

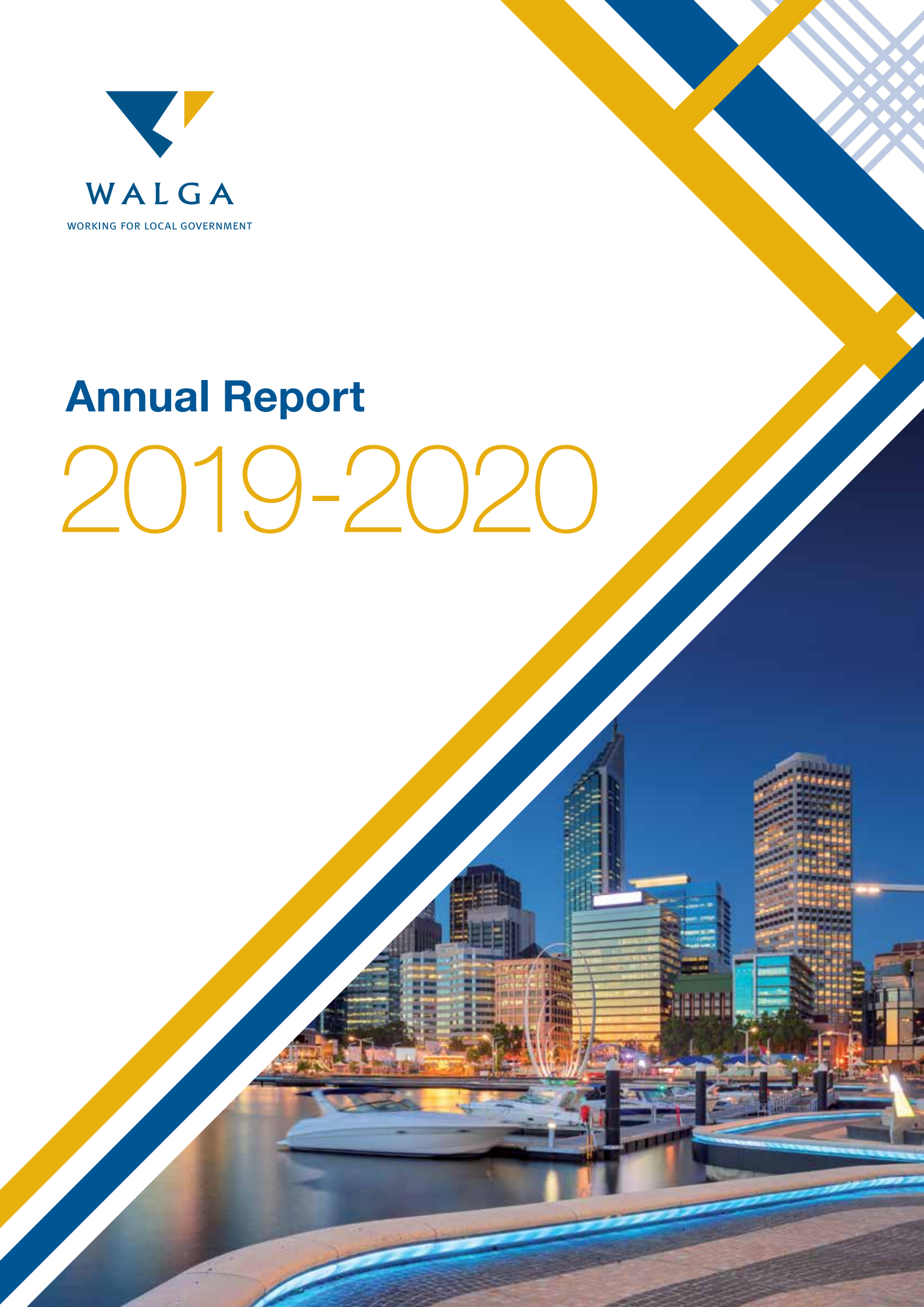


WALGA

WORKING FOR LOCAL GOVERNMENT

Annual Report

2019-2020



Strategic Plan

Vision for WALGA

WALGA is respected for delivering on the aspirations of its members, as the Lead Association for Local Government.

Mission

WALGA provides value to member Local Governments by:

- Enhancing the capacity of Local Governments to deliver services
- Building a positive profile for Local Government
- Providing effective leadership on behalf of the sector
- Ensuring representation for Local Government.

Strategy Statement

The strategic focus for our organisation is:

Greater than 80% member satisfaction with WALGA within three years.

This strategy statement is built on our competitive advantage of being:

- Experienced:** We have a clear understanding of the business of Local Government.
- Integrated:** We are a reliable and effective aggregation that gives value, financial benefits and a united voice.
- Professional:** We provide expert services to meet member needs.

Key Strategies

Engagement with Members

- Deliver a broad range of benefits and services that enhance the capacity of member Local Governments
- Improve communication and build relationships at all levels of member Local Governments
- Provide ongoing professional development and interactive opportunities for Elected Members to contribute to debate on sector issues
- Build a strong sense of WALGA ownership and alignment.

Sustainable Local Government

- Continue to build capacity to deliver sustainable Local Government
- Provide support to all members, according to need
- Represent the diversity of members' aspirations in the further development of Local Government in Western Australia
- Foster economic and regional development in Local Government.

Enhanced Reputation and Relationships

- Communicate and market the profile and reputation of Local Government and WALGA
- Promote WALGA's advocacy successes with the sector and the wider community
- Strengthen effective relationships with external peak bodies and key decision makers in State and Federal Government
- Develop simple and consistent messages that are effectively articulated
- Promote WALGA's supplier agreements to assist Local Governments.

Contents

CEO's Report	4	State Councillors	46
President's Report	5	Zone Representatives to State Council 2019-2020.....	48
WALGA services to WA Local Governments	6	Local Government Medal Recipients and Honorary Life Members	51
Overview of Key Outcomes for 2019-2020	9	Financial Report for the year ended 31 May 2020	54
Strong Representation.....	11	Independent Auditor's Report.....	56
Effective Leadership.....	16	Statement by the President and Chief Executive Officer.....	59
Enhancing Capacity.....	20	Statement of financial position.....	60
Positive Profile.....	24	Statement of profit and loss and other comprehensive income.....	61
WALGA Sector Events.....	26	Statement of cash flows.....	62
WALGA Teams and Services	28	Statement of changes in equity.....	63
Office of the CEO.....	31	Notes to the financial statements.....	64
Commercial and Communications.....	32		
Governance and Organisational Services.....	34		
Infrastructure.....	37		
Strategy, Policy and Planning.....	38		
Information on Zones	41		
Metropolitan Zones.....	43		
Country Zones.....	44		

CEO's Report



Over the past 12 months, the Local Government sector has been tested in ways most of us couldn't have imagined.

This year will be remembered for the way Local Government across our State adapted and responded to a succession of challenges that confronted our community.

It's this connection to community that separates Local Government from its State and Federal counterparts and it's why Local Government bears such a considerable responsibility to maintain services and support in even the most extraordinary of times.

This is where WALGA has a critical role in ensuring our Members have access to the services and support necessary to enable a flexible and responsive approach to supporting local communities – in good times and bad.

Advancing the interests of Members is an underlying principle that sits behind every decision we make, most notably this year in guiding the thinking behind the restructure of WALGA's administration.

The intent in reducing the number of business areas was to create efficiencies in service delivery; re-orientate each part of the organisation to ensure an outward looking, member-based focus; and to improve coordination and collaboration across the organisation.

This had the effect of reducing the size of the Executive Management team across four new portfolios, Strategy, Policy and Planning; Commercial and Communications; Governance and Organisational Services; and Roads and Infrastructure. Corporate services functions were consolidated within the Executive Office, delivering consistency in service and support across the organisation to better enable the new business areas to focus on delivering on the sector's strategic priorities.

An enhanced focus on Intergovernmental Relations and Risk has been given effect in the restructure, prioritising the development of engagement strategies across key State and Commonwealth portfolios to proactively further the interests of the Local Government sector. Ensuring these interests are heard by the other spheres of Government is a critical measure of WALGA's advocacy effectiveness.

Of course none of this is possible without careful financial management – particularly given the context COVID-19 has presented. The Association is in a sound financial position and well placed to support and advocate for the sector with a turnover of \$22.3 million including grant and non-grant programs. The Association has fully funded reserves for capital acquisition and staff leave liabilities along with carefully managed strategic and cash reserves. Consequently for the third consecutive year the Association has been able to implement a zero General Membership adjustment.

Earlier this year following the Local Government elections, a new State Council was appointed and the City of Wanneroo Mayor, Tracey Roberts, was elected to the WALGA Presidency by her peers. Cr Karen Chappel, Shire of Morawa President was elected as WALGA Deputy President with both appointments roundly acknowledged by the sector and external stakeholders alike. Both Tracey and Karen are staunch champions of Local Government and fearless in their advocacy on behalf of all WALGA Members.

On behalf of the WALGA administration, I'm grateful for the guidance and strength they both present in their roles and look forward to working with them on the challenges ahead in the next 12 months.

I'd also like to acknowledge the outgoing WALGA President, Cr Lynne Craigie. Lynne is a friend to many, as loyal as they come and a proud representative of the Local Government sector. Lynne's contribution to WALGA and all it stands for is immeasurable and I'm personally grateful to have had the opportunity to work closely with her and look forward to seeing what come next for one of our genuine champions.

It would be easy to be singularly distracted by the unprecedented events of recent times. COVID-19 has challenged us all but the day to day business of Local Government has had no respite. This report provides an outline of the activities of your Association throughout the year. It is comprehensive and demonstrates the amount of work that is being progressed by WALGA on behalf of our Members and under the guidance of our State Council.

I'd like to acknowledge the contribution each and every member of the WALGA team has made to the Association this past year and highlight the support that the Executive team has provided to me and State Council during a year of significant challenge and achievement.

To all WALGA Members – thank you for your support. I am privileged to be in a position to support and guide this organisation through the next chapter. The insights, counsel, feedback and challenges you provide are invaluable and I'm excited about working with you all on the tremendous opportunities that lie ahead.

Nick Sloan
Chief Executive Officer

President's Report

Last year, my predecessor Cr Lynne Craigie spoke about the challenging fiscal climate faced by our State and nation.

This year, a greater and sudden challenge appeared in the form of a global pandemic, which has sent financial shockwaves beyond the country, and throughout the entire world. It is during this difficult period that Local Government has clearly demonstrated resilience and an ability to collaborate. Councils immediately prioritised the most vulnerable members within the community. We saw neighbouring Local Governments rallying together to provide aid and support. Such strong community initiatives continue to ensure that no one in the community is isolated or left behind.

These are remarkable achievements in a time of tight fiscal environment and a sudden change of work arrangements. Each Local Government may be varied in scale and capacity – but the one thing in common is our resilience and ability to all work together.

WALGA has further enhanced the spirit of collaboration by spearheading various communication channels with other spheres of government. The weekly State Briefing to the Sector Webinars gave our Member Councils the opportunity to engage with the State Government, Police and other agencies. WALGA's COVID-19 response team took on the task of disseminating the latest information from the National Cabinet meetings of the Prime Minister and State Premiers, and studied the ever-changing State and Federal restrictions to provide clarity for the sector.

To foster a greater sense of cooperation and learning, WALGA initiated the Local Government Showcase Webinar series, featuring presentations from both regional and metropolitan Local Governments on their pandemic response.

The topics included staff redeployment, community initiatives and economic recovery.

To aid Councils in stimulating the local economy, WALGA underwrote access for Members to the VendorPanel Marketplace local supplier management platform. VendorPanel allowed Local Governments the ability to readily engage and source quotations from a local supplier market and showed support for local businesses by providing new opportunities to access contracts.

The Association also represented the sector across a significant number of agencies and committees, reflecting the scope of Local Government operations and its connectivity with the community.

WALGA is part of the State Health Incident Coordination Centre and the State Pandemic Coordination Centre, where we provide valuable input into arising operational issues and strategies as they relate to Local Government

Such extraordinary efforts in responding to the pandemic have proven to be effective – but it is not over. The focus has now shifted to recovery, in the immediate and long term. Health, safety and wellbeing will continue to be a priority.

To be at the forefront of recovery, WALGA has developed a key advocacy document titled Rebooting Local Economies. This document highlights the \$512 million in financial relief and direct economic support from Local Government sector – an astounding effort in the absence of the Federal Jobkeeper program. It also proposes the State Government support a capital and maintenance work worth \$514 million, including investment in shovel ready programs and projects across the State to provide immediate economic stimulus to support recovery.

The strategy has been provided to the State Government for consideration as it develops the State Recovery Plan and the State Budget in October 2020.

To provide further representation for the sector, I was invited to be part of the State Recovery Advisory Group to lead WA's recovery from the impact of the pandemic.

This year also saw a new organisational structure in WALGA, carefully considered by the CEO Nick Sloan.

Supported by the State Council, the CEO outlined and implemented the organisational restructure process in a staged approach to align with the 2020-21 budget. The process saw the reduction in business areas from six to four that will create efficiencies in service delivery, re-orientate each business area to ensure the Association continues to have a Member-based focus and improve coordination across the administration.

Looking forward, WALGA will continue to advocate and promote the sector's strengths through the next phase of recovery. This is especially timely with the upcoming State Elections next March.

Through what has been a very challenging year as a sector, we have clearly demonstrated our commitment, loyalty and support for our communities. This process already has shiny beginnings in the form of advocacy wins achieved by WALGA this year, in spite of the turbulent climate. We look back with pride and look forward with confidence, and I invite you to read the Annual Report, which contains details of our achievements due to the efforts of the Association and the sector.



