



Notice is given that an Ordinary Meeting of Council of the Shire of Christmas Island is to be held at the Council Chambers on **Tuesday 19 December 2023** commencing at 7.00pm

David Price
Chief Executive Officer

AGENDA

- 1 **Declaration of Opening of Meeting/Announcement of Visitor**
- 2 **Record of Attendance/Apologies/Leave of Absence/Declaration of Financial/Proximity/Impartiality Interests**
 - 2.1 Attendance
 - 2.2 Leave of Absence
 - 2.3 Apologies
 - 2.4 Declaration of Interests
- 3 **Response to Previous Public Questions Taken on Notice**
- 4 **Public Question Time**
- 5 **Applications for Leave of Absence**
 - 5.1 Cr Hafiz MASLI (pg 01-02)
- 6 **Petitions/Deputations/Presentations**
- 7 **Confirmation of Minutes of Previous Meetings/Business arising from the Minutes of Previous Meetings**
 - 7.1 Minutes of Ordinary Council Meeting held on 21 November 2023 (pg 03-12)
 - 7.2 Business Arising from the Minutes of Previous Meetings
- 8 **Announcements by Presiding Member Without Discussion**
- 9 **Reports of Committees**
- 10 **Reports of Officers**
 - 10.1 **Chief Executive Officer**
 - 10.1.1 Annual Report 2023 (pg 13-93)
 - 10.1.2 Direct Purchase Report (pg 94-109)
 - 10.2 **Director Finance & Administration**
 - 10.2.1 Schedule of Accounts – November 2023 (pg 110-115)
 - 10.2.2 Financial Statements – November 2023 (pg 116-139)
 - 10.3 **Director Community/Recreation Services & Training**
 - 10.4 **Director Works, Services & Waste**
 - 10.5 **Director Planning, Governance & Policy**
 - 10.5.1 Regulation 5- Financial Management Review (pg 140-154)
- 11 **Elected Members Motions of which Previous Notice has been given**
- 12 **New Business of an Urgent Nature Introduced by Decision of the Meeting**
- 13 **Behind Closed Doors**
- 14 **Closure of Meeting**
- 15 **Date of the next Ordinary Meeting**
6 February 2024



SHIRE OF CHRISTMAS ISLAND

SUBMISSION TO	Ordinary Council Meeting 19 December 2023
AGENDA REFERENCE	5.1
SUBJECT	Cr MASLI – Leave of Absence
LOCATION/ADDRESS/APPLICANT	N/A
FILE REFERENCE	2.13.13
INTEREST DISCLOSURE	None
DATE OF REPORT	30 November 2023
AUTHOR	David Price, CEO
SIGNATURE OF CEO	SIGNED

RECOMMENDATION

That the leave of absence application submitted by Cr Hafiz MASLI (12/12/2023 to 19/01/2024) be approved.

BACKGROUND

Cr Hafiz MASLI (12/12/2023 to 19/01/2024) submitted a Leave of Absence application to the CEO.

COMMENT

N/A

STATUTORY ENVIRONMENT

There are no statutory environment implications arising from this matter.

POLICY IMPLICATIONS

There are no significant policy implications arising from this matter.

FINANCIAL IMPLICATIONS

There are no significant financial policy implications arising from this matter.

STRATEGIC IMPLICATIONS & MILESTONES

There are no significant strategic implications arising from this matter.

VOTING REQUIREMENTS

A simple majority is required.



SHIRE OF CHRISTMAS ISLAND

APPLICATION FOR LEAVE OF ABSENCE

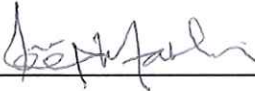
I Councillor HAFIZ MASLI

Hereby apply to the Council of the Shire of Christmas Island for

Leave of absence from 12/12/23 to 19/01/24

In accordance with section 2.25 (1) of the Local Government Act (CI).

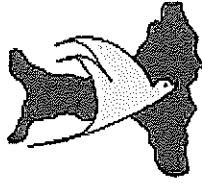
Yours sincerely



Signature

30/11/23

Date



SHIRE OF CHRISTMAS ISLAND

APPLICATION FOR LEAVE OF ABSENCE

Gordon Thomson

I Councillor _____

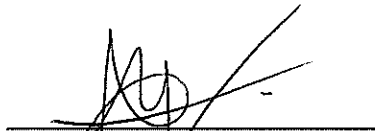
Hereby apply to the Council of the Shire of Christmas Island for

Leave of absence from 19/12/2023 to 20/12/2023

In accordance with section 2.25 (1) of the Local Government Act (CI).

Yours sincerely

Gordon Thomson


Signature

18/ 12 /2023

Date



UNCONFIRMED MINUTES

Ordinary Meeting of the Shire of Christmas Island held at the George Fam Chambers at 7.00pm on Tuesday 21 November 2023

1 DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

1.1 The Shire President declared the meeting open at 7.00pm.

2 RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE/DECLARATIONS OF FINANCIAL INTEREST

1.2 Record of Attendance

Shire President

Deputy President

Councillors

Cr Gordon **THOMSON**

Cr Azmi **YON**

Cr Philip **WOO**

Cr Swee **TUNG**

Cr Hafiz **MASLI**

Cr Steve **PEREIRA**

Cr Kee Heng **FOO**

Chief Executive Officer

Director Planning, Governance & Policy/Minute Taker

Director Community/Recreation Services

Director Works, Services & Waste

David **PRICE**

Chris **SU**

Olivier **LINES**

Troy **DAVIS**

Visitor

Consultant Town Planner

Herve **CALMY**

2.2 **Leave of Absence**

Councillor

Councillor

Cr Vincent Cheng-Siew **SAW**

Cr Kok Bin Kelvin **LEE**

2.3 **Apologies**

2.4 **Declarations of Financial/Impartiality/Proximity Interest**

3 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

3.1 Regarding item 4.2 from the October 24 Ordinary Council Meeting, CEO David PRICE advised the Council that the Lily Beach precinct signage will be finalised with IOTA the day after Council Meeting with a view to be installed as soon as practicable afterwards.

4 PUBLIC QUESTION TIME

Shire President Gordon THOMSON summarised the public question time element of a Council Meeting and stated that the public had a set fifteen minutes to ask questions to Council on municipal matters.

4.1 Peter GRIGGS, residing at 10/17 Jalan Pantai, proposed that the Council consider a motion.

Shire President Gordon THOMSON requested that Peter GRIGGS ask a question to the Council as per the requirements of the public question time in a council meeting or cease his presentation and return to his seat. Peter GRIGGS continued to make a statement and after continuous requests from the Shire President Gordon THOMSON he eventually returned to his seat at 7.05pm

4.2 Mark STEIN of 6A 2 Tong Yang Loh congratulated the election of the new Councillors.

Shire President Gordon THOMSON requested that Mark STEIN ask a question to Council; summarised the nature of public question time again.

Mark STEIN asserted that during his time on the island, individuals have been unable to write letters to the editor of the Islander that were critical of the Shire and see them published. He sought an explanation for this situation.

Cr Hafiz MASLI entered 7.06pm

Shire President Gordon THOMSON requested Mark STEIN to return to his seat after asking the question.

Shire President Gordon THOMSON stated that every time the Islander is published there is a notice inside inviting the public to write to the Editor. He stated that he couldn't recall the Islander having received a letter to the editor for years. Requested clarification from Mark STEIN if he had written a letter to the editor? He restated that the Islander invites letters to the editor every issue should he want to.

Mark STEIN said that he knows of people who have written a letter to the editor and asked if Council would accept criticisms of the Shire in a letter to the editor?

Shire President Gordon THOMSON stated that the Islander has not received a letter in some time but that when received, they are published as received or will not be published at all. Letters to the editor are not to be edited by Council.

CEO David PRICE stated that inflammatory and defamatory letters will not be published.

Mark STEIN asked if he was permitted to have a second question.

Shire President Gordon THOMSON restated that public question time was set for fifteen minutes as required and invited him to continue with additional questions.

Mark STEIN asked as a ratepayer, why was Council putting up 'No' signs during the lead up to the referendum. Where were the 'Yes' signs for balance?

Shire President Gordon THOMSON advised that he had put up 'Yes' signs exclusively during the referendum campaign. Mark STEIN corrected himself and asked why the Council put up 'Yes' signs during the campaign period and no 'No' signs.

Shire President Gordon THOMSON advised that Council had made a resolution to support the 'Yes' campaign during the referendum. Mark STEIN stated that he felt this was wrong; Shire President Gordon THOMSON requested Mark STEIN to sit down at the end of his question and to not attempt to engage in debate. Mark STEIN asked why couldn't he debate and the Shire President responded that that was not the nature of public question time.

Shire President Gordon THOMSON continued his explanation that council resources were used to put up 'Yes' campaign signs and writing notices on the roundabout blackboard. Stated that the 'Yes' campaign signs were taken down every evening and roundabout blackboard notices were also erased daily.

Mark STEIN advised that he had taken down 'Yes' signs during the campaign in the lead up to referendum day.

Shire President Gordon THOMSON advised that this was unlawful.

Mark STEIN thanked the council for their time.

- 4.3 Cr FOO Kee Heng requested a minute's silence to recognise the passing of long-time island resident Mr ANG Mui Chye who passed away in Penang, Malaysia in the last week from COVID-19. His funeral would be the day following council meeting.

Council agreed to a minute's silence at the end of the public question time period and that in local custom when marking the passing of an elder, the flags would be at half-mast the following work day.

- 4.4 Cr Swee TUNG asked what was the traffic management plan in place at the guard rails along Golf Course Road?

Director for Works, Services and Waste Troy DAVIS advised that Shire had liaised with Water Corp earlier that day on traffic management plan for the site and appropriate signage is on the site.

Cr Swee TUNG asked if the Shire had any temporary physical barriers?

Cr Swee TUNG asked if flashing lights could be installed in the traffic management area?

Director Troy DAVIS advised he would take that question on notice.

Director Troy DAVIS advised that the traffic management plan features appropriate signage and deployment of traffic cones but does not have the use of physical barriers. Director Troy DAVIS advised that council does not have access to water filled barriers.

Shire President Gordon THOMSON asked if there were any more questions from the gallery or from Councillors? No additional questions from the Councillors or from members of the gallery were received.

Shire President Gordon THOMSON declared public question time closed at 7.14 pm and informed the visitors they were welcome to remain for the rest of the meeting if they wished to do so.

Peter GRIGGS commenced to leave the meeting while attempting to disrupt the meeting by continually making statements.

Shire President Gordon THOMSON requested Peter GRIGGS to desist from making comments and to leave the council meeting at 7.15pm. Peter GRIGGS ignored the President's requests to desist making comments and leave and continued to behave in a disruptive manner.

Shire President Gordon THOMSON requested that Peter GRIGGS withdraw the statements he was making; Peter GRIGGS refused to do so and continued to make statements.

Upon further continuous requests to leave the meeting by the Shire President Gordon THOMSON Peter GRIGGS finally left the meeting at 7.17pm.

- 4.5 Shire President Gordon THOMSON invited the room to stand for a minute silence to mark the passing of Mr ANG Mui Chye at 7.17pm

5 APPLICATIONS FOR LEAVE OF ABSENCE

- 5.1 Cr LEE- Leave of Absence

Council Resolution

Moved: Cr Yon	Seconded: Cr Woo	Res. No: 106/23
----------------------	-------------------------	------------------------

That the leave of absence application submitted by Cr Kelvin LEE (21/11/2023 to 28/11/2023) be approved.

Carried: 7/0

For:	Cr THOMSON	Cr YON	Cr FOO
	Cr MASLI	Cr WOO	Cr PEREIRA
	Cr TUNG		

6 PETITIONS/DEPUTATIONS/PRESENTATIONS

7 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS/BUSINESS ARISING FROM THE MINUTES OF PREVIOUS MEETINGS

7.1 Minutes of Ordinary Council Meeting held on 24 October 2023

Members considered the unconfirmed minutes.

Council Resolution

Moved: Cr FOO

Seconded: Cr YON

Res. No: 107/23

That Council adopt the unconfirmed minutes of the 24 October 2023 Council Meeting.

