

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

Performance obligations in relation to liabilities from transfers for recognisable non financial assets are satisfied as project milestones are met or completion of construction or acquisition of the asset.

**CITY OF KWINANA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**2. REVENUE AND EXPENSES (Continued)**

**(a) Revenue (Continued)**

**Revenue from statutory requirements**

Revenue from statutory requirements was recognised during the year for the following nature or types of goods or services:

	2020 Actual \$	2020 Budget \$	2019 Actual \$
General rates	39,428,423	39,794,978	38,068,420
Statutory permits and licences	1,065,098	993,930	961,969
Fines	210,339	69,140	219,279
	<b>40,703,860</b>	<b>40,858,048</b>	<b>39,249,668</b>

**Assets and services acquired below fair value**

Contributed assets	7,538,175	0	10,430,404
Grants, subsidies and contributions	6,491,904	0	0
	<b>14,030,079</b>	<b>0</b>	<b>10,430,404</b>

**Other revenue**

Reimbursements and recoveries	1,105,989	640,959	832,661
Other	202,222	44,880	2,113,956
	<b>1,308,211</b>	<b>685,839</b>	<b>2,946,617</b>

**Interest earnings**

Financial assets at amortised cost - self supporting loans	10,516	10,551	11,167
Interest on reserve funds	846,100	860,000	1,352,653
Rates instalment and penalty interest (refer Note 26(c))	784,551	743,408	785,940
Other interest earnings	184,044	474,449	159,626
	<b>1,825,211</b>	<b>2,088,408</b>	<b>2,309,386</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Interest earnings**

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

**Interest earnings (continued)**

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes.

**(b) Expenses**

**Auditors remuneration**

- Audit of the Annual Financial Report
- Other services

**Interest expenses (finance costs)**

Borrowings	1,052,767	1,054,610	1,110,457
Interest expense - other	249	0	0
Lease liabilities	5,610	0	0
	<b>1,058,626</b>	<b>1,054,610</b>	<b>1,110,457</b>

**Other expenditure**

Impairment loss on trade and other receivables	12,379	2,600	(12,194)
DCA - City Contributions	0	65,629	0
Sundry expenses	25,377	54,000	32,701
	<b>37,756</b>	<b>122,229</b>	<b>20,507</b>

Note	2020 Actual \$	2020 Budget \$	2019 Actual \$
	67,000	60,000	60,000
	2,000	5,000	22,298
	<b>69,000</b>	<b>65,000</b>	<b>82,298</b>
18(b)	1,052,767	1,054,610	1,110,457
	249	0	0
17(b)	5,610	0	0
	<b>1,058,626</b>	<b>1,054,610</b>	<b>1,110,457</b>
	12,379	2,600	(12,194)
	0	65,629	0
	25,377	54,000	32,701
	<b>37,756</b>	<b>122,229</b>	<b>20,507</b>

**CITY OF KWINANA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**3. CASH AND CASH EQUIVALENTS**

	NOTE	2020 \$	2019 \$
Cash at bank and on hand		25,471,026	9,752,320
Term deposits <91 days		0	2,135,837
<b>Total cash and cash equivalents</b>		<b>25,471,026</b>	<b>11,888,157</b>

**Restrictions**

The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:

- Cash and cash equivalents		22,695,291	11,963,917
- Financial assets at amortised cost		33,787,559	45,348,386
		<b>56,482,850</b>	<b>57,312,303</b>

The restricted assets are a result of the following specific purposes to which the assets may be used:

Reserves - cash/financial asset backed	4	55,249,686	55,730,366
Contract liabilities from contracts with customers	16	194,030	0
Other liabilities from transfers for recognisable non financial assets	16	27,041,621	0
Deposits and Bonds Held		1,070,649	1,581,937
Less contract and other liabilities - reserve backed		(27,073,136)	0
<b>Total restricted assets</b>		<b>56,482,850</b>	<b>57,312,303</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Cash and cash equivalents**

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

**Restricted assets**

Restricted asset balances are not available for general use by the local government due to externally imposed restrictions. Externally imposed restrictions are specified in an agreement, contract or legislation. This applies to reserves, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement.

**CITY OF KWINANA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**4. RESERVES - CASH/FINANCIAL ASSET BACKED**

	2020 Actual Opening Balance	2020 Actual Transfer to	2020 Actual Transfer (from)	2020 Actual Closing Balance	2020 Budget Opening Balance	2020 Budget Transfer to	2020 Budget Transfer (from)	2020 Budget Closing Balance	2019 Actual Opening Balance	2019 Actual Transfer to	2019 Actual Transfer (from)	2019 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Aged Persons Units Reserve	807,624	208,083	(274,663)	741,044	721,244	176,770	(190,000)	708,014	748,728	58,896	0	807,624
(b) Asset Management Reserve	762,988	6,058,755	(1,658,496)	5,163,247	637,921	5,028,582	(1,952,609)	3,713,894	501,595	440,034	(178,641)	762,988
(c) Banksia Park Reserve	190,418	2,830	(169,251)	23,997	120,249	21,268	(90,000)	51,517	115,626	74,792	0	190,418
(d) City Assist Initiative Reserve	0	0	0	0	15,083	194	(15,000)	277	100,401	2,571	(102,972)	0
(e) City Infrastructure Reserve	0	1,592,930	(597,675)	995,255	0	1,547,468	(930,511)	616,957	0	0	0	0
(f) Contiguous Local Authorities Group Reserve	275,223	19,508	(28,813)	265,918	278,100	13,862	(29,000)	262,962	265,873	43,284	(33,934)	275,223
(g) Community Services & Emergency Relief Reserve	88,835	252,160	0	340,995	88,063	1,134	0	89,197	84,017	4,818	0	88,835
(h) Employee Leave Reserve	4,033,993	573,816	(2,119,426)	2,488,383	3,729,783	0	(2,119,426)	1,610,357	4,231,590	102,403	(300,000)	4,033,993
(i) Employee Vacancy Reserve	0	500,233	0	500,233	0	0	0	0	0	0	0	0
(j) Family Day Care Reserve	1,489,179	20,247	(279,523)	1,229,903	1,400,660	18,036	(246,171)	1,172,525	1,462,302	36,542	(9,665)	1,489,179
(k) Future Community Infrastructure Reserve	1,067,201	0	(1,067,201)	0	1,032,565	0	(1,032,565)	0	1,381,900	35,718	(350,417)	1,067,201
(l) Golf Course Cottage Reserve	28,887	509	0	29,396	28,635	369	0	29,004	28,033	854	0	28,887
(m) Golf Club Maintenance Reserve	0	8,846	0	8,846	0	0	0	0	0	0	0	0
(n) Information Technology Reserve	2,068,659	989,813	(461,304)	2,597,168	2,145,970	27,633	(974,433)	1,199,170	1,890,703	413,040	(235,084)	2,068,659
(o) Infrastructure Reserve	348,075	1,648	(349,723)	0	345,032	198	(345,230)	0	339,968	8,107	0	348,075
(p) Plant and Equipment Replacement Reserve	579,628	609,396	(758,125)	430,899	588,784	514,020	(812,600)	290,204	498,123	315,384	(233,879)	579,628
(q) Refuse Reserve	8,844,888	0	(3,200,000)	5,644,888	8,928,629	0	(3,242,000)	5,686,629	8,736,657	194,769	(86,538)	8,844,888
(r) Renewable Energy Efficiency Reserve	53,983	8,861	(28,672)	34,172	60,058	773	(25,000)	35,831	0	53,983	0	53,983
(s) Restricted Grants & Contributions Reserve	3,170,082	1,582,614	(2,564,711)	2,187,985	1,573,326	0	(1,530,326)	43,000	1,688,298	2,788,948	(1,307,164)	3,170,082
(t) Settlement Agreement Reserve	164,874	2,897	0	167,771	163,440	2,105	0	165,545	160,000	4,874	0	164,874
(u) Workers Compensation Reserve	141,443	2,485	0	143,928	138,404	1,782	0	140,186	338,710	7,980	(205,247)	141,443
(v) Youth Engagement Reserve	0	0	0	0	0	0	0	0	144,650	4,581	(149,231)	0
(w) DCA 1 - Hard Infrastructure - Bertram	228,688	401,282	(30,248)	599,722	2,131,883	32,766	(695,753)	1,468,896	1,887,550	155,260	(1,814,122)	228,688
(x) DCA 2 - Hard Infrastructure - Wellard	2,435,413	40,432	(487,551)	1,988,294	2,574,546	3,940,205	(2,279,000)	4,235,751	1,877,524	697,023	(139,134)	2,435,413
(y) DCA 3 - Hard Infrastructure - Casuarina	0	0	0	0	0	2,747,378	(2,747,378)	0	0	0	0	0
(z) DCA 4 - Hard Infrastructure - Anketell	533,009	7,298	(18,817)	521,490	633,006	9,729	0	642,735	0	633,006	(99,997)	533,009
(l) DCA 5 - Hard Infrastructure - Wandi	1,073,049	15,909	(661,740)	427,218	1,232,061	1,030,936	(1,453,795)	809,202	1,309,322	32,888	(269,161)	1,073,049
(l) DCA 6 - Hard Infrastructure - Mandogalup	0	398,205	(124,150)	274,055	0	0	0	0	0	0	0	0
(j) DCA 7 - Hard Infrastructure - Mandogalup West/Bertram	2,988	15,183	0	18,171	23,918	368	0	24,286	11,713	12,205	(20,930)	2,988
(~) DCA 8 - Soft Infrastructure - Mandogalup	471,270	6,453	(27,222)	450,501	0	0	0	0	0	478,973	(7,703)	471,270
(j) DCA 9 - Soft Infrastructure - Wandii/Anketell	11,762,971	205,101	(26,798)	11,941,274	11,770,673	180,905	(1,004,445)	10,947,133	10,487,573	1,283,101	(7,703)	11,762,971
(€) DCA 10 - Soft Infrastructure - Casuarina/Anketell	225,488	3,951	(25,257)	204,182	233,191	3,584	(4,545)	232,230	227,912	5,279	(7,703)	225,488
(j) DCA 11 - Soft Infrastructure - Wellard East	6,079,450	99,723	(26,196)	6,152,977	5,642,461	86,721	(4,545)	5,724,637	5,944,904	586,940	(452,394)	6,079,450
(i) DCA 12 - Soft Infrastructure - Wellard West	7,741,470	753,764	(27,138)	8,468,096	7,206,957	110,766	(4,545)	7,313,178	6,663,351	1,085,824	(7,705)	7,741,470
(f) DCA 13 - Soft Infrastructure - Bertram	283,533	4,963	(25,170)	263,326	291,237	4,476	(4,545)	291,168	282,230	9,007	(7,704)	283,533
(.) DCA 14 - Soft Infrastructure - Wellard/Leda	614,490	121,201	(28,770)	706,921	622,193	9,563	(16,045)	615,711	504,779	117,415	(7,704)	614,490
(...) DCA 15 - Soft Infrastructure - Townsite	162,567	100,860	(23,996)	239,431	170,270	357,617	(16,045)	511,842	158,316	11,955	(7,704)	162,567
	55,730,366	14,609,956	(15,090,636)	55,249,686	54,528,342	15,869,208	(21,765,512)	48,632,038	52,072,348	9,700,454	(6,042,436)	55,730,366

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserves - cash/financial assets backed.

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

<b>Name of Reserve</b>	<b>date of use</b>	<b>Purpose of the reserve</b>
(a) Aged Persons Units Reserve	Ongoing	This Reserve was established to provide funds for the capital acquisition and maintenance of the Aged Persons Units, Callistemon Court.
(b) Asset Management Reserve	Ongoing	This Reserve was established to provide funds for asset management renewal projects of the City's building and infrastructure assets, thereby extending the useful economic life of such assets.
(c) Banksia Park Reserve	Complete	This Reserve has been established to provide funds for the capital acquisition and maintenance of the Banksia Park Retirement Village.
(d) City Assist Initiative Reserve	Ongoing	This Reserve was established to provide funds for infrastructure and other initiatives to enhance the safety and security of the City.
(e) City Infrastructure Reserve	Ongoing	This Reserve was established to fund the City's contributions to community infrastructure projects.
(f) Contiguous Local Authorities Group Reserve	Ongoing	This Reserve was established to provide funds for the prevention and education of Mosquito management.
(g) Community Services & Emergency Relief Reserve	Ongoing	This Reserve was established to provide funding to alleviate the effect of any disaster within the City of Kwinana boundaries and to provide funds to develop community services.
(h) Employee Leave Reserve	Ongoing	This Reserve was established for the purpose of ensuring that adequate funds are available to finance employee leave entitlements.
(i) Employee Vacancy Reserve	Ongoing	The Reserve was established to ensure that adequate funds are available to finance employee costs.
(j) Family Day Care Reserve	Ongoing	This Reserve provides for the capital acquisitions and maintenance of this facility.
(k) Future Community Infrastructure Reserve	Ongoing	This Reserve was established to accumulate the City's contributions for the capital funding of future community infrastructure in accordance with Town Planning Scheme #2.
(l) Golf Course Cottage Reserve	Ongoing	This Reserve was established to provide funds for the maintenance of this building.
(m) Golf Club Maintenance Reserve	Ongoing	This Reserve was established to provide funds for the maintenance of this building.
(n) Information Technology Reserve	Ongoing	This Reserve was established to provide funds for the implementation and maintenance of the City's software requirements.
(o) Infrastructure Reserve	Ongoing	This Reserve was established to be used to provide funds to create new City assets or for the major upgrade of City assets to increase the service level provided by the asset.
(p) Plant and Equipment Replacement Reserve	Ongoing	This Reserve is utilised to replace existing fleet, plant and other City assets.
(q) Refuse Reserve	Ongoing	This Reserve was established to provide funds for the costs and subsidy of Waste Management in the City.
(r) Renewable Energy Efficiency Reserve	Ongoing	This Reserve was established to provide funds for renewable energy and water efficiency initiatives.
(s) Restricted Grants & Contributions Reserve	Ongoing	This Reserve was established to restrict funds required to complete projects relating to prior financial years.
(t) Settlement Agreement Reserve	Ongoing	This Reserve was established to provide funds to account for future negotiated settlement agreement payments.
(u) Workers Compensation Reserve	Ongoing	This Reserve was established to fund workers compensation costs incurred by the City where the maximum contribution amount for a previous year has been reached and there is a claim which remains open and requires the City to pay costs relating to the open claims in the current and future years.
(v) Youth Engagement Reserve	Ongoing	This Reserve was established to assist with youth engagement and diversion initiatives.
(w) DCA 1 - Hard Infrastructure - Bertram	Ongoing	This Reserve was established to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 1 Hard Infrastructure Bertram.
(x) DCA 2 - Hard Infrastructure - Wellard	Ongoing	This Reserve was established to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 2 Hard Infrastructure Wellard.
(y) DCA 3 - Hard Infrastructure - Casuarina	Ongoing	This Reserve was established to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 3 Hard Infrastructure Casuarina.
(z) DCA 4 - Hard Infrastructure - Anketell	Ongoing	This Reserve was established to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 4 Hard Infrastructure Anketell.
({) DCA 5 - Hard Infrastructure - Wandii	Ongoing	This Reserve was established to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 5 Hard Infrastructure Wandii.
( ) DCA 6 - Hard Infrastructure - Mandogalup	Ongoing	This Reserve was established to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 6 Hard Infrastructure Mandogalup.
(}) DCA 7 - Hard Infrastructure - Mandogalup West/Bertram	Ongoing	This Reserve was established to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 7 Hard Infrastructure
(~) DCA 8 - Soft Infrastructure - Mandogalup	Ongoing	This Reserve was established to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 8 Soft Infrastructure Mandogalup.
(_ DCA 9 - Soft Infrastructure - Wandii/Anketell	Ongoing	This Reserve was established to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 9 Soft Infrastructure Wandii/Anketell.
(€) DCA 10 - Soft Infrastructure - Casuarina/Anketell	Ongoing	This Reserve was established to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 10 Soft Infrastructure Casuarina/Anketell.
(⌋ DCA 11 - Soft Infrastructure - Wellard East	Ongoing	This Reserve was established to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 11 Soft Infrastructure Wellard East.
(,) DCA 12 - Soft Infrastructure - Wellard West	Ongoing	This Reserve was established to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 12 Soft Infrastructure Wellard West.
(f) DCA 13 - Soft Infrastructure - Bertram	Ongoing	This Reserve was established to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 13 Soft Infrastructure Bertram.
(,) DCA 14 - Soft Infrastructure - Wellard/Leda	Ongoing	This Reserve was established to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 14 Soft Infrastructure Wellard/Leda.
(...) DCA 15 - Soft Infrastructure - Townsite	Ongoing	This Reserve was established to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 15 Soft Infrastructure Townsite.

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**5. OTHER FINANCIAL ASSETS**

**(a) Current assets**

Financial assets at amortised cost  
Financial assets at fair value through profit and loss

**Other financial assets at amortised cost**

Term deposits - term greater than 90 days  
Self supporting loans

**Financial assets at fair value through profit and loss**

Banksia Park Deferred Management Fee

**(b) Non-current assets**

Financial assets at amortised cost  
Financial assets at fair value through profit and loss

**Financial assets at amortised cost**

Self supporting loans

**Financial assets at fair value through profit and loss**

Units in Local Government House Trust  
Banksia Park Deferred Management Fee

2020	2019
\$	\$
33,804,828	45,365,095
319,490	297,819
34,124,318	45,662,914
33,787,559	45,348,386
17,269	16,709
33,804,828	45,365,095
319,490	297,819
319,490	297,819
232,703	249,973
3,309,310	3,218,202
3,542,013	3,468,175
232,703	249,973
232,703	249,973
124,637	122,620
3,184,673	3,095,582
3,309,310	3,218,202

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 18(b) as self supporting loans.

**SIGNIFICANT ACCOUNTING POLICIES**

**Other financial assets at amortised cost**

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

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

**Financial assets at fair value through profit and loss**

The City classifies the following financial assets at fair value through profit and loss:

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

**Impairment and risk**

Information regarding impairment and exposure to risk can be found at Note 28.

## 6. TRADE AND OTHER RECEIVABLES

### Current

Rates receivable	
Trade and other receivables	
GST receivable	
Allowance for impairment of receivables	

### Non-current

Pensioner's rates and ESL deferred	
------------------------------------	--

2020	2019
\$	\$
3,588,655	3,865,054
560,351	462,500
404,862	312,998
(98,606)	(99,421)
4,455,262	4,541,131
760,126	711,755
760,126	711,755

### SIGNIFICANT ACCOUNTING POLICIES

#### Trade and other receivables

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

#### Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 28.

### SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Classification and subsequent measurement

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

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

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

## 7. INVENTORIES

### Current

Stores and materials

The following movements in inventories occurred during the year:

### Carrying amount at beginning of period

Inventories expensed during the year

Additions to inventory

### Carrying amount at end of period

	2020	2019
	\$	\$
	37,323	32,920
	37,323	32,920
	32,920	34,180
	(65,045)	(144,689)
	69,448	143,429
	37,323	32,920

### SIGNIFICANT ACCOUNTING POLICIES

#### General

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

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

## 8. OTHER ASSETS

### Other assets - current

Prepayments

Accrued income

	2020	2019
	\$	\$
	164,937	28,963
	1,566,730	627,181
	1,731,667	656,144

### SIGNIFICANT ACCOUNTING POLICIES

#### Other current assets

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

## 9. PROPERTY, PLANT AND EQUIPMENT

### (a) Movements in Carrying Amounts

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

	Land - freehold land	Land - vested in and under the control of Council	Total land	Buildings - specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2018</b>	35,431,000	12,140,000	47,571,000	100,243,079	100,243,079	147,814,079	976,193	6,064,850	154,855,122
Additions	0	0	0	924,854	924,854	924,854	8,149	860,702	1,793,705
(Disposals)	0	0	0	0	0	0	0	(519,520)	(519,520)
Depreciation (expense)	0	0	0	(4,481,581)	(4,481,581)	(4,481,581)	(260,892)	(902,438)	(5,644,911)
<b>Carrying amount at 30 June 2019</b>	35,431,000	12,140,000	47,571,000	96,686,352	96,686,352	144,257,352	723,450	5,503,594	150,484,396
<b>Comprises:</b>									
Gross carrying amount at 30 June 2019	35,431,000	12,140,000	47,571,000	105,809,650	105,809,650	153,380,650	4,488,944	8,984,624	166,854,218
Accumulated depreciation at 30 June 2019	0	0	0	(9,123,298)	(9,123,298)	(9,123,298)	(3,765,494)	(3,481,030)	(16,369,822)
<b>Carrying amount at 30 June 2019</b>	35,431,000	12,140,000	47,571,000	96,686,352	96,686,352	144,257,352	723,450	5,503,594	150,484,396
Change in accounting policy	0	(12,140,000)	(12,140,000)	0	0	(12,140,000)	0	0	(12,140,000)
<b>Carrying amount at 1 July 2019</b>	35,431,000	0	35,431,000	96,686,352	96,686,352	132,117,352	723,450	5,503,594	138,344,396
Additions	0	0	0	1,316,754	1,316,754	1,316,754	180,830	1,105,449	2,603,033
(Disposals)	0	0	0	0	0	0	(24,385)	(713,838)	(738,223)
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	0	0	0	0	58,484	373,186	431,670
Depreciation (expense)	0	0	0	(4,495,716)	(4,495,716)	(4,495,716)	(196,691)	(889,675)	(5,582,082)
<b>Carrying amount at 30 June 2020</b>	35,431,000	0	35,431,000	93,507,390	93,507,390	128,938,390	741,688	5,378,716	135,058,794
<b>Comprises:</b>									
Gross carrying amount at 30 June 2020	35,431,000	0	35,431,000	107,126,404	107,126,404	142,557,404	2,469,987	5,378,716	150,406,107
Accumulated depreciation at 30 June 2020	0	0	0	(13,619,014)	(13,619,014)	(13,619,014)	(1,728,299)	0	(15,347,313)
<b>Carrying amount at 30 June 2020</b>	35,431,000	0	35,431,000	93,507,390	93,507,390	128,938,390	741,688	5,378,716	135,058,794

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**9. PROPERTY, PLANT AND EQUIPMENT (Continued)**

**(b) Fair Value Measurements**

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
<b>Land and buildings</b>					
Land - freehold land					
- Independent valuation	2	Market approach using recent observable open market values as evidenced by sales transactions of similar property types	Independent registered valuer	June 2017	Price per square metre
- Independent valuation	3	Market approach using recent observable open market values as evidenced by sales transactions of similar property types, adjusted for condition and comparability, at their current use as highest and best use.	Independent registered valuer	June 2017	Price per square metre adjusted for zoning restrictions
Land - vested in and under the control of Council					
- Independent valuation	3	Improvements to land valued using cost approach	Independent registered valuer	June 2017	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
- Independent valuation	3	Cost approach using depreciated replacement costs	Independent registered valuer	June 2017	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Furniture and equipment</b>					
- Independent valuation	3	Cost approach using depreciated replacement costs	Independent registered valuer	June 2020	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (level 3) inputs
- Independent valuation	3	Cost approach using depreciated replacement costs	Management valuation	June 2020	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (level 3) inputs
<b>Plant and equipment</b>					
- Independent valuation	2	Market approach using recent observable market data for similar assets	Independent registered valuer	June 2020	Market price per item
- Independent valuation	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2020	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
- Management Valuation	3	Cost approach using depreciated replacement cost	Management valuation	June 2020	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

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

Following a change to *Local Government (Financial Management) Regulation 17A*, plant and equipment type assets (being plant and equipment and furniture and equipment) are to be measured under the cost model, rather than at fair value. This change is effective from 1 July 2019 and represents a change in accounting policy.

Revaluations carried out previously were not reversed as it was deemed fair value approximates cost at the date of change.

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**10. INFRASTRUCTURE**

**(a) Movements in Carrying Amounts**

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

	Infrastructure - Roads	Infrastructure - Footpaths	Infrastructure - Drainage	Infrastructure - Car Parks	Infrastructure - Bus Shelters	Infrastructure - Street Lights	Infrastructure - Parks & Ovals	Infrastructure - Other	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2018</b>	241,501,314	37,195,170	46,344,823	3,124,606	622,216	899,458	27,409,102	518,089	357,614,778
Additions	5,648,124	1,110,130	2,594,192	6,012	16,554	334,163	4,695,095	8,582	14,412,852
Depreciation (expense)	(6,325,113)	(572,233)	(562,737)	(347,178)	(44,444)	(52,909)	(1,712,257)	(97,799)	(9,714,670)
<b>Carrying amount at 30 June 2019</b>	240,824,325	37,733,067	48,376,278	2,783,440	594,326	1,180,712	30,391,940	428,872	362,312,960
<b>Comprises:</b>									
Gross carrying amount at 30 June 2019	247,149,438	38,305,300	48,939,015	3,130,618	638,770	1,233,621	32,104,197	526,671	372,027,630
Accumulated depreciation at 30 June 2019	(6,325,113)	(572,233)	(562,737)	(347,178)	(44,444)	(52,909)	(1,712,257)	(97,799)	(9,714,670)
<b>Carrying amount at 30 June 2019</b>	240,824,325	37,733,067	48,376,278	2,783,440	594,326	1,180,712	30,391,940	428,872	362,312,960
Additions	4,572,717	848,910	1,627,944	23,442	15,397	58,424	5,129,927	0	12,276,761
(Disposals)	(1,081,842)	0	0	0	0	0	0	0	(1,081,842)
Depreciation (expense)	(6,337,844)	(586,091)	(588,643)	(347,479)	(45,105)	(64,033)	(1,867,841)	(98,022)	(9,935,058)
<b>Carrying amount at 30 June 2020</b>	237,977,356	37,995,886	49,415,579	2,459,403	564,618	1,175,103	33,654,026	330,850	363,572,821
<b>Comprises:</b>									
Gross carrying amount at 30 June 2020	250,559,079	39,154,210	50,566,959	3,154,060	654,167	1,292,045	37,234,123	526,671	383,141,314
Accumulated depreciation at 30 June 2020	(12,581,723)	(1,158,324)	(1,151,380)	(694,657)	(89,549)	(116,942)	(3,580,097)	(195,821)	(19,568,493)
<b>Carrying amount at 30 June 2020</b>	237,977,356	37,995,886	49,415,579	2,459,403	564,618	1,175,103	33,654,026	330,850	363,572,821

**CITY OF KWINANA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**10. INFRASTRUCTURE (Continued)**

**(b) Fair Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of Valuation</b>	<b>Date of Last Valuation</b>	<b>Inputs Used</b>
<b>Infrastructure - Roads</b>	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition, non-depreciable components and remaining useful life assessments (Level 3 inputs)
<b>Infrastructure - Footpaths</b>	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition, non-depreciable components and remaining useful life assessments (Level 3 inputs)
<b>Infrastructure - Drainage</b>	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition, non-depreciable components and remaining useful life assessments (Level 3 inputs)
<b>Infrastructure - Car Parks</b>	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition, non-depreciable components and remaining useful life assessments (Level 3 inputs)
<b>Infrastructure - Bus Shelters</b>	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition, non-depreciable components and remaining useful life assessments (Level 3 inputs)
<b>Infrastructure - Street Lights</b>	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition, non-depreciable components and remaining useful life assessments (Level 3 inputs)
<b>Infrastructure - Parks &amp; Ovals</b>	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition, non-depreciable components and remaining useful life assessments (Level 3 inputs)
<b>Infrastructure - Other</b>	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition, non-depreciable components and remaining useful life assessments (Level 3 inputs)

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

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

**CITY OF KWINANA**  
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**11. FIXED ASSETS**

**SIGNIFICANT ACCOUNTING POLICIES**

**Fixed assets**

Each class of fixed assets within either plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

**Initial recognition and measurement between mandatory revaluation dates**

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

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

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the City includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets that are land, buildings and infrastructure acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework.

**Revaluation**

The fair value of land, buildings and infrastructure is determined at least every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on vested land acquired by the City.

At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires land, buildings, infrastructure, investment properties and vested improvements to be shown at fair value.

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

**AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY**

**Land under control prior to 1 July 2019**

In accordance with the then *Local Government (Financial Management) Regulation 16(a)(ii)*, the City was previously required to include as an asset (by 30 June 2013), vested Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of State or regional significance.

Upon initial recognition, these assets were recorded at cost in accordance with AASB 116. They were then classified as Land and revalued along with other land.

**Land under roads prior to 1 July 2019**

In Western Australia, most land under roads is Crown Land, the responsibility for managing which, is vested in the local government.

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in *Australian Accounting Standard AASB 1051 Land Under Roads* and the then *Local Government (Financial Management) Regulation 16(a)(i)* which arbitrarily prohibited local governments from recognising such land as an asset. This regulation has now been deleted.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, the then *Local Government (Financial Management) Regulation 16(a)(i)* prohibited local governments from recognising such land as an asset.

Whilst such treatment is inconsistent with the requirements of *AASB 1051, Local Government (Financial Management) Regulation 4(2)* provides, in the event of such an inconsistency, the *Local Government (Financial Management) Regulations* prevail. Consequently, any land under roads acquired on or after 1 July 2008 was not included as an asset of the City.

**Land under roads from 1 July 2019**

As a result of amendments to the *Local Government (Financial Management) Regulations 1996*, effective from 1 July 2019, vested land, including land under roads, are treated as right-of-use assets measured at zero cost. Therefore, the previous inconsistency with AASB 1051 in respect of non-recognition of land under roads acquired on or after 1 July 2008 has been removed, even though measurement at zero cost means that land under roads is still not included in the statement of financial position.

The City has accounted for the removal of the vested land values associated with vested land previously recognised by removing the land value and associated revaluation reserve as at 1 July 2019. The comparatives have not been restated.

**Vested improvements from 1 July 2019**

The measurement of vested improvements at fair value in accordance with *Local Government (Financial Management) Regulation 17A(2)(iv)* is a departure from AASB 16 which would have required the City to measure the vested improvements as part of the related right-of-use assets at zero cost.

Refer to Note 12 that details the significant accounting policies applying to leases (including right of use assets).

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**11. FIXED ASSETS**

**(a) Disposals of Assets**

	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss	2020 Budget Net Book Value	2020 Budget Sale Proceeds	2020 Budget Profit	2020 Budget Loss	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Furniture and equipment	24,385	0	0	(24,385)	0	0	0	0	0	0	0	0
Plant and equipment	713,838	696,834	124,076	(141,080)	393,563	334,500	42,863	(101,926)	519,520	373,433	6,178	(152,265)
Infrastructure - Roads	1,081,842	0	0	(1,081,842)	0	0	0	0	0	0	0	0
	1,820,065	696,834	124,076	(1,247,307)	393,563	334,500	42,863	(101,926)	519,520	373,433	6,178	(152,265)

The following assets were disposed of during the year.

**Disposals**

**Governance**

P526 1GJD112	28,763	27,782	0	(981)
P496 1GDR926	16,178	25,282	9,104	0
P513 1GIW674	23,875	38,321	14,446	0
Minor plant & equipment written off during fair value review	1,584	0	0	(1,584)

**Law, order, public safety**

P450 KWN2063	13,089	21,873	8,784	0
P449 KWN2061	9,866	16,873	7,007	0
K9 Kube Dog Catcher System - attached to KWN2061	23,757	0	0	(23,757)

**Health**

P458 KWN1991	26,802	21,191	0	(5,611)
P457 KWN1981	6,082	14,600	8,518	0

**Community amenities**

P429 KWN1956	20,000	15,055	0	(4,945)
P454 1EWO610	23,390	18,918	0	(4,472)
P480 KWN2027	10,319	18,691	8,372	0
P486 KWN2067	11,996	25,055	13,059	0
P473 Piglet Mower - Environment	2,890	3,636	746	0

**Recreation and culture**

Minor plant & equipment written off during fair value review	22,801	0	0	(22,801)
Plant Replacement - P491 1GCH843	11,175	13,964	2,789	0

**Transport**

Kwinana Beach Road transferred to Main Roads	1,081,842	0	0	(1,081,842)
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**Economic services**

P482 1GDA257	9,088	11,496	2,408	0
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**Other property and services**

P456 KWN1986	22,433	15,736	0	(6,697)
P452 KWN2023	22,000	19,145	0	(2,855)
P409 KWN1896	20,000	16,418	0	(3,582)
P453 KWN1989	24,203	21,873	0	(2,330)
P408 KWN1899	22,000	19,827	0	(2,173)
P431 KWN1982	27,999	21,645	0	(6,354)
P434 KWN1981	28,000	20,282	0	(7,718)
P265 Footpath grinder	800	420	0	(380)
P306 1TKU712 Boxtop trailer	1,131	656	0	(475)
P324 KWN1833 Hino 300 Series 816 Crew Cab	32,993	20,379	0	(12,614)
P333 KWN1835 Signage Truck	27,850	8,511	0	(19,339)
P530 1GJU179 Toro Ground Master Ride On Mower	137,825	101,028	0	(36,797)
P451 KWN2025	11,879	20,509	8,630	0
P520 KWN2049	19,264	25,509	6,245	0
P51 KWN650 Massey Ferguson 362 Tractor	0	8,300	8,300	0
P208 3 PTL Hyd Drive Road Broom Hyd Angle	0	1,000	1,000	0
P235 1TJO798 Mowing Dovetail Trailer	1,000	5,285	4,285	0
P252 KWN1761	52,480	60,475	7,995	0
P323 1TLN489 Mowing Trailer Industrial Crew	2,548	5,284	2,736	0
P325 1TLL524 Flat Top Trailer	2,597	5,285	2,688	0
P534 Trailer - Transportable Radar Speed Display Trailer	19,566	26,530	6,964	0
	1,820,065	696,834	124,076	(1,247,307)

**CITY OF KWINANA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**11. FIXED ASSETS**

**(b) Depreciation**

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Buildings - specialised	4,495,716	4,489,788	4,481,581
Furniture and equipment	196,691	454,980	260,892
Plant and equipment	889,675	890,784	902,438
Infrastructure - Roads	6,337,844	5,306,849	6,325,113
Infrastructure - Footpaths	586,091	480,111	572,233
Infrastructure - Drainage	588,643	472,144	562,737
Infrastructure - Car Parks	347,479	291,287	347,178
Infrastructure - Bus Shelters	45,105	44,448	44,444
Infrastructure - Street Lights	64,033	44,390	52,909
Infrastructure - Parks & Ovals	1,867,841	1,712,256	1,712,257
Infrastructure - Other	98,022	82,055	97,799
Right of use assets - plant and equipment	113,003	0	0
	<b>15,630,143</b>	<b>14,269,092</b>	<b>15,359,581</b>

**Revision of useful lives of plant and equipment**

Property, plant and equipment were assessed for fair value adjustments during the year. Some asset useful lives and residual values were also revised during this process to align with expected future use.

**SIGNIFICANT ACCOUNTING POLICIES**

**Depreciation**

The depreciable amount of all fixed assets, excluding freehold land, vested land, artwork and road sub-grade are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

**Depreciation rates**

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

Asset Class	Useful life
Buildings	2 to 100 years
Furniture and equipment	
Computer & Audio Visual Equip	2 to 7 years
Office Furniture & Equipment	3 to 15 years
Other Furniture & Equipment	5 to 15 years
Plant and equipment	5 to 15 years
Motor Vehicles	3 to 10 years
Other Plant & Equipment	3 to 20 years
Infrastructure	
Roads	12 to 80 years
Footpaths	40 to 80 years
Drainage	100 years
Car Parks	5 to 20 years
Bus Shelters	20 to 25 years
Street Lights	15 to 30 years
Parks & Ovals	10 to 50 years
Other Infrastructure	30 to 40 years

**Depreciation on revaluation**

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

(a) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. For example, the gross carrying amount may be restated by reference to observable market data or it may be restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses; or

(b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

**Amortisation**

All intangible assets with a finite useful life, are amortised on a straight-line basis over the individual asset's useful life from the time the asset is held for use.

The residual value of intangible assets is considered to be zero and the useful life and amortisation method are reviewed at the end of each financial year.

Amortisation is included within Depreciation on non-current assets in the Statement of Comprehensive Income and in the note above.

## 12. LEASES

### (a) Right of Use Assets

Movement in the carrying amounts of each class of right of use asset between the beginning and the end of the current financial year.

#### Carrying amount at 30 June 2019

Recognised on initial application of AASB 16

#### Restated total equity at the beginning of the financial year

Additions

Depreciation (expense)

#### Carrying amount at 30 June 2020

### (b) Cash outflow from leases

Interest expense on lease liabilities

Lease principal expense

Total cash outflow from leases

### (c) Other expenses and income relating to leases

Short-term lease payments recognised as expense

Low-value asset lease payments recognised as expense

Right of use assets - plant and equipment	Right of use assets Total
\$	\$
0	0
226,618	226,618
226,618	226,618
77,064	77,064
(113,003)	(113,003)
190,679	190,679
5,610	5,610
116,017	116,017
121,627	121,627
268,226	268,226
127,714	127,714
395,940	395,940

## SIGNIFICANT ACCOUNTING POLICIES

### Leases

At inception of a contract, the City assesses if the contract contains or is a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, a right-of-use asset is recognised at cost and lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the City uses its incremental borrowing rate.

All contracts that are classified as short-term leases (i.e. a lease with a remaining term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Leases for right-of-use assets are secured over the asset being leased.

### Right-of-use assets - valuation

Right-of-use assets are measured at cost. This means that all right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included in the statement of financial position). The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fair value.

Refer to Note 11 for details on the significant accounting policies applying to vested improvements.

### Right-of-use assets - depreciation

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the City anticipates to exercise a purchase option, the specific asset is amortised over the useful life of the underlying asset.

## 13. INTANGIBLE ASSETS

### (a) Computer Software

#### Non-current

Intangible asset - Computer Software

2020 Actual \$	2019 Actual \$
616,115	308,673
616,115	308,673

Movements in carrying amounts of computer software during the financial year are shown as follows:

#### Carrying amount at beginning of period

Recognition of Intangible asset - Computer Software

#### Carrying amount at end of period

308,673	0
307,442	308,673
616,115	308,673
616,115	308,673

### TOTAL INTANGIBLE ASSETS

## SIGNIFICANT ACCOUNTING POLICIES

### Computer software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the City are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software.
- it can be demonstrated how the software will generate probable future economic benefits;

### Computer software (continued)

- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

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**14. REVALUATION SURPLUS**

	2020 Opening Balance \$	2020 Change in Accounting Policy	2020 Revaluation Increment \$	2020 Revaluation (Decrement) \$	Total Movement on Revaluation \$	2020 Closing Balance \$	2019 Opening Balance \$	2019 Revaluation Increment \$	2019 Revaluation (Decrement) \$	Total Movement on Revaluation \$	2019 Closing Balance \$
Revaluation surplus - Land	78,166,636	(12,140,000)	0	0	(12,140,000)	66,026,636	78,166,636	0	0	0	78,166,636
Revaluation surplus - Furniture and equipment	199,013	0	58,484	0	58,484	257,497	199,013	0	0	0	199,013
Revaluation surplus - Plant and equipment	1,581,222	0	373,186	0	373,186	1,954,408	1,581,222	0	0	0	1,581,222
Revaluation surplus - Infrastructure - Roads	112,417,177	0	0	0	0	112,417,177	112,417,177	0	0	0	112,417,177
Revaluation surplus - Infrastructure - Footpaths	14,917,826	0	0	0	0	14,917,826	14,917,826	0	0	0	14,917,826
Revaluation surplus - Infrastructure - Drainage	17,185,601	0	0	0	0	17,185,601	17,185,601	0	0	0	17,185,601
Revaluation surplus - Infrastructure - Car Parks	1,837,027	0	0	0	0	1,837,027	1,837,027	0	0	0	1,837,027
Revaluation surplus - Infrastructure - Bus Shelters	379,791	0	0	0	0	379,791	379,791	0	0	0	379,791
Revaluation surplus - Infrastructure - Parks & Ovals	4,869,464	0	0	0	0	4,869,464	4,869,464	0	0	0	4,869,464
Revaluation surplus - Infrastructure - Other	178,078	0	0	0	0	178,078	178,078	0	0	0	178,078
	231,731,835	(12,140,000)	431,670	0	(11,708,330)	220,023,505	231,731,835	0	0	0	231,731,835

Movements on revaluation of property, plant and equipment (including infrastructure) are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus 40.1.

**CITY OF KWINANA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**15. TRADE AND OTHER PAYABLES**

**Current**

Sundry creditors
Prepaid rates
Accrued salaries and wages
Bonds and deposits held
Accrued Expenses
Accrued Interest on long term borrowings
Unit Contribution - Banksia Park

2020	2019
\$	\$
3,061,626	1,826,349
1,198,500	0
828,470	629,954
1,070,649	1,581,937
1,091,374	187,490
30,451	32,295
16,975,350	17,133,425
24,256,420	21,391,450

**SIGNIFICANT ACCOUNTING POLICIES**

**Trade and other payables**

Trade and other payables represent liabilities for goods and services provided to the City prior to the end of the financial year that are unpaid and arise when the City becomes obliged to make future payments in respect of the purchase of these goods and services.

