

SHIRE OF JERRAMUNGUP ANNUAL REPORT 2008 - 2009





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Annual Report 2008- 2009

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The Shire of Jerramungup will provide leadership to maintain our identity by promoting social and economic development whilst embracing our unique natural environment.





Councillors

Shire of Jerramungup

Annual Report 2008- 2009



Cr Bruce Trevaskis
Shire President



Cr Bill Bailey
Deputy Shire President



Cr Corinne Hobbs



Cr Trevor Barrett



Cr Rhonda Williams



Cr Joanne Iffla



Cr Barry Atkin





Shire President's Report

Shire of Jerramungup

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The year under review has been a challenging yet successful year for the Shire of Jerramungup.

In February, the Minister for Local Government announced his wide-ranging Local Government Reform Strategies. As part of this, he encouraged each local government within Western Australia to embrace the opportunity for voluntary amalgamations to achieve much needed structural reform in this State. As part of this initiative, the Minister also advocated for a reduction in the number of elected members.

In response to the Minister's announcement, the Shire prepared and submitted a structural reform checklist to the Department of Local Government & Regional Development (DLGRD). The Department assessed this checklist from a financial, social and environmental perspective.

The assessment process concluded with each local government being grouped into one of the following categories:

Category One: evidence indicates that there is existing organisational and financial capacity to meet current and future community needs. Local governments should still consider reform opportunities which enhance service provision to local and regional communities.

Category Two: structural reform including amalgamation/boundary adjustments and formalisation of regional groupings should be considered to enhance organisational and financial capacity to meet current and future community needs.

CATEGORIES
COVERED



Shire
President's
Report





Shire President's Report

Shire of Jerramungup

Annual Report 2008-2009

Category Three: significant structural reform including amalgamation and formalisation of regional groupings is required to ensure long term community and organisational benefit in order that the needs of the current and future generations are met.

I am pleased to report that the Shire was assessed as a category 2 organisation. This was a very satisfying result for a small local government and reinforced the Shire's best practice approach towards strategic and long range financial planning.

The second stage of the reform process required each local government to consider voluntary amalgamations, elected member representation and preferred regional groupings.

In assessing our position, Council resolved to remain as a single local government authority and explore resource sharing opportunities with surrounding Shires. The Shire now awaits a formal response from the State Government on this position.

Although the reform issue did consume a significant part of the year, the Shire continued to deliver a significant road construction and maintenance program. Other highlights included the introduction of a new strategic and long range financial management plan. The introduction of these documents and an increased focus on building organisational capacity is welcomed by the Council and is essential to function successfully in today's volatile market.

The introduction of the Royalties for Regions program delivered much needed infrastructure development in regional Western Australia. This program, an initiative of the Liberal/National Alliance delivered approx \$560k to the Shire in direct funding this financial year. The Shire was also successful in gaining a competitive allocation of \$200k through the Great Southern Regional Grants Scheme. These allocations were directed towards the

CATEGORIES
COVERED



Shire
President's
Report





Shire President's Report

Shire of Jerramungup

Annual Report 2008-2009

new residential dwellings in Jerramungup. It is anticipated that future allocations will be directed towards town site revitalisation projects and the Bremer Bay Town Centre Development.

The coming financial year will again provide its challenges as the Shire learns its fate from a structural reform perspective. Council will continue to represent the district on this issue with integrity, distinction and in the best interest of the community.

In closing, I wish everyone a safe and prosperous year ahead and thank my fellow Councillors and Shire staff, community volunteers and ratepayers for their continued efforts and support. I look forward to the forthcoming 12 months.

Bruce Trevaskis

Shire President

CATEGORIES
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Shire
President's
Report





Chief Executive Officer's Report

Shire of Jerramungup

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The 2008/09 financial year was a very successful year for the Shire of Jerramungup. Of significance was the introduction of a new Strategic Plan for the period 2009 – 2014.

In formulating this plan, the Elected Group and Executive Team conducted a series of workshops that resulted in a vision, key focus areas and the broad objectives of the organisation being established.

These elements were formulated from a systematic internal and external analysis. Under each strategic objective sits a series of projects that have been assigned to individual officers. This process assigns personal responsibility for the achievement of goals and establishes a definite expectation of performance.

