

## **Audit and Governance Committee - Wednesday, 10 December 2025 Attachments**

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# UNCONFIRMED MINUTES

## Audit and Governance Committee Meeting 11 June 2025

Held in the Council Chamber,  
48 Old Perth Road, Bassendean

### Minutes to be confirmed at the next Committee Meeting

These minutes are confirmed as a true and correct record.

Presiding Member's signature: \_\_\_\_\_ Date: \_\_\_\_\_

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## **1 Declaration Of Opening; Acknowledgment of Country; Acknowledgment of Visitors; Disclaimer**

The Presiding Member declared the meeting open at 5:36pm and welcomed all those in attendance.

### **Acknowledgment of Country**

The Town of Bassendean acknowledges the Whadjuk people of the Noongar Nation as the Traditional Custodians of this land. We pay our respects to Elders past and present, and acknowledge their continuing culture and the contribution they make to the region.

### **Declaration of Civic Duty and Responsibility**

I make this declaration in good faith and declare that I will duly, faithfully, honestly and with integrity fulfil the duties of my office for all the people in the Town of Bassendean according to the best of my judgement and ability.

By observing the Town's Code of Conduct and Council Meeting Procedures Local Law to ensure efficient, effective and orderly decision making, I:

- will base decisions on relevant and factually correct information
- make decisions on merit, in the public interest and in accordance with statutory obligations and principles of good governance and procedural fairness
- have read all agenda papers given to me in relation to council or committee meetings
- be open and accountable to, and represent, the community in the district.

**The Declaration of Civic Duty and Responsibility was affirmed by the following Councillors at the commencement of the meeting:**

- Mayor Kathryn Hamilton
- Cr Jamayne Burke

## **2 Announcements by the Presiding Member without Discussion**

Nil

## **3 Attendances, Apologies and Leave of Absence**

### **Present**

#### Councillors

Cr Kathryn Hamilton, Mayor  
Cr Jamayne Burke

### Officers

Mr Paul White, Acting Chief Executive Officer  
Mr Tristan Loney, Acting Director Corporate Services  
Mr Dale Ballantyne, Manager Governance & Strategy (incoming)  
Ms Joanne Burges, Manager Governance & Strategy (outgoing)

### Community Member

Ms Sasha Rademakers (Presiding Member)

### Advisor to the Committee

Mr Ron Back

### Guest

Ms Caitlin McGowan, Office of the Auditor General

### Public

No members of the public were in attendance.

### **Apologies**

Cr Ken John  
Mr Cameron Palassis, Paxon  
Mr Ian Ekins, Paxon  
Ms Waruni De Silva, Manager Financial Services

## **4 Declarations of Interest**

Nil.

## **5 Presentations or Deputations**

Nil.

## 7 Confirmation of Minutes

7.1 Confirmation of Minutes – 12 March 2025	
<b>Attachments</b>	1. Audit and Governance Committee 12 March 2025 Confirmed Minutes [7.1.1 - 19 pages]

### **Council Resolution/Officer Recommendation – Item 7.1**

MOVED Cr Jamayne Burke, Seconded Cr Kathryn Hamilton

That the minutes of the Audit and Governance Committee meeting held on 12 March 2025 be received and confirmed as a true and correct record.

**AGC 2025-06-11/1**

**CARRIED UNANIMOUSLY 3/0**

**For:** Ms Sasha Rademakers, Cr Jamayne Burke and Cr Kathryn Hamilton

**Against:** Nil

## 8 Business Deferred from Previous Meeting

Nil.

## 9 Reports

<b>9.1 Annual Audit of the Financial Report for 2024/25 - Audit Planning Summary</b>	
<b>Property Address</b>	N/A
<b>Landowner/Applicant</b>	N/A
<b>File Reference</b>	FINM/AUD/8
<b>Department</b>	Office of the CEO,
<b>Previous Reports</b>	
<b>Authority/Discretion</b>	<b>Information</b> For the Council/Committee to note.
<b>Attachments</b>	1. Annual Financial Audit Planning Summary - Town of Bassendean - 30 June 2025 [9.1.1 - 19 pages]

### Purpose

The purpose of this report is to provide the Audit Planning Summary (APS) for the audit of the Town's Financial Report for 2024/25 to the Committee.

### Background

The primary purpose of the APS is to brief the Town on the proposed approach by the Office of the Auditor General (OAG), to audit the financial report of the Town for the year ending 30 June 2025.

### Proposal

For the Audit and Governance Committee to receive the APS.

### Communication and Engagement

The OAG liaised with Town staff in the preparation of the APS, which was presented to the Mayor and Committee Chair for discussion at the Entrance Meeting on 27 May.

### Strategic Implications

#### Performance Area 5: Performance

9.1 Continuously improve operational performance and service delivery.

### Comment

Following the audit, a final audit findings meeting will be held with Town management and the OAG to discuss any significant accounting issues and findings noted during

the final audit. If there are significant, unresolved matters, then a meeting will also be held with the Committee and the CEO.

The Final Audit Exit Meeting with the Committee is expected to be held on 10 December 2025 and will cover the presentation and discussion of the audit closing report, which will outline any significant audit related matters concerning the financial report, management letters and improvement suggestions for future audits.

## **Statutory Requirements**

### Local Government Act 1995

#### **6.4. Financial report**

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

### Local Government (Financial Management) Regulations 1996

The Regulations specify the required content of the annual financial report prepared under section 6.4 of the *Local Government Act 1995*.

### Local Government Act 1995

#### **7.12AB. Conducting a financial audit**

The auditor must audit the accounts and annual financial report of a local government at least once in respect of each financial year.

#### **7.12AD. Reporting on a financial audit**

1. The auditor must prepare and sign a report on a financial audit.
2. The auditor must give the report to —
  - (a) the mayor, president or chairperson of the local government; and
  - (b) the CEO of the local government; and

(c) the Minister.

Local Government (Audit) Regulations 1996

**10. Report by auditor**

1. An auditor's report is to be forwarded to the persons specified in section 7.9(1) within 30 days of completing the audit.
2. The report is to give the auditor's opinion on —
  - (a) the financial position of the local government; and
  - (b) the results of the operations of the local government.
3. The report is to include —
  - (a) any material matters that in the opinion of the auditor indicate significant adverse trends in the financial position or the financial management practices of the local government; and
  - (b) any matters indicating non-compliance with Part 6 of the Act, the Local Government (Financial Management) Regulations 1996 or applicable financial controls in any other written law; and
  - (c) details of whether information and explanations were obtained by the auditor; and
  - (d) a report on the conduct of the audit.
4. Where it is considered by the auditor to be appropriate to do so, the auditor is to prepare a management report to accompany the auditor's report and to forward a copy of the management report to the persons specified in section 7.9(1) with the auditor's report.

**Financial Considerations**

The estimated cost for the audit of the Town's annual Financial Report for 2024/25 is \$64,050, which is included in the annual budget for 2025/26 to be presented to Council.

**Risk Management Implications**

No Risks Identified

The annual audit of the Town's Financial Report is an important part of the Town's approach to identifying, assessing and treating risks. While audits are not an absolute guarantee of the accuracy or reliability of the Town's information and may not identify all matters of significance, the audit is likely to highlight any significant risks and weaknesses in controls for risk mitigation by the Town.

## **Declaration of Conflicts of Interest**

All officers involved in the preparation of this report have considered and determined that they do not have a conflict of interest in the matter.

## **Committee Resolution/Officer Recommendation – Item 9.1**

MOVED Cr Kathryn Hamilton, Seconded Cr Jamayne Burke,

That the Audit and Governance Committee receives the Office of the Auditor General Audit Planning Summary for the audit of the Town's Financial Report for 2024/25, attached to this report.

## **Voting requirements: Simple Majority**

**AGC 2025-06-11/2**

**CARRIED UNANIMOUSLY 3/0**

**For:** Ms Sasha Rademakers, Cr Jamayne Burke and Cr Kathryn Hamilton

**Against:** Nil

<b>9.2 Office of the Auditor General (OAG) - Update</b>	
<b>Property Address</b>	N/A
<b>Landowner/Applicant</b>	N/A
<b>File Reference</b>	FINM/AUD/14
<b>Department</b>	Office of the CEO,
<b>Previous Reports</b>	
<b>Authority/Discretion</b>	<b>Information</b> For the Council/Committee to note.
<b>Attachments</b>	1. TOB Audit and Governance Committee - OAG Standing Agenda Item (06-25) [9.2.1 - 10 pages]

### **Purpose**

The purpose of this report is for Council to note the update received from the Office of the Auditor General (OAG).

### **Background**

The Office of the Auditor General (OAG) periodically provides updates to local governments on matters relating to financial audits, accounting and auditing standards, and other sector-relevant issues.

### **Communication and Engagement**

Nil.

### **Strategic Implications**

#### **Performance Area 5: Performance**

9.1 Continuously improve operational performance and service delivery.

### **Comment**

The update from the Office of the Auditor General is provided as a standing item for the Committee's information. While no specific action is required, the report offers ongoing insights into sector-wide developments and audit-related matters.

### **Statutory Requirements**

Nil.

### **Financial Considerations**

Nil.

## **Risk Management Implications**

### Compliance

Low

### Environmental

Low

### Financial Risk

Low

### Reputational

Low

## **Declaration of Conflicts of Interest**

All officers involved in the preparation of this report have considered and determined that they do not have a conflict of interest in the matter.

## **Committee Resolution/Officer Recommendation – Item 9.2**

MOVED Cr Kathryn Hamilton, Seconded Cr Jamayne Burke,

That the Committee notes the update from the Office of the Auditor General as provided in Attachment 9.2.1.

### **Voting requirements: Simple Majority**

### **AGC 2025-06-11/3**

CARRIED UNANIMOUSLY 3/0

**For:** Ms Sasha Rademakers, Cr Jamayne Burke and Cr Kathryn Hamilton

**Against:** Nil

<b>9.3 Audit Findings Log</b>	
<b>Property Address</b>	N/A
<b>Landowner/Applicant</b>	N/A
<b>File Reference</b>	GOVN/CCLMEET/1
<b>Department</b>	Office of the CEO,
<b>Previous Reports</b>	March 2025
<b>Authority/Discretion</b>	<b>Executive</b> The substantial direction setting and oversight role of the Council.
<b>Attachments</b>	1. CONFIDENTIAL REDACTED - June 2025 Audit Findings Log [9.3.1 - 6 pages]

### **Reason for this Item to be discussed behind closed doors:**

*This matter is to be considered with members of the public excluded from the Chamber under Clause 5.23(h) of the Local Government Act as the officer report discusses information which is the subject of a direction given under section 23 (1a) of the Parliamentary Commissioner Act 1971 and such other matters as may be prescribed.*

### **Purpose**

The purpose of this report is to provide the Audit and Governance Committee with the Town's Audit Findings Log, with updated actions since the meeting of the Committee on 12 March 2025.

### **Background**

The Audit Findings Log presents a summary of the audit findings and recommendations made in recent internal and external audit reports relating to the Town.

The Audit Findings Log includes information about the source of the findings and recommendations, and proposed timeframes to address the recommendations by management.

### **Proposal**

For the Audit and Governance Committee to receive and review the Audit Findings Log and consider the action taken or proposed to be taken to address the audit recommendations.

## Communication and Engagement

Nil.

## Strategic Implications

### Performance Area 5: Performance

9.1 Continuously improve operational performance and service delivery.

### Comment

The Audit Findings Log has been updated to include the findings and recommendations from the completed Regulation 5 and Regulation 17 Internal Audits undertaken by Paxon, tabled at the 12 March 2025 meeting of the Committee, with additional management comments on action taken or proposed to address the recommendations.

### Statutory Requirements

The Audit and Governance Committee meets at least four times each year to carry out the functions under its Charter, which specifies the authority, objectives and responsibilities of the Committee and governs its membership and meeting requirements.

Regulation 16 of the *Local Government (Audit) Regulations 1996* specifies the functions of audit committees.

### Financial Considerations

Implementation of some audit recommendations may require additional funds and will be the subject of separate budget submissions as and when required. The Town's Purchasing Policy and Procurement Framework will govern any required Engagements.

### Risk Management Implications

#### Compliance

Medium

#### Financial Risk

Low

#### Reputational

Medium

## Declaration of Conflicts of Interest

All officers involved in the preparation of this report have considered and determined that they do not have a conflict of interest in the matter.

## **Committee Resolution/Officer Recommendation – Item 9.3**

MOVED Cr Jamayne Burke, Seconded Cr Kathryn Hamilton,

That the Audit and Governance Committee receives the Audit Findings Log, and notes the action taken or proposed to be taken, to address the recommendations.

## Voting requirements: Simple Majority

**AGC 2025-06-11/4**

**CARRIED UNANIMOUSLY 3/0**

**For:** Ms Sasha Rademakers, Cr Jamayne Burke and Cr Kathryn Hamilton

**Against:** Nil

## 10 Motions of Which Previous Notice Has Been Given

Nil.

## 11 Announcements of Notices of Motion for the Next Meeting

Nil.

## 12 Confidential Business

Nil.

## 13 Closure

The next Audit and Governance Committee will be held on Wednesday 10 September commencing at 5.30pm.

There being no further business, the Presiding Member declared the meeting closed, the time being 6:00pm.

# UNCONFIRMED MINUTES

## **Audit and Governance Committee Meeting Wednesday 10 September 2025**

Held in the Council Chamber,  
48 Old Perth Road, Bassendean

### **Minutes to be confirmed at the next Committee Meeting**

These minutes are confirmed as a true and correct record.

Presiding Member's signature: \_\_\_\_\_ Date: \_\_\_\_\_

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## **1 Declaration Of Opening; Acknowledgment of Country; Acknowledgment of Visitors; Disclaimer**

The Presiding Member declared the meeting open at 5:32pm and welcomed all those in attendance.

### **Acknowledgement of Country**

The Town of Bassendean acknowledges the Whadjuk people of the Noongar Nation as the Traditional Custodians of this land. We pay our respects to Elders past and present, and acknowledge their continuing culture and the contribution they make to the region.

## **2 Announcements by the Presiding Member without Discussion**

Nil

## **3 Attendances, Apologies and Leave of Absence**

### Committee Members

Cr Ken John (Presiding Member)  
Ms Sasha Rademakers (Community Member)  
Cr Paul Poliwka – Deputy Committee Member

### Officers

Mr Paul White, Director Corporate Services  
Mr Dale Ballantyne, Manager Governance & Strategy  
Mr Tristan Loney, Manager Information and Technology

### Apologies

Cr Kathryn Hamilton, Mayor  
Cr Jamayne Burke  
Mr Ron Back, Advisor to the Committee  
Ms Caitlin McGowan, Office of the Auditor General  
Mr Cameron Palassis, Executive Director, Paxon  
Mr Ian Ekins, Associate Director, Paxon  
Ms Waruni De Silva, Manager Financial Services

## **4 Declarations of Interest**

Nil

## 5 Presentations or Deputations

Nil

## 6 Questions and Statements from Members of the Public

Nil

## 7 Confirmation of Minutes

<b>7.1 Confirmation of Minutes – 11 June 2025</b>	
<b>Attachments</b>	Nil

### Officer Recommendation – Item 7.1

That the minutes of the Audit and Governance Committee meeting held on 11 June 2025 be received and confirmed as a true and correct record.

### **Voting requirements: Simple Majority**

Unable to be confirmed due to insufficient Committee members to Move and second the Recommendation.

Minutes to be received at the next meeting of the Audit & Governance Committee on the 10<sup>th</sup> December 2025.

## 8 Business Deferred from Previous Meeting

Nil

## 9 Reports

9.1 A & G Committee Charter	
<b>Property Address</b>	N/A
<b>Landowner/Applicant</b>	N/A
<b>File Reference</b>	Committee Charter
<b>Department</b>	Office of the CEO,
<b>Previous Reports</b>	
<b>Authority/Discretion</b>	<b>Legislative</b> Includes adopting local laws, local planning schemes & policies.
<b>Attachments</b>	<ol style="list-style-type: none"> <li>1. Audit and Governance Committee Charter June 2024 [9.1.1 - 9 pages]</li> <li>2. Audit and Governance Committee Charter Marked up [9.1.2 - 9 pages]</li> <li>3. Audit and Governance Committee Charter Clean [9.1.3 - 8 pages]</li> </ol>

### Purpose

The purpose of this report is for Council to consider a proposed Committee Charter to comply with the LG Act Reforms which were included in the *Local Government Amendment Act 2024*.

### Background

The Local Government Amendment Act 2024 Replaced Part 7 Division 1A with Part 7 Division 1A, 7.1A - 7.1CB

The change reflects the committee from being known as the Audit & Governance committee to the Audit, Risk and Improvement Committee.

There is a further requirement of council to appoint an Independent Chair and Deputy Chair

### Proposal

At the November 2025 Ordinary Council Meeting the Council will be required to establish an audit, risk and improvement committee under the *Local Government Act 1995*, section 7.1A to 7.1CB.

The audit, risk and improvement committee assists Council in fulfilling its oversight responsibilities in relation to systems of risk management and internal control, the Town of Bassendean's (**Town**) processes for monitoring compliance with laws and regulations, including the code of conduct, financial and performance reporting and external and internal audit. The audit, risk and improvement committee is not responsible for the management of these functions.

It is proposed to alter the existing Committee Charter to reflect the changes in the *Local Government Act 1995* as part of the LG Act Reforms.

The updated charter will incorporate the requirement to appoint an Independent Chair and Deputy Chair in the section of membership.

### **Strategic Implications**

Nil.

### **Performance Area 5: Performance**

9.1 Continuously improve operational performance and service delivery.

#### **Comment**

Currently Council has an Audit and Governance Committee, which holds quarterly meetings and will be naturally resolved on 18 October 2025 when the Local Government Elections takes place.

Under the *Local Government Act 1995* and as part of the LG Reform currently being undertaken and implemented, when the committee is re-instated at the November 2025 Ordinary Council Meeting it will be known as the Audit, Risk and Improvement Committee.

The newly formed committee will have the requirement of an appointed Independent Chair and Deputy Chair.

The Town will run a process as per the *Local Government Act 1995* requirements to appoint our independent member(s). Once these independents have been appointed by the Town, the Town will be able to fulfill the requirements of the LG Act in appointing our Independent chair.

### **Statutory Requirements**

Local Government Act 1995 as amended at 06 December 2024.

### **Financial Considerations**

Nil – Independent Chair Allowance included in the 2025-2026 Budget.

## Risk Management Implications

### Compliance

High

### Financial Risk

Low

## Declaration of Conflicts of Interest

All officers involved in the preparation of this report have considered and determined that they do not have a conflict of interest in the matter.

## Officer Recommendation – Item 9.1

That the Committee recommends to Council:

- The Town of Bassendean Audit, Risk and Improvement Committee charter is adopted.

## Voting requirements: Absolute Majority

*This item was withdrawn at the request of the Administration due to new information becoming available at late notice which should be considered when forming a new charter.*

The legislative amendments regarding Audit, Risk and Improvement Committee's (ARIC) are not yet proclaimed. They can be viewed in the [Local Government Amendment Act 2024](#) – see clause 87.

It is understood that the State Government is proposing to proclaim the relevant LG Act amendments and gazette the associated regulations after the 2025 Elections.

Once proclaimed, LGs will have a 6-month period after the amendments take effect to comply (see LG Act Schedule 9.3 Transitional Provisions, clause 69).

<b>9.2 Small Balances Write Offs for Rates</b>	
<b>Property Address</b>	N/A
<b>Landowner/Applicant</b>	N/A
<b>File Reference</b>	FINM/AUD/1
<b>Directorate</b>	Corporate Services
<b>Previous Reports</b>	
<b>Authority/Discretion</b>	<b>Legislative</b> Includes adopting local laws, local planning schemes & policies.
<b>Attachments</b>	Nil

### **Purpose**

The purpose of this report is to provide Council, via the Audit and Governance Committee, with a summary of small rates balances written off during the financial year ended 30 June 2025.

### **Background**

Council has delegated authority to the CEO to write off small rates balances up to a maximum of \$10.00 per property per annum, and the CEO has sub-delegated the authority to the Director Corporate Services and Manager Financial Services. (Delegation 1.2.15: Defer Payment, Grant Discounts, Waive Fees or Write Off Debts).

A condition of the delegation of authority is that Council shall be informed of the details whenever this delegation is exercised. While the condition does not specify the frequency of notification to Council, the accepted practice is to do so annually.

### **Proposal**

That the Committee recommends to Council that it note the exercise of delegated authority by the Manager Financial Services to write off small rates balances listed below in Table 1, in accordance with section 6.12(1)(c) of the *Local Government Act 1995*.

That the Committee recommends to Council that it requests the CEO to amend the condition for Delegation 1.2.15, Function 5, from "*Council shall be informed of the details whenever this delegation is exercised*", to "*Council shall be informed of the exercise of this delegation annually, as soon as practicable after the end of each financial year*".

## Communication and Engagement

Nil.

## Strategic Implications

### Performance Area 5: Performance

9.1 Continuously improve operational performance and service delivery.

### Comment

Small rates balances totalling \$292.52 were written off under delegation 1.2.15 during 2024/25, as summarised in Table 1.

Table 1: Small Rates Balances Written off in 2024/25

Month	Amount	Month	Amount	Month	Amount
July 2024	\$4.94	November 2024	\$0.41	March 2025	\$78.53
August 2024	\$88.29	December 2024	\$3.69	April 2025	\$11.80
September 2024	\$23.01	January 2025	\$27.75	May 2025	\$1.48
October 2024	\$6.84	February 2025	\$38.18	June 2025	\$7.60
<b>Total</b>					<b>\$292.52</b>

The following are the key factors that resulted in small balances in the rates ledger:

- The Town's rates module continues to calculate daily interest until the payment is applied. Sometimes, there is a delay of up to a few days between receipt of the payment and processing the payment in the rates module;
- The application of daily interest by the rates module and timing of the processing of property settlements;
- On occasions when properties settle, the amount received differs from the settlement amount, and
- Errors made by the payer.

In all the above cases, one of the following conditions applies:

- The outstanding balance is not a debt due and payable to the Town as it arose from the application of interest by the system to the period between receipt and processing of the payment; or
- The outstanding balance is due and payable to the Town, but the cost of collection would exceed the amount outstanding.

The Town's finance system generates a report at the end of each month and any amounts that are below \$10 are extracted and reviewed by Town officers and, if deemed appropriate, recommended for write-off.

## **Statutory Requirements**

### 6.12. Power to defer, grant discounts, waive or write off debts

1. Subject to subsection (2) and any other written law, a local government may –
  - (a) when adopting the annual budget, grant\* a discount or other incentive for the early payment of any amount of money; or
  - (b) waive or grant concessions in relation to any amount of money; or
  - (c) write off any amount of money, which is owed to the local government.

\* Absolute majority required.

## **Financial Considerations**

The administration anticipates the small rates balances written off each year to be less than \$1,000 in total.

The Town amended the BPay limit for bank transfers to \$1.00 from May 2022, enabling ratepayers to make payment of small amounts owing.

## **Risk Management Implications**

Financial Risk  
Low

## **Declaration of Conflicts of Interest**

All officers involved in the preparation of this report have considered and determined that they do not have a conflict of interest in the matter.

## **Committee Resolution/Officer Recommendation – Item 9.2**

MOVED Sasha Rademakers, Seconded Cr Paul Poliwka,

That the Committee recommends that Council:

- Notes the exercise of delegated authority by the Manager Financial Services to write off small rates balances totaling \$292.52 for 2024/25, in accordance with section 6.12(1)(c) of the *Local Government Act 1995*; and
- Requests the CEO to amend the Condition for Delegation 1.2.15, Function 5, in the Town of Bassendean Delegations Register, to “Council shall be informed of

the exercise of this delegation annually, as soon as practicable after the end of each financial year”.

**Voting requirements: Simple Majority**

**AGC 2025-09-10/1**

CARRIED UNANIMOUSLY 3/0

**For:** Ms Sasha Rademakers, Cr Ken John and Cr Paul Poliwka

**Against:** Nil

<b>9.3 Policy Review - Purchasing Policy</b>	
<b>Property Address</b>	N/A
<b>Landowner/Applicant</b>	N/A
<b>File Reference</b>	FINM/PROCED/1
<b>Department</b>	Office of the CEO
<b>Previous Reports</b>	
<b>Authority/Discretion</b>	<b>Legislative</b> Includes adopting local laws, local planning schemes & policies.
<b>Attachments</b>	<ol style="list-style-type: none"> <li>1. Purchasing Policy - Current [9.3.1 - 8 pages]</li> <li>2. Purchasing Policy - Marked up [9.3.2 - 8 pages]</li> <li>3. Purchasing Policy - Clean [9.3.3 - 8 pages]</li> <li>4. CONFIDENTIAL - Purchasing Card Procedure [9.3.4 - 7 pages]</li> </ol>

### Purpose

The purpose of this report is for the Audit & Governance Committee (“the Committee”) to consider minor amendments to the Town’s Purchasing Policy and note the requirements of the Town’s Purchasing Card Procedure.

### Background

The current version of the Town’s Purchasing Policy was adopted by Council in June last year, following endorsement by the Committee. The Policy provides for direct purchase of goods or services with a value of up to \$1,000, including using a Town purchasing card in accordance with the Town’s Purchasing Card Procedure.

The Town’s Purchasing Card Procedure is not a Council-adopted Policy, but an administrative procedure. The Procedure allows for purchasing cards to be used for purchases exceeding \$1,000, with prior approval from the relevant Executive Manager or Director, for the following purchases (clause 4.8):

- Booking of training courses and conferences
- IT equipment and software
- Minor Asset purchases
- Licenses and Subscriptions.

This presents an anomaly, in that an administrative Procedure cannot override a Council Policy.

The above provision in the Procedure is considered appropriate and administratively necessary. While transactions for those items in excess of \$1,000 are infrequent, they do necessarily occur from time to time, with one or two transactions per month, on average.

The Town's Purchasing Card Procedure is attached to this report as a confidential attachment, for the Committee's reference.

5.40 pm - Cr Paul Poliwka went off-line

Meeting adjourned due to insufficient members for a quorum

5.47pm Cr Paul Poliwka re-joined the meeting

Meeting resumed at 4.47pm

## **Proposal**

That the Committee recommends to Council that it adopts the amended Purchasing Policy attached to this report.

## **Communication and Engagement**

Nil.

## **Strategic Implications**

### **Performance Area 5: Performance**

9.1 Continuously improve operational performance and service delivery.

## **Comment**

It is proposed to amend the Purchasing Policy to make it consistent with the Procedure, by allowing purchases up to \$5,000 for those items listed in clause 4.8 of the Purchasing Card Procedure, with prior approval from a Director or the CEO.

The Town manages its purchasing cards through the Commonwealth Bank's Card Manager platform and has appropriate approval processes in place for approving an application for a purchasing card, setting transaction and monthly spend limits and making changes to those limits. Transaction and monthly spend limits are determined according to the requirements of the role, with the individual transaction limit for all cards being \$1,000 or lower. Where an increase is required for a single transaction, the practice is to issue a temporary limit increase.

Council will continue to have visibility over all transactions using Town purchasing cards via the monthly list of accounts paid.

## **Statutory Requirements**

Local Government (Functions and General) Regulations 1996

11A. Purchasing policies for local governments

- (1) A local government is to prepare or adopt, and is to implement, a purchasing policy in relation to contracts for other persons to supply goods or services where the consideration under the contract is, or is expected to be, \$250,000 or less or worth \$250,000 or less.
- (2) A purchasing policy is to make provision for and in respect of the policy to be followed by the local government for, and in respect of, entering into contracts referred to in subregulation (1).
- (3) A purchasing policy must make provision in respect of —
  - (a) the form of quotations acceptable; and
  - (ba) the minimum number of oral quotations and written quotations that must be obtained; and
  - (b) the recording and retention of written information, or documents, in respect of —
    - (i) all quotations received; and
    - (ii) all purchases made.

## **Financial Considerations**

Adoption of the draft amended Purchasing Policy does not have any financial impact.

## **Risk Management Implications**

### Compliance

Low

### Financial Risk

Low

The draft amended Purchasing Policy provides a balance between managing procurement risk with efficient achievement of operational objectives.

The administration continues to develop its in-house procurement internal audit program to assess the level of compliance with the requirements of the Purchasing Policy, focused on the lower procurement thresholds. A report is expected to be tabled at the December 2025 meeting of the Committee.

Should the proposed amendments to the Purchasing Policy not be endorsed by the Committee and adopted by Council, the Town will amend the Purchasing Card Procedure to remove any ability of Directors or the CEO to approve purchases in excess of \$1,000 using a purchasing card.