Tracey Roberts JP
President



WALGA services to WA Local Governments

Training



Participants

5008

Employee Relations



Advice Provided

5007

Governance



Advice Provided

2305

LGIS Claims

New claims

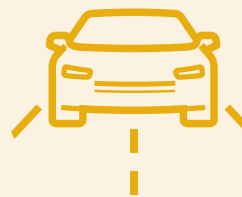
2700



Value

\$27.8m

Roadwise Activity



Activity

2770

Procurement



Advice Provided

675

COVID-19 Sector Update



Views during isolation period

167,850

Supplier Contracts



Suppliers

1052



Value

\$380m

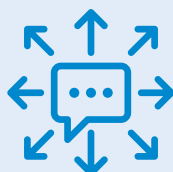
Twitter



Impressions

156,787

Media Articles



Number of Articles

1294

YourEveryday Video Views



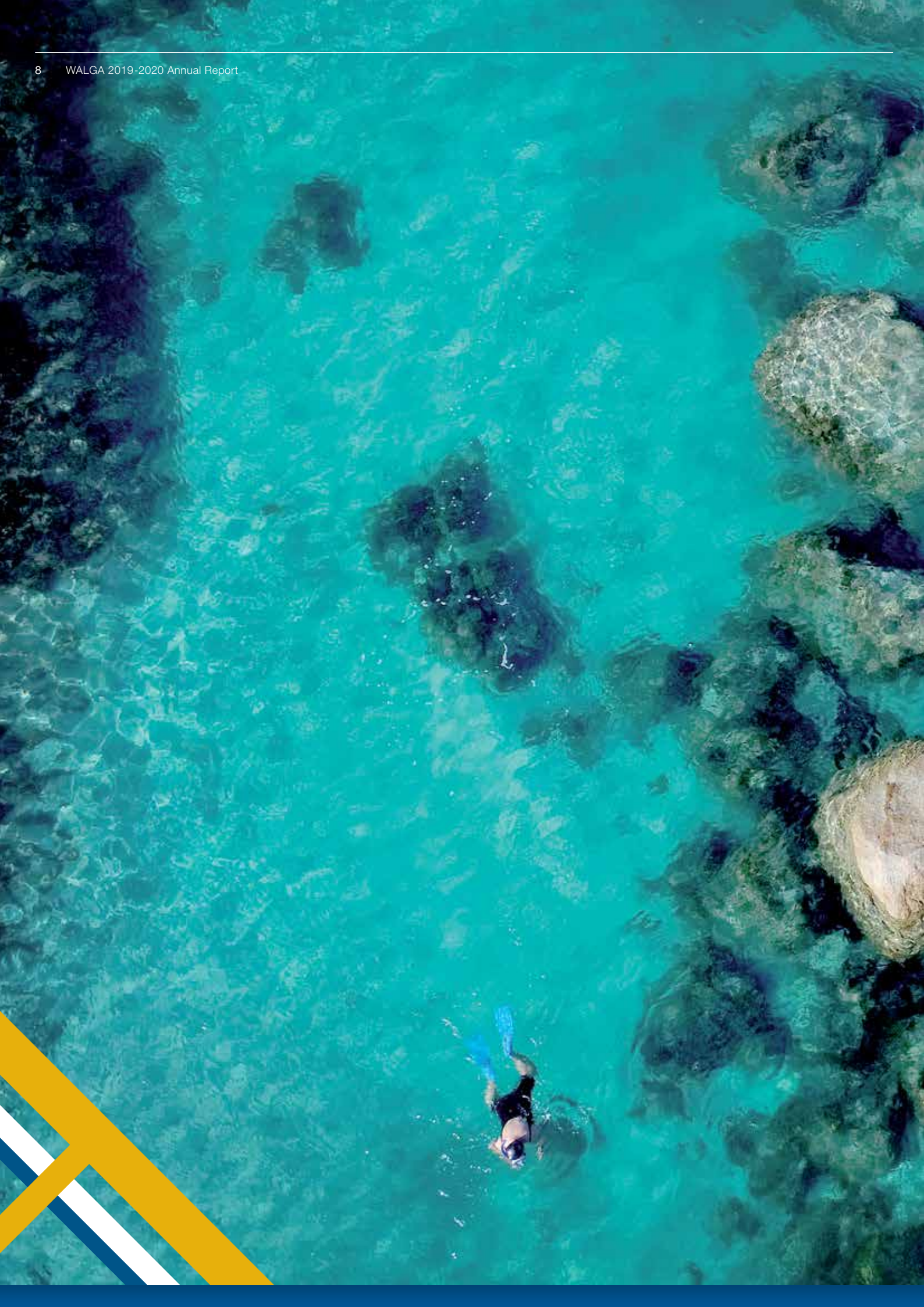
Facebook

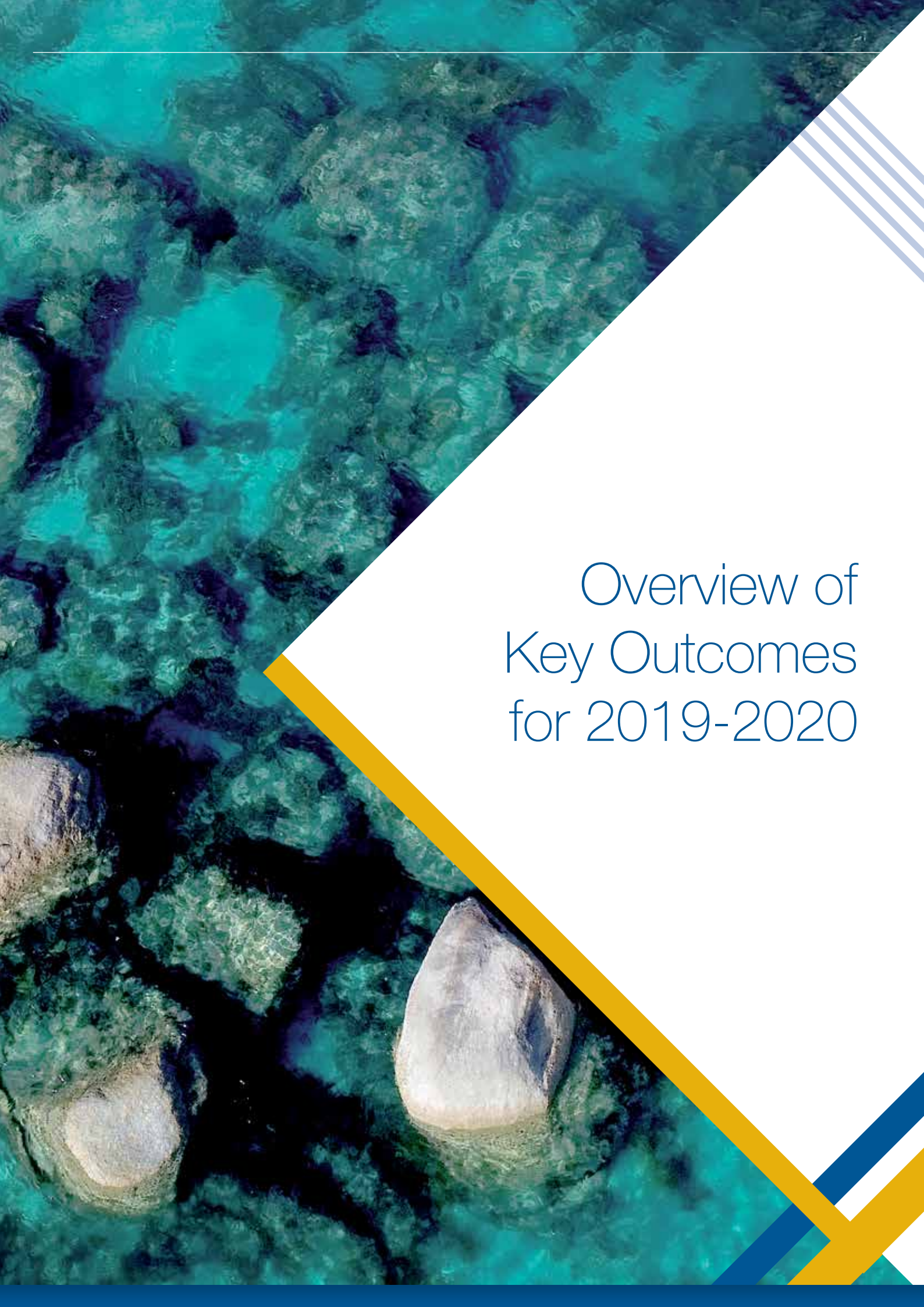
164,669



YouTube

48,084





Overview of
Key Outcomes
for 2019-2020

Overview of Key Outcomes for 2019-2020

WALGA is committed to providing representation and services that deliver value to Member Local Governments.

It delivers these benefits by:

- Providing Strong Representation
- Providing Effective Leadership
- Building a Positive Profile
- Enhancing the Capacity of the Sector

COVID-19 Response

Consideration of the significant achievements of the Association for the 2019/2020 financial year, should recognise that for the last quarter (March to May) WALGA shifted focus to responding to COVID-19 and representing and supporting the WA Local Government sector.

Ensuring the sector, including non-Members, received the most relevant and timely information and that issues and concerns were identified and raised with other levels of government quickly became the overwhelming priorities of the WALGA CEO and President.

To facilitate the liaison with government and flow of information to the sector, WALGA established a COVID-19 response team. Headed up by the Strategy, Policy and Planning unit, the team drew on expertise from the Commercial and Communications and Governance and Organisational Services business units.

Concurrently, as with all workplaces, WALGA was required to initiate work-from-home contingency for all staff, excluding the CEO and four Executive Managers. Many of the significant achievements listed in the following are a consequence of the Association's initiatives in response to COVID-19 and are identified as such.

Strong Representation

COVID-19 Representation

Throughout the COVID-19 emergency WALGA has represented the Local Government sector's interests in the development and implementation of restrictions and raised issues of concern via participation in the State Health Incident Coordination Centre and membership of the State Emergency Management Committee COVID-19 Coordination Group, State Welfare Emergency Committee and State Recovery Advisory Group.

Select Committee into Local Government

WALGA developed and put forward a comprehensive submission to the Select Committee into Local Government established by the Legislative Council in mid-2019.

The submission strongly advocated for a resilient and well-resourced Local Government sector and addressed a number of strategic policy themes and key advocacy imperatives including:

- Trust in Government
- Local Government collaboration
- Local Government Act review requests
- Roles of Elected Members and Chief Executive Officers
- Importance and scope of Local Government activities and services
- Rates and rate exemptions
- Fees and charges
- Transparency and accountability

In addition, WALGA appeared before the Committee in a private hearing.

State Road Funds to Local Government

A review of the level of State funding for Local Government roads for the remaining three years of the current agreement was completed and presented to the Minister for Transport. There has been no Government decision as the State budget was delayed to October 2020.

WALGA together with Main Roads have comprehensively reviewed the State Road Funds to Local Government Procedures. This is a crucial document that governs the operational procedures for the allocation and acquittal of the more than \$200m of State funds provided to maintain and upgrade Local Government Roads.

Local Government Act Review

The Minister for Local Government announced in November 2019, the formation of an expert panel to progress the next stage of the Act review process, which included carrying out work to prepare for a Draft Local Government Act (Green Bill) to be developed.

WALGA's position is that the State Government need to identify the key principles for the Act in the first instance and then develop supporting policies. The detail of the Act then follows after the principles and policies are established.

The Panel met between November 2019 and April 2020 and have presented a report to the Minister. At the time of writing this report the Minister had not released the Panel's findings.

WALGA's advocacy positions is underpinned by a theme of 'Principles over Prescription'.

With the key principles being;

- (a) Uphold the General Competence Principle currently embodied in the Local Government Act;
- (b) Provide for a flexible, principles-based legislative framework;
- (c) Promote a size and scale compliance regime;
- (d) Promote enabling legislation that empowers Local Government to carry out activities beneficial to its community, taking into consideration the Local Government's role in creating a sustainable and resilient community through;
 - i. Economic Development
 - ii. Environmental Protection
 - iii. Social Advancement;
- (e) Avoid red tape and 'de-clutter' the extensive regulatory regime that underpins the *Local Government Act 1995*; and
- (f) The State Government must not assign legislative responsibilities to Local Governments unless there is provision for resources required to fulfil the responsibilities.

A full list of WALGA's advocacy positions can be found here:

walga.asn.au/Policy-Advice-and-Advocacy/WALGA-Advocacy-Position-Statements

Strong Representation

State Industrial Relations Review

The Minister for Mines and Petroleum; Energy; Industrial Relations commenced a review into the WA State industrial relations system in September 2017.

The Final Report (Report) was tabled in State Parliament on 11 April 2019, and included the recommendation that the *Industrial Relations Act 1979* (IR Act) be amended to enable a declaration to be made that WA Local Government authorities are not “national system employers” for the purposes of the *Fair Work Act 2009* (FW Act).

Any declaration made under the IR Act is reliant on the endorsement of the Federal Minister for Jobs and Industrial Relations under the FW Act. If the recommendation is endorsed, 93% of Local Governments currently operating in the Federal system will need to transition to the State system over a two-year transitional period.

In addition to consulting with the sector, WALGA has participated in the State Government’s Taskforce discussions, invited the Minister for Mines and Petroleum; Energy and Industrial Relations to present at WALGA’s 2019 People and Culture Seminar. In October 2019, WALGA launched a political campaign advocating against the State Government’s recommendation which involved writing to and meeting with State and Federal Ministers.

On 25 June 2020, the Industrial Relations Legislation Amendment Bill 2020 was introduced into State Parliament. It is anticipated it will be debated in Parliament in August 2020.

COVID-19 Rates – Penalty and Instalment Interest Charges

The Local Government sector and WALGA achieved a significant advocacy win in relation to the maximum interest rates payable on overdue rates and rates paid by instalment. The State Government had proposed to remove all penalty and instalment interest charges on rates as part of the State’s response to the COVID-19 pandemic.

The eventual outcome was superior to the original proposal which would have had a deleterious impact on Local Governments’ cash flow in the 2020/21 financial year. This cash flow challenge would be in addition to the constrained revenue environment in which Local Governments are likely to be operating in the 2020/21 financial year.

The Minister for Local Government listened to the sector’s concerns and implemented a Ministerial Order with the following key components:

- Penalty interest reduced from a maximum of 11% to 8%, which is in line with ATO penalty rates.
- Instalment interest to remain at 5.5% if a Local Government has a hardship policy, and to be a maximum of 3% if a Local Government does not have a hardship policy.
- For those that are in hardship and meet the Local Government hardship policy eligibility, then no penalty interest or instalment interest rate applies. Importantly, each Local Government decides on approving the application for hardship.

WALGA appreciates all Local Governments that rapidly responded to our survey on the impacts of the proposal; the weight of responses was instrumental in the advocacy effort.

COVID-19 Procurement Amendments – Tender Threshold and Contract Extensions

The Functions and General Regulations have been amended to increase the tender threshold to \$250,000.

Removing the requirement to publicly invite tenders during a state of emergency for:

- The supply of goods or services associated with a state of emergency and;
- A contract renewal or extension of no more than 12 months when the original contract is to expire within three months.

These amendments, which represent another advocacy success, permit a wider range of procurement activities to be conducted under Purchasing Policies and assist Local Governments in their response and recovery activities.

COVID-19 Electronic Council Meetings – Regulations Amendment

In relation to Council meetings, WALGA successfully advocated on the sector’s behalf for amendments to the Local Government Administration Regulations to allow Council meetings to be held electronically during the COVID-19 pandemic. These amendments were gazetted in late March 2020.

The amendments provide for Local Governments to convene Council and committee meetings with all participants remotely in attendance by instantaneous communications. The changes ensure that Council decision making necessary for responding to the COVID-19 Public Health Emergency and for continuing to administer the Local Government’s functions, can continue.



COVID-19 Planning and Development Legislation

In response to the economic downturn from COVID-19, the State Government introduced the Planning and Development Bill 2020.

The Association undertook significant advocacy on behalf of the sector when the Bill was presented to Parliament in May 2020. During the debate, the Association provided Upper House members with a list of concerns, which successfully effected changes to the Bill.

The new assessment pathway allows the WA Planning Commission to assess and approve development applications over \$20 million (Perth Metro) and \$5 million (Regional) for the next 18 months. An additional proposal will see the establishment of a Special Matters DAP.

National Redress

After 18 months of intensive consultation with Members, the State Government signed an agreement acknowledging that if a case should be made against a Local Government, State Government will absorb full financial and legal responsibility in line with Commonwealth Government legislation. This success can at least be in part attributed to 80% of Local Government members engaging in the process.

LED Street Lighting

In response to calls from Local Governments for a wider range of street lighting choices, WALGA advocated for choice in colour temperature and investment models for street lighting upgrades. During the year, Western Power introduced the option of 3000K (warm white) LED street lighting for residential streets and new tariffs became available for situations where the Local Government provides the capital cost of new lights.

National VET Advice – Local Government Training Package

At a national level, WALGA is a member of the Local Government Industry Reference Committee (LGIRC) which provides sector advice and is a conduit for industry feedback to government on the review, development and implementation of the Local Government Training Package.

WALGA has worked with the LGIRC, representing both WA and NT Local Governments, to produce a draft new Training Package. WALGA will be working with other National LGAs to ensure Members have the opportunity to be involved in the evaluation of the training package products.



Strong Representation

Long Service Leave Amendments

WALGA successfully advocated for amendments to the Long Service Leave Regulations during the COVID-19 pandemic to:

- Clarify that long service leave will continue to be accrued during any period of absence from duty due to the employer's response during a state of emergency
- Allow long service leave to be taken in two or more separate periods; and
- Allow employees to access long service leave during a state of emergency if they have completed at least seven years of continuous service.

Inquiry into Remote Area Tax Concessions and Payments

WALGA's Submission to the Productivity Commission's Inquiry highlighted some of the challenges that make it difficult for regional and remote communities to secure sustained population and workforce growth, and on this basis, maintained that the rationale for retaining remote area tax concessions and payments of regional development still exists. Although the recommendations in the Productivity Commission's Final Report largely went against those of the Association, WALGA, together with LGANT and LGAQ, successfully lobbied the Commonwealth Government to commit to not implementing the Productivity Commission's recommendations.

Environment Sector Position

During the year both the State and Commonwealth Governments released several new policy positions and proposed changes to environmental legislation which would have implications for Local Government. WALGA's submissions on these initiatives include:

- The State Government's Climate Change in Western Australia Issues Paper;
- The State Government's Native Vegetation in Western Australia Issues Paper;
- Proposed changes to the WA Environmental Protection Act; and
- An independent review of the Commonwealth's *Environment Protection and Biodiversity Conservation Act*.

A significant win for Local Government arising out of these submissions was the establishment of a special team within the Department of Environment and Water Regulation set up solely to manage all the clearing of native vegetation applications from Local Governments.

Environment Policy Representation

In the Environment and Waste portfolio, WALGA represented the Local Government sector on key Government working groups and committees, including:

- Intergovernmental Coastal Hazard Working Group;
- Biosecurity Senior Officers' Group;
- Local Government Roadside Clearing Regulation Working Group; and
- EPA Stakeholder Reference Group

Emergency Response Support

WALGA has been activated in line with prescribed legislative responsibilities for a number of emergencies in 2019/2020, including the Yanchep Bush Fire, Mt Success Bush Fire, Norseman Complex Fires, Tropical Cyclones Blake and Damien. This has included participation in All Hazards Liaison Group and State Emergency Coordination Group meetings.

Regional Subsidiaries

WALGA has continued its advocacy for a full review of the regulations to remove unnecessary restrictions and bureaucracy that were not envisaged for this model. Feedback from Regional Groups is that they would like the opportunity to form a Regional Subsidiary, however the regulations need to be streamlined. In 2019/2020, WALGA contracted a legal preferred supplier to prepare revised Regulations and a draft Explanatory Memorandum to assist the Minister in introducing the necessary amendments to the regulations.

Stop Puppy Farming

The State Government released a Public 'Stop Puppy Farming' Consultation Paper in 2018, explaining its commitment to introduce laws to: stop puppy farming and the supply chains that support this industry; improve the health and welfare of dogs in Western Australia; and stop the overbreeding of dogs.

In March 2020 the State Government introduced Dog Amendment (Stop Puppy Farming) Bill.

WALGA's position is that the current legislation is not supported and that the State Government needs to more appropriately consult with the sector, traditional custodians and the wider community. In addition there needs to be further cost modelling work carried out on the financial impact on Local Government to ensure that Local Government is able to fully recover costs and not be disadvantaged in ensuring compliance of any new legislation to Stop Puppy Farming.

Effective Leadership

COVID-19 Daily Update

With the advent of COVID-19, WALGA initiated a daily electronic bulletin to the sector to provide situational updates, communicate changing directions from authorities, and highlight opportunities and support for the sector. The bulletins were accessed almost 170,000 times during the isolation period with a peak open rate of 60% (percentage of recipients that opened document), and have now transitioned to be ad-hoc according to release of information relevant to the sector.

COVID-19 Webpage

To assist Member Local Governments access relevant information regarding COVID-19 advice and support, WALGA created a new landing page for the WALGA website that provided the latest information and announcements and directed visitors to six key areas in: State Emergency Declarations; Intergovernmental Relations; Changing Business of Local Government; Business Continuity and Emergency Supply Services; Tools, Templates and Resources; and a Councils in the Community section that profiles measures and actions taken by Local Governments to redress the impacts of the pandemic.