The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

**Prepaid rates**

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

## 16. CONTRACT AND OTHER LIABILITIES

### Current

Contract liabilities from contracts with customers - fees & charges	162,515	0
Contract liabilities from contracts with customers - operating grants	194,030	0
Other liabilities from transfers for recognisable non financial assets	10,087,995	0
	<u>10,444,540</u>	<u>0</u>

### Non-current

Other liabilities from transfers for recognisable non financial assets	16,953,626	0
	<u>16,953,626</u>	<u>0</u>
	<u>27,398,166</u>	<u>0</u>

2020	2019
\$	\$
162,515	0
194,030	0
10,087,995	0
<u>10,444,540</u>	<u>0</u>
16,953,626	0
<u>16,953,626</u>	<u>0</u>
<u>27,398,166</u>	<u>0</u>

Performance obligations from contracts and other liabilities are expected to be recognised as revenue in accordance with the following time bands:

Less than 1 year	4,650,761
1 to 2 years	6,873,436
2 to 3 years	4,773,145
3 to 4 years	11,100,824
4 to 5 years	0
> 5 years	0
	<u>27,398,166</u>

### SIGNIFICANT ACCOUNTING POLICIES

#### Contract Liabilities

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

Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

With respect to transfers for recognisable non-financial assets, liabilities represent performance obligations which are not yet satisfied.

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## 17. LEASE LIABILITIES

### (a) Lease Liabilities

	2020	2019
	\$	\$
Current	114,357	0
Non-current	77,148	0
	191,505	0

### (b) Movements in Carrying Amounts

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Actual Lease Principal 1 July 2019	30 June 2020 Actual New Leases	30 June 2020 Actual Lease Principal Repayments	30 June 2020 Actual Lease Principal Outstanding	30 June 2020 Actual Lease Interest Repayments
					\$	\$	\$	\$	\$
<b>Education and welfare</b>									
Vehicle Lease - Bright Futures	1EYT548	Toyota Finance	2.00%	February 2021	6,819	0	4,282	2,537	96
Vehicle Lease - Youth	1EWZ823	Easifleet	2.00%	November 2020	11,373	0	8,501	2,872	150
<b>Recreation and culture</b>									
Nilfisk - Floor Scrubber - Recquatic	Nilfisk	Nilfisk	1.70%	December 2022	0	21,044	4,008	17,036	192
<b>Other property and services</b>									
Data#3 Limited Server Storage	E6N0160168	Alleasing	2.00%	June 2021	114,276	0	56,568	57,708	1,863
ELB 4x Proline84 Interactive	E6N0160185	Alleasing	2.00%	June 2022	31,188	0	10,189	20,999	548
Kyocera Equipment	5389066248AUS1	HP	3.65%	June 2022	66,803	0	22,109	44,694	2,072
Photocopier/Printers	E6N0162743	Maia	1.80%	October 2024	0	56,020	10,361	45,659	689
					230,459	77,064	116,018	191,505	5,610

**CITY OF KWINANA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**18. INFORMATION ON BORROWINGS**

**(a) Borrowings**

	2020	2019
	\$	\$
Current	2,314,779	1,451,093
Non-current	17,953,926	20,101,305
	20,268,705	21,552,398

**(b) Repayments - Borrowings**

Particulars	Loan Number	Institution	Interest Rate	Actual Principal	30 June 2020 Actual Principal repayments	30 June 2020 Actual Interest repayments	30 June 2020 Actual Principal outstanding	Budget Principal	30 June 2020 Budget New Loans	30 June 2020 Budget Principal repayments	30 June 2020 Budget Interest repayments	30 June 2020 Budget Principal outstanding	Actual Principal	30 June 2019 Actual Principal repayments	30 June 2019 Actual Interest repayments	30 June 2019 Actual Principal outstanding
				1 July 2019				1 July 2019					1 July 2018			
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Particulars</b>																
<b>Governance</b>																
Administration Office Renovations	99	WATC	6.35%	671,799	95,471	45,032	576,328	671,799	0	95,471	45,130	576,328	761,572	89,773	51,272	671,799
Administration / Chambers Building Refurbishment	107	WATC	N/A	0	0	0	0	0	2,268,000	0	0	2,268,000	0	0	0	0
<b>Education and welfare</b>																
Youth Specific Space	96	WATC	7.67%	122,474	27,312	9,482	95,162	122,474	0	27,312	9,555	95,162	147,840	25,366	11,586	122,474
Youth Specific Space Stage 2	100	WATC	4.72%	1,398,797	128,303	73,040	1,270,494	1,398,797	0	128,303	73,138	1,270,494	1,521,312	122,515	79,551	1,398,797
<b>Recreation and culture</b>																
Wellard Sports Pavilion	94	WATC	6.48%	158,337	49,501	9,908	108,836	158,337	0	49,501	10,406	108,836	204,825	46,488	13,236	158,337
Orelia Oval Pavilion	95	WATC	7.67%	293,938	65,548	22,757	228,390	293,937	0	65,549	22,933	228,388	354,815	60,877	27,808	293,938
Orelia Oval Pavilion Stage 2	97	WATC	6.35%	1,486,494	211,250	99,643	1,275,244	1,486,493	0	211,250	99,859	1,275,243	1,685,135	198,641	113,449	1,486,494
Resource & Knowledge Centre	102	WATC	4.59%	7,421,567	601,391	378,715	6,820,176	7,421,567	0	601,391	379,164	6,820,176	7,421,567	0	386,720	7,421,567
Recquatic Centre Upgrade	104	WATC	4.09%	3,350,000	0	159,189	3,350,000	3,350,000	0	0	159,190	3,350,000	3,350,000	0	159,125	3,350,000
Bertram Community Centre	105	WATC	3.29%	1,296,840	27,568	50,840	1,269,272	1,296,840	0	27,568	50,846	1,269,272	1,296,840	0	50,827	1,296,840
Calista Destination Park	106	WATC	3.16%	1,420,420	99,153	53,554	1,321,267	1,420,421	0	99,153	53,613	1,321,268	1,516,532	96,112	57,249	1,420,420
<b>Transport</b>																
Industrial Area Streetscape	98	WATC	6.35%	906,930	128,886	60,793	778,044	906,930	0	128,886	60,927	778,044	1,028,123	121,193	69,217	906,930
City Centre Redevelopment	101	WATC	2.49%	2,500,000	0	79,298	2,500,000	2,500,000	0	0	79,298	2,500,000	2,500,000	0	79,250	2,500,000
				21,027,596	1,434,383	1,042,251	19,593,213	21,027,595	2,268,000	1,434,384	1,044,059	21,861,211	21,788,561	760,965	1,099,290	21,027,596
<b>Self Supporting Loans</b>																
<b>Recreation and culture</b>																
Kwinana Golf Club Refurbishment	103B	WATC	3.35%	266,682	16,710	10,516	249,972	266,682	0	16,709	10,551	249,973	282,850	16,168	11,167	266,682
				266,682	16,710	10,516	249,972	266,682	0	16,709	10,551	249,973	282,850	16,168	11,167	266,682
Share of SMRC Loan				258,120	0	0	425,520	0	0	0	0	0	0	0	0	258,120
				21,552,398	1,451,093	1,052,767	20,268,705	21,294,277	2,268,000	1,451,093	1,054,610	22,111,184	22,071,411	777,133	1,110,457	21,552,398

\* WATC = WA Treasury Corporation

Self supporting loans are financed by payments from third parties. These are shown in Note 5 as other financial assets at amortised cost.

All other loan repayments were financed by general purpose revenue.

Current portion of borrowings includes \$425,520, which represents the City's share of the Southern Metropolitan Regional Council (SMRC) Administration Building loan with the WATC.

CITY OF KWINANA  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020

18. INFORMATION ON BORROWINGS (Continued)

(c) New Borrowings - 2019/20

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate	Amount Borrowed		Amount (Used)		Total Interest & Charges	Actual Balance Unspent
					2020 Actual	2020 Budget	2020 Actual	2020 Budget		
				%	\$	\$	\$	\$	\$	\$
Loan 107 - Administration / Chambers Building Refurbishment	WATC	Debenture	10	3.52%	0	2,268,000	0	2,268,000	0	0
* WA Treasury Corporation					0	2,268,000	0	2,268,000	0	0

(d) Undrawn Borrowing Facilities

Credit Standby Arrangements

	2020	2019
	\$	\$
Bank overdraft limit	0	0
Bank overdraft at balance date	0	0
Credit card limit	100,000	100,000
Credit card balance at balance date	(11,308)	(31,535)
<b>Total amount of credit unused</b>	<b>88,692</b>	<b>68,465</b>

Loan facilities

Loan facilities - current	2,314,779	1,451,093
Loan facilities - non-current	17,953,926	20,101,305
Lease liabilities - current	114,357	0
Lease liabilities - non-current	77,148	0
<b>Total facilities in use at balance date</b>	<b>20,460,210</b>	<b>21,552,398</b>

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

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

Borrowing costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

Risk

Information regarding exposure to risk can be found at Note 28.

**CITY OF KWINANA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**19. EMPLOYEE RELATED PROVISIONS**

**(a) Employee Related Provisions**

**Opening balance at 1 July 2019**

Current provisions

Non-current provisions

Additional provision

**Balance at 30 June 2020**

**Comprises**

Current

Non-current

	Provision for Annual Leave	Provision for Long Service Leave	Provision for Other Leave	Total
	\$	\$	\$	\$
Opening balance at 1 July 2019				
Current provisions	2,248,789	2,021,200	632,390	4,902,379
Non-current provisions	0	469,604	0	469,604
	2,248,789	2,490,804	632,390	5,371,983
Additional provision	258,449	169,641	116,067	544,157
<b>Balance at 30 June 2020</b>	<b>2,507,238</b>	<b>2,660,445</b>	<b>748,457</b>	<b>5,916,140</b>
<b>Comprises</b>				
Current	2,507,238	2,250,236	748,457	5,505,931
Non-current	0	410,209	0	410,209
	2,507,238	2,660,445	748,457	5,916,140

**Amounts are expected to be settled on the following basis:**

Less than 12 months after the reporting date

More than 12 months from reporting date

	2020	2019
	\$	\$
Less than 12 months after the reporting date	4,372,097	3,446,078
More than 12 months from reporting date	1,544,043	1,925,905
	5,916,140	5,371,983

Timing of the payment of current leave liabilities is difficult to determine as it is dependent on future decisions of employees. Expected settlement timings are based on information obtained from employees and historical leave trends and assumes no events will occur to impact on these historical trends.

**SIGNIFICANT ACCOUNTING POLICIES**

**Employee benefits**

**Short-term employee benefits**

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

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

**Other long-term employee benefits**

The City's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at

**Other long-term employee benefits (Continued)**

rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The City's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the City does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

**Provisions**

Provisions are recognised when the City has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

## 20. NOTES TO THE STATEMENT OF CASH FLOWS

### Reconciliation of Cash

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

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Cash and cash equivalents	25,471,026	48,639,208	11,888,157
<b>Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>			
Net result	(22,793)	(2,556,513)	7,034,201
Non-cash flows in Net result:			
Adjustments to fair value of financial assets through profit and loss - Banksia Park DMF Receivable	(110,762)	0	610,100
Adjustments to fair value of financial assets through profit and loss - Local Government House Trust	(2,017)	0	(122,620)
Depreciation	15,630,143	14,269,092	15,359,581
(Profit)/loss on sale of asset	1,123,231	59,063	146,087
Contributed Assets	(7,538,175)	0	(10,430,404)
Share of profits of associates (SMRC)	(18,131)	0	(61,124)
Changes in assets and liabilities:			
(Increase)/decrease in receivables	37,498	1,850,000	(9,213)
(Increase)/decrease in financial assets	(1,023,821)	0	0
(Increase)/decrease in inventories	(4,403)	0	1,260
(Increase)/decrease in other assets	(44,388)	0	(164,217)
Increase/(decrease) in payables	1,877,401	(500,000)	(1,849,303)
Increase/(decrease) in provisions	544,157	0	297,645
Increase/(decrease) in contract and other liabilities	(678,269)	0	0
Grants contributions for the development of assets	(3,272,347)	(10,936,569)	(4,476,940)
Net cash from operating activities	6,497,324	2,185,073	6,335,053

## 21. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2020	2019
	\$	\$
Governance	73,884,766	73,748,984
Law, order, public safety	2,339,301	1,953,715
Health	82,182	80,256
Education and welfare	33,937,419	31,885,016
Community amenities	851,964	1,128,260
Recreation and culture	87,482,048	85,910,119
Transport	329,262,657	330,930,080
Economic services	39,089,204	51,402,122
Other property and services	3,179,766	3,347,917
	570,109,307	580,386,469

## 22. CONTINGENT LIABILITIES AND CONTAMINATED SITES

The City did not have any contingent liabilities as at 30 June 2020.

The City has currently identified the following potentially contaminated sites:

Peace Park - the City is currently seeking a contaminated sites audit certification to classify the site as 'remediated for restricted use'.

City Depot site - the City is currently seeking a 'non contaminated - unrestricted use' or 'decontaminated' classification.

Kwinana Golf Course - the City is currently seeking a 'contaminated restricted use' classification. Ground water monitoring is undertaken periodically.

Banksia Road (Reserve R24784) - classification is unknown and the site is subject to a preliminary contaminated sites assessment by the City. The property is currently subject to a mining lease conditioned that the lessee remediate the site.

Lot 434 & 304 Thomas Road Landfill - both sites are leased by the City to the Department of Planning and Infrastructure. The lease provides that the lessee is responsible for post operation management.

Each of the above sites has been reported to the Department of Water and Environmental Regulation (DWER), however none have been classified as 'contaminated' nor registered in the DWER Contaminated Sites database.

As the obligation and cost to remediate the sites remain uncertain and is not expected to be material, the City has not recognised a liability as at 30 June 2020.

## 23. CAPITAL AND LEASING COMMITMENTS

### (a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects
- plant & equipment purchases

Payable:

- not later than one year

Varris Park Upgrade	0	81,569
Smirks Cottage Tractor Shed Preliminaries	0	22,297
Gilmore Avenue Crossing Signals	220,042	0
Thomas Oval Lighting Towers	196,984	0
Website Design Redevelopment	65,819	0
Wellard Road Electrical Infrastructure	11,308	0
Wellard Road Landscape Design	9,347	0
Library Self Checkout Touchscreens & Workstations	7,751	0

2020	2019
\$	\$
503,500	103,866
7,751	0
511,251	103,866
511,251	103,866

### (b) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the accounts (short term and low value leases).

Payable:

- not later than one year
- later than one year but not later than five years

2020	2019
\$	\$
226,748	438,663
65,379	344,990
292,127	783,653

### SIGNIFICANT ACCOUNTING POLICIES

#### Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the City, are classified as finance leases.

Finance leases are capitalised recording an asset and a liability at the lower of the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

#### Leases (Continued)

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

## 24. RELATED PARTY TRANSACTIONS

### Elected Members Remuneration

The following fees, expenses and allowances were paid to council members and/or the Mayor.

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Meeting fees	276,462	276,462	273,794
Mayor's allowance	89,753	89,753	88,864
Deputy Mayor's allowance	22,438	22,438	22,216
Travelling expenses	2,610	6,000	2,396
Telecommunications allowance	28,000	28,000	28,000
	419,263	422,653	415,270

### Key Management Personnel (KMP) Compensation Disclosure

The total of remuneration paid to KMP of the City during the year are as follows:

	2020 Actual	2019 Actual
	\$	\$
Short-term employee benefits	1,428,736	1,343,082
Post-employment benefits	142,883	142,026
Other long-term benefits	32,510	31,216
	1,604,129	1,516,324

#### *Short-term employee benefits*

These amounts include all salary, fringe benefits and cash bonuses awarded to KMP except for details in respect to fees and benefits paid to elected members which may be found above.

#### *Post-employment benefits*

These amounts are the current-year's estimated cost of providing for the City's superannuation contributions made during the year.

#### *Other long-term benefits*

These amounts represent long service benefits accruing during the year.

## 24. RELATED PARTY TRANSACTIONS (Continued)

### Transactions with related parties

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

The following transactions occurred with related parties:	2020 Actual	2019 Actual
	\$	\$
Sale of goods and services	52,519	69,384
Purchase of goods and services	182,110	183,964

### Related Parties

The City's main related parties are as follows:

#### *i. Key management personnel*

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any elected member, are considered key management personnel.

#### *ii. Other Related Parties*

The associate person of KMP was employed by the City under normal employment terms and conditions.

#### *iii. Entities subject to significant influence by the City*

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

## 25. INVESTMENT IN ASSOCIATES

### South Metropolitan Regional Council (SMRC)

The SMRC is a statutory local government authority established in 1991 by the local governments of Canning, Cockburn, East Fremantle, Kwinana, Melville and Rockingham. The SMRC is responsible for developing environmentally sustainable waste management solutions for the communities of the Participants.

The member local governments have jointly agreed to establish SMRC under an Establishment Agreement and each participant may participate in regional projects that are governed by a Participants' Project Agreement.

There are two core projects, being:

1. The Regional Resource Recovery Centre (RRRC) Project and;
2. The Office Accommodation Project.

Both the projects were established through separate project participants' agreements. The City of Kwinana are not participants in the RRRC project. In addition to the above two projects, the support activities of SMRC such as Administrative activities, Education and Marketing and Research and Development, are referred to as Existing Undertakings.

The following local governments have since withdrawn from the Regional Council:

City of Canning in June 2010, City of Rockingham in June 2012 and City of Cockburn in June 2019.

	Note	2020 \$	2019 \$
The City's Share of Associate Entity's Net Assets		504,775	319,244
Equity Ratio		17.85%	11.39%
Represented by Share of Associate Entity's Statement of Financial Position			
Current Assets		304,299	327,835
Non Current Assets		300,253	451,078
Total Assets		604,552	778,913
Current Liabilities		98,192	198,641
Non-Current Liabilities		1,585	261,028
Total Liabilities		99,777	459,669
Net Assets		504,775	319,244
Net Increase in Share of Associate Entity's Net Assets:			
Net Assets		185,531	319,244
Less: City of Kwinana's Share of SMRC Loan Liability	14	(167,400)	(258,120)
		18,131	61,124

### **SIGNIFICANT ACCOUNTING POLICIES**

#### **Investment in associates**

An associate is an entity over which the City has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the City's share of net assets of the associate. In addition, the City's share of the profit or loss of the associate is included in the City's profit or loss.

The carrying amount of the investment includes, where applicable, goodwill relating to the associate. Any discount on acquisition, whereby the City's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

### **SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **Investment in associates (Continued)**

Profits and losses resulting from transactions between the City and the associate are eliminated to the extent of the City's interest in the associate. When the City's share of losses in an associate equals or exceeds its interest in the associate, the City discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the City will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

**CITY OF KWINANA**  
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**26. RATING INFORMATION**

**(a) Rates**

**RATE TYPE**

**Differential general rate / general rate**

**Gross rental valuations**

Improved Residential	0.08199	14,165	245,441,404	19,718,904	320,726	(105,393)	19,934,237
Improved Special Residential	0.07518	827	19,737,051	1,477,596	6,825	3,020	1,487,441
Improved Commercial and Industrial	0.09269	506	108,866,403	10,017,187	60,714	27,710	10,105,611
Vacant Residential	0.17249	421	7,430,200	1,324,927	(13,051)	(8,328)	1,303,548
Vacant Non Residential	0.12193	43	3,229,500	353,095	34,315	(28,783)	358,627

**Unimproved valuations**

General Industrial	0.01803	3	121,200,000	2,185,236	0	0	2,185,236
Rural	0.00518	136	205,487,000	1,260,537	(165,660)	11,892	1,106,769
Mining and Industrial	0.00868	25	39,960,000	346,853	0	0	346,853

**Sub-Total**

**Minimum payment**

**Gross rental valuations**

Improved Residential	1,062	1,430	16,941,328	1,520,784	(1,233)	(85)	1,519,466
Improved Special Residential	1,062	4	54,600	4,248	0	0	4,248
Improved Commercial and Industrial	1,382	62	599,583	84,302	1,382	1,348	87,032
Vacant Residential	1,062	808	4,100,563	917,568	(30,232)	97	887,433
Vacant Non Residential	1,062	3	4,770	3,186	0	0	3,186

**Unimproved valuations**

Rural	1,382	62	8,872,600	65,844	3,688	14,197	83,729
Mining and Industrial	1,382	15	187,205	22,112	(480)	0	21,632

**Sub-Total**

Discounts (Note 26(b))

**Total amount raised from general rate**

	Rate in \$	Number of Properties	2019/20 Actual Rateable Value \$	2019/20 Actual Rate Revenue \$	2019/20 Actual Interim Rates \$	2019/20 Actual Back Rates \$	2019/20 Actual Total Revenue \$	2019/20 Budget Rate Revenue \$	2019/20 Budget Interim Rate \$	2019/20 Budget Back Rate \$	2019/20 Budget Total Revenue \$	2018/19 Actual Total Revenue \$
<b>Gross rental valuations</b>												
Improved Residential	0.08199	14,165	245,441,404	19,718,904	320,726	(105,393)	19,934,237	19,718,903	500,000	0	20,218,903	19,284,214
Improved Special Residential	0.07518	827	19,737,051	1,477,596	6,825	3,020	1,487,441	1,477,596	0	0	1,477,596	1,383,110
Improved Commercial and Industrial	0.09269	506	108,866,403	10,017,187	60,714	27,710	10,105,611	10,017,187	0	0	10,017,187	9,477,276
Vacant Residential	0.17249	421	7,430,200	1,324,927	(13,051)	(8,328)	1,303,548	1,324,927	0	0	1,324,927	1,317,177
Vacant Non Residential	0.12193	43	3,229,500	353,095	34,315	(28,783)	358,627	353,095	0	0	353,095	266,119
<b>Unimproved valuations</b>												
General Industrial	0.01803	3	121,200,000	2,185,236	0	0	2,185,236	2,185,236	0	0	2,185,236	2,131,908
Rural	0.00518	136	205,487,000	1,260,537	(165,660)	11,892	1,106,769	1,260,537	0	0	1,260,537	1,237,114
Mining and Industrial	0.00868	25	39,960,000	346,853	0	0	346,853	346,853	0	0	346,853	338,461
<b>Sub-Total</b>		16,126	751,351,558	36,684,335	243,869	(99,882)	36,828,322	36,684,334	500,000	0	37,184,334	35,435,379
<b>Minimum payment</b>												
<b>Gross rental valuations</b>												
Improved Residential	1,062	1,430	16,941,328	1,520,784	(1,233)	(85)	1,519,466	1,520,784	0	0	1,520,784	1,486,527
Improved Special Residential	1,062	4	54,600	4,248	0	0	4,248	4,248	0	0	4,248	4,144
Improved Commercial and Industrial	1,382	62	599,583	84,302	1,382	1,348	87,032	84,302	0	0	84,302	82,228
Vacant Residential	1,062	808	4,100,563	917,568	(30,232)	97	887,433	917,568	0	0	917,568	967,049
Vacant Non Residential	1,062	3	4,770	3,186	0	0	3,186	3,186	0	0	3,186	2,072
<b>Unimproved valuations</b>												
Rural	1,382	62	8,872,600	65,844	3,688	14,197	83,729	65,844	0	0	65,844	75,934
Mining and Industrial	1,382	15	187,205	22,112	(480)	0	21,632	22,112	0	0	22,112	21,564
<b>Sub-Total</b>		2,384	30,760,649	2,618,044	(26,875)	15,557	2,606,726	2,618,044	0	0	2,618,044	2,639,518
<b>Discounts (Note 26(b))</b>												
							(6,625)				(7,400)	(6,477)
<b>Total amount raised from general rate</b>							39,428,423	39,302,378	500,000	0	39,802,378	38,068,420

**SIGNIFICANT ACCOUNTING POLICIES**

**Rates**

Control over assets acquired from rates is obtained at the commencement of the rating period.