### **Declaration of Conflicts of Interest**

All officers involved in the preparation of this report have considered and determined that they do not have a conflict of interest in the matter.

### **Committee Resolution/Officer Recommendation – Item 9.3**

MOVED Cr Ken John, Seconded Sasha Rademakers,

That the Committee recommends that Council adopts the amended Purchasing Policy attached to this report.

### **Voting requirements: Simple Majority**

### **AGC 2025-09-10/2**

CARRIED UNANIMOUSLY 3/0

**For:** Ms Sasha Rademakers, Cr Ken John and Cr Paul Poliwka

**Against:** Nil

<b>9.4 Annual Audit 2024/25 - Interim Audit Findings</b>	
<b>Property Address</b>	N/A
<b>Landowner/Applicant</b>	N/A
<b>File Reference</b>	FINM/AUD/1
<b>Directorate</b>	Corporate Services
<b>Previous Reports</b>	N/A
<b>Authority/Discretion</b>	<b>Executive</b> The substantial direction setting and oversight role of the Council.
<b>Attachments</b>	<ol style="list-style-type: none"> <li>1. CONFIDENTIAL - Interim Management Letter CEO - Town of Bassendean - 30 June 2025 [9.4.1 - 1 page]</li> <li>2. CONFIDENTIAL - Interim Management Letter Attachment - Town of Bassendean - 30 June 2025 [9.4.2 - 2 pages]</li> </ol>

### Purpose

The purpose of this report is for the Audit and Governance Committee to consider the findings from the interim audit component of the 2024/25 annual audit.

### Background

The Audit and Governance Committee received the Annual Financial Audit Planning Summary from the Office of the Auditor General (OAG) at its meeting on 11 June 2025, which outlined the proposed approach by the OAG to audit the financial report of the Town for the year ending 30 June 2025.

The annual audit is required so the Auditor General may express an opinion on the audit of the general purpose financial statements of the Town for the financial year ending 30 June 2025. In practice, the audit is conducted in two phases, with an interim audit conducted around April to June, and the final audit around October/November, after submission of the final trial balance to the auditors by 30 September.

Importantly, the audit includes two key components:

1. Assessing the design and implementation of key controls and, where appropriate, testing the operating effectiveness of key controls; and
2. Obtaining an understanding of the information technology environment and information systems related to key business processes and audit key information system controls.

The interim audit, which focussed primarily on evaluating the financial control environment, is now complete and the Auditor General has provided an interim Management Letter.

## **Proposal**

That the Audit and Governance Committee receives the interim audit results and notes the findings and recommendations, and the management action taken or to be taken to address the identified risks.

## **Communication and Engagement**

Town finance and ICT staff engaged in regular communication with the OAG during the conduct of the interim audit, with the OAG fieldwork conducted in June 2025.

## **Strategic Implications**

### **Performance Area 5: Performance**

9.1 Continuously improve operational performance and service delivery.

## **Comment**

### Interim Audit – Financial Component

One finding rated as minor was identified from the financial component of the interim audit. This finding related to the Town's Tender Register, where five tenders were identified that did not adequately state the amount of the consideration sought in the tender, as required by Regulation 17(3) of the *Local Government (Functions and General) Regulations 1996*.

The Town identified this resulted from a breakdown in process since December 2024 and immediately resolved the matter by including the consideration for each contract in the Tender Register on the Town's website.

The detailed recommendations and management comments are included in the attachment to the interim Management Letter, a confidential attachment to this report.

### Interim Audit – IT General Controls

The IT General Controls audit is currently being conducted and is not yet complete.

## **Statutory Requirements**

The Audit and Governance Committee meets at least four times each year to carry out its functions under its Charter, which specifies the authority, objectives and

responsibilities of the Committee and governs its membership and meeting requirements.

*Local Government (Audit) Regulations 1996, Regulation 16, states:*

*An audit committee has the following functions —*

- (e) *to support the auditor of the local government to conduct an audit and carry out the auditor's other duties under the Act in respect of the local government.*

### **Financial Considerations**

No financial considerations arise from this report.

### **Risk Management Implications**

#### Compliance

Low

Risks are detailed in the attachment to the interim Management Letter, attached as a confidential attachment to this report.

### **Declaration of Conflicts of Interest**

All officers involved in the preparation of this report have considered and determined that they do not have a conflict of interest in the matter.

### **Committee Resolution/Officer Recommendation – Item 9.4**

MOVED Cr Ken John, Seconded Sasha Rademakers,

That the Audit and Governance Committee recommends that Council:

- Receives the interim audit results; and
- Notes the findings and recommendations detailed in the interim Management Letter, and the management action taken to address the identified risks.

### **Voting requirements: Simple Majority**

#### **AGC 2025-09-10/3**

CARRIED UNANIMOUSLY 3/0

**For:** Ms Sasha Rademakers, Cr Ken John and Cr Paul Poliwka

**Against:** Nil

<b>9.5 Policy Review - Strategic Budget Policy</b>	
<b>Property Address</b>	N/A
<b>Landowner/Applicant</b>	N/A
<b>File Reference</b>	FINM/POLCY/2
<b>Department</b>	Corporate Services
<b>Previous Reports</b>	
<b>Authority/Discretion</b>	<b>Executive</b> The substantial direction setting and oversight role of the Council.
<b>Attachments</b>	<ol style="list-style-type: none"> <li>1. Strategic Budget Policy - Current [9.5.1 - 5 pages]</li> <li>2. Amended Strategic Budget Policy - Marked up [9.5.2 - 5 pages]</li> <li>3. Amended Strategic Budget Policy - Clean [9.5.3 - 5 pages]</li> </ol>

## Purpose

The purpose of this report is for the Audit and Governance Committee (“the Committee”) to review proposed minor amendments to the Town’s Strategic Budget Policy.

## Background

Council adopted the Strategic Budget Policy in April 2023, and the policy was due for review in April 2025. The review was delayed to allow for discussion with Councillors when developing the next version of the Long-Term Financial Plan (LTFP), principally regarding the percentage basis for rate setting.

## Proposal

That the Committee recommends that Council adopt the amended Strategic Budget Policy attached to this report.

## Communication and Engagement

During a workshop with Councillors in July 2025, the administration suggested that continued rate setting based on Perth annualised CPI plus 2% is likely to be unsustainable, as it will result in significant increases to the rate in the dollar over time (ignoring the impact of revaluations), the cumulative effect of which will be for the Town’s rate in the dollar to become significantly higher than other local governments. Consequently, it was suggested that the policy could be amended to

reduce the “asset maintenance and development” component from 2% to 1%. There was no opposition to this suggestion by Councillors, and this change was incorporated into the LTFP adopted by Council on 26 August 2025.

## **Strategic Implications**

### **Performance Area 5: Performance**

9.1 Continuously improve operational performance and service delivery.

#### **Comment**

In addition to the reduction to the basis for rates setting of 1%, it is proposed to amend clause 4.2 to include reference to the recently adopted Community Capital Grants Policy. Other amendments merely update references to the Strategic Community Plan and Corporate Business Plan, to the Council Plan.

#### **Statutory Requirements**

Nil.

#### **Financial Considerations**

The impact of the proposed change to rates setting has been incorporated into the Town’s LTFP.

#### **Risk Management Implications**

##### Financial Risk

Low

#### **Declaration of Conflicts of Interest**

All officers involved in the preparation of this report have considered and determined that they do not have a conflict of interest in the matter.

#### **Committee Resolution/Officer Recommendation – Item 9.5**

MOVED Cr Paul Poliwka, Seconded Cr Ken John,

That the Committee recommends that Council adopt the amended Strategic Budget Policy attached to this report.

#### **Voting requirements: Simple Majority**

**AGC 2025-09-10/4****CARRIED UNANIMOUSLY 3/0****For:** Ms Sasha Rademakers, Cr Ken John and Cr Paul Poliwka**Against:** Nil

<b>9.6 Audit Findings Log</b>	
<b>Property Address</b>	N/A
<b>Landowner/Applicant</b>	N/A
<b>File Reference</b>	GOVN/CCLMEET/1
<b>Directorate</b>	Corporate Services
<b>Previous Reports</b>	Quarterly
<b>Authority/Discretion</b>	<b>Executive</b> The substantial direction setting and oversight role of the Council.
<b>Attachments</b>	1. CONFIDENTIAL - September 2025 Audit Findings Log [9.6.1 - 5 pages]

**Purpose**

The purpose of this report is to provide the Audit and Governance Committee with the Town's Audit Findings Log, with updated actions since the meeting of the Committee on 12 June 2024.

**Background**

The Audit Findings Log presents a summary of the audit findings and recommendations made in recent internal and external audit reports relating to the Town and provides an update on actions taken or proposed to address the recommendations.

**Proposal**

For the Audit and Governance Committee to receive the Audit Findings Log and consider the action taken or proposed to address the recommendations.

**Communication and Engagement**

Nil.

## Strategic Implications

### Performance Area 5: Performance

9.1 Continuously improve operational performance and service delivery.

#### Comment

OAG completed the interim audit of 2024-25, which is subject to a separate report to this committee.

#### Statutory Requirements

Local Government (Audit) Regulations 1996, Regulation 16, states:

An audit committee has the following functions —

- (a) to guide and assist the local government in carrying out —
  - (i) its functions under Part 6 of the Act; and
  - (ii) its functions relating to other audits and other matters related to financial management;
- (b) to guide and assist the local government in carrying out the local government's functions in relation to audits conducted under Part 7 of the Act;
- (c) to review a report given to it by the CEO under regulation 17(3) (the CEO's report) and is to —
  - (i) report to the council the results of that review; and
  - (ii) give a copy of the CEO's report to the council;
- (d) to monitor and advise the CEO when the CEO is carrying out functions in relation to a review under —
  - (i) regulation 17(1); and
  - (ii) the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c);
- (e) to support the auditor of the local government to conduct an audit and carry out the auditor's other duties under the Act in respect of the local government;
- (f) to oversee the implementation of any action that the local government —
  - (i) is required to take by section 7.12A(3); and
  - (ii) has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a); and
  - (iii) has accepted should be taken following receipt of a report of a review conducted under regulation 17(1); and
  - (iv) has accepted should be taken following receipt of a report of a review conducted under the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c);
- (g) to perform any other function conferred on the audit committee by these regulations or another written law.

## **Financial Considerations**

Implementation of some audit recommendations may require additional funds and will be the subject of separate budget submissions as and when required. The Town's Purchasing Policy and Procurement Framework will govern any required engagements.

## **Risk Management Implications**

Financial Risk  
Medium

Risk implications are detailed in the Audit Findings Log.

## **Declaration of Conflicts of Interest**

All officers involved in the preparation of this report have considered and determined that they do not have a conflict of interest in the matter.

## **Committee Resolution/Officer Recommendation – Item 9.6**

MOVED Cr Ken John, Seconded Sasha Rademakers,

That the Audit and Governance Committee receive the Audit Findings Log and notes the action taken or proposed to address the recommendations.

## **Voting requirements: Simple Majority**

**AGC 2025-09-10/5**

**CARRIED UNANIMOUSLY 3/0**

**For:** Ms Sasha Rademakers, Cr Ken John and Cr Paul Poliwka

**Against:** Nil

<b>9.7 Office of the Auditor General (OAG) - Update</b>	
<b>Property Address</b>	N/A
<b>Landowner/Applicant</b>	N/A
<b>File Reference</b>	FINM/AUD/14
<b>Department</b>	Office of the CEO,
<b>Previous Reports</b>	
<b>Authority/Discretion</b>	<b>Information</b> For the Council/Committee to note.
<b>Attachments</b>	1. TOB Audit and Governance Committee - OAG Standing Agenda Item (09-25) [9.7.1 - 11 pages]

### **Purpose**

The purpose of this report is for Council to note the update received from the Office of the Auditor General (OAG).

### **Background**

The Office of the Auditor General (OAG) periodically provides updates to local governments on matters relating to financial audits, accounting and auditing standards, and other sector-relevant issues.

### **Communication and Engagement**

Nil.

### **Strategic Implications**

#### **Performance Area 5: Performance**

9.1 Continuously improve operational performance and service delivery.

### **Comment**

The update from the Office of the Auditor General is provided as a standing item for the Committee's information. While no specific action is required, the report offers ongoing insights into sector-wide developments and audit-related matters.

### **Statutory Requirements**

Nil.

## **Financial Considerations**

Nil.

## **Risk Management Implications**

### Compliance

Low

### Environmental

Low

### Financial Risk

Low

### Reputational

Low

## **Declaration of Conflicts of Interest**

All officers involved in the preparation of this report have considered and determined that they do not have a conflict of interest in the matter.

### **Committee Resolution/Officer Recommendation – Item 9.7**

MOVED Cr Ken John, Seconded Sasha Rademakers,

That the Committee notes the update from the Office of the Auditor General as provided in Attachment 9.7.1.

### **Voting requirements: Simple Majority**

### **AGC 2025-09-10/6**

CARRIED UNANIMOUSLY 3/0

**For:** Ms Sasha Rademakers, Cr Ken John and Cr Paul Poliwka

**Against:** Nil

## **10 Motions of Which Previous Notice Has Been Given**

Nil

## **11 Announcements of Notices of Motion for the Next Meeting**

Nil

## **12 Confidential Business**

Nil

## **13 Closure**

The next Audit and Governance Committee will be held on Wednesday 10<sup>th</sup> December 2025 commencing at 5.30pm.

There being no further business, the Presiding Member declared the meeting closed, the time being 6:20pm.

# Town of Bassendean

ANNUAL FINANCIAL REPORT  
for the year ended 30 June 2025

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# Town of Bassendean

## Annual Financial Report

for the year ended 30 June 2025

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The Town of Bassendean conducts the operations of a local government with the following community vision:

- Our vision for the Town of Bassendean is to be a safe, healthy and inclusive community that respects and celebrates cultural heritage and diversity; a home by the Swan for everyone to enjoy.
- We share responsibility for climate action and the adoption of sustainable practices to conserve and enhance our environment and natural heritage, including the Swan River ecological corridor, tree canopy, and nature reserves.
- We accommodate population growth responsibly with sustainable development, housing diversity, and tree-lined streets. We value and respect our built heritage and have excellent social infrastructure.
- Our town centre and precincts are vibrant and welcoming, supporting a diverse range of businesses and local employment opportunities. Community events, markets and other attractions help to draw visitors and connect the community.
- Council effectively engages the community, makes well-informed, responsible and transparent decisions, embraces innovation and best practice, and maintains financial sustainability.

Principal place of business:

48 Old Perth Road, Bassendean WA 6054

# Town of Bassendean

## Annual Financial Report

for the year ended 30 June 2025

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

### STATEMENT BY CEO

The accompanying financial report of the Town of Bassendean has been prepared in compliance with the provisions of the *Local Government Act 1995* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2025 and the financial position as at 30 June 2025.

At the date of signing this statement the particulars included in the financial report are not misleading or inaccurate.

Signed on the 13th day of November 2025

  
\_\_\_\_\_

Chief Executive Officer

Cameron Woods  
\_\_\_\_\_

Name of Chief Executive Officer

# Town of Bassendean

## Statement of Comprehensive Income

for the year ended 30 June 2025

	Note	2025 Actual \$	2025 Budget \$	2024 Actual \$
<b>Revenue</b>				
Rates	2a,25	16,355,756	16,305,035	15,421,649
Grants, subsidies and contributions	2a	669,861	482,003	1,021,905
Fees and charges	2a	7,190,096	7,216,894	6,888,534
Service charges	2a	489,380	505,423	673,204
Interest revenue	2a	1,333,882	508,135	1,195,010
Other revenue	2a	606,315	230,493	285,982
		<u>26,645,290</u>	<u>25,247,983</u>	<u>25,486,284</u>
<b>Expenses</b>				
Employee costs	2b	(12,044,770)	(12,884,674)	(12,639,180)
Materials and contracts		(7,840,405)	(8,266,484)	(7,433,631)
Utility charges		(644,478)	(778,845)	(736,250)
Depreciation	10a	(5,156,398)	(4,885,152)	(5,044,522)
Finance costs	2b	(32,828)	(31,557)	(47,896)
Insurance		(341,354)	(342,400)	(404,696)
Other expenditure	2b	(547,852)	(606,185)	(1,853,149)
		<u>(26,608,085)</u>	<u>(27,795,297)</u>	<u>(28,159,324)</u>
<b>Operating result from operations</b>		<u>37,205</u>	<u>(2,547,314)</u>	<u>(2,673,040)</u>
Capital grants, subsidies and contributions	2a	3,082,385	3,658,272	1,084,216
Profit on asset disposals	10b	20,374	–	21,738
Loss on asset disposals	10b	(24,748)	–	(148,314)
Fair value adjustments to financial assets at fair value through profit or loss	4b	(6,215)	–	2,942
Share of net profit of associates / joint ventures accounted for using the equity method		(478,589)	–	332,992
		<u>2,593,207</u>	<u>3,658,272</u>	<u>1,293,574</u>
<b>Net result for the period</b>		<u>2,630,412</u>	<u>1,110,958</u>	<u>(1,379,466)</u>
<b>Other comprehensive income for the period</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Share of other comprehensive income of associates/ joint ventures accounted for using the equity method	16	1,298,546	–	159,797
<b>Total other comprehensive income for the period</b>		<u>1,298,546</u>	<u>–</u>	<u>159,797</u>
<b>Total comprehensive income for the period</b>		<u>3,928,958</u>	<u>1,110,958</u>	<u>(1,219,669)</u>

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



# Town of Bassendean

## Statement of Financial Position

as at 30 June 2025

	Note	2025 \$	2024 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	16,800,818	11,831,339
Trade and other receivables	5	3,023,995	1,532,498
Other financial assets	4a	3,577,980	5,573,965
Inventories	6	29,091	23,787
Other assets	7	187,092	231,759
<b>Total current assets</b>		<b>23,618,976</b>	<b>19,193,348</b>
<b>Non-current assets</b>			
Trade and other receivables	5	433,229	372,895
Other financial assets	4b	205,020	237,442
Investment in joint venture	22	9,641,362	8,821,409
Property, plant and equipment	8	52,285,446	53,277,382
Infrastructure	9	91,090,492	90,669,798
Right of use assets	11a	31,949	91,402
<b>Total non-current assets</b>		<b>153,687,498</b>	<b>153,470,328</b>
<b>Total assets</b>		<b>177,306,474</b>	<b>172,663,676</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	12	5,771,532	4,675,691
Other liabilities	13	492,679	30,630
Lease liabilities	11b	29,063	64,336
Borrowings	14	217,582	231,091
Employee related provisions	15	2,009,709	2,537,280
<b>Total current liabilities</b>		<b>8,520,565</b>	<b>7,539,028</b>
<b>Non-current liabilities</b>			
Lease liabilities	11b	4,102	28,712
Borrowings	14	265,518	483,100
Employee related provisions	15	215,817	241,322
<b>Total non-current liabilities</b>		<b>485,437</b>	<b>753,134</b>
<b>Total liabilities</b>		<b>9,006,002</b>	<b>8,292,162</b>
<b>Net assets</b>		<b>168,300,472</b>	<b>164,371,514</b>
<b>Equity</b>			
Retained surplus		19,545,802	19,324,937
Reserve accounts	28	13,795,477	11,385,930
Revaluation surplus	16	134,959,193	133,660,647
<b>Total equity</b>		<b>168,300,472</b>	<b>164,371,514</b>

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



## Town of Bassendean

### Statement of Changes in Equity

for the year ended 30 June 2025

	Note	Retained surplus \$	Reserve accounts \$	Revaluation surplus \$	Total Equity \$
Balance as at 1 July 2023		22,493,406	9,596,927	133,500,850	165,591,183
<b>Comprehensive income for the period</b>					
Net result for the period		(1,379,466)	–	–	(1,379,466)
<b>Other comprehensive income for the period</b>					
Share of comprehensive income of equity accounted investments	16	–	–	159,797	159,797
<b>Other comprehensive income for the period</b>		–	–	159,797	159,797
<b>Total comprehensive income for the period</b>		<b>(1,379,466)</b>	<b>–</b>	<b>159,797</b>	<b>(1,219,669)</b>
Transfers from reserve accounts	28	1,241,526	(1,241,526)	–	–
Transfers to reserve accounts	28	(3,030,529)	3,030,529	–	–
<b>Balance as at 30 June 2024</b>		<b>19,324,937</b>	<b>11,385,930</b>	<b>133,660,647</b>	<b>164,371,514</b>
Balance as at 1 July 2024		19,324,937	11,385,930	133,660,647	164,371,514
<b>Comprehensive income for the period</b>					
Net result for the period		2,630,412	–	–	2,630,412
<b>Other comprehensive income for the period</b>					
Share of comprehensive income of equity accounted investments	16	–	–	1,298,546	1,298,546
<b>Other comprehensive income for the period</b>		–	–	1,298,546	1,298,546
<b>Total comprehensive income for the period</b>		<b>2,630,412</b>	<b>–</b>	<b>1,298,546</b>	<b>3,928,958</b>
Transfers from reserve accounts	28	975,949	(975,949)	–	–
Transfers to reserve accounts	28	(3,385,496)	3,385,496	–	–
<b>Balance as at 30 June 2025</b>		<b>19,545,802</b>	<b>13,795,477</b>	<b>134,959,193</b>	<b>168,300,472</b>

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



# Town of Bassendean

## Statement of Cash Flows

for the year ended 30 June 2025

	Note	2025 Actual \$	2024 Actual \$
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Rates		16,281,767	15,394,846
Grants, subsidies and contributions		475,151	1,263,601
Fees and charges		7,844,174	5,666,544
Service charges		489,380	673,204
Interest revenue		1,333,882	1,195,010
Goods and services tax received		1,357,910	1,059,297
Other revenue		701,364	200,753
<b>Total receipts</b>		<b>28,483,628</b>	<b>25,453,255</b>
<b>Payments</b>			
Employee costs		(12,598,275)	(12,445,779)
Materials and contracts		(8,212,318)	(6,217,419)
Utility charges		(675,224)	(736,250)
Finance costs		(33,388)	(48,507)
Insurance paid		(341,354)	(404,696)
Goods and services tax paid		(192,029)	(125,447)
Other expenditure		(1,775,837)	(1,721,811)
<b>Total payments</b>		<b>(23,828,425)</b>	<b>(21,699,909)</b>
<b>Net cash provided by operating activities</b>		<b>4,655,203</b>	<b>3,753,346</b>
<b>Cash flows from investing activities</b>			
<b>Payments</b>			
Payments for financial assets at amortised cost		–	(1,518,398)
Payments for purchase of property, plant & equipment	8a	(725,528)	(558,974)
Payments for construction of infrastructure	9a	(3,830,249)	(2,568,421)
<b>Receipts</b>			
Proceeds from capital grants, subsidies and contributions		3,082,385	1,084,216
Proceeds from financial assets at amortised cost - self supporting loans		24,535	22,969
Proceeds from sale of property, plant & equipment		43,950	646,185
Proceeds from financial assets at amortised cost - Other		2,028,407	–
<b>Net cash (used in) investing activities</b>		<b>623,500</b>	<b>(2,892,423)</b>
<b>Cash flows from financing activities</b>			
<b>Payments</b>			
Repayment of borrowings	27a	(231,091)	(286,361)
Payments for principal portion of lease liabilities	27b	(78,133)	(110,143)
<b>Net cash (used in) financing activities</b>		<b>(309,224)</b>	<b>(396,504)</b>
<b>Net increase /(decrease) in cash held</b>		<b>4,969,479</b>	<b>464,419</b>
Cash at beginning of year		11,831,339	11,366,920
<b>Cash and cash equivalents at the end of the year</b>	3	<b>16,800,818</b>	<b>11,831,339</b>

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

# Town of Bassendean

## Statement of Financial Activity

for the year ended 30 June 2025

	Note	2025 Actual \$	2025 Budget \$	2024 Actual \$
<b>OPERATING ACTIVITIES</b>				
<b>Revenue from operating activities</b>				
General rates	25	16,355,756	16,305,035	15,421,649
Grants, subsidies and contributions		669,861	482,003	1,021,905
Fees and charges		7,190,096	7,216,894	6,888,534
Service charges		489,380	505,423	673,204
Interest revenue		1,333,882	508,135	1,195,010
Other revenue		606,315	230,493	285,982
Profit on asset disposals		20,374	–	21,738
Fair value adjustments to financial assets at fair value through profit or loss	4b	(6,215)	–	2,942
Share of net profit of associates accounted for using the equity method	22	–	–	332,992
		<b>26,659,449</b>	<b>25,247,983</b>	<b>25,843,956</b>
<b>Expenditure from operating activities</b>				
Employee costs		(12,044,770)	(12,884,673)	(12,639,180)
Materials and contracts		(7,840,405)	(8,266,484)	(7,433,631)
Utility charges		(644,478)	(778,845)	(736,250)
Depreciation		(5,156,398)	(4,885,152)	(5,044,522)
Finance costs		(32,828)	(31,557)	(47,896)
Insurance		(341,354)	(342,400)	(404,696)
Other expenditure		(547,852)	(606,185)	(1,853,149)
Loss on asset disposals		(24,748)	–	(148,314)
Share of net loss of associates accounted for using equity method	22	(478,589)	–	–
		<b>(27,111,422)</b>	<b>(27,795,296)</b>	<b>(28,307,638)</b>
Non-cash amounts excluded from operating activities	26	5,634,957	5,092,405	4,953,753
<b>Amount attributable to operating activities</b>		<b>5,182,984</b>	<b>2,545,092</b>	<b>2,490,071</b>
<b>INVESTING ACTIVITIES</b>				
<b>Inflows from investing activities</b>				
Capital grants, subsidies and contributions		3,082,385	3,658,272	1,084,216
Proceeds from disposal of assets		43,950	–	646,185
Proceeds from financial assets at amortised cost - self supporting loans	27a	24,535	24,535	22,969
		<b>3,150,870</b>	<b>3,682,807</b>	<b>1,753,370</b>
<b>Outflows from investing activities</b>				
Right of use assets received - non cash	11a	–	–	(38,626)
Acquisition of property, plant and equipment	8a	(725,528)	(1,183,000)	(558,974)
Acquisition of infrastructure	9a	(3,830,249)	(6,255,980)	(2,568,421)
		<b>(4,555,777)</b>	<b>(7,438,980)</b>	<b>(3,166,021)</b>
Non-cash amounts excluded from investing activities	25b	–	–	38,626
<b>Amount attributable to investing activities</b>		<b>(1,404,907)</b>	<b>(3,756,173)</b>	<b>(1,374,025)</b>
<b>FINANCING ACTIVITIES</b>				
<b>Inflows from financing activities</b>				
Transfers from reserve accounts	28	975,949	1,665,403	1,241,526
Proceeds from new leases - non cash	27b	–	–	38,626
		<b>975,949</b>	<b>1,665,403</b>	<b>1,280,152</b>
<b>Outflows from financing activities</b>				
Repayment of borrowings	27a	(231,091)	(231,017)	(286,361)
Payments for principal portion of lease liabilities		(78,133)	(84,925)	(110,143)
Transfers to reserve accounts	28	(3,385,496)	(1,185,122)	(3,030,529)
		<b>(3,694,720)</b>	<b>(1,501,064)</b>	<b>(3,427,033)</b>
Non-cash amounts excluded from financing activities		–	–	(38,626)
<b>Amount attributable to financing activities</b>		<b>(2,718,771)</b>	<b>164,339</b>	<b>(2,185,507)</b>

# Town of Bassendean

## Statement of Financial Activity

for the year ended 30 June 2025

		2025 Actual \$	2025 Budget \$	2024 Actual \$
	Note			
<b>MOVEMENT IN SURPLUS OR DEFICIT</b>				
<b>Surplus or deficit at the start of the financial year</b>	26	1,439,024	1,068,816	2,508,485
Amount attributable to operating activities		5,182,984	2,545,092	2,490,071
Amount attributable to investing activities		(1,404,907)	(3,756,173)	(1,374,025)
Amount attributable to financing activities		(2,718,771)	164,339	(2,185,507)
<b>Surplus after imposition of general rates</b>	26	<u>2,498,330</u>	<u>22,074</u>	<u>1,439,024</u>

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

# Town of Bassendean

for the year ended 30 June 2025

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## Notes to and Forming Part of the Financial Report

for the year ended 30 June 2025

### Note 1. Basis of Preparation

The financial report of the Town of Bassendean which is a Class 3 local government comprises general-purpose financial statements that have been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

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

Section 6.4(2) of the *Local Government Act 1995* read with the *Local Government (Financial Management) Regulations 1996* prescribes that the financial report be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied except for disclosure requirements of:

- AASB 7 Financial Instruments Disclosures
- AASB 16 Leases paragraph 58
- AASB 101 Presentation of Financial Statements paragraph 61
- AASB 107 Statement of Cash Flows paragraphs 43 and 45
- AASB 116 Property, Plant and Equipment paragraph 79
- AASB 137 Provisions, Contingent Liabilities and Contingent Assets paragraph 85
- AASB 1052 Disaggregated Disclosures paragraph 11
- AASB 1054 Australian Additional Disclosures paragraph 16

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Town to measure any vested improvements at zero cost.