COVID-19 Recovery Advocacy

To champion the sector's role in COVID-19 recovery planning and funding opportunities, WALGA has developed the Rebooting Local Economies strategy which has been provided to the State Government for consideration as it develops the State's Recovery Plan. The strategy highlights the strong response of the sector, including \$512 million in financial relief and economic support provided to residents and business across WA. It also proposes the State Government support a capital and maintenance program and shovel ready projects across the State to provide immediate economic stimulus to support recovery.



State Budget Submission

Each year, WALGA prepares a submission to the State Government outlining the sector's priorities for the upcoming budget. The following four strategic themes formed the basis of WALGA's Submission and highlight the key areas for which the sector sought funding or policy changes in the State Government's 2020/21 State Budget:

- Empowering Local Governments to contribute to the State's priorities
- Establishing a Strategic Approach to Economic Development in WA
- Investing in Important Local Government Infrastructure
- Ensuring a Sustainable Environment for our Communities

Across the identified four strategic themes, WALGA put forward 18 initiatives in its 2020/21 State Budget Submission that total \$287 million across the four year forward estimates period.

Local Government Performance Monitoring Project

The third edition of the Local Government Performance Monitoring Project was completed with 26 Local Governments participating, to accurately reflect the in planning and building performance during the 2018/2019 financial year. The data provides a snapshot of the excellent performance of Members in planning and building functions over the 12 month period, and provides benchmarking data for participants and their performance over the last three years.

COVID-19 CEO Liaison

For the initial phase of the WALGA response to COVID-19, WALGA engaged a highly experienced former senior Local Government CEO to liaise with each Local Government Chief Executive Officer to both ascertain their issues and operational responses and to provide professional support and advice if required. Every WA Local Government CEO was contacted at least twice during the early weeks of the restrictions by the CEO liaison.

The appointment of the CEO liaison role followed a series of round table meetings with a number of metropolitan and regional Local Government Chief Executive Officers to assist in developing the role for WALGA in supporting the sector.

COVID-19 State Council Zone Video Updates

To assist WALGA Zones remain connected to the Association during the COVID-19 lockdown, WALGA produced a series of video messages from participating WALGA State Councillors to their respective Zones to share updates and insights as to the sector and individual Local Government responses to related issues and concerns.

Review of State Council and Zone Structure and Processes

State Council formed a Working Group to undertake a comprehensive review of WALGA's State Council and Zone Structure and Processes in 2019-2020.

The Working Group considered previous review outcomes, structures utilised by other associations of Local Government, strengths and weaknesses of the current model, and options for change.

Key recommendations adopted by State Council include:

- Preparation of a prospectus outlining the role of WALGA, role of Zones, and the role of State Council to encourage nominations and participation in Zones and State Council
- Development of a new process for the consideration of submissions to government agencies outside of the regular Zone and State Council meeting cycle
- Continuing to offer secretariat services to Zones, and
- Changes to streamline the State Council agenda.

The recommendations of the review aim to strengthen the relevance of Zones and ensure State Council is able to respond proactively to government requests for submissions on key policy topics.

Environment Policy Working Groups

WALGA has established several working groups to discuss a variety of issues in the implementation of Urban Forests, Coastal Hazard and car parking management. These working groups are progressing a series of actions to provide a range of tools, resources and guidance for Local Governments to access.

Effective Leadership

WALGA Sector Webinars

To assist Local Governments connect with political insights and operational priorities during the social distancing restrictions of COVID-19, WALGA offered a series of webinars. During the period covered by the WALGA Annual Report (2019/2020 financial year ending May 31), these were:

- **Mayors and Presidents COVID-19** – Local Government Minister David Templeman (16 March 20)
- **COVID19 - State Briefing to Sector** - Minister Templeman; Clinician, Revle Bangor-Jones; Dr Mike Lindsay, Director of Environmental Health, Department of Health (20 March 20)
- **COVID-19 - Business Continuity and Insurance Implications** - LG Pro and LGIS (26 March 20)
- **COVID-19 - Update for EHOs and EM Officers** – WALGA staff; Shaakya Dharmaratne and Karen Bateman, Incident Management Crisis Team, City of Canning; Andriena Ciric, Executive Manager Structures and Community Initiatives, Shire of Capel; Daniel High, City of Perth Relief and Rebound Package (27 March 20)
- **COVID-19 - Managing Employee Relations Implications of the COVID-19 pandemic**- WALGA staff (27 March 20)
- **COVID19 - State Briefing to Sector** – Minister Templeman; Premier Mark McGowan (27 March 20)
- **COVID-19 - State Briefing to Sector** - Minister Templeman; Gary Dreiberger, Deputy Police Commissioner (3 April 20)
- **COVID-19 - State Emergency Welfare Plan** -Michelle Andrews, Director General, Department of Communities; Jennifer McGrath, Mental Health Commissioner; Debra Zanella, President, WACOSS President (8 April 20)
- **COVID-19 - State Briefing to Sector** - Minister Templeman; Chris Dawson, Police Commissioner; Mike Rowe, Director General, Department of Water And Environmental Regulation (9 April 20)
- **Changes to Planning Legislation** - Kathy Bonus, Chief Planning Advisor, Department Planning, Lands and Heritage (16 April 20)
- **COVID-19 - State Briefing to Sector** - Minister Templeman; Dr Robyn Lawrence, State Health Incident Controller, Deputy Chief Health Officer, Clinical Services, Department of Health (17 April 20)
- **LG Showcase** - Local Governments Working with their Communities During COVID-19 -Shire of Bruce Rock; Shire of Denmark; City of Joondalup (22 April 20)
- **Waste Update** – What's Happening and Key Issues - WALGA staff (23 April 20)
- **COVID-19 - Employee Relations and Governance Issues Faced by Local Governments During COVID-19** – WALGA staff (24 April 20)
- **COVID-19 - State Briefing to Sector** - Minister Templeman; Emergency Services Minister Fran Logan; Sharyn O'Neill, State Recovery Controller (24 April 20)
- **LG Showcase** - City of Vincent; Shire of Augusta Margaret River; City of Albany (30 April 20)
- **COVID-19 - State Briefing to Sector** - Minister Templeman; Tourism Minister Paul Papalia (1 May 20)
- **COVID-19 – Marketplace: Local Supplier Registration Portal: provided for 12-month trial at no charge** – WALGA staff; VendorPanel (6 May 20)
- **Sustainability reporting frameworks for Local Government** - UN Association of Australia; City of Fremantle; City of Melville; City of Canning (7 May 20)
- **COVID-19 - State Briefing to Sector** - Minister Templeman; Regional Development and Agriculture Minister Alannah McTiernan (8 May 20)
- **COVID-19 – Marketplace: Supplier on-boarding to Platform** – WALGA staff, VendorPanel (13 May)
- **LG Showcase – Staff Redeployment: Approaches to Staff Redeployment in Response to COVID-19** - City of Armadale; City of Wanneroo; Shire of Harvey (14 May 20)
- **COVID-19 - Operation of Short Term Lending Facility** - Kaylene Gulich, WA Treasury Corporation CEO; Stephen Morhall, General Manager Client Services (15 May 20)
- **COVID-19 - State Briefing to Sector** - Deputy Premier Roger Cook; Dr Mike Lindsay, State Emergency Coordinator and Director of Environment Health, Department of Health (15 May 20)
- **COVID-19 - State Briefing to Sector** - Minister Templeman; Caroline Spencer, Auditor General (22 May 20)
- **LG Showcase – Economic Stimulus, Economic Update and Outlook, Local Economic Stimulus Projects** – WALGA staff; City of Karratha; Shire of East Pilbara (21 May 20)
- **COVID-19 - Cash Flow Forecast Requirements for Short Term Lending Facility** - WA Treasury Corporation (26 May 20)
- **Local Government Support for Aboriginal Language and Place Names** – City of South Perth; Shire of Katanning; Landgate; Main Roads WA; Badgebup Aboriginal Corporation; Community Arts Network; Professor Len Collard (28 May 20)
- **COVID-19 - State Briefing to Sector** - Sharyn O'Neill, State Recovery Controller (29 May 20)



Enhancing Capacity

Preferred Supplier Program

WALGA's Preferred Supplier program facilitated approximately \$380 million worth of access to goods, services and works to Members, recording 9% growth in turnover. Quantifiable savings to Members of \$30.8 million were measured, with additional savings in process and administration, contractual benefits and risk mitigation, and the support of WALGA's centralised contract management and due diligence. WALGA recorded more than 1500 engagements through its eQuotes platform during the year.

During the year WALGA refreshed and enhanced Preferred Supplier Panels for Group Advertising, Audit and Compliance Services, CCTV and security, Office Products and Workplace supplies, ICT Services, Tyres, and Library Services. New contracts have been established for Recruitment Services and Tender Management Services, and a range of other panels were enhanced. A discount vehicle offer was negotiated with Mitsubishi. Through the National Purchasing Network alliance with counterpart organisations, new contracts were implemented for Plant Machinery and Specialised Trucks. There are currently 1052 existing suppliers spread over 40 panel and direct contract arrangements.

The restructure of WALGA's procurement activity following a functional review has resulted in a new Commercial Services team with the objectives of delivering enhanced value to Members through traditional Preferred Supplier activity and new areas of development. The new team is in the early stage of modernising the Preferred Supplier program to provide greater agility, ease of access, and greater reach to the market of local suppliers.

WALGA LGIS Insurance Services

It has been 25 years since WALGA partnered with JLT to establish the LGISWA self-insurance Scheme, to enable WA Local Governments to work together to protect themselves and their communities.

All WALGA Members subscribed to LGIS membership in 2019/2020 with the Scheme delivering \$6 million in surplus distributions from 2018/2019 operations to Member Local Governments, with two thirds electing for it to be applied as a credit off their 2020/21 Scheme contributions.

Over the past year, the LGISWA Scheme received over 2700 new claims from Members valued at over \$27.8 million (852 workers compensation, 1236 liability, 608 property and 28 bushfire volunteers personal accident claims). Along with cover, claims management and associated advice, in 2019/2020 LGIS Members received the benefit of over 11,300 hours of risk management services; 1300 hours of injury prevention services (to over 3000 workers); health and wellbeing services provided to over 12,750 workers; the services of three injury management consultants; and co-funding for the services of seven regional risk co-ordinators.

From the recommendations of a full review of LGIS' structure and governance commissioned by WALGA, the outlook is for continued assessment and development to enhance Member benefit including additional insurance covers coming under the mutual Scheme, and a new look for LGIS.

COVID-19 LGIS Contribution Relief

Following the outbreak of the COVID-19 pandemic, a decision was taken by the LGIS Board, championed by WALGA representatives and with the endorsement of WALGA State Council, to release a further \$7 million from reserves to provide financial relief to support Members at their time of need. The result is that Member Local Governments will have significantly reduced contribution requirements for the next financial year at a time when it is recognised that there is likely to be significant pressure in maintaining revenue.

WALGA Training

As a Registered Training Organisation WALGA delivered 177 training courses together with providing an eLearning program of 10 Local Government specific eLearning courses to 5008 Elected Members and Officers this financial year.

WALGA offers training on-site at Local Government premises as well at WALGA's building in West Leederville. The training is evenly split between the regions and the metropolitan area. In addition WALGA's eLearning program had 3400 enrolments during the financial year.

During the response to COVID-19, WALGA Training introduced providing Virtual Training in April 2020. This has been very popular and will continue to be offered as an alternate training platform into the future.



Governance Advice

In keeping with WALGA's commitment to provide advice, guidance and resources to Member Local Governments, the Governance and Organisational Services Team provides online Governance subscription services in the form of Local Laws and Governance Manuals. Approximately 120 Member Local Governments subscribe to both services, and recent additions were made to the resources available on the Complete Guide in 2019/2020 to include guidance on Primary and Annual Returns Management, Electoral Roll Eligibility Claims Guideline, access to public information on Local Government websites and improved Procurement and Meeting Procedures resources. Additionally, the Governance Unit fielded over 350 enquiries directly related to the commencement of the *Local Government Legislation Amendment Act 2019* and updated existing resources to incorporate changes, such as the gift declaration provisions.

WALGA continues to experience increased need for telephone and email advice as part of Local Governments' membership, with the commencement of a Customer Records Management (CRM) system in October 2019 identifying the main topics of enquiry relate to meeting procedures, delegations, conflict of interests and legislative amendments.

Employee Relations Advice

In the 2019/2020 year a total of 5007 employee relations advisory contacts were recorded. On average the employee relations service assisted the sector with over 400 queries per month. However, the number of enquiries spiked in March 2020 to 538 as a result of COVID-19.

During the past year, the Association assisted Local Governments with seven formal industrial matters, with five successfully concluded and two remaining active. Four of the claims were unfair dismissal applications with the balance of claims distributed across general protections and anti-bullying.

The Association was engaged as lead negotiators for five organisations in their enterprise agreement bargaining meetings during the 2019/2020 financial year. The Association also completed a number of detailed compliance reviews in addition to advising on enterprise bargaining processes, particularly with regard to varying enterprise agreements to freeze wage increases.

To assist Local Government subscribers navigate the challenges of COVID-19 the employee relations service produced information sheets and developed resources. To enable ongoing capacity building, the service conducted webinars about probationary periods, employee record keeping and managing employee relations during the COVID-19 pandemic.

Throughout the year, the Association has provided regular updates and made submissions on behalf of the sector about the four yearly review of the modern awards, namely the *Local Government Industry Award 2020*.

Enhancing Capacity

COVID-19 Local Supplier Support

To assist Member Local Governments support their local economies during COVID-19, WALGA negotiated and underwrote the cost of providing a 12-month free trial of the Marketplace platform to better enable local suppliers to access sector contracts. The initiative was advertised by WALGA in the weekend *The West Australian* newspaper and within the first month attracted more than 8000 small businesses to register across the State. As a consequence in the first two months of offering the platform, 39 Member Local Governments had awarded \$2.8 million worth of activity to local suppliers.

COVID-19 Health and Economic Vulnerability Analysis

To provide Members with a view of the COVID-19 vulnerability of their communities, WALGA analysed a range of demographic and economic data for each Local Government in WA. The analysis provided a useful snapshot of the groups in the community for which Local Governments should have added focus for as they undertake their COVID-19 response and recovery planning. WALGA provided a personalised analysis pack of the vulnerability analysis to the 70 Local Governments that requested a copy. The analysis pack was also provided to each WALGA Zone, with analysis completed at the zone level, rather than the Local Government level.

COVID-19 PPE Support

With personal hygiene regimes a critical part of preparation for COVID-19 and the resulting shortage of supplies from increased consumer demand, WALGA facilitated the manufacture and dispatch of more than 70,000 units of hand sanitiser to 55 Member Local Governments.

COVID-19 Financial Hardship Policy and Implementation Guide

WALGA released a template Financial Hardship Policy to help Local Governments assess the unique circumstances and challenges that ratepayers might encounter as a consequence of the COVID-19 pandemic.

In response to the anticipated high uptake of this Policy by Local Governments, WALGA also prepared a template Financial Hardship Policy Implementation Guide. This Guide will assist in the administration of a Local Government's Policy and lead to the establishment of a consistent approach to the assessment of financial hardship across the Local Government sector.

COVID-19 Electronic Meetings Guide

To support Local Governments with the convening of electronic Council meetings, WALGA prepared an Electronic Council Meeting (eMeeting) Guide to assist Local Governments in understanding the new Regulations and how they interact with existing meeting procedures.

In addition, WALGA's Governance staff assisted the sector with procedural and operational queries on a daily basis.

Safe System Demonstration Project

WALGA's RoadWise Program commenced development (Phase 1) of a project to demonstrate best practice and showcase Local Government leadership in road safety. Phase 2 will involve collaborating with participating Local Governments, to develop and embed a road traffic safety management system based on the International Standard for road traffic safety management systems

(ISO 39001) within the organisation. The aim of this project, the first of its kind in Australia, is to demonstrate the ways in which Local Government can apply safe system principles to proactively manage road safety performance.

Courtesy Speed Display Signs

Local Governments continued to utilise WALGA RoadWise Courtesy Speed Display Signs (CSDS) to promote safer local streets. The interactive signs assist in slowing traffic on local streets by encouraging behaviour change which can be further enhanced through speed enforcement by local police. The roadside display signs are particularly useful to support speed limit changes and speed management treatments to make local streets safer, particularly for pedestrians and cyclists. During the past year, the signs were loaned 12 times, on a monthly loan basis, to a total of 11 Local Governments across six regions.

Policy Template for Works and Events in the Road Reserve

In response to numerous complaints from Local Governments concerning the management of contractors working in the road reserve, WALGA has compiled a policy template to assist Local Governments to develop a robust management framework. The template defines an approvals process for different types of works, traffic management obligations and restoration requirements.

Local Government Guidelines for Restoration and Reinstatement in Western Australia

To complement the Policy Template for Works in the Road Reserve, WALGA initiated a review of the IPWEA restoration guidelines published in 2002. A working group of practitioners from Local Governments, Main Roads WA, IPWEA and WALGA was convened and developed a completely new guideline. The guideline is designed to assist Local Governments manage third parties, such as utility providers, working in the road reserve or on other land under the control of Local Government. They set out requirements for the planning and approval of works, restoration of roads, kerbs, footpaths and other infrastructure and the reinstatement of verges, parks and reserves.