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer.

Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the City recognises revenue for the prepaid rates that have not been refunded.

## 26. RATING INFORMATION (Continued)

### (b) Discounts, Incentives, Concessions, & Write-offs

#### Rates Discounts

Rate or Fee Discount Granted	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Small Balance Write Off	1,625	2,400	1,477
Rates Incentive Prize	5,000	5,000	5,000
Total discounts/concessions (Note 26(a))	6,625	7,400	6,477

### (c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Unpaid Rates Interest Rate
		\$	%	%
<b>Option One</b>				
Single full payment	23/08/2019	\$ -	5.50%	11.00%
<b>Option Two</b>				
First instalment	23/08/2019	\$ 10.50	5.50%	11.00%
Second instalment	2/01/2020			
<b>Option Three</b>				
First instalment	23/08/2019	\$ 21.00	5.50%	11.00%
Second instalment	25/10/2019			
Third instalment	2/01/2020			
Fourth instalment	3/03/2020			
<b>Option Four</b>				
Fortnightly Direct Debit cycle	29/05/2020	\$ 21.00	5.50%	11.00%
<b>Option Five</b>				
Weekly Direct Debit cycle	29/05/2020	\$ 21.00	5.50%	11.00%

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Interest on unpaid rates	455,119	448,408	472,700
Interest on instalment plan	313,552	295,000	294,923
Deferred Pensioner Interest	15,880	0	18,317
Charges on instalment plan	221,486	142,000	164,002
	1,006,037	885,408	949,942

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**27. RATE SETTING STATEMENT INFORMATION**

		2019/20 Budget (30 June 2020) Carried Forward)	2018/19 (30 June 2019) Carried Forward)
	Note	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
<b>Adjustments to operating activities</b>			
Less: Profit on asset disposals	11(a)	(124,076)	(6,178)
Less: Change in accounting policies		0	0
Add: Movement in liabilities associated with restricted cash		(116,810)	0
Less: Fair value adjustments to financial assets at fair value through profit and loss		(112,779)	610,100
Less: Share of net profit of associates and joint ventures accounted for using the equity method		(18,131)	0
Movement in Banksia Park valuation of unit contribution		(158,075)	(2,090,575)
Movement in pensioner deferred rates (non-current)		(48,371)	(32,973)
Movement in employee benefit provisions		544,157	297,645
Add: Loss on disposal of assets	11(a)	1,247,307	152,265
Add: Depreciation on non-current assets	11(b)	15,630,143	15,359,581
<b>Non cash amounts excluded from operating activities</b>		<b>16,843,365</b>	<b>14,289,865</b>
<b>(b) Surplus/(deficit) after imposition of general rates</b>			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
<b>Adjustments to net current assets</b>			
Less: Reserves - cash/financial asset backed	4	(55,249,686)	(55,730,366)
Less: Financial assets at amortised cost - self supporting loans	5(a)	(17,269)	(16,709)
Less: Current assets not expected to be received at end of year			
- Banksia Park DMF Receivable	5	(319,490)	(297,819)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	18(a)	2,314,779	1,451,093
- Current portion of contract liability held in reserve		194,030	0
- Current portion of other liability held in reserve		10,087,995	0
- Current portion of lease liabilities		114,357	0
- Employee benefit provisions		5,505,931	4,902,379
- Banksia Park Unit Contributions		16,975,350	17,133,425
<b>Total adjustments to net current assets</b>		<b>(20,394,003)</b>	<b>(32,557,997)</b>
<b>Net current assets used in the Rate Setting Statement</b>			
Total current assets		65,863,984	62,781,266
Less: Total current liabilities		(42,636,027)	(27,744,922)
Less: Total adjustments to net current assets		(20,394,003)	(32,557,997)
<b>Net current assets used in the Rate Setting Statement</b>		<b>2,833,954</b>	<b>2,478,347</b>
<b>(c) Adjustments to current assets and liabilities at 1 July 2019 on application of new accounting standards</b>			
<b>Total current assets at 30 June 2019</b>			62,781,266
- Other assets	29(a)		0
<b>Total current assets at 1 July 2019</b>			<b>62,781,266</b>
<b>Total current liabilities at 30 June 2019</b>			(27,744,922)
- Contract liabilities from contracts with customers	29(a)		(135,281)
- Other liabilities from transfers for recognisable non financial assets	29(a)		(8,311,141)
- Rates paid in advance	29(b)		(904,842)
- Lease liabilities	29(c)		(101,360)
<b>Total current liabilities at 1 July 2019</b>			<b>(37,197,546)</b>

## 28. FINANCIAL RISK MANAGEMENT

This note explains the City's exposure to financial risks and how these risks could affect the City's future financial performance.

Risk	Exposure arising from	Measurement	Management
<b>Market risk - interest rate</b>	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
<b>Credit risk</b>	Cash and cash equivalents, trade receivables, financial assets and	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
<b>Liquidity risk</b>	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The City does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by the finance area under policies approved by Council. The finance area identifies, evaluates and manages financial risk in close co-operation with the operating divisions. Council have approved the overall risk management policy and provide policies on specific areas such as investment policy.

### (a) Interest rate risk

#### Cash and cash equivalents

The City's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the City to cash flow interest rate risk.

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the City to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents and term deposits held disclosed as financial assets at amortised cost are reflected in the table below.

	Weighted Average Interest Rate %	Carrying Amounts \$	Fixed Interest Rate \$	Variable Interest Rate \$	Non Interest Bearing \$
<b>2020</b>					
Cash and cash equivalents	0.61%	25,471,026	0	25,466,506	4,520
Financial assets at amortised cost - term deposits	0.74%	33,787,559	33,787,559	0	0

#### 2019

Cash and cash equivalents	0.99%	11,888,157	2,135,837	9,747,750	4,570
Financial assets at amortised cost	2.46%	45,348,386	45,348,386	0	0

#### Sensitivity

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.

	2020 \$	2019 \$
Impact of a 1% movement in interest rates on profit and loss and equity*	592,586	572,365

\* Holding all other variables constant

#### Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The City manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The City does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 18(b).

## 28. FINANCIAL RISK MANAGEMENT (Continued)

### (b) Credit risk

#### **Trade and Other Receivables**

The City's major receivables comprise rates annual charges and user fees and charges. The major risk associated with these receivables is credit risk - the risk that the debts may not be repaid. The City manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of the City to recover these debts as a secured charge over the land, that is, the land can be sold to recover the debt. The City has also been able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

The City applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable.

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 24 months before 1 July 2019 or 1 July 2020 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of residents to settle the receivables.

There are no material receivables that have been subject to a re-negotiation of repayment terms.

No expected credit loss was forecast for rates receivable as penalty interest applies to unpaid rates and properties associated with unpaid rates may be disposed of to recover outstanding amounts.

	Current	More than 1 year past due	Total
<b>30 June 2020</b>			
Rates receivable			
Expected credit loss	0.00%	0.00%	
Gross carrying amount	0	3,588,655	3,588,655

<b>30 June 2019</b>			
Rates receivable			
Expected credit loss	0.00%	0.00%	
Gross carrying amount	0	3,865,054	3,865,054

The loss allowance as at 30 June 2020 and 30 June 2019 was determined as follows for trade receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
<b>30 June 2020</b>					
Trade and other receivables					
Expected credit loss	0.52%	14.81%	18.93%	30.10%	
Gross carrying amount	632,938	11,512	26,535	294,229	965,213
Loss allowance	3,316	1,705	5,023	88,562	98,606

<b>30 June 2019</b>					
Trade and other receivables					
Expected credit loss	1.20%	3.60%	3.50%	35.90%	
Gross carrying amount	149,773	29,983	15,737	267,007	462,500
Loss allowance	1,812	1,084	558	95,967	99,421

## 28. FINANCIAL RISK MANAGEMENT (Continued)

### (c) Liquidity risk

#### Payables and borrowings

Payables and borrowings are both subject to liquidity risk - that is the risk that insufficient funds may be on hand to meet payments obligations as and when they fall due. The City manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer.

The contractual undiscounted cash flows of the City's payables and borrowings are set out in the liquidity table below. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<b>2020</b>					
Payables	8,331,072	7,962,674	7,962,674	24,256,420	24,256,420
Borrowings	1,889,259	10,604,275	7,775,171	20,268,705	20,268,705
Contract and other liabilities	10,444,540	22,747,405	0	33,191,945	27,398,166
Lease liabilities	119,134	87,577	0	206,711	191,505
	20,784,005	41,401,931	15,737,845	77,923,781	72,114,796
<b>2019</b>					
Payables	5,308,025	8,041,713	8,041,713	21,391,450	21,391,450
Borrowings	2,505,552	13,396,660	10,808,530	26,710,743	21,552,398
	7,813,577	21,438,373	18,850,243	48,102,193	42,943,848

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**29. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS**

During the current year, the City adopted all of the new and revised Australian Accounting Standards and Interpretations which were compiled, became mandatory and which were applicable to its operations.

**(a) AASB 15: Revenue from Contracts with Customers**

The City adopted AASB 15 Revenue from Contracts with Customers (issued December 2014) on 1 July 2019 resulting in changes in accounting policies. In accordance with the transition provisions AASB 15, the City adopted the new rules retrospectively with the cumulative effect of initially applying these rules recognised on 1 July 2019. In summary the following adjustments were made to the amounts recognised in the balance sheet at the date of initial application (1 July 2019):

	Note	AASB 118 carrying amount 30 June 2019 \$	Reclassification \$	AASB 15 carrying amount 01 July 2019 \$
<b>Contract liabilities - current</b>				
Contract liabilities from contracts with customers	16	0	(135,281)	(135,281)
Adjustment to retained surplus from adoption of AASB 15	30(b)		(135,281)	

**(b) AASB 1058: Income For Not-For-Profit Entities**

The City adopted AASB 1058 Income for Not-for-Profit Entities (issued December 2016) on 1 July 2019 which will result in changes in accounting policies.

In accordance with the transition provisions AASB 1058, the City adopted the new rules retrospectively with the cumulative effect of initially applying AASB 1058 recognised at 1 July 2019. Comparative information for prior reporting periods was not restated in accordance with AASB 1058 transition requirements.

In applying AASB 1058 retrospectively with the cumulative effect of initially applying the Standard on 1 July 2019 changes occurred to the following financial statement line items by application of AASB 1058 as compared to AASB 118: Revenue and AASB 1004:

	Note	AASB 118 and AASB 1004 carrying amount 30 June 2019 \$	Reclassification \$	AASB 1058 carrying amount 01 July 2019 \$
<b>Trade and other payables</b>				
Rates paid in advance	15	0	(904,842)	(904,842)
<b>Other liabilities - current</b>				
Other liabilities from transfers for recognisable non financial assets	16	0	(8,311,141)	(8,311,141)
<b>Other liabilities non-current</b>				
Other liabilities from transfers for recognisable non financial assets	16	0	(18,906,039)	(18,906,039)
Adjustment to retained surplus from adoption of AASB 1058	30(b)		(28,122,022)	

Prepaid rates are, until the taxable event for the rates has occurred, refundable at the request of the ratepayer. Therefore the rates received in advance gave rise to a financial liability that is within the scope of AASB 9. On 1 July 2019 the prepaid rates were recognised as a financial asset and a related amount recognised as a financial liability and no income recognised by the City. When the taxable event occurred, the financial liability was extinguished and the City recognised income for the prepaid rates that have not been refunded.

Assets that were acquired for consideration, that were significantly less than fair value principally to enable the City to further its objectives, may have been measured on initial recognition under other Australian Accounting Standards at a cost that was significantly less than fair value. Such assets are not required to be remeasured at fair value.

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**29. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS (Continued)**

The table below provides details of the amount by which each financial statement line item is affected in the current reporting period by the application of this Standard as compared to AASB 118 and 1004 and related Interpretations that were in effect before the change.

		2020 \$	Adjustment due to application of AASB 15 and AASB 1058	2020 \$ Compared to AASB 118 and AASB 1004
	Note	As reported under AASB 15 and AASB 1058		
<b>Statement of Comprehensive Income</b>				
<b>Revenue</b>				
Rates	26(a)	39,435,048	1,198,500	40,633,548
Operating grants, subsidies and contributions	2(a)	7,445,800	17,310,171	24,755,971
Fees and charges	2(a)	11,438,704	(44,388)	11,394,316
Non-operating grants, subsidies and contributions	2(a)	10,810,522	10,087,995	20,898,517
Net result		(22,793)	28,552,278	28,529,485
<b>Statement of Financial Position</b>				
Other assets	2(a)	44,388	(44,388)	0
Trade and other payables	15	24,256,420	(1,198,500)	23,057,920
Contract and Other liabilities	16	27,398,166	(27,398,166)	0
Net assets		492,078,371	28,552,278	520,630,649
<b>Statement of Changes in Equity</b>				
Net result		(22,793)	28,552,278	28,529,485
Retained surplus		216,805,180	28,552,278	245,357,458

Refer to Note 2(a) for new revenue recognition accounting policies as a result of the application of AASB 15 and AASB 1058.

**(c) AASB 16: Leases**

The City adopted AASB 16 retrospectively from 1 July 2019 which resulted in changes in accounting policies. In accordance with the transition provisions of AASB 16, the City has applied this Standard to its leases retrospectively, with the cumulative effect of initially applying AASB 16 recognised on 1 July 2019. In applying AASB 16, under the specific transition provisions chosen, the City will not restate comparatives for prior reporting periods.

	Note	2020 \$
Operating lease commitments at 30 June 2019 applying AAS 117		239,510
Discount applied using incremental borrowing rate		(9,051)
Lease liability recognised as 1 July 2019 discounted using the City's incremental borrowing rate of 2.48%	17(b)	230,459
Lease liability - current		101,360
Lease liability - non-current		129,099
Adjustment to Retained Earnings 1 July 2019		(3,841)
Right-of-use assets recognised at 1 July 2019		226,618

In applying AASB 16 for the first time, the City will use the following practical expedient permitted by the standard.

- The exclusion of initial direct costs from the measurement of the right-of-use asset at the date of initial application.

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**30. CHANGE IN ACCOUNTING POLICIES**

**(a) Change in Accounting Policies due to regulation changes**

Effective 6 November 2020, *Local Government (Financial Management) Regulation 16* was deleted and *Local Government (Financial Management) Regulation 17A* was amended with retrospective application. The changes were effective for financial years ending on or after 30 June 2020 so are required to be applied retrospectively with cumulative effect applied initially on 1 July 2019.

In accordance with the changes, the City was required to remove the values attributable to certain crown land assets previously required to be recognised, as well as the associated revaluation surplus at 1 July 2019. These assets have been measured as concessionary lease right-of-use assets at zero cost in accordance with AASB 16. For further details relating to these changes, refer to Note 11.

In summary the following adjustments were made to the amounts recognised in the statement of financial position at the date of initial application (1 July 2019):

	Note	Carrying amount 30 June 2019 \$	Reclassification \$	Carrying amount 01 July 2019 \$
Property, plant and equipment	9	150,484,396	(12,140,000)	138,344,396
Revaluation surplus	14	231,731,835	(12,140,000)	219,591,835

Also, following changes to *Local Government (Financial Management) Regulation 17A*, plant and equipment type assets (being plant and equipment and furniture and equipment) are to be measured under the cost model, rather than at fair value. This change is effective from 1 July 2019 and represents a change in accounting policy. Revaluations carried out during the year were not reversed as it was deemed fair value approximates cost at the date of the change.

**(b) Changes in equity due to change in accounting policies**

The impact on the City's opening retained surplus due to the adoption of AASB 15, AASB 16 and AASB 1058 as at 1 July 2019 was as follows:

	Note	Adjustments	2019 \$
Retained surplus - 30 June 2019			244,608,437
Adjustment to retained surplus from adoption of AASB 15	29(a)	(135,281)	
Adjustment to retained surplus from adoption of AASB 1058	29(b)	(28,122,022)	
Adjustment to retained surplus from adoption of AASB 16	29(c)	(3,841)	(28,261,144)
Retained surplus - 1 July 2019			216,347,293

The impact on the City's opening revaluation surplus resulting from *Local Government (Financial Management) Regulation 16* being deleted and the amendments to *Local Government (Financial Management) Regulation 17A* as at 1 July 2019 was as follows:

	Note	Adjustments	2019 \$
Revaluation surplus - 30 June 2019			231,731,835
Adjustment to revaluation surplus from deletion of FM Reg 16	30(a)	(12,140,000)	
Adjustment to revaluation surplus from deletion of FM Reg 17	30(a)	0	(12,140,000)
Revaluation surplus - 1 July 2019			219,591,835

### 31. TRUST FUNDS

Funds held at balance date which are required to be held in trust and which are not included in the financial statements are as follows:

	1 July 2019	Amounts Received	Amounts Paid	30 June 2020
	\$	\$	\$	\$
APU Security Bonds	15,591	4,610	(2,267)	17,934
Contiguous Local Authorities Group (CLAG)	3,594	0	0	3,594
Public Open Space Cash In Lieu	204,239	79,609	0	283,848
	223,424	84,219	(2,267)	305,376

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**32. OTHER SIGNIFICANT ACCOUNTING POLICIES**

**a) Goods and services tax (GST)**

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

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

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

**b) Current and non-current classification**

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

**c) Rounding off figures**

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

**d) Comparative figures**

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

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

**e) Budget comparative figures**

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

**f) Superannuation**

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

**g) Fair value of assets and liabilities**

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

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

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

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

**h) Fair value hierarchy**

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

**Level 1**

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

**Level 2**

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

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

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

**Valuation techniques**

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

**Market approach**

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

**Income approach**

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

**Cost approach**

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

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

**i) Impairment of assets**

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

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

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

For non-cash generating specialised assets that are measured under the revaluation model, such as roads, drains, public buildings and the like, no annual assessment of impairment is required. Rather AASB 116.31 applies and revaluations need only be made with sufficient regulatory to ensure the carrying value does not differ materially from that which would be determined using fair value at the ends of the reporting period.