The *Local Government (Financial Management) Regulations 1996* provide that:

- land and buildings classified as property, plant and equipment; or
- infrastructure; or
- vested improvements that the local government controls; and measured at reportable value, are only required to be revalued every five years. Revaluing these non-financial assets every five years is a departure from AASB 116 *Property, Plant and Equipment*, which would have required the Town to assess at each reporting date whether the carrying amount of the above-mentioned non-financial assets materially differ from their fair value and, if so, revalue the class of non-financial assets.

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the financial report has been

prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

#### **Critical accounting estimates and judgements**

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

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

As with all estimates, the use of different assumptions could lead to material changes in the amounts reported in the financial report.

The following are estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and further information on their nature and impact can be found in the relevant note:

- Fair value measurement of assets carried at reportable value including:
  - Property, plant and equipment - note 8
  - Infrastructure - note 9
- Expected credit losses on financial assets - note 5
- Assets held for sale
- Impairment losses of non-financial assets - note 10
- Measurement of employee benefits - note 15
- Measurement of provisions

Fair value hierarchy information can be found in note 24.

#### **The local government reporting entity**

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 29 to these financial statements.

#### **Initial application of accounting standards**

During the current year, the following new or revised Australian Accounting Standards and Interpretations were applied for the first time.

- *AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current*
- *AASB 2022-5 Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback*

### Notes to and Forming Part of the Financial Report

for the year ended 30 June 2025

#### Note 1. Basis of Preparation (continued)

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- *AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants*
- *AASB 2023-3 Amendments to Australian Accounting Standards - Disclosure of Non-current Liabilities with Covenants: Tier 2*
- *AASB 2024-1 Amendments to Australian Accounting Standards - Supplier Finance Arrangements: Tier 2 Disclosures*
- *AASB 2023-1 Amendments to Australian Accounting Standards - Supplier Finance Arrangements*

These amendments are not expected to have any material impact on the financial report on initial application.

- *AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*

These amendment may result in changes to the fair value of certain non-financial assets on revaluation. The impact has not been quantified as it is not considered practicable to determine the amount of the difference in fair value attributable to the change in the standard.

#### **New accounting standards for application in future years**

The following new accounting standards will have application to local government in future years:

- *AASB 2014-10 Amendments to Australian Accounting Standards-Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- *AASB 2024-4b Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]*
- *AASB 2022-9 Amendments to Australian Accounting Standards - Insurance Contracts in the Public Sector*
- *AASB 2023-5 Amendments to Australian Accounting Standards - Lack of Exchangeability*
- *AASB 18 (FP) Presentation and Disclosure in Financial Statements - (Appendix D) [for for-profit entities]*
- *AASB 18 (NFP/super) Presentation and Disclosure in Financial Statements - (Appendix D) [for not-for-profit and superannuation entities]*
- *AASB 2024-2 Amendments to Australian Accounting Standards - Classification and Measurement of Financial Instruments*
- *AASB 2024-3 Amendments to Australian Accounting Standards – Annual Improvements Volume 11*

These amendments may result in additional disclosures in the case of applicable finance arrangements.

# Town of Bassendean

## Notes to and Forming Part of the Financial Report

for the year ended 30 June 2025

### Note 2. Revenue and Expenses

#### (a) Revenue

##### Contracts with customers

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

Revenue category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/refunds/warranties	Timing of revenue recognition
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	On payment and issue of the licence, registration or approval
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	After inspection complete based on a 4 year cycle
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Output method based on regular weekly and fortnightly period as proportionate to collection service
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	On entry or at conclusion of hire
Fees and charges for other goods and services	Library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Output method based on provision of service or completion of works
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	When claim is agreed

Consideration from contracts with customers is included in the transaction price.

# Town of Bassendean

## Notes to and Forming Part of the Financial Report

for the year ended 30 June 2025

### Note 2. Revenue and Expenses (continued)

#### (a) Revenue (continued)

##### Revenue Recognition

Rate revenue was recognised from the rate record as soon as practicable after the Town resolved to impose rates in the financial year as well as when the rate record was amended to ensure the information in the record was current and correct.

Revenue recognised during the year under each basis of recognition by nature of goods or services is provided in the table below:

Nature	Contracts with customers	Capital grant/ contributions	Statutory requirements	Other	Total
<b>For the year ended 30 June 2025</b>					
Rates	–	–	16,355,756	–	16,355,756
Grants, subsidies and contributions	186,345	–	483,516	–	669,861
Fees and charges	6,726,980	–	463,116	–	7,190,096
Service charges	–	–	–	489,380	489,380
Interest revenue	–	–	–	1,333,882	1,333,882
Other revenue	–	–	–	606,315	606,315
Capital grants, subsidies and contributions	–	3,082,385	–	–	3,082,385
<b>Total</b>	<b>6,913,325</b>	<b>3,082,385</b>	<b>17,302,388</b>	<b>2,429,577</b>	<b>29,727,675</b>

##### For the year ended 30 June 2024

Rates	–	–	15,421,649	–	15,421,649
Grants, subsidies and contributions	366,562	–	655,343	–	1,021,905
Fees and charges	6,569,189	–	319,345	–	6,888,534
Service charges	–	–	–	673,204	673,204
Interest revenue	–	–	–	1,195,010	1,195,010
Other revenue	–	–	–	285,982	285,982
Capital grants, subsidies and contributions	–	1,084,216	–	–	1,084,216
<b>Total</b>	<b>6,935,751</b>	<b>1,084,216</b>	<b>16,396,337</b>	<b>2,154,196</b>	<b>26,570,500</b>

	2025 Actual \$	2025 Budget \$	2024 Actual \$
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##### Interest revenue

Interest on reserve funds	550,514	110,000	584,300
Rate instalment and penalty interest	178,387	131,000	157,107
Pensioner Deferred Interest	14,204	10,000	12,290
Financial assets at amortised cost - self supporting loans	7,139	7,139	8,705
Other investments interest earnings	583,638	249,996	432,608
<b>Total interest revenue</b>	<b>1,333,882</b>	<b>508,135</b>	<b>1,195,010</b>

# Town of Bassendean

## Notes to and Forming Part of the Financial Report

for the year ended 30 June 2025

### Note 2. Revenue and Expenses (continued)

#### (b) Expenses

	Note	2025 Actual \$	2025 Budget \$	2024 Actual \$
<b>Auditors remuneration</b>				
- Audit of the annual financial report		63,250	65,000	65,000
- Other services – Internal audit & grant acquittals		38,100	35,000	62,166
<b>Total auditors remuneration</b>		<b>101,350</b>	<b>100,000</b>	<b>127,166</b>
<b>Employee costs</b>				
Employee benefit costs		11,990,325	12,829,974	12,526,409
Other employee costs		54,445	54,700	112,771
<b>Total employee costs</b>		<b>12,044,770</b>	<b>12,884,674</b>	<b>12,639,180</b>
<b>Finance costs</b>				
Borrowings	27a	30,579	31,557	43,800
Lease liabilities		2,249	–	4,096
<b>Total finance costs</b>		<b>32,828</b>	<b>31,557</b>	<b>47,896</b>
<b>Other expenditure</b>				
Contribution to underground power		–	–	1,227,284
Infrastructure and Property maintenance expenses		547,852	606,185	625,865
<b>Total other expenditure</b>		<b>547,852</b>	<b>606,185</b>	<b>1,853,149</b>

# Town of Bassendean

## Notes to and Forming Part of the Financial Report

for the year ended 30 June 2025

### Note 3. Cash and Cash Equivalents

	Note	2025 \$	2024 \$
Cash at bank and on hand		216,045	1,529,228
Term deposits		16,584,773	10,302,111
<b>Total cash and cash equivalents</b>		<b>16,800,818</b>	<b>11,831,339</b>
Held as			
- Unrestricted cash and cash equivalents		4,133,425	4,125,262
- Restricted cash and cash equivalents	17	12,667,393	7,706,077
<b>Total</b>		<b>16,800,818</b>	<b>11,831,339</b>

#### MATERIAL ACCOUNTING POLICIES

##### Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours notice with no loss of interest.

##### Restricted financial assets

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions.

Restrictions are specified in an agreement, contract or legislation.

This applies to reserve accounts, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement.

# Town of Bassendean

## Notes to and Forming Part of the Financial Report

for the year ended 30 June 2025

### Note 4. Other Financial Assets

	Note	2025 \$	2024 \$
<b>(a) Current assets</b>			
Financial assets at amortised cost		3,577,980	5,573,965
<b>Total current financial assets</b>		<b>3,577,980</b>	<b>5,573,965</b>
<b>Other Financial assets at amortised cost</b>			
Term deposits		3,551,773	5,549,430
Self supporting loans receivable		26,207	24,535
		<b>3,577,980</b>	<b>5,573,965</b>
Held as			
- Unrestricted other financial assets at amortised cost		26,207	24,535
- Restricted other financial assets at amortised cost	17	3,551,773	5,549,430
<b>Total</b>		<b>3,577,980</b>	<b>5,573,965</b>
<b>(b) Non current assets</b>			
Financial assets at fair value through profit or loss		139,334	145,549
Financial assets at amortised cost		65,686	91,893
<b>Total non-current financial assets</b>		<b>205,020</b>	<b>237,442</b>
<b>Financial assets at fair value through profit or loss</b>			
Units in Local Government House Trust		139,334	145,549
		<b>139,334</b>	<b>145,549</b>
<b>Financial assets at amortised cost</b>			
Self supporting loans receivable		65,686	91,893
		<b>65,686</b>	<b>91,893</b>
<b>Financial assets at fair value through profit or loss</b>			
Units in Local Government House Trust - opening balance		145,549	142,607
Movement attributable to fair value increment		(6,215)	2,942
<b>Units in Local Government House Trust - closing balance</b>		<b>139,334</b>	<b>145,549</b>

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 14 as self supporting loans. Fair value of financial assets at fair value through profit and loss is determined from the net asset value of the units held in the Trust at balance date as compiled by WALGA.

### MATERIAL ACCOUNTING POLICIES

#### Other financial assets at amortised cost

The Town classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 24 (i)) due to the observable market rates.

Interest received is presented under cashflows from operating activities in the Statement of Cash Flows where it is earned from financial assets that are held for cash management purposes.

### Notes to and Forming Part of the Financial Report

for the year ended 30 June 2025

#### Note 4. Other Financial Assets (continued)

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##### **Financial assets at fair value through profit or loss**

The Town has elected to classify the following financial assets at fair value through profit or loss:

- debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- equity investments which the Town has elected to recognise as fair value gains and losses through profit or loss.

##### **Impairment and risk**

Information regarding impairment and exposure to risk can be found at Note 24.

## Town of Bassendean

### Notes to and Forming Part of the Financial Report

for the year ended 30 June 2025

#### Note 5. Trade and Other Receivables

	Note	2025 \$	2024 \$
<b>Current</b>			
Rates and statutory receivables		829,504	734,969
Trade receivables		368,335	173,625
Other receivables		1,241,688	–
GST receivable		269,823	193,110
Receivables for employee related provisions	15	195,146	150,583
Accrued interest income		134,599	280,211
Less: Allowances for credit losses of trade receivables		(15,100)	–
		<u>3,023,995</u>	<u>1,532,498</u>
<b>Non-current</b>			
Pensioner's rates and ESL deferred		398,906	359,672
Long service leave due from other councils	15	34,323	13,223
		<u>433,229</u>	<u>372,895</u>

The total long service leave due from other councils \$229,469 - Note 15

#### MATERIAL ACCOUNTING POLICIES

##### Rates and statutory receivables

Rates and statutory receivables are non-contractual receivables arising from statutory requirements and include amounts due from ratepayers for unpaid rates and service charges and other statutory charges or fines.

Rates and statutory receivables are recognised when the taxable event has occurred and can be measured reliably.

##### Trade receivables

Trade receivables are amounts receivable from contractual arrangements with customers for goods sold, services performed or grants or contributions with sufficiently specific performance obligations or for the construction of recognisable non-financial assets as part of the ordinary course of business.

##### Other Receivables

Other receivables are amounts receivable from contractual arrangements with third parties other than contracts with customers including grants for the construction of recognisable non-financial assets.

##### Measurement

Trade and other receivables are recognised initially at the amount of the transaction price, unless they contain a significant financing component, and are to be recognised at fair value.

##### Classification and subsequent measurement

Receivables which are generally due for settlement within 30 days under AASB 101.66 except rates receivables which are expected to be collected within 12 months are classified as current assets. All other receivables such as, deferred pensioner rates receivable after the end of the reporting period are classified as non-current assets.

Trade and other receivables are held with the objective to collect the contractual cashflows and therefore the Town measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.

##### Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 24.

## Town of Bassendean

### Notes to and Forming Part of the Financial Report

for the year ended 30 June 2025

#### Note 6. Inventories

	2025	2024
	\$	\$
<b>Current</b>		
Fuel and materials	29,091	23,787
<b>Total current inventories</b>	<u>29,091</u>	<u>23,787</u>

The following movements in inventories occurred during the year:

<b>Balance at beginning of year</b>	23,787	6,624
Inventories expensed during the year	(88,721)	(28,579)
Additions to inventory	94,025	45,742
<b>Balance at end of year</b>	<u>29,091</u>	<u>23,787</u>

#### MATERIAL ACCOUNTING POLICIES

##### General

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

#### Note 7. Other Assets

	2025	2024
	\$	\$
<b>Other assets - current</b>		
Prepayments	187,092	231,759
<b>Total other assets - current</b>	<u>187,092</u>	<u>231,759</u>

#### MATERIAL ACCOUNTING POLICIES

##### Other current assets

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

# Town of Bassendean

## Notes to and Forming Part of the Financial Report for the year ended 30 June 2025

### Note 8. Property, Plant and Equipment

#### (a) Movements in balances

Movement in the balances of each class of property, plant and equipment between the beginning and the end of the current financial year.

	Assets not subject to operating lease		Total Property		Work in progress	Total Property	Plant and equipment		Minor Assets - Artwork	Total property, plant and equipment	
	Land	Buildings specialised	Land	Buildings specialised			Furniture and equipment	Plant and equipment			
Note	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>Balance at 1 July 2023</b>	33,360,900	19,481,362	33,360,900	19,481,362	–	52,842,262	1,029,346	1,180,348	62,620	55,114,576	
Additions	–	143,306	–	143,306	134,300	277,606	29,613	251,755	–	558,974	
Disposals	(530,000)	(104,968)	(530,000)	(104,968)	–	(634,968)	(923)	(136,870)	–	(772,761)	
Depreciation	10a	–	(1,325,265)	–	(1,325,265)	–	(1,325,265)	(180,264)	(118,869)	–	(1,624,398)
Transfers	–	17,152	–	17,152	–	17,152	–	(16,161)	–	991	
<b>Balance at 30 June 2024</b>	<b>32,830,900</b>	<b>18,211,587</b>	<b>32,830,900</b>	<b>18,211,587</b>	<b>134,300</b>	<b>51,176,787</b>	<b>877,772</b>	<b>1,160,203</b>	<b>62,620</b>	<b>53,277,382</b>	
<b>Comprises:</b>											
Gross balance amount at 30 June 2024	32,830,900	30,163,590	32,830,900	30,163,590	134,300	63,128,790	1,579,901	2,504,333	62,620	67,275,644	
Accumulated depreciation at 30 June 2024	–	(11,952,003)	–	(11,952,003)	–	(11,952,003)	(702,129)	(1,344,130)	–	(13,998,262)	
<b>Balance at 30 June 2024</b>	<b>32,830,900</b>	<b>18,211,587</b>	<b>32,830,900</b>	<b>18,211,587</b>	<b>134,300</b>	<b>51,176,787</b>	<b>877,772</b>	<b>1,160,203</b>	<b>62,620</b>	<b>53,277,382</b>	
<b>Balance at 1 July 2024</b>	<b>32,830,900</b>	<b>18,211,587</b>	<b>32,830,900</b>	<b>18,211,587</b>	<b>134,300</b>	<b>51,176,787</b>	<b>877,772</b>	<b>1,160,203</b>	<b>62,620</b>	<b>53,277,382</b>	
Additions	93,821	161,509	93,821	161,509	107,465	362,795	38,716	362,376	–	763,887	
Disposals	–	–	–	–	–	–	–	(40,624)	(7,700)	(48,324)	
Depreciation	10a	–	(1,318,971)	–	(1,318,971)	–	(1,318,971)	(183,473)	(166,696)	–	(1,669,140)
Transfers	660	15,461	660	15,461	(134,300)	(118,179)	13,920	65,900	–	(38,359)	
<b>Balance at 30 June 2025</b>	<b>32,925,381</b>	<b>17,069,586</b>	<b>32,925,381</b>	<b>17,069,586</b>	<b>107,465</b>	<b>50,102,432</b>	<b>746,935</b>	<b>1,381,159</b>	<b>54,920</b>	<b>52,285,446</b>	
<b>Comprises:</b>											
Gross balance amount at 30 June 2025	32,925,381	30,340,560	32,925,381	30,340,560	107,465	63,373,406	1,632,537	2,753,321	54,920	67,814,184	
Accumulated depreciation at 30 June 2025	–	(13,270,974)	–	(13,270,974)	–	(13,270,974)	(885,602)	(1,372,162)	–	(15,528,738)	
<b>Balance at 30 June 2025</b>	<b>32,925,381</b>	<b>17,069,586</b>	<b>32,925,381</b>	<b>17,069,586</b>	<b>107,465</b>	<b>50,102,432</b>	<b>746,935</b>	<b>1,381,159</b>	<b>54,920</b>	<b>52,285,446</b>	

## Town of Bassendean

### Notes to and Forming Part of the Financial Report

for the year ended 30 June 2025

#### Note 8. Property, Plant and Equipment (continued)

##### (b) Carrying Amount Measurements

Asset class	Note	Carrying amount 2025 \$	Carrying amount 2024 \$	Fair value hierachy	Valuation technique	Basis of valuation	Date of last valuation	Inputs used
<b>(i) Fair Value - as determined at the last valuation date</b>								
<b>Land and buildings</b>								
Land - Freehold Land		32,925,381	32,830,900	2 & 3	Market approach using recent observable market data for similar items. (Gross revaluation method)	Independent Valuation	June 2022	Price per hectare/market borrowing rate
<b>Total land</b>	8a	<u>32,925,381</u>	<u>32,830,900</u>					
Buildings - specialised		17,069,586	18,211,587	3	Cost approach using depreciated replacement cost. (Gross revaluation method)	Independent Valuation	June 2022	Construction/Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
<b>Total buildings</b>	8a	<u>17,069,586</u>	<u>18,211,587</u>					

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs. The valuation techniques applied to property subject to lease was the same as that applied to property not subject to lease.

## Town of Bassendean

### Notes to and Forming Part of the Financial Report

for the year ended 30 June 2025

#### Note 9. Infrastructure

##### (a) Movements in balances

Movement in the balances of each class of infrastructure between the beginning and the end of the current financial year.

	Note	Infrastructure roads \$	Infrastructure footpaths \$	Infrastructure drainage \$	Infrastructure - Parks and Reserves \$	Work in progress \$	Total infrastructure \$
<b>Balance as at 1 July 2023</b>		57,343,146	7,156,651	17,206,068	9,602,419	124,564	91,432,848
Additions		1,430,569	182,257	–	817,314	138,281	2,568,421
Depreciation	10a	(1,926,825)	(275,410)	(401,099)	(702,899)	–	(3,306,233)
Transfers		15,325	–	–	(345)	(40,218)	(25,238)
<b>Balance at 30 June 2024</b>		<b>56,862,215</b>	<b>7,063,498</b>	<b>16,804,969</b>	<b>9,716,489</b>	<b>222,627</b>	<b>90,669,798</b>
<b>Comprises:</b>							
Gross balance amount at 30 June 2024		115,056,080	11,806,299	31,934,513	16,162,609	222,627	175,182,128
Accumulated depreciation at 30 June 2024		(58,193,865)	(4,742,801)	(15,129,544)	(6,446,120)	–	(84,512,330)
<b>Balance at 30 June 2024</b>		<b>56,862,215</b>	<b>7,063,498</b>	<b>16,804,969</b>	<b>9,716,489</b>	<b>222,627</b>	<b>90,669,798</b>
<b>Balance as at 1 July 2024</b>		56,862,215	7,063,498	16,804,969	9,716,489	222,627	90,669,798
Additions		1,380,459	48,600	–	223,581	2,222,272	3,874,912
Depreciation	10a	(1,980,532)	(279,355)	(401,099)	(748,569)	–	(3,409,555)
Transfers		–	–	–	1,500	(46,163)	(44,663)
<b>Balance at 30 June 2025</b>		<b>56,262,142</b>	<b>6,832,743</b>	<b>16,403,870</b>	<b>9,193,001</b>	<b>2,398,736</b>	<b>91,090,492</b>
<b>Comprises:</b>							
Gross balance amount at 30 June 2025		116,436,539	11,854,900	31,934,513	16,387,690	2,398,736	179,012,378
Accumulated depreciation at 30 June 2025		(60,174,397)	(5,022,157)	(15,530,643)	(7,194,689)	–	(87,921,886)
<b>Balance at 30 June 2025</b>		<b>56,262,142</b>	<b>6,832,743</b>	<b>16,403,870</b>	<b>9,193,001</b>	<b>2,398,736</b>	<b>91,090,492</b>

## Town of Bassendean

### Notes to and Forming Part of the Financial Report

for the year ended 30 June 2025

#### Note 9. Infrastructure (continued)

##### (b) Carrying Amount Measurements

Asset class	Fair value hierarchy	Valuation technique	Basis of valuation	Date of last valuation	Inputs used
<b>(i) Fair Value - as determined at the last valuation date</b>					
Infrastructure - roads	3	Cost approach using depreciated replacement cost. (Gross revaluation method)	Independent Valuation	June 2022	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - drainage	3	Cost approach using depreciated replacement cost. (Gross revaluation method)	Independent Valuation	June 2022	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - footpaths	3	Cost approach using depreciated replacement cost. (Gross revaluation method)	Independent Valuation	June 2022	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - parks and reserves	3	Cost approach using depreciated replacement cost. (Gross revaluation method)	Independent Valuation	June 2022	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of infrastructure using level 3 inputs.

## Town of Bassendean

### Notes to and Forming Part of the Financial Report

for the year ended 30 June 2025

#### Note 10. Fixed Assets

	Note	2025 Actual \$	2025 Budget \$	2024 Actual \$
<b>(a) Depreciation</b>				
Buildings - specialised	8a	1,318,971	1,343,271	1,325,265
Furniture and equipment	8a	183,473	105,864	180,264
Plant and equipment	8a	166,696	157,649	118,869
Infrastructure - roads	9a	1,980,532	1,895,767	1,926,825
Infrastructure - footpaths	9a	279,355	273,288	275,410
Infrastructure - drainage	9a	401,099	402,884	401,099
Infrastructure - parks and reserves	9a	748,569	706,429	702,899
Right-of-use assets - plant and equipment	11	67,932	–	89,037
Right-of-use assets - furniture and equipment	11	9,771	–	24,854
<b>Total depreciation</b>		<b>5,156,398</b>	<b>4,885,152</b>	<b>5,044,522</b>

#### Depreciation rates

Typical estimated useful lives for the different asset classes for the current and prior years are included in the table below:

Asset Class	Useful life
Buildings	20 to 100 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Minor Art Works	Not depreciated
Infrastructure - Roads	18 to 120 years
Infrastructure - Parks Plant & Equipment	3 to 80 years
Infrastructure - Footpaths	10 to 50 years
Infrastructure - Drainage	10 to 80 years

## Town of Bassendean

### Notes to and Forming Part of the Financial Report

for the year ended 30 June 2025

#### Note 10. Fixed Assets (continued)

##### (b) Disposal of Assets

The following assets were disposed of during the year.

	Net book value			Sales price			Profit			(loss)		
	2025 Actual	2025 Budget	2024 Actual	2025 Actual	2025 Budget	2024 Actual	2025 Actual	2025 Budget	2024 Actual	2025 Actual	2025 Budget	2024 Actual
Note	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>By asset class</b>												
<i>Property, plant and equipment</i>	8a											
Land	–	–	530,000	–	–	519,833	–	–	–	–	–	(10,167)
Buildings - non-specialised	–	–	–	24,748	–	–	–	–	–	–	–	–
Buildings - specialised	–	–	104,968	–	–	2,728	–	–	–	–	–	(102,240)
Plant and equipment	40,624	–	136,870	20,922	–	123,408	20,374	–	21,738	(20,038)	–	(35,200)
Furniture and equipment / Other minor assets	7,700	–	923	(1,720)	–	216	–	–	–	(4,710)	–	(707)
<b>Total by asset class</b>	<b>48,324</b>	<b>–</b>	<b>772,761</b>	<b>43,950</b>	<b>–</b>	<b>646,185</b>	<b>20,374</b>	<b>–</b>	<b>21,738</b>	<b>(24,748)</b>	<b>–</b>	<b>(148,314)</b>

### Note 10. Fixed Assets (continued)

#### MATERIAL ACCOUNTING POLICIES

##### Initial recognition

An item of property, plant and equipment or infrastructure that qualifies for recognition as an asset is measured at its cost.

Upon initial recognition, cost is determined as the amount paid (or other consideration given) to acquire the assets, plus costs incidental to the acquisition. The cost of non-current assets constructed by the Town includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition.

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Local Government (Financial Management) Regulation 17A(5)*. These assets are expensed immediately.

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

Individual assets that are land, buildings and infrastructure acquired between scheduled revaluation dates of the asset class in accordance with the Town's revaluation policy, are recognised at cost and disclosed as being at reportable value.

##### Measurement after recognition

Plant and equipment including furniture and equipment and right-of-use assets (other than vested improvements) are measured using the cost model as required under *Local Government (Financial Management) Regulation 17A(2)*. Assets held under the cost model are carried at cost less accumulated depreciation and any impairment losses.

##### Reportable Value

In accordance with *Local Government (Financial Management) Regulation 17A(2)*, the carrying amount of non-financial assets that are land and buildings classified as property, plant and equipment, investment properties, infrastructure or vested improvements that the local government controls.

Reportable value is for the purpose of *Local Government (Financial Management) Regulation 17A(4)* is the fair value of the asset at its last valuation date minus (to the extent applicable) the accumulated depreciation and any accumulated impairment losses in respect of the non-financial asset subsequent to its last valuation date.

##### Revaluation

Land and buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government controls and measured at reportable value, are only required to be revalued every five years in accordance with the regulatory framework. This includes

buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on land vested in the Town.

Whilst the regulatory framework only requires a revaluation to occur every five years, it also provides for the Town to revalue earlier if it chooses to do so.

For land, buildings and infrastructure, increases in the carrying amount arising on revaluation of asset classes are credited to a revaluation surplus in equity.

Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

##### Depreciation

The depreciable amount of all property, plant and equipment and infrastructure, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

##### Depreciation on revaluation

When an item of property, plant and equipment and infrastructure is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- (i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset.
- (ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

##### Impairment

In accordance with *Local Government (Financial Management) Regulations 17A(4C)*, the Town is not required to comply with *AASB136 Impairment of Assets* to determine the recoverable amount of its non-financial assets that are land or buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government controls in circumstances where there has not been an impairment indication of a general decrease in asset values.