Level 1 Bridge Inspection Framework

Local Governments are responsible for some 900 bridges and are required to perform and record annual inspections and routine maintenance on all of these bridges. There was no formalised process to manage this obligation and WALGA together with Main Roads WA have developed a framework that sets out a procedure for the performance, reporting and monitoring of inspections. To support Local Governments to comply with the framework, WALGA has been providing workshops that cover the theory and practices needed to perform level 1 inspections.

Planning and Building Advice

In keeping with WALGA's commitment to provide advice, guidance and resources to Member Local Governments, WALGA continued to work with members to produce a range of resources located on the Planning Improvement Portal (<https://walgapip.ning.com/>). New materials include the Model Local Planning Policy Guideline, the Scheme Amendment Resolution – Guideline and the Incidental Structures & Registered Builders - Information Page.

Climate Change Project

WALGA has assisted Local Governments plan actions to address climate change, in particular, carrying out a project funded by the Commonwealth Government titled "Climate Resilient Councils - preparing for impacts of climate change". The project is aimed at strengthening Local Governments' ability to be climate resilient in relation to the predicted increased incidence and severity of natural disasters related to climate change – fires, floods and heat waves. The broader issue of reducing carbon emissions is also covered.

Salary and Workforce Survey

The 2019 Salary and Workforce benchmarking report was released in February 2020. In addition to the report, the online portal provides data, tools and resources to allow subscribers to make the most of the salary data for human resources, remuneration reviews and workforce planning.

As a result of COVID-19 and the significant challenges faced by the sector, the decision was made to not conduct the annual salary and workforce survey in 2020. A survey will be coordinated in 2021 and will incorporate questions about COVID-19 so information collected can be used by Local Governments to hone workforce strategies to address areas of risk, such as pandemics.

Household Hazardous Waste Program

Through the Program, Local Governments' capacity to provide services to its community is enhanced. The Program collected over 370,000kg of unwanted hazardous chemicals at a cost of \$1,458,000. This year the Program expanded its reach, through hosting Temporary Collection Days in Collie, Boddington, Bassendean, Manjimup, Boyup Brook and Hazelmere. This Program is supported by the State Government and administered by the Waste Authority.

Positive Profile

COVID-19 Rates Campaign

In the lead up to the 2020 rates period, WALGA developed and implemented a campaign to educate the community on the rates process. The intention of the campaign was to explain how rates are calculated but also to highlight that the rates freeze proposed by most Local Governments in response to COVID-19 would result in no additional rates revenue to Local Governments, and that the only shift in individual rates were the consequence of the application of the revaluation process undertaken by the State Valuer General. In addition, the campaign sought to redress the commonly held misconception that rates

are directly related to house prices as with other government charges such as stamp duty and land tax.

The campaign material included two 30 second video advertisements and a two minute explanatory video; two full page press advertisements which could also be applied to poster displays; a detailed Frequently Asked Questions fact sheet and a single page explanatory graphic. All material was available to Member Local Governments to rebrand for their own application. The WALGA component of the campaign involved promotion of the video content through online search and social media supported by a series of full-page advertisements in the weekend *The West Australian*.

Election Campaign

WALGA partnered with the Department of Local Government, Sport and Cultural Industries to jointly fund a campaign to encourage greater diversity and participation in the 2019 Local Government elections. The campaign included television advertising on both metropolitan and non-metropolitan networks; online video content and a special campaign website; and local radio advertising. The theme of the campaign was to encourage participation in the Council elections to ensure that all views are heard.



YourEveryday Website and Campaign

The YourEveryday.com.au website continued to be updated with video content from around the State to help promote the Local Government sector to the community. The content created by WALGA for the site has three main themes: profiles of key people, in the most part Mayors, Presidents and Chief Executive Officers; details of local area attractions for visitors; and information of areas of special interest involving Local Governments and their representatives.

During the period, the YourEveryday online videos achieved 323,000 views across all platforms. Up until the onset of COVID-19 the YourEveryday content and website was supported with paid online search advertising and print advertising in the weekend The West Australian.

COVID-19 Councils in the Community Campaign

Print advertising placements in the weekend The West Australian were reassigned from supporting the YourEveryday promotional campaign to focus on WA Local Government's response to COVID-19. The Councils in the Community campaign was used to highlight achievements and key messages from the sector to the community in particular around alternative service offerings during lockdown, considerations in engaging with reopened facilities and promoting support for local businesses and economies. The content used in the Councils in the Community print advertising was also captured on the revised WALGA homepage.

Promoting the Road Safety Contributions of Local Governments

WALGA staff were invited to present, as both key note and session speakers, at the 2019 Australasian Road Safety Conference in Adelaide. The title of the key note presentation 'Half way to zero' focused on the need for other spheres of government to recognise and partner with Local Governments in order to achieve national and state road trauma reduction targets and ultimately the best possible road safety outcomes for communities. The contribution of local leadership and community action in WA also featured at the Rural and Remote Road Safety Symposium held as a part of the Conference.

Media Reports

Throughout the course of the past 12 months, WALGA and the Local Government sector featured in approximately 1294 media reports of which the overwhelming majority were neutral in their representation. There were 203 negative media reports and 113 positive reports with the majority of the positive reports related to community initiatives and support by Local Governments in response to COVID-19. During the period WALGA issued 23 media releases.

Social Media

The Association's social media presence and as such ability to positively promote the sector includes 157,000 impressions on Twitter with 1907 followers; 1757 likes on Facebook with 1837 followers; and 1585 new followers on LinkedIn for a total of 8872 followers.

President's Column

The WALGA President was featured in 12 editions of The West Australian promoting the sector and key advocacy positions with the monthly column on page 4. Topics raised during the past year have included: advocating for drought relief for WA communities; recognition of Local Government role in bushfire recovery; highlighting the destructive effects of social media on community debate; encouraging participation at the Local Government elections; and later in the period redressing key issues on the sector response to COVID-19.

WALGA Sector Events

Over the course of the year WALGA implemented a number of events to promote various aspects of the Local Government sector up until restricted by COVID-19 distancing requirements. These were:

JUNE 2019

CEO Breakfast with Nick Sloan
(7 June 19)

The New Normal: Emergency Management in a Changing Climate
(12 June 19)

Breakfast at the ALGA NGA 2019
(17 June 19)

WA Public Libraries Strategy Forum
(21 June 19)

JULY 2019

WALGA/LGIS Joint Human Resources Forum (4 July 19)

AUGUST 2019

State Council Workshop
(5 August 19)

Emergency Management: Before - During - After (6 August 19)

Mayors and Presidents' Forum
(6 August 19)

Building Positive Partnerships with Aboriginal Communities (6 August 19)

Economic Development Australia Breakfast (7 August 19)

Breakfast with Hon David Templeman MLA (7 August 19)

State & Local Government Forum
(7 August 19)

2019 WA Local Government Convention (7-9 August 19)

Procurement Network Forum - August (8 August 19)

Pest Animal Biosecurity Management (22 August 19)

Creating Accessible and Inclusive Communities: How to work better together (29 August 19)

SEPTEMBER 2019

Local Government CEO/ Media Representatives Discussion
(4 September 19)

Local Government Community Safety Network Forum
(4 September 19)

CEO/Cost Shifting lunch
(20 September 19)

Wheatbelt Regional Health Services Forum (20 September 19)

WALGA Field Training on plant (native and weed) recognition in natural areas (26 September 19)

OCTOBER 2019

WALGA / IRSWA Meeting
(10 October 19)

WALGA Local Government People and Culture Seminar 2019
(11 October 19)

Workshop - Proposed Reforms to the Building Approval Process for Single Residential Buildings in WA
(17 October 19)

Multicultural Communities Forum
(21 October 19)

2x Stretch-Thinking Training for Emergency and Crisis Management
(22 & 23 October 19)

Climate Change Consultation Session for Local Government
(23 October 19)

Meet the Waste Authority - Breakfast (30 October 19)

NOVEMBER 2019

Affordable Housing and Homelessness Workshop - Metropolitan Forum (4 November 19)

Affordable Housing and Homelessness Workshop - Regional Forum (5 November 19)

Workshop on Pool Barrier Requirements (6 November 19)

Workshop on Managing Sediment Loss During Urban Development (8 November 19)

Local Government and Mental Health Forum (11 November 19)

Local Government Consultation on WALGA Innovate RAP (15 November 19)

New Councillor Seminar (15 November 19)

WALGA and Town Team Movement Event (20 November 19)

Local Government Community Safety Network 2019 Symposium (27 November 19)

Procurement Network Forum – November (28 November 19)

DECEMBER 2019

President's End of Year Cocktails (3 December 19)

JANUARY 2020

WALGA Info Session: Aboriginal Empowerment Strategy (21 January 20)

FEBRUARY 2020

WALGA Welcome to 2020 Preferred Supplier (12 February 20)

Building Approval Process Workshop (13 February 20)

Emergency Management Policy Forum (19 February 2020)

President's Farewell Cocktails (19 February 20)

Procurement Network Forum (20 February 20)

Public Libraries Info Session Allocation Model (24 February 20)

Proposed Work Health and Safety Laws and Wage Theft Seminar (25 February 20)

WALGA Info Session: Managing Lodging House Health Risks in WA (26 February 20)





WALGA Teams and Services



WALGA Teams and Services

The WALGA organisational structure comprises four business units each with an Executive Manager reporting to the Executive unit led by the CEO.

The four business units (in alphabetical order) are:

- Commercial and Communications
- Governance and Organisational Services
- Infrastructure
- Strategy, Policy and Planning

In addition, the Association's corporate support functions report direct to the Office of the CEO.

The functions and services provided by the Office of the CEO and each of the four business units is as follows.

Office of the CEO

Intergovernmental Relations and Risk

This unit, created as part of the recent organisational restructure, will provide an enhanced focus on Intergovernmental Relations & Risk with the aim of achieving the best possible outcomes for WALGA, State Council and Members. Unit outcomes will include: leadership, advice and coordination in the area of government relations; coordination of advice on potential risks and consequences of proposed legislative or government policy changes affecting the sector; and securing contemporary risk integration across the organisation.

Finance

The Finance unit is responsible for the management of WALGA accounts and the

reporting and implementation of financial performance against the Association budget as endorsed by WALGA State Council. During the period the unit has initiated a revised charter of accounts for more simplified and transparent financial reporting and in response to COVID-19 initiated a half-year contingency budget to ensure services are maintained to support Member Local Governments.

Information Technology

With the purpose of information technology and support for all WALGA business units, the IT team includes records management. During the period the unit has undertaken comprehensive reviews both of WALGA IT and records management systems with recommendations under consideration for implementation timeframes.

In addition, in response to the COVID-19 lockdown, the IT unit successfully transitioned the WALGA workforce to work from home arrangements.

Human Resources

The Human Resources unit is concerned with supporting WALGA business units in the management of staff and related functions such as payroll, monitoring of leave liability, recruitment and selection and group development initiatives. During the period the unit has undertaken a comprehensive review of the WALGA remuneration structure with implementation delayed due to the adoption of the WALGA contingency budget. In response to COVID-19 the unit ensured staff had appropriate measures in place to ensure work from home arrangements.



Commercial and Communications

Category Portfolio Management

All Local Governments that are Members of WALGA are able to purchase products and services through the extensive WALGA Preferred Supplier Panels. These contracts have been established across almost 40 panels and encompass more than 1000 suppliers. Categories covered by the Preferred Supplier Panels include fleet and heavy equipment, waste management and consumables, infrastructure, ICT, energy and services. The advantages to Local Governments accessing the preferred supplier panels are to: save time by avoiding the need to undertake a tender process; have confidence that the necessary due diligence has been carried out on all

preferred suppliers; support if an issue arises with a supplier; and costs savings by getting the best price available from the supplier in the market. WALGA achieves the lowest price guarantee as a contractual requirement of all companies as part of the conditions of being endorsed as a preferred supplier. There is no cost to Councils for accessing the Preferred Supplier Panels.

VendorPanel Portal and Marketplace

Member Local Governments are able to use the VendorPanel (e-Quotes) online portal for accessing preferred supplier panels or to better coordinate their own procurement processes.

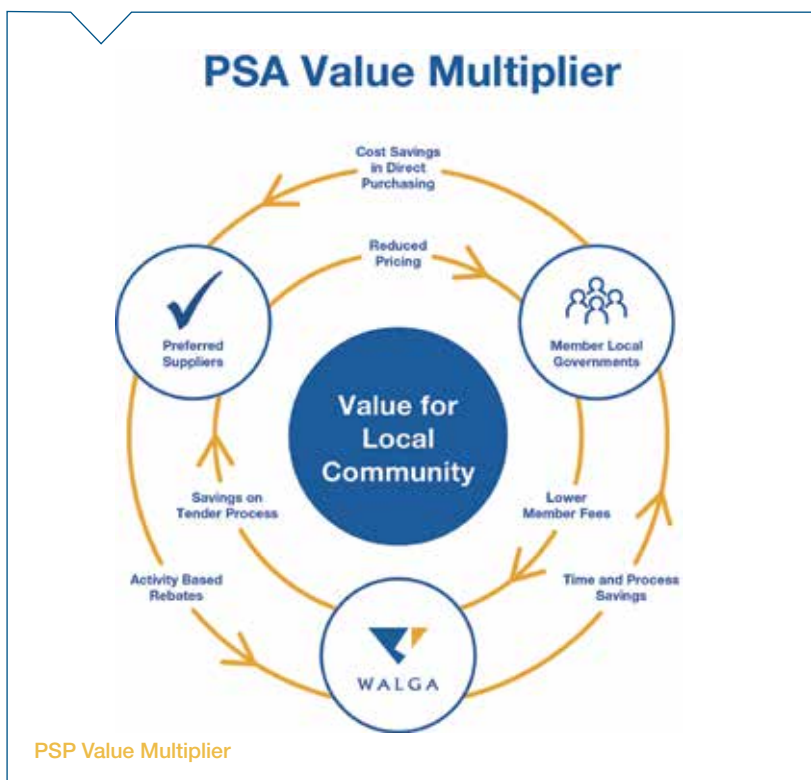
There is no cost to Local Governments to use the VendorPanel (e-Quotes) portal to access WALGA supplier panels. In addition WALGA has underwritten a free 12-month trial for all Member Local Governments of the Marketplace platform that enables local suppliers to register for contracts with their Local Government. Launched as a COVID-19 support program.

LGIS

This year marks the 25th anniversary of the creation of the Local Government self-insurance program that has evolved to be LGIS. Offered as a WALGA service to Member Local Government in partnership with JLT/Marsh, LGIS has a separate board comprising sector and independent directors operating on delegations from the WALGA State Council.

The Scheme has traditionally comprised protection for property, civil liability exposures, volunteer fire fighters and workers compensation with additional insurance needs available to be covered by a separate broking service. However in 2020 more of the additional covers, including motor vehicle, travel and management liability were transitioned into the Scheme arrangement.

As LGIS is a Member mutual service, all contributions excess to that required to operate the Scheme are returned to Members as a surplus distribution. Under an alternative commercial arrangement any excess contributions would be retained by the provider as profit.





Communications for Member Local Governments

WALGA has a number of publications and communications aimed at keeping the sector informed of emerging issues and latest developments but also to showcase achievements and initiatives by Local Governments. Additional information about the Association and the various operations is maintained on the WALGA website at www.walga.asn.au.

The Association's principal publication is Western Councillor magazine copies of which distributed to all Member Local Governments six times per annum to coincide with the frequency of State Council meetings. WALGA also electronically publishes LG News which provides the sector with snapshot each week of relevant news and opportunities and Councillor Direct which is a weekly update from the WALGA President to Elected Members.

With the onset of COVID-19 restrictions, WALGA created a special bulletin to specifically inform Local Government representatives on related topics and directions from other levels of government.

Quarterly Reports to Member Councils

Following every financial quarter, each Member Local Government is provided with a summary of their interactions with WALGA across all operations. These include the number of training sessions undertaken; access to professional advice such as governance and industrial relations; involvement in advocacy relevant to their region; and details of grants accessed for their community. The Quarterly Reports are tailored to each Local Government and sent to Chief Executive Officers with the request they be tabled at ordinary Council meetings and dispatched electronically to all Elected Members who accept direct communications from the Association.

Positive Promotion of the Sector

To help promote a positive public perception of the Local Government sector and support Association advocacy objectives, WALGA undertakes a number of activities and campaigns. For example during the period, WALGA undertook campaigns on enhancing community awareness of how rates are calculated; encouraging diversity in Local Government elections; and promoting Local Government services and facilities.

The unit also provides media statements, interviews and responses including the monthly column by the WALGA President in The West Australian newspaper. The Association's communications unit is available to provide advice and support for Member Local Governments requiring support with marketing, media management and crisis communications.

Local Government Convention and Events

WALGA organises a number of events and forums for Member Local Governments throughout the year. These include breakfast events with relevant Ministers; forums on key policy positions; and the annual Local Government Convention and Exhibition held at the Convention centre each August to coincide with the Association's Annual General Meeting.

For 2020 the events program was severely curtailed due to the social distancing restrictions from COVID-19. However as a replacement and in support of Local Governments during COVID-19, the Association offered a series of webinars through the policy and training units featuring State and Federal Ministers and sector representatives.

Governance and Organisational Services

Employee Relations Services

WALGA provides a broad employee relations and human resources advisory and consultancy service together with best practice tools and resources to support Local Governments with employment related matters.

Services include telephone and email advice on a broad range of employee relations and human resource matters including performance management and discipline, fitness for work, award and enterprise agreement interpretation, redundancy, payroll and leave entitlements.