**CITY OF KWINANA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**33. ACTIVITIES/PROGRAMS**

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

<b>PROGRAM NAME AND OBJECTIVES</b>	<b>ACTIVITIES</b>
<b>GOVERNANCE</b> To provide a decision making process for the efficient allocation of scarce resources.	Members of Council & Governance (includes Audit & other costs associated with reporting to council). Administration, Financial and Information Technology Services are included.
<b>GENERAL PURPOSE FUNDING</b>  To collect revenue to allow for the provision of services.	  Rates Income and Expenditure, Grants Commission and Pensioner Deferred Rates interest and interest on investments.
<b>LAW, ORDER, PUBLIC SAFETY</b> To provide services to help ensure a safer and environmentally conscious community.	Supervision of various local laws, fire prevention and animal control.
<b>HEALTH</b> To provide an operational framework for environmental and community health.	Prevention and treatment of human illnesses, including inspection of premises/food control, immunisation and child health services.
<b>EDUCATION AND WELFARE</b> To provide services to disadvantaged persons, the elderly, children and youth.	Provision, management and support of services for families, children and the aged and disabled within the community; including pre-school playgroups, day and after school care, assistance to schools, and senior citizens support groups.
<b>COMMUNITY AMENITIES</b> To provide services required by the community.	City planning and development, rubbish collection services, storm water drainage, the provision of public conveniences, bus shelters, roadside furniture and litter control.
<b>RECREATION AND CULTURE</b> To establish and effectively manage infrastructure and resources which will help the social wellbeing of the community.	Provision of facilities and support for organisations concerned with leisure time activities and sport, support for the performing and creative arts and the preservation of the national estate. This includes maintenance of halls, aquatic centre, recreation and community centres, parks, gardens, sports grounds and the operation of Libraries.
<b>TRANSPORT</b> To provide safe, effective and efficient transport services to the community.	Construction, maintenance and cleaning of streets, roads, bridges, drainage works, footpaths, parking facilities, traffic signs and the City depot, including plant purchase and maintenance.
<b>ECONOMIC SERVICES</b> To help promote the City and its economic wellbeing.	Tourism and area promotion, rural services and pest control and the implementation of building controls.
<b>OTHER PROPERTY AND SERVICES</b> To monitor and control the City's overhead operating accounts.	Private works, public works overheads, City plant operations, materials, salaries and wages. With the exception of private works, the above activities listed are mainly summaries of costs that are allocated to all works and services undertaken by the City.

### 34. FINANCIAL RATIOS

	2020 Actual	2019 Actual	2018 Actual
Current ratio	0.33	0.25	0.26
Asset consumption ratio	0.77	0.79	0.81
Asset renewal funding ratio	0.30	0.91	1.06
Asset sustainability ratio	0.27	0.22	0.24
Debt service cover ratio	2.34	4.55	6.44
Operating surplus ratio	(0.20)	(0.14)	(0.07)
Own source revenue coverage ratio	0.75	0.77	0.78

The above ratios are calculated as follows:

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset consumption ratio	$\frac{\text{depreciated replacement costs of depreciable assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation}}$
Debt service cover ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating surplus ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own source revenue coverage ratio	$\frac{\text{own source operating revenue}}{\text{operating expense}}$

## **INDEPENDENT AUDITOR'S REPORT**

**To the Councillors of the City of Kwinana**

### **Report on the Audit of the Financial Report**

#### ***Opinion***

I have audited the annual financial report of the City of Kwinana which comprises the Statement of Financial Position as at 30 June 2020, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Chief Executive Officer.

In my opinion the annual financial report of the City of Kwinana:

- (i) is based on proper accounts and records; and
- (ii) fairly represents, in all material respects, the results of the operations of the City for the year ended 30 June 2020 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

#### ***Basis for Opinion***

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the City in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the annual financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### ***Emphasis of Matter – Basis of Accounting***

I draw attention to Notes 1 and 11 to the annual financial report, which describe the basis of accounting. The annual financial report has been prepared for the purpose of fulfilling the City's financial reporting responsibilities under the Act, including the Local Government (Financial Management) Regulations 1996 (Regulations). My opinion is not modified in respect of these matters:

- (i) Regulation 17A of the Regulations requires a local government to measure vested improvements at fair value and the associated vested land at zero cost. This is a departure from AASB 16 *Leases* which would have required the entity to measure the vested improvements also at zero cost.
- (ii) In respect of the comparatives for the previous year ended 30 June 2019, Regulation 16 of the Regulations did not allow a local government to recognise some categories of land, including land under roads, as assets in the annual financial report.

#### ***Responsibilities of the Chief Executive Officer and Council for the Financial Report***

The Chief Executive Officer (CEO) of the City is responsible for the preparation and fair presentation of the annual financial report in accordance with the requirements of the Act, the Regulations and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards. The CEO is also responsible for such internal control as the CEO determines is necessary to enable the preparation of the annual financial report that is free from material misstatement, whether due to fraud or error. In preparing the annual financial report, the CEO is responsible for assessing the City's ability to continue as a going concern, disclosing, as

applicable, matters related to going concern and using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the City.

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

### ***Auditor's Responsibility for the Audit of the Financial Report***

The objectives of my audit are to obtain reasonable assurance about whether the annual financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the annual financial report.

A further description of my responsibilities for the audit of the annual financial report is located on the Auditing and Assurance Standards Board website at [https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This includes the identification and assessment of the risk of material misstatement due to fraud arising from management override of controls. This description forms part of my auditor's report.

### **Report on Other Legal and Regulatory Requirements**

In accordance with the Local Government (Audit) Regulations 1996 I report that:

- (i) In my opinion, the following material matters indicate significant adverse trends in the financial position of the City:
  - a. The Current Ratio as reported in Note 34 of the annual financial report is below the Department of Local Government, Sport and Cultural Industries (DLGSCI's) standard of 1.00 for the last three financial years;
  - b. The Asset Sustainability Ratio as reported in Note 34 of the annual financial report is below the Department of Local Government, Sport and Cultural Industries (DLGSCI's) standard of 0.90 for the last three financial years; and
  - c. The Operating Surplus Ratio as reported in Note 34 of the annual financial report is below the DLGSCI's standard of 0.01 for the last three financial years.
- (ii) All required information and explanations were obtained by me.
- (iii) All audit procedures were satisfactorily completed.
- (iv) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

### **Other Matter**

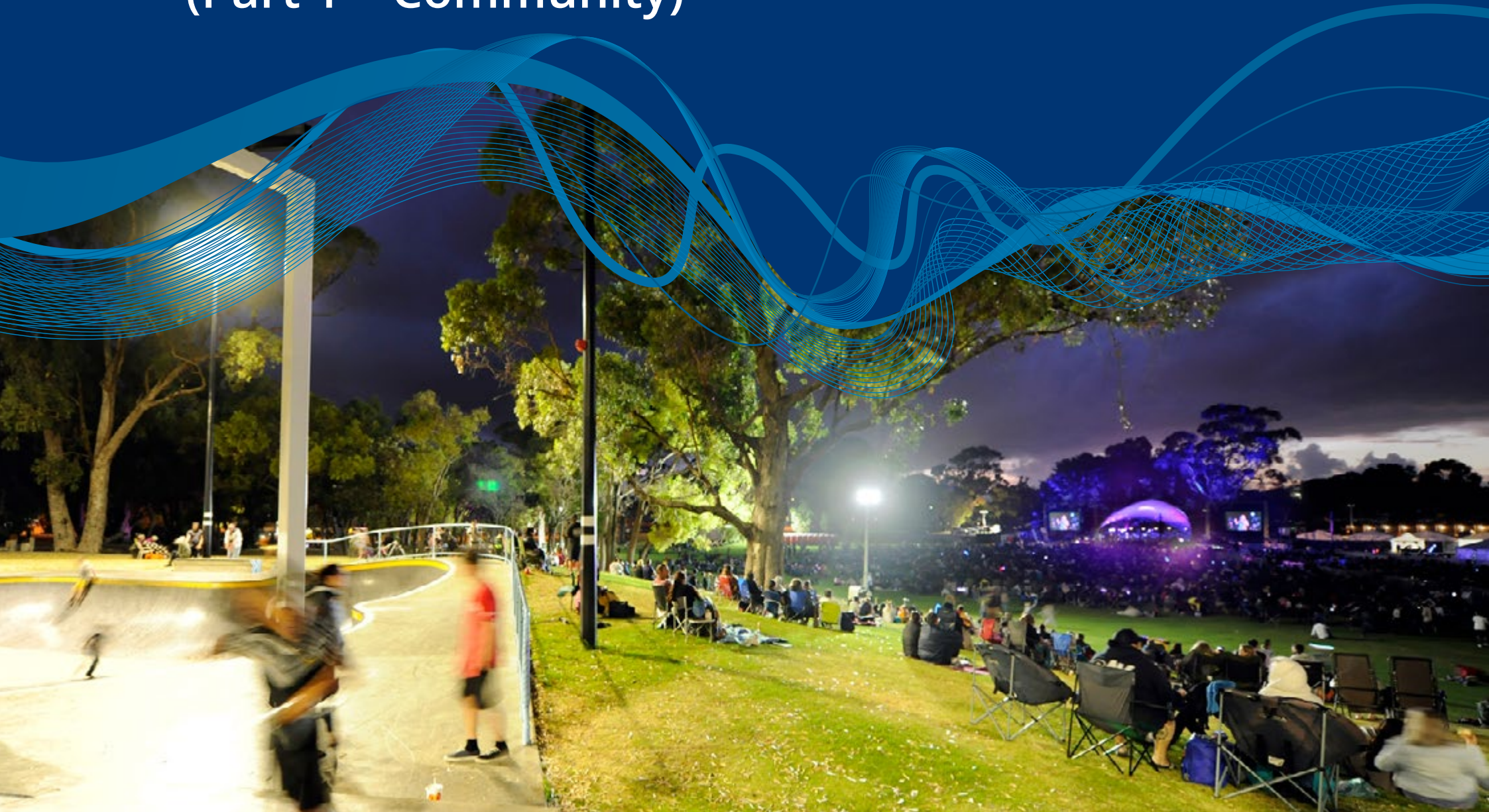
The financial ratios for 2018 in Note 34 of the annual financial report were audited by another auditor when performing their audit of the City for the year ending 30 June 2018. The auditor expressed an unmodified opinion on the annual financial report for that year.

### **Matters Relating to the Electronic Publication of the Audited Financial Report**

This auditor's report relates to the annual financial report of the City of Kwinana for the year ended 30 June 2020 included on the City's website. The City's management is responsible for the integrity of the City's website. This audit does not provide assurance on the integrity of the City's website. The auditor's report refers only to the annual financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this annual financial report. If users of the annual financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited annual financial report to confirm the information contained in this website version of the annual financial report.

# Annual Report 2019/20

## (Part 1 – Community)



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# Welcome

## Mayor’s Welcome

I think it’s safe to say that 2020 has been a year like no other. It has forced many communities, businesses and individuals to adapt to a new and ever-changing situation and that has been no different for the City of Kwinana.

While we ended 2019 strong and came into 2020 with our usual great intentions, things were abruptly brought to a standstill while we navigated our way around the issue of a global pandemic.

Our immediate concern was about our community and the ability to help people adapt to the changing environment. While we did have to cancel some of our programs and events for health and safety reasons, the City quickly changed how we worked to bring in online learning and events, a helpline for our community and remote work environments for the City’s administration staff. This was all helped by the upgrades in technology the City has introduced over the past few years and our ability to access the wider community remotely.

The City also initiated the Stay Loyal, Shop Local idea to help out those local businesses who suffered during the pandemic and we froze rates to help mitigate financial impact on our community.

Despite all the challenges, the City of Kwinana and Council quickly altered our ways of working and feel we managed to maintain ‘business as usual’, albeit modified, to meet the needs of our community.

One of the notable changes to the City was the introduction of our new Chief Executive Officer, Wayne Jack, in April this year. Coming all the way over from New Zealand, Wayne took over from our acting CEO, Graeme Mackenzie. I would like to take this opportunity to both

welcome Wayne and thank Graeme for his service with us while we undertook the recruitment process for our permanent CEO.

Wayne took up the reigns at an interesting time, but managed to hit the ground running.

The City still managed to put on a massive show in December 2019 when the Perth Symphony Orchestra returned to Kwinana to perform the biggest concert Kwinana has ever seen.

The 55-piece orchestra performed the ultimate music experience to an audience of thousands under the stars on Calista Oval.

We rounded off our event season just before social distancing restrictions were enforced with the Alcoa Children’s Party in March 2020, which attracted our biggest crowd yet.

Another win for the year was the announcement from the McGowan Government about the commitment to develop an outer harbour in the coming years.

The announcement confirms the City’s long held position that a land-backed port within the Kwinana Industrial Area, connected by an uninterrupted freight corridor via Anketell Road and the Tonkin Highway, will best serve Perth’s long term freight needs.

So, despite recent events, the last year has proven that the City of Kwinana, our Elected Members and staff are adaptable, resourceful and able to work well together in a time of crisis. For this, I am extremely proud.

I want to thank my fellow Councillors, hardworking CEO, Executive Team and all staff for their support and commitment to the City over the past 12 months. We all look forward to a fruitful year ahead.

**Carol Adams OAM**  
**Mayor of Kwinana**



## CEO's Welcome

I was welcomed with open arms into the role of Chief Executive Officer of the City of Kwinana in April of this year – right in the middle of a global pandemic. To say my start here has been interesting is an understatement.

I started with the City and barely had time to meet my staff when pandemic protocol forced us into remote working conditions. This challenging time required us all to adapt, both here at the City and of course as a wider community. Our commitment to keeping our residents safe and healthy was – and continues to be – unwavering.

With regret, this meant our community centres, library and Recquatic Centre had to be closed while many of our social gatherings, programs and events had to be cancelled or adapted. We appreciate the support and understanding from our community during this time.

This of course impacted our budget for the current 2020/21 financial year and as a result, we had to streamline our offerings to adhere to a strict budget and maintain the rates freeze to help our residents.

We've also been busy streamlining internal processes, looking at our organisational structures and how we can enhance efficiency in our business processes. Having worked through the COVID-19 pandemic, we now have an understanding and lived experience of how we can manage any large-scale disruption to our services moving forward.

We have a team of committed, experienced and educated people here at the City of Kwinana who work tirelessly to make our City the very best it can be. I want to thank all of the staff and Elected Members who have grand visions for Kwinana and are unwavering in their dedication to making these visions a reality.

While there are still uncertain times ahead, I have no doubt that the future is bright for the City of Kwinana and I'm proud to play a part in the City's evolution.

**Wayne Jack**

**Chief Executive Officer**



## Introduction

The City of Kwinana's Annual Report 2019/20 comprises two parts, **Part 1 – Community** and **Part 2 – Annual Financial Report**. This Annual Report (Part 1 – Community), together with the Annual Report (Part 2 – Annual Financial Report) complies with the requirements of Section 5.53(1) of the *Local Government Act 1995*.

The Annual Report 2019/20 (Part 2 – Annual Financial Report) is available to download from the City's website at [www.kwinana.wa.gov.au](http://www.kwinana.wa.gov.au) or in hard copy, on request, by contacting the City of Kwinana on 9439 0200 or visiting the City of Kwinana Administration Building at the corner of Gilmore Avenue and Sulphur Road, Kwinana.



# 2019/20 Snapshot

2019 • 2019 • 2019 • 2019 • 2019 • 2019 • 2019 • 2019 • 2019 • 2019 • 2019 • 2019 • 2019 • 2019 •

2020 • 2020 • 2020 • 2020 • 2020 • 2020 • 2020 • 2020 • 2020 • 2020 • 2020 • 2020 • 2020 • 2020 • 2020 •

## JULY

### Costco has Kwinana in its Sights

Kwinana is set to become home to one of only two Costco stores being planned by the US retail giant for Western Australia.



## AUGUST

### Westport Shortlist Securing Future for Outer Harbour

The Westport Taskforce released a shortlist of five future port options with the Outer Harbour in Kwinana being proposed in each of the five options.

### City Receives Award for Climate Change

The City received a Commendable Award in the category of Climate Change at the 2019 Local Government Policy Awards.

### Recquatic Recognised as a Waterwise Aquatic Centre

The Kwinana Recquatic was recognised as a Waterwise Aquatic Centre at the 50th Annual State Conference of the Leisure Institute of WA Aquatics (LIWA).



## OCTOBER

### Election Welcomes Back Familiar Faces

The 2019 Local Government Election received 20,481 votes which resulted in the re-election of current Councillors Dennis Wood, Peter Feasey and Wendy Cooper, and past Councillor Sherilyn Wood.



## NOVEMBER

### Kwinana Children's Services have a Bright Future

Bright Futures Children's Services once again named winners in the Excellence in Family Day Care Awards for 2019 for Western Australia and South Australia.



## DECEMBER

### Another Huge Symphony Success for Kwinana

The Perth Symphony Orchestra returned to Kwinana on Saturday, 7 December to perform the biggest concert Kwinana has ever seen.

### City Announces 2020 Scholarship Winners

The Leadership, Youth, and Respect in Kwinana (LyriK) Educational Scholarships award ceremony awarded sixteen local youths scholarships for 2020.

## JANUARY

### Kwinana Welcomes New Citizens on Australia Day

The City of Kwinana joined towns and regions across the nation to welcome our newest Australian citizens as part of Australia Day 2020 celebrations.



## FEBRUARY

### City Welcomes New CEO

At the Ordinary Meeting of Council held on Wednesday, 25 February 2020, the City of Kwinana Council formally appointed Mr Wayne Jack at its new CEO.



## MARCH

### Alcoa Children's Festival Captures Imaginations Again

The highly anticipated 2020 Alcoa Children's Festival was enjoyed by more than 9,000 local residents on Saturday 7 March 2020.

## APRIL

### Kwinana Recovery Coordination Group Kicks off

The City started to look beyond the COVID-19 pandemic by becoming one of the first councils in Western Australia to activate its Local Recovery Coordination Group.

## MAY

### City Steps Up Support for Local Small Business

The City of Kwinana released grants of up to \$1,000 each for local retail businesses who were impacted by the COVID-19 pandemic.



## JUNE

### City Cuts Budget to Deliver on Zero Rate Increase Promise

The City of Kwinana Council formally adopted its 2020/21 Budget at its Ordinary Meeting of Council on 24 June 2020.

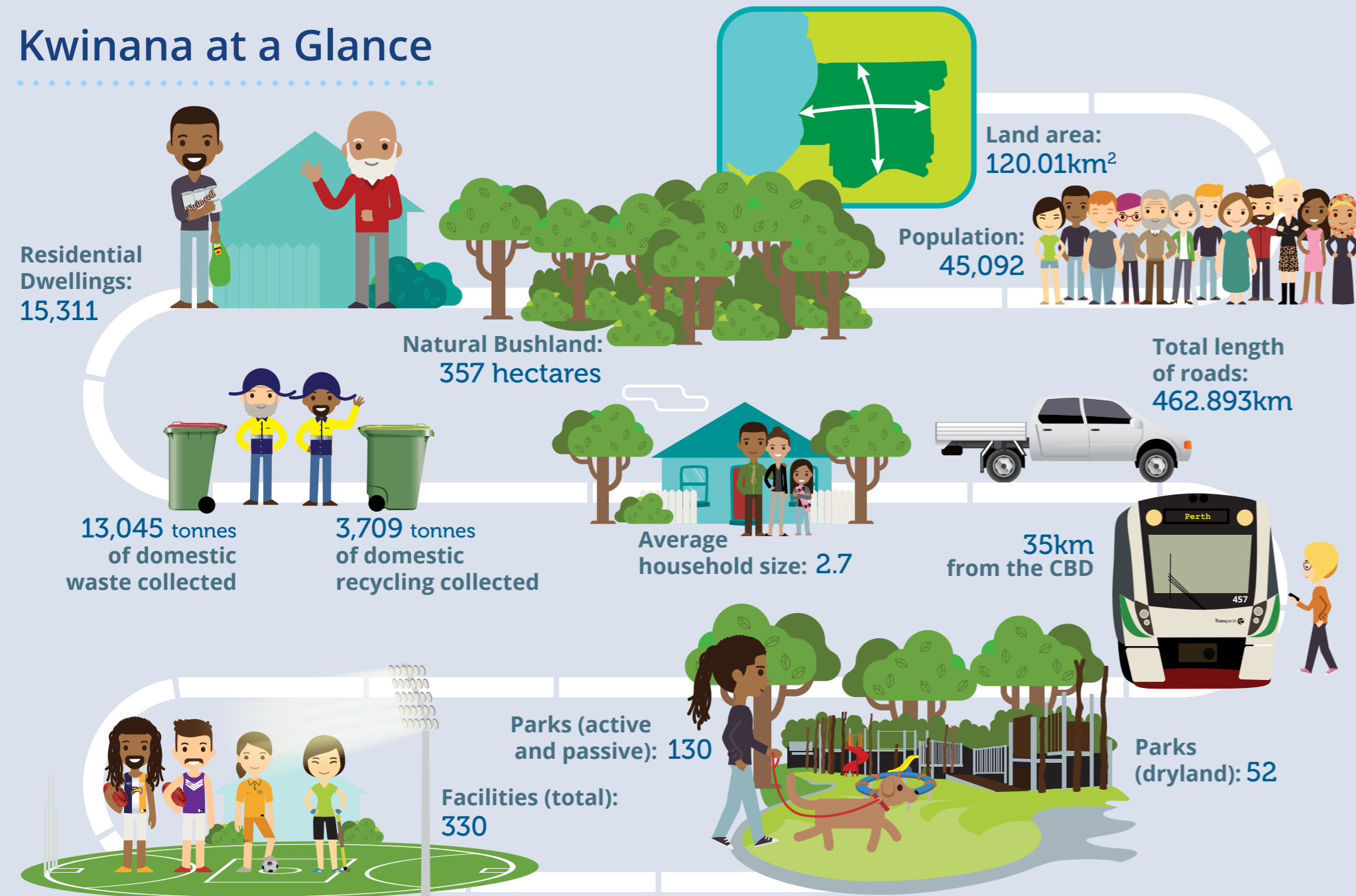


### Kwinana Responds to COVID-19 Pandemic

In light of the Federal and State Government approaches to the COVID-19 pandemic the City of Kwinana made the difficult decision to cancel the 2020 youth festival as well as all other City of Kwinana larger scale events.