In other circumstances where it has been assessed that one or more of these non-financial assets are impaired, the asset's carrying amount is written down immediately to its

Note 10. Fixed Assets (continued)

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recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

**Gains or losses on disposal**

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

## Town of Bassendean

### Notes to and Forming Part of the Financial Report

for the year ended 30 June 2025

#### Note 11. Leases

##### (a) Right of use assets

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year

	Note	Plant & Equipment \$	Furniture and Equipment \$	Total \$
<b>2024</b>				
<b>Balance at 1 July 2023</b>		139,642	34,626	174,268
Additions		31,026	–	31,026
Depreciation	10a	(89,037)	(24,855)	(113,892)
<b>Balance at 30 June 2024</b>		<b>81,631</b>	<b>9,771</b>	<b>91,402</b>
Gross balance amount at 30 June 2024		400,813	124,001	524,814
Accumulated depreciation at 30 June 2024		(319,182)	(114,230)	(433,412)
<b>Balance at 30 June 2024</b>		<b>81,631</b>	<b>9,771</b>	<b>91,402</b>
<b>2025</b>				
<b>Balance at 1 July 2024</b>		81,631	9,771	91,402
Additions		18,250	–	18,250
Depreciation	10a	(67,932)	(9,771)	(77,703)
<b>Balance at 30 June 2025</b>		<b>31,949</b>	<b>–</b>	<b>31,949</b>
Gross balance amount at 30 June 2025		218,857	116,618	335,475
Accumulated depreciation at 30 June 2025		(186,908)	(116,618)	(303,526)
<b>Balance at 30 June 2025</b>		<b>31,949</b>	<b>–</b>	<b>31,949</b>

##### Amounts included in the statement of comprehensive income related to leases

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the entity is the lessee:

	Note	2025 Actual \$	2024 Actual \$
<b>Expenses</b>			
Depreciation on right-of-use assets	10a	(77,703)	(113,892)
Finance charge on lease liabilities	27b	(2,249)	(4,096)
<b>Total amount recognised in the statement of comprehensive income</b>		<b>(79,952)</b>	<b>(117,988)</b>

##### (b) Lease liabilities

Current		29,063	64,336
Non-current		4,102	28,712
<b>Total lease liabilities</b>	27b	<b>33,165</b>	<b>93,048</b>

##### Secured liabilities and assets pledged as security

Lease liabilities are effectively secured, as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

### Notes to and Forming Part of the Financial Report

for the year ended 30 June 2025

#### Note 11. Leases (continued)

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##### **MATERIAL ACCOUNTING POLICIES**

###### **Leases**

At inception of a contract, the Town assesses if the contract contains or is a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, a right-of-use asset is recognised at cost and lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Town uses its incremental borrowing rate.

All contracts that are classified as short-term leases (i.e. a lease with a term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Details of individual lease liabilities required by regulations are provided at Note 27(b).

###### **Right-of-use assets - measurement**

Right-of-use assets are measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not recognised in the Statement of Financial Position). The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fair value.

Refer to Note 10 under revaluation for details on the significant accounting policies applying to vested improvements.

###### **Right-of-use assets - depreciation**

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shorter. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Town anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

## Town of Bassendean

### Notes to and Forming Part of the Financial Report

for the year ended 30 June 2025

#### Note 12. Trade and Other Payables

	2025	2024
	\$	\$
<b>Current</b>		
Sundry creditors	2,925,615	1,857,601
Accrued interest on loans	988	1,548
Prepaid rates	562,140	502,360
Accrued payroll liabilities	–	429
Bonds and deposits held	1,903,921	1,839,577
Accrued salaries and wages	354,868	444,176
Hyde Retirement Village bonds	24,000	30,000
<b>Total current trade and other payables</b>	<b>5,771,532</b>	<b>4,675,691</b>

#### MATERIAL ACCOUNTING POLICIES

##### Financial liabilities

Financial liabilities are initially recognised at fair value when the Town becomes a party to the contractual provisions of the instrument.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

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

##### Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Town before the end of the financial year that are unpaid and arise when the Town becomes obliged to make future payments in respect of the purchase of these goods and services.

The amounts unsecured, are recognised as a current liability and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

##### Prepaid rates

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Town recognises income for the prepaid rates that have not been refunded.

# Town of Bassendean

## Notes to and Forming Part of the Financial Report

for the year ended 30 June 2025

### Note 13. Other Liabilities

	2025	2024
	\$	\$
<b>(a) Other liabilities</b>		
<b>Current</b>		
Capital grants / contributions liabilities	492,679	30,630
	<u>492,679</u>	<u>30,630</u>
<b>Reconciliation of changes in Capital Grant/ Contributions Liabilities</b>		
Opening balance	30,630	185,022
Additions	519,842	–
Transfers	(57,793)	(154,392)
	<u>492,679</u>	<u>30,630</u>
<b>Expected satisfaction of capital grant/contribution liabilities</b>		
Less than 1 year	492,679	30,630
	<u>492,679</u>	<u>30,630</u>

Performance obligations in relation to capital grant/contribution liabilities are satisfied as project milestones are met or completion of construction or acquisition of the asset.

### MATERIAL ACCOUNTING POLICIES

#### Capital grant/contribution liabilities

Capital grant/contribution liabilities represent the Town's obligations to construct recognisable non-financial assets to identified specifications to be controlled by the Town which are yet to be satisfied. Capital grant/contribution liabilities are recognised as income when the obligations in the contract are satisfied.

Fair values for non-current capital grant/contribution liabilities, not expected to be extinguished within 12 months, are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 24(i)) due to the unobservable inputs, including own credit risk.

## Town of Bassendean

### Notes to and Forming Part of the Financial Report

for the year ended 30 June 2025

#### Note 14. Borrowings

Note	2025			2024		
	Current \$	Non-current \$	Total \$	Current \$	Non-current \$	Total \$
<b>Secured</b>						
Loans from WATC	217,582	265,518	483,100	231,091	483,100	714,191
<b>Total secured borrowings</b>	<u>217,582</u>	<u>265,518</u>	<u>483,100</u>	<u>231,091</u>	<u>483,100</u>	<u>714,191</u>

#### Secured liabilities and assets pledged as security

All of the Town's borrowings are from the Western Australian Treasury Corporation (WATC) and are unsecured.

The Town has complied with the financial covenants of its borrowing facilities during the 2025 and 2024 years.

#### MATERIAL ACCOUNTING POLICIES

##### Borrowing costs

The Town has elected to recognise borrowing costs as an expense when incurred regardless of how the borrowings are applied.

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.

Borrowing fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 24(i)) due to the unobservable inputs, including own credit risk.

##### Risk

Details of individual borrowings required by regulations are provided at Note 27(a).

# Town of Bassendean

## Notes to and Forming Part of the Financial Report

for the year ended 30 June 2025

### Note 15. Employee Related Provisions

	2025	2024
	\$	\$
<b>(a) Employee related provisions</b>		
<b>Current provisions</b>		
<b>Employee benefit provisions</b>		
Annual leave	839,051	866,806
Long service leave	1,137,424	1,631,917
	<u>1,976,475</u>	<u>2,498,723</u>
<b>Employee related other provisions</b>		
Employment on-costs	33,234	38,557
	<u>33,234</u>	<u>38,557</u>
<b>Total current employee related provisions</b>	<u>2,009,709</u>	<u>2,537,280</u>
<b>Non-current provisions</b>		
<b>Employee benefit provisions</b>		
Long service leave	212,444	238,785
	<u>212,444</u>	<u>238,785</u>
<b>Employee related other provisions</b>		
Employment on-costs	3,373	2,537
	<u>3,373</u>	<u>2,537</u>
<b>Total non-current employee related provisions</b>	<u>215,817</u>	<u>241,322</u>
<b>Total employee related provisions</b>	<u>2,225,526</u>	<u>2,778,602</u>

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave and associated on costs for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

Annual leave liabilities are classified as current, as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

		2025	2024
	Note	\$	\$
Expected reimbursements of employee related provisions from other WA local governments included within other receivables	5	229,469	150,582

### MATERIAL ACCOUNTING POLICIES

#### Employee benefits

The Town's obligations for employees' annual leave, long service leave and other employee leave entitlements are recognised as employee related provisions in the Statement of Financial Position.

#### Short-term employee benefits

Provision is made for the Town's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Town's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

## Notes to and Forming Part of the Financial Report

for the year ended 30 June 2025

### Note 15. Employee Related Provisions (continued)

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#### **Other long-term employee benefits**

Long-term employee benefits provisions are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Town's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Town does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

## Town of Bassendean

### Notes to and Forming Part of the Financial Report for the year ended 30 June 2025

#### Note 16. Revaluation Surplus

	2025		2025		2024	
	Opening Balance	Total Movement on Revaluation	Closing Balance	Opening Balance	Total Movement on Revaluation	Closing Balance
	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	39,680,067	–	39,680,067	39,680,067	–	39,680,067
Revaluation surplus - Buildings	15,499,268	–	15,499,268	15,499,268	–	15,499,268
Revaluation surplus - Furniture and equipment	56,792	–	56,792	56,792	–	56,792
Revaluation surplus - Plant and equipment	732,285	–	732,285	732,285	–	732,285
Revaluation surplus - Infrastructure - roads	48,747,740	–	48,747,740	48,747,740	–	48,747,740
Revaluation surplus - Infrastructure - footpaths	5,779,454	–	5,779,454	5,779,454	–	5,779,454
Revaluation surplus - Infrastructure - drainage	14,522,995	–	14,522,995	14,522,995	–	14,522,995
Revaluation surplus - Infrastructure- parks and reserves	6,551,598	–	6,551,598	6,551,598	–	6,551,598
	<b>131,570,199</b>	<b>–</b>	<b>131,570,199</b>	<b>131,570,199</b>	<b>–</b>	<b>131,570,199</b>
Revaluation surplus EMRC	2,090,448	1,298,546	3,388,994	1,930,651	159,797	2,090,448
	<b>133,660,647</b>	<b>1,298,546</b>	<b>134,959,193</b>	<b>133,500,850</b>	<b>159,797</b>	<b>133,660,647</b>

## Town of Bassendean

### Notes to and Forming Part of the Financial Report

for the year ended 30 June 2025

#### Note 17. Restrictions Over Financial Assets

	Note	2025 Actual \$	2024 Actual \$
<b>Restrictions</b>			
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents	3	12,667,393	7,706,077
- Financial assets at amortised cost	4a	3,551,773	5,549,430
		<u>16,219,166</u>	<u>13,255,507</u>
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	28	13,795,477	11,385,930
Capital grant liabilities	13	492,679	—
Bonds and deposits held		1,931,010	1,869,577
<b>Total restricted financial assets</b>		<u>16,219,166</u>	<u>13,255,507</u>

#### Note 18. Undrawn borrowing facilities and credit standby arrangements

	2025 Actual \$	2024 Actual \$
Bank overdraft limit	100,000	100,000
Credit card limit	150,000	150,000
Credit card balance at balance date	(25,144)	(17,502)
<b>Total amount of credit unused</b>	<u>224,856</u>	<u>232,498</u>
<b>Security</b>		
<b>Loan facilities</b>		
Loan facilities - current	217,582	231,091
Loan facilities - non-current	265,518	483,100
<b>Total facilities in use at balance date</b>	<u>483,100</u>	<u>714,191</u>
<b>Unused loan facilities at balance date</b>	NIL	NIL

## Town of Bassendean

### Notes to and Forming Part of the Financial Report

for the year ended 30 June 2025

#### Note 19. Contingent liabilities

In compliance with the *Contaminated Sites Act 2003*, the Town has listed the following sites as potential sources of contamination:

- 87 Whitfield St, Bassendean
- 17 & 19 Anstey Rd, Bassendean
- 35 Villiers St West and 29 Elder Pde, Bassendean
- 25 Iveson Pl, Bassendean
- 40 Haig Street, Ashfield
- Lots 214-220 (37- 47 Hyland St, 214 Lot Carnegie Rd), Bassendean
- 27 Hyland St, Bassendean - Restricted Use

Until the Town conducts an investigation to determine the presence and scope of contamination, assesses the risk, and agrees with Department of Water and Environmental Regulation on the need and criteria for remediation of risk based approach, the Town is unable to estimate the potential costs associated with remediation of these sites.

#### Note 20. Capital commitments

	2025	2024
	\$	\$
<b>Capital expenditure commitments</b>		
<b>Contracted for:</b>		
- capital expenditure projects	–	89,072
- Infrastructure projects	65,311	37,400
<b>Total capital expenditure commitments</b>	<b>65,311</b>	<b>126,472</b>
<b>Payable:</b>		
- not later than one year	65,311	126,472
<b>Total capital expenditure commitments</b>	<b>65,311</b>	<b>126,472</b>

# Town of Bassendean

## Notes to and Forming Part of the Financial Report

for the year ended 30 June 2025

### Note 21. Related party transactions

Note	2025 Actual \$	2025 Budget \$	2024 Actual \$
<b>(a) Council Member Remuneration</b>			
Fees, expenses and allowances paid or reimbursed to elected council members.			
Mayor's annual allowance	39,988	39,988	38,450
Mayor's meeting attendance fees	27,425	27,425	26,370
Mayor's ICT expenses	2,800	2,800	3,500
Mayor's training expenses	1,396	2,143	2,178
<b>Total</b>	<b>71,609</b>	<b>72,356</b>	<b>70,498</b>
Deputy Mayor's annual allowance	9,997	9,997	9,579
Deputy Mayor's meeting attendance fees	17,711	17,711	16,934
Deputy Mayor's ICT expenses	2,800	2,800	3,480
Deputy Mayor's training expenses	173	2,143	679
<b>Total</b>	<b>30,681</b>	<b>32,651</b>	<b>30,672</b>
All other council member's meeting attendance fees	89,303	90,555	84,929
All other council member's ICT expenses	14,000	14,000	17,534
All other council member's training expenses	5,765	10,714	10,148
<b>Total</b>	<b>109,068</b>	<b>115,269</b>	<b>112,611</b>
<b>Total</b>	<b>211,358</b>	<b>220,276</b>	<b>213,781</b>

21b

### (b) Key Management Personnel (KMP) Compensation

The total of compensation paid to KMP of the Town during the year is as follows:

Note	2025 Actual \$	2024 Actual \$
Short-term employee benefits	775,753	831,117
Post-employment benefits	107,197	118,025
Employee - other long-term benefits	100,653	98,992
Employee - termination benefits	-	49,905
Council member costs	211,358	213,781
<b>Total</b>	<b>1,194,961</b>	<b>1,311,820</b>

#### Short-term employee benefits

These amounts include all salary and fringe benefits awarded to KMP except for details in respect to fees and benefits paid to council members which may be separately found in the table above.

#### Post-employment benefits

These amounts are the current-year's estimated cost of providing for the Town's superannuation contributions made during the year.

#### Other long-term benefits

These amounts represent annual leave and long service leave entitlements accruing during the year.

## Town of Bassendean

### Notes to and Forming Part of the Financial Report

for the year ended 30 June 2025

#### Note 21. Related party transactions (continued)

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##### *Termination benefits*

These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given year).

##### *Council member costs*

These amounts represent payments of member fees, expenses, allowances and reimbursements during the year.

#### **(c) Transactions with related parties**

Transactions between related parties and the Town are on normal commercial terms and conditions, no more favourable than those available to other parties, unless otherwise stated.

No outstanding balances or provisions for doubtful debts or guarantees exist in relation to related parties at year end.

#### **(d) Related parties**

**The Town's main related parties are as follows:**

##### *i. Key management personnel*

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any council member, are considered key management personnel and are detailed in Notes 21(a) and 21(b).

##### *ii. Other Related Parties*

Outside of normal citizen type transactions with the Town, there were no other related party transactions involving key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

##### *iii. Entities subject to significant influence by the Town*

There were no such entities requiring disclosure during the current or previous year.

# Town of Bassendean

## Notes to and Forming Part of the Financial Report

for the year ended 30 June 2025

### Note 22. Investment in Joint Arrangements

#### Eastern Metropolitan Regional Council

The Town is a member of the Eastern Metropolitan Regional Council. EMRC was established in accordance with the Local Government Act 1995 and consists of four local governments, namely, Town of Bassendean, City of Bayswater, Shire of Mundaring, and City of Swan.

Effective 1 July 2025, two-member participant councils have withdrawn from the EMRC, leaving the City of Bayswater and the Town of Bassendean as the remaining member participant councils. The Town's equity interest is expected to increase to approximately 19%. The full financial impact of the Town's higher level of equity interest in the EMRC is not yet known and unable to be estimated at the time of issue of the financial report and will be assessed as further information becomes available.

The Town's interest in the associate calculated by EMRC as at 30 June 2025 was 5.44% (5.56% at 30 June 2024, representing its share of the net assets of \$177,233,088 (\$158,539,468 at 30 June 2024). The Town's interest in the assets and liabilities of the EMRC is as follows:

	<b>2025</b>	<b>2024</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>
<b>Summarised statement of financial position</b>		
Other current assets	79,755,243	94,271,356
Non-current assets	151,800,790	141,786,776
Current liabilities	45,561,860	40,583,440
Non-current liabilities	8,808,999	36,935,224
<b>Net assets</b>	<b>177,185,174</b>	<b>158,539,468</b>
Share of joint venture's profit/(loss) from ordinary activities	(478,589)	332,992
<b>Carrying amount at 1 July</b>	<b>8,821,409</b>	<b>8,328,620</b>
- Share of joint venture's net profit/(loss) for the period	(478,589)	332,992
- Share of joint venture's other comprehensive income arising during the period	1,298,542	159,797
<b>Carrying amount at 30 June</b>	<b>9,641,362</b>	<b>8,821,409</b>

#### MATERIAL ACCOUNTING POLICIES

##### Joint operations

A joint operation is a joint arrangement where the Town has joint control with two or more parties to the joint arrangement. All parties to the joint arrangement have rights to the assets and obligations for the liabilities related to the arrangement.

Assets, liabilities, revenues and expenses relating to the Town's interest in the joint operation are accounted for in accordance with the relevant Australian Accounting Standard.

### Notes to and Forming Part of the Financial Report

for the year ended 30 June 2025

#### Note 23. Events occurring after the end of the reporting period

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1. Subsequent to the reporting date, the Town commenced preliminary discussions regarding the potential sale of a business operation. The process is currently at an early stage, and no binding agreement or definitive terms have been finalised as of the date these financial statements were authorised for issue. The proposed transaction represents part of the Town's ongoing strategic review of its operations. As the discussions are preliminary, the outcome and financial impact, if any, cannot presently be determined. This event occurred after the reporting period and does not provide evidence of conditions existing at the balance sheet date. Accordingly, no adjustments have been made to the carrying amounts of assets or liabilities as at the balance sheet date.
2. Effective 1 July 2025, there has been a change in the member councils of the Eastern Metropolitan Regional Council. Please refer to Note 22 for details.

## Notes to and Forming Part of the Financial Report

for the year ended 30 June 2025

### Note 24. Other Material Accounting Policies

#### a) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

#### b) Current and non-current classification

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Town's operational cycle. In the case of liabilities where the Town does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current or non-current based on the Town's intentions to release for sale.

#### c) Rounding off figures

All figures shown in this annual financial report, other than a rate in the dollar, are rounded to the nearest dollar. Amounts are presented in Australian Dollars.

#### d) Comparative figures

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

When the Town applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements that has a material effect on the statement of financial position, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

#### e) Budget comparative figures

Unless otherwise stated, the budget comparative figures shown in this annual financial report relate to the original budget estimate for the relevant item of disclosure.

#### f) Superannuation

The Town contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Town contributes are defined contribution plans.

#### g) Fair value of assets and liabilities

Fair value is the price that the Town would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

#### h) Interest revenue

Interest revenue is calculated by applying the effective interest rate to the gross carrying amount of a financial asset measured at amortised cost except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

#### i) Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

##### Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

##### Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

##### Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one

#### Note 24. Other Material Accounting Policies (continued)

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or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

##### **Valuation techniques**

The Town selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Town are consistent with one or more of the following valuation approaches:

##### **Market approach**

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

##### **Income approach**

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

##### **Cost approach**

Valuation techniques that reflect the current replacement cost of the service capacity of an asset.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Town gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

##### **j) Impairment of assets**

In accordance with Australian Accounting Standards the Town's cash generating non-specialised assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. AASB 116) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

# Town of Bassendean

## Notes to and Forming Part of the Financial Report for the year ended 30 June 2025

### Note 25. Rating information

Rate type	Basis of valuation	Rate in \$	Number of properties	2024/25 Actual Rateable value \$	2024/25 Actual Rate revenue \$	2024/25 Actual Interim rates \$	2024/25 Actual Total revenue \$	2024/25 Budget rate revenue \$	2024/25 Budget interim rate \$	2024/25 Budget back rate \$	2024/25 Budget total revenue \$	2023/24 Actual Total revenue \$
<b>(a) General Rates</b>												
<b>Rate Description</b>												
Residential	Gross rental valuation	0.08176	6,493	129,758,535	10,608,799	91,439	10,700,238	10,590,900	57,089	–	10,647,989	9,294,675
Comm/Industrial	Gross rental valuation	0.09400	366	51,846,910	4,874,698	–	4,874,698	4,874,699	–	–	4,874,699	4,558,859
Vacant Land - Residential, Commercial and Industrial	Gross rental valuation	0.12263	110	2,122,500	260,295	–	260,295	261,821	–	–	261,821	255,722
<b>Total general rates</b>			<b>6,969</b>	<b>183,727,945</b>	<b>15,743,792</b>	<b>91,439</b>	<b>15,835,231</b>	<b>15,727,420</b>	<b>57,089</b>	<b>–</b>	<b>15,784,509</b>	<b>14,109,256</b>
<b>Minimum payment</b>												
Residential	Gross rental valuation	1,183.00	340	–	401,037	–	401,037	402,220	–	–	402,220	1,156,974
Comm/Industrial	Gross rental valuation	1,183.00	1	–	1,183	–	1,183	1,183	–	–	1,183	2,366
Vacant Land - Residential	Gross rental valuation	1,183.00	106	–	126,581	–	126,581	125,398	–	–	125,398	160,888
<b>Total minimum payments</b>			<b>447</b>	<b>–</b>	<b>528,801</b>	<b>–</b>	<b>528,801</b>	<b>528,801</b>	<b>–</b>	<b>–</b>	<b>528,801</b>	<b>1,320,228</b>
<b>Total general rates and minimum payments</b>			<b>7,416</b>	<b>183,727,945</b>	<b>16,272,593</b>	<b>91,439</b>	<b>16,364,032</b>	<b>16,256,221</b>	<b>57,089</b>	<b>–</b>	<b>16,313,310</b>	<b>15,429,484</b>
							<b>16,364,032</b>				<b>16,313,310</b>	<b>15,429,484</b>
<b>Concessions</b>												
Exemptions, waivers and concessions							(8,276)				(8,275)	(7,835)
<b>Total rates</b>							<b>16,355,756</b>				<b>16,305,035</b>	<b>15,421,649</b>
<b>(b) Rates related information</b>												
Rate instalment interest							67,338				70,000	57,617
Rates instalment plan charges							67,064				65,000	67,130
Rates overdue interest							111,049				110,000	99,490
Rates written off							291				–	431

The rate revenue was recognised from the rate record as soon as practicable after the Town resolved to impose rates in the financial year as well as when the rate record was amended to ensure the information in the record was current and correct.

All land (other than exempt land) in the Town is rated according to its Gross Rental Value (GRV).

The general rates detailed in the 2024/25 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increases in rating over the level adopted in the previous year.

The minimum rates have been determined by Council on the basis that all ratepayers must make a reasonable contribution to the cost of local government services/facilities.

## Town of Bassendean

### Notes to and Forming Part of the Financial Report

for the year ended 30 June 2025

#### Note 26. Determination of surplus or deficit

	2024/25	2024/25	2023/24
	30 June 2025	Budget	30 June 2024
	Carried Forward	Carried Forward	Carried Forward
Note	\$	\$	\$

#### (a) Non-cash amounts excluded from operating activities

The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with *Financial Management Regulation 32*.

##### Adjustments to operating activities

Less: Profit on asset disposals	(20,374)	–	(21,738)
Add / Less: Fair value adjustments to financial assets at fair value through profit or loss	6,215	–	(2,942)
Add / Less: Share of net profit of associates and joint ventures accounted for using the equity method	478,589	–	(332,992)
Add: Loss on disposal of assets	24,748	–	148,314
Add: Capital WIP classified as operating expenses	44,664	–	33,148
Add: Depreciation	10a 5,156,398	4,885,152	5,044,522
Non-cash movements in non-current assets and liabilities:			
Financial assets at amortised cost	32,426	–	23,059
Pensioner deferred rates	(39,234)	–	(24,990)
Employee benefit provisions	(48,475)	207,253	87,372
<b>Non-cash amounts excluded from operating activities</b>	<b>5,634,957</b>	<b>5,092,405</b>	<b>4,953,753</b>

#### (b) Non-cash amounts excluded from investing activities

The following non-cash revenue or expenditure has been excluded from amounts attributable to investing activities within the Statement of Financial Activity in accordance with *Financial Management Regulation 32*.

Right of use assets received - non cash	11a –	–	38,626
<b>Non-cash amounts excluded from investing activities</b>	<b>–</b>	<b>–</b>	<b>38,626</b>

#### (c) Non-cash amounts excluded from financing activities

The following non-cash revenue or expenditure has been excluded from amounts attributable to financing activities within the Statement of Financial Activity in accordance with *Financial Management Regulation 32*.

##### Adjustments to financing activities

Non cash proceeds from new leases	–	–	(38,626)
<b>Non-cash amounts excluded from financing activities</b>	<b>–</b>	<b>–</b>	<b>(38,626)</b>

## Town of Bassendean

### Notes to and Forming Part of the Financial Report for the year ended 30 June 2025

#### Note 26. Determination of surplus or deficit (continued)

		2024/25	2024/25	2023/24
	Note	30 June 2025 Carried Forward	Budget 30 June 2025 Carried Forward	30 June 2024 Carried Forward
		\$	\$	\$
<b>(d) Surplus/(deficit) after imposition of general rates</b>				
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
<b>Adjustments to net current assets</b>				
Less: Reserve accounts	28	(13,795,477)	(10,684,673)	(11,385,930)
Less: Financial assets at amortised cost - self supporting loans	4a	(26,207)	-	(24,535)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	14	217,582	231,017	231,091
- Current portion of lease liabilities	11	29,063	84,925	64,336
Add: Liabilities funded by Cash Backed Reserve		974,958	1,101,771	926,850
<b>Total adjustments to net current assets</b>		<u>(12,600,081)</u>	<u>(9,266,960)</u>	<u>(10,188,188)</u>
<b>Net current assets used in the Statement of Financial Activity</b>				
Total current assets		23,618,976	15,337,286	19,193,348
Less: Total current liabilities		(8,520,565)	(6,048,252)	(7,539,028)
Less: Total adjustments to net current assets		<u>(12,600,081)</u>	<u>(9,266,960)</u>	<u>(10,215,296)</u>
<b>Surplus or deficit after imposition of general rates</b>		<u>2,498,330</u>	<u>22,074</u>	<u>1,439,024</u>

# Town of Bassendean

## Notes to and Forming Part of the Financial Report for the year ended 30 June 2025

### Note 27. Borrowing and lease liabilities

#### (a) Borrowings

Purpose	Note	Actual						Budget				
		Principal at 1 July 2023	New loans during 2023-24	Principal repayments during 2023-24	Principal at 30 June 2024	New loans during 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025	Principal at 1 July 2024	New loans during 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025
Civic Centre Redevelopment		65,919	–	(65,919)	–	–	–	–	–	–	–	–
Civic Centre Redevelopment		45,236	–	(21,954)	23,282	–	(23,282)	–	23,283	–	(23,283)	–
Underground Power		750,000	–	(175,519)	574,481	–	(183,274)	391,207	574,482	–	(183,199)	391,283
<b>Total</b>		<b>861,155</b>	<b>–</b>	<b>(263,392)</b>	<b>597,763</b>	<b>–</b>	<b>(206,556)</b>	<b>391,207</b>	<b>597,765</b>	<b>–</b>	<b>(206,482)</b>	<b>391,283</b>
<b>Self Supporting Loans</b>												
Technology for Ageing and Disability WA (TADWA)		139,397	–	(22,969)	116,428	–	(24,535)	91,893	116,428	–	(24,535)	91,893
<b>Total Self Supporting Loans</b>		<b>139,397</b>	<b>–</b>	<b>(22,969)</b>	<b>116,428</b>	<b>–</b>	<b>(24,535)</b>	<b>91,893</b>	<b>116,428</b>	<b>–</b>	<b>(24,535)</b>	<b>91,893</b>
<b>Total Borrowings</b>	14	<b>1,000,552</b>	<b>–</b>	<b>(286,361)</b>	<b>714,191</b>	<b>–</b>	<b>(231,091)</b>	<b>483,100</b>	<b>714,193</b>	<b>–</b>	<b>(231,017)</b>	<b>483,176</b>

Self supporting loans are financed by payments from third parties. These are shown in Note 4 as other financial assets at amortised cost.