Employee Relations can assist with industrial advocacy and representation in State and Federal industrial relations and equal opportunity commissions and tribunals (up to and including conciliation/conference/mediation); CEO employment contract negotiations and drafting; and enterprise agreement negotiation services.

In addition WALGA provides online access to HR resources, hosts metropolitan and regional HR forums and conducts an annual salary and workforce survey for the Local Government sector. Services are offered on a user subscriber basis.

Governance Support for Members

WALGA also provides governance advice and resources to the Local Government sector and internal stakeholders and advocates for legislative amendments and policy change in relation to legislative and governance matters.

Services offered under the governance portfolio include: advice and guidance to Elected Members and administrators

of Member Local Governments on the Local Government Act and Regulations and associated legislation; online Complete Guide to the Local Government Act subscription service including the Councillors Manual, Practice Notes, Delegations and Forms and Pro Formas; and the online Local Laws Manual subscription service.

Procurement Advice and Support

WALGA's Procurement Service offers subscribing Local Governments with high quality support, facilitation and advice on every step of the procurement process. Best practice procurement advice including outcomes that fulfil all compliance obligations is provided.

The procurement service covers the following areas:

- Procurement Advice
- The Procurement Toolkit (Procurement Guide, Templates, Sustainable Procurement Guide, Guidance Notes etc)
- Customised Workshops
- Procurement Network and other Forums

Training for Elected Members and Officers

As part of helping develop the capacity of the Local Government sector, WALGA delivers nationally recognised training in a variety of formats, including face-to-face, Virtual classroom and eLearning, to Local Government Elected Members and Officers in metropolitan and non-metropolitan locations.

The training is offered on user fee basis relative to the Local Government's requirements and course availability. All face-to-face courses are offered at the WALGA head office in West Leederville however Local Governments can also arrange to have the courses at their location.

To help keep costs at reasonable levels, WALGA endeavours to work with groups of Councils to combine training requirements off-site. Free webinars are also offered throughout the year.

Last year WALGA delivered more than 177 training courses to representatives of Member Local Governments almost equally split between metropolitan and regional locations.

Regional Capacity Building

WALGA offers support to Local Governments and groups of Local Governments through the Governance & Organisational Services team in the regional capacity building area. The key objective of this function is to support the long term sustainability of the sector. Specifically this function assists Local Governments by facilitation of: regional resource sharing; integrated planning and reporting support; general support and advice.

In the 2019/2020 year a Cooperation and Shared Services register and schedule of activity was produced. This document will be regularly updated each year.

Strategy and Association Governance

The Strategy component of this area comprises assistance with Local Government reform initiatives, State/Local Government Partnership Agreement, policy development and submissions together with coordinating WALGA's strategic planning. The Association Governance component consists of coordinating the zone administration and WALGA's State Council including associated committees and the annual Honours program.





Infrastructure

Transport and Roads

With Local Government responsible for almost 90 per cent of all roads in WA, the transport and roads portfolio is an important advocacy requirement for WALGA. As such, topics and issues addressed by WALGA include securing road funding, road design and construction including pavements and materials, heavy vehicles and freight and pedestrian and cycling infrastructure.

The unit also supports 10 Regional Road Groups and the State Road Funds to Local Government Advisory Committee and produces an annual Report on Local Government Road Assets and Expenditure.

Asset Management

Local Governments in Western Australia manage assets valued at more than \$40 billion to deliver important community services. These assets include sports and recreation facilities, community centres, airports, boat harbours, cycle and pedestrian paths and waste management facilities, in addition to roads. WALGA works with Local Governments and other stakeholders including State and Federal agencies to assist Members sustainably manage these assets. Areas encompassed in the infrastructure portfolio include natural disaster relief and recovery arrangements, utilities in the road reserve, street lighting, bridges and bus stop infrastructure.

RoadWise and Road Safety

WALGA delivers a number of programs in partnership with and funded by State and Federal Governments. The most enduring of these is the RoadWise program, implemented by WALGA since 1994. RoadWise has staff operating in all regions across WA working with communities to take action to reduce road trauma. In addition, the WALGA Infrastructure unit advocates on road safety legislation and regulation where there is an impact on Local Government. Issues include traffic management for road works and events on roads, children's crossings at schools, rail crossing safety and agricultural and oversized vehicles on public roads.

Strategy, Policy and Planning

Environment and Waste Advocacy and Advice

WALGA provides advocacy and advice to Member Local Governments across a number of policy portfolios including environment and waste in part in response to legislative requirements. Under Section 1.3 (3) of the *Local Government Act*, Councils are required to use their best endeavours to meet the needs of current and future generations through an integration of environmental protection, social advancement and economic prosperity. The *Waste Avoidance and Resource Recovery Act* provides Local Governments with a head of power relating to provision of waste services. Consequently advocacy and advice in the environment and waste portfolio include issues such as environmental licencing and regulation, container deposit scheme, natural area management, energy and water conservation, Household Hazardous Waste (HHW) Program, biosecurity, Bin Tagging Program and the Municipal Waste Advisory Council. WALGA provides Member Local Governments regular updates on changes to legislation and regulation along with insights into new practices through its WasteNews and EnviroNews publications and periodic events for Elected Members and officers.

LGmap Service

Applicable to a broad range of Local Government services and operations, LGmap has been developed by WALGA to increase efficiencies in meeting regulatory requirements and project delivery by Local Government. Provided on a user subscription basis,

LGmap service provides access to a comprehensive data portal and mapping application, linked to regulatory processes for native vegetation clearing, licencing of prescribed premises and bushfire risk assessment with unlimited training, data and technical support. The mapping and reporting capabilities support land use planning and asset management, including natural area and urban forest management.

Planning and Building Advocacy and Advice

Planning and Building services are a significant function for most Local Governments and consequently WALGA takes a prominent role in advocating and representing the sector's interests to government and industry. A Planning Improvement Program Portal aims to enhance knowledge sharing within the Local Government sector by sharing improvement driven by the sector. The portal increases the accessibility of up to date and consistent information, and provides model policies, tools and resources for the sector to use. It is available at: www.walgapip.ning.com

Community

The Community unit provides policy development and advocacy for Local Government across a wide spectrum of subjects and services. The WALGA Community portfolio represents Members on legislative matters surrounding public libraries, access and inclusion, public health, Aboriginal communities, social infrastructure, sport and active recreation, cultural and health facilities. Further

to this, the team actively represents Members in meeting their needs to build and support their communities' resilience on issues such as safety, crime prevention, homelessness, response to tourism and heritage legacies. As such WALGA is well placed to collate and coordinate responses to critical legislative and regulatory changes impacting Local Government and provide important advocacy when the external environment does not match those of the Local Government sector.

Emergency Management

The Association has a legislative responsibility under the *Emergency Management Act 2005* to represent the Local Government sector on the State Emergency Management Committee, its subcommittees and associated working groups. The WALGA Emergency Management team assists Local Governments to meet their legislative requirements particularly via their Local Emergency Management Committees (LEMCS) and subsequent Local Emergency Management Arrangements (LEMAs). Since 2018 the team's focus has been on policy development, via capacity building activities and Member representation on all Emergency Management committees and working groups to enable Local Governments to achieve compliance with the *Emergency Management Act 2005 and the Bushfires Act 1954*.

WALGA gains valuable insights from local Emergency Management practitioners through the Local Government Emergency Management Advisory Group, which is utilised to share challenges,

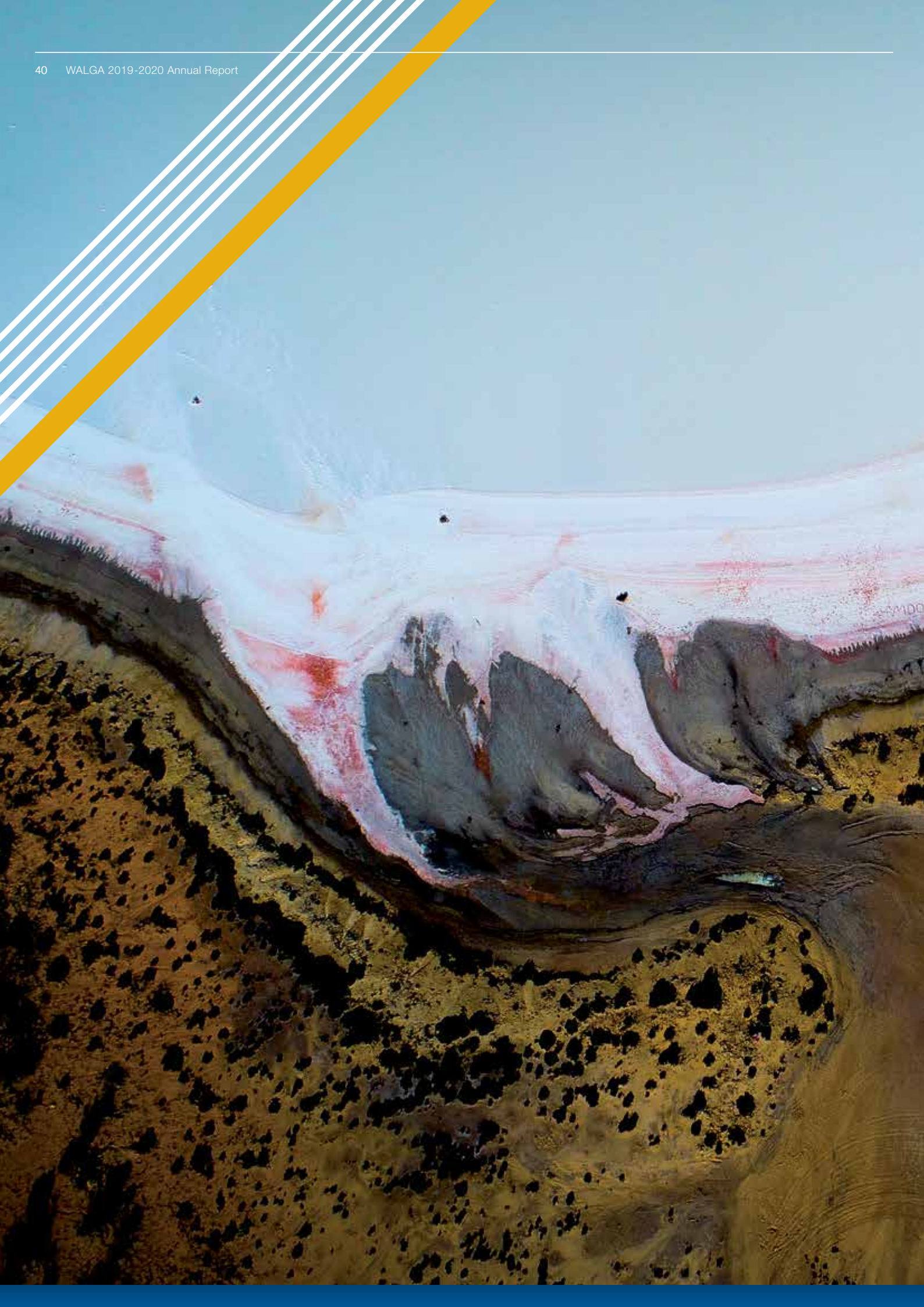
clarify advocacy objectives and showcase sector best practice. Further, State Government Agencies, in particular the Department of Fire and Emergency Services, the Department of Biodiversity, Conservation and Attractions and the Department of Communities benefit from engaging with Association officers to gain an understanding of Local Government Emergency Management in practice thus improving relationships and outcomes for Members.

Economics

WALGA's Economics team performs multiple functions to support the sector to make sound decisions and ensure that Local Governments are represented on economic policy issues. The team provides Members with economic data and advice to support budget, financial management and strategic planning activities.

It also plays an important role in the development of evidence-based policy to ensure Local Governments have a voice in the sustainable growth in the state's economy for the benefit of all Western Australians and provides support across the breadth of WALGA's policy functions to ensure that WALGA's policy positions are grounded in economic principles.







Information
on Zones

Metropolitan and Country Zones

The Zones of the Metropolitan and Country Local Governments of the Western Australian Local Government Association are as listed in this section.



Metropolitan Zones

Central Metropolitan

Town of Cambridge

Town of Claremont

Town of Cottesloe

Town of Mosman Park

Shire of Peppermint Grove

City of Perth

City of Subiaco

City of Vincent

East Metropolitan

Town of Bassendean

City of Bayswater

City of Belmont

City of Kalamunda

Shire of Mundaring

City of Swan

North Metropolitan

City of Joondalup

City of Stirling

City of Wanneroo

South Metropolitan

City of Cockburn

Town of East Fremantle

City of Fremantle

City of Kwinana

City of Melville

City of Rockingham

South East Metropolitan

City of Armadale

City of Canning

City of Gosnells

City of South Perth

Town of Victoria Park



Country Zones

Avon – Midland Country Zone

Shire of Chittering

Shire of Dalwallinu

Shire of Dandaragan

Shire of Gingin

Shire of Goomalling

Shire of Moora

Shire of Northam

Shire of Toodyay

Shire of Victoria Plains

Shire of Wongan-Ballidu

Shire of York

Central Country Zone

Shire of Beverley

Shire of Brookton

Shire of Corrigin

Shire of Cuballing

Shire of Dumbleyung

Shire of Kulin

Shire of Lake Grace

Shire of Narrogin

Shire of Pingelly

Shire of Quairading

Shire of Wagin

Shire of Wandering

Shire of West Arthur

Shire of Wickepin

Shire of Williams

Goldfields Esperance Country Zone

Shire of Coolgardie

Shire of Dundas

Shire of Esperance

City of Kalgoorlie-Boulder

Shire of Laverton

Shire of Leonora

Shire of Menzies

Shire of Ngaanyatjaraku

Shire of Ravensthorpe

Shire of Wiluna

Gascoyne Country Zone

Shire of Carnarvon

Shire of Exmouth

Shire of Shark Bay

Shire of Upper Gascoyne

Great Eastern Country Zone

Shire of Bruce Rock

Shire of Cunderdin

Shire of Dowerin

Shire of Kellerberrin

Shire of Kondinin

Shire of Koorda

Shire of Merredin

Shire of Mount Marshall

Shire of Mukinbudin

Shire of Narembeen

Shire of Nungarin

Shire of Tammin

Shire of Trayning

Shire of Westonia

Shire of Wyalkatchem

Shire of Yilgarn



Great Southern Country Zone

City of Albany

Shire of Broomehill-Tambellup

Shire of Cranbrook

Shire of Denmark

Shire of Gnowangerup

Shire of Jerramungup

Shire of Katanning

Shire of Kent

Shire of Kojonup

Shire of Plantagenet

Shire of Woodanilling

Kimberley Country Zone

Shire of Broome

Shire of Cocos (Keeling) Islands

Shire of Christmas Island

Shire of Derby/West Kimberley

Shire of Halls Creek

Shire of Wyndham/
East Kimberley

Murchison Country Zone

Shire of Cue

Shire of Meekatharra

Shire of Mount Magnet

Shire of Murchison

Shire of Sandstone

Shire of Yalgoo

Northern Country Zone

Shire of Carnamah

Shire of Chapman Valley

Shire of Coorow

City of Greater Geraldton

Shire of Irwin

Shire of Mingenew

Shire of Morawa

Shire of Northampton

Shire of Perenjori

Shire of Three Springs

Peel Country Zone

Shire of Boddington

City of Mandurah

Shire of Murray

Shire of Waroona

Shire of Serpentine-Jarrahdale

Pilbara Country Zone

Shire of Ashburton

Shire of East Pilbara

Town of Port Hedland

City of Karratha

South West Country Zone

Shire of Augusta-Margaret River

Shire of Boyup Brook

Shire of Bridgetown-Greenbushes

City of Bunbury

City of Busselton

Shire of Capel

Shire of Collie

Shire of Dardanup

Shire of Donnybrook-Balingup

Shire of Harvey

Shire of Manjimup

Shire of Nannup



State Councillors



Zone Representatives to State Council 2019-2020

Six (6) ordinary meetings and two (2) special meetings of the WALGA State Council were held between June 2019 and May 2020 with attendance as follows:

Members	Attendance	Members	Attendance
WALGA President		East Metropolitan Zone	
President Cr Lynne Craigie OAM retired March 2020	3	Cr Catherine Ehrhardt elected SC Dec 2019	4
Mayor Tracey Roberts JP elected March 2020	4	Cr Cate McCullough elected SC Dec 2019	5
Deputy President		Cr Brooke O'Donnell (Deputy) retired as SC Dec 2019; elected DSC Dec 2019	3
Mayor Tracey Roberts JP (North Metropolitan Zone)	4	Cr Kate Driver (Deputy) retired as SC Dec 2019; elected DSC Dec 2019	2
President Cr Karen Chappel JP elected March 2020 (Northern Country Zone)	4	Gascoyne Country Zone	
Avon-Midland Country Zone		President Cr Cheryl Cowell	6
President Cr Ken Seymour elected SC Dec 2019	5	President Cr Eddie Smith (Deputy) elected DSC Dec 2019	0
Cr Jan Court (Deputy) retired as SC Dec 2019; elected DSC Dec 2019	2	Goldfields Esperance-Country Zone	
Central Country Zone		President Cr Malcolm Cullen	8
President Cr Phillip Blight	8	President Cr Laurene Bonza (Deputy) elected DSC Dec 2019	0
President Cr Katrina Crute (Deputy) elected DSC Dec 2019	0	Great Eastern Country Zone	
Central Metropolitan Zone		President Cr Stephen Strange	8
Cr Jenna Ledgerwood	7	Cr Rhonda Cole (Deputy)	0
Cr Paul Kelly	7	Great Southern Country Zone	
Cr Joanne Fotakis (Deputy) elected DSC Dec 2019	0	Cr Ronnie Fleay elected SC Dec 2019	4
Mayor Brett Pollock (Deputy) elected DSC Dec 2019	0	President Cr Keith House retired SC Dec 2019	3
		President Cr Chris Pavlovich (Deputy) elected DSC Dec 2019	1