## Kwinana at a Glance



(Data obtained from ABS 2016 Census, ABS 2019 Estimated Resident Population and Forecast.id population forecast.)

## City of Kwinana Council

The Council consists of a Mayor, a Deputy Mayor and six Councillors who represent the community across the municipality of the City of Kwinana. The term for each Elected Member is four years. The Mayor and Deputy Mayor are elected by the Council every two years.

Term of office expires:	Term of office expires:
2021	2023
	
<b>Mayor Carol Adams</b>	<b>Deputy Mayor Peter Feasey</b>
2023	2021
	
<b>Councillor Wendy Cooper</b>	<b>Councillor Merv Kearney</b>
2021	2023
	
<b>Councillor Sandra Lee</b>	<b>Councillor Sherilyn Wood</b>
2021	2023
	
<b>Councillor Matthew Rowse</b>	<b>Councillor Dennis Wood</b>

## Elected Member attendance at Council meetings 2019/2020

(Includes all current Elected Members and the outgoing Elected Member of 2019).

Elected Member	Ordinary Council	Special Council	Electors General
	Meetings Attended		
Total meetings held	22	4	1
Carol Adams	21	4	1
Peter Feasey	22	3	1
Wendy Cooper	22	4	1
Merv Kearney	17	4	1
Sandra Lee	21	4	1
Matthew Rowse	21	3	1
Dennis Wood	18	4	1
Sherilyn Wood (Elected October 2019)	15 <sup>1</sup>	4 <sup>2</sup>	1
Sheila Mills (outgoing Elected Member)	6 <sup>3</sup>	Meetings not held whilst elected to office	

NOTE:

<sup>1</sup> 15 Ordinary Council Meetings held since elected to office.

<sup>2</sup> 4 Special Council Meetings held since elected to office.

<sup>3</sup> 7 Ordinary Council Meetings held whilst elected to office.

Due to the COVID-19 pandemic social distancing requirements, and in accordance with recently amended *Local Government (Administration) Regulations 1996*, the following Ordinary Council Meetings were held electronically and the Elected Members attended via instantaneous media:

- 8 April 2020
- 13 May 2020
- 22 April 2020
- 27 May 2020



# City of Kwinana Staff

## Employees

Employees as at 30 June 2020:	
Full Time:	192
Part Time:	70
Casual:	104
Total:	366 (head count)
Total FTE's:	269.88

## City of Kwinana Leadership Team (as at 30 June 2020)



**Wayne Jack**  
Chief Executive Officer



**Michelle Bell**  
Director City Legal

**Bruce Mentz**  
Manager Essential Services

**Vacant**  
Manager Contracts



**Maria Cooke**  
Director City Regulation

**Troy Morley**  
Manager Environment Health

**Paul Neilson**  
Manager Planning and Development

**Rodney Molyneux**  
Manager Building Services



**Doug Elkins**  
Director City Infrastructure

**David Boccuzzi**  
Manager City Operations

**Reza Najafzadeh**  
Manager Engineering Services

**Ann Nicholas**  
Manager Asset Management Services



**Kelli Hayward**  
Director City Business

**Warwick Carter**  
Economic Development and Advocacy Manager

**Natasha Dransfield**  
Manager Customer and Communications

**Stacey Hobbins**  
Manager Finance

**Mathew Smith**  
Manager Information Technology

**Sue Wiltshire**  
Manager Human Resources



**Barbara Powell**  
Director City Engagement

**Paul Gravett**  
Manager Community Engagement

**Fiona Grieves**  
Manager Community Services

## City of Kwinana Products and Services

The primary role of Local Government is to provide infrastructure, facilities, governance and community services to support the community. The City of Kwinana offers hundreds of products and services for the benefit of its community, to promote wellbeing and to offer community members a choice and range of options to suit their lifestyle.

The City manages depot works, including:

- footpath, crossover, road, kerb and drainage maintenance;
- maintenance of street furniture, fencing, BBQs, playgrounds and water features;
- rubbish and litter collection and removal of illegal dumping;
- fire control assistance and emergency response to storms, floods, fire etc; and
- mowing, weed control, turf renovation, irrigation maintenance, landscaping, pruning, weeding, mulching, fertilizing and planting.

The City provides a safety and security program, including:

- local law enforcement (including parking, littering and animal control);
- emergency services and volunteer fire brigades;
- enforcing off-road vehicle and illegal camping laws;
- community safety and security initiatives; and
- Community Liaison Service.

The City offers community services, including:

- community events, arts, culture and heritage programs;
- community centres;
- community grants and Citizenship ceremonies;
- library and community information services;
- community support and social inclusion; and
- community engagement programs.

The City provides health and fitness programs, including:

- local parks and public open spaces; and
- health and wellbeing programs including walking trails, sporting club development, Kwinana Recquatic etc.

The City offers youth support, including:

- youth facilities such as the Zone Youth Space and Edge Skate park;
- LyriK Youth Development Programs; and
- school holiday and term activity programs.

The City manages the local environment, including:

- waste, recycling, green waste and bulk goods collections;
- environmental health investigations;
- advice on food hygiene, control of diseases, public events, food preparation premises, public swimming pools, control of diseases and noise nuisances;
- bushland management including weed control, feral animal control and firebreak maintenance;
- environmental planning and protection, fencing, biodiversity and revegetation; and
- sustainability initiatives including water and energy conservation.

The City provides expertise in planning, building and engineering, including:

- building assessments, site inspections, demolition licenses etc;
- upkeep of the City's buildings;
- development applications, structure plan assessments, planning policy development and implementation and administering town planning schemes;
- roads, pathways, bridges, drainage, landscaping and street lighting; and
- road safety audits, traffic analysis, transport coordination and car parking studies.

The City uses a number of survey and evaluation methods to regularly assess community needs. Results of the City's *Community Perception and Wellbeing Survey* are used to gauge satisfaction and importance in relation to the products and services that it delivers to the community. The City strives to ensure that it is continually reviewing and continuously providing essential services to meet the needs of its growing community.

To find out more about the range of products and services provided by the City of Kwinana visit [www.kwinana.wa.gov.au/a-z](http://www.kwinana.wa.gov.au/a-z).

## Our Vision

### Our Vision

The City's vision for the future of the Kwinana community is:

**“Rich in spirit, alive with opportunities, surrounded by nature – it’s all here”**

This vision forms the foundation of the City's Strategic Community Plan 2019-2029, with each part of the vision represented as a specific community aspiration. To achieve these aspirations, clearly defined community outcomes have been identified. These outcomes further illustrate how the community would like the City of Kwinana to look in ten years' time.

## Integrated Planning and Reporting

The Annual Report (Part 1 – Community) measures our progress against priorities and aspirations that were developed in consultation with the community and documented in the City of Kwinana's long term vision, the *Strategic Community Plan 2019-2029*.

The City's *Corporate Business Plan 2019-2024* provides clarity on the initiatives and services that the City is planning or implementing over the next five years, with emphasis on the delivery of the strategic priorities outlined in our *Strategic Community Plan 2019-2029*.

These two key strategic documents are then underpinned by a number of informing documents including, but not limited to, the *Long Term Financial Plan*, *Asset Management Plans*, *Workforce Plan* and issues or area-specific plans (see figure 1).

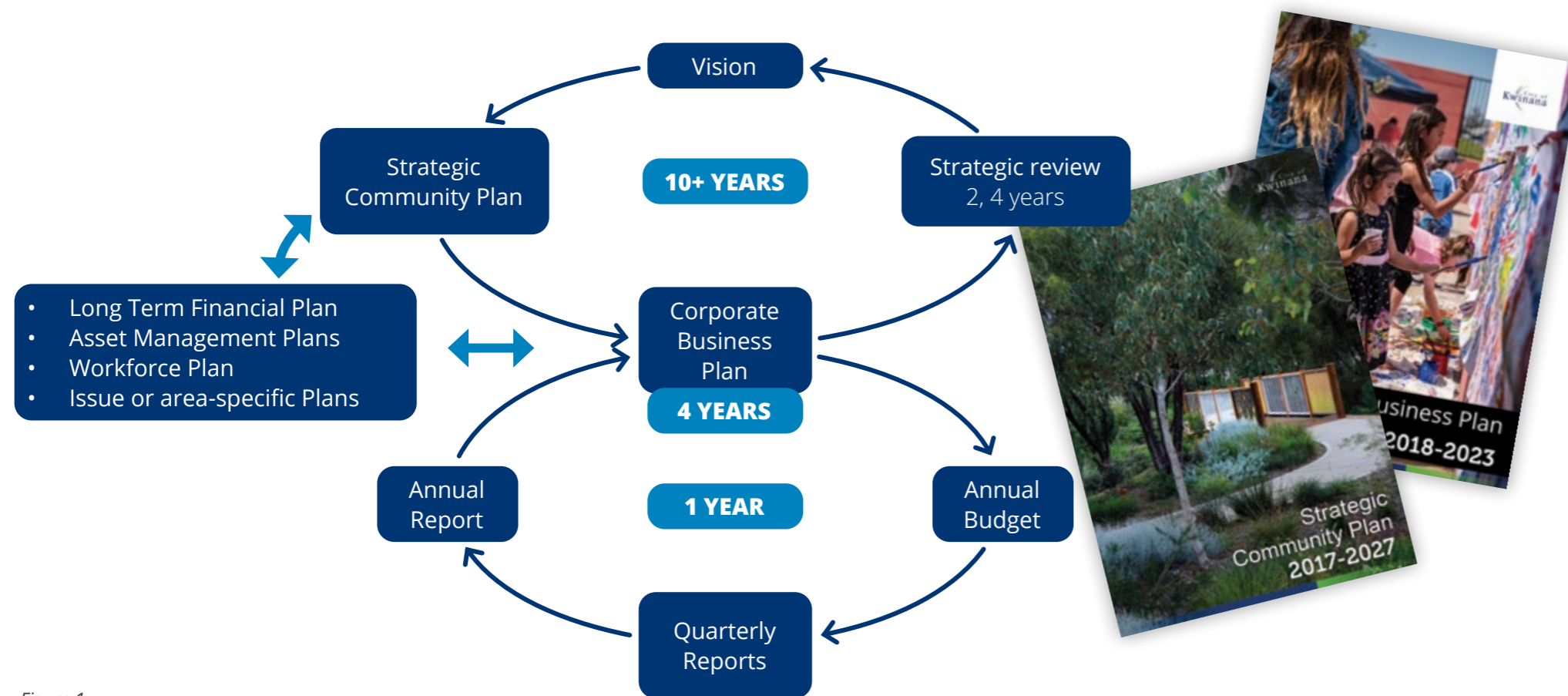


Figure 1

## Key Items of Expenditure

Expenditure for key projects and programs delivered in the 2019/20 year includes:

- \$301,000 in development initiatives, including local business grants and programs;
- \$2.24m towards safety and security, with a focus on improved CCTV, City Assist services, Senior Security Subsidy Scheme and control of illegal dumping;
- \$1.65m towards the Zone Youth including welcoming the Diversity Strategy that has a focus on working with at-risk, disengaged or homeless community members at popular locations in the City Centre;
- \$2.2m spend on road upgrades and renewals with the Wellard Road duplication project to be carried forward to 2020/21;
- \$248,751 towards lighting upgrades at Thomas Oval;
- \$457,000 spent on community events including the Alcoa Children's Festival and end-of-year community concert; and
- \$407,212 to support the Koorliny Arts Centre.

## 2019/20 Key Priorities Achieved

Key organisational priorities in the 2019/20 year that were achieved include:

- continued to lobby and advocate for a new port in Kwinana;
- continued the implementation of the Community Safety and Crime Prevention Plan;
- progressed the development of the Conciliation Action Plan;
- progressed the development of the Love My Neighbourhood Framework;
- progression of the Local Planning Strategy;
- initiated the Town Planning Scheme as part of the Local Planning Strategy;
- completion of the Public Health Plan;
- commenced the review of the City's Waste Management Strategy;
- progressed the implementation of a new Corporate Business System;
- progressed the development of a new City website;
- completed a review of the City's Ground Water Operating Strategy;
- progressed the update of the Asset Management Strategy; and
- completed a review of the Kwinana Adventure Park Management Plan.



## Aspiration Areas

### Aspiration 1: Rich in spirit

**Aspiration Statement:** Kwinana 2030 will be a place where the strong community spirit that has historically existed continues to thrive and develop. The City will be alive with an assortment of community events that encourage civic participation and celebrate our multiculturalism.

The outcomes we aspire to create include:

- a unique identity;
- a City alive with activity;
- a safe and welcoming place;
- services for an active community;
- strong community leaders;
- a community who help each other;
- a vibrant arts culture;
- a sense of place and heritage; and
- accessibility for everyone.

#### Related Plans (internal):

Place Plans for City Areas	Multicultural Action Plan
Conciliation Action Plan	Youth Strategy
Events Strategy	Community Safety and Crime Prevention Plan
Welcoming Diversity Strategy	Active Ageing Strategy
Children and Families Policy	Community Development Fund
Every Club Program	Public Art Masterplan
Active Citizenship Strategy	History and Heritage Implementation Plan
Heritage Assets	Life Long Learning Strategy

#### Key Projects/Achievements in 2019/20:

**The City hosted a range of crowd-pleasing, show-stopping events in 2019/20.**

The City once again teamed up with the Perth Symphony Orchestra to host the 2019 Summer Symphony. Held on the first Saturday in December 2019, the event was the City's brightest, loudest and most popular concert event so far, with over 7,000 attendees.

When it came to our Christmas events, the City's Seniors' Christmas lunches welcomed 200 guests who were serenaded by local children singing carols while the annual Lolly Run once again saw Santa and his crew of helpers drive every street in Kwinana on Christmas morning to spread cheer and goodwill. A total of 88 volunteers distributed approximately 13,000 lolly bags to Kwinana residents.

On 26 January 2020, around 1,000 community members attended the Kwinana Adventure Park to celebrate Australia Day. Attendees enjoyed a free BBQ breakfast cooked by the Kwinana Rotary Club, free entertainment and celebrated the crowning of Kwinana's Citizen of the Year.

Our event season was rounded out by the Alcoa Children's Festival. Held at Calista Oval on Saturday, 7 March 2020. The event, themed 'Once Upon a Time' welcomed an estimated 9,500 attendees – our biggest so far.

**Kwinana Library and Community Resource Centres continued to be a focal point in our community. These are places where firm friendships are formed, social inclusion is promoted and people can learn new skills while having fun.**

The City's Bookings Team worked with regular hirer groups to support them in using City-owned buildings, promoting their programs and ensuring their long-term sustainability.

Community facilities were booked for a total of 34,257 hours down from 36,437 last year due to the COVID-19 pandemic.

Seasonal tenants were the biggest user of the community facilities with a share of 7,562 hours. Medina Hall was the most popular community facility with 2,706 hours booked over the year. The Patio at the Adventure Park continues to be popular during the summer months with the weekends being the peak booking periods.

The City's crèches at the Darius Wells Library and Resource Centre and the Recquatic Centre saw 10,536 children attend from July 2019 to March 2020 prior to closing during the COVID-19 pandemic.

The children in our community were well catered for with over 400 attending sensory and craft activities run by our crèche staff at the William Bertram and John Wellard Community Centres.

The Kwinana Public Library refurbishment was completed with welcoming comfortable zones including new furniture, resources and improved access to information. This change allows for an increase in customer experience with roaming staff who are more accessible to patrons.

Last financial year, there were 134,433 loans and renewals of physical items at the Kwinana Library. The library added 4,224 physical items to its collection and offered home delivery and click and collect services which were used by 282 residents during the 11 weeks the library was closed due to the COVID-19 pandemic restrictions.

Sixty residents used the John Slinger IT lab's computers during shutdown and there were over 50,036 uses of our online e-resources over the year.

The focus of the library's local history area was on enhancing the profile of local history information and improving access to the resources of this collection. A project has commenced to add photographs from the library's collection to the online catalogue and the oral history collection has now been made available online through SoundCloud.

#### **Kwinana Youth Services ran a series of programs and events to serve and support the young people in our community.**

The Drop-in Lounge at the Zone Youth Space continued to provide a safe space for young people to socialise, build life skills and connect with and get wellbeing support from the youth team. Support was offered to many of Kwinana's most vulnerable young people through case management, advocacy, program delivery, outreach and more. In 2019/20, 2,386 vulnerable young people accessed support.

Youth Intervention and Youth Participation Working Groups helped support young people in a coordinated manner. These programs were run in collaboration with a number of external agencies including Centrelink, Youth Justice, the Department of Education and Department of Communities. The City continued to be successful in securing external grant funding for the full cost of this service.

The Youth Advisory Council (YAC) for aspiring young leaders continued to meet fortnightly to help promote the interests of local young people and develop initiatives.

A range of programs and activities for young people continued, including skills workshops, sports, cooking classes, LAN gaming, social support groups, skate/scooter workshops and competitions, themed events, school holiday activities, Beatball and Nightfields. A total of 52 different youth programs were delivered, plus 162 separate activity sessions with a total attendance of 2,421.

The team adapted to delivering programs online during the COVID-19 pandemic restrictions.

The Zone Youth Space also ran a range of programs from external providers. The facility is available for bookings by community groups and individuals and continues to grow in popularity as an appealing space for hire.

#### **Bright Futures Children's Services continued to go from strength to strength, providing much-needed support to local families and carers.**

Bright Futures Children's Services was the recipient of the 2019 State Excellence in Family Day Care awards and a national finalist. Lynne Brooke was the winner of the Family Day Care Coordinator of the Year State award and national finalist 2019.

The In Home Care service grew considerably over the 12 months with 26 educators and 28 families enrolled across Perth metro and regional areas.

Family Day Care provided 494,082 hours of care over the year, averaging 9,687 hours per week. In Home Care provided 43,447 hours of care over the year, averaging 852 hours per week and the Moorditj Kulungar Playgroup averaged 13 children per session in Term 1 with 18 families enrolled.

In partnership with Earbus, Connecting Community for Kids and The Smith Family, Bright Futures staff were trained in ear health. This has enabled the team to screen children from the Aboriginal community and offer support for referrals on to a specialist if required. A total of 64 children under five years of age were screened - 22 from Aboriginal families.

During the COVID-19 pandemic, Bright Futures worked as an advocate for Family Day Care in WA on the Family Day Care Australia Advisory Committee, providing important input into matters arising from the COVID-19 pandemic and its effects on the Family Day Care sector.

#### **The City continued to focus on creating more activities in suburbs across the City and the City's Place Leaders continued to build connections with local community groups and businesses to deliver initiatives and collaborative projects while supporting local leadership.**

Place Plans were developed for Bertram, Medina and Wellard, as well as place audits with local communities. A range of community-led projects such as the Mad Hatters Tea Party, movie nights, markets and the Ridley Green Magic Garden were deemed successful amongst the local community.

In 2019/20, the Parks for People program was introduced as a collaboration between the City and communities surrounding Harrison Park in Calista and Morrit Park in Parmelia. The Harrison Park engagement saw the incorporation of natural features including planting of mature trees, improvements in accessibility and a new shelter and picnic bench. Morrit Park received more shelter, supported benches, lounges and some new play elements in its design.

In addition to Parks for People, the installation of \$100,000 of CCTV throughout the Medina Town Centre formed part of infrastructure upgrades delivered.



**Community safety is always a key priority for the City. The City continued its work with the community to implement a number of initiatives designed to bring people together throughout the year and foster community spirit in Kwinana.**

The City's 'Neighbour Day Every Day' program encourages neighbours to connect with each other street by street. This initiative has seen the City of Kwinana acknowledged as a 'Very Neighbourly Organisation' by Relationships Australia.