Carried: 7/0

For:	Cr THOMSON	Cr YON	Cr FOO
	Cr MASLI	Cr WOO	Cr PEREIRA
	Cr TUNG		

7.2 Business Arising from the Minutes of Previous Meetings

7.3 Cr PEREIRA raised his concern about the Palestinian flag located at the railings adjacent to the George Fam flagpoles. He stated that it was the agreement of Council at the last council meeting to fly the Christmas Island flag at half-mast for seven days in relation to the events in Gaza. He noted that a Palestinian flag was tied to the railings adjacent to the flagpoles in this period, and that they remained there to the present.

Cr PEREIRA states that there was never an agreement to have the Palestinian flag at that location and requests that the Palestinian flag be removed.

Shire President THOMSON summarised that in response to the Youth Advisory Council's presentation at the October council meeting that included a request to fly the Palestinian flag at the George Fam flagpoles in sympathy with Palestine, Council passed a motion for the Christmas Island flag to fly at half-mast for a week instead.

Shire President THOMSON stated that he relayed this decision to the Youth Advisory Council and invited them to instead tie the Palestinian flag to the Shire fence adjacent to the flag pole.

Cr PEREIRA stated that he was not in agreement that the Palestinian flag should be on council property. Cr PEREIRA put forward that the Shire was a government body and that he was not comfortable with the flag being on Council premises.

Shire President put that we have both expressed an opinion, and in the event of a disagreement, there can be a vote on the matter. Shire President THOMSON invited Cr

PERERIRA to put a motion to the meeting to give effect to his wishes and also explained the standing orders on debate of a motion to the meeting.

Cr PEREIRA moved the motion *'that the Council have the Palestinian flag removed from the premises.* Cr TUNG seconded the motion. Cr THOMSON invited Cr PEREIRA to speak to the motion as the mover.

Cr PEREIRA stated that he has sympathy with the Palestinians but does not believe that the Shire of Christmas Island should have *'demonstratable items on the premises.'* Cr PEREIRA put forward that if people want to put up *'demonstratable items on their own land or other places'* that would be more appropriate than council property.

Cr Swee TUNG put forward that as a local government, it should not have a view on politics. Cr Swee TUNG put that *having a flag out there doesn't affect anything.*

Cr THOMSON invited speakers against the motion to speak.

Cr Azmi YON put forward that it was a show of unity with people in Palestine, and that he was comfortable with the flag on the premises. Cr Azmi YON noted flags flying through out Flying Fish Cove indicating strong community sentiment in support of them.

Shire President Gordon THOMSON reaffirmed the standing orders on debating.

Cr Swee TUNG put that it looks like our local council is supportive of Palestine.

Cr Azmi YON exited the meeting at 7.25pm

Shire President Gordon THOMSON asked if anyone else wished to speak against the motion?

No other councillors wished to speak; Shire President Gordon THOMSON took the opportunity to speak against the motion.

Shire President Gordon THOMSON summarised that Council fielded a request to fly the Palestinian flag on the George Fam flagpoles; put that Council had to refuse this request. As Cr TUNG and Cr PEREIRA had put forward, the flagpoles are the official places for the Australian, Christmas Island and Aboriginal flags and that it would not have been appropriate to put the Palestinian flag up.

Cr Azmi YON returned to the meeting at 7.26pm

Shire President Gordon THOMSON stated that Council dealt with the formality in regards to flag pole usage, but still had to take into account community feeling and sentiment. Shire President Gordon THOMSON informed the Youth Advisory Council following the October 24 ordinary council meeting that Shire could not consider a motion to fly Palestinian flag at the George Fam flagpoles, putting to Youth Advisory Council that Council has the responsibility to use them for the three official flags. He informed the Youth Advisory Council that if they wished to put the Palestinian flag at the railings adjacent, that they were free to do so.

Shire President Gordon THOMSON put forward to the meeting that *'our collective humanity is weakened if we ask the young people to remove that flag; it is an expression of solidarity. We can't do anything practical, but we can let it be known that we are watching, that we are concerned and that we express our support.*

Shire President Gordon THOMSON asked if there were any more speakers for the motion?

No councillors responded; Shire President Gordon THOMSON invited Cr PEREIRA as the mover the final right of reply as per the standing orders for debate.

Cr PEREIRA stated that he has no additional points and repeated that as much as he is sympathetic, he maintains the request that it is taken off Shire premises.

The motion was voted on, and lost 2 for, 5 against.

Council Resolution

Moved: Cr PERIRA

Seconded: Cr TUNG

Res. No: 108/23

That the Council have the Palestinian flag removed from the premises.

Not Carried: 2/5

For: Cr PEREIRA Cr TUNG

**Against: Cr THOMSON Cr YON Cr FOO
Cr MASLI Cr WOO**

8 ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION

9 REPORTS OF COMMITTEES

10 REPORTS OF OFFICERS

10.1 Chief Executive Officer

10.1.1 Dates of Ordinary Council Meetings 2024

Council Resolution

Moved: Cr YON

Seconded: Cr MASLI

Res. No: 109/23

That Council adopts the following schedule of Ordinary Meetings for 2023 in accordance with section 5.25 (1) (g) of the Local Government Act (CI) 1995 and the Local Government Administration Regulations 1996 commencing at 7.00pm at the George Fam Centre Council Chambers on the fourth Tuesday of each month with the exceptions of:

- 6 February 2024 Ordinary Meeting due to the long period of no meetings between 12 December 2023 and 6 February 2024.
- The June 2024 Ordinary Meeting is the 3rd Tuesday. As the 2024 ALGA National Assembly is likely to be schedules the week beginning Monday 24th June holding the June Ordinary Meeting on the 18th June will enable those Councillors attending the 2024 ALGA National Assembly to also attend the June Ordinary Meeting.
- The December 2024 Ordinary Meeting is scheduled for the 10th December 2024 being the 2nd Tuesday due to the Christmas close down period in December 2024.

6 February 2024

19 March 2024

23 April 2024

28 May 2024

18 June 2024

23 July 2024

27 August 2024

24 September 2024

22 October 2024

19 November 2024

10 December 2024

Carried: 7/0

**For: Cr THOMSON Cr YON Cr FOO
Cr MASLI Cr WOO Cr PEREIRA
Cr TUNG**

10.1.2 Date change for the 2023 December Ordinary Meeting of Council

Council Resolution

Moved: Cr YON

Seconded: Cr FOO

Res. No: 110/23

The Ordinary Meeting date of Council for December 2023 be changed from 12th December to 19th December 2023, and the reschedule 2023 December Ordinary Council meeting date be advertised through a Public Notice.

Carried: 7/0

**For: Cr THOMSON Cr YON Cr FOO
Cr MASLI Cr WOO Cr PEREIRA
Cr TUNG**

10.1.3 Draft Local Planning Strategy- Part 2

Shire President Gordon THOMSON invited consultant Town Planner Herve CALMY to speak to the report. Herve CALMY presented some technical aspects of the report.

Cr Swee TUNG asked for clarification what funding was available to activate construction of the identified yields in the newly identified residential areas in the strategy.

Town Planner Herve CALMY explained that the planning instruments that local governments keep regulate the construction of residential, commercial and other buildings in the local government area and were not tied to any funding to see construction thereof. The local government itself was typically not the builder of new buildings. Herve CALMY stated that however in some cases in WA the local government had undertaken the building of social infrastructure such as aged care residences with assistance from other levels of government.

Council Resolution

Moved: Cr YON

Seconded: Cr WOO

Res. No: 111/23

Council resolves to submit to the Western Australian Planning Commission the October 2023 Draft Local Planning Strategy - Part 1 Strategy and the November 2023 Draft Local Planning Strategy Part 2 Background Information and Analysis for compliance and certification.

Carried: 7/0

**For: Cr THOMSON Cr YON Cr FOO
Cr MASLI Cr WOO Cr PEREIRA
Cr TUNG**

10.2 Director Finance & Administration

10.2.1 Schedule of Accounts – October 2023

Council Resolution

Moved: Cr FOO **Seconded: Cr YON** **Res. No: 112/23**

That Council approves the expenditure as presented in October 2023 Schedule of Accounts

Carried: 7/0

For:	Cr THOMSON	Cr YON	Cr FOO
	Cr MASLI	Cr WOO	Cr PEREIRA
	Cr TUNG		

10.2.2 Financial Statements – October 2023

Council Resolution

Moved: Cr MASLI **Seconded: Cr YON** **Res. No: 113/23**

That Council receives the Financial Statements of October 2023 for the Municipal Fund.

Carried: 7/0

For:	Cr THOMSON	Cr YON	Cr FOO
	Cr MASLI	Cr WOO	Cr PEREIRA
	Cr TUNG		

10.2.3 Assets Write Off October 2023

Council Resolution

Moved: Cr YON **Seconded: Cr MASLI** **Res. No: 114/23**

Council approves to write off the assets for October 2023 as set out in the attachment to this report.

Carried: Absolute Majority 7/0

For:	Cr THOMSON	Cr YON	Cr FOO
	Cr MASLI	Cr WOO	Cr PEREIRA
	Cr TUNG		

10.3 Director Community/Recreation Services & Training

10.3.1 Budget Amendment- Australia Day Community Services

Council Resolution

Moved: Cr YON **Seconded: Cr WOO** **Res. No: 115/23**

That Council approves the budget amendment of \$10,000.00 to the current Australia Day Budget

Carried: Absolute Majority 7/0

For:	Cr THOMSON	Cr YON	Cr FOO
	Cr MASLI	Cr WOO	Cr PEREIRA
	Cr TUNG		

10.4 Director Works, Services & Waste

10.5 Director Planning, Governance & Policy

10.5.1 Fisheries Management Committee Applications

Council Resolution

Moved: Cr YON **Seconded: Cr FOO** **Res. No: 116/23**

That Council receive the list of applicants for the Fisheries Management Committee and;
Select the community representatives for the Fisheries Management Committee from that list.

Carried: 7/0

**For: Cr THOMSON Cr YON Cr FOO
Cr MASLI Cr WOO Cr PEREIRA
Cr TUNG**

10.5.2 Sharin Jamil application to the Fisheries Management Committee

Council Resolution

Moved: Cr YON Seconded: Cr FOO Res. No: 117/23

That Council accept Shahrin JAMIL as a member of the Fisheries Management Committee for 2023-2025.

Carried: Absolute Majority 7/0

**For: Cr THOMSON Cr YON Cr FOO
Cr MASLI Cr WOO Cr PEREIRA
Cr TUNG**

10.5.3 Mark Rochfort application to the Fisheries Management Committee

Council Resolution

Moved: Cr PEREIRA Seconded: Cr FOO Res. No: 118/23

That Council accept Mark ROCHFORT as a member of the Fisheries Management Committee for 2023-2025.

Carried: Absolute Majority 7/0

**For: Cr THOMSON Cr YON Cr FOO
Cr MASLI Cr WOO Cr PEREIRA
Cr TUNG**

10.5.4 Brady Collett application to the Fisheries Management Committee

Council Resolution

Moved: Cr YON Seconded: Cr MASLI Res. No: 119/23

That Council accept Mark ROCHFORT as a member of the Fisheries Management Committee for 2023-2025.

Carried: Absolute Majority 7/0

**For: Cr THOMSON Cr YON Cr FOO
Cr MASLI Cr WOO Cr PEREIRA
Cr TUNG**

10.5.5 Ash Davidson application to the Fisheries Management Committee

No mover to the application from Ash DAVIDSON to be accepted as a member of the Fisheries Management Committee.

10.5.6 David Watchorn application to the Fisheries Management Committee

Council Resolution

Moved: Cr PEREIRA Seconded: Cr TUNG Res. No: 120/23

That Council accept David WATCHORN as a member of the Fisheries Management Committee for 2023-2025.

Not Carried 3/4

For:

Cr MASLI

Cr TUNG

Cr PEREIRA

Against:

Cr THOMSON

Cr YON

Cr FOO

Cr WOO

10.5.7 Jason Turl application to the Fisheries Management Committee

No mover to the application from Jason TURL to be accepted as a member of the Fisheries Management Committee.

10.5.8 Kristen Schubert application to the Fisheries Management Committee

Council Resolution

Moved: Cr PEREIRA

Seconded: Cr YON

Res. No: 121/23

That Council accept Kristen SCHUBERT as a member of the Fisheries Management Committee for 2023-2025.