In addition to this Strategic Plan, the Shire has implemented a 10 year financial management plan. This plan runs concurrently with the Strategic Plan and outlines the Shire's financial commitments in terms of ongoing operational costs, forecast projects, plant replacement and strategic asset management over a 10 year period.

The introduction of the Strategic Plan and long range financial management plan provided guidance for the organisation and hence delivered the following noteworthy projects for the period under review;

Performance Appraisal Process

A performance appraisal process was developed and implemented. All staff participated in this process which assessed work performance that incorporated a behavioural component. This process provided the participating staff with clear position objectives, provided an opportunity for supervisor feedback and identified professional development opportunities.

CATEGORIES COVERED



Strategic Plan

Performance Management

10 Year Financial Plan





Chief Executive Officer's Report

Shire of Jerramungup

Annual Report 2008-2009

Training and Development

A formal process to identify and address skill deficiencies within the workforce was implemented. Additionally, a trainee program was initiated in response to a workplace audit. One trainee and an apprentice were appointed within the 2008/09 financial year.

Customer Service Foyer Redesign

The customer service foyer was redesigned to provide a focal point for customers and added privacy for the staff that support the service delivery process.

Refine Job Ledger

The job ledger was reviewed and now provides more detail so that the performance of the organisation can be analysed by senior management. It is anticipated that the risks associated with job cost escalations can now be managed more effectively. This initiative will allow the Shire to set \$ per km targets for road construction and maintenance jobs into the future.

Police & Doctors Housing

This was perhaps the most significant project for the review period. A significant amount of time was spent minimising the financial risks to the organisation. This risk minimisation strategy involved the creation of a detailed business plan.

The Shire received \$200,000 from the Great Southern Development Commission towards the construction of the Doctor's residence. The application of the Shire's Royalties for Regions Funding towards the Police dwellings significantly reduced the loans required

CATEGORIES COVERED



Training and Development

Customer Services

Police and Doctors Housing





Chief Executive Officer's Report

Shire of Jerramungup

Annual Report 2008-2009

over this project. This will result in a rental return in excess of expenditure providing the Shire with an alternative income source for the next 15 years.

Off Road Vehicles

A ranger was appointed and has made a significant impact in reducing the prevalence of off road vehicles within the Shire of Jerramungup.

Business Plans for Sporting Clubs

The future of sporting clubs was a significant concern for Council. All sporting clubs are now developing business plans that identify future projects that require Council funding. The outcome of these business plans will translate into a new Recreation Strategy.

Implementation of Tree Farming Policy

With the introduction of carbon sequestration plantations, Council requested that a Local Planning Policy be developed that provided guidance and decision making criteria for the elected group. This policy has been adopted in draft format.

Key projects for the forthcoming period include the delivery of multiple residential dwellings for the local doctor and police, the delivery of a town site revitalisation project for Jerramungup, the release of residential land in Sydney Street Jerramungup, establishing service provision partnerships with neighbouring Councils to achieve service delivery efficiencies and progressing towards a new town centre in Bremer Bay.

I wish to thank the staff for their outstanding efforts over the review period and also the elected group for their support. With this ongoing support, I look forward to the forthcoming period with confidence and optimism.

Bill Parker
Chief Executive Officer

CATEGORIES
COVERED



Off Road
Vehicles

Tree Farming
Policy

Sports Club
Business
Plans





Corporate Services Report

Shire of Jerramungup

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On the back of another strong year of performance the Shire of Jerramungup continues to be at the head of the field for regional local governments. The adoption of the new Strategic Plan and 10 Year Financial Plan has been a positive step forward in the long term planning for our district. With the continuing push for structural reform in Local Government it is an integral part of our business to ensure that we demonstrate and deliver best practice in everything we do.

The Council and administration have been working on a number of new systems, processes and plans to improve the way we conduct our business and these will be rolled out over the coming 12 months, these include;

- Business Plan Template for Sport's Clubs in the Shire
- Human Resources Strategy
- Review of 3 Finance Policies
- Appointment of New Auditors: Lincolns Accountants – Albany
- Implementation of New Monthly Financial Reports
- Reviewed Job Cost Ledger
- Occupational Health and Safety Strategy
- Community Crime Prevention Plan

Council's Annual Financial Report is attached to this document and once again there are a number of very positive figures and indicators which I draw attention to.