The Medina Town Centre CCTV project was completed with funding through the State Government 'Local Projects, Local Jobs' program. The grant supported the installation of 23 new CCTV cameras, public lighting upgrades, public Wi-Fi installation, street cleaning and delivery of activation projects within the Medina Town Centre. The works were completed through collaboration with local businesses and residents.

The City also worked with the Western Australian Police Service, Crime Prevention Unit and key stakeholders to improve knowledge and awareness of property and personal safety. This included distribution of Community Safety Information Kits at City facilities, events and through existing community networks.

All 47 actions in the Community Safety and Crime Prevention Plan have been implemented or progressed. Western Australian Police Service data shows crime statistics for the City of Kwinana are lower in 2020 than in previous years.

**The City Assist team worked to educate the community around matters such as responsible dog ownership, traffic management and parking, amongst other safety measures. During the year some significant improvements were made to community assistance.**

The team reviewed the City's authorised dog exercise areas and installed dedicated signage to better identify these parks and reserves. City Assist also completed a draft of the City's new Cat Local Law and a new Nuisance and Amenity Local Law and Health Local Laws.

During 2019/20, the City Assist team received a total of 9,098 calls, averaging 758 per month. The team also received 1,479 dog complaints, 724 parking complaints, 363 fire complaints and 213 noise complaints.

City Assist registered 752 new dogs and 181 new cats with the City. Of the 382 dogs impounded, 261 were reunited with their owners and 105 were rehomed.

A strategic change to the City Assist fleet set up and overall look was carried out and vehicles are now more attuned to the various needs of the team.

City Assist also received runner up in the WA Ranger Team of the Year Awards in October 2019.

**The City's Community Outreach Service supported homeless and people at risk of homelessness in the community, including people who are experiencing social disadvantage.**

The service, together with the City's Community Liaison Service, helped the City to engage directly with community members, businesses, services and agencies.

The aim of the City's Community Outreach Service is to help improve wellbeing by providing information, advocacy, referral or assistance. In the last financial year, the team actively engaged with 267 vulnerable adults or children experiencing difficulty who were not accessing support services, accommodation or benefits.

During the COVID-19 pandemic restrictions, a Community Support Line was established to make it easier for the community to access wellbeing information and support. In total, 53 people called the helpline for support, with follow-up occurring in-person as restrictions eased.

Community Liaison Officers continue to provide a positive engagement service within the central business district and other key localities. This year the service engaged with 3,322 people and made 457 referrals for additional support.

**Promoting diversity, multiculturalism, arts and the history of our City were a large focus for our Community Engagement team in 2019/20. The City worked to strengthen multiculturalism and social cohesion in Kwinana through programs and events.**

The Learning English through Story Time program was facilitated at the City's library. This program is designed to teach adults basic English and develop the skills needed to promote and assist their children in learning English as a second language.

A Job Opportunity Expo was conducted at the John Wellard Centre in August 2019 and incorporated workshops, stalls and presentations by recruitment agencies and service providers. Over 200 people attended the expo with approximately 35% of people being from a culturally and linguistically diverse background.

The City supported the Kwinana Heritage Group with a \$10,000 contribution to assist with custodianship and ongoing presentation of key historical artifacts at the heritage site, Smirk's Cottages, to the community.

City Officers contributed to a review of a Public Art Proposal as part of the Local Planning Policy Development Contribution to Art and the City contributed \$407,212 towards operational costs of the Koorliny Arts Centre, in order to make it an accessible and vibrant arts and culture space available to the community.





Key Outcome Measures:

Measure	Industry Average (%)	Performance 2016 (%)	Performance 2018 (%)*
Increase in MARKYT Performance Score for % of community satisfied with festivals, events and cultural activities	64	64	71
Increase in MARKYT Performance Score for % of community satisfied with safety and security	54	41	45
Increase in MARKYT Performance Score for Increase in % of community satisfied with services and facilities for youth	50	58	70

\*results from the 2018 Community Wellbeing and Perception Survey

Key projects to occur in 2020/21:

- implementation of Local Place Plans for Bertram, Medina, and Wellard;
  - implementation of the Love My Neighbourhood Framework;
  - development and implementation of the Community Engagement Framework;
  - ongoing delivery of actions in the Community Safety and Crime Prevention Plan;
  - working towards accreditation as a 'Safe Community' within the Pan Pacific Safe Communities Network;
  - Parks for People - Ascot Park, Bertram upgrade;
  - consultation and construction – Honeywood Oval Sporting Clubrooms;
  - consultation for shared bike path installations on Gilmore and Parmelia Avenues;
  - 2021 Alcoa Children's Festival;
  - implementation of the Innovate Conciliation Action Plan;
  - implementation of the Kwinana History and Heritage Plan;
- development of a new Arts and Cultural Plan;
  - revision of the Public Art Master Plan;
  - development of a new Multicultural Action Plan;
  - development of a new Disability Access and Inclusion Plan;
  - celebration of Kwinana Loop Trail upgrades;
  - completion of Thomas Oval Stage 1a lighting project;
  - review of the Youth Strategy;
  - expansion of activities for young people to more locations than the Zone Youth Space and Edge Skate Park;
  - review of Bright Futures' current business model and recruitment of additional staff resources to rebuild the service after the impact the COVID-19 pandemic;
  - training for Bright Futures service staff and educators in nature-based play; and
  - continued collaboration with Earbus to plan further ear screening sessions and ensure all children requiring a follow up are seen and referred if needed.



## Aspiration 2: Alive with opportunity

**Aspiration Statement:** In the coming years, the City of Kwinana will be a place alive with opportunities. The continued prosperity of the local industrial, retail and business community will provide a wide range of employment options for residents.

The outcomes we aspire to create include:

- varied job opportunities;
- quality education for all ages;
- a bustling retail scene;
- a powerhouse industrial area;
- a thriving local economy; and
- an innovative approval system.

### Related Plans (internal):

Economic Development Action Plan	Kwinana Outer Harbour Project
Land Optimisation Strategy	Lifelong Learning Strategy
Local Commercial and Activity Centres Strategy	Local Planning Strategy
Integrated Transport Strategy	City Centre Master Plan
Multicultural Action Plan	

### Key Projects/Achievements in 2019/20:

While the COVID-19 pandemic put a stop to many events and in-person gatherings, including the closure of our Community Resource Centres, the City continued 'business as usual', albeit adapted to meet the circumstances, all the while making sure we were Alive with Opportunity.

Some community and youth service programs were shifted to an online model while the library offered at-home delivery and non-contact returns.

Community Resource Centres adapted their programs, offering practical support to residents seeking employment, managing budgets and lifelong learning programs online.

Curriculum programs were also added for children learning from home and opportunities for adults to upskill and connect while in isolation.

The City developed a 2020/21 Lifelong Learning Strategy to include a significant focus on digital literacy in response to residents' needs during the economic crisis as a result of the COVID-19 pandemic.

### Our Volunteer Resource Centre celebrated referring 362 volunteers to 66 community agencies for placement this year.

Prior to physically closing in March 2020, there were 158 active volunteers assisting in Kwinana. The Volunteer Resource Centre adapted its focus over the year to attract more host community agencies and reviewed its processes to be able to involve more volunteers in all departments of the City.

### The introduction of the Bright Futures Children's Services intergenerational playgroup meant an increased connection was formed across the community.

Bright Futures partnered with Chorus to facilitate intergenerational play sessions. Ageless play brings together adults, caregivers and children, helping to overcome social isolation and enabling connection across generations. The sessions were held every week and we welcomed children and aged care residents to enjoy activities together.

The program was hugely successful with many new friendships being formed between residents and the children.

During COVID-19 pandemic restrictions, the service maintained connections by recording messages to each other and sending them through to one another as videos for all to enjoy.

### The Community Engagement team was busy connecting with key pockets of the community in Kwinana and increased its focus on health and wellbeing, with the help of a mutually beneficial collaboration with the South Metropolitan Health Services (SMHS) Health Promotion team.

The City and SMHS worked collaboratively to deliver actions within the City's Public Health and Wellbeing Plan. These actions included a Healthier Sporting Club forum for local government officers and health professionals, success in external funding grants from Healthway and Injury Matters for Health Promotion projects and the formation of a project group focusing on reducing smoking levels in the City.

As part of the response to the COVID-19 pandemic, the City established virtual roundtables in collaboration with local resident associations. Groups met regularly online to help identify specific needs in the community, encourage greater community-driven leadership and sharing of resources and ideas between neighbourhood groups.

### Funding has benefitted many areas of our community.

Over the last three years, the Kwinana Community Fund, a partnership between the City of Kwinana, the Kwinana branch of the Bendigo Bank and Community Chest has provided \$176,560 to 66 projects with a total project value of over \$923,000.

Over the past 12 months alone, 23 applications were received with the panel supporting 21 projects to the value of \$56,012, with a combined project value of over \$356,000. The City of Kwinana contributed \$17,746.

KidSport has once again been a popular funding option, allowing families to play sport locally. Last year, 349 KidSport vouchers amounting to \$65,193 were gifted. Kwinana Junior Knights Football Club was the fourth highest recipient of KidSport throughout the whole of WA. The Sports Financial Assistance Fund supported 32 athletes to the value of \$6,050.

### Kwinana Recquatic had a rewarding year, despite the COVID-19 pandemic slow-down.

The Centre successfully navigated COVID-19 pandemic restrictions and completed an internal restructure with the appointment of a new Customer Experience Team Leader, Business Development Specialist, Centre Operations Supervisor, Fitness Programs and Member Engagement Team Leader and Recquatic Manager.

In March 2020, prior to the COVID-19 pandemic, the Recquatic was tracking significantly ahead of budget. This was through a combination of increased revenue and a decrease in expenditure via the introduction of a new business model, review of administrative procedures and customer request training for staff.

Aside from the three-month closure, it was business as usual at the Recquatic, which accommodated 31,867 school children for their in-term swimming lessons, run by the Department of Education.

Kwinana Swim School received funding for another year for the Specialised Access Inclusion Lessons (SAIL) program through Royal Life Saving WA. The funding helped over 40 students per term.

The stretching room at the Recquatic was transformed into a Range of Motion Workout of the Day (ROMWOD) dedicated studio - the first of its kind within any local government recreation facility within Australia. The ROMWOD program is a world renowned daily stretching program that is accessible to all members.



The stadium roof was replaced over a six-week period. Despite the closure during this time, the stadium saw a 90% retention rate for sports.

The new birthday party area in the café hosted 22 parties and the Recquatic team held another successful open day with 1,550 people attending.

On 20 February, four lifeguards from the Aquatics team participated in the annual Pool Lifeguard Challenge run by Royal Life Saving Society WA and Leisure Industry WA, with the aim of testing teams of professional lifeguards. The event provides pool lifeguards with the opportunity to practice essential lifesaving skills under guidance of professional industry examiners.

The Recquatic completed a full review of its current membership structure, identifying areas for improvement and creating a new fees and charges structure. This new structure was to be rolled out from July 2020.

### The City progressed with the development of several strategic plans and continued to advocate for initiatives that will bring economic stability and increased employment opportunities to the region.

The City progressed the implementation of the Local Commercial and Activity Centre Grants with over 20 grants awarded.

The City also continued engagement and advocacy with Westport to support the case to bring the new port to Kwinana and formed the Economic Recovery Subcommittee for the response to the impacts of the COVID-19 pandemic on local business. A business case was also completed for destination attraction concepts.

Key Outcome Measures:

Measure	Industry Average (%)	Performance 2016 (%)	Performance 2018 (%)*
Increase in MARKYT Performance Score for % of community satisfied with how the City Centre is being developed	52	62	64
Increase in MARKYT Performance Score for % of community satisfied with economic development	45	43	50
Increase in MARKYT Performance Score for Increase in % of community satisfied with planning and building approvals	46	57	54

*\*results from the 2018 Community Wellbeing and Perception Survey*

Key projects to occur in 2020/21:

- the City’s Lifelong Learning Strategy for 2020/22 with a focus on Kwinana’s current economic situation. The plan prioritises programs and tools which support literacy upskilling, vocational and job-ready training alongside practical life skills such as money matters, DIY projects by partnering with local businesses and community groups;
- activation of our centres by adapting our opening times and offers to provide greater reach and more flexibility for local residents to learn and connect;
- expansion of library services to John Wellard and William Bertram Community Centres so that residents can collect and drop-off resources where they live;

- new activities at all the City’s crèches, including sensory play and clever craft activities to improve early childhood education;
- implementation of a simpler and more efficient community facilities booking system;
- complete refurbishment of the Mandogalup Volunteer Bush Fire Brigade;
- demolition and rebuild of the new Kwinana South Volunteer Bush Fire Brigade;
- refurbishment of the City’s animal care facility;
- support of State Government initiatives around Westport;
- stronger engagement with local businesses;
- significant operational changes to the City Assist and Essential Services, including revised operational hours;
- launch of Recquatic Strength and Conditioning custom programming in the Functional Training Studio;
- increased use of functional training room to attract new members to the Recquatic centre;
- upgrade of all leased cardiovascular and gym strength equipment at the Recquatic Centre; and
- creation of a Recquatic Customer Experience Plan to align with City of Kwinana Customer Services Charter.





## Aspiration 3: Surrounded by nature

**Aspiration Statement:** In 2030, the City of Kwinana will still be physically surrounded by nature. A practical, affordable and sustainable balance has been achieved between protection and development. The rich biodiversity of the area has been conserved through the identification and preservation of significant natural areas as well as with the active participation of residents in a range of environmental activities.

The outcomes we aspire to create include:

- a beautiful, natural environment;
- an energy-efficient City;
- a water-wise City; and
- a City adapted to climate change.

### Related Plans (internal/external):

Local Biodiversity Strategy	Natural Areas Management Plan
Perth Natural Resource Management Swan Region Strategy	Environmental Education Strategy
Kwinana Local Emergency Management Plan	Revolving Energy Fund
Climate Change Mitigation and Adaption Plan	Sustainable Water Management Plan
Ground Water Operating Strategy	Water Conservation Plan
Kwinana Adventure Park Management Plan	Parks Reserves Asset Management Plan
Mosquito and Midge Management Plan	

### Key Projects/Achievements in 2019/20:

In 2019/20, the City adopted a new fire notice and received additional funding to undertake the refurbishment of the Mandogalup Volunteer Bush Fire Brigade station. We're continually working to maintain the beauty of our City while ensuring the safety of our community.

### The City implemented upgrades to the Kwinana Loop Trail to the value of \$80,000.

The trail upgrade project, supported by Lotterywest, features the creation of 11 bi-lingual signs, and two rest stops through close collaboration with the Aboriginal community.

City officers worked closely with an Aboriginal artist, whose painting depicts the Aboriginal connection to local lands. The artist's work will be used on bi-lingual signs, shelter structure, maps and materials.

### Assets to the value of \$7,286,522 were gifted from private developers for environmental upgrades around the City.

The City installed three additional water data loggers at Wells Park, Peace Park and Bertram Community Centre, to assist with real-time tracking of water use and identification of water leaks.

The City also installed solar panels at Wellard Pavilion (10kW) and Fiona Harris Pavilion (10kW) in May 2020, saving approximately \$6,300 per year in electricity costs.

Some of the City's popular environment programs were transferred online including the Seedling Subsidy Scheme, Living Smart Program and a virtual Wildflower Walk while the Nightstalk and Plant ID Workshops went ahead as planned.

### Maintaining the natural beauty of Kwinana is one of the City's priorities. In the 2019/20 year:

- 1,200 planted trees were watered;
- 7,463 verge trees were pruned to maintain clearance from overhead power lines;
- a total of 567 trees were planted through capital projects;
- six parks in new development areas, totalling 12.42 hectares were handed over to the City;
- the City gained a 9.93/10 rating for 'usefulness' and 9.87/10 rating for 'satisfaction' from participants of our online Living Smart program, the highest ever ratings achieved by facilitator Shani Graham;
- 1,923 subsidised seedlings were provided to the community;
- around 17,000 native seedlings planted (including 2,000 as part of Coastcare);
- around 70 community volunteers assisted with community planting days;



- 305 students and children assisted with planting at the beginning of the financial year;
- 119 participants attended the Annual Wildflower Walk in 2019 – the highest number to date;
- a total of 82,138 mosquitoes were trapped across 10 monitoring sites; and
- there was a 22% increase in total tonnage of green waste verge collections.

**In addition, the City:**

- completed a review and update of the Calista Oval Management Plan 2020;
- designed and installed a new irrigation system at Apex and Rhodes Park to the value of \$168,000;
- completed the replacement of post and rail fencing around Medina Oval to the value of \$42,000;
- completed the Irrigation Development Guidelines document (2019);
- finalised a new five-year maintenance agreement with Main Roads Western Australia to maintain Rockingham and Thomas Road median island and verges;
- landscaped and planted 222 new trees along Orelia Avenue and McWhirter Promenade;
- planted trees in areas with low canopy coverage as part of the ongoing street tree planting program, with 220 planted in Bertram and 123 planted along Henry Street in the Kwinana Industrial Area; and
- received Gold award from the Water Wise Council.

**Key Outcome Measures:**

Measure	Industry Average (%)	Performance 2016 (%)	Performance 2018 (%)*
Increase in MARKYT Performance Score for % of community satisfied with conservation and environmental management	58	57	64
Increase in MARKYT Performance Score for % of community satisfied with animal and pest control	55	54	59
Increase in MARKYT Performance Score for Increase in % of community satisfied with effort to promote and adopt sustainable practices	56	52	63
Increase in MARKYT Performance Score for Increase in % of community satisfied with management of food, health, noise and pollution issues.	57	53	59
Increase in MARKYT Performance Score for Increase in % of community satisfied with waste service collections.	71	n/a	67

*\*results from the 2018 Community Wellbeing and Perception Survey*



**Key projects to occur in 2020/21:**

- ongoing roll out of sustainability initiatives for Council buildings/ sites;
- development of a Sea Level Rise policy to inform development along the City Coastline;
- review and update of the Climate Change Mitigation and Adaptation Plan 2015-2020;
- review of the Sustainable Water Management Plan 2018-2023;
- review and update of the Waste Education Plan 2019-2020;
- review and update of the Environment Education Strategy 2019-2024;
- review and update of the Waste Management Strategy 2017-2020;
- review of the bulk waste collection service;
- draft Bushfire Mitigation Plan; and
- review of the City's Fire Notice.



# Aspiration 4: It's all here

**Aspiration Statement:** Kwinana 2030 will see an increasing number of new community and recreation facilities, as well as significant refurbishment of current amenities. These community spaces will be well-planned to meet community needs and constructed to match population growth. They will enable the provision of more services and activities for youth and seniors and have sustainable maintenance and running costs.

The outcomes we aspire to create include:

- great public places;
- well-kept green spaces;
- a well-serviced City;
- a well-planned City;
- a well-maintained City; and
- a connected transport network.

## Related Plans (internal):

Community Infrastructure Plan	Parks and Reserves Assets Management Plan
Strategic Waste Management Plan	Lobbying Strategy
Public Open Space Standards Policy	Parking Strategy
Town Planning Scheme	Landscape Strategy
Public Lighting Asset Management Plan	Integrated Transport Strategy
Bike and Walk Plan	Roads and Transport Assets Management Plan
Buildings Asset Management Plan	Stormwater Drainage Asset Management Plan
Local Housing Strategy	Parks for People Strategy
Parks Upgrade Strategy	Streetscape Upgrade Strategy
Public Health Plan	

## Key Projects/Achievements in 2019/20:

A total of 20,423 tonnes of waste and recycling was collected by the City's waste contractors with 27.3% of this material diverted from landfill. The City saw a 4% increase in kerb-side waste collection with 13,045 tonnes collected and a 3% increase in kerb-side recycling, with 3,709 tonnes collected. Green waste collection was up by 22% on the last year with 1,769 tonnes collected while 1,799 tonnes of bulk waste was collected across two verge collections.

The City continued to provide waste education messages to the community through worm farming workshops, compost workshops and the annual Garage Sale Trail, which encourages the reduce, reuse and recycle message nationwide.

The Public Health Plan was adopted and the Mosquito and Midge Management Plan was reviewed and updated.

The Environmental Health team was also actively engaged in the City's response to the COVID-19 pandemic and State Government emergency directions. The City inspected 647 food businesses and processed 655 applications. Of the 462 health complaints processed, 204 were noise complaints.

**The City was successful in its application for several Community Sport and Recreation Facilities Fund (CSRFF) grants, provided by the Department of Local Government and Communities.**

Projects included:

- lighting at Thomas Oval – a \$450,000 project due to be completed in 2020/21, which received \$150,000 in funding;
- Medina Oval change rooms – a \$190,518 project was completed in May 2020 and received \$72,160 in funding; and
- the Honeywood Sporting Clubrooms – a \$3.718m construction, which received \$400,000 in funding. Construction is due to begin before December 2020.

**The Asset Management team was busy providing updates to the City's facilities and structures.**

The crèche roof at the Kwinana Recquatic Centre was replaced, while the Koorliny Community Arts Centre received shade sails with balustrades in the courtyard.