Carried: Absolute Majority 7/0

For:

Cr THOMSON

Cr YON

Cr FOO

Cr MASLI

Cr WOO

Cr PEREIRA

Cr TUNG

11 ELECTED MEMBERS MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

12 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF THE MEETING

13 BEHIND CLOSED DOORS

14 CLOSURE OF MEETING

The Shire President closed the meeting at 8.13pm

15 DATE OF NEXT MEETING: 19 December 2023



SHIRE OF CHRISTMAS ISLAND

SUBMISSION TO	Ordinary Council Meeting 19 December 2023
AGENDA REFERENCE	10.1.1
SUBJECT	Annual Report 2022/23
LOCATION/ADDRESS/APPLICANT	N/A
FILE REFERENCE	3.1.5
INTEREST DISCLOSURE	None
DATE OF REPORT	14 December 2023
AUTHOR	David Price, CEO
SIGNATURE OF AUTHOR	SIGNED

RECOMMENDATIONS

- 1. The Shire of Christmas Island Annual Report for 2023 is accepted.**
- 2. An Elector's General Meeting is held on Tuesday 6 February 2024 commencing at 6.30pm for the purpose prescribed by the Local Government Act 1995 (WA) (CI).**
- 3. The Chief Executive Officer is to give notice of the Elector's Meeting and to ensure that statutory requirements regarding the acceptance of the Annual Report 2023 are met.**

BACKGROUND

RSM has been engaged by the Office of the Attorney General (AGO) Western Australia to perform an audit of the Shire of Christmas Island's annual report for the year ended 30 June 2023.

RSM has completed the audit of the Shire of Christmas Island's Financial Statements for the year ended 30 June 2023.

Attached is a copy of the Shire of Christmas Island Annual Report which includes the Financial Statements 22/23 for Council's consideration.

COMMENT

The auditors have reported that the Shire's financial accounts for the period ending 30 June 2023 were in good order and a fair representation of Council activities.

In accordance with section 5.27 (2) of the Local Government Act 1995 (WA) (CI) an elector's meeting must be held within 56 days of the acceptance of the annual report. It is recommended that the elector's meeting is scheduled for Tuesday February 2024.

STATUTORY ENVIRONMENT

Section 5.53 (1) of the Local Government Act 1995 (WA) (CI) requires the Council to prepare an annual report for each financial year.

Section 5.54 of the Local Government Act 1995 (WA) (CI) outlines the time period for acceptance of the annual report; namely that the report must be accepted no later than 31 December after that financial year.

Section 5.55 of the Local Government Act 1995 (WA)(CI) requires the CEO to give public notice of the availability of the annual report as soon as practicable after Council has accepted the annual report.

Section 5.27 (2) of the Local Government Act 1995 (WA)(CI) requires a general electors meeting to be held within 56 days of Council receiving the annual report.

Section 7.2 of the Local Government Act 1995 (WA)(CI) requires the accounts and annual financial report of a local government for each financial year to be audited by an auditor appointed by the local government.

Section 7.9 (1) of the Local Government Act 1995 (WA)(CI) requires an auditor to examine the accounts and annual financial reports submitted for audit and, by 31 December next following the financial year to which the accounts and report relate or such date as may be prescribed, to prepare a report thereon and forward a copy of that report to:

- The Shire President;
- The CEO of the Local Government; and
- The Minister.

POLICY IMPLICATIONS

There are no significant policy implications arising from this matter.

FINANCIAL IMPLICATIONS

There are no financial implications arising from this matter.

STRATEGIC IMPLICATIONS & MILESTONES

Objective 1 of the Government environment is to “Provide good governance in line with the requirements of the Local Government Act and the culture of the Island”. Objective 4 of the same Environment is to “Effectively manage the resources of the Shire in line with the objectives of the Strategic Plan”.

VOTING REQUIREMENTS

An absolute majority is required.

ATTACHMENT

- | | |
|-------------------|--|
| 10.1.1.1 | Annual Report including the Audited Financial Statements and opinion provided separately |
| 10.1.1.2/10.1.2.3 | Management Letters A & B |

2023

Annual Report



SHIRE OF
CHRISTMAS ISLAND

Contents

ELECTED MEMBERS 2023.....	i
PRESIDENT’S REPORT.....	ii
CHIEF EXECUTIVE OFFICER’S REPORT	vi
SECTION REPORT.....	x
FINANCE & ADMINISTRATION	x
WORKS, SERVICES & WASTE	xii
COMMUNITY SERVICES, RECREATION & TRAINING.....	xiv
PLANNING, GOVERNANCE & POLICY	xxii
FINANCIAL REPORT.....	1
STATEMENT BY CHIEF EXECUTIVE OFFICER	2
STATEMENT OF COMPREHENSIVE INCOME	3
STATEMENT OF FINANCIAL POSITION	4
STATEMENT OF CHANGES IN EQUITY	5
STATEMENT OF CASH FLOWS	6
STATEMENT OF FINANCIAL ACTIVITY	7
INDEX OF NOTES TO THE FINANCIAL REPORT	8
INDEPENDENT AUDITOR’S REPORT	34

ELECTED MEMBERS 2023



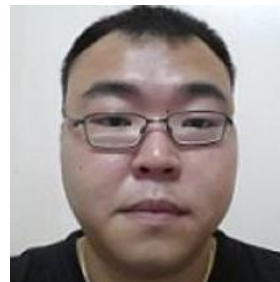
Cr Gordon Thomson
Shire President
Retiring 2025



Cr Azmi Yon
Deputy President
Retiring 2027



Cr Kee Heng Foo
Retiring 2025



Cr Vincent Saw
Retiring 2025



Cr Philip Woo
Retiring 2025



Cr Kelvin Lee
Retiring 2027



Cr Hafiz Masil
Retiring 2025



Cr Steve Pereira
Retiring 2027



Cr Swee Tung
Retiring 2027

PRESIDENT'S REPORT

On behalf of the Council of the Shire of Christmas Island, I present the Shire of Christmas Island Annual Report for 2023.

Shire Operations

This Annual Report has been prepared by the section managers of the Shire, with the oversight of the Chief Executive Officer (CEO). The Councillors thank our Shire staff for preparing this report for our Council and our community. We thank our Shire managers and staff for the support that they have given the Councillors throughout the year. In particular we commend our CEO David Price for his vitality and leadership of the Shire team and the excellent relationship he enjoys with the Councillors which together make for the maximum benefits to our community of the Shire's work.

The Office of the Auditor General has contracted RSM to conduct the audit of the Shire's Financial Report for the year ended 30 June 2023. Again I congratulate our CEO and financial management team on their achievement of an unqualified Audit Report on our Shire's operations.

Our Shire workers have continued their good works for our community by their dedication to their work on: the unending tasks of roads, building, parks and gardens maintenance; rubbish collections and waste management at the tip; managing health and hygiene programmes; improving the safety of the community with construction of walking paths and the newly completed pergola/pavilion at Lily Beach; the maintenance of the popular community amenities at the Foreshore Padang; efficient management of financial and administrative functions and the demanding tasks of compliance with local government regulations and maintaining the highest standards of governance of the Shire; providing community services for seniors, activities for children, library users, citizenship ceremonies and assistance on immigration matters, and organisation of community celebrations and events; particularly Territory Week and the Christmas Island Marathon; planning for our future.

The Shire continues excellent collaborations with the Community Resource Centre, Chinese Literary Association, the Christmas Island Women's Association, the Health Service, the Islamic Council and Malay Association. Our roads programme is developed in collaboration with WA Department of Main Roads, the Indian Ocean Territories Administration, Parks Australia and CIP. We have implemented the road sealing programme: the sealing of North- South Baseline Road to the East-West Baseline Road and we look forward to working with Parks Australia to seal the Parks roads on East-West Baseline Road to North-West Point Road and Murray Road.

Economy, Housing, Education, Health, Social

Councillors have been heavily engaged in advocacy with the Commonwealth Ministers and the Department, about the economic future of the Island. Many of the issues arising from discussions in Council, our Fisheries Management Committee and the Community Consultative Committee

meetings become the subject of our submissions to government about services and facilities for our community.

- *Christmas Island Applied Laws Amendment (Fish Resources Management) Ordinance 2022*
- Christmas Island Strategic Assessment (CISA) under the *Environmental Protection and Biodiversity Conservation Act 1999*, unfortunately paused by Minister Kristy McBain on 13 June 2023
- Review of our Local Planning Strategy was completed and forwarded to the WA Planning Commission for certification in November 2023
- *Land and Economic Futures Charter*
- *Christmas Island – Singapore Strategy – reviewed in 2023*
- Aged Care Services
- Air Services – community input to new air services contract in 2023
- Settlement Sports Hall Redevelopment – reviewed in 2023 and retitled Christmas Island Sustainability Hub
- Social Infrastructure including rent to buy arrangements for public housing
- Setting aside Crown land for new housing and new industries

Christmas Island- Singapore Strategy 2023

The Shire provided practical support to the MINTOPE (Mining to Plant Enterprises) Project over 9 years. The MINTOPE project provided the basis for the evolution of the Indian Ocean Learning Communities (IOLC), a collaboration of Singapore’s Temasek Polytechnic, the Harry Butler Institute and Murdoch University Campuses in Singapore and Perth. The IOLC project is to bring students from Singapore and Australia for field studies and research into food production on Christmas Island. The IOLC has opened the Island to the real possibilities of ongoing tertiary educational and research programmes through Murdoch University and other regional universities in the fields of: bio-security, bio-prospecting, ecological diversity monitoring, intensive agriculture/urban farming, brewing and distillation, mining land rehabilitation, sustainable mine closure, forestry management, environmental land management, small business development, food security and marine science. All of these courses could be activated on Christmas Island with appropriate stewardship and advocacy. This work is ongoing and is attracting interest from several public Tertiary Institutions and charitable trusts that support scientific research in our region.

Governance

We continue our advocacy for a say in the government of the Island that is consistent with the democratic institutions and rights applying to mainland Australian citizens and the requirements of international covenants on the administration of non-self-governing Territories. We are requesting proper consultation between the community and the Commonwealth Government about the application of WA law and the making of the SDAs (Service Delivery Arrangements) that provide state type services on the Island.

Our advocacy has achieved the making of the *Christmas Island Applied Laws Amendment (Fish Resources Management) Ordinance 2022* and Minister Kristy McBain's appointment of the members of the Shire's Fisheries Management Committee to the Minister's Fisheries Advisory Committee.

The process of integrating work on the Department's Christmas Island Strategic Assessment (CISA) Plan and the Shire's LPS has involved the WA Department of Planning providing advice on land use and management, such as the release of Crown Land for development and the exercise of the Shire's statutory responsibilities for planning.

The CISA was to provide a 30 year Plan for our future. If and when the CISA is completed it will be the first time in our history that the Commonwealth and the people of Christmas Island have come together to produce a plan for our future. It is a matter of great regret that the Commonwealth *paused* the CISA in June this year. Our Council's hope is that the Commonwealth will return to the task of working with our community to deliver on the promise for our future that the CISA offers.

In the meantime the Council carries on the task of promoting options for future investment in our economy through our *Christmas Island - Singapore Strategy 2023* and direct approaches to the Commonwealth for funds to develop our Sustainability Hub, implementation of Commonwealth policies to reduce carbon emissions through renewable energy projects, meeting the needs of our community for housing, the proper maintenance of social infrastructure, job security, measures to counteract the increasingly burdensome cost of living, and certainty of operations of the port and airport infrastructure necessary to the development of our current and future industries.

Over several years our representations to the Ministers for Territories have included reference to the provisions of the *United Nations Charter* relating to non-self-governing territories; the responsibility of the Australian Government to provide for economic, educational and social development and democratic government of the people of the Island. There is a democracy deficit here. We want that addressed by the Commonwealth in consultation with the community.

I can report that there has been very little progress in that direction since the making of the Christmas Island Fisheries Ordinance in 2022. In fact it does appear that in some areas of the Administration of the Territory we are experiencing regression. Our efforts to engage the Commonwealth in developing a housing agreement have been rejected. Our hope is that as the new Government settles more progressive policies for housing the nation, we will return to the collaborative approach to governance that produced the Fisheries Management Ordinance, the co-design of the Christmas Island Marine Park and the years of work on the Christmas Island Strategic Assessment Land Use Plan. The Commonwealth's responsibilities in these matters are set out in the UN Charter.