Council's total outstanding loans at the end of the financial year are only \$148,095. This low outstanding debt will be critical in the coming years as a number of land developments such as the Bremer Bay Town Centre and Sydney Street development are carried out.

The total value of cash reserves are \$1,882,662 which have effectively been managed to provide for constructing the future of our community. The 2009-2010 budget

CATEGORIES COVERED



Strategic Plan

Business Plans

Financials





Corporate Services Report

Shire of Jerramungup

Annual Report 2008-2009

will draw on some of these reserves to finance the housing projects, plant replacement and capital works.

The carried forward opening balance continues to reduce despite large grant funding payments being received in advance of the 2009-2010 financial year. This demonstrates that the capital works and buildings programs are advancing and catching up on carried forward projects. Our workforce will continue to be busy for the coming years catching up on outstanding flood damage projects and acquitting other grant funded projects.

The Shire of Jerramungup's outstanding rates ratio continues to fall to 0.01% of total rates which demonstrates the commitment of our community and staff in ensuring that the Shire has adequate cash flow to carry out operations.

Council's rate coverage ratio is also 0.43% of operating revenue which demonstrates our long term sustainability through our capacity to finance a large part of our own operations.

In the office we have updated our service foyer to improve customer service and provide an additional two work stations with enclosed storage. This along with new computers for the administration team has been a valuable upgrade to our workplace. Our small team of dedicated staff have once again done a superb job of meeting the administration needs of Council and the community. I would also like to express my appreciation to the Council for their ongoing support of the administration team.

Brent Bailey
Deputy Chief Executive Officer

CATEGORIES COVERED



Customer Service Foyer

Financials

Long Term Financial Planning





Works and Services

Shire of Jerramungup

Annual Report 2008-2009

2008-2009 was another busy year for the Works and Services team. In one of our largest road building years ever, some substantial achievements have been accomplished.

Road Maintenance

\$776,628 spent on Council road maintenance.

Road Construction

\$1,130,335 spent on the re-sheeting, sealing and upgrading of Council roads.

Major projects included The Esplanade, Garnett Road, Swamp Road, Mallee Road, Point Henry Road, Devil's Creek, Native Dog Beach Road, Meechi Road, White Trail Road and Short Beach Road.

Major Plant Purchases

1 New Cat 12M Grader

CATEGORIES COVERED



Road Maintenance

Road Construction

Plant Purchases





Statutory Reports

Shire of Jerramungup

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National Competition Policy

The Shire of Jerramungup does not undertake any significant business activities with a user pays revenue stream greater than \$200,000 per annum. As such the application of the competitive neutrality principal is not required under the National Competition Policy for the 2008—2009 financial year.

Record Keeping Plan

The Shire of Jerramungup is committed to compliant record keeping practices and complies with required legislation, including the *State Records Act 2000*. The Record Keeping Plan is currently under revision and the implementation of an electronic records management system will be undertaken during 2009-2010.

The Record Keeping System is continually under review to ensure that proper standards are maintained. The current records system will be updated to an electronic based system in response to difficulties in finding some archived documents and other records in the current filing key. An electronic records system will enable multiple search parameters and reduce the reliance on finding paper documents.

Disability Services Report

In 2007 the Shire of Jerramungup adopted a local Disability Access and inclusion plan which is available on Council's website. Other projects which addressed meeting the needs and requirements of disabled persons include: providing a variety of media streams for Council information and the incorporation of access improvement in infrastructure plans for new projects. Council will continue to monitor current services and infrastructure in this area for areas of improvement and put in place programs for upgrade within financial constraints

Public Interest Disclosure Statement

There were no disclosures made under the Public Interest Disclosure Act 2003 during the 2008—2009 financial year. There were no complaints made under Section 5.121 of the Local Government Act 1995 during 2008—2009.

Local Laws Review

The Shire of Jerramungup will be undertaking a review of local laws in the coming 12 months. During this review current local laws will be analysed for their efficiency and delivery of objectives and a period of public consultation will be carried out to enable public input into the process.