All other loan repayments were financed by general purpose revenue.

#### Borrowing Finance Cost Payments

Purpose	Loan number	Institution	Interest rate	Date final payment is due	Actual for year ending 30 June 2025	Budget for year ending 30 June 2025	Actual for year ending 30 June 2024
Civic Centre Redevelopment	160	WATC	6.31%	28/06/24	–	–	2,586
Civic Centre Redevelopment	160B	WATC	5.92%	26/01/25	619	870	1,960
Underground Power	164	WATC	4.37%	26/06/27	23,023	23,548	30,778
<b>Total</b>					<b>23,642</b>	<b>24,418</b>	<b>35,324</b>
<b>Self Supporting Loans Finance Cost Payments</b>							
Technology for Ageing and Disability WA (TADWA)	162	WATC	6.65%	01/09/28	6,937	7,139	8,476
<b>Total Self Supporting Loans Finance Cost Payments</b>					<b>6,937</b>	<b>7,139</b>	<b>8,476</b>
<b>Total Finance Cost Payments</b>					<b>30,579</b>	<b>31,557</b>	<b>43,800</b>

# Town of Bassendean

## Notes to and Forming Part of the Financial Report for the year ended 30 June 2025

### Note 27. Borrowing and lease liabilities (continued)

#### (b) Lease liabilities

Purpose	Note	Actual						Budget				
		Principal at 1 July 2023	New leases during 2023-24	Principal repayments during 2023-24	Principal at 30 June 2024	New leases during 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025	Principal at 1 July 2024	New leases during 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Furniture and equipment		35,761	–	(25,597)	10,164	–	(10,164)	–	–	–	–	–
Plant and equipment		136,405	38,626	(92,147)	82,884	–	(49,720)	33,165	122,166	–	(84,925)	37,241
<b>Total lease liabilities</b>	11b	<b>172,166</b>	<b>38,626</b>	<b>(117,744)</b>	<b>93,048</b>	<b>–</b>	<b>(59,884)</b>	<b>33,165</b>	<b>122,166</b>	<b>–</b>	<b>(84,925)</b>	<b>37,241</b>

Purpose	Institution	Actual for year ending 30 June 2025	Budget for year ending 30 June 2025	Actual for year ending 30 June 2024
		\$	\$	\$
Furniture and equipment	BOQ Finance	(51)	–	(480)
Plant and equipment	SG Fleet	(2,198)	(2,910)	(3,616)
<b>Total Finance Cost Payments</b>		<b>(2,249)</b>	<b>(2,910)</b>	<b>(4,096)</b>

# Town of Bassendean

## Notes to and Forming Part of the Financial Report for the year ended 30 June 2025

### Note 28. Reserve accounts

	2025 Opening Balance Actual \$	2025 Transfer to Actual \$	2025 Transfer (from) Actual \$	2025 Closing Balance Actual \$	2025 Opening Balance Budget \$	2025 Transfer to Budget \$	2025 Transfer (from) Budget \$	2025 Closing Balance Budget \$	2024 Opening Balance Actual \$	2024 Transfer to Actual \$	2024 Transfer (from) Actual \$	2024 Closing Balance Actual \$
<b>Restricted by council</b>												
(a) Hyde Retirement Village Reserve	520,590	25,026	(38,436)	507,180	434,763	4,959	(40,000)	399,722	490,713	29,877	-	520,590
(b) Bus Shelter Reserve	-	-	-	-	-	-	-	-	22,642	-	(22,642)	-
(c) Community Facilities Reserve	-	-	-	-	-	-	-	-	160,410	-	(160,410)	-
(d) Drainage Infrastructure Reserve	-	-	-	-	-	-	-	-	142,844	-	(142,844)	-
(e) Employee Entitlements Reserve	926,850	48,108	-	974,958	663,208	208,797	-	872,005	873,658	53,192	-	926,850
(f) Future Projects Reserve	747,103	38,778	-	785,881	715,800	7,143	-	722,943	704,227	42,876	-	747,103
(g) Information Technology Reserve	1,051,927	238,684	-	1,290,611	1,044,979	185,295	-	1,230,274	910,110	141,817	-	1,051,927
(h) Jubilee Reserve Reserve	554,766	265,819	(42,586)	777,999	510,387	255,509	(500,000)	265,896	51,623	503,143	-	554,766
(i) Land and Buildings Infrastructure Reserve	3,063,073	151,982	(92,000)	3,123,055	2,328,735	29,468	(100,000)	2,258,203	2,439,062	668,500	(44,489)	3,063,073
(j) Marine Assets Reserve	-	-	-	-	-	-	-	-	77,625	-	(77,625)	-
(k) Natural Area Reserve	434,036	313,066	(10,902)	736,200	310,519	5,182	(57,590)	258,111	259,755	174,281	-	434,036
(l) Fleet and Plant Reserve	288,232	133,732	(125,000)	296,964	174,937	129,053	(245,000)	58,990	381,574	223,232	(316,574)	288,232
(m) Urban Greening Reserve	53,266	52,804	(49,235)	56,835	48,578	50,480	(49,235)	49,823	97,340	5,926	(50,000)	53,266
(n) Underground Power Reserve	95,392	4,951	-	100,343	91,017	912	-	91,929	89,917	5,475	-	95,392
(o) Unspent Grants Reserve	-	-	-	-	-	-	-	-	149,372	-	(149,372)	-
(p) Waste Asset Reserve	277,553	14,406	-	291,959	271,846	3,134	-	274,980	261,624	15,929	-	277,553
(q) Waste Processing / Disposal Reserve	939,900	44,036	(91,509)	892,427	712,509	9,019	(150,000)	571,528	885,959	53,941	-	939,900
(r) Waste Programs Reserve	1,234,437	48,486	-	1,282,923	707,609	12,058	(305,307)	414,360	1,182,420	71,990	(19,973)	1,234,437
(s) Wind in the Willows Child Care Reserve	368,796	19,142	-	387,938	307,588	4,442	-	312,030	384,887	23,433	(39,524)	368,796
(t) Youth Development Reserve	33,062	1,716	-	34,778	21,236	313	-	21,549	31,165	1,897	-	33,062
(u) Events & Culture Reserve	14,021	728	-	14,749	32,571	229	-	32,800	-	24,021	(10,000)	14,021
(v) Assets Enhancement Reserve	241,616	352,173	(45,621)	548,168	431,799	277,428	(45,621)	663,606	-	449,689	(208,073)	241,616
(w) Unexpended Capital Works Reserve	541,310	1,631,859	(480,660)	1,692,509	172,650	1,701	(172,650)	1,701	-	541,310	-	541,310
	<u>11,385,930</u>	<u>3,385,496</u>	<u>(975,949)</u>	<u>13,795,477</u>	<u>8,980,731</u>	<u>1,185,122</u>	<u>(1,665,403)</u>	<u>8,500,450</u>	<u>9,596,927</u>	<u>3,030,529</u>	<u>(1,241,526)</u>	<u>11,385,930</u>

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserve accounts.

# Town of Bassendean

## Notes to and Forming Part of the Financial Report for the year ended 30 June 2025

### Note 28. Reserve accounts (continued)

In accordance with Council resolutions or adopted budget in relation to each reserve account, the purpose for which the reserves are set aside and their anticipated date of use are as follows:

<b>Name of reserve</b>	<b>Purpose of the reserve</b>
(a) Hyde Retirement Village Reserve	To accrue funds to provide for the operational deficit, refurbishment and capital expenses, for Hyde Retirement Village.
(b) Bus Shelter Reserve	To provide funds for the purpose of installation or replacement of bus shelters within the Town.
(c) Community Facilities Reserve	To accrue funds for major expenditure in the provision of community facilities.
(d) Drainage Infrastructure Reserve	To provide for the renewal and upgrade of the drainage network.
(e) Employee Entitlements Reserve	To provide funds for future payments to staff for employee entitlements.
(f) Future Projects Reserve	To assist in funding capital initiatives that are generally significant in nature and provide a means to spread the costs of intergenerational assets over multiple years.
(g) Information Technology Reserve	To fund the acquisition and enhancement of technology and digital service delivery initiatives.
(h) Jubilee Reserve Reserve	To accrue funds for major expenditure in the provision of community facilities at Jubilee Reserve.
(i) Land and Buildings Infrastructure Reserve	To hold funds accrued as a result of sale of land and buildings for the provisions of funds for the purchase and development of land and building infrastructure.
(j) Marine Assets Reserve	To fund the renewal of marine assets ie. jetty, pontoons and associated river bank restoration projects.
(k) Natural Area Reserve	To provide for the future restoration of Natural Areas including forshore stabilisation.
(l) Plant and Equipment Reserve	To accrue funds for the purpose of replacement of major plant items.
(m) Urban Greening Reserve	To fund projects that improve urban canopy and greening to reduce the urban heat island effect.
(n) Underground Power Reserve	To accrue funds to assist residents facing financial hardship with meeting the property owner contribution costs of underground power.
(o) Unspent Grants Reserve	To provide for unspent funding received as grant contributions to Works and Services.
(p) Waste Asset Reserve	To accrue funds for the long term asset renewal and purchase of new waste management assets.
(q) Waste Processing / Disposal Reserve	To accrue funds to accommodate fluctuations in annual waste collection costs and start-up costs of new waste processing (or reduction) programs.
(r) Waste Programs Reserve	To implement programs and projects identified in the Strategic Waste Plan.
(s) Wind in the Willows Child Care Reserve	To accrue funds for the purpose of asset improvement in the Centre and to cater for future surplus or deficit in operations.
(t) Youth Development Reserve	To provide funds for activities and facilities for the benefit of youth in the Town.
(u) Events & Culture Reserve	To accrue funds for significant or major events/cultural activities.
(v) Asset Enhancement Reserve	To accrue funds for upgrade and Replacement of Infrastructure Assets.
(w) Unexpended Capital Works Reserve	To accrue unspent funds from Operating and Capital Works Programs to enable continuation in future years.

# Town of Bassendean

## Notes to and Forming Part of the Financial Report

for the year ended 30 June 2025

### Note 29. Trust funds

	1-Jul-2024	Amounts received	Amounts paid	30 June 2025
	\$	\$	\$	\$

Funds held at balance date which are required to be held in trust and which are not included in the financial statements are as follows:

Public open space	123,415	2,984	–	126,399
	<u>123,415</u>	<u>2,984</u>	<u>–</u>	<u>126,399</u>

Town of Bassendean

Annual Financial Report  
for the year ended 30 June 2025

Independent auditor's report

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Insert Independent Auditor's Report here



# Auditor General

## INDEPENDENT AUDITOR'S REPORT

2025

Town of Bassendean

To the Council of the Town of Bassendean

### Opinion

I have audited the financial report of the Town of Bassendean (Town) which comprises:

- the statement of financial position as at 30 June 2025, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of financial activity for the year then ended
- notes comprising a summary of material accounting policies and other explanatory information.

In my opinion, the financial report :

- is based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Town for the year ended 30 June 2025 and its financial position at the end of that period
- is in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

### Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section below.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Emphasis of Matter – Investment in Associates

I draw attention to Note 22 to the financial report, which states that effective 1 July 2025, two member participants have resolved to withdraw as member participants from Eastern Metropolitan Regional Council effective from 1 July 2025. The Town continues to be a member council participant. My opinion is not modified in respect of this matter.

### Other information

The Chief Executive Officer (CEO) is responsible for the preparation and the Council for overseeing the other information. The other information is the information in the entity's annual report for the year ended 30 June 2025, but not the financial report and my auditor's report.

My opinion on the financial report does not cover the other information and accordingly, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to the CEO and Council and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

### **Responsibilities of the Chief Executive Officer and Council for the financial report**

The Chief Executive Officer (CEO) of the Town is responsible for:

- keeping proper accounts and records
- preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for:

- assessing the Town's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Town.

The Council is responsible for overseeing the Town's financial reporting process.

### **Auditor's responsibilities for the audit of the financial report**

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives of my audit 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 my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. 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.

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at [https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf).

## **My independence and quality management relating to the report on the financial report**

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, the Office of the Auditor General maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## **Matters relating to the electronic publication of the audited financial report**

This auditor's report relates to the financial report of the Town of Bassendean for the year ended 30 June 2025 included in the annual report on the Town's website. The Town's management is responsible for the integrity of the Town's website. This audit does not provide assurance on the integrity of the Town's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the Town to confirm the information contained in the website version.



Kellie Tonich  
Senior Director Financial Audit  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
14 November 2025

# AUDIT UPDATE

AUDIT AND RISK MANAGEMENT COMMITTEE  
TOWN OF BASSENDEAN  
10 DECEMBER 2025



## 1. FINANCIAL AUDIT UPDATE

The financial audit has concluded and was officially released on 14 November 2025 with a clean, unmodified opinion issued.

The results of the audit and findings identified were presented to management on 11 November 2025. The discussion with management was centralised around where difficulties were encountered or where additional focus is recommended for next year, including but not limited to:

- Management Letter Findings (FA + IS); and
- East Metro Regional Council (EMRC).

We look forward to our continued work with management as we debrief on the current year audit and begin planning / preparation for 2025-26 in the coming months.

## 2. OAG REPORTS RECENTLY TABLED IN PARLIAMENT

We have recently tabled in Parliament the following reports which you may wish to review as the recommendations may have relevance to your entity. All reports are available from our website – [www.audit.wa.gov.au](http://www.audit.wa.gov.au)

### November 2025 – Maintaining Regional Local Roads

The audit assessed if regional local government entities effectively manage the maintenance of their local roads. We found the overall condition of the local road network is not known as it is not measured or reported. This impacts road maintenance planning and means we could not reliably assess the effectiveness of maintenance across regional local roads overall. The report includes recommendations to ensure road condition data will be used in up-to-date asset management plans to enhance preventative road maintenance; transparency and understanding of maintenance prioritisation and, the review of funding via the Local Government Agreement.

### October 2025 – The Gold Corporation – Trade Applications

This audit assessed if the Gold Corporation effectively manages the confidentiality, integrity and availability of its Trade applications and the information they hold. The Trade applications are a suite of applications used by Gold Corp to initiate and settle precious metal trades. We found the Trade applications enable Gold Corp to effectively trade precious metals. However, improvements are needed to better protect sensitive and personally identifiable information stored in the Trade applications from accidental or malicious data breaches and unauthorised access.

## October 2025 – Audit Practice Statement

The Audit Practice Statement offers a concise summary of why we audit, who we audit and how we audit. It also includes information on our ethical standards and commitment to audit quality. The statement was updated to reflect our new Strategic Plan 2025-30, including independence as a core value. It also provides an update on our auditing and reporting processes since the previous version was published in 2022.

### 3. SELECTED IN-PROGRESS AUDITS

We are currently conducting the following audits which may be of interest to your entity. To find out more information and anticipated tabling dates visit [audit.wa.gov.au/audits-in-progress](https://audit.wa.gov.au/audits-in-progress).

#### Effectiveness of environmental offsets

This audit will assess whether environmental offset conditions are implemented effectively and achieve the intended environmental outcomes.

#### WA's implementation of the National Principles for Child Safe Organisations (arising from the Recommendations of the Royal Commission into Institutional Response to Child Sexual Abuse)

This audit will assess whether WA has effectively progressed implementation of the National Principles for Child Safe Organisations.

#### Controls over portable assets – State government entities

The objective of this audit is to assess whether State government entities have effective controls over portable assets to minimise loss.

#### Local government management of gifts and benefits

The audit will assess whether local government entities are effectively managing gifts and benefits.

#### Management of injured workers in the public sector

The objective of the audit is to assess if selected public sector entities actively manage and support injured workers to achieve a timely, safe and lasting return to work.

#### Microsoft 365 security controls audit

The audit will assess if eight State government entities effectively manage and configure their Microsoft 365 cloud applications and security controls to minimise the risk of data breaches.

### 4. ACCOUNTING STANDARDS

The following Accounting Standards have been issued or revised. The key changes have been included for your information only. Your finance staff will need to consider the impact on your financial statements, in the context of any Treasury pronouncements.

Nº	Accounting Standard	First year end	Summary
1	AASB 2020-1 <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current</i>	31 December 2024	This Standard amends AASB 101 <i>Presentation of Financial Statements</i> to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified.

N°	Accounting Standard	First year end	Summary
	<p>AASB 2022-6 <i>Amendments to Australian Accounting Standards - Non-current Liabilities with covenants</i></p> <p>AASB 2023-3 <i>Amendments to Australian Accounting Standards – Disclosure of Non-current Liabilities with Covenants: Tier 2</i></p>		<p>AASB 2022-6 amends AASB 101 to provide further clarity on the presentation and disclosure of non-current liabilities with covenants, and to defer the effective date of the 2020 amendments from 1 January 2023 to 1 January 2024.</p> <p>Consistent with the amendments made by AASB 2020-1 and AASB 2022-6 for Tier 1 reporting requirements, AASB 2023-3 amends AASB 1060 to:</p> <p>(a) clarify that a liability is classified as non-current if an entity has the right at the reporting date to defer settlement of the liability for at least 12 months after the reporting date;</p> <p>(b) clarify the reference to settlement of a liability by the issue of equity instruments in classifying liabilities; and</p> <p>(c) require the disclosure of information that enables users of the financial statements to understand the risk that non-current liabilities with covenants could become repayable within 12 months.</p>
2	<p>AASB 2022-5 <i>Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback</i></p>	31 December 2024	<p>This Standard amends AASB 16 <i>Leases</i> to add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in AASB 15 <i>Revenue from Contracts with Customers</i> to be accounted for as a sale.</p> <p>AASB 16 already requires a seller-lessee to recognise only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor. The amendments made by this Standard ensure that a similar approach is applied by also requiring a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that does not recognise any amount of the gain or loss related to the right of use it retains.</p>
3	<p>AASB 2022-10 <i>Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities</i></p>	31 December 2024	<p>This Standard amends AASB 13 <i>Fair Value Measurement</i> for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows. Changes include:</p> <p>(a) For the purpose of fair value measurement, current use of land used for a public sector community purpose (e.g. land used for a school) is presumed to be the highest and best use, except if:</p> <ul style="list-style-type: none"> <li>• The land is classified as held for sale or held for distribution to owners in accordance with AASB 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i>; or</li> <li>• It is highly probable that the land will be used for an alternative purpose and the current use is expected to cease within one year.</li> </ul> <p>(b) Guidance on costs to be considered in determining the current replacement cost of an asset.</p>

N°	Accounting Standard	First year end	Summary
4	<p>AASB 2023-1 <i>Amendments to Australian Accounting Standards – Supplier Finance Arrangements</i></p> <p>AASB 2024-1 <i>Amendments to Australian Accounting Standards – Supplier Finance Arrangements: Tier 2 Disclosures</i></p>	31 December 2024	<p>This Standard amends AASB 107 and AASB 7 to require an entity to provide additional disclosures about its supplier finance arrangements. The additional information will enable users of financial statements to assess how supplier finance arrangements affect an entity’s liabilities, cash flows and exposure to liquidity risk.</p> <p>The amendments require an entity to disclose the terms and conditions of the arrangements, the carrying amount of the liabilities that are part of the arrangements, the carrying amounts of those liabilities for which the suppliers have already received payment from the finance providers, the range of payment due dates and the effect of non-cash changes.</p> <p>AASB 2024-1 amends AASB 1060 to require a Tier 2 entity to include in its financial statements the same specific disclosures that AASB 2023-1 requires in the financial statements of Tier 1 entities.</p>
5	<p>AASB 2024-2 <i>Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments</i></p> <p>AASB 2025-2 <i>Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments: Tier 2 Disclosures</i></p>	31 December 2026	<p>This Standard amends AASB 7 <i>Financial Instruments: Disclosures</i> and AASB 9 <i>Financial Instruments</i> in response to feedback from the 2022 Post-implementation Review of the classification and measurement requirements in AASB 9 and related requirements in AASB 7.</p> <p>This Standard amends requirements related to:</p> <ul style="list-style-type: none"> <li>(a) settling financial liabilities using an electronic payment system;</li> <li>(b) assessing contractual cash flow characteristics of financial assets with environmental, social and corporate governance (ESG) and similar features; and</li> <li>(c) disclosures about: <ul style="list-style-type: none"> <li>(i) financial instruments with contingent features that do not relate directly to basic lending risks and costs; and</li> <li>(ii) investments in equity instruments designated at fair value through other comprehensive income.</li> </ul> </li> </ul> <p>AASB 2025-2 amends AASB 1060 to require a Tier 2 entity to disclose information about financial instruments with contingent features that do not relate directly to basic lending risks and costs so that financial statement users can better understand the effect of contractual terms that could change the amount of contractual cash flows. However, the Standard does not add further specific disclosure requirements about investments in equity instruments designated at fair value through other comprehensive income.</p>
6	AASB 2024-3 <i>Amendments to Australian Accounting Standards – Annual Improvements Volume 11</i>	31 December 2026	<p>The Standard makes minor improvements to five Standards to address inconsistencies or to clarify requirements. This Standard amends:</p> <ul style="list-style-type: none"> <li>• AASB 1 <i>First-time Adoption of Australian Accounting Standards</i>;</li> <li>• AASB 7 <i>Financial Instruments: Disclosures</i>;</li> <li>• AASB 9 <i>Financial Instruments</i>;</li> <li>• AASB 10 <i>Consolidated Financial Statements</i>; and</li> <li>• AASB 107 <i>Statement of Cash Flows</i>.</li> </ul>

N°	Accounting Standard	First year end	Summary
7	AASB 2025-1 <i>Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity</i>	31 December 2026	<p>Nature-dependent electricity contracts help entities to secure their electricity supply from sources such as wind and solar power. The amount of electricity generated under these contracts can vary based on uncontrollable factors such as weather conditions.</p> <p>This Standard amends AASB 7 <i>Financial Instruments: Disclosures</i> and AASB 9 <i>Financial Instruments</i> to allow entities to better reflect these contracts in the financial statements.</p> <p>The amendments:</p> <ul style="list-style-type: none"> <li>(a) clarify the application of the 'own-use' criteria to nature-dependent electricity contracts;</li> <li>(b) permit hedge accounting if these contracts are used as hedging instruments; and</li> <li>(c) add new disclosure requirements to enable users of financial statements to better understand the effect of these contracts on an entity's financial performance and cash flows.</li> </ul>
8	<p>AASB 17 <i>Insurance Contracts</i></p> <p>AASB 2022-1 <i>Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information</i></p> <p>AASB 2022-8 <i>Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments</i></p> <p>AASB 2022-9 <i>Amendments to Australian Accounting Standards - Insurance Contracts in the Public Sector</i></p>	30 June 2027	<p>This Standard establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the Standard.</p> <p>This Standard fundamentally changes the accounting for entities that issue insurance contracts, both the income statement and balance sheet will change and there are a number of decisions and choices to be made when implementing the new standard. Note non-insurers that issue insurance contracts may be within the scope of the new standard.</p> <p>AASB 2022-1 amends AASB 17 to add a transition option referred to as 'a classification overlay' relating to comparative information about financial assets presented on initial application of AASB 17 and AASB 9 <i>Financial Instruments</i> at the same time. The amendments relate to financial assets for which comparative information presented on initial application of AASB 17 and AASB 9 has not been restated for AASB 9.</p> <p>AASB 2022-8 defers the application of AASB 17 to public sector entities until periods beginning on or after 1 July 2026.</p> <p>AASB 2022-9 modifies AASB 17 for application by public sector entities, including a number of exemptions from sub-grouping contracts, providing guidance and indicators in a public sector context. AASB 17 applies to annual periods beginning on or after 1 July 2026 of public sector entities.</p>

N°	Accounting Standard	First year end	Summary
9	AASB 18 <i>Presentation and Disclosure in Financial Statements</i>	31 December 2028	<p>AASB 18 will replace AASB 101 <i>Presentation of Financial Statements</i> and aims to improve how entities communicate in their financial statements, with a particular focus on information about financial performance in the statement of profit or loss.</p> <p>The key presentation and disclosure requirements established by AASB 18 are:</p> <ul style="list-style-type: none"> <li>• the presentation of newly defined subtotals in the statement of profit or loss;</li> <li>• the disclosure of management-defined performance measures; and</li> <li>• enhanced requirements for grouping information (i.e. aggregation and disaggregation).</li> </ul> <p>For for-profit entities, AASB 18 applies to annual reporting periods beginning on or after 1 January 2027.</p> <p>For not-for-profit private sector entities, not-for-profit public sector entities and superannuation entities, AASB 18 applies to annual reporting periods beginning on or after 1 January 2028.</p>

## 5. AUDITING STANDARDS

There have been no further changes to the Auditing and Assurance Standards following the key changes communicated and presented to the Committee in June 2025.

## 6. TREASURER'S INSTRUCTIONS

Relevant TIs, recently issued or updated, that may be of interest to your entity include:

**FAB 96** (issued on 30 June 2025)

### ***Treasurer's Instructions***

No changes have been made to the requirements in the Treasurer's Instructions.

### ***Treasurer's Guidance Handbook***

The Handbook has been updated to enhance clarity and ensure alignment with current legislative and operational requirements.

Key updates include:

- Additional guidance on the treatment of once-only costs in the valuation of non-current assets.
- The monetary limits for write-offs have been updated in accordance with the limits specified in Regulation 5 of the *Financial Management Regulations 2024*
- Appendix 1 to TG 3 has been amended with the correct Treasurer's Direction under section 42 of the *Financial Management Act 2006* (FMA).
- Guidance has been added to explain the differences between act of grace and ex gratia payments, including their respective approval and disclosure requirements.
- Guidance has been amended to reflect the new Global Internal Audit Standards.

### ***Model Annual Reports***

Both Tier 1 and Tier 2 Model Annual Reports apply for the annual reporting period ended 30 June 2025.

**FAB 96\_0** (issued on 30 July 2025)

***Treasurer's Instructions***

No changes have been made to the requirements in the Treasurer's Instructions.

***Treasurer's Guidance Handbook***

Key updates include:

- Additional guidance on the treatment of once-only costs in the valuation of non-current assets, including indicative rates of professional fees and project management fees.

**Climate risk and year-end disclosures – Treasury CFO Forum** (December 2023)

Agencies should NOT include climate disclosures in financial statements or KPIs subject to audit unless required by Australian Accounting Standards.

Agencies can include climate-related disclosures in their Annual Report (outside of financial statements) but disclosures must be substantiated.

## 7. OTHER MATTERS OF INTEREST

There have been no further changes to the Other Matters of Interest following the key areas of interest communicated and presented to the Committee in June 2025.

## Annexure A Other Matters of Interest

### Governance

#### The Governance Institute of Australia – Good Governance Guides in the Public Sector

The Governance Institute of Australia publishes Good Governance Guides relevant to public sector entities. The guides cover a wide range of topics such as ethics, compliance, due diligence, leadership, and annual reporting. The Good Governance Guides can be accessed at the Governance Institute Resource Centre (free for members) - [Resources - Governance Institute of Australia](#).

#### Audit Committees: A Guide to Good Practice

The Auditing and Assurance Standards Board, the Australian Institute of Company Directors and The Institute of Internal Auditors - Australia have published an [Audit Committee Guide](#). This guide provides a practical introduction to the role and responsibilities of an audit committee. The guide is primarily for directors and audit committees of Australian listed companies. However, directors and audit committees of not-for-profit, public sector and other private sector entities may also find this guide to be a useful reference.

#### Western Australian Public Sector Audit Committees – Better Practice Guide

The [Western Australian Public Sector Audit Committees – Better Practice Guide - Office of the Auditor General](#) provides better practice principles and guidance to accountable authorities, audit committee members and senior managers with responsibility for audit committee activities.

#### Western Australian Public Sector Financial Statements – Better Practice Guide

The [Western Australian Public Sector Financial Statements – Better Practice Guide - Office of the Auditor General](#) provides better practice principles and guidance to WA public sector officers with responsibility for preparing and overseeing financial statements. It supports entities in a practical sense to implement sound financial reporting arrangements to fulfill statutory obligations. The guide includes a toolkit with useful resources for all State and local government entities.

#### Audit Readiness – Better Practice Guide

To assist WA public sector entities be better prepared for their annual financial audit, an [Audit Readiness Tool – Better Practice Guide](#) is available on the OAG website. It is hoped the new tool will help to reduce the number of audit queries, issues and adjustments, leading to a smoother and more efficient audit process.

### Initiatives

#### Decluttering the Financial Statements

There is an ongoing initiative by entities preparing financial statements, standard-setting bodies and regulators to reduce the clutter that has accumulated in financial statements. The AASB has issued a paper entitled [Improving and Rationalising Disclosures](#).