At the time sovereignty over the British Colony of Christmas Island was passed to the Commonwealth of Australia in 1958, both the United Kingdom and Australia were signatories to the *Charter of the United Nations*. The *UN Charter* has a specific provision about how colonies such as the Territory of Christmas Island should be administered. The relevant section is Chapter XI Article 73.

CHAPTER XI: DECLARATION REGARDING NON-SELF-GOVERNING TERRITORIES

Article 73

Members of the United Nations which have or assume responsibilities for the administration of territories whose peoples have not yet attained a full measure of self-government recognize the principle that the interests of the inhabitants of these territories are paramount, and accept as a sacred trust the obligation to promote to the utmost, within the system of international peace and security established by the present Charter, the well-being of the inhabitants of these territories, and, to this end:

1. to ensure, with due respect for the culture of the peoples concerned, their political, economic, social, and educational advancement, their just treatment, and their protection against abuses;
2. to develop self-government, to take due account of the political aspirations of the peoples, and to assist them in the progressive development of their free political institutions, according to the particular circumstances of each territory and its peoples and their varying stages of advancement;
3. to further international peace and security;
4. to promote constructive measures of development, to encourage research, and to cooperate with one another and, when and where appropriate, with specialized international bodies with a view to the practical achievement of the social, economic, and scientific purposes set forth in this Article; and
5. to transmit regularly to the Secretary-General for information purposes, subject to such limitation as security and constitutional considerations may require, statistical and other information of a technical nature relating to economic, social, and educational conditions in the territories for which they are respectively responsible other than those territories to which Chapters XII and XIII apply.

The Shire acknowledges the support and assistance that the Department of Infrastructure, Transport, Regional Development, Communications and the Arts (DITRDCA) gives us to provide the multitude of services enjoyed by our community.

Congratulations to all of the Shire's staff on their achievements and continuing commitment to fulfilling our programmes. I commend this report to the community of Christmas Island.

Gordon Thomson
President
Shire of Christmas Island

6 December 2023

CHIEF EXECUTIVE OFFICER'S REPORT



Ratepayers and residents of the Shire of Christmas Island. It is with pleasure that in my capacity as the Chief Executive Officer, I present this report for 22/23.

While the COVID-19 pandemic has continued to disrupt community and business activities in Mainland Australia the Indian Ocean Territories has remained COVID free. This is a result of the work of the Emergency Management Committees and the activities of the Western Australian Government to provide the ITOs with a COVID free entry barrier.

The 22/23 year has been a busy year for the Shire.

- We have completed the Foreshore Padang recreational area
- The footpath from Drumsite to Poon Saan is 100% completed
- The replacement of the hand barrier and footpath on Gaze Road above the Foreshore Padang has been completed.

The Shire looks forward to working with the community in 23/24 to meet the challenges and to build on that relationship for the betterment of the community.

Projects on the Shire's schedule for 23/24 are:

- The completion of the Town Planning Scheme No3.,
- Continuing to progress the Indian Ocean Territories Waste Management Strategy with the Commonwealth
- To complete the redevelopment of the Lily Beach Area and to commence the rebuilding of the Lily Ethel Beach Boardwalk.

That engagement will ensure the Town Planning Scheme No 3 provides a planning process that encourages planning and development to safeguard the wellbeing of the Christmas Island community while facilitating the future economic growth and direction Christmas Island requires.

Finance and Administration

Members of Council and Management staff were involved in the preparation of Council's annual budget for 23/24 which was adopted at the Ordinary Meeting held 25th July 2023.

Throughout the year, monthly reports were prepared to enable members and management staff to review Council finances and ensure that expenditure is spent within the budget.

Further information can be found under the Finance and Administration section of the Council operations of the Annual Report.

Planning Building and Health

The Planning, Building & Health Section provides a number of services to the CI community:

Planning & Building Control - Council through its consultants provides an information and assessment role on development and planning matters to SOCI customers who include both the private sector and government agencies.

Environmental Health - Council environmental health personnel carry out periodic inspections of food premises / eating houses, food recall and disposal as per WA Health Department instructions.

Ranger Services/Animal Control - Ranger Services enforce relevant Shire of Christmas Island Local Laws and WA State legislation.

Waste Management Services – Core waste management services provided to the community through this section.

Property Maintenance & Management - Facilities owned by Council, others under its control and Commonwealth owned public amenities which are cleaned and maintained regularly under arrangement.

Further information can be found under the Planning Building and Health section of the Council operations of the Annual Report.

Governance and Policy

Shire's commitment to good governance has consistently been demonstrated by positive auditor reports from our third party auditors RSM Australia Pty Ltd. The 2022/2023 report was an unqualified report. Further information can be found under the Government and Policy section of the Council operations of the Annual Report.

Community and Recreation Services

Community Services –The annual Seniors Week held in August 2022 organized by the Community Services Section was another great success. The Community Services section has responsibility in coordinating meetings with the Senior Citizens Centre Advisory Committee for the management of the Senior Citizens Centre. The Community Services section continues with responsibility for the ongoing implementation of the Council Community Strategic Plan that was formally the CI 2018 Our Future Community Plan.

The Manager of Recreation Services provides the Community Bus Service to the:

- Christmas Island District High School
- Celebrations occasions
- Community Charity organisations and appeals
- For hire services in conjunction to the Shires Community Bus Fees and Charges.

Further information can be found under the Community/Recreation Services and Training section of the Council operations of the Annual Report.

Works & Services

The Civil Works, Special Projects and Parks and Gardens crews have continued during 22/23 to carry our planned and emergency work.

The Shire has also continued to upgrade and replace its plant and equipment.

Details of that work and plant replacement and further information can be found under the Works and Services section of the Council operations of the Annual Report.

Human Resources

As reported in previous Annual Reports, the most significant advancement in the human resources management area was the development and subsequent adoption of Councils Workforce Development Strategic Plan, completed by the CEO and adopted by Council in June 2013. The Workforce Development Strategic Plan is a legislative requirement by Council as part of the overall 'Integrated Planning Framework' that all Councils in Western Australia were required to comply with for implementation in the 2013/14 year. Through our Workforce Development Strategic Plan, Council is focused on attracting and retaining quality people, including trainees, further investing in developing our leaders and recognising and rewarding our high performers and remains an active document for the development of Councils workforce. Council needs to take our people with us to create the 'fit for the future' that we need to deliver our communities' priorities. We need to continue to involve our staff and support them in learning new ways of working.

In 22/23 there were 5 employees with a salary over \$100k.

The Shire has continued to commit investment in employee's training and skills development to improve efficiency and performance of the Council. During the 2022/23 financial year, approximately 50% of the Shire's workforce attended various training courses ranging from skills development, vocational education, formal education, work experience to conferences to improve their skills, knowledge and abilities required to perform their work efficiently and effectively.

The Shire is continually reviewing its Organisation Structure to ensure it reflects the long-term ongoing management structure and employee set the Shire requires in the future.

Moving forward, the Shire will build upon the policies, practices and procedures implemented in the current and previous financial periods that will further strengthen the Human Resources section of the Shire of Christmas Island.



David Price, Chief Executive Officer

SECTION REPORT

FINANCE & ADMINISTRATION

Finance Section

The main functions of Finance include Financial Reporting, HR and Payroll, Accounts Payable, Accounts Receivable, Rates and Treasury and banking. During the year the team consulted with IT Vision the company who provides IT support for the corporate finance systems to undertake a leave audit to ensure that employee leave balances are accurate, the report reflected that the balances are correct.. The finance team also initiated the implementation of electronic purchasing by Shire staff, this is a module within the finance system which will eventually phase out manual purchase orders and improve efficiencies in the process of purchasing and processing of accounts payable.



Budget

Council adopted the 2022/23 Budget at its OCM on 26 July 2022. The monthly statement of financial activity is prepared for Council members to ensure that expenditure spent is within budget. The budget is prepared in conjunction with division managers and final Shire budget is worked through with Councilors at Council budget workshops.

Annual Financial Statement

This is prepared annually in accordance with the LG Act and Regulations and the Australian Accounting Standards ready for the Audit. The finance team worked alongside the Office of Auditor General's contracted auditors to ensure that the Annual Financial Statements are adopted with a clear audit opinion with no significant noncompliance findings

Administration Function

The main functions include Record management, IT, website and customer services.



Computer Systems and Softwares

Council uses IT Vision's Synergy soft Financial & Accounting, Payroll, Property and Rates & Records Management.

Microsoft applications are used for on the user end and HP hardware and VM ware applications are used in the Backend of all IT systems and network.

The IT coordinator undertook a major computer upgrade to officer workstations and accessories during 22/23 which was seamlessly managed..

The Shire's 2022/23 Total Expenditure and Revenue are as follows: -



Total Expenditure by Program 2022/23	
Program	%
Transport (including local road, foot & bike pats and pavement maintenance, reseal, foreshore works, drainage, line marking, waste and tip)	33.43
Recreation and culture (including parks & garden, sports hall, Community centre & library)	24.03
Community amenities (including sanitation, town planning, cemetery)	15.15
Governance (including Council & admin.)	8.79
Other property and services	10.97
Housing (employee & other housing)	1.51
Law, order, public safety (ranger services)	2.14
Economic services (services to residents)	1.46
General purpose funding (admin costs)	1.37
Health (public health, food inspections)	1.15
	100%

Total Revenue by Nature & Type 2022/23	
Nature & Type	%
Operating grants, subsidies & contributions	61.44%
Rates	13.99%
Fees and charges (including private works)	13.06%
Non-operating grants, subsidies & contributions	9.41%
Interest Earnings	1.01%
Other Revenue	0.49%
	100.0%

WORKS, SERVICES & WASTE

The Directorate of Works, Services and Waste includes Civil Works, Parks, Operations, Special Projects, Stores and Purchasing, Ranger Services, Health, Waste Management and Building Maintenance. A staff of 44 work across these Sections.

Civil Works

This Section is responsible for looking after the Shire's roads, paths and drainage networks. In 22/23 they also completed the upgrade of the North South Baseline and East West Baseline intersection to provide for safer traffic movements, particularly the mine road trains.

Parks

This Section is responsible for maintaining the Shire's green spaces and playgrounds. They also maintain and install the softfall under playground equipment.

Operations

This Section maintains the Shire's extensive fleet and plant and vehicles.

Special Projects

This Section is responsible for delivering the larger construction projects such as the Foreshore Padang shelters and footpath and the footpath at the corner of Murray Rd and Phosphate Hill Rd.

Stores and Purchasing

This Section manages the Shire's small Store and coordinates purchases for staff.

Ranger Services

The Shire's Senior Ranger is responsible for handling enquiries on problem chickens and roosters, and also dealing with the abandoned vehicle problem on the Island.

Health

This is the Regulatory and Inspection side of administering Health Act and Regulations on Christmas Island. This is generally applied through food businesses.

Waste Management

The landfill and the waste collection services are handled in the Section.

Building Maintenance

The Shire's housing stocks and Community Facilities' maintenance is looked after by this Section

COMMUNITY SERVICES, RECREATION & TRAINING

The Department consists of:

- Director Community /Recreation Services & Training – Olivier Lines
- Youth and Culture Officer – Suzane Chan
- Seniors Officer – Ron Foo
- Media Officer – Sofia Ramie
- Librarian – Susan De Cruz



Overview

Community Services continues to support the Shires, Local Community & Commonwealth initiatives and programs

Sports & Recreation:

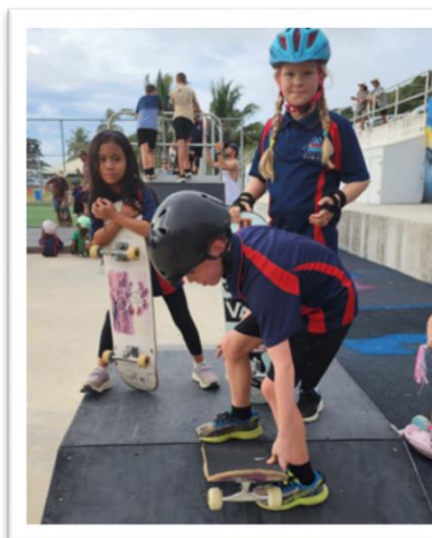
- July 16th: Casino to Cove Family Fun Day: Is an event held in partnership with the Shire & Christmas Island Recourse Centre which this year attracted a record 80 participants. The event is a family friendly 10km walk, run, bike from the Casino, to the Cove ending with medal and finisher presentations and a BBQ
- August 25th: Christmas Island Marathon: Becoming a recognised Australia wide cross country endurance event, drawing participants from afar as South East Asia, Canada and the USA, the Christmas Island Marathon is achieving new benchmarks every year while still retaining its community feel with achievable goals amongst the events such as the, Walk the Course and 5km Dash events, and fun activities including the 2km Fancy Dress Family Walk.