The City also refurbished the Medina Oval change rooms, began construction of the Mandogalup Volunteer Bush Fire Brigade extension and started the design process for the Honeywood Sporting Clubrooms.

In addition, 25,555m<sup>2</sup> of roads were rehabilitated and resurfaced around the City, 268 residential lots were developed by private developers in Wellard, Wandi and Mandogalup and the City had assets to the value of \$3,732,597 gifted by private developers towards pavements, kerbs, footpaths, pipes and parking areas.

**The City's Information Technology (IT) team used an extensive network that incorporated facilities, halls and ovals to expand the City's public Wi-Fi services and replace all legacy phone systems.**

The team also developed Cyber Security Training to further secure the City of Kwinana and protect against increasing IT threats.

The team planned and implemented a mobile workforce strategy. This involved providing portable tablet PCs, permanent wireless (4G) internet connectivity and seamless VPN for a secure and 'always on' corporate network connection to the majority of staff.

This was finalised prior to the COVID-19 pandemic and the benefits were immediately realised, as the majority of employees were able to easily transition to working-from-home situation without any major involvement from IT.

**In 2018/19, the City engaged the community around a number of key studies as part of Stage 1 of the Local Planning Strategy (LPS), including housing, integrated land use and transport, employment and economic development, biodiversity and rural lands.**

The outcomes were endorsed by Council in September 2019. Council asked that City Officers consider the outcomes of the Community Consultation and Engagement Program for Stage 2 of the Local Planning Strategy.

Subsequently, the City progressed Stage 2 of the LPS over the remainder of 2019 and into the first half of 2020. City Officers have worked closely with Council to ensure the vision, objectives and strategies established are in keeping with its intent and the community consultation outcomes.

The adoption of a final draft LPS by Council is anticipated late 2020.

**Council adopted the Kwinana City Centre Master Plan at its December meeting 2019. It provides a vision for the City Centre and sets the scene for more detailed planning.**

The City undertook a period of community engagement including a number of community workshops. The findings of the community consultation fed into the final Master Plan.

In addition, the City completed the detailed design of Wellard Road duplication project to the value of \$15million. The City also successfully obtained approval for grant funding from WA Bicycle Network (WABN) Grants program (50/50 cost sharing between the City and WABN) for the design of two key bike path projects along Gilmore Avenue and Parmelia Avenue.

The combination of these two projects is estimated to be worth around \$1.3million with the amount being evenly split between the WABN and the City over the next two to three years.

### Key Outcome Measures:

Measure	Industry Average (%)	Performance 2016 (%)	Performance 2018 (%)*
Increase in MARKYT Performance Score for % of community satisfied with community centres and facilities	58	65	67
Increase in MARKYT Performance Score for % of community satisfied with sport and recreation facilities	65	66	68
Increase in MARKYT Performance Score for Increase in % of community satisfied with playgrounds	68	65	77
Increase in MARKYT Performance Score for Increase in % of community satisfied with parks and reserves	68	65	76

*\*results from the 2018 Community Wellbeing and Perception Survey*

### Key projects to occur in 2020/21:

- commence construction of Honeywood Oval Sports Pavilion;
- design and construction of new Kwinana South Volunteer Bush Fire Brigade Station;
- design of an accessible toilet facility at Rhodes Park;



- refurbishment of toilet facilities at Kwinana Tennis Clubrooms;
- fleet and plant replacement program – value \$1.25million;
- Public Open Space (POS) renewal of bores, fencing and irrigation – value \$216,700;
- new backup system for the City's IT team;
- new corporate business system;
- complete migration to a Cloud environment;
- progression of the Local Planning Strategy to its final draft for adoption by Council and for referral to the Western Australian Planning Commission;
- progression of the City Centre Activity Centre Plan;
- continued structure planning and subdivision approvals for new growth areas; and
- a range of policy-based planning for residential and industrial development in the City.

# Future Measures

## City Outcomes

The City has a number of Key Performance Indicators in place that are vital to business improvement.

DLGSC Indicators	Measures	Achieving Benchmarking Standard/ City Target*	Current**
Asset Management Indicators	Asset Consumption Ratio (%)	>50%	77%
	Asset Renewal Funding Ratio (%)	Greater than 75%	77%
	Asset Sustainability Ratio (%)	90%	27%
Business Performance	Development Applications assessed within statutory timeframes (%)	100	98
	Local Development Plans assessed within statutory timeframes (%)	100	100
	Subdivision Applications assessed within statutory timeframes (%)	100	70.8
	Building Approval Certificates processed and issued within 10 days (%)	100	100
	Certified Building Permits processed and issued within 10 days (%)	100	100
	Uncertified Building Permits processed within 25 days (%)	100	100

\* The benchmarking standard targets are set by the Department of Local Government, Sport and Cultural Industries

\*\* Current values for Business Performance and Assets are as at 30 June 2020.

# Statutory Reporting

## Disability Access and Inclusion Plan

Throughout 2019/20 the City continued to actively work to ensure all people living, working in and visiting the City had unconditional access to its services and facilities. Key areas of focus included access to services and events, access to buildings, access to information, equal level and quality of service, the same opportunity to make complaints and to be consulted and to receive the same employment opportunities. A number of actions identified within the plan were undertaken during 2019/20 including:

- The City’s Events team attended Inclusion Solutions workshop ‘Hosting Inclusive Events’. This workshop assisted the Events team gain a greater understanding of the needs of people with disabilities and has helped to shape the planning of the City’s major events.
- In planning the 2019 Summer Symphony, Event staff sought feedback in relation to the layout of the City’s ACROD viewing area, toilet facilities and parking. Adjustments were then made to increase the size of the viewing area and locating it closer to the ACROD parking bays, accessible toilets and ramp access. Security were also made available to offer individuals assistance to cross the grassed area. An increased number of ACROD bays were made available for this event with a total of 31 cars parked in these spaces. The City provided an accessible shuttle bus arranged though Events Care. The bus provided transport from both the City’s train stations. Alternative pick-up locations were also offered to local community members.
- The City’s Alcoa Children’s Festival 2020 included a sensory chill-out tent. The tent included activities such as audio books (through

headphones) and sensory play trays along with alternative seating options including grassed areas, picnic blankets, beanbags and chairs.

- The John Wellard Community Centre planned and facilitated ‘Sensory Play for Pre-schoolers’ program. The program was facilitated by City Officers over eight weeks during the school term and is aligned with Early Childhood Frameworks. The program has been marketed to all abilities and has seen a record number of children and parents take part -at times having up to 40 children in attendance.
- City Officers continue to monitor facilities and infrastructure to ensure compliance with the minimum service standards.
- Each year the City enhances selected parks as part of its Parks Renewal and Upgrade Strategy. Morrit Park (Parmelia) and Harrison Park (Calista) were upgraded this year, informed via community engagement with community members living locally, as well as other relevant stakeholders. The engagement identified areas to improve accessibility which included an accessible picnic setting, paths and ramps.
- 40 City Officers completed the City’s internal optimisation and accessibility training, which taught staff how to create and set up documents in word and PDF so they can be easily read by assistive technology such as screen readers. This ensures documents uploaded to the City’s website are accessible to people who may be blind, illiterate and/or have a learning disability. These standards have been incorporated into the City’s Style Guide.
- The City hosted a Disability Inclusion in Clubs workshop that was facilitated by Football West. This workshop promoted disability awareness, provided practical information and assisted clubs to identify how they could incorporate strategies within their frameworks and policies that would support their clubs to be more accessible and inclusive to people with disabilities. The workshop was promoted to all clubs in the local area with representatives from three local sporting clubs in attendance as well as four City Officers.

- The City's Recquatic team had customer service training focusing on delivering the best customer experience to individuals. A particular objective of the training is supporting people with disabilities to feel safe and welcomed at a facility. Topics included how to identify the needs of people who come into the Centre and strategies staff can use to ensure they are providing the best quality of service to people with disabilities.
- The City of Kwinana and the City of Mandurah were approached by the City of Rockingham to help facilitate their Access and Inclusion Networking Meetings. Meetings are open to service providers, organisations and people working in the access and inclusion space, and offer opportunities to network and collaborate. The meetings provide another opportunity to engage with people with disabilities through their service providers and networks.
- The City recently took part in AccessAbility Day - an Australian Government initiative that encourages employers to connect with jobseekers who have disabilities (participants). This initiative offers awareness for both employees and employers to see the potential of people with a disability being included in the workplace.
- The City worked in partnership with Disability Employment Service Provider Matchworks and hosted a young lady for a day in the library. This experience gave staff greater insight into the abilities of people with disabilities and actively promoted a culture of inclusion in the workplace.
- The City's Disability Access and Inclusion Plan (DAIP) is included in all executed Contracts, including WALGA Contracts, to ensure Contractors adhere to DAIP strategies. In some instances, Contracts may include further clause provisions for a Contractor to implement and report on the DAIP when providing services or infrastructure involving the public.

# Reconciliation Action Plan

In December 2018, the *Reflect Reconciliation Action Plan (RAP)* was adopted by Council and endorsed by Reconciliation Australia. Reconciliation Australia sets four outcome areas within the plan: Relationships, Respect, Opportunities and Governance, and Tracking Progress. Actions within the plan have been developed with the *Boola Maar (Many Hands) Advisory Group* and align with the outcome areas. City Officers and community have continued to work together to achieve positive outcomes, including actions from the Reflect RAP.

In June 2020, the draft Innovate Reconciliation Action Plan was adopted by Council and was then forwarded to Reconciliation Australia prior to being launched to the community. Throughout the review of the Reflect RAP and the development of the Innovate RAP, the following actions by the City were noted:

- worked with local organisations and the Aboriginal and Torres Strait Islander communities in the planning and delivery of NAIDOC events;
- supported community groups and organisations to deliver projects across the City, including Relationships Australia's National Empowerment Program, Blue Tree community project;
- staff and members of Boola Maar Advisory Group attended the Sorry Day event, planned and delivered by Moorditj Koort;
- hosted an Aboriginal and Torres Strait Islander community engagement meeting in March 2020;
- provided Aboriginal and Torres Strait Islander cultural awareness training to 230 staff members, delivered by Aboriginal Leaders Danny Ford and Rosemary Walley of Kambarang Services;
- liaised with an external provider to support grant applications to deliver Aboriginal and Torres Strait Islander cultural awareness training to community members;

- displayed Aboriginal and Torres Strait Islander flags at all citizenship ceremonies and significant events;
- permanent Aboriginal Flag displayed at the City's Administration Building;
- upgraded Loop Trail signage to include Acknowledgement of Country, dual language, stories and rest stops at significant Aboriginal sites;
- developed a marketing communications plan to promote Aboriginal and Torres Strait Islander days of significance via social media;
- included Acknowledgement to Country on all staff signatures, power point presentations and City agenda templates;
- created an additional two Aboriginal and Torres Strait Islander specific (50D) positions across the City Engagement Directorate;
- continued one Aboriginal and Torres Strait Islander traineeship at the City Operations Centre in partnership with Kwinana Industries Council and the Clontarf Academy;
- worked in collaboration with the Institute of Indigenous Wellbeing and Sports to deliver a fortnightly Beat Ball program at the Recquatic; and
- the Koya, Kinship Empowerment Program was supported with in-kind services to assist the delivery of their programs throughout the City.





# Reporting Requirements

## National Competition Policy

The City of Kwinana has met its obligations in regard to the *National Competition Policy* with no issues being raised with the City.

## Local Government Act 1995

This Annual Report (Part 1 – Community), together with the Annual Report (Part 2 – Annual Financial Report), complies with the requirements of section 5.53(1) of the *Local Government Act 1995* to prepare an annual report for each financial year.

## Elected Member Conduct

No complaint regarding a City of Kwinana Elected Member’s conduct, under Section 5.121 of the *Local Government Act 1995* was recorded in the financial year ending 30 June 2020.

## Local Government (Financial Management) Regulation 1996

Under section 6.4 of the *Local Government Act 1995*, a Local Government is to prepare an Annual Financial Report for the preceding financial year and such other financial reports as are prescribed in the *Local Government (Financial Management) Regulations 1996*.

## State Records Act 2000

The *State Records Act 2000* is currently being assessed for the need for review by the State Records Office of Western Australia. The City of Kwinana’s Records Management Coordinator provided input and observations via the Local Government Records Managers Association. The onset of the COVID-19 pandemic stalled the review process.

Approved by the State Records Commission in 2016, the City’s updated *Recordkeeping Plan 2016-2021* describes the City’s commitment to good and compliant record keeping procedures. These include monitoring the process and compliance of the retention, storage and destruction of digital and hardcopy records. The Records and IT team liaise to achieve digital compliance.

Training is an important component of record keeping for the City, and has continued to be provided to all staff to ensure appropriate awareness of record keeping obligations and responsibilities. Induction and training programs were adapted to comply with social distancing requirements due to the COVID-19 pandemic and to ensure all individuals felt safe and yet were still provided with suitable training to enable them to carry out their duties and ensure awareness of their roles and responsibilities.

Freedom of Information Act 1992

In accordance with Section 96(1) of the *Freedom of Information Act 1992*, residents have the legally enforceable right to access records (which are not otherwise exempt) held by State and local government agencies. The following FOI applications were received:

	2019-2020
FOI Requests	6
Access in Full	1
Edited Access	5
Applications withdrawn	0
Access deferred	0
Access refused	0

The City also reviewed and updated the *Information Statement* as required by the *Freedom of Information Act 1992* in August 2018. The *Information Statement* is due to be reported to the Information Commissioner in August 2020.

Public Health Act 2016 and Food Safety Standards

The City has complied with the authorisation requirements for Officers registered under the *Public Health Act 2016*. The City has also provided optional reporting information requested by the Department of Health under the provision of the Act.

The *Food Act 2008* was applied to all food premises within the City based on a risk-assessment approach by way of inspection. In total, the City carried out 647 inspections during the 2019/20 financial year. This was a slight reduction on the number of inspections carried out the year before, due to the COVID-19 pandemic restriction closure period.

Equal Opportunities

The City of Kwinana recently reviewed and updated its *Equal Employment Opportunity Management Plan 2020-2023*. The plan was submitted and acknowledged by the EEO Commission in June 2020.

The Plan details how the City adheres to the *Equal Opportunity Act 1984* in eliminating discrimination, sexual and racial harassment, and through promotion of equality in the workplace.

Occupational Safety and Health

Our vision is to achieve excellence in safety and health management through a framework that is an integral part of business planning with Safety and Health Management goals and targets established to drive continuous improvement in performance. The City's mission is to strengthen and grow a safety culture at the City.

The City also recognises its corporate responsibility under the *Occupational Safety and Health Act 1984* and associated legislation and is fully committed to ensuring that, as far as practicable, it will provide a working environment that is without risk to its employees and others in the City's workplaces.

The City is committed to meeting its moral and legal obligation to provide a safe and healthy work environment for employees, contractors, customers and visitors. This commitment extends to ensuring the City's operations do not place the community at risk of injury, illness or property damage.

The City, in partnership with its employees, will endeavour to recognise the potential risks associated with hazards that may exist within the workplace and will take practical steps to provide and maintain a safe and healthy work environment for all persons.

The City focuses on exceeding its obligations under the Occupational

Safety and Health legislation by ensuring its operational activities eliminate or minimise the risk of illness, injury and damage to people, property and the environment through a robust and compliant Safety and Health Management Framework.

Review of Local Laws

Section 3.16 of the *Local Government Act 1995* requires that all of the Local Laws of a Local Government must be reviewed within an eight year period after their commencement to determine if they should remain unchanged or be repealed or amended.

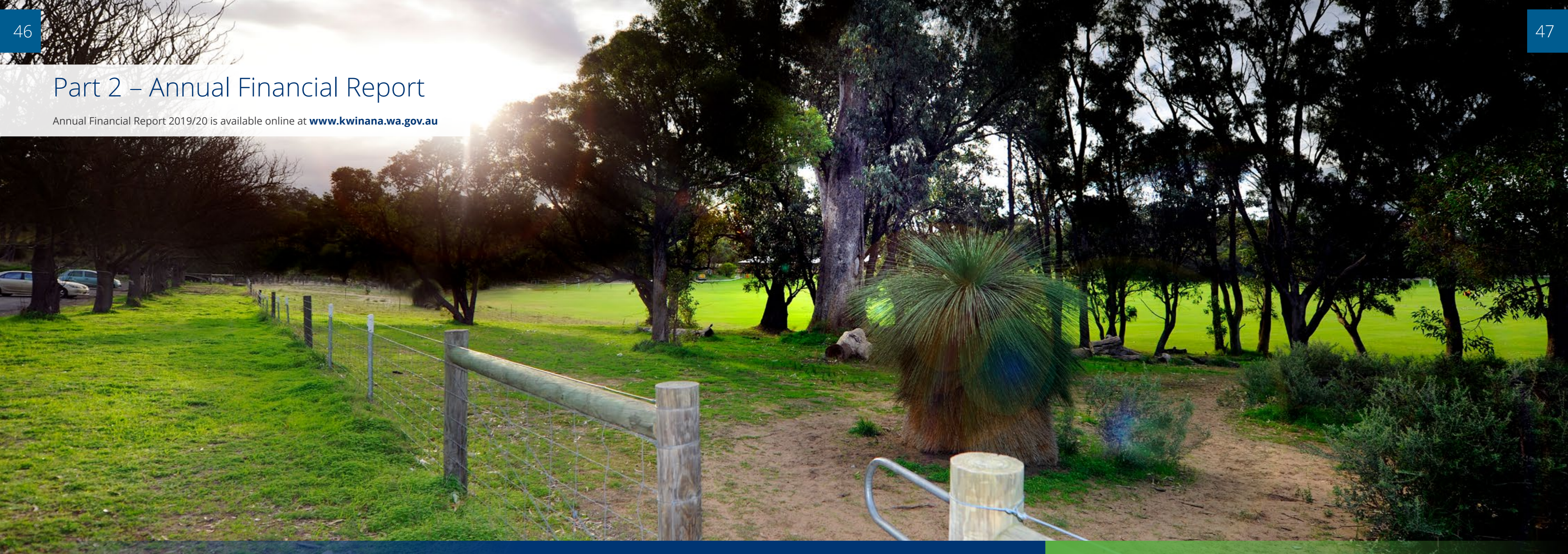
A review of several local laws was undertaken during the 2019/20 financial year, with the following Local Laws being progressed to varying levels:

- The *Standing Orders Local Law* was finalised in the 2019/20 financial year.
- The *Activities in Thoroughfares and Public Places and Trading Local Law* was reviewed and is due for finalisation in the 2020/21 financial year.
- The *Urban Environment and Nuisance Local Law* was reviewed and is due for finalisation in the 2020/21 financial year.
- The City is currently investigating the implementation of a *Cat Local Law* due for finalisation in the 2021/22 financial year.

Annual Salaries

The *Local Government Act 1995* requires the Local Government to provide the number of employees who are entitled to an annual salary of \$100,000 or more. The figures below are as at 30 June 2020, noting that they include any staff on the Enterprise Agreement who are entitled to an annual salary of \$100,000 or more.

Salary Range	No. Employees
\$100,000 and \$110,000	12
\$110,000 and \$120,000	4
\$120,000 and \$130,000	8
\$140,000 and \$150,000	3
\$160,000 and \$170,000	3
\$190,000 and \$200,000	2
\$200,000 and \$210,000	2
\$300,000 and \$310,000	1
Total	35



# Part 2 – Annual Financial Report

Annual Financial Report 2019/20 is available online at [www.kwinana.wa.gov.au](http://www.kwinana.wa.gov.au)



#### **ADMINISTRATION**

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## **7 Late and urgent Business**

Note: In accordance with Clauses 3.13 and 3.14 of the City of Kwinana *Standing Orders Local Law 2019*, only items resolved by the Audit and Risk Committee to be Urgent Business will be considered.

### **COMMITTEE DECISION**

**###**

**MOVED CR**

**SECONDED CR**

**That the Audit and Risk Committee deal with the ..... items of urgent business as presented in the Addendum to the Agenda.**

## 8 Confidential items

### 8.1 Reappointment Independent Audit and Risk Committee Member

This report and its attachments are confidential in accordance with Section 5.23(2)(b) of the *Local Government Act 1995*, which permits the meeting to be closed to the public for business relating to the following:

- (b) the personal affairs of any person; and

## **8.2 Appointment of Auditor – Regulation 17 – Systems and Procedures Review 2020/2021**

**This report and its attachments are confidential in accordance with Section 5.23(2)(c) of the *Local Government Act 1995*, which permits the meeting to be closed to the public for business relating to the following:**

- (c) a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting; and**

### **8.3 Risk Report – OneCouncil Project**

**This report and its attachments are confidential in accordance with Section 5.23(2)(c) of the Local Government Act 1995, which permits the meeting to be closed to the public for business relating to the following:**

- (c) a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting; and**

## **9 Close of meeting**