CATEGORIES COVERED



Disability Services Report

National Competition Policy

Local Laws

Public Interest Disclosure





Health, Building, Town Planning

Shire of Jerramungup

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The Shire of Jerramungup continues to experience strong growth in land developments and building construction. The Shire of Jerramungup use the consultancy services of Gray and Lewis to carry out the Shire’s town planning services. There were 19 town planning approvals passed during the 2008-2009 year. Council has also reviewed and adopted a number of new Town Planning Policies to guide the community on developments within the Shire of Jerramungup.

Council’s Buildings Officer Phil Polain has also done an exceptional job in approving 53 building applications throughout the year. Phil has worked with home owners to find the best balance between their dreams and ideas and ensuring compliance with building codes and Council policy. It is important to note that most building projects on properties in the Shire of Jerramungup need a building application to commence. Considerable penalties and inconvenience can result from constructions commencing without Council approval.

During 2008-2009 numerous inspections were undertaken on food premises and caravan parks by consultant Bill Atyeo to promote compliance and best practice within these businesses in the Shire of Jerramungup.

CATEGORIES COVERED



Town Planning

Environmental Health

Buildings



Audit Report

as40SHKerML2009Ab/cwb/jr

3 December 2009

Attn: Bill Parker
Chief Executive Officer
Shire of Jerramungup
Vascy Street
JERRAMUNGUP WA 6337



Dear Council

Audit for the year ended 30 June 2009

We are pleased to report that our audit of the Shire of Jerramungup's financial statements and records for the year ended 30 June 2009 is now complete.

Accordingly we enclose a signed copy of the financial statements and audit certificate for your attention.

We confirm that we will arrange for one copy to be forwarded directly to the Department of Local Government on your behalf.

Prior to reporting findings for Council and Management of the nature of audit tests conducted. The work undertaken by us to form an opinion is permeated by judgment, in particular regarding the nature, timing and extent of the audit procedures for gathering of audit evidence and the drawing of conclusions based on the audit evidence gathered.

In addition, there are inherent limitations in any audit. These include the use of testing, collusion and the fact that most audit evidence is persuasive rather than conclusive. As a result, our audit provides reasonable – not absolute – assurance that the financial systems of the Shire of Jerramungup are functioning reliably.

In general we found the financial statements presented for audit were well prepared and supporting audit papers were complete and readily available.

We undertook a complete assessment of the Shire's financial systems and assessed areas of risk.

We are pleased to report that this review confirmed the strong internal controls within the financial and reporting systems of the Shire of Jerramungup.

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CATEGORIES
COVERED



Audit Report



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Comment on Financial Position

We make comment below in relation to the Shires financial ratios.

- (a) The Current Ratio disclosed at Note 18 to the Financial Report, which indicates short term solvency or liquidity, is shown to be 2.83 at 30 June 2009 (1.60 at 30 June 2008). A current ratio of greater than 1.0 indicates that current assets are sufficient to meet current liabilities.
- (b) The Untied Cash to Unpaid Trade Creditors Ratio was 3.29 at 30 June 2009 (1.39 at 30 June 2008). A ratio of greater than 1.0 indicates that short term cash issues can easily cover creditor payment liabilities.
- (c) Debt ratios are well within benchmarks which reflects the low debt structure used by Council.

Other Matters

During our audit we noted several minor matters requiring attention. We have attached a separate schedule detailing our recommendations and management responses.

In conclusion we take this opportunity to thank Brent and your administration staff for their pleasant and co-operative assistance throughout the audit.

Should there be any matters that you would like to discuss further please do not hesitate to contact either Chris Harrison or myself at this office.

Kind Regards



Russell Harrison
Partner
enc

CATEGORIES
COVERED



Audit Report





Financial Statements

Shire of Jerramungup

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CATEGORIES
COVERED



Financial
Statements

The following pages contain the Shire of Jerramungup annual financial report. The Statements have been prepared in accordance with the Local Government Act 1995 and Local Government Financial Management Regulations 1996 for the 2008-2009 financial year. These statements provide an insight into the financial position of the Shire of Jerramungup and are audited by Lincolns Accountants and Business Advisors.