Coach in Residence Program:

Community/ Recreation Services & Training continues to coordinate and support the Department of Local Government Sport and Cultural Industries program of providing coaches and instructors for sporting and recreational clinics on Christmas Island. The program is conducted via consultation and feedback between the Shire, local sporting associations & clubs, as well as Christmas Island District High School (CIDHS). The 2023 program has delivered:

- Athletics
- Volleyball
- Skateboard
- Soccer
- Gymnastics
- Basketball
- Rugby League
- AFL



Recreation Facilities:

Community Services has identified and seen to the upgrading of the following recreation facilities.

- Poon Saan Basket Ball Courts
- Kampong Takraw Courts
- Kampong Quarter Courts – all resealed with a new playing surface in July.

Environment:

Community Services continues to organise, coordinate and support community environmental initiatives.

Community Clean Up Programs:

- 17th June – Waterfall Beach
- 20th June - Greta Beach
- 11th August – Greta Beach Tarangaroa Blue Community Clean Up
- 21st/22nd October – Greta Beach / Tarangaroa Blue Marine Debris
- 11th November – Blitz the Streets Community Clean Up



Western Australia One Use Plastic Ban

In conjunction with the Western Australian ban on single use plastics, Community Services with support from the Shire Ranger have been providing the community and businesses information on the WA One Use Plastic Ban which legislation includes Christmas Island by aiding the changeover from single use plastics to Bio friendly and recyclable products.

The One Use Plastic Legislation, now in its Phase 2 stage, has seen a positive shift by local businesses and the community to move towards recyclable and bio friendly products. The Shire carries audits on businesses to gauge the transition as well as offer advice to move towards compliance with the legislation. Businesses fully compliant are rewarded with a Thumbs Up sticker on businesses and shop fronts and a congratulatory certificate from the Shire President.



Drink Local Water Campaign

Community Services continues to actively promote the reduction of one use water bottles through supporting the consumption of local Island derived water through the installation of water chillers at various locations around the settled areas of the community.

A detailed map of locations of current water chillers can be obtained from the fortnightly Islander newsletter or the Shire. The Shire plans to install further chillers at locations around the island allowing for the opportunity to fill water bottles.. The Shire has further promoted the Drink Local Water campaign by handing out free water bottles at events.



Promoting Environmental Awareness

Community Services in partnership with the Christmas Island Tourism Association, Christmas Island District High School and Department of Water and Environmental Regulation, held a competition for CIDHS students to design a logo and message reflecting Christmas Islands environmental awareness which was won by both Leila Hamanaka Yr 10 and Uzair Fauzi Yr 9 who combined their talents in the artwork and environmental message for the winning logo.

The logo has been incorporated within Shire strategic plans as well as stickers made to put on community bins with further plans to utilise the

logo. Community Services organised a marquee at Territory Day with information on the One Use Plastic legislation and Drink Local Water Campaign as well as providing examples of alternative bio degradable items for commercial and personal use. Alternatives to various plastic ware and items were on display at the marquee. The marquee was attended by the Shire Ranger as well as Sam Cuthbertson from the Department of Environmental and Water Regulation.

Junior Ranger Program:

Community Services has supported the National Parks, Christmas Island District High School Junior Ranger program by transporting Junior Rangers to various research sites around the Island by way of the Shire Community Bus.

Youth & Culture:

Christmas Island Youth Advisory Council (CIYAC):

Community Services has been engaged in the formation of a Youth Advisory Council which meets at the Shire Council Chambers with Shire Officers, advocating issues, ideas and aspirations of local CI youth. An outcome of the CIYAC / Shire consultations has led to the availability of free Wi-Fi at the Foreshore Padang for youth aged 16 to 25yrs old, with registrations collected by CIYAC which are then passed onto Community Services to connect devices to the Foreshore Padang Wi-Fi

School Holiday Programs:

Community Services organises School Holiday programs during the School term breaks

School holiday activities were held in the June July & October School Holiday break which included:

- Lego & Crafts – Library
- Aquarun – Recreation Centre
- Skateboard / Kids Splash BBQ – Recreation Foreshore Padang

Senior Citizens

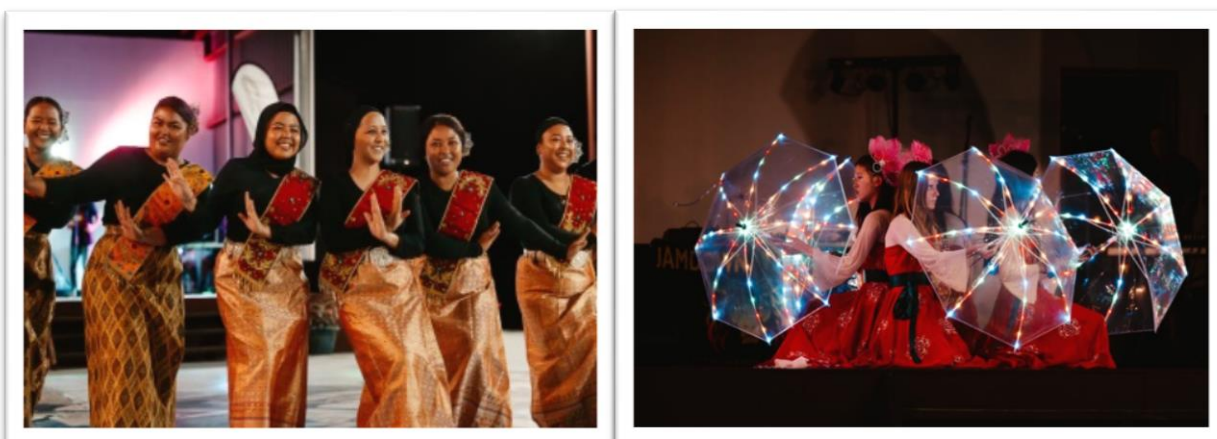
Community Services continues to organise and support activities for senior citizens

- **Stay on Your Feet** – The Shire in partnership with Indian Ocean Territories Health Services (IOTHS) supports each Friday the Stay on Your Feet program held at the Poon Saan Community Hall. The Shire provides staff for activities including ZUMBA, as well as setting the Hall up including sound and video equipment as well as tea and coffee facilities.
- **Senior Respite Program** – Held Monday to Thursday morning in collaboration with IOTHS, the 3hr program from 0900am to 12pm offers carers free time as well as Seniors a wide range of activities from games to arts and crafts and excursions. Community Services staff participate in organising the Centre for activities, providing the Community Bus where required as well as providing staff assisting with programs.
- **Seniors Week** – Was held Monday 17th to 23rd of July which included activities and excursions over the week culminating in the Grand Dinner on Sunday 23rd.
- **Excursions / Activities** – Where held during the year with trips to Island locations such as the Blow Holes utilising the Shires Community Bus. Refreshments and light snacks are provided by the Shire and fruit platters by IOTHS on most outings.
- **Be Connected** – An activity aimed at introducing seniors to mainstream technology such as, and including social media, QR codes and banking which was held on October 19th at the Seniors Centre.



Public Holiday Events & Activities

- **Australia Day** – Organised each year supplying tea, coffee, sausages, eggs bread, erecting marquees and providing tables, urns and organising volunteers including Shire staff.
- **ANZAC Day** – Held each April 25th organised in coordination with the C.I ANZAC Day committee. Community Services provide support by providing wreaths, tea and coffee, hot water urns as well as the Shire Community Bus and driver transporting Senior Citizens to the ceremony site.
- **Territory Week** – was held from 29th September with Cove Day celebrated on Monday 2nd. Again Territory Week focused on the Islands heritage with a historic exhibition held at the Malay Club during, and the Islands cultures with performances from Christmas Island Malay and Chinese communities. Activities included a BBQ for a “Kid’s Splash” at the Splash Pad, a Photo Car Scavenger Hunt as well as a Photographic Exhibition with photos on display at the CLA. Traditional Territory Week and Cove Day activities were held including Sports Day, the Fishing Competition and Raft Regatta on Territory Day.



Shire Community Bus Service:

Community Services continues to provide ongoing transport support for the School predominantly to the Recreation Centre for physical education & swimming lessons

The Shire Community Bus continues to be utilised by CIDHS to transport Muslim students to the Mosque for Friday prayers.

Other services have included transport for events and activities such as, senior citizen excursions, swimming Lessons, Junior Ranger activities and ANZAC Day. The Christmas Island Community Bus is included within the Emergency Response and Recovery Plan as an emergency transport asset.

The Community Bus is funded \$30,000 annually by the Department of Infrastructure & Regional Affairs.

Shire Library:

The Shire Library continues to service the community Monday to Friday from 12.00pm to 4pm and 10.00am to 12.00pm on Saturdays with new books are received every three months

The Library organises arts and crafts activities during the School Holidays.

The Shire Library is proactive in promoting reading amongst children this year visiting Tom Patterson Kindergarten handing out free reading beginners packs to the class.



Media Section:

Still continues to collate, produce and print the fortnightly Shire Islander newsletter as well as conduct citizenship ceremonies. A new printer has noticeably improved the quality of the newsletter especially graphics and colour images / photos.

Training Section:

The Training section continues to ensure employees receive the required training to perform duties as well as maintaining National, Western Australian Industry and Local Government policy, standards and regulations in the work place.

- Allocation of Staff USI numbers. (Unique Student Identification)
- White Card – Construction Site Permit. Renewing of Work Safe Cards.
- Working with Children Cards.
- CPR & 1st Aid 1st
- Plant machinery licence renewal and training including Skid Steer and Forklift.
- Working with Heights, Elevated Platform, Dogging.
- Civil Construction III Courses
- Traffic Management

Community Recreation / Services & Training looks forward to continue its ongoing work in enhancing, supporting and engaging with the Community through programs, initiatives and events in 2024.





PLANNING, GOVERNANCE & POLICY

Director of Planning, Governance and Policy, Chris Su

The Planning, Governance and Policy desk oversees a range of statutory matters for Council around Planning and related aspects such as ensuring applicable heritage and conservation guidelines are followed across developments on Christmas Island. It also assists other sections when needed in the Finance section around audit and acquittals and the Community Services section for significant community events.

A staple in the desk is the ongoing scanning for grant and funding opportunities to assist in delivery of municipal services on the island. The desk also supports the secretariat function for Council's management committees.

Grant Writing

2022/2023 saw the section successfully apply for and receive several grants to aid Council's delivery of municipal services on island.

- \$150,000 *Christmas Island Marine Park Grant 2023* for the Lily Beach Precinct Upgrade
- \$20,000 *National Australia Day Council Grant 2023*, for CI Australia Day Big Breakfast
- \$6,000 *Saluting Their Service Grant* for Occupied Christmas Island interpretation project
- \$4,920 *Regional and Local Newspaper Publishers Program*, for remote newspaper publishing

2023 saw the acquittal of a grant received in the previous financial year, \$20,000 under the *Building Better Regions Fund Community Stream* for the CI Youth Conference which was delayed twice; once because of the June 2022 COVID-19 wave and December 2022 because of a Ministerial visit. The program was completed in April 2023.

Council was formally advised in the 2021/2022 year that the *Indian Ocean Territories Community Development Program* has been ceased and that there are no formal grants programs for the IOTs. This has restricted the avenue for grant applications solely to Commonwealth Australia wide grant programs.

The section continues to scan daily the grants hub for opportunities to assist delivery of municipal services.