## AASB Staff FAQs

The AASB website page [Hot Topics \(aasb.gov.au\)](https://www.aasb.gov.au/HotTopics) includes AASB Staff FAQs that provide guidance on various financial reporting topics.

## Legislative Compliance Policy

The Town of Bassendean (Town) is committed to upholding its legal and regulatory obligations in alignment with its values, objectives, and community expectations. Through proactive measures, continual improvement, and collaboration, we ensure compliance with legislative requirements while fostering a culture of integrity and accountability.

### Objectives

1. To ensure a commitment to compliance is communicated widely to all employees and relevant interested parties in clear and convincing statements supported by action.
2. To meet regulatory and legislative requirements including a commitment to continual improvement of the Town's compliance management system.
3. To align with the Town's compliance obligations, governance and risk management framework, integrating legislative requirements into the Town's operations while considering compliance management practicalities and risk management practices.
4. To align with the Town's values, objectives and actions contained in the Council Plan.

### Scope

This policy applies to all Council Members, employees and relevant interested parties of the Town of Bassendean.

### Definitions

Definitions related to this policy are outlined in the following table:

Term	Definition
Compliance culture	Values, ethics, beliefs and conduct that exist through the Codes of Conduct of the Town and interact with the Town's control systems that are conducive to compliance.
Compliance risks	Likelihood of occurrence and the consequences of noncompliance with the Town's compliance obligations.
Conduct	Behaviours and practices that impact outcomes for customers, employees, suppliers, and the community.
Interested parties	Person or organisation that can affect, be affected by, or perceive itself to be affected by a decision or activity.
Non-compliance	Non-fulfilment of compliance obligations.

## **Policy statement**

The Town recognises the importance of compliance with legislative requirements to maintain trust and meet community expectations. This policy establishes processes and structures to integrate legislative obligations into our operations effectively. We aim to cultivate a compliance culture that empowers all Council Members, employees and relevant interested parties to fulfill their obligations while aligning with our strategic objectives and capabilities.

## **Responsibilities**

1. Council Members and employees have a responsibility to be aware of and abide by legislation applicable to their role.
2. The Town shall have systems in place to ensure that Council Members and employees are given the opportunity to be kept fully informed, briefed and/or trained about key legal requirements relative to their role, within its financial capacity to do so.

## **Management strategies and allocation of responsibilities and resources**

1. The Town will maintain a compliance calendar to set objectives, identify obligations, and assess compliance risks. Regular reviews will ensure the currency of the calendar, incorporating relevant legislation and updates.
2. The Office of the CEO will oversee the implementation of legislative obligations, ensuring clear lines of responsibility.
3. Directors will support the CEO in executing compliance obligations within their respective directorates.
4. Council Members and employees will receive ongoing training and resources to stay updated on relevant legislation.
5. The Corporate Management Committee (CMC) will review accidents, incidents, complaints, and audit reports to identify compliance gaps and facilitate improvements.

## **Compliance Obligations**

The compliance obligations affecting the Town arise from the legislative and regulatory contexts that it operates in, however obligations or risks can also arise from other factors such as the Council Plan that outlines the objectives of the community. The Town shall maintain awareness of regulatory and legislative requirements through various channels including:

1. utilisation of government websites for up-to-date legislation
2. membership of professional groups and attendance at industry forums
3. liaising with the Department of Local Government Industry Regulation and Safety (DLGIRS) and other regulators

4. advice from legal advisors, and
5. subscription to relevant information services and consultation with external and internal stakeholders.

## **Other compliance matters**

In addition to regulatory and legislative obligations, the Town will adhere to:

1. agreements with community groups or non-governmental organisations
2. agreements with public authorities and ratepayers
3. organisational requirements through local laws, policies and procedures
4. codes of practice
5. obligations arising from contractual arrangements with the Town, and
6. relevant organisational and industry standards.

A risk-based approach through the Town's risk management framework will ensure the effective management of compliance obligations.

## **Non-compliance**

In the event of nonconformity or noncompliance, the Town will take immediate action to control and correct the issue to:

1. ensure that employees report all instances of non-compliance to the relevant Manager. The Manager shall then evaluate and determine what corrective actions are to be implemented to prevent recurrence and report the matter to the CEO.
2. ensure that in cases where a Council Member becomes aware of non-compliance, they report the matter to the Office of the CEO, who will then determine the appropriate response regarding the matter.
3. investigate any reports of significant non-compliance through the Office of the CEO, and if necessary, report the non-compliance to the Council and/or the relevant government authority if required.
4. take corrective action through the documentation of all non-compliance and the corrective actions for review and improvement to be implemented through operational procedures and processes, including training.

## **Compliance and Review**

This policy will undergo regular review to ensure alignment with legislative requirements, industry standards, and best practices. Members and Workers will be informed of any updates through standard communication channels.

## Implementation

This policy will be disseminated to all Council Members, employees and relevant interested parties of the Town to ensure widespread understanding and adherence.

## Reference Information

- Shire of Toodyay Legislative Compliance Policy
- Local Government Regulatory Compliance Framework (DLGIRS) ([Local Government Compliance Framework | LGIRS](#))

## Legislation

- [Local Government Act 1995](#)
- [Local Government \(Audit\) Regulations 1996](#)
- [Work Health and Safety Act 2020](#)
- [Work Health and Safety \(General\) Regulations 2022](#)

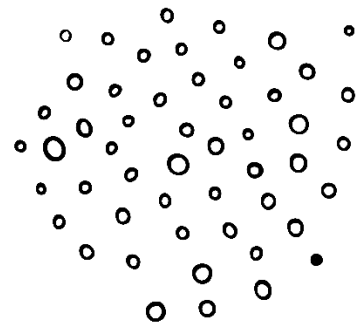
## Associated Documents

- [Compliance Calendar](#)
- [Delegations Register](#)
- [Governance Framework](#)
- [Risk Management Framework](#)
- [Risk Management Policy](#)

<b>Document responsibilities:</b>			
<b>Owner:</b>	Council	<b>Owner Business Unit:</b>	Office of the CEO
<b>Inception date:</b>	OCM ___/12/___ (clause) 00/00/00 (Meeting Date)	<b>Decision maker:</b>	Council
<b>Review date:</b>	Annually with the Delegations Register	<b>Repeal and replace:</b>	
<b>Compliance requirements:</b>			
<b>Legislation</b>	<b><i>Local Government Act 1995</i></b>		

# Governance Framework 2025

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## References

## 1. Introduction

The Governance Framework ensures that the Town of Bassendean is compliant and accountable in how it manages its processes and relationships with stakeholders. We are committed to the principles of good governance as defined by the WA Public Sector Commission:

1. Roles and Responsibilities
2. Management and Oversight
3. Organisational Structure
4. Operations
5. Ethics and Integrity
6. People
7. Finance
8. Communication
9. Risk Management

Good governance is a set of responsibilities and practices, policies and procedures used by an agency's executive to provide strategic direction, ensure objectives are achieved, manage risks and use resources responsibly and in a transparent way.

The Town of Bassendean practices good governance by ensuring that the Town is legally and ethically compliant, that decisions are made in the interests of all stakeholders and that the Town behaves as a good corporate citizen.

The Governance Framework:

- provides clear guidelines for the roles of the Council, Chief Executive Officer, and employees and ensures that all responsibilities are properly allocated and discharged by those accountable
- develops a culture of best practice in relation to governance processes
- assists the Council and CEO in delivering good governance
- meets its compliance requirements
- enables processes throughout the Town by setting guidelines, and
- provides an induction tool for new employees.

For the Town to demonstrate good governance, there needs to be a clear understanding about responsibility and accountability. This Governance Framework has been produced to set out the roles of Council Members and the organisation, and their relationships, along with financial, legal and ethical considerations.

The Town's framework consists of four key principles required to achieve excellence in governance:

- Culture and Vision
- Roles and Relationships
- Decision-making and Management, and
- Accountability.

## 2. Definitions

<b>Term</b>	<b>Meaning</b>
Act	<i>The Local Government Act 1995</i>
Audit	A process by which an external auditor provides an independent opinion on financial statements and compliance with relevant legislation.
Business Unit	A work group of the organisation that consists of a Manager and employees that perform functions.
CEO	The CEO is responsible for managing the local government's administration and operations. The CEO is appointed by and directly accountable to the Council.
Code of Conduct	Sets out the expected standards of professional conduct.
Community	Those people who share the connection, interests, shared identity and feeling of belonging to the Town.
Committee Member	A member of a committee appointed by the Council but does not include a Council Member.
Corporate Management Committee	The CEO, Directors and key advisors.
Council	Council Members meeting as Council to govern the affairs of the Town as set out in the Act.
Council Member	An individual elected representative of a local government.
Committee	A Committee of Council established by Council under the Act and constituted by Council Members, employees or members of the public.
Council Meeting	A meeting of Council conducted in accordance with the Act.
Council Plan	The integrated Strategic Community Plan and Corporate Business Plan for the future of the Town.
Department	The Department of Local Government, Industry Regulation and Safety.
Director	A senior position in the organisation engaged by and directly responsible to the CEO.
District	The area of the State prescribed by legislation that a local government is required to control.

Elected Members	The Mayor and Council Members of the Town.
Employee	A person employed by the Town in accordance with the Act.
Local Government	A body corporate established under the Act.
Manager	An employee in the organisation directly accountable and responsible for a Business Unit of the organisation.
Mayor	A person elected by fellow Council Members to undertake the role of Mayor.
Natural Justice	The right to be given a fair hearing and the opportunity to present one's case, the right to have a decision made by an unbiased or disinterested decision maker, and the right to have that decision based on logically probative evidence.
Organisation	Includes employees of the Town, led by the CEO.
Regulations	The Local Government (Administration) Regulations 1996.
Rules of Conduct	As per Division 4 - Local Government (Model Code of Conduct) Regulations 2021
Stakeholders	Individuals and organisations that have an impact on the strategic direction and decision-making processes of the Town.
Long Term Financial Plan	Long-term financial plan summarising the financial impacts of the objectives and strategies in the Council Plan.
Town	The local government of the Town of Bassendean and includes the Council and the organisation.

### 3. Local Government Defined

Local government is the most local level of government within Western Australia, responsible for providing essential services and implementing local laws for a specific community, such as the Town. It operates at the grassroots level to meet local needs, with its powers and functions defined by the *Local Government Act 1995*.

Local governments are established as a body corporate and consist of an elected governing body, known as a council, and an administrative body led by a chief executive officer.

The Mayor and Council Members form the Council, and the following principles apply:

- Council Members are able to exercise decision-making authority as a member of Council after they are elected and formally sworn in and when they meet as a Council.
- All lawful decisions are made at Council meetings or through delegations that are formally made by Council to the CEO, an employee or a committee. The CEO can also sub-delegate decision-making authority to other employees, however not all decisions made by the Town require formal delegation.

The CEO is the only employee appointed by Council and is therefore ultimately accountable to Council. In this regard, the role of the CEO, as detailed in section 5.41 of the Act, includes, but is not limited to:

- causing council decisions to be implemented
- managing the provision of services and facilities that the council has determined the local government is to provide in the district
- determining procedures and systems for —
  - implementing the local government's policies as determined by the council, and
  - otherwise managing the local government's administration and operations.
- being responsible for the employment, management, supervision, direction and dismissal of other employees, and
- ensuring that records and documents of the local government are properly kept for the purposes of this Act and any other written law.

As the Council's principal advisor, the CEO:

- advises, and procures advice for, the council in relation to the local government's affairs and the performance of the local government's functions, and
- ensures that the council has the information and advice it needs to make informed and timely decisions.

### **3.1 Functions of Local Government**

To consider the issue of good governance in the context of local government, it is also necessary to consider the functions of local government, which includes the following:

#### ***Planning and Monitoring achievement***

Planning for the development and wellbeing of the community is a critical role for a local government. The Act requires local governments to develop and adopt a - 'plan for the future', which sets overall direction for the Town through long-term planning. Examples include the Town's Council Plan (providing the direction for the ongoing management of Town activities) and the Long Term Financial Plan.

#### ***Lawmaking and enforcement***

A local government makes decisions in areas over which it has legislative authority but cannot duplicate or contradict federal or state law. Laws made by local governments are called local laws and cover such issues as activities permitted on public land, animal management and use of local government facilities. Local laws are enforced by employees of the Town. A local government is also responsible for enforcing other legislation under which it has authority.

#### ***Administrative***

The Town has a range of responsibilities under State legislation and administers laws that affect a person's rights and interests. Decisions made by local governments must be based on relevant considerations and facts, be procedurally fair and follow the principles of natural justice.

#### ***Policy Development***

Local Government policy development is a formal process to create high-level guidance providing a consistent framework for decision-making and operations, ensuring alignment with strategic goals and community expectations.

#### ***Representation***

When Council meets it represents the views of the local government constituents on matters of concern to the community. Council Members represent the interests of electors, ratepayers and residents of the district. Council Members need to listen to and be interested in the wider community and not just the people in the ward who elected them.

#### ***Advocacy***

Local governments have a role advocating on behalf of their community to other levels of government, statutory authorities and private interests whose activities may have an impact on the community.

## ***Service Delivery***

Local governments must ensure that services are delivered in the most efficient and effective manner. The Act provides a degree of autonomy to local governments to determine policies, in consultation with their communities, about the nature and level of services provided. A local government should ensure the delivery of quality services for which it has responsibility.

### **3.2 Community defined**

An appreciation of the term community is integral to an understanding of what constitutes good governance at a local government level. When discussed in connection with good governance the term is often used as though it is a homogenous entity and presupposes that there is a single community interest, community demand or community need.

The population within the Town of Bassendean district consists of a diversity of communities, for example, the business community, the educational community, the visitor community and the resident community. These can be further broken down into subsets, for instance, the retail community, the developer community and the tenant community. Additionally, local communities can be defined by geographical area.

Often such diverse communities do not share the same aspirations, goals and interests. One of the challenges for all levels of government but particularly local government, is how to govern so that different, and often competing interests are recognised, addressed and managed.

When 'community' is referred to in this framework, it means the many groups, individuals and interests represented within the Town of Bassendean district.

## 4. Governance in Local Government

### 4.1 Definition of Governance

Whilst the definitions of governance can vary between the public and private sector, CPA Australia in its publication 'Excellence in Governance for Local Government' defines governance as follows:

*'Governance is the process by which decisions are taken and implemented, the process by which organisations go about achieving their goals and producing their outputs and the process by which organisations are directed, controlled and held to account.'*

Governance can be seen as encompassing:

- authority
- accountability
- stewardship
- leadership
- ethics and values, and
- culture.

Democratic governance occurs when governments govern as a result of being elected. Good democratic governance exists when a government governs for and on behalf of its community as a whole. This provides the democratic basis, which is essential to an understanding of good governance in the local government sector.

Good governance involves a focus on:

- a clear vision and positive organisational culture
- clarity of roles and responsibilities
- robust management practices and systems which support both internal and external accountability, and
- public access to decision-making and information.

### 4.2 Good Governance in Local Government

Good governance in local government is about ensuring the local government can manage its many complex responsibilities effectively and in the best interests of the community. When a local government practices good governance, the community is more connected and engaged, appropriate services are provided and there is more effective use of the local government's resources.

Good governance in local government combines the characteristics of good governance and the definitions and roles of local government. Good governance in local government requires the following:

- Councils being elected by, representative of, and accountable to the community.
- Council Members making decisions on behalf of and in the best interests of the community.
- Policies and programs reflecting the mandate local governments have been given by their electors.
- Policy enactment arising from the Council Plan with appropriate performance management to assess the local government's progress.
- Community participation in decision-making.
- Council Members providing leadership to the community and reflecting the community's collective aspirations.
- A management structure which implements the local government's goals in accordance with the local government's priorities and approved budget.
- Provision of services which meet the community's needs (sometimes in partnership with other levels of government, business or community organisations).
- Local government being well placed to facilitate coordination and integration at a local level.
- Cooperation between local governments and other spheres of government.

#### **4.2.1 Good Governance in Practice**

Good governance needs to be practised within the local government, and between the local government, the community and other levels of government. Key internal and external issues include:

##### **Internal**

- Effective and positive working relationships.
- Sound, relevant and timely advice.
- Advice is provided through reports, briefings, strategic sessions and other means of communication.
- Good processes that contribute to good decisions.
- Decisions are made that are clear, accountable and transparent.
- Council Members need timely and quality information in order to perform their role. Processes are required to meet the legitimate information needs of Council Members.

##### **External**

- To ensure that a local government and its community share a sense of direction and purpose, long term planning is vital. This must be done in a way that all stakeholders feel they have ownership.
- Performance management enables a local government to be accountable to its community. It assesses whether a local government has done what it said

it would do with the resources with which it has been provided, and within the defined time frames.

- Balancing 'community-wide' and sectional interests is central to democratic governance.
- Accountability of a local government to its community is a key factor in good democratic governance.
- Good governance means a community feels engaged, knows what is going on, is included in decision making, and feels part of the governing process.
- Informed decisions are based on well researched information, and some of the best information comes from the opinions of those who are affected by a decision or interested in an issue. Good consultation methods are needed to elicit these opinions.
- Another important aspect of good governance is community leadership. Sometimes local governments need to lead or influence communities on particular issues.
- Communities expect good services, systems and facilities to be planned and provided.

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## 5. Governance Principles

For the purposes of the Town's Governance Framework, the principles contained in the 'Excellence in Governance in Local Government' developed by CPA Australia have been used. The principles provide the foundation for good governance and a means for assessing the extent to which good governance is occurring at the Town. Contained under each principle are a range of activities and actions put into operation at the Town to support that particular principle.

### ***Principle One: Culture and Vision***

There is a clear vision and a Council Plan that is produced through a comprehensive and inclusive process, which is owned by all sectors of the community. There is a positive culture and value system in place that promotes trust, openness and honesty, in which constructive, respectful questioning is encouraged, and accountability is clear.

### ***Principle Two: Roles and Relationships***

There is clarity about the roles within a local government and there exists an approach to defining and implementing these. There are effective working relationships that are promoted and supported within and between the Council Members, the CEO and the organisation.

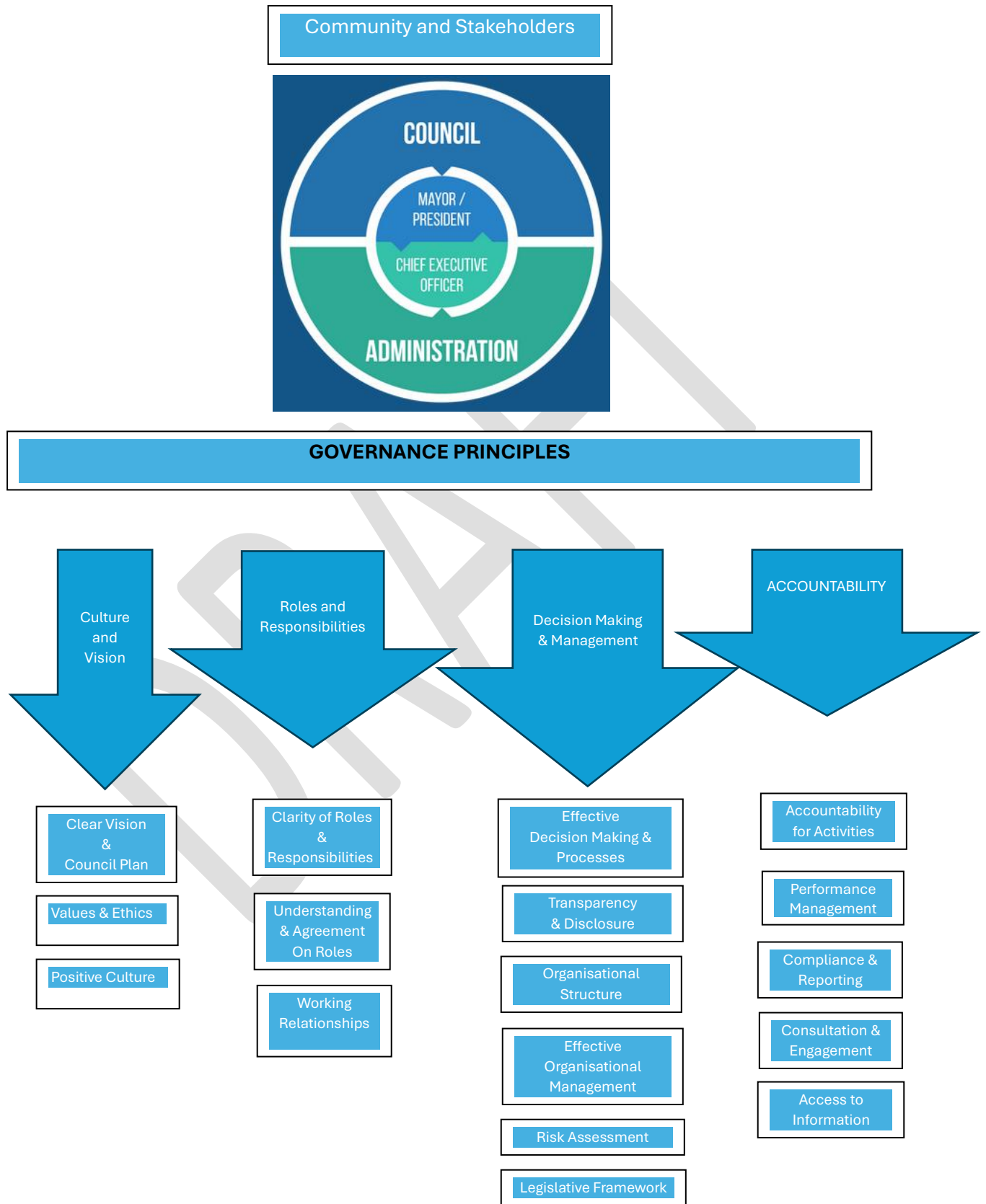
### ***Principle Three: Decision-Making and Management***

There are effective decision-making processes in place that reflect transparency and accountability, underpinning excellence in local government. An adequate organisational structure should be in place that serves the Town's operations and progresses the organisation towards the achievement of the Town's strategic objectives. There should be robust and transparent business management practices established and maintained to meet the Town's accountability to its community, particularly in terms of stewardship of community assets and finances, both now and into the future. An effective approach to the identification, assessment, monitoring and management of risks should be established and maintained. Effective delegations should be implemented and maintained to enable Council to focus on strategic issues.

### ***Principle Four: Accountability***

The Town must account for its activities and have systems and processes that support accountability. The Town should have an active performance management system in place that enables Council Members and employees to be openly accountable for their performance. The Town should establish internal structures that provide for independent review of processes and decision-making to assist it meeting its accountability to stakeholders. Consultation should be undertaken that is appropriate to the scope and potential impact of the matter. It should respect the position and opinion of all sections of the community. The outcomes of the consultation should be taken into account when the decision is made, and feedback should be provided to those who participated.

## 6. Governance Framework Diagram



## 7. Principle One: Vision and Culture

In response to the findings of the 2022 MARKYT Community Scorecard that received 1,125 responses, enabling Council and the Administration to understand and appreciate the needs and aspirations of community members, the Town developed the 2023-33 Council Plan, an integrated Strategic Community Plan and Corporate Business Plan.

### 7.1 Vision

#### 7.1.1 Vision and Values

Our vision for the Town of Bassendean is to be a safe, healthy and inclusive community that respects and celebrates cultural heritage and diversity; a home by the Swan for everyone to enjoy.

We share responsibility for climate action and the adoption of sustainable practices to conserve and enhance our environment and natural heritage, including the Swan River ecological corridor, tree canopy, and nature reserves.

We accommodate population growth responsibly with sustainable development, housing diversity, and tree-lined streets. We value and respect our built heritage and have excellent social infrastructure.

Our town centre and precincts are vibrant and welcoming, supporting a diverse range of businesses and local employment opportunities. Community events, markets and other attractions help to draw visitors and connect the community.

Council effectively engages the community, makes well-informed, responsible and transparent decisions, embraces innovation and best practice, and maintains financial sustainability.

Our Values guide our behaviour and decision making as an organisation and how we strive to lead and serve our community.

*People: Councillor, staff and volunteer contributions are vital in striving to meet our diverse community's aspirations and wellbeing.*

*Heritage: Preserving and communicating our shared history and heritage increases our capacity to balance today's needs with long-term interests of future generations.*

*Sense of Place: We recognise that maintaining our natural environment is crucial to our future. We acknowledge that our community requires Council to preserve and enhance our streetscapes, built and natural environment, and to protect the Swan River as our greatest asset.*

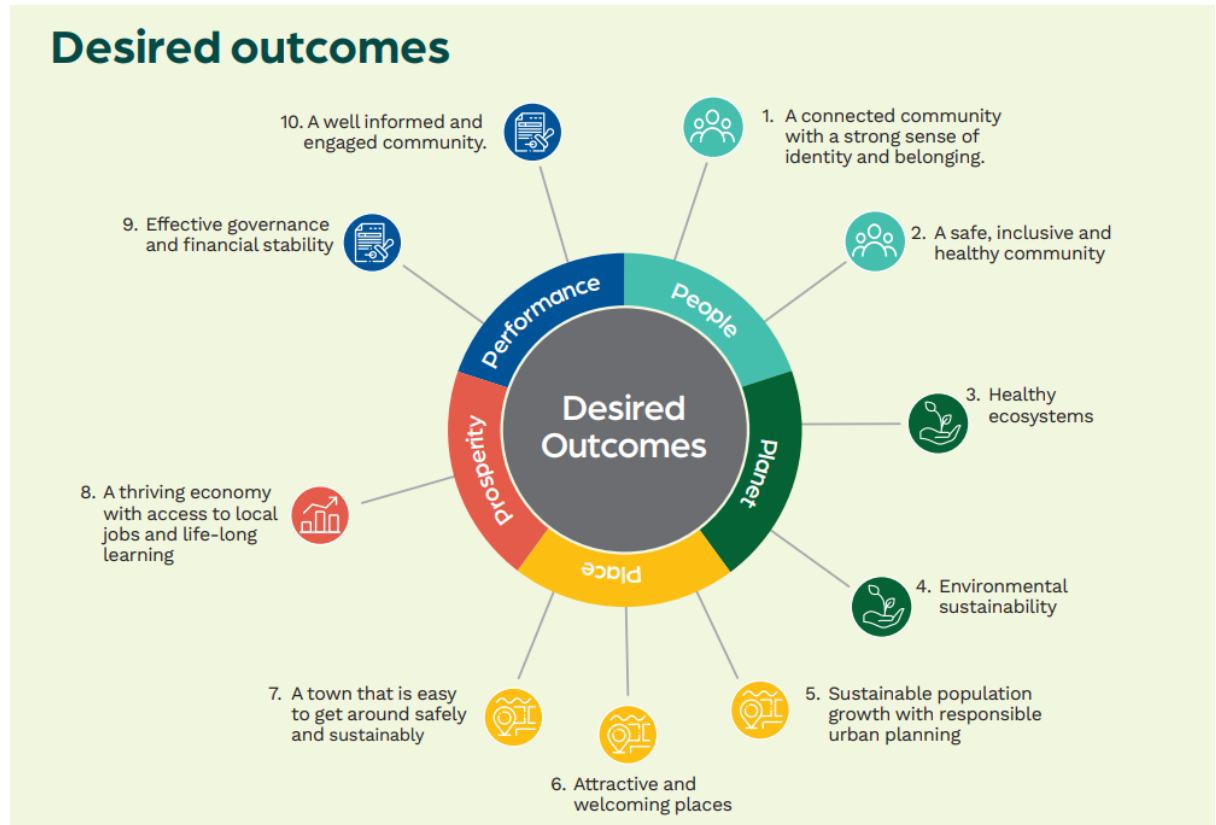
*Partnerships: Collaborative partnerships and regional cooperation increase value to our community and the East Metropolitan Region.*

*Excellence: We strive to achieve the highest standards in local government and to consistently provide consultative, ethical and responsive services.*

### 7.1.2 Integrated Planning Framework

As specified in the State Government’s Integrated Planning and Reporting Framework and Guidelines, the Council Plan has been informed by the Long-Term Financial Plan, Asset Management Plans, Workforce Plan, Risk Management Framework and various issue-specific strategies and plans.

The Council Plan has the following desired outcomes:



Council and the community are kept up to date with the status of each action under these desired outcomes via a Quarterly Report.