Members	Attendance	Members	Attendance
Kimberley Country Zone		South Metropolitan Zone	
Cr Chris Mitchell JP	6	Mayor Cr Carol Adams OAM	7
Cr David Menzel (Deputy)	0	Cr Doug Thompson	7
Murchison Country Zone		Mayor Logan Howlett JP	8
Cr Les Price	8	Cr Jon Strachan (Deputy) retired 2019	1
President Cr Ross Foulkes-Taylor (Deputy)	0	Cr Deb Hamblin (Deputy)	1
North Metropolitan Zone		Cr Sandra Lee (Deputy) elected DSC Dec 2019	0
Mayor Mark Irwin elected SC Dec 2019	4	Cr Cliff Collinson (Deputy) elected DSC Dec 2019	0
Cr Giovanni Italiano JP retired SC 2019	3	South East Metropolitan Zone	
Cr Russ Fishwick JP	5	Cr Julie Brown	8
Cr Frank Cvitan JP DSC elected SC 2020	4	Mayor Ruth Butterfield elected SC Dec 2019	4
Cr Dot Newton JP (Deputy) elected DSC Dec 2019	0	Cr Bronwyn Ife (Deputy) elected DSC Dec 2019	0
Mayor Albert Jacob JP (Deputy) elected DSC Dec 2019	1	Cr Tim Porter (Deputy) elected DSC Dec 2019	1
Cr Nige Jones (Deputy) retired Dec 2019	1	Cr Brian Oliver (Deputy) retired SC Dec 2019	1
Northern Country Zone		South West Country Zone	
President Cr Karen Chappel JP	8	President Cr Tony Dean	7
Cr Tarleah Thomas (Deputy) elected DSC Dec 2019	0	President Cr Michael Bennett (Deputy) elected DSC Dec 2019	0
Peel Country Zone		Local Government Professionals WA	
President Cr Michelle Rich	8	Mr Jamie Parry - Ex-Officio elected 2019	3
Mayor Rhys Williams (Deputy)	0	Ms Annie Riordan - Deputy Ex-Officio elected 2019	1
Pilbara Country Zone		Mr Ian Cowie PSM - Ex-Officio retired 2019	1
President Cr Kerry White retired Dec 2019	3	City of Perth	
Mayor Peter Long elected SC Dec 2019	1	Mr Andrew Hammond - Ex-Officio	4
Cr Peter Foster JP (Deputy) elected DSC Dec 2019	1	Mr Eric Lumsden AM PSM - Ex-Officio retired Aug 2019	1





Local Government
Medal Recipients
and Honorary
Life Members

Local Government Medal Recipients and Honorary Life Members

WALGA runs the Local Government Honours Program to recognise the most valuable and committed members of our community.

Local Government Medal Recipients

Maslen AM AFSM, Mr Rich - 1999
(Deceased)

Manea AM, Dr Ern - 2000 (Deceased)

Lang OAM, Mr Murray - 2003

Mickel AM JP, Cr Ian - 2005

Reynolds AM JP, Mr Linton - 2005

Robartson AM, OAM, Cr Clive - 2005

Morris AM JP, Mrs Pat - 2006

Mitchell AM JP Mr William (Bill) - 2010

Yuryevich AM RFD, Mr Ron - 2016

Zelones OAM JP Mr Henry - 2019

Craigie OAM, Cr Lynne - 2020

Honorary Life Members

(Alphabetical order)

Archer OAM, Ms Elsia

Bajada, Mr Alex

Barrett-Lennard OAM JP, Mr Irwin

Boothman JP, Cr David

Brockman OAM, Mr Frank (Deceased)

Broad, Mr Simon

Campbell JP, Mr Peter

Chappel JP, President Cr Karen

Chown, Mr Ted

Clements, Mr Ken

Cole, Mrs Delys (Deceased)

Cook OAM JP, Mr Jim

Cooper JP, Mr Phil

Cowan, Mr Halley

Cox OAM JP, Mr John (Deceased)

Craigie OAM, Cr Lynne

De San Miguel OAM JP, Mr Don
(Deceased)

D'Orazio, Mr John (Deceased)

Donaldson, Hon Mr Bruce

Donohoe, Mr Ken

Fairclough Mr Doug (Deceased)

Farr, Mr Robert (Deceased)

Finlayson AM MM JP, Mr Ray (Deceased)

Foulkes-Taylor OAM, Mr Michael

Frost, Mr Bill (Deceased)

Georgeff, Mr Carl (Deceased)

Goadby, Mrs Jean (Deceased)

Gregorini, Mr Charlie (Deceased)

Hardwick AM JP, Mrs Christine

Henderson, Ms Heather

Kelly, Cr Paul

Kenyon JP, Mr Terence

Killick, Mr Fred (Deceased)

Kilpatrick, Mr Gordon

Knight AM JP, Mrs Annette (Deceased)

Kyle AM, Mr Peter

Lang OAM, Mr Murray

Lee, Mr Mick (Deceased)

Leggo, Mr Richard (Deceased)

Lynch, Mr John

Manea AM, Dr Ern (Deceased)

Maslen AM AFSM, Mr Rich (Deceased)

Mickel AM JP, Mr Ian

Mitchell AM JP, Mr William (Bill)

Mitchell JP, Cr Chris

Monagle OAM, Mr Peter

Morris AM JP, Mrs Pat

Norris, Mr Ron

North AM JP, Mr Joe (Deceased)

Park OAM, Mr Humphery

Parry AM JP, Dr John (Deceased)

Paterson JP, Dr John

Patroni OAM JP, Mr Romolo

Pearce, Mr Colin (Deceased)

Pech AM JP, Mr Ken (Deceased)

Price, Mr James (Deceased)

Reynolds AM JP, Mr Linton

Richardson, Mr Lyal

Robartson AM OAM, Cr Clive

Roberts JP, Mayor Tracey

Rowell OBE, Mr Rob

Sabatino, Mr Michael

Sabourne OAM JP, Mr John

Snook, Mr Gary

Star AM, Mrs Jan

Strickland, Mr George (Deceased)

Strugnell SC, Mr Peter

Stubbs AM, Mr Roger

Trent OAM RFD JP, Mr Kevin

Tuckey, Mr Dudley (Deceased)

Tyzack, Mr Terence

Ward, Mr Ray (Deceased)

Wilmott, Mr Peter (Deceased)

Yuryevich AM RFD, Mr Ron

Zelones OAM JP, Mr Henry



Financial Report for the year ended 31 May 2020





Deloitte Touche Tohmatsu
ABN 74 490 121 060

Tower 2
Brookfield Place
123 St Georges Terrace
Perth WA 6000
GPO Box A46
Perth WA 6837 Australia

Tel: +61 8 9365 7000
Fax: +61 8 9365 7001
www.deloitte.com.au

Independent Auditor's Report to the Members of Western Australian Local Government Association

Opinion

We have audited the financial report of Western Australian Local Government Association (the "Association") which comprises the statement of financial position as at 31 May 2020, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies, and the statement by the President and the Chief Executive Officer.

In our opinion, the accompanying financial report presents fairly, in all material respects, the Association's financial position as at 31 May 2020 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Association's Constitution.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Finance and Services Committee are responsible for the other information. The other information comprises the information included in the Association's annual report for the year ended 31 May 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of Management and the Finance and Services Committee for the Financial Report

Management of the Association is responsible for the preparation of the financial report in accordance with Australian Accounting Standards or Australian Accounting Standards – Reduced Disclosure Requirements and the Association’s Constitution and for such internal control as management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the ability of the Association to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

The Finance and Services Committee is responsible for overseeing the Association’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management and the Finance and Services Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

A handwritten signature in blue ink, appearing to read "Nmenezes".

Nicole Menezes
Partner
Chartered Accountants
Perth, 22 July 2020

Statement by the President and Chief Executive Officer

In the opinion of the President and the Chief Executive Officer of the Western Australian Local Government Association, the financial report as set out in pages 60 to 93:

- (a) Presents a true and fair view of the financial position of the Western Australian Local Government Association as at 31 May 2020 and its performance for the year ended on that date in accordance with the Constitution of the Association, Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
- (b) At the date of this statement there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due and payable.

Signed by:



T Roberts
President



N Sloan
Chief Executive Officer

Perth, Western Australia
Dated: 22 July 2020

Statement of financial position

As at 31 May 2020

	Note	2020 \$	2019 \$
MEMBERS' EQUITY			
Accumulated surplus	7	2,173,925	3,021,821
Reserves	8	4,016,250	3,944,782
Total Members' Equity		6,190,175	6,966,603
CURRENT ASSETS			
Cash and cash equivalents	9	1,588,888	2,651,393
Trade and other receivables	11	1,437,942	1,649,252
Other financial assets	12	10,000,000	7,500,000
Other current assets	13	525,076	875,616
Total Current Assets		13,551,906	12,676,261
NON-CURRENT ASSETS			
Property, plant and equipment	14	360,570	344,150
Right of use assets	15	7,729,632	-
Intangibles	16	92,395	172,741
Total Non-Current Assets		8,182,597	516,891
Total Assets		21,734,503	13,193,152
CURRENT LIABILITIES			
Trade and other payables	17	4,126,913	4,317,719
Lease liabilities	18	883,069	-
Provisions	19	1,743,483	1,729,130
Total Current Liabilities		6,753,465	6,046,849
NON-CURRENT LIABILITIES			
Lease liabilities	18	8,591,895	-
Provisions	19	198,968	179,700
Total Non-Current Liabilities		8,790,863	179,700
Total Liabilities		15,544,328	6,226,549
Net Assets		6,190,175	6,966,603

The accompanying notes form part of this financial statement

Statement of profit or loss and other comprehensive income

For the year ended 31 May 2020

	Note	2020 \$	2019 \$
Association membership subscriptions		2,273,786	2,273,786
Grant revenue	2	5,211,145	5,627,448
Service subscriptions revenue	2	2,052,636	1,925,040
Services revenue	2	11,405,814	10,655,856
Other income	2	1,364,425	1,615,522
Service subscriptions direct costs	3	(476,427)	(366,292)
Services provision direct costs	3	(3,262,363)	(3,099,903)
Recurring expenditure	3	(13,152,584)	(12,589,929)
Non-recurring expenditure	3	(177,483)	(124,642)
Grant expenditure		(5,015,941)	(5,627,448)
Surplus for the year	4,7	223,008	289,438
Other comprehensive income		-	-
Total comprehensive income for the year		223,008	289,438

The accompanying notes form part of this financial statement

Statement of cash flows

For the year ended 31 May 2020

	Note	2020 \$	2019 \$
Cash flows from operating activities			
Receipts from operating activities		24,671,072	23,170,380
Payment of operating expenses and payments to employees		(22,108,803)	(23,864,990)
Interest received		192,250	258,168
Interest paid		(333,153)	-
Net cash provided / (used in) by operating activities	9b	2,421,366	(436,442)
Cash flows from investing activities			
Payments for property, plant and equipment		(132,694)	(207,774)
Proceeds from sale of property, plant and equipment		-	53,361
Payments for intangibles		(22,377)	(187,331)
Net (payments for) / proceeds from financial assets		(2,500,000)	2,000,000
Net cash (used in) / provided by investing activities		(2,655,071)	1,658,256
Cash flows from financing activities			
Lease payments		(828,800)	-
Net cash (used in) / provided by financing activities		(828,800)	-
Net (decrease) / increase in cash held		(1,062,505)	1,221,814
Cash at the beginning of the financial year		2,651,393	1,429,579
Cash at the end of the financial year	9a	1,588,888	2,651,393

The accompanying notes form part of this financial statement

Statement of changes in equity

For the year ended 31 May 2020

	Accumulated surplus \$ (Note 7)	Reserves \$ (Note 8)	Total \$
Balance at 1 June 2018	2,816,336	3,860,829	6,677,165
Total comprehensive income for the year	289,438	-	289,438
Net transfer to reserves	(83,953)	83,953	-
Balance at 31 May 2019	3,021,821	3,944,782	6,966,603
Effect of change in accounting policy for AASB16	(1,587,134)	-	(1,587,134)
Effect of change in accounting policy for AASB15 /1058	587,698	-	587,698
Balance at 31 May 2019 (restated)	2,022,385	3,944,782	5,967,167
Total comprehensive income for the year	223,008	-	223,008
Net transfer to reserves	(71,468)	71,468	-
Balance at 31 May 2020	2,173,925	4,016,250	6,190,175

The accompanying notes form part of this financial statement

Notes to the financial statements

The financial report covers the Western Australian Local Government Association (the “Association”) as an individual entity. The Western Australian Local Government Association is an association incorporated in Western Australia under the *Local Government Act 1995*. The financial report was authorised for issue on 22 July 2020.

1. Summary of significant accounting policies

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements (including Australian Accounting Interpretations), other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Constitution of the Association. The Western Australian Local Government Association is a not-for-profit entity for the purpose of preparing the financial statements.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

(a) New and revised standards

New and revised standards that are effective for these financial statements

The Association has adopted all new and revised Standards and Interpretations

issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 June 2019.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Association include:

AASB 1058 Income of Not-for-Profit Entities (AASB 1058) and AASB 15 Revenue from Contracts with Customers (AASB 15).

In the current year, the Association has applied AASB 1058 and AASB 15 in accordance with the modified retrospective (cumulative catch-up) method where the comparative years are not restated (and continue to be reported under AASB 118 Revenue and AASB 1004 Contributions and related interpretations). Instead, the Association has recognised the cumulative effect of initially applying these standards for the first time against accumulated surplus as at 1 June 2019. The Association has also elected to apply AASB 1058 and AASB 15 retrospectively only to contracts and transactions that are not ‘completed contracts’ as at 1 June 2019.

AASB 15 requires revenue to be recognised when control of a promised

good or service is passed to the customer at an amount which reflects the expected consideration. AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15. The new income recognition requirements shift the focus from a reciprocal/non-reciprocal basis to a basis of assessment that considers the enforceability of a contract and the specificity of performance obligations.

The core principle of the new income recognition requirements in AASB 1058 is when a NFP entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives, the excess of the asset recognised (at fair value) over any ‘related amounts’ is recognised as income immediately.

An example of a ‘related amount’ is revenue from contracts with ‘customers’ in cases where there is an ‘enforceable’ contract with ‘sufficiently specific’ performance obligations, income is recognised when (or as) the performance obligations are satisfied under AASB 15, as opposed to any excess above the related amounts that would otherwise be immediate income recognition under AASB 1058. In such circumstances, a performance obligation is satisfied

1. Summary of significant accounting policies (continued)

(a) New and revised standards (continued)

when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. The new 5-step approach to revenue recognition from contracts with customers is more prescriptive than the approach previously outlined in the applicable AASB's. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price
5. Recognise revenue

Nature of change in accounting policy from adoption of AASB 1058 and AASB 15

The Association has applied the new requirements to its main revenue streams, detailing the following amendments in recognition:

Grant revenue

Grant revenue was previously recognised when the corresponding grant expenditure was incurred. AASB 1058 requires that in cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction should be accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied, as opposed to immediate income recognition under AASB 1058.

The Association has conducted an analysis of the grant contracts and analysed the terms of each contract to determine whether the arrangement meets the enforceability and the 'sufficiently specific' criteria. For those grant contracts that are not enforceable or the performance obligations are not sufficiently specific, this will result in immediate income recognition, otherwise income will be deferred and recognised when (or as) the performance obligations are satisfied.

Based on the analysis of contract as at 1 June 2019, the Association notes that revenue from grants related to incomplete contracts amounts to \$2,582,915. Of this, \$587,698 will be recognised upfront as revenue and the remainder will be deferred and recognised as revenue as and when performance obligations are satisfied.

All other revenue

The Association has conducted an analysis of their main streams received and continues to recognise such revenue as and when the specific performance obligations are delivered under enforceable contracts. Depending on the nature of the services provided, revenue is either recognised at a point in time or over time. There has been no material change in the accounting treatment of the recognition of revenue.

Financial statement impact of AASB 1058 and AASB 15

The Association's accounting policies for its revenue streams have been updated and disclosed in note 1(l).

The following is the impact of the financial statement on initial application date, 1 June 2019:

	As presented under previous standards \$	AASB 1058 / AASB 15 adjustments \$	As presented under AASB 1058/AASB 15 \$
Liabilities			
Unexpended grants	2,582,915	(587,698)	1,995,217
Members' Equity			
Accumulated surplus	3,944,782	587,698	4,532,480

1. Summary of significant accounting policies (continued)

(a) New and revised standards (continued)

AASB 16 Leases (AASB 16)

In the current year, the Association has applied AASB 16 Leases that is effective for annual periods that begin on or after 1 January 2019.

AASB 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets when such recognition exemptions are adopted. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Details of these new requirements and the impact of the adoption of AASB 16 on the Association's financial statements is described below.

The date of initial application of AASB 16 for the Association is 1 June 2019. The Association has applied AASB 16 using the cumulative catch-up approach which:

- Requires the Association to recognise the cumulative effect of initially applying AASB 16 as an adjustment to the opening balance of accumulated surplus at the date of initial application.
- Does not permit restatement of comparatives, which continue to be presented under AASB 117 Leases (AASB 117) and Interpretation 4.