WA Local Government Grants Commission May 2023 Visit

The WALGGC returned to the Indian Ocean Territories for the first assessment visit since the pandemic. Its primary purpose is to assess the Federal Assistance Grants allocation for the Shire of Christmas Island and Cocos (Keeling) Islands. It has continued to recommend to the Commonwealth to fund a non-factor back model for the local governments of the IOTs.

Shire made an additional submission to the WALGGC on IOT Cost Adjustor factors for consideration following the 2 May 2023 visit and is in contact with WALGGC throughout the year to document further unique IOT cost adjustor factors for the Commission's files. SOCI received an increase of \$114,000 in annual funding for the 23/24 financial year to \$6.66m representing a 1.7% increase.

Governance

Council adopted the new 10 Year Strategic Community Plan for the period 2023-2033 '*Our Island, Our Responsibility*' and its first 5 year Corporate Business Plan (CBP) to give effect to the community goals in the 10 Year Strategic Community Plan.

Two events occurring in back to back quarters impacted the design of the CBP especially being the June 2023 announcement by the Minister for Territories of the pausing of the CI Strategic Assessment program under the Environment Protection and Biodiversity Conservation Act (Cth)(1999), and the October 2023 announcement of the scaling down of the Immigration Detention Centre to a stand-by mode. Both have significant impact on Council and the community in many ways that must be addressed in the medium term by the community and all levels of government.

A priority will be documenting the exact process for land access and environmental and heritage clearance without a *strategic assessment* under the EPBC Act to assist.

Planning

The Shire and the Commonwealth had jointly planned to progress the statutory five year review of the Council's Local Planning Scheme and the Commonwealth's Strategic Assessment of Crown Lands on Christmas Island under the EPBC Act. However with the unexpected pause of the Strategic Assessment, the Shire continued with the necessary steps to progress the development of updated planning instruments as required under the Planning and Development Regulations 2015.

It was opportune to have the statutory 10 year review of the Strategic Community Plan (SCP) coincide with the Local Planning Strategy (LPS) review as these are the two principal statutory documents that local government in WA rely on to guide development at the municipal level. Together with a new Local Planning Scheme forthcoming in 2024 the DPGP will ensure all statutory obligations in this aspect of local government are well met with Council working with WA Dept. of Planning, Lands and Heritage, the WA Planning Commission and the Commonwealth.

The aims of the present Scheme No.2 which will progress into Scheme No.3 in 2024 are —

- (a) to appropriately plan for the Island's diverse cultural, topographic and climatic characteristics;*
- (b) to provide for future urban expansion in appropriate areas;*

- (c) to enhance and diversify the Island’s economic base through the provision of land for a range of economic activities;
- (d) to recognise and enhance the Island’s unique heritage, both built and cultural;
- (e) to provide appropriate controls to protect development from the effects of extreme weather events; and
- (f) to preserve the Island’s unique natural attributes and environmental values.

Council endorsed the Part 1 and 2 of the Local Planning Strategy at the October and November 2023 Ordinary Council Meeting. The DPGP worked closely with the Town Planning Consultant Herve Calmy over 2022 and 2023 to ensure the LPS and SCP reflected the goals of industry, residents and other stakeholders on Christmas Island for the betterment of all. *Our Island is Our Responsibility.*

Research

Council had three researchers of note visit in the 2022 and 2023 years; Nabilah Said from Singapore, Darren Wan from Cornell University New York by way of Singapore and Fulbright Scholar Stephanie Niu from the United States.

Nabilah Said is completing a play on the Malay experience of Christmas Island under a grant auspiced by the Malthouse Theatre in Melbourne. The play will be performed in Singapore and Australia in 2024/25. SOCI hosted her for four weeks in October 2022 at the single quarters unit.

SOCI was Stephanie Niu’s host organisation for her scholarship program and afforded her office space for nine months at George Fam and access to historical archives. SOCI also assisted with the logistics for several community engagements including a George Fam ‘Talking Maps’ session in May and the major Territory Week exhibition ‘Dear Christmas Island’ in October.

Living Museum of Christmas Island

[Home](#) [Writing](#) [Zine](#) [Talking Maps](#) [News](#) [About](#)



Reanimating Christmas Island's Place-based Past

Left: Suzy and Mary Mathew, November 1971. Right: Two men, possible British Phosphate Commission officers, 1969 or 1970. Photograph by Roland Marsh.



Our Island, Our Future

The result of a month-long poetry course at Christmas Island District High School, "Our Island, Our Future" is a print and digital zine that collects the voices of sixteen youth poets from Christmas Island.

[Read the Zine](#)



Talking Maps

Talking Maps is a series of community mapping events held on Christmas Island that aims to spark and document location-specific memories about historically significant sites on the island and record them for the future. Each Talking Maps event brings Islanders together at a historic site on Christmas Island to respond to a series of prompts and create individual and collective maps of memory and emotion.



Dear Christmas Island

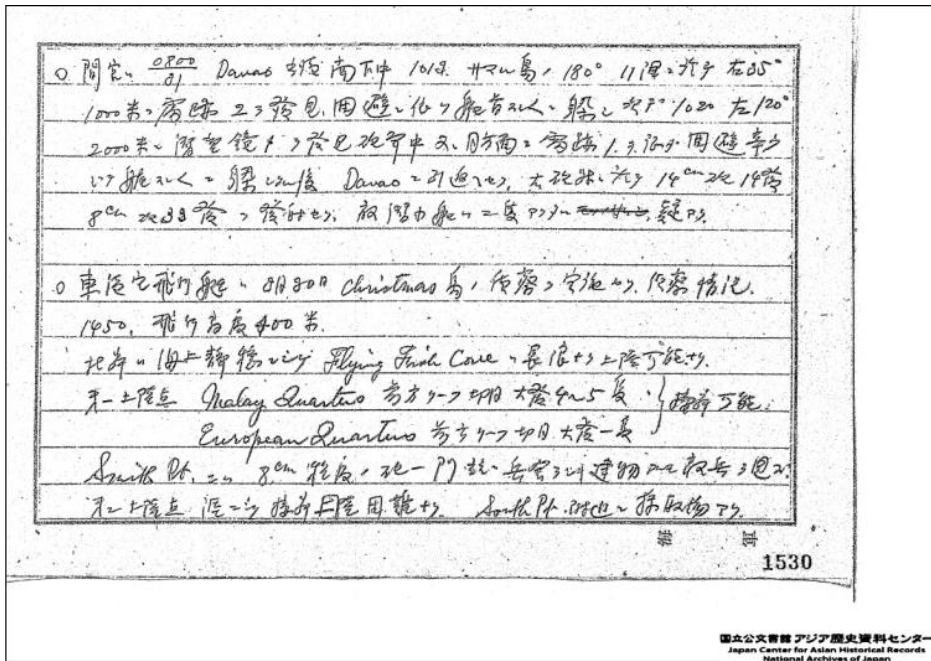
Planned for Territory Week in October 2023, "Dear Christmas Island" is a participatory photo exhibit of never-before-seen photographs of Christmas Island in the 1950s-1980s.

Displaying photos donated by the late Roland Griffiths-Marsh and his family, this exhibit will depict Christmas Island's social and cultural life during a key period of change on the island. The exhibit invites attendees, many of whom are long-time Islanders, to contribute to the record by writing

Caption: <https://livingmuseum.cx> is the product of Stephanie Niu's 2023 Christmas Island works.

Darren Wan is completing a doctorate on British Colonial South East Asia and visited Christmas Island to learn about the legacy of the British Phosphate Commission era on the island, and the way that Islanders gained eventual Australian citizenship. Christmas Island will be a chapter in the book he is writing on the subject.

Chris Su provided some archived material to Fran Yeoh of Christmas Island Stories to assist in her continuing research into island history; notably a Japanese military notebook with handwritten notations on Christmas Island locations and infrastructure including specific measurements of the Smith Point gun. The Shire also provided access to century old photographs donated by the estate of Ronald Griffiths-Marsh who lived on the island mid-century.



Caption: Extract from the WW2 notebook, from Japan Centre for Asian Historical Research, National Archives of Japan. Note the measurements of the Smith Point cannon at 8cm, describing the width of the cannon's barrel

These projects align with Shire’s adopted Christmas Island – Singapore Strategy 2023 that seeks to pivot Christmas Island’s economy to serving Singaporean needs for agriculture, tourism, research and other needs as immigration detention and mining extraction end on Christmas Island. Cultural and academic exchanges are well supported by the CI-Singapore Strategy 2023.

2022/2023 State Awards

The Shire of Christmas Island won an award at the History Council of WA’s 2022 Awards night for the ‘Our Streets Are Our Museums’ public art program. Town Planner Consultant Herve Calmy represented the Shire at the awards ceremony at the Alexander Library in Perth in October 2022.

The History Council of WA was particularly impressed at the depth of research in the articles accompanying each of the murals. The narrative of the articles and artwork combined earned SOCI’s win in the “Innovative and Transformative Project in WA History” category.

Photo: Herve Calmy receives the award for the Shire of Christmas Island at the ceremony in Perth on the 25th October



Major Community Event - An Unknown Sailor no more

The Community Services section assisted with DPGR with the Shire of Christmas Island’s Memorial for Able Seaman Thomas Welsby Clark of the HMAS Sydney II on 17 November 2022. The Royal Australian Navy formally identified the unknown sailor of Christmas Island as Able Seaman Thomas Welby Clark of Queensland at a ceremony at the Canberra War Memorial in November 2021.

There was a follow-up memorial organised by the Navy at the Geraldton War Graves Cemetery in June 2022 where Able Seaman Clark rests now. After confirming with the Navy that there were no plans to have an observation on Christmas Island, the Shire elected to create one in recognition that Able Seaman Clark rested here from 1942 to 2006 when a specialist ADF team exhumed him.

The Shire invited family members of Able Seaman Clark from Queensland to Christmas Island for seven days around the anniversary of the sinking of the HMAS Sydney II off the coast of Geraldton

17 November 1941. Other dignitaries including the Chief of Navy, Warrant Officer, Member for Lingiari and the Minister for Veterans' Affairs and Defence Personnel the Hon Matt Keough unfortunately could not attend as planned as their plane was deterred by poor weather.

The Clark family, Thomas, Pamela and Fiona Clark, wrote a letter thanking Shire that was read out at the November 2023 Ordinary Council Meeting.



Shire of Christmas Island's Memorial Observation for Able Seaman Thomas Welsby Clark 17 November 2022

Looking Ahead

The section will continue to ensure compliance with statutory requirements are met as the priority function for the desk. This will be primarily in the planning and financial regulations section, but also where guided by the CEO. Grant writing to support functions of Council will continue, with a focus on attracting grant programs centred on economic and infrastructure delivery over small scale community functions.

The section will commence the first goals set in the 2023-2028 Corporate Business Plan to deliver on the communities' wishes documented in the new 10 Year Strategic Community Plan 2023-2033 '*Our Island, Our Responsibility.*'

SHIRE OF CHRISTMAS ISLAND
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

TABLE OF CONTENTS

Statement by Chief Executive Officer	2
Statement of Comprehensive Income	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Statement of Financial Activity	7
Index of Notes to the Financial Report	8
Independent Auditor's Report	34

The Shire of Christmas Island conducts the operations of a local government with the following community vision:

Christmas Island - A place for everyone, without exception

Principal place of business:
Shire of Christmas Island
2 Murray Road
Christmas Island

SHIRE OF CHRISTMAS ISLAND
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

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

STATEMENT BY CEO

The accompanying financial report of the Shire of Christmas Island 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 2023 and the financial position as at 30 June 2023.