### 7.2 Culture

A positive culture promotes openness and honesty, makes accountability and responsibility clear and encourages debate on important issues. It is also more likely that the organisation will retain high calibre employees who want to work and participate in the activities of the Town. The Town’s culture should consist of the following elements in pursuit of excellence in governance:

#### 7.2.1 Support for frankness, honesty and questioning

*Council Members are to debate issues openly and honestly. Officers are to provide frank and timely advice to the CEO and Directors, who in turn are to provide sound and frank advice to Council Members and Council.*

#### 7.2.2 Innovation

*The Town considers new and better ways of going about its business in the achievement of its goals, through innovation which will be assessed critically by using appropriate risk management and other analysis.*

*The Town has dedicated itself to encouraging a climate of innovation and continuous improvement.*

### **7.2.3 Effective management structures and practices**

*The Town is to have a management structure that meets its goals and needs, and the structure is characterised by efficient and effective use of human resources with clear accountability. Management practices and protocols reinforce accountability and outcomes and must also incorporate the nurturing of people's capacities to do their jobs.*

### **7.2.4 Communication and engagement**

*The Town is to have effective communications policies, practices and protocols, internally and externally, and be open to, and encourage, feedback from all stakeholders and the community.*

### **7.2.5 Conduct and ethical standards**

*For people to have confidence in those who govern and participate in the governance process, they must have trust that governments are acting for the common good. People need to believe that governance is characterised by honesty and integrity and that those in government will behave accordingly.*

*The Town has two Codes of Conduct that outline the principles, values and behaviours expected of all Council Members, Committee Members, Local Government election candidates and employees:*

- *The Code of Conduct for Council Members, Committee Members and Candidates (adopted by Council), and*
- *Employee Code of Conduct (approved by the CEO)*

*In general terms, the community are entitled to expect that the following general principles should guide the behaviours of Council Members, committee members and employees:*

- *Act with reasonable care and diligence.*
- *Act with honesty and integrity.*
- *Act lawfully and in good faith.*
- *Identify and appropriately manage conflicts of interest.*
- *Treat others with respect and fairness.*
- *Avoid damage to the reputation of the Town.*
- *Not be impaired by mind affecting substances such as drugs and alcohol.*

### **7.2.6 Fraud, misconduct and corruption**

*The Town expects Council Members, Committee Members and employees act in accordance with their respective codes of conduct and behave ethically and honestly when performing their functions and during their interactions with each other, the community and all stakeholders of the Town. In support of the behavioural expectations, the Town has also developed a Fraud and Corruption Policy which articulates the Town's "zero tolerance" position on fraud and corruption. It also details the internal controls in place and the expectations that are placed on Council Members, Committee Members, employees and the broader community, to prevent such activity and to identify and report such activity.*

### **7.2.7 Confidentiality**

*Local government business involves significant amounts of confidential information being supplied or maintained. This information could be about commercial matters, individuals or businesses or legal issues. The Act, Regulations and the codes of conduct detail how general information and confidential information is to be treated, accessed and used by Council Members and employees.*

*Council Members, committee members and employees must not make improper use of information in the performance of their duties to gain directly or indirectly an advantage for themselves or another person, or to cause detriment to the Town. Confidential information, or information that is deemed confidential by the CEO must not be disclosed, unless authorised by law or the respective code of conduct.*

### **7.2.8 Disclosure of conflicting interests**

*The nature of the Town's business may result in conflicts of interests arising between an individual's personal interests and the performance of their public or professional duties. Conflicts of interests may arise from several sources, including friends, relatives, close associates, financial investments, past employment and the like. It is not only important to ensure that real or potential conflicts are handled appropriately but also perceived conflicts of interest.*

*Council Members, committee members and employees are to comply with the requirements for disclosure of interests as prescribed in the Act, the Town's Council Meeting Procedures Local Law 2020 and the Town's codes of conduct. Council Members, committee members and employees of the Town must ensure that there is no actual or perceived conflict between the fulfilment of their public or professional duties and their personal interests, which may include the interests of those persons closely associated to them.*

### **7.2.9 Acceptance of gifts**

*The Town's Employee Code of Conduct and the Act contain provisions in respect of Council Members, employees and committee members seeking and/or accepting certain types of gifts and gifts of a certain value while performing in their respective roles. Both the Code of Conduct for Employees and the Act detail the disclosure requirements for gifts accepted in a full and transparent manner. All disclosures must be made to the CEO (or if the disclosure is from the CEO to the Mayor) in a prompt and full manner and in writing within the appropriate register. These registers are made available for public inspection and on the Town's website.*

*WA local governments are also required to adopt a policy relating to the attendance of Council Members and chief executive officers at events such as concerts, conferences and functions. The policy must address the provision of tickets to events, payments in respect of attendance and approval of attendance by the Town, and the criteria for approval. Acceptance of such tickets can affect how Council Members can participate and be involved in the decision-making process of meetings. The Town's Attendance at Events Policy has been adopted for this purpose.*

### **7.2.10 Comprehensive induction programs**

*The Town's objective of a positive work culture is communicated to Council Members and employees through effective induction programs. Induction and training for Council Members is provided to assist in understanding the functions and role of local government, governance in local government and how to operate effectively to produce good outcomes for their community.*

*The Town's induction programs for both Council Members and employees focus on:*

- *the differing and complementary roles of Elected Members and employees*
- *working relationships*
- *decision-making processes*
- *responsibility, accountability and delegations*
- *conduct and ethical standards of behaviour*
- *functions, services and activities of the Town, and*
- *organisational values and culture.*

### **7.2.11 Learning and training opportunities**

*The Town invests in training both for Council Members and employees and the learning will be focused on what is required to achieve organisational goals. Training for Council Members and employees is important, and opportunities are offered to assist in the development of skills required to fulfil their roles.*

*In their first twelve months from being elected, Council Members are required to undertake mandatory training around a number of core competencies important for a Council Member to understand and to help them fulfill their role in public office.*

*The Act also requires local governments to adopt a policy for continuing professional development for Council Members which must be reviewed every two years after the biennial local government elections. For this purpose, the Town's Council Member Continuing Professional Development Policy contains the training and development provisions for Council Members.*

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## **8. Principle Two: Roles and Relationships**

### **8.1 Roles**

An understanding and acceptance of the different roles of Mayor, Council Members and employees, with cooperation between all parties, underpins good governance at the Town. The relationship between Council Members and the CEO respects the diversity of opinion and the rights of all points of view to be heard with courtesy and respect.

### **8.2 The role of Council**

The Council's governing role includes the following —

- overseeing the allocation of the Town's finances and resources
- determining the Town's policies
- planning strategically for the future of the district
- determining the services and facilities to be provided by the Town in the district
- selecting the CEO and reviewing the CEO's performance, and
- providing strategic direction to the CEO.

### **8.3 Roles and responsibilities of the Mayor**

The Mayor —

- provides leadership and guidance to the council and council members, including guidance as to the roles of the council and council members
- acts as the principal spokesperson for the Town, and carries out civic and ceremonial duties on behalf of the Town, at all times acting consistently with council decisions
- presides at meetings of the council, ensuring that meetings are orderly and held in accordance with this Act
- promotes, facilitates and supports positive and constructive working relationships among council members, and
- liaises with the CEO on the Town's affairs and the performance of its functions.

### **8.4 Roles and responsibilities of the Deputy Mayor**

The Deputy Mayor performs the functions of the Mayor when authorised to do so under section 5.34 of the Act, specifically:

If —

- the office of Mayor is vacant; or
- the Mayor is not available or is unable or unwilling to perform the functions of the Mayor,

then the Deputy Mayor may perform the functions of Mayor, as the case requires.

## 8.5 Roles and responsibilities of Council Members

A Council Member —

- represents the interests of the electors, ratepayers and residents of the district and takes account of the interests of other persons who work in, or visit, the district
- participates in the deliberation and decision-making of the local government at council and committee meetings
- facilitates communication with the community about council decisions
- facilitates and maintains good working relationships with other councillors, the mayor or president and the CEO
- acts consistently with section 2.7(3) to (5), specifically:

*(3) For the purpose of ensuring proper governance of the local government's affairs, the council must have regard to the following principles —*

- *the council's governing role is separate from the CEO's executive role as described in section 5.4, and*
- *it is important that the council respects that separation.*

*(4) The council must make its decisions —*

- *on the basis of evidence, on the merits and in accordance with the law, and*
- *taking into account the local government's finances and resources.*

*5) The council must have regard to the need to support an organisational culture for the local government that promotes the respectful and fair treatment of the local government's employees, and*

- maintains and develops the requisite skills to effectively perform their role.

## 8.6 Roles and responsibilities of the CEO

The CEO, as the Town's chief executive officer, is responsible for managing the local government's administration and operations.

The CEO's executive role includes the following —

- causing council decisions to be implemented
- managing the provision of services and facilities that the council has determined the local government is to provide in the district
- determining procedures and systems for —
  - implementing the local government's policies as determined by the council, and
  - otherwise managing the local government's administration and operations.

- being responsible for the employment, management, supervision, direction and dismissal of other employees, and
- ensuring that records and documents of the local government are properly kept for the purposes of this Act and any other written law.

The CEO is the council's principal advisor and, as such, does the following —

- advises, and procures advice for, the council in relation to the local government's affairs and the performance of the local government's functions, and
- ensures that the council has the information and advice it needs to make informed and timely decisions.

The CEO —

- liaises with the Mayor on the Town's affairs and the performance of the Town's functions, and
- speaks on behalf of the Town if the Mayor agrees.

The CEO performs any other function specified or delegated by the Town or imposed under this Act or another written law as a function to be performed by the CEO.

### **8.7 Roles and responsibilities of employees**

The quality of the Town's governance heavily relies on each employee taking individual responsibility as well as being part of a collective team effort.

While on duty employees are to give their time and attention to the Town's business and ensure their work is carried out efficiently and effectively, so the standard of work reflects favourably on them and the Town.

In carrying out their duties, employees achieve good governance when:

- they reflect the positive values and standards of behaviour the Town expects
- their duties are performed and conducted in a professional way
- information is managed and maintained appropriately, and records are kept of their duties, decisions and work-related activities
- resources of the Town, including information, is used efficiently and effectively; not misused; and waste is to be minimised, and
- conflicts of interest are identified and reported including disclosure of gifts and benefits obtained from certain parties.

### **8.8 Working relationships**

Council Members are members of a team, elected by their constituents to work collectively in the interests of the whole community. Good governance is dependent on a mature and constructive working relationship between Council Members.

Council Members should behave in a manner that generates community trust and confidence in them as individual Council Members and enhances the role and image of both the Council and the Town.

Council Members are expected to:

- conduct their ongoing relationship with other Council Members, employees and the community with respect and courtesy
- act within the law at all times
- act in good faith and not for improper or ulterior motives
- act in a reasonable, just and non-discriminatory manner, and
- undertake their role with reasonable care and diligence.

#### **8.8.1 Working relationships between the Mayor and Council Members**

*The relationship between Mayor and Council Members is critical to good governance and effective relationships between the Mayor and Council Members will help to achieve the outcomes within the Council Plan 2023-33 and to promote the credibility of the Town.*

#### **8.8.2 Working relationships between the Mayor and CEO**

*The Mayor and CEO work closely together and the relationship should be characterised by openness and good communication, with each keeping the other informed about important and relevant issues.*

#### **8.8.3 Working relationships among Council Members**

*Council Members need each other to achieve their individual and collective goals. Effective relationships between Council Members assist in achieving a successful Council, a pleasant working environment and a Council with public credibility.*

#### **8.8.4 Working relationships between Council Members and the CEO**

*The CEO and Council Members are likely to be in regular contact about issues, concerns and information. As with the Mayor/CEO relationship, a level of trust needs to be fostered which in turn, is based on good communication and understanding of each other's role and function.*

#### **8.8.5 Relationships between Council Members and employees**

*Individual Council Members must not seek to foster special relationships with employees for the sole purpose of seeking information that may not otherwise be available to all Council Members.*

*Employees are accountable to the CEO. They are not accountable to Council Members and are not required to take direction from them.*

### **8.8.6 Council member access to information**

*Section 5.92 of the Act provides that a Council Member can have access to any information held by the Town that is relevant to the performance of their functions under the Act or any other written law.*

### **8.8.7 Effective relationships – summary**

*The information in this section provides an insight into the role Council Members, the CEO and employees need to play in developing effective relationships. There are fundamental role differences between the Council, Council Members, the CEO and employees.*

*The focus of Council and Council Members should be on strategy, policy and outcomes.*

*The CEO and employee's role is to focus on advice, implementation and operations.*

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## 9. Principle Three: Decision Making and Management

### 9.1 Effective decision-making

Decision-making is the most important activity undertaken by the Town, both by Council and the administration. Effective decision-making processes increases the likelihood that the decisions themselves will be in the best interests of the entire community. The Council can only make decisions by resolution, that is, a motion being considered at a properly convened meeting and passed by the required majority vote.

Many of the decisions made by the Town (including Council and employees) are subject to administrative law, and therefore subject to challenge or appeal.

Further, the Town's Code of Conduct for Council Members, Committee Members and Candidates outlines the following in relation to Accountability:

A council member or committee member should —

- a) base decisions on relevant and factually correct information
- b) make decisions on merit, in the public interest and in accordance with statutory obligations and principles of good governance and procedural fairness
- c) read all agenda papers given to them in relation to council or committee meetings, and
- d) be open and accountable to, and represent, the community in the district.

Importantly, the CEO is to ensure that Council receives quality and timely advice and relevant information to enable informed and effective decisions.

All reports provided to Council need the necessary background information and detail including options, financial or legal impacts, and any associated risks.

### 9.2 Decision-making forums and processes

#### 9.2.1 Council meeting schedule

Ordinary Council Meetings are held monthly, except January. Ordinary Council Meetings commence at 6.00pm in the Council Chambers on the fourth Tuesday of each month, except in December, when the date is amended to allow for the festive season.

A Council Meeting Calendar is created and is available on the Town's website.

Tuesdays are identified by the Town as the most suitable to undertake Council business.

Workshops (not open to the public) provide a forum for two-way communication between Council Members and the CEO (and other employees designated by the CEO) on strategic or complex matters and are generally conducted on either the first or second Tuesday of the month.

Council Briefing Sessions are used to inform Council Members of the items

of business to be presented at the Ordinary Council Meeting. They are open to the public, livestreamed and questions, statements and deputations relating to an item on the current agenda are permitted. Council briefing Sessions are generally held on the third Tuesday of the month.

Ordinary Council Meetings are the formal meetings of Council. They are required to be open to the public and are livestreamed by the Town. The meeting can be closed to the public for certain items of business as prescribed by the Act. To promote transparency and accountability required for good governance, the closure of meetings is applied as infrequently as possible.

Ordinary Council Meetings are generally held on the fourth Tuesday of the month.

Council Members are requested to attend all sessions that assist in informing the decision-making process.

### **9.2.2 Committee meetings**

*Council has established two Committees of Council delegated with some powers and duties to assist with its decision-making responsibilities*

- *Audit and Governance Committee, and*
- *Complaints Committee.*

*Committees report to Council and are subject to the requirements of the Act and the Town's Council Meeting Procedures Local Law 2020.*

*Council also appoints Council Members to the Bassendean Local Emergency Management Committee (BLEMC), two as Members and one as a Deputy Member. These appointments are made at the Special Council Meeting following each Local Government election.*

### **9.2.3 Electronic meetings**

*In certain circumstances, it may be necessary for Council and committee meetings to be conducted by electronic means or for Council Members to attend via electronic means. Regulation 14D of the Local Government (Administration) Regulations 1996 provides guidance on the circumstances that a meeting may be held by electronic means.*

*Electronic meetings pose a range of challenges in terms of public participation and governance arrangements therefore they are only held in emergency situations.*

*Council Members may attend via electronic means where circumstances prevent them from attending in person. Regulation 14C. (2)(b) of the Local Government (Administration) Regulations 1996 states 'if the member is otherwise authorised to attend the meeting by electronic means by the mayor, president or council.'*

*Once the Mayor is aware that a Council Member is to be attending via electronic means they are to inform the CEO to ensure the appropriate mechanisms are available to implement the request.*

*In deciding whether to authorise a member to attend a meeting by electronic means, the Mayor must have regard to whether the location from which the member intends to attend the meeting, and the equipment that the member intends to use to attend the meeting, are suitable for the member to be able to effectively engage in deliberations and communications during the meeting.*

#### **9.2.4 Representation on external committees, boards and groups**

*The Town is represented on the following external bodies:*

- *Western Australian Local Government Association (WALGA)*
  - *Two Council Members (2 Voting Delegates)*
- *Eastern Metropolitan Regional Council (EMRC)*
  - *Two Council Members (Councillors), and*
  - *One Council Member (Deputy Councillors)*
- *Metro Inner Development Assessment Panel*
  - *Two Council Members (Local Members), and*
  - *Two Council Members (Alternate Local Members).*

*Appointments to external bodies are made at the Special Council Meeting following each Local Government election.*

#### **9.2.5 Agendas and minutes**

*The level of decision-making and transparency needed for good governance requires comprehensive meeting agendas and minutes to be prepared. Matters to be considered at meetings of Council or committees are to be presented in an agenda prepared by the CEO. Agendas comprise of reports prepared by the administration. Reports are structured to include information on the background, details, statutory requirements, any financial considerations and risks of the proposal under consideration. All reports are the professional advice of the administration and contain recommendations as to the most appropriate course of action to take based on the information presented.*

*The decision to adopt, amend or reject a recommendation rest with Council. Where a Council decision is different to that which has been recommended, reasons for that decision must be stated and recorded.*

*Agendas are made available to Council Members and the public before the Council Briefing Sessions and Ordinary Council Meetings. Where a committee is open to the public, committee agendas are also made available.*

*Unconfirmed Council and committee minutes are to be made available to the public. The minutes of a meeting (other than confidential items presented at the meeting for discussion) include attendances, all motions, their movers and seconders and the decisions that have been made.*

### **9.2.6 Apologies and leave of absence**

*An important function of a Council Member, when being a part of the governing body of Council or a committee, is to attend and participate in the decision-making processes at meetings. Council Members who are going to be absent from a meeting of Council or a committee should submit an apology. For extended periods of absence, Council Members should apply to Council to grant leave of absence for that extended period. Leave of absence is not to be granted to a Council Member in respect of more than six consecutive ordinary meetings of the Council without the approval of the Minister, unless all of the meetings are within a period of three months. A Council Member who is absent, without first obtaining leave of the Council, throughout three consecutive ordinary meetings of the Council is disqualified from continuing their membership of the Council unless all of the meetings are within a two-month period.*

### **9.2.7 Meeting procedures and conduct**

*The Council has adopted a local law that provides a set of enforceable meeting procedures and rules to:*

- *ensure better decision-making of council and its committees*
- *assist in the good and orderly conduct of meetings*
- *greater community understanding of the business of the Council.*

*Council Members are to familiarise themselves with the meeting procedures as any breaches may result in the matter being referred to the Local Government Inspector.*

*The Town's Council Meeting Procedures Local Law 2020 includes how public question time, statements, deputations and other public participation occurs at meetings.*

### **9.2.8 Lobbying and meetings with external parties**

*Stakeholders utilise lobbying as an opportunity to communicate with Council Members and employees as part of a democratic and accessible system of government. However, problems can arise when a Council Member or employee is lobbied to consider factors, other than the relevant facts, they should appropriately consider when determining any matter as a decision-maker. Council Members and employees are to recognise the difference between appropriate and inappropriate lobbying and the risks associated if they fail to resist inappropriate lobbying.*

*Council Members must not, when lobbied, commit or indicate their vote on a matter that is before Council, or intended to be considered by Council. Similarly, employees are not to indicate their approval or otherwise on a proposal or application put forward to the Town, until such time as an assessment and/or consideration of a proposal or application is formally undertaken by the Town.*

## **9.3 Decisions on land use planning and development**

### **9.3.1 Administrative role**

*The Town has particular decision-making responsibilities under planning legislation, other state laws and planning policies.*

*The Council and employees are therefore responsible for applying and assessing factual situations and circumstances against the legislative regime detailed in the Act, the Planning and Development Act 2005 and other relevant planning laws.*

*Council as a body, and each Council Member individually, must be certain that they have a clear understanding of the relevant facts and law before making a decision.*

### **9.3.2 Planning schemes**

*Under the Planning and Development Act 2005 local governments are required to have a planning scheme in place for their respective district. A local government's planning scheme is required to be consistent with the Metropolitan Region Scheme, which is administered by the State Government and must also take into consideration State Government planning strategies, plans and policies.*

*The provisions of a planning scheme are formulated through a collaborative and consultative process involving the State Government, the local government and the broader community. The State Government, through the Minister for Planning provides final approval to the content of a planning scheme and once published in the Government Gazette, the scheme comes into operation and has the force of law.*

*The role of Council in administering a planning scheme includes:*

- *consideration of development applications*
- *consideration of subdivision proposals*
- *consideration of Planning Scheme Amendment proposals (whether suggested by the Town or by the community)*
- *enforcement of planning scheme provisions*
- *development of planning policies*
- *review of an existing planning scheme*
- *formulation of a new planning scheme.*

*Council is provided with the professional advice from specialist planning officers in exercising its role in relation to each of these matters. This advice provides Council Members with detailed information relating to the particular planning issue requiring Council determination.*

### **9.3.3 State Administrative Tribunal**

*In certain circumstances applicants have rights of appeal to challenge a planning related decision of Council or an employee. It is therefore important for Council Members to gain a full understanding of the issues and follow proper process before reaching a decision. The State Administrative Tribunal (SAT) reviews decisions made by local governments regarding a range of matters including town planning and building approvals. Applications can be made to the SAT for a review of decisions made by local governments under a range of enabling laws.*

### **9.3.4 Planning delegations**

*The Town's planning scheme and State planning legislation permits Council to delegate its decision-making powers to certain qualified persons, subject to certain conditions. This is important in terms of allowing those applications that meet certain criteria to be determined by employees. The criteria used for determining the types of development that can be decided by employees is set out in the Delegations Register, which is reviewed annually or earlier if so determined by Council.*

### **9.3.5 Design Review Panel**

*The Town has a Local Planning Policy (No. 9) prepared under Schedule 2 of the Planning and Development (Local Planning Schemes) Regulations 2015.*

*The Town has an agreement with the City of Bayswater relating to the use of the City of Bayswater Design Review Panel (DRP) to undertake design review of proposals and applications for land within the Town of Bassendean.*

*The Policy details the types of proposals required to be subject to formal Design Review and to formalise the arrangement with the City of Bayswater in relation to its DRP.*

*Proposals and applications on land within the Town of Bassendean are considered by the City of Bayswater DRP as if it were a Town of Bassendean DRP.*

### **9.3.6 Development Assessment Panels**

*The Development Assessment Panel (DAP) is an independent body that makes decisions on certain development applications, replacing the local government authority and/or the Western Australian Planning Commission (WAPC) as the original decision makers.*

*The Town of Bassendean forms part of the Metro Inner Development Assessment Panel (DAP). The DAP meets and determines development applications within certain class and value thresholds.*

*Development applications that need DAP determination are submitted to the Town of Bassendean. The Town then informs the DAP of the received*

*application and conducts an assessment according to the relevant planning framework.*

*The assessment process may include advertising of the application for public comment or referral to state government agencies, if required by the planning framework.*

*The Town assesses the application against the local planning scheme, policies, and relevant state planning policies. This includes evaluation of the potential impacts of traffic, noise, environmental, built form, and impacts on the community.*

*Once the application has been assessed, the Town's Planning Officers will prepare a Responsible Authority Report (RAR). The RAR will include a comprehensive assessment of the proposal against the relevant planning frameworks and will include reference to any public submissions, and a recommendation on how the application should be determined.*

## **9.4 Declarations of Interest**

One important aspect of the Town's decision-making responsibilities is how conflicts of interests are identified, recorded and treated throughout the organisation. It is not only important to ensure that real or potential conflicts of interests are handled appropriately but also perceived conflicts of interests.

Interests can be categorised as being:

- financial interests
- proximity interests
- interests that may affect impartiality

### **9.4.1 Financial interests**

*It is a statutory obligation and duty of Council Members and committee members to vote on every item of business discussed at meetings of Council or a committee (with delegated authority). However, a Council Member or a committee member may be excluded from presiding and voting in the meeting if that person, or a person that is closely associated to them, has a direct or indirect financial interest in the subject under discussion.*

*Attention is drawn to Division 6 of Part 5 of the Act which details disclosure of financial interests in matters affecting local government decisions. This division defines financial interests, closely associated persons, and interests that need not be disclosed by Council Members and committee members.*

### **9.4.2 Proximity interests**

*Council Members and committee members also have a responsibility to declare interests around matters that are in close proximity to that person's*

*land. Section 5.60B (1) of the Act states a person has a proximity interest in a matter if the matter concerns:*

*a) a proposed change to a planning scheme affecting land that adjoins the person's land*

*(b) a proposed change to the zoning or use of land that adjoins a person's land, or*

*(c) a proposed development (as defined by section 5.63(5) of the Act [the development, maintenance or management of the land or of services or facilities on the land] that adjoins the person's land.*

*Similar to financial interests, a Council Member or committee member with a proximity interest must disclose their interest (in accordance with sections 5.65 of the Act) and not preside or participate in discussion on the matter (section 5.67 of the Act).*

### **9.4.3 Impartiality interests**

*Council Members are required to disclose any interest which could, or could reasonably be perceived to, adversely affect their impartiality, and includes an interest arising from kinship, friendship or membership of an association. The disclosing of an interest that may affect impartiality is to be made immediately before the matter is discussed at a Council or committee meeting or in a written notice given to the CEO before the meeting. The disclosure of an interest that may affect impartiality does not affect the ability of the Council Member to discuss or vote on the matter.*

*The Town's Code of Conduct for Council Members, Committee Members and Candidates deals with disclosure of interests that may affect impartiality:*

## 22. Disclosure of interests

- (1) In this clause —
  - interest** —
    - (a) means an interest that could, or could reasonably be perceived to, adversely affect the impartiality of the person having the interest; and
    - (b) includes an interest arising from kinship, friendship or membership of an association.
- (2) A council member who has an interest in any matter to be discussed at a council or committee meeting attended by the council member must disclose the nature of the interest —
  - (a) in a written notice given to the CEO before the meeting; or
  - (b) at the meeting immediately before the matter is discussed.
- (3) Subclause (2) does not apply to an interest referred to in section 5.60 of the Act.
- (4) Subclause (2) does not apply if a council member fails to disclose an interest because the council member did not know —
  - (a) that they had an interest in the matter; or
  - (b) that the matter in which they had an interest would be discussed at the meeting and the council member disclosed the interest as soon as possible after the discussion began.
- (5) If, under subclause (2)(a), a council member discloses an interest in a written notice given to the CEO before a meeting, then —
  - (a) before the meeting the CEO must cause the notice to be given to the person who is to preside at the meeting; and
  - (b) at the meeting the person presiding must bring the notice and its contents to the attention of the persons present immediately before any matter to which the disclosure relates is discussed.
- (6) Subclause (7) applies in relation to an interest if —
  - (a) under subclause (2)(b) or (4)(b) the interest is disclosed at a meeting; or
  - (b) under subclause (5)(b) notice of the interest is brought to the attention of the persons present at a meeting.
- (7) The nature of the interest must be recorded in the minutes of the meeting.

### 9.4.4 Disclosure of interests of employees

*Similar to Council Members and committee members, employees should ensure that there is no actual or perceived conflict or incompatibility between the important fulfillment of the public or professional duties and either their personal interests, or those persons closely associated with them.*

*Section 5.70 of the Act states ‘an employee who has an interest in any matter in respect of which the employee is providing advice or a report directly to Council or a committee must disclose the nature of the interest when giving*

*the advice or report.’ There is no requirement for employees to leave meetings where interests have been disclosed, however in most instances’ employees do remove themselves from the meeting.*

*In situations where an employee has been delegated a power or duty by the CEO, and the employee has an interest in the matter, the employee must not exercise the power or discharge the duty and must either disclose the nature of the interest to the CEO (or should the employee be the CEO, disclose the nature of the interest to the Mayor).*

*The Town’s Employee Code of Conduct also places a requirement on employees to disclose any interests, where the interest could, or could reasonably be perceived to, affect the impartiality of the employee having the interests and includes an interest arising from kinship, friendship or membership of an association. In some situations, this may require the employee to disqualify themselves from dealing with a particular matter.*

#### **9.4.5 Primary Returns and Annual Returns**

*Section 5.75 of the Act requires Council Members and certain employees to complete a Primary Return within three months of commencing in Office or being employed at the Town.*

*A Primary Return is a snapshot of personal financial information as it exists upon the start date of a Council member or an employee.*

*At the end of each respective financial year, Council Members and certain employees must complete an Annual Return. An Annual Return retrospectively discloses any changes to the information previously disclosed, or any new interest information to disclose since completing their last return.*

*Primary Returns and Annual Returns assist with the decision-making process as they highlight an individual’s interests at a particular point in time, thereby clarifying whether a conflict of interest may arise.*

#### **9.4.6 Related Party Disclosures**

*Related party disclosures are governed by Australian Accounting Standard (AASB) 124, requiring annual disclosure of relationships with Key Management Personnel (KMP) and other related parties in the financial statements.*

*A system has been implemented to identify, monitor and disclose related party transactions to manage the risk of non-compliance with the related party disclosure objectives of the Australian Accounting Standards.*

### **9.5 Protection from liability**

Council Members are not protected in the same manner as Members of Parliament for statements they make in the Council Chamber.