Nature of change in accounting policy from adoption of AASB 16

AASB 16 changes how the Association accounts for leases previously classified as operating leases under AASB 117, which were off balance sheet.

Applying AASB 16, for all leases (except as noted below), the Association:

- Recognises right-of-use assets and lease liabilities in the consolidated statement of financial position, initially measured at the present value of the future lease payments, with the right-of-use asset adjusted by the amount of any prepaid or accrued lease payments in accordance with AASB 16;
- Recognises depreciation of right-of-use assets and interest on lease liabilities in the statement of profit or loss;
- Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the consolidated statement of cash flows.

Lease incentives (e.g. rent free period) are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under AASB 117 they resulted in the recognition of a lease incentive, amortised as a reduction of rental expenses on a straight line basis.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (which includes small items of office furniture and telephones), the Association has opted to recognise a lease expense on a straight-line basis as permitted by AASB 16. This expense is presented within 'recurring expenditure' in profit or loss.

The Association has used the following practical expedients when applying the cumulative catch-up approach to leases previously classified as operating leases applying IAS 17.

- contracts previously assessed as not containing leases were not re-assessed on transition
- lease liabilities have been discounted using the incremental borrowing rate at 1 June 2019
- right-of-use assets at 1 June 2019 have been measured at an amount equal to the lease liability adjusted by any prepaid or accrued lease payments
- a single discount rate was applied to all leases with similar characteristics
- lease expenses relating to leases expiring before 31 May 2020 have been recorded on a straight-line basis over the remaining term
- hindsight was used when determining the lease term where the contract contains options to extend or terminate the lease

Financial statement impact of AASB 16

The Association has conducted an analysis of its lease arrangements and noted that its leases are at market terms and conditions.

The Association's lease arrangements relates to its office premise, photocopies and motor vehicles. The weighted average lessees incremental borrowing rate applied to lease liabilities recognised in the statement of financial position on 1 June 2019 is 3.36%.

1. Summary of significant accounting policies (continued)

(a) New and revised standards (continued)

The following table shows the operating lease commitments disclosed applying AASB 117 at 31 May 2019, discounted using the incremental borrowing rate at the date of initial application and the lease liabilities recognised in the statement of financial position at the date of initial application.

Impact on accumulated surplus as at 1 June 2019:

	Amount
Operating lease commitments at 31 May 2019	12,106,041
Less: Short term leases	(4,635)
Effect of discounting the above amounts	(1,859,330)
Lease liabilities recognised at 1 June 2019	10,242,076

The Association has recognised \$8,654,942 of right-of-use assets and \$10,242,076 of lease liabilities upon transition to AASB 16. The difference of \$1,587,134 is recognised in accumulated surplus.

New and revised standards that have been issued but are not yet effective for these financial statements

At the date of authorisation of the financial statements, the Association has not applied the following new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective:

Standard / amendment	Effective for annual reporting periods beginning on or after	Effective for annual reporting periods beginning on or after
<i>AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material</i>	1 January 2020	30 May 2021
<i>AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework</i>	1 January 2020	30 May 2021
<i>AASB 2019-5 Amendments to Australian Accounting Standards - Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia</i>	1 January 2020	30 May 2021

The Association is yet to undertake a formal assessment of the impact of the accounting standards that are issued but not yet effective.

1. Summary of significant accounting policies (continued)

(b) Significant economic dependence

The Association is dependent upon the ongoing receipt of State Government grants and continuity of commercial service and supply contracts to ensure the ongoing continuance of its programs. At the date of this report management has no reason to believe that this financial support will not continue.

(c) Going concern

The financial report has been prepared on the going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The members of the Association consider the going concern basis to be appropriate as no changes expected to ongoing receipt of Government grants, membership and service subscriptions. The Board has recently adopted budget for business continuity for the six months ending 30 November 2020 which provides for a balanced budget with a COVID-19 contingency of \$100k as a buffer. Additionally, management have performed an updated going concern assessment considering the impact of COVID-19 and have determined that the impact based on known conditions is minimal.

(d) Income tax

The Association is exempt from income tax under the provisions of Section 50-25 of the *Income Tax Assessment Act 1997*.

(e) Property, plant and equipment

Property, plant and equipment are brought to account at cost, less any accumulated depreciation and impairment. The carrying amount of

property, plant and equipment is reviewed annually by the Secretariat to ensure it is not in excess of the recoverable amount of those assets.

The depreciable amounts (cost less the residual amount) of all property, plant and equipment, including capitalised leased assets, are depreciated on a straight line basis over the useful lives of the assets to the Association commencing from the time the asset is held ready for use. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable asset are:

Class of Property, plant and equipment	Depreciation Rate
Computer Equipment	20 - 33.33%
Office Equipment	5 - 33.33%
Office Furniture	10%
Leasehold Improvements	6.67%
Motor Vehicles	15.60%

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected to arise from its continued use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(f) Leases

Policies applicable from 1 June 2019

The Association assesses whether a contract is or contains a lease, at inception of the contract. The Association recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (where the lease term is 12 months or less) and leases of low value assets. For these leases, the Association recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Association uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date
- The amount expected to be payable by the lessee under residual value guarantees
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options

1. Summary of significant accounting policies (continued)

- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Association remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification

The Association did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs.

They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Association expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Association applies AASB 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Impairment' policy included in note 1(h).

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in profit or loss.

The Association has elected to adopt the practical expedient permitting a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement.

Policies applicable prior to 1 June 2019

Leases of assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Association are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amount equal to 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.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Association will obtain ownership of the asset or ownership over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over 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.

1. Summary of significant accounting policies (continued)

(g) Intangibles

Software and intellectual property

Software and intellectual property are recorded at cost. They have a finite life and are carried at cost less any accumulated amortisation and impairment losses. They have an estimated useful life of between three and five years. They are assessed annually for impairment.

(h) Impairment testing of intangible assets and property, plant and equipment

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Association's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each

cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risks factors.

Where the future economic benefits of an asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of the asset.

Any impairment loss is charged pro-rata to the other assets in the cash-generating unit. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

(i) Employee Benefits

Wages, Salaries, Annual and Sick Leave

A liability for wages, salaries and annual leave is recognised, and is measured as the amount unpaid at balance date at pay rates, in which the leave is expected to be paid out at, in respect of employees' services up to that date. No material liability exists for sick leave as sick leave is non-vesting.

Long Service Leave

A liability for long service leave is recognised and is measured as the present value of expected future payments to be made in respect of services provided by all employees with more than one year of service up to balance date.

The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the timing of the estimated future cash outflows. Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The Association presents employee benefit obligations as current liabilities in the statement of financial position if the Association does not have an unconditional right to defer settlement for at least twelve (12) months after the reporting period, irrespective of when the actual settlement is expected to take place.

On Costs

On costs such as superannuation contributions relating to the payment of the above employee benefits have been accrued at balance date and included in the statement of financial position as part of the benefit.

Post-employment benefit plans

The Association provides post-employment benefits through defined contribution plans.

(k) Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

1. Summary of significant accounting policies (continued)

(l) Revenue

Revenue is measured based on the consideration to which the Association expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Association recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. All revenue is stated net of the amount of goods and services tax (GST).

Association membership subscriptions and service subscriptions revenue

Subscription revenue is recognised when the Association has established that it has the right to receive the income or when the performance obligation is satisfied. Subscriptions fee have a fixed price over the term of services and are unusually billed in advance. Member consume the benefits of the services throughout the service period and therefore the Association recognises the revenue evenly over the term of the contract.

Services revenue

Services revenue comprises various streams of income to the Association, which is recognised as follows:

- Insurance services: Revenue is recognised over time based on the scheme remuneration charged per contract;
- Preferred supplier program: Rebate is received from third party suppliers providing services to Local Government. Revenue is recognised at the point in time when the rebate is earned, and information is available to reliably measure revenue and is highly probable that revenue would not reverse in the future. This is generally when the supplier provides their statements for the preceding quarter;

- Training services: Revenue is recognised at a point in time, when the training courses are provided;
- Events and seminars: Revenue is recognised at a point in time, when the event has taken place;
- Other revenues: Revenue is recognised at a point in time, when the service has been provided.

Grant revenue

Grant revenue arising from an agreement which contains 'enforceable' and 'sufficiently specific' performance obligations is recognised when control of each performance obligations is satisfied, in accordance with AASB 15. Where grant agreements are not enforceable or the performance obligations are not sufficiently specific, this will result in immediate income recognition under AASB 1058.

Grant revenue received is deferred as unexpended grants and recognised when (or as) the performance obligations are satisfied.

The performance obligations are varied based on the agreement, where some performance obligations may transfer control at a point in time and others have continuous transfer of control over the life of the agreement. Where control is transferred over time, generally the revenue is recognised based on either cost or time incurred which best reflects the transfer of control.

Interest

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

(m) Unexpended grants / contract liabilities

Contract liabilities relates to fees received in advance, where the specified services are yet to be delivered. Unexpended grants generally represent unutilised grants funds on the condition that specified services are delivered or conditions are fulfilled.

The services are usually provided or the conditions usually fulfilled within twelve (12) months of receipt of the grant. Where the amount received is in respect of services to be provided over a period that exceeds twelve (12) months after the reporting date or the conditions will only be satisfied more than twelve (12) months after the reporting date, the liability is discounted and presented as non-current.

(n) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, at banks, deposits held at call with financial institutions, 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.

(o) 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. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

1. Summary of significant accounting policies (continued)

(p) Financial instruments

Initial recognition and measurement

Financial assets and liabilities are recognised when the Association becomes party to the relevant contractual provisions, i.e. when the Association commits itself to either purchase or sell the asset, these are initially measured at fair value plus transaction costs. Fair value represents the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties.

Financial assets

Subsequent measurement

All financial assets are subsequently measured at amortised cost or fair value depending on their classification. The classification of financial assets is determined according to their contractual cash flow characteristics and the business model under which they are held.

Financial assets at amortised cost

The Association's financial assets comprise trade and other receivables and term deposits. Amortised cost has been used to measure these financial assets as the following two criteria have been met and exist for the Association:

- The business model objective to hold these assets in order to collect the contractual cash flows arising (there is no intention to sell the financial asset); and
- The contractual terms of these give rise to cash flows on specified dates that are solely payments of principal and interest (where applicable) on the amount outstanding.

Impairment

For financial assets carried at amortised cost, a separate allowance account is used to reduce the carrying amount of financial assets. The Association uses

the simplified model for determining the impairment of trade receivables, under the lifetime expected credit loss ("ECL") model.

The Association determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix. Note 11 include further details on the loss allowance for trade receivables.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Association no longer has any significant continuing involvement in the risks and benefits associated with the asset. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of profit or loss and other comprehensive income.

Financial liabilities

Subsequent measurements

Financial liabilities are subsequently measured at either fair value through profit or loss ("FVTPL") or amortised cost (using the effective interest rate method).

The Association's financial liabilities of the comprise trade payables. They are non-derivative in nature, not classified as held for trading or designated as FVTPL and are held at amortised cost.

Derecognition

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

(q) Provisions, contingent liabilities and contingent assets

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Association can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of a present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

1. Summary of significant accounting policies (continued)

(r) Comparative amounts

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

(s) Significant management judgements in applying accounting policies

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

Long service leave

The liability for long service leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Grant revenue

For many of the grant agreements received, the determination of whether the contract includes 'sufficiently specific' performance obligations was a significant judgement involving discussions with management, review of the documents prepared during the grant application phase and consideration of the terms and conditions.

Grants received by the Association have been accounted for under both AASB 15 and AASB 1058 depending on the terms and conditions and decisions made. If this determination was changed then the revenue recognition pattern would be different from that recognised in this financial report.

Lease liabilities

When measuring lease liabilities and right of use assets the Association makes judgement about the probability of the Association exercising extension options. The probability of exercising the option needs to be considered highly probable by management before including in the calculation of the lease liability.

2. Revenue

	2020 \$	2019 \$
Grant revenue		
Recognised under AASB 15	4,241,974	5,627,448
Recognised under AASB 1058	969,171	-
Total grant revenue	5,211,145	5,627,448
Service subscriptions revenue		
Associate membership subscriptions	46,611	52,151
Procurement services	327,379	304,083
Employee relations	863,794	857,339
Tax and financial service	77,074	75,544
Local Government Act services	143,910	141,473
Councils connect subscriptions	490,651	396,095
Environmental services	103,217	93,616
Emergency management	-	4,739
Total service subscriptions revenue	2,052,636	1,925,040
Services revenue		
Insurance services	2,843,702	2,701,249
Publications	23,953	23,820
Procurement services	167,328	375,672
Emergency management services	3,630	-
Preferred supplier program	5,541,495	4,894,877
Training services	1,079,956	780,714
Events Local Government convention and seminars	1,185,075	1,258,432
MWAC services	186,701	203,092
Governance services	84,023	110,469
Recruiting and selection services	87,910	97,527
Other employee relations	134,810	134,585
Councils connect	28,314	18,602
Other consulting	4,935	-
Environmental services	840	-
Local Government consulting services	33,142	56,817
Total services revenue	11,405,814	10,655,856

2. Revenue (continued)

	2020 \$	2019 \$
Other income		
Interest received	192,250	258,168
Asset disposal proceeds	3,318	53,631
Cost recovery	64,330	135,995
Cost recovery insurance	241,523	299,720
Cost recovery members engagement program	-	19,102
Rental subsidy	698,510	700,100
Sundry income	136,941	128,547
Board sitting fees	27,553	20,259
Total other income	1,364,425	1,615,522

3. Expenditure

	2020 \$	2019 \$
Service subscriptions direct costs		
Councils connect	476,427	366,292
Total service subscriptions direct costs	476,427	366,292
Services provision direct costs		
Insurance services	248,687	263,104
Publications	80,807	87,577
Procurement services	174,583	197,396
Emergency management services	15,826	6,622
Preferred supplier program	405,945	360,519
Training services	374,332	345,554
Events Local Government convention and seminars	838,983	807,636
MWAC services	23,193	270
Local Government strategy and reform	79,798	123,708
Recruiting and selection services	25,346	85,372
Other employee relations	119,740	118,819
Communications and marketing	695,041	552,278
Environmental services	66,522	54,675
Governance services	67,057	49,962
Project expenses	25,400	-
Member engagement program	21,103	46,411
Total services provision direct costs	3,262,363	3,099,903
Recurring expenditure		
Salaries and associated expenditure	9,791,325	9,325,187
Other recurring expenditure	2,201,179	3,017,124
Depreciation and amortisation of non-current assets	1,160,080	247,618
Total recurring expenditure	13,152,584	12,589,929
Non-recurring expenditure		
Special and service development projects	131,568	124,642
Write-off of intangible assets	45,915	-
Total non-recurring expenditure	177,483	124,642

4. Surplus for the year

Surplus for the year has been determined after:	2020	2019
	\$	\$
Depreciation and amortisation of non-current assets	1,160,080	247,618
Write-off of intangible assets	45,915	-
Net (gain) on disposal of plant & equipment	-	(2,223)
Rental expense on operating leases – minimum lease payments	-	1,160,713
Interest expense on lease liabilities	333,153	-
Employee benefits expense:		
Wages and salaries	10,515,160	10,471,808
Post-employment benefits	1,024,376	995,923
Termination	562,044	-
Other	120,777	126,878
Total employee benefits expense	12,222,357	11,594,609

5. Auditor's remuneration

Remuneration of the auditor of the association for:	2020	2019
	\$	\$
Auditor of the financial report	37,300	30,800
Financial statements preparation	2,700	2,600
	40,000	33,400

The auditor of the Association for the current year is Deloitte Touche Tohmatsu.

6. Key management personnel compensation

	2020 \$	2019 \$
Short-term employee benefits (including movement in annual leave provision)	1,977,098	2,418,376
Post-employment benefits	268,915	272,318
Other long-term benefits	(95,043)	42,082
Termination benefits	452,443	-
Total compensation of key management personnel	2,603,413	2,732,776

The individuals determined to be the key management personnel are listed in Note 23.

7. Accumulated surplus

	2020 \$	2019 \$
Accumulated surplus at the beginning of the year	3,021,821	2,816,336
Effect of change in accounting policy for AASB 16	(1,587,134)	-
Effect of change in accounting policy for AASB 15/1058	587,698	-
Accumulated surplus at the beginning of the year	2,022,385	2,816,336
Surplus for the financial year	223,008	289,438
Transfers from reserves (Note 8)	(71,468)	(83,953)
Accumulated surplus at the end of the year	2,173,925	3,021,821

8. Reserves

	2020 \$	2019 \$
Balance at the beginning of the year	3,944,782	3,860,829
Add : Transfers to reserves		
Employee leave benefits reserve	33,621	153,647
Strategic reserve	11,835	16,729
Capital acquisition reserve	26,012	(86,423)
	71,468	83,953
Total reserves at the end of the year	4,016,250	3,944,782
Represented by:		
Employee leave benefits reserve	1,942,451	1,908,830
Strategic reserve	1,359,051	1,347,216
Capital acquisition reserve	714,748	688,736
	4,016,250	3,944,782

- (a) Employee Leave Benefits Reserve provides for the payment of long service leave and annual leave entitlements for employees and is matched to the total of these provisions.
- (b) Strategic Reserve was established to set aside accumulated surpluses to fund any potential strategic projects.
- (c) Capital Acquisition Reserve was established to provide funds for capital additions.

The reserves are cash-backed and are matched by amounts included with restricted funds (reserves) in Note 10.

9. Cash and cash equivalents

2020
\$

2019
\$

(a) Reconciliation of cash and cash equivalents

Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to related items in the statement of financial position as follows:

Cash on hand	-	351
Cash at bank	137,452	119,274
On call and term deposits	1,451,436	2,531,768
Cash and cash equivalents	1,588,888	2,651,393

(b) Reconciliation of net cash provided by operating activities to surplus for the year:

Surplus from ordinary activities	223,008	289,438
Add back non-cash items:		
– Depreciation and amortisation	1,160,080	247,618
– Write-off of intangible assets	45,915	-
– Net gain on disposal of fixed assets	-	(2,223)
Change in assets and liabilities		
– (increase) / decrease in receivables	211,310	(494,773)
– (increase) / decrease in other assets	350,540	48,757
– increase/(decrease) in trade creditors	396,892	(678,904)
– increase/(decrease) in other provisions	33,621	153,645
Net cash provided by operating activities	2,421,366	(436,442)

There were no non-cash transactions during the year (2019: \$Nil).

10. Application of funds

	2020 \$	2019 \$
The funds available to the Association are as follows:		
Cash and cash equivalents (refer to note 9)	1,588,888	2,651,393
Other financial assets (refer to note 12)	10,000,000	7,500,000
Total funds available	11,588,888	10,151,393
These funds are represented by cash and term deposits held in separate accounts as follows:		
Unrestricted funds		
Cash on hand	-	350
Operating account	137,452	119,274
On call investments and term deposits	5,004,412	3,504,072
	5,141,864	3,623,696
Restricted funds (grants)		
MRWA road research & development trust (Minder)	-	305,327
RoadWise and & RoadWise strategic initiatives	942,777	1,310,868
Roman	194,490	194,490
Alcohol management	-	569
Community infrastructure	-	7,691
Change places	-	66,855
Household hazardous waste program	772,039	300,000
Introduced corella and rainbow lorikeet response group	-	4,985
State NRM and coastal development conference	88,800	36,834
Waste and recycling conference development fund	161,824	161,825
Container deposit scheme	6,691	20,635
CIE Bin tagging program	97,875	39,358
GAPP	60,590	63,478
Climate resilient councils project	90,594	70,000
Urban forest working group	11,644	-
Metropolitan area recreation advisory group	3,450	-
	2,430,774	2,582,915
Restricted funds (reserves)		
Employee leave benefits reserve	1,942,451	1,908,830
Strategic reserve	1,359,051	1,347,216
Capital acquisitions reserve	714,748	688,736
	4,016,250	3,944,782
Total funds available	11,588,888	10,151,393

In order to observe the limitations and restrictions placed on the use of the cash resources of the Association, cash is disclosed as either restricted or unrestricted. Unrestricted cash is that presently available for use by the Association at the discretion of management in the ordinary course of operations. Restricted cash (grants) is that presently available for disbursement, but expendable only for operating purposes specified by the grantor in respect of grant funds received. Restricted cash (reserves) is that presently available for use by the Association at the discretion of State Council but not normally available for short term operational use.

11. Trade and other receivables

	2020 \$	2019 \$
Trade receivables	1,437,942	1,649,252
	1,437,942	1,649,252
Aging of past due but not impaired:		
60 - 90 days	12,330	106,846
90 - 120 days	79,584	23,713
120+ days	36,613	10,155
Total	128,527	140,714

The average credit period is 30 days. No interest is charged on outstanding trade receivables. The Association always measures the loss allowance for trade receivables at an amount equal to the lifetime expected credit loss.

12. Other financial assets

	2020 \$	2019 \$
Term deposits	10,000,000	7,500,000

The Association holds term deposits with various financial institutions with various maturity dates and carry interest rates ranging between 0.15%-1.4%. The held to maturity investments excludes term deposits with original maturity dates 3 months or less which are classified as cash and cash equivalents and included in note 9.

13. Other current assets

	2020 \$	2019 \$
Prepayments	470,885	673,037
Accrued income	54,191	202,579
	525,076	875,616

14. Property, plant and equipment

	2020 \$	2019 \$
Office equipment		
Cost	775,538	642,843
Accumulated depreciation	(608,160)	(523,932)
	167,378	118,911
Leasehold improvements		
Cost	72,614	72,614
Accumulated depreciation	(17,033)	(12,192)
	55,581	60,422
Motor vehicles		
Cost	195,938	195,938
Accumulated depreciation	(58,327)	(31,121)
	137,611	164,817
	360,570	344,150

Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Office equipment \$	Leasehold improvements \$	Motor vehicles \$	Total \$
Balance at the beginning of the year	181,911	60,422	164,817	344,150
Additions	132,694	-	-	132,694
Depreciation	(84,227)	(4,841)	(27,206)	(116,274)
Disposal/Write-off	-	-	-	-
Balance at the end of the year	167,378	55,581	137,611	360,570

15. Right of use assets

	2020 \$	2019 \$
Motor Vehicle		
At cost	177,400	-
Accumulated depreciation and impairment	(114,527)	-
	62,873	-
Office equipment		
At cost	45,600	-
Accumulated depreciation and impairment	(22,800)	-
	22,800	-
Commercial premises		
At cost	13,358,375	-
Accumulated depreciation and impairment	(5,714,416)	-
	7,643,959	-
	7,729,632	-

Movements in carrying amounts

Movement in the carrying amounts for each class of right of use assets between the beginning and the end of the current financial year:

	Motor vehicle \$	Office equipment \$	Commercial premises \$	Total \$
Cost				
At 1 June 2019 (recognised on initial adoption)	115,712	45,600	13,358,375	13,519,687
Additions	61,688	-	-	61,688
At 31 May 2020	177,400	45,600	13,358,375	13,581,375
Accumulated depreciation				
At 1 June 2019 (recognised on initial adoption)	(33,287)	(7,600)	(4,823,858)	(4,864,745)
Charge for the year	(81,240)	(15,200)	(890,558)	(986,998)
At 31 May 2020	(114,527)	22,800	5,714,416	5,851,743
Carrying amount				
At 31 May 2020	62,873	22,800	7,643,959	7,729,632

The Association leases several assets including building, office equipment and motor vehicles. The following lease term are used in the calculation of depreciation:

Motor vehicles 2 years

Office Equipment 3 years

Commercial premises 15 years

The Association does not have an option to purchase leased assets at the end of the lease term.

15. Right of use assets (continued)

Amounts recognised in profit and loss related to leases:

	2020 \$
Depreciation expense on right-of-use assets	986,998
Interest expense on lease liabilities	333,153
Accrued income	15,335

16. Intangibles

	2020 \$	2019 \$
Software		
Cost	282,385	327,309
Accumulated amortisation	(225,285)	(189,210)
	57,100	138,099
Intellectual property		
Cost	264,161	244,860
Accumulated amortisation	(228,866)	(210,218)
	35,295	34,642
	92,395	172,741

Movements in carrying amounts

	Software \$	Intellectual property \$	Total \$
Balance at the beginning of the year	138,099	34,642	172,741
Additions	3,075	19,301	22,376
Write - offs	(45,915)	-	(45,915)
Amortisation charge	(38,159)	(18,648)	(56,807)
Balance at the end of the year	57,100	35,295	92,395

17. Trade and other payables

	2020 \$	2019 \$
Creditors and accruals (i)	992,967	649,067
Contracted professional development	38,551	29,481
Contract liabilities (ii)	635,808	1,008,695
Unexpended grants received and receivable (Note 10)	2,430,774	2,582,915
Net GST payable	28,813	47,561
	4,126,913	4,317,719

- (i) Trade and other payables are non-interest bearing. The average credit period on purchases of goods and services is 30 days.
- (ii) Contract liabilities mostly relates to subscriptions and the Local Government conference which both relate to the subsequent financial year.

18. Lease liabilities

	2020 \$	2019 \$
Analysed as:		
Current	883,069	-
Non-current	8,591,895	-
	9,474,964	-
Maturity analysis		
Year 1	886,100	-
Year 2	898,048	-
Onwards	7,690,816	-
	9,474,964	-

The weighted average lessee's incremental borrowing rate applied to lease liabilities at transition, i.e. 1 June 2019 was 3.36%. The Association does not face a significant liquidity risk with regards to its lease liabilities.

18. Lease liabilities (continued)

2019
\$

Operating leases as lessee (disclosed under AASB 117)

Non-cancellable property, motor vehicle and photocopier operating leases contracted for but not capitalised in the financial statements:

Payable	
- not later than one year	1,163,481
- later than one year but not later than 5 years	4,765,216
- greater than 5 years	6,177,344
	12,106,041

The motor vehicle lease commitments are non-cancellable operating leases contracted for but not capitalised in the financial statements with 2-3 year terms.

The photocopier lease commitment is a non-cancellable operating lease contracted for but not capitalised in the financial statements with a 48-month term.

The lease of the West Leederville office is a non-cancellable operating lease contracted for but not capitalised in the financial statements with a 15-year term. There is an option for a further three terms of 5 years.

19. Provisions

	2020 \$	2019 \$
Current		
Annual Leave	850,499	785,647
Long Service leave	892,984	943,483
	1,743,483	1,729,130
Non-current		
Long Service leave	198,968	179,700
	1,942,451	1,908,830

20. Contingent liabilities

	2020 \$	2019 \$
Bank guarantee in favour of the Crown secured by a right of set-off over specific assets of the Municipal Workcare Scheme	43,700,000	48,200,000
The Association employs a number of personnel under contracts that include severance entitlements.		
Bank facility used by Local Government House Trust, which WALGA is the Beneficiary of	25,640,625	26,603,125

WALGA is the beneficiary of the Local Government House Trust (LGHT). LGHT has a joint venture with Qube Railway Parade Pty Ltd. This joint venture uses this facility. As at 31 May 2020 there was nil unused in this facility (2019: \$nil). This facility is available until 30 June 2020 or can be terminated early, if required. Interest rate is charged at the sum of the BBSY plus 1.5% for an interest period of 90 days or more or BBSY plus 1.75% for an interest period of less than 90 days). This loan is secured by a registered mortgage over 168-170 Railway Parade, West Leederville.

21. Financial risk management

The Association's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable.

The totals for each category of financial instruments, as detailed in the accounting policies to these financial statements, are as follows:

	Note	2020 \$	2019 \$
Cash and cash equivalents and other financial assets			
– unrestricted funds	10	5,141,864	3,623,696
– restricted funds (reserves)	10	4,016,250	3,944,782
– restricted funds (grants)	10	2,430,774	2,582,915
Trade and other receivables	11	1,437,942	1,649,252
Total financial assets		13,026,830	11,800,645
Trade and other payables	17	4,126,913	4,317,719
Total financial liabilities		4,126,913	4,317,719

Fair value for the financial instruments is considered to be equal to the carrying amounts in the Financial Statements.

22. Subsequent events

There were no particular matters or circumstances that have arisen since the end of the financial period up to the date of authorisation of the financial report which significantly affected or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

23. Related parties

Related Party Transactions

During the year, the Association had the following related party transactions:

Related Party	Nature of relationship	Transactions
Local Government House Trust ("LGHT")	Trust in which the Association is the beneficiary of	- Rent subsidy received of \$698,510 (2019: \$700,100) - Administration fee income of \$68,212 (2019: \$66,990)
LGHT & Qube Railway Parade Pty Ltd	Joint Venture within which LGHT has a 60% interest	- Lease repayments of \$733,210 and interest expense of \$328,854 associated with the lease of the office premises in West Leederville - Rental and outgoings in 2019 of \$1,274,989 associated with the office premises in West Leederville
Local Government Insurance Scheme ("LGIS")	WALGA is the Trustee for the LGISWA Scheme under the provisions of a Trust Deed made on 19 September 1996	- Brokerage income received of \$745,786 (2019: \$710,166) - Remuneration fee income received of \$2,097,917 (2019: \$1,991,083) - Contribution toward Member Advisor Program received of \$Nil (2019: \$19,102)
Executive Manager	Key Management Personnel of WALGA	Sale of motor vehicle and artwork of \$Nil (2019: \$33,182)
Non-Executive Manager	Key Management Personnel of WALGA	Advisory services of \$8,000 (2019: \$Nil)

Related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

23. Related parties (continued)

The following balances were outstanding at the end of the reporting period:

	Amounts owed by related parties		Amounts owed to related parties	
	2020 \$	2019 \$	2020 \$	2019 \$
Local Government House Trust ("LGHT")	-	-	-	-
LGHT & Qube Railway Parade Pty Ltd	-	-	-	-
Local Government Insurance Scheme ("LGIS")	24,759	6,522	-	2,891

The amounts outstanding are unsecured and will be settled in cash. No expense has been recognised in the current or prior years for loss allowance in respect of the amounts owed by related parties.

Key management personnel

The Association has determined that key management personnel include State Councillors and senior officers of the Association.

State Council Members

- President Mayor Tracey Roberts JP
- President Cr Lynne Craigie OAM (resigned 4 March 2020)
- Cr Jan Court JP #
- President Cr Phillip Blight
- Cr Jenna Ledgerwood
- Cr Paul Kelly
- Cr Brooke O'Donnell #
- Cr Kate Driver#
- President Cr Malcolm Cullen
- President Cr Cheryl Cowell
- President Cr Stephen Strange
- President Cr Keith House JP #
- Cr Chris Mitchell JP
- Cr Les Price
- Cr Giovanni Italiano JP #
- Cr Russ Fishwick JP
- President Cr Karen Chappel JP
- President Cr Michelle Rich
- President Cr Kerry White #
- Cr Julie Brown
- Cr Brian Oliver #
- Cr Doug Thompson
- Mayor Carol Adams OAM
- Mayor Logan Howlett JP
- President Cr Tony Dean
- Cr Frank Cvitan ^
- Cr Catherine Ehrhardt *
- Cr Cate McCullough *
- Cr Ronnie Fleay *
- Mayor Mark Irwin *
- President Cr Ken Seymour *
- Cr Peter Long *
- Mayor Ruth Butterfield *

Ex Officio Members

- Mr Ian Cowie PSM #
- Mr Jamie Parry *
- Chair Commissioner City of Perth: Eric Lumsden AM PSM (resigned 2 September 2019)
- Chair Commissioner City of Perth: Andrew Hammond (appointed 2 September 2019)

* Term of office commenced 2 December 2019

Term of office ended 2 December 2019

^ Term of office commenced 6 May 2020

23. Related parties (continued)

Office Bearers

Mayor Tracey Roberts JP	WALGA President (appointed 4 March 2020)
President Cr Lynne Craigie OAM	WALGA President (resigned 4 March 2020)
President Cr Karen Chappel JP	Deputy WALGA President (appointed 4 March 2020)
Mayor Tracey Roberts JP	Deputy WALGA President (resigned 4 March 2020)

Finance and Services (previously Executive) Committee Members

Mayor Tracey Roberts JP	WALGA President (appointed 4 March 2020)
President Cr Lynne Craigie OAM	WALGA President (resigned 4 March 2020)
President Cr Karen Chappel JP	Deputy WALGA President (appointed 4 March 2020)
Mayor Tracey Roberts JP	Deputy WALGA President (resigned 4 March 2020)
Cr Paul Kelly *	State Councillor
Cr Catherine Ehrhardt *	State Councillor
President Cr Ken Seymour *	State Councillor
Cr Doug Thompson #	State Councillor
President Cr Phillip Blight #	State Councillor
President Cr Stephen Strange #	State Councillor
Mr Colin Murphy *	Independent Representative
Ms Felicity Baxter ^	Non-Executive Member

^ Ended 19 November 2019

Ended 19 February 2020

* Commenced 22 April 2020

CEO, Deputy CEO and Executive Managers

Nick Sloan	Chief Executive Officer
Wayne Scheggia	Deputy CEO (Resigned 1 July 2019)
Mark Batty	Executive Manager - Strategy, Policy & Planning
Tony Brown	Executive Manager - Governance & Organisational Services
Zac Donovan	Executive Manager - Commercial and Communications
Ian Duncan	Executive Manager - Infrastructure
Joanne Burges	Executive Manager - People & Place (to 5 June 2020)
John Filippone	Executive Manager - Business Solutions (resigned 29 April 2020)

23. Related parties (continued)

Total compensation cost of key management personnel to the Association for the reporting period including allowance for movement in leave provisions is presented within the following bands:

Compensation Band (\$)	2020	2019
0 – 10,000	33	28
10,001 – 20,000	1	3
60,001 – 70,000	-	1
70,001 – 80,000	-	1
90,001 - 100,000	1	-
130,001 - 140,000	1	-
170,001 -180,000	-	1
180,001 -190,000	1	-
240,001 -250,000	3	-
250,001 -260,000	1	3
260,001 -270,000	-	3
280,001 -290,000	1	-
370,001 -380,000	-	1
390,001 -400,000	1	1
400,001 -410,000	1	-
	44	42

Other disclosures relating to compensation of key management personnel are disclosed in Note 6.

24. Association details

The principal place of business of the association is:

Western Australian Local Government Association
ONE70
Level 1, 170 Railway Parade,
WEST LEEDERVILLE WA 6007

This page left blank intentionally.





WALGA

WORKING FOR LOCAL GOVERNMENT

Western Australian Local
Government Association

ONE70, LV1, 170 Railway Parade
West Leederville, WA 6007
PO Box 1544, West Perth, WA 6872

T: (08) 9213 2000

E: info@walga.asn.au

www.walga.asn.au