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

Signed on the 6th day of DECEMBER 2023



Chief Executive Officer

David Price

Name of Chief Executive Officer



**SHIRE OF CHRISTMAS ISLAND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	2023 Actual	2023 Budget	2022 Actual
		\$	\$	\$
Revenue				
Rates	2(a),19	1,739,763	1,755,778	1,474,022
Grants, subsidies and contributions	2(a)	7,639,965	7,213,439	7,008,447
Fees and charges	2(a)	1,698,686	891,702	2,127,932
Interest revenue	2(a)	125,053	15,098	25,029
Other revenue	2(a)	61,008	261,728	65,570
		11,264,475	10,137,745	10,701,000
Expenses				
Employee costs	2(b)	(7,542,027)	(8,814,306)	(7,451,107)
Materials and contracts		(1,130,275)	(763,603)	(1,220,716)
Utility charges		(70,217)	(109,950)	(70,829)
Depreciation		(1,592,949)	(2,208,300)	(1,145,500)
Insurance		(257,776)	(248,288)	(205,728)
Other expenditure	2(b)	(582,120)	(730,169)	(313,066)
		(11,175,364)	(12,874,616)	(10,406,946)
		89,111	(2,736,871)	294,054
Capital grants, subsidies and contributions	2(a)	1,170,561	1,901,469	531,121
Loss on asset disposals		(18,964)	0	(1,850)
		1,151,597	1,901,469	529,271
Net result for the period		1,240,708	(835,402)	823,325
Total comprehensive income for the period		1,240,708	(835,402)	823,325

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



**SHIRE OF CHRISTMAS ISLAND
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023**

	NOTE	2023 \$	2022 \$
CURRENT ASSETS			
Cash and cash equivalents	3	2,777,967	1,797,550
Trade and other receivables	5	247,846	174,357
Other financial assets	4(a)	4,820,995	4,754,001
Inventories	6	441,417	547,730
Other assets	7	9,726	29,098
TOTAL CURRENT ASSETS		8,297,951	7,302,736
NON-CURRENT ASSETS			
Property, plant and equipment	8	14,730,799	15,165,074
Infrastructure	9	22,924,527	22,474,858
TOTAL NON-CURRENT ASSETS		37,655,326	37,639,932
TOTAL ASSETS		45,953,277	44,942,668
CURRENT LIABILITIES			
Trade and other payables	11	428,309	482,719
Other liabilities	12	286,029	331,746
Employee related provisions	13	1,996,788	2,132,512
TOTAL CURRENT LIABILITIES		2,711,126	2,946,977
NON-CURRENT LIABILITIES			
Employee related provisions	13	30,977	25,225
TOTAL NON-CURRENT LIABILITIES		30,977	25,225
TOTAL LIABILITIES		2,742,103	2,972,202
NET ASSETS		43,211,174	41,970,466
EQUITY			
Retained surplus		14,516,696	13,341,947
Reserve accounts	21	4,884,658	4,818,699
Revaluation surplus	14	23,809,820	23,809,820
TOTAL EQUITY		43,211,174	41,970,466

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



**SHIRE OF CHRISTMAS ISLAND
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2021		12,752,005	4,585,316	23,809,820	41,147,141
Comprehensive income for the period					
Net result for the period		823,325	0	0	823,325
Total comprehensive income for the period		823,325	0	0	823,325
Transfers from reserve accounts	21	397,501	(397,501)	0	0
Transfers to reserve accounts	21	(630,884)	630,884	0	0
Balance as at 30 June 2022		13,341,947	4,818,699	23,809,820	41,970,466
Comprehensive income for the period					
Net result for the period		1,240,708	0	0	1,240,708
Total comprehensive income for the period		1,240,708	0	0	1,240,708
Transfers to reserve accounts	21	(65,959)	65,959	0	0
Balance as at 30 June 2023		14,516,696	4,884,658	23,809,820	43,211,174

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

**SHIRE OF CHRISTMAS ISLAND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	2023 Actual \$	2022 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		1,704,112	1,668,072
Grants, subsidies and contributions		7,622,119	7,366,925
Fees and charges		1,630,231	2,127,932
Interest revenue		125,053	25,029
Other revenue		61,008	65,570
		11,142,523	11,253,528
Payments			
Employee costs		(7,617,137)	(7,302,408)
Materials and contracts		(1,111,116)	(1,332,056)
Utility charges		(70,217)	(70,829)
Insurance paid		(256,471)	(205,728)
Other expenditure		(582,120)	(313,066)
		(9,637,061)	(9,224,087)
Net cash provided by operating activities		1,505,462	2,029,441
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	8(a)	(482,882)	(548,526)
Payments for construction of infrastructure	9(a)	(1,157,140)	(1,081,779)
Capital grants, subsidies and contributions		1,170,561	531,121
Proceeds for financial assets at amortised cost		(64,734)	(576,896)
Proceeds from financial assets at fair values through profit and loss		0	1,307
Proceeds from sale of property, plant & equipment		3,900	7,540
Net cash provided by (used in) investing activities		(530,295)	(1,667,233)
Net increase in cash held		980,417	362,208
Cash at beginning of year		1,797,550	1,435,342
Cash and cash equivalents at the end of the year	3.	2,777,967	1,797,550

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

**SHIRE OF CHRISTMAS ISLAND
STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	2023 Actual \$	2023 Budget \$	2022 Actual \$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	19	1,739,763	1,755,778	1,474,022
Grants, subsidies and contributions		7,639,965	7,213,439	7,008,447
Fees and charges		1,698,686	891,702	2,127,932
Interest revenue		125,053	15,098	25,029
Other revenue		61,008	261,728	65,570
		<u>11,264,475</u>	<u>10,137,745</u>	<u>10,701,000</u>
Expenditure from operating activities				
Employee costs		(7,542,027)	(8,814,306)	(7,451,107)
Materials and contracts		(1,130,275)	(763,603)	(1,220,716)
Utility charges		(70,217)	(109,950)	(70,829)
Depreciation		(1,592,949)	(2,208,300)	(1,145,500)
Insurance		(257,776)	(248,288)	(205,728)
Other expenditure		(582,120)	(730,169)	(313,066)
Loss on asset disposals		(18,964)	0	(1,850)
		<u>(11,194,328)</u>	<u>(12,874,616)</u>	<u>(10,408,796)</u>
Non-cash amounts excluded from operating activities	20(a)	1,617,665	2,208,300	1,276,119
Amount attributable to operating activities		<u>1,687,812</u>	<u>(528,571)</u>	<u>1,568,323</u>
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		1,170,561	1,901,469	531,121
Proceeds from disposal of assets		3,900	0	7,540
		<u>1,174,461</u>	<u>1,901,469</u>	<u>538,661</u>
Outflows from investing activities				
Purchase of property, plant and equipment	8(a)	(482,882)		(548,526)
Purchase and construction of infrastructure	9(a)	(1,157,140)		(1,081,779)
		<u>(1,640,022)</u>	<u>0</u>	<u>(1,630,305)</u>
Amount attributable to investing activities		<u>(465,561)</u>	<u>1,901,469</u>	<u>(1,091,644)</u>
FINANCING ACTIVITIES				
Inflows from financing activities				
Transfers from reserve accounts	21	0	400,000	397,501
		<u>0</u>	<u>400,000</u>	<u>397,501</u>
Outflows from financing activities				
Transfers to reserve accounts	21	(65,959)	(1,007,228)	(630,884)
		<u>(65,959)</u>	<u>(1,007,228)</u>	<u>(630,884)</u>
Amount attributable to financing activities		<u>(65,959)</u>	<u>(607,228)</u>	<u>(233,383)</u>
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	20(b)	1,245,432		1,002,136
Amount attributable to operating activities		1,687,812	(528,571)	1,568,323
Amount attributable to investing activities		(465,561)	1,901,469	(1,091,644)
Amount attributable to financing activities		(65,959)	(607,228)	(233,383)
Surplus or deficit after imposition of general rates	20(b)	<u>2,401,724</u>	<u>765,670</u>	<u>1,245,432</u>

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

**SHIRE OF CHRISTMAS ISLAND
FOR THE YEAR ENDED 30 JUNE 2023
INDEX OF NOTES TO THE FINANCIAL REPORT**

Note 1	Basis of Preparation	9
Note 2	Revenue and Expenses	10
Note 3	Cash and Cash Equivalents	12
Note 4	Other Financial Assets	12
Note 5	Trade and Other Receivables	13
Note 6	Inventories	14
Note 7	Other Assets	15
Note 8	Property, Plant and Equipment	16
Note 9	Infrastructure	18
Note 10	Fixed Assets	20
Note 11	Trade and Other Payables	22
Note 12	Other Liabilities	23
Note 13	Employee Related Provisions	24
Note 14	Revaluation Surplus	25
Note 15	Restrictions Over Financial Assets	26
Note 16	Undrawn Borrowing Facilities and Credit Standby Arrangements	26
Note 17	Related Party Transactions	27
Note 18	Other Significant Accounting Policies	29
 Information required by legislation		
Note 19	Rating Information	30
Note 20	Determination of Surplus or Deficit	31
Note 21	Reserve accounts	32
Note 22	Trust Funds	33

**SHIRE OF CHRISTMAS ISLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which 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* prescribe 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 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 140 Investment Property paragraph 75(f)
- 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 Shire to measure any vested improvements at zero cost.

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.

The local government reporting entity

All funds through which the Shire 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 22 of the financial report.

Judgements and estimates

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

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

The balances, transactions and disclosures impacted by accounting estimates are as follows:

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation of fair values of land and buildings, and infrastructure.

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 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2020-6 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current - Deferral of Effective Date
- AASB 2021-7a Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [general editorials]
- AASB 2022-3 Amendments to Australian Accounting Standards - Illustrative Examples for Not-for-Profit Entities accompanying AASB 15

These amendments have no material impact on the current annual financial report

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 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates
This standard will result in a terminology change for significant accounting policies
- AASB 2021-7c Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]
- AASB 2022-5 Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback
- AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants
- AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards
- AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities

The amendment may result in changes to the fair value of non-financial assets. The impact is yet to be quantified. Except as described above these amendments are not expected to have any material impact on the financial report on initial application.

**SHIRE OF CHRISTMAS ISLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Grants, subsidies and contributions	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management.	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval
Fees and charges - 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
Fees and charges - airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	On landing/departure event
Fees and charges - sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	At point of sale
Other revenue - private works	Contracted private works	Single point in time	Monthly in arrears	None	At point of service

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

Revenue Recognition

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

For the year ended 30 June 2023

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	1,739,763	0	1,739,763
Grants, subsidies and contributions	973,305	0	0	6,666,660	7,639,965
Fees and charges	575,981	0	1,122,705	0	1,698,686
Interest revenue	48,161	0	10,933	65,959	125,053
Other revenue	61,008	0	0	0	61,008
Capital grants, subsidies and contributions	0	1,170,561	0	0	1,170,561
Total	1,658,455	1,170,561	2,873,401	6,732,619	12,435,036

For the year ended 30 June 2022

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	1,474,022	0	1,474,022
Grants, subsidies and contributions	547,782	0	0	6,460,665	7,008,447
Fees and charges	1,161,190	0	966,742	0	2,127,932
Interest revenue	15,930	0	9,099	0	25,029
Other revenue	65,270	0	0	300	65,570
Capital grants, subsidies and contributions	0	531,121	0	0	531,121
Total	1,790,172	531,121	2,449,863	6,460,965	11,232,121

**SHIRE OF CHRISTMAS ISLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Note	2023 Actual \$	2022 Actual \$
Interest revenue		
Interest on reserve account funds	65,959	14,438
Trade and other receivables overdue interest	10,933	9,099
Other interest revenue	48,161	1,492
	125,053	25,029
The 2023 original budget estimate in relation to: Trade and other receivables overdue interest was \$0.		
The 2023 original budget estimate in relation to: Charges on instalment plan was \$5,000.		
(b) Expenses		
Auditors remuneration		
- Audit of the Annual Financial Report	75,240	74,600
- Other services – grant acquittals		2,200
	75,240	76,800
Employee Costs		
Employee benefit costs	7,542,027	7,451,107
Other employee costs		
	7,542,027	7,451,107
Sundry expenses	582,120	313,066
	582,120	313,066

**SHIRE OF CHRISTMAS ISLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

3. CASH AND CASH EQUIVALENTS

Note	2023	2022
	\$	\$
Cash at bank and on hand	2,777,967	1,797,550
Total cash and cash equivalents	2,777,967	1,797,550
Held as		
- Unrestricted cash and cash equivalents	2,404,673	1,711,510
- Restricted cash and cash equivalents	373,294	86,040
	2,777,967	1,797,550

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

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

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.

4. OTHER FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost
Financial assets at fair value through profit and loss

Other financial assets at amortised cost

Term deposits

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss Shares

Held as

- Unrestricted other financial assets at amortised cost
- Restricted other financial assets at amortised cost

2023	2022
\$	\$
4,797,393	4,732,659
23,602	21,342
4,820,995	4,754,001
4,797,393	4,732,659
4,797,393	4,732,659
23,602	21,342
23,602	21,342
23,602	4,754,001
4,797,393	0
4,820,995	4,754,001

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

The Shire 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 18 (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.

Financial assets at fair value through profit or loss

The Shire 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 Shire has elected to recognise as fair value gains and losses through profit or loss.

**SHIRE OF CHRISTMAS ISLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

5. TRADE AND OTHER RECEIVABLES

Note	2023	2022
	\$	\$
Current		
Rates and statutory receivables	114,373	81,468
Trade receivables	133,473	161,344
Allowance for credit losses of trade receivables	0	(68,455)
	<u>247,846</u>	<u>174,357</u>

SIGNIFICANT 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 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 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 Shire 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.

**SHIRE OF CHRISTMAS ISLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

6. INVENTORIES

Note	2023	2022
	\$	\$
Current		
Fuel and materials	441,417	547,730
	441,417	547,730
The following movements in inventories occurred during the year:		
Balance at beginning of year	547,730	553,635
Inventories expensed during the year	(423,939)	(402,847)
Additions to inventory	317,626	396,942
Balance at end of year	441,417	547,730

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

Land held for resale

Land held for development and resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development.

Land held for resale (Continued)

Borrowing costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed onto the buyer at this point.

Land held for resale is classified as current except where it is held as non-current based on the council's intentions to release for sale.

**SHIRE OF CHRISTMAS ISLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

7. OTHER ASSETS

Other assets - current

Prepayments
Accrued income

2023	2022
\$	\$
5,108	3,044
4,618	26,054
9,726	29,098

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

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

Non-current assets held for sale

Assets are classified as held for sale where the carrying amount will be recovered through a sale rather than continuing use and the asset is available for immediate sale with a sale being highly probable.

Non-current assets held for sale (Continued)

Non-current assets classified as held for sale are valued at the lower of the carrying amount and fair value less costs to sell.

The fair value of land and buildings was determined using the sales comparison approach using comparable properties in the area. This is a level 2 measurement as per the fair value hierarchy set out in Note 18(i).

**SHIRE OF CHRISTMAS ISLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

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.

	Land	Buildings - non-specialised	Buildings - specialised	Total land and buildings not subject to operating lease	Total land and buildings	Furniture and equipment	Plant and equipment	PPE - work in progress	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	2,978,000	1,196,223	8,685,677	12,859,900	12,859,900	412,971	2,265,453	0	15,538,324
Additions	0	93,669	6,187	99,856	99,856	181,358	42,637	224,675	548,526
Disposals				0	0		(9,390)		(9,390)
Depreciation		(34,100)	(227,224)	(261,324)	(261,324)	(163,904)	(415,989)		(841,217)
Transfers		(71,169)	0	(71,169)	(71,169)	0	0		(71,169)
Balance at 30 June 2022	2,978,000	1,184,623	8,464,640	12,627,263	12,627,263	430,425	1,882,711	224,675	15,165,074
Comprises:									
Gross balance amount at 30 June 2022	2,978,000	1,218,723	8,691,864	12,888,587	12,888,587	775,701	4,605,234	224,675	18,494,197
Accumulated depreciation at 30 June 2022	0	(34,100)	(227,224)	(261,324)	(261,324)	(345,276)	(2,722,523)	0	(3,329,123)
Balance at 30 June 2022	2,978,000	1,184,623	8,464,640	12,627,263	12,627,263	430,425	1,882,711	224,675	15,165,074
Additions	0	86,630	0	86,630	86,630	89,093	123,394	183,765	482,882
Disposals	0	0	0	0	0	0	(31,680)	0	(31,680)
Assets classified as held for sale	0	0	0	0	0	0		0	0
Depreciation	0	(34,662)	(226,727)	(261,389)	(261,389)	(206,377)	(417,711)	0	(885,477)
Transfers	0	167,215	(167,215)	0	0	0	224,675	(224,675)	0
Balance at 30 June 2023	2,978,000	1,403,806	8,070,698	12,452,504	12,452,504	313,141	1,781,389	183,765	14,730,799
Comprises:									
Gross balance amount at 30 June 2023	2,978,000	1,473,130	8,524,087	12,975,217	12,975,217	864,794	4,913,923	183,765	18,937,699
Accumulated depreciation at 30 June 2023	0	(69,324)	(453,389)	(522,713)	(522,713)	(551,653)	(3,132,534)	0	(4,206,900)
Balance at 30 June 2023	2,978,000	1,403,806	8,070,698	12,452,504	12,452,504	313,141	1,781,389	183,765	14,730,799

**SHIRE OF CHRISTMAS ISLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land	2	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2021	Price per hectare
Buildings - non-specialised	2	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2021	Price per square meter
Buildings - specialised	3	Improvements to land valued using cost approach using current replacement costs.	Independent registered valuers	June 2021	Construction costs and current conditions (Level2), residual values and remaining useful life assessments (Level 3) inputs.
Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.					
During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.					
(ii) Cost					
Furniture and equipment		Cost	Cost		Purchase Cost
Plant and equipment		Cost	Cost		Purchase Cost

**SHIRE OF CHRISTMAS ISLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

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.

	Infrastructure - roads	Other infrastructure	Other infrastructure - work in progress	Total Infrastructure
	\$	\$	\$	\$
Balance at 1 July 2021	18,599,797	3,026,396	0	21,626,193
Additions	723,494	358,285		1,081,779
Depreciation	(157,776)	(146,507)	0	(304,283)
Transfers	80,437	(178,443)	169,175	71,169
Balance at 30 June 2022	19,245,952	3,059,731	169,175	22,474,858
Comprises:				
Gross balance at 30 June 2022	26,446,543	3,206,238	169,175	29,821,956
Accumulated depreciation at 30 June 2022	(7,200,591)	(146,507)	0	(7,347,098)
Balance at 30 June 2022	19,245,952	3,059,731	169,175	22,474,858
Additions	0	650,810	506,330	1,157,140
Depreciation	(523,059)	(184,412)	0	(707,471)
Transfers	0	169,175	(169,175)	0
Balance at 30 June 2023	18,722,893	3,695,304	506,330	22,924,527
Comprises:				
Gross balance at 30 June 2023	26,446,543	4,026,223	506,330	30,979,096
Accumulated depreciation at 30 June 2023	(7,723,650)	(330,919)	0	(8,054,569)
Balance at 30 June 2023	18,722,893	3,695,304	506,330	22,924,527

**SHIRE OF CHRISTMAS ISLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Infrastructure - roads	3	Cost Approach using current replacement cost	Independent registered valuers	June 2020	Construction costs and current condition (Level 2) residual values and remaining useful life assessments (Level 3) inputs
Other infrastructure	3	Cost Approach using current replacement costs	Independent registered valuers	June 2021	Construction costs and current condition (Level 2) residual values and remaining useful life assessments (Level 3) inputs
Other infrastructure - work in progress		Cost	Cost		Purchase Cost

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

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

**SHIRE OF CHRISTMAS ISLAND
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2023**

10. FIXED ASSETS

(a) Depreciation

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 - non-specialised	20 years
Buildings - specialised	20 years
Furniture and equipment	1 to 14 years
Plant and equipment	8 to 10 years
Infrastructure - roads	40 years
Formation	not depreciated
Pavement	50 years
Seal	15 years
Kerbs	25 years
Other infrastructure	14 to 20 years

**SHIRE OF CHRISTMAS ISLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

10. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

Each class of fixed assets within either property, plant and equipment or infrastructure, is carried at cost or fair value (as indicated), less any accumulated depreciation and impairment losses.

Initial recognition and measurement for assets held at cost

Plant and equipment including furniture and equipment is recognised at cost on acquisition in accordance with *Financial Management Regulation 17A*. Where acquired at no cost, the asset is initially recognised at fair value. Assets held at cost are depreciated and assessed for indicators of impairment annually.

Initial recognition and measurement between mandatory revaluation dates for assets held at fair value

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

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

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

Individual assets that are land, buildings, infrastructure and investment properties acquired between scheduled revaluation dates of the asset class in accordance with the Shire's revaluation policy, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next revaluation consistent with *Financial Management Regulation 17A(4)*.

Revaluation

The fair value of land, buildings, infrastructure and investment properties is determined at least every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on vested land acquired by the Shire.

At the end of each period, the carrying amount for each asset class is reviewed and, where appropriate, the fair value is updated to reflect current market conditions consistent with *Financial Management Regulation 17A(2)* which requires land, buildings infrastructure, investment properties and vested improvements to be shown at fair value.

Revaluation (continued)

For property, plant and equipment 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.

Amortisation

All intangible assets with a finite useful life, are amortised on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use.

The residual value of intangible assets is considered to be zero and the useful life and amortisation method are reviewed at the end of each financial year.

Amortisation is included within depreciation in the Statement of Comprehensive Income and in Note 10(a).

Impairment

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains 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.

**SHIRE OF CHRISTMAS ISLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

11. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Prepaid rates
Accrued payroll liabilities
Sick leave bonus
Accrued expenses

	2023	2022
	\$	\$
	148,621	239,239
	0	2,746
	157,858	102,996
	115,484	134,622
	6,346	3,116
	428,309	482,719

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

Financial liabilities are initially recognised at fair value when the Shire becomes a party to the contractual provisions of the instrument. (guarantees) are subsequently measured at amortised cost. Financial liabilities are derecognised where the related profit or loss.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise from the Shire's purchases of goods and services. The amounts are unsecured, are recognised as a current liability and are usually due within 30 days of the end of the financial year. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Shire recognises income for the prepaid rates that have not been refunded.

**SHIRE OF CHRISTMAS ISLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

12. OTHER LIABILITIES

Current

Contract liabilities

Reconciliation of changes in contract liabilities

Opening balance

Additions

Revenue from contracts with customers included as a contract liability at the start of the period

	2023	2022
	\$	\$
	286,029	331,746
	286,029	331,746
	331,746	211,000
	286,029	331,746
	(331,746)	(211,000)
	286,029	331,746

The Shire expects to satisfy the performance obligations, from contracts with customers unsatisfied at the end of the reporting period, within the next 12 months.

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.

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

Contract liabilities represent the Shire's obligation to transfer goods or services to a customer for which the Shire has received consideration from the customer.

Contract liabilities represent obligations which are not yet satisfied. Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

Capital grant/contribution liabilities

Capital grant/contribution liabilities represent the Shire's obligations to construct recognisable non-financial assets to identified specifications to be controlled by the Shire 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 18(i)) due to the unobservable inputs, including own credit risk.

**SHIRE OF CHRISTMAS ISLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

13. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	2023	2022
	\$	\$
Current provisions		
Employee benefit provisions		
Annual leave	1,018,579	1,083,445
Long service leave	978,209	1,049,067
	1,996,788	2,132,512
Total current employee related provisions	1,996,788	2,132,512
Non-current provisions		
Employee benefit provisions		
Long service leave	30,977	25,225
	30,977	25,225
Total non-current employee related provisions	30,977	25,225
Total employee related provisions	2,027,765	2,157,737

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.

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Other long-term employee benefits

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 Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire 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.

**SHIRE OF CHRISTMAS ISLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

14. REVALUATION SURPLUS

	2023 Opening Balance	2023 Closing Balance	2022 Opening Balance	2022 Closing Balance
	\$	\$	\$	\$
Revaluation surplus - Buildings - non-specialised	8,886,784	8,886,784	8,886,784	8,886,784
Revaluation surplus - Furniture and equipment	264,640	264,640	264,640	264,640
Revaluation surplus - Plant and equipment	569,828	569,828	569,828	569,828
Revaluation surplus - Infrastructure - roads	14,065,241	14,065,241	14,065,241	14,065,241
Revaluation surplus - Other infrastructure	23,327	23,327	23,327	23,327
	23,809,820	23,809,820	23,809,820	23,809,820

**SHIRE OF CHRISTMAS ISLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

15. RESTRICTIONS OVER FINANCIAL ASSETS

	Note	2023 Actual \$	2022 Actual \$
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	2,404,673	1,797,550
- Financial