In a Council meeting, a Council Member fulfils a public duty and is therefore given limited legal protection. However, unlike Members of Parliament, a Council Member's privilege is qualified. This means that protection is only provided as long as the statements are made in good faith. Statements made with malice or made recklessly are not protected by qualified privilege. Statements made by Council Members outside Council and Committee meetings are unlikely to attract qualified privilege.

However, under section 9.57A (2) of the Act 'a local government is not liable to an action for defamation in relation to matter published on its official website as part of a broadcast, audio recording, or video recording, of council proceedings.'

The Code of Conduct for Council Members, Committee Members and Candidates also states that a Council Member must not make improper use of their office as a Council Member to cause detriment to the local government of any other person. This provision has relevance to what a Council Member can say whilst performing in their role as a Council Member.

Division 4 of Part 5 of the Act also protects Council Members, committee members and employees from any actions in negligence that the person has done, or has not done, in the performance of their functions under the Act or any other written law. However, the Town may not be necessarily protected from claims of negligence.

## **9.6 Legislative framework**

The Town is constituted under the Act and has a formal geographical area, known as a district. The general function of the Town is to provide for the good government of people living and working within its district and includes legislative and executive powers and responsibilities given to it through the Act.

Overall, the Act is intended to provide excellence in governance through:

- better decision-making by local governments
- greater community participation in the decisions and affairs of local governments
- greater accountability of local governments to their communities
- more efficient and effective local government.

To allow local governments better decision-making, greater accountability and to be more efficient and effective, the Act provides several ways of achieving these objectives.

### **9.6.1 Delegations**

*Delegations form part of the Town's decision-making approach. Delegations entrust certain types of decisions to the CEO, employees or committees.*

*Under the Act both Council and the CEO are given certain functions and duties to be discharged. Council may delegate authority to the CEO to*

*perform some of its functions and duties on its behalf. The use of delegated authority means that the large volume of routine work of Council can be effectively managed and acted on promptly, which in turn facilitates efficient service delivery to the community.*

*The CEO may delegate to any other employee the authority to perform functions and duties that are exercisable by the CEO under the Act or that have been delegated to the CEO by Council (with the exception of the power to delegate). This accords with employees being responsible to the CEO and the CEO being responsible to Council.*

*Delegations of authority are required to provide employees of the Town with the power to exercise duties and make determinations. It is essential that the Town's delegations are performed in a manner that is in accordance with the delegation and is compliant with the relevant legislation. The Town is required to keep records on the exercise of its delegations and delegations by Council are to be reviewed on an annual basis.*

### **9.6.2 The concept of 'acting through'**

*Section 5.45 of the Local Government Act 1995 states:*

*'(2) Nothing in this Division is to be read as preventing - (a) a local government from performing any of its functions by acting through a person other than the CEO; or (b) a CEO from performing any of his or her functions by acting through another person.'*

*The principle factor for determining when Acting Through may be appropriate is that the function or duty is mandatory and requires no, or very limited, discretion in order to fulfil the function or perform the duty.*

### **9.6.3 Authorised persons**

*Legislation may include an express (written) power for Local Government to appoint an 'authorised person' or a requirement for a person to be authorised before they can perform a specified function prescribed in that legislation.*

*Once appointed, the person authorised is responsible for fulfilling the powers and duties assigned to them under law, which may be subject to limitations or conditions. The appointment of an authorised person must also be in writing; this is known as the Instrument of Authorisation (sometimes referred to as a Certificate of Authorisation). In some instances, legislation prescribes the Form that must be used (prescribed forms are found in the subsidiary Regulations).*

*Legislation often includes a prescribed process that must be followed when appointing authorised persons. These processes can differ substantially between different legislation. In some instances, the appointment process can be delegated from the Local Government to the CEO, in others a Council resolution is specifically required.*

#### **9.6.4 Local Laws**

*Many Acts of State Parliament contain provision for subsidiary legislation (Regulations or Local Laws) to be made.*

*Regulations are intended to deal with the administrative detail or implementing a particular provision of an Act, or in an area that is not contentious such as setting of fees and charges.*

*Local Laws are also subsidiary legislation, made by Local Governments. Local Laws must not contravene any State or Federal Act or Regulation, and in the event of any inconsistency, the Act or Regulation will override the Local Law to the extent of the inconsistency.*

*The Act outlines the process by which the Council may adopt local laws. This legislative role allows the Council to adopt a regulatory regime that may be enforced through the courts, by the issue of infringement notices or by performing other executive functions to enforce the local laws.*

*The process for making a local law provides the community with a six-week advertising period to allow opportunity for comment on proposed local law. The local law is then presented once more to Council and any public submissions are considered. Upon final adoption, the local law is published in the Government Gazette.*

*The Town has Local Laws relating to:*

- *Activities on Thoroughfares and Trading in Thoroughfares and Public Places*
- *Animals, Environment, Nuisance and Pests*
- *Bee Keeping*
- *Cats*
- *Council Meeting Procedures*
- *Dogs*
- *Dust and Building Waste*
- *Fencing*
- *Health*
- *Parking*
- *Property and*
- *Waste*

*When adopting local laws, Council must be aware that they operate with the force of legislation, and the Town has a duty to enforce all its local laws.*

*Within a period of 15 years after the day on which a local law commenced or was last reviewed, the Town must carry out a review of the local law to determine whether it considers that the local law should be repealed, be amended or remain unchanged.*

*This review process also allows for community consultation and feedback.*

### **9.6.5 Policies**

*Policies provide the Council and the organisation with the ability and direction to make decisions that are consistent and unbiased. A policy can also provide detail on the way the Town undertakes, or requires others to undertake, certain works or activities.*

*Policy means a concise statement of strategic objectives or principles that give effect to the Town's obligations or objectives. Effective Policy minimises risk, guides subsequent decisions and actions and ensures that the Town's community is served in an open, accountable, consistent and sustainable manner.*

*The Council has the following level of policy:*

- *Council Policies - these are strategic policies that set governing principles and guide the direction of the organisation to align with community values and aspirations. These policies have a strategic, external focus and align with the vision and strategic direction of the Town.*
- *Administrative Policies - these policies are developed for administrative and operational requirements. They have an internal focus.*

### **9.6.6 Executive functions**

*The Council is responsible for overseeing the executive functions of the Town. The executive functions of the Town are to provide services and facilities. In performing its executive functions, section 3.18 of the Act states the following:*

- (1) A local government is to administer its local laws and may do all other things that are necessary or convenient to be done for, or in connection with, performing its functions under this Act.*
- (2) In performing its executive functions, a local government may provide services and facilities.*
- (3) A local government must satisfy itself that the services and facilities it provides:*
  - (a) integrate and coordinate, so far as practicable, with any provided by the Commonwealth, the State or any public body*
  - (b) do not duplicate, to an extent that the local government considers inappropriate, services or facilities provided by the Commonwealth, the State or any other body or person, whether public or private*
  - (c) are managed efficiently and effectively.*

## **9.7 Business management**

The management of corporate business within an organisation is important to the concept of governance. As part of the Town's Integrated Planning Framework, the Town developed the Town of Bassendean Council Plan 2023-33, an integrated Strategic Community Plan and Corporate Business Plan.

The Plan describes:

- A future vision for the Town of Bassendean
- How the Town will achieve and resource its objectives
- How success will be measured and reported

Many of the plan's objectives and actions are linked to informing strategies.

Detail on specific projects and their milestones are reported to Council and the community on a regular basis. Business Units are required to plan and budget to operationalise the specific projects and milestones in the Town's Council Plan as well as other plans and operational outcomes.

## **9.8 Financial management**

### **9.8.1 Role of the CEO**

*The CEO is to:*

- (a) ensure that the resources of the Town are effectively and efficiently managed*
- (b) assist the council to undertake reviews of fees and charges regularly (and not less than once in every financial year), and*
- (c) undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the Town regularly (and not less than once in every 3 financial years) and report to the Council the results of those reviews.*

*The CEO must ensure that the fundamentals are in place including, but not limited to:*

- *appropriate financial systems, plans, strategies and protocols*
- *adequate resources to support the Town's activities and financial monitoring and performance*
- *suitable internal review and audit mechanisms*
- *an organisational culture where responsibility and accountability are clearly delineated and understood*
- *adherence to and compliance with legislative provisions.*

### **9.8.2 Financial management planning and principles**

*The Council is ultimately responsible for the financial management of the Town. Good financial management requires both Council and the administration to play their role. The Town has developed a long-term financial plan that is consistent with strategic initiatives within the Council Plan 2023-33. Council is to ensure that it receives sufficient reports and other information to adequately monitor its performance, resource allocation, expenditure and activities, and the efficiency and effectiveness of its service delivery.*

*There are several mechanisms that Council undertakes in delivery of their accountability for the financial state of the Town. These include but are not limited to:*

- oversee the progress of the Town's annual capital works program and any modifications of capital works projects required*
- oversight of the services provided by the Town and the standards of service delivery being cognisant of financial management activities, funding proposals and long term strategic financial planning*
- regular review of the Long Term Financial Plan.*

*Council has also established an Audit and Governance Committee to oversee and advise the Council on matters of accountability and internal control.*

### **9.8.3 Annual Budget**

*One of the responsibilities of Council under the Act is to prepare and adopt the Town's Annual Budget. In preparation of the Annual Budget the Town is to have regard to the contents of the Council Plan and prepare a detailed estimate for the current year of:*

- (a) the expenditure by the Town*
- (b) the revenue and income, independent of general rates, of the Town*
- (c) the amount required to make up the deficiency, if any, shown by comparing the estimated expenditure with the estimated revenue and income.*

*Under Regulation 33A of the Local Government (Financial Management) Regulations 1996 the Town is required to conduct a review of its Annual Budget which considers the changes in its operating environment since the beginning of the financial year with a view to forecasting the financial impacts likely to arise for the remainder of the year.*

*The review is to be submitted to Council on or before 31 March each year.*

### **9.8.4 Strategic Financial Plan**

The Department of Local Government, Industry Regulation and Safety (DLGIRS) Integrated Planning and Reporting Framework for local government identifies a ten-year Long Term Financial Plan (LTFP) as a core informing strategy to the Council Plan that enables local governments to set priorities based on their resourcing capabilities for the delivery of short, medium and long term community priorities. The LTFP is also an indicator of a local government's long term financial sustainability and allows early identification of financial issues and their longer term impacts.

The LTFP is a ten-year rolling plan that includes robust forecast budgets for four years aligned with strategic objectives, from which annual budgets can be developed. It is by its nature a forecasting document, which aims to inform decision making and priority setting, and assist in the management of funding requirements, community assets and risk. In a dynamic environment, long

term financial planning is necessarily subject to some uncertainty, due to various factors like economic trends, demographic change and political influences, but the level of uncertainty reduces as the time horizon shortens.

The LTFP summarises the financial impacts of the priorities, projects and objectives identified in the Council Plan 2023-33 and assists in setting the future financial direction and decisions of the Town.

## **9.9 Asset management**

An organisation practices good governance when it manages its assets in a financially viable, efficient and sustainable manner.

The Town's capital works program is a ten-year plan for specific capital projects across transport, recreation, property, waste, fleet and equipment and technology asset classes. While informed by asset management principles, the capital works program will continue to be refined as the Town improves its asset management practices through improved condition assessments and ratings facilitated by better resourcing.

## **9.10 Organisational structure and human resource management**

Good governance is achieved when an organisational structure is in place that adequately serves the Town's operations, and those operations are planned to achieve the established goals and the strategic direction set for the Town. Part of the role of the CEO is to establish an organisational structure which will facilitate the delivery of projects and programs within the Council Plan 2023-33.

To enable the Town to continue to provide high quality services to the community now and into the future it is critical that the Town develops and maintains a skilled, flexible and sustainable workforce.

In line with the Department of Local Government, Industry Regulation and Safety (DLGIRS) Integrated Planning and Reporting Framework the Town has developed a Workforce Plan to provide a strategic framework for organisational workforce planning and management. This will enable the Town to attract and retain a suitable, committed and professional labour force that will ensure the Town achieves its strategic priorities within the Council Plan 2023-33 and deliver quality services to the community.

All employees are required to undertake a Performance Development Review each year. These reviews assess specific job performance, behavioural indicators, business planning outcomes as well as determining an employee's training and development needs.

## 9.11 Records management

The Town's corporate records are to be managed in accordance with the Town's Record Keeping Plan and Record Keeping Policy.

All Council Members, employees and contractors are responsible for maintaining complete, accurate and reliable evidence of all business transactions and ensuring all corporate documents are retained within the Town's official recordkeeping system at the point of creation regardless of the format.

The Town has a Record Keeping Plan that outlines how record keeping can be undertaken in accordance with:

- *State Records Act 2000*
- *Freedom of Information Act 1992*, and
- *Local Government Act 1995*.

## 9.12 Risk management

The Town is responsible for providing a wide and diverse range of services to its community. All of these activities involve some form of risk, which must be managed to ensure that aims and objectives are achieved, services are delivered and that opportunities to deliver better and more cost effective services are realised. If the Town is not aware of, or has not adequately assessed or managed some risks, it could result in financial loss, threats to public or employee safety or lead to substantial adverse publicity.

The Town is committed to ensuring that effective risk management remains central to all its operations while delivering its range of services to the community. The management of risk is the responsibility of senior management and all employees and is an integral part of the Town's organisational culture. Risk management philosophies are reflected in the various policies, protocols, systems and processes in place, that guide the Town's operations.

The Town has an integrated risk management framework and policy, based on current best practice standards to manage risks and ensure the quality of the Town's services to the community are not adversely affected. Strategic oversight of risk and compliance occurs at the Committee and Council level and independent external assurance is provided by the Town internal audit function.

The Town's Governance team proactively guide the Town's risk management culture, contribute to its internal audit and governance obligations and ensure regular reporting to the Audit and Governance Committee.

## 10. Principle Four: Accountability

### 10.1 Principle of accountability

Excellence in governance is based on the principle that the people involved in providing governance, being the Council Members and employees, are held to account for what they do and for the Town's performance. The public trust placed in the Town and in its Council Members to act in the public interest can be justified in the manner in which their duties have been performed.

Accountability systems need to provide disclosure and for the review of decision-making and processes. These systems must record and support the Town's accountability to its stakeholders and its legal accountability to the State Government.

Risk management systems aim to ensure that community assets are protected. An internal audit system, a comprehensive consultation and engagement policy and framework all support good decision-making by ensuring that Council Members are aware of the views of those who will be affected by any decision.

The fundamental importance of accountability is that the Town exists to govern for and on behalf of its community. Systems and values must reflect this accountability.

Accountability systems that provide disclosure and review of decision-making and processes are integral to good governance and are reflected through:

- open and transparent government so that people can follow decision-making processes and outcomes
- consultation so that communities feel that they are being heard
- good information and communication processes so that communities are kept informed.

### 10.2 Performance management and reporting

The Council is accountable for monitoring performance in the achievement of the Town's strategic direction, goals and financial outcomes which are set through the Council Plan 2023-33, the Long Term Financial Plan and the Annual Budget. The management of the Town's performance and the reporting of that performance to the community is achieved in several ways.

#### 10.2.1 Quarterly reporting

*The Town has developed a reporting system to provide Council with the necessary information to enable it to assess performance against the Council Plan 2023-33 that incorporates actions from several informing plans and strategies.*

*Quarterly progress reports against the Town's Council Plan 2023-33 incorporating the Corporate Business Plan provide Council and the community with a full assessment of the Town's progress in relation to the achievement of pre-determined milestones for major projects and programs. Full progress reports against the Town's Capital Works Program are also provided at the same time as the Council Plan progress reports to Council.*

### **10.2.2 Financial reporting**

*Financial reporting is a basis for accountable financial management and it is required by the Act. Financial reporting undertaken at the Town is as follows:*

- **Monthly Financial Activity Statement** - *timely and accurate reports are essential to keep Council in an informed position to ensure the Town meets its financial responsibilities. In accordance with the Act and the Local Government (Financial Management) Regulations 1996, Council is required to prepare a monthly statement of financial activity reporting on the source and application of funds as set out in the Annual Budget.*
- **List of Payments** - *Council has delegated to the CEO the exercise of its authority to make financial payments from the Town's Municipal Fund. Therefore, in accordance with Regulation 13(1) of the Local Government (Financial Management) Regulations 1996, a list of accounts paid by the CEO is prepared each month for Council, showing each account paid since the last list was prepared.*
- **Annual Financial Report** - *in accordance with the Act, the Town is required to prepare an Annual Financial Report each financial year, which provides information about the Town's financial activities, income and expenditure. The Town's Annual Financial Report is to be audited by an external auditor and is to be considered by the Town's Audit and Governance Committee before being submitted to Council for adoption. The Annual Financial Report forms part of the Town's Annual Report, which is received and discussed by the community at the Annual General Meeting of Electors.*

### **10.2.3 Annual Report**

*In accordance with Section 5.53 of the Act the Town is to prepare an Annual Report each financial year. Other than just financial information the Town's Annual Report includes, among other things, the auditor's report, internal information and an overview of the Town's 'plan for the future' (Council Plan 2023-33) including major initiatives that are proposed to commence or to continue.*

*The Town's Annual Report is the key reporting document that satisfies the Annual Report requirements under the Act. It provides detailed information to all of the Town's stakeholders about how the Town intends to operate in a sustainable manner whilst addressing the many challenges it faces. The report reviews the progress made against initiatives outlined in the Council Plan 2023-33.*

*The electors of the Town's district are to receive the Annual Report at the Annual General Electors Meeting, usually held in February each year. At this meeting, the community can ask questions of the Town on various aspects of the Annual Report.*

#### **10.2.4 Council Member Performance Accountability**

*Under the Local Government Act 1995 (Act), the Model Code of Conduct provides for a mandatory code of conduct to be observed by all Mayors, Council Members and committee members, including the rules of conduct.*

*At present, these rules are enforced by the Standards Panel, which consists of Department of Local Government, Industry Regulation and Safety (LGIRS) staff members, a Council Member and a person with relevant legal knowledge.*

*The Local Government Amendment Act 2024 (Amendment Act) amends the Act and advances a second tranche of reforms, including the introduction of the Local Government Inspector (the Inspector) to oversee compliance and conduct for the local government sector and the Adjudicator function to review conduct breach complaints.*

*A conduct breach is committed where a Council Member contravenes a rule of conduct.*

- Allegations will be submitted to the Inspector, who will be able to use basic investigative powers to collect relevant evidence, such as video footage of council meetings. Complaints that are frivolous, vexatious, trivial, misconceived or without substance will not satisfy the initial assessment.*
- When the Inspector decides that a breach complaint it received alleges a conduct breach, other than a recurrent breach, the Inspector must refer the complaint to the Principal Adjudicator.*
- On receipt of a conduct breach, the Principal Adjudicator will either deal with the conduct breach themselves or allocate it to one of the Deputy Adjudicators.*
- Adjudicators will be responsible for reviewing evidence briefs (provided by the Inspector), receiving submissions from the respondent, requesting parties to participate in mediation (where applicable), and making decisions on conduct breach complaints.*

*From the commencement of the Inspector's powers and functions, the making of findings and sanctions against council members for conduct breaches will be referred to a Principal Adjudicator*

### **Serious Breaches**

*A serious breach is an offence committed by a Council Member against a written law when the person is acting in their capacity as a Council Member. Most of the offences of this nature are within the Act, which include:*

- *failure to declare an interest (section 5.65)*
- *failure to submit an annual return (section 5.76)*
- *failure to declare a gift (section 5.87A)*
- *failure to vote (section 5.21).*

*The Town of Bassendean commits to the Above the Line Mindset of:*

- **Thinking**
  - *Solution focussed*
  - *How can I add value?*
  - *Make work meaningful*
- **Communication**
  - *How can we fix this?*
  - *Us, we, ours*
  - *Encouragement, enthusiasm*
- **Actions**
  - *Get help with problems*
  - *Set challenging goals*
  - *Share thoughts with others*
- **Systems and processes**
  - *Planned and data-informed decision making*
  - *Celebrate wins and milestones*
  - *Review and report*

### **What does this look like in practice?**

*Council Members apply critical thinking to their decision making by not leaving thoughts unsaid ... the Chamber is the place to have views heard, respectful debate is important.*

*Council Members formulate their view from reading reports and information provided by the administration's subject matters experts, hearing the views of the community and their colleagues. They should remove personal bias and be objective, they represent the whole community rather than the loudest in the community and seek to understand the impact on future generations.*

*When moving (and seconding) recommendations Council Members are clear that the recommendation represents the desired outcome, not just to get the matter debated or as a courtesy. Any action that causes the process to be less efficient or effective without added value is considered frivolous.*

*Importantly, once a resolution has been carried, Council Members support the outcome; the time for changing the direction or outcome is in the debate and the content of the recommendation.*

*Importantly, we act with integrity. We are honest, open, take responsibility, and act in the public interest in all our dealings with each other, and our community. We strive for personal and collective excellence. This is the purpose of the Councillor declaration which is made and signed at each Ordinary Council Meeting.*

*An annual attendance fee is paid in lieu of a meeting fee on the assumption that each council member will attempt to be present at as many meetings as possible and have prepared themselves appropriately to engage and formulate an opinion based on the information.*

#### **10.2.5 CEO performance review**

*The Council is accountable for managing the CEO's performance and is responsible for setting the CEO's Key Performance Indicators (KPI's) and subsequently monitoring performance.*

*As required by the Act, Council has adopted a policy for the standards for CEO recruitment, performance and termination.*

#### **10.2.6 Employee performance review**

*In accordance with the Act the performance of all employees is to be reviewed at least once in relation to every year their employment. The Town's comprehensive Professional Development Review process provides a mechanism for employee performance to be assessed as well as training and development opportunities to be identified.*

### **10.3 Audits and oversight**

#### **10.3.1 Compliance Audit**

*It is a requirement of the Act that the Town conducts an annual audit of its compliance with statutory requirements and responsibilities placed on it under the Act.*

*The Compliance Audit Return is submitted to the Department each year after its adoption by Council. The Compliance Audit Return provides prompts in relation to the local government's statutory obligations such as local laws,*

tenders, meeting processes, disclosure of financial interests and financial management. It provides a useful tool for the Town to ensure compliance with the Act.

In addition to this requirement the Town has established a number of internal compliance mechanisms to ensure its practices and procedures meet its obligations in relation to good corporate governance.

### **10.3.2 Audit and Governance Committee**

The audit function of the Town is achieved by two means – the establishment of an Audit and Governance Committee and the appointment of an Internal Auditor.

The Act requires Council to establish an Audit Committee to oversee and advise the Council on matters of internal or external audit, risk management, financial reporting and legislative compliance functions of the Town. Such matters include developing and monitoring the Town's internal audit activities as well as reviewing the appropriateness and effectiveness of the Town's systems and procedures in relation to risk management, internal controls and legislative compliance.

The Audit and Governance Committee will also support the audit as required and have functions to oversee:

- the implementation of audit recommendations made by the auditor, which have been accepted by Council, and
- accepted recommendations arising from reviews of local government systems and procedures.

### **10.3.3 External Audit**

Each year, the Office of the Auditor General (OAG), or contractors appointed on its behalf, provide the independent oversight of the local government sector and audit the Town's financial statements with an audit report being provided to Council. Any significant issues the OAG identifies, are reported to the Town, the Mayor, the Town's CEO and the Minister for Local Government.

The audit report is examined by the Town which is to implement appropriate action in respect to the significant matters that may be raised and detail such action in a report to be submitted to the Minister for Local Government within three months of the Town receiving the audit report.

In addition to financial and compliance audits, the OAG may carry out performance audits that examine the economy, efficiency, and effectiveness of programs and organisations, including compliance with legislative provisions and internal policies. Performance reports are also submitted to both Houses of Parliament.

### **10.3.4 Internal Audit**

*The Town has developed an internal audit program that focuses on areas of risk including financial and non-financial systems and compliance with legislation, regulations, policies and best practice.*

*The primary objectives of the program are to independently evaluate the Town's systems of internal control to provide assurance that:*

- *the Town is achieving its goals and objectives efficiently, effectively and in an ethical manner*
- *financial and operating information produced is accurate, timely and complete*
- *there is compliance with relevant laws, regulations and other external requirements and with policies, protocols and other internal requirements*
- *Town assets and liabilities are competently managed and protected against loss or other negative consequences.*

*Recommendations are developed and agreed with management for audit recommendations and follow-ups conducted to ensure that they are implemented as agreed.*

## **10.4 Customer Service and Complaints Management**

The Town of Bassendean (Town) is committed to providing high quality customer service, delivering the best outcomes for our community with regard to the long-term interests and needs of our community. The Town's purpose includes to carry out the decisions of Council and to supply the goods and services necessary to sustain and respond to the specific local needs of our community. In doing this, the Town's employees bring strong leadership, experience and knowledge and act with integrity, accountability and transparency.

### **10.4.1 Service standards and customer advocacy**

*The Town understand the importance of customer service and are committed to delivering high quality customer service, through accurate, relevant and appropriate advice.*

- a. *Our employees will:*
  - *identify themselves*
  - *be polite, helpful and courteous*
  - *listen to you to understand your needs*
  - *follow through on our commitments to you, and*
  - *encourage, welcome and value your feedback.*
- b. *Our actions will be:*
  - *open, fair and impartial*

- responsive to your needs, and
  - completed within a specified timeline.
- c. Our information will be:
- accessible within the legal frameworks which apply
  - accurate, consistent and relevant, and
  - collected lawfully and not misused.

The Town's Customer Service Charter is available on the Town's website.

#### **10.4.2 Formal complaint and reporting mechanisms**

The Town's Customer Service Charter outlines how to provide compliments, suggestions or make a complaint.

Further, as a public entity, the Town is subject to external complaint and reporting mechanisms that are in place to ensure all public entities, including local governments, perform in a way that demonstrates integrity and fairness and are in place to prevent:

- improper conduct
- action which may constitute an offence under a written law
- substantial, unauthorised or irregular use of or mismanagement of public resources
- substantial and specific risk of injury to public health, prejudice to public safety or harm to the environment
- matter of administration which could be investigated by the Ombudsman.

The Town is subject to reporting and review mechanisms conducted by external agencies, including:

- minor breach and serious breach complaints about Council Members to the Department under the Local Government Act 1995
- public interest disclosures made under the Public Interests Disclosure Act 2003
- misconduct complaints to either the Public Sector Commission or the Corruption and Crime Commission under the Corruption, Crime and Misconduct Act 2003, and
- investigating and resolving complaints about the decision making of local government to the WA Ombudsman under the Parliamentary Commissioner Act 1971.

### **10.5 Access to information**

Under the Act any member of the public can access certain information held by the City, but there is not an unfettered right of access to the Town's information. There are some documents not accessible to the public or

available for viewing; however, being a 'public body', the provisions of the Freedom of Information Act 1992 apply.

All Council Members and employees should be aware of freedom of information implications when creating documents, whether it is internal or external and must undertake proper record-keeping in the fulfilment of their duties and responsibilities while at the Town.

As a general rule any written material generated by employees or Council Members may become public knowledge and subject to a freedom of information request and investigation. Freedom of information gives individuals a right to access certain records held by both state and local government agencies.

DRAFT

## REFERENCES

The following documents have been used in the development of the Governance Framework for the Town of Bassendean:

- *City of Bayswater Governance Framework 2020*
- *City of Joondalup Governance Framework 2021*
- *Introduction to Local Government Decision Making – WALGA Governance Resources*
- *Local Government Act 1995*
- *Local Government (Administration) Regulations 1996*
- *Local Government (Audit) Regulations 1996*
- *Local Government (Financial Management) Regulations 1996*
- *Local Government (Model Code of Conduct) Regulations 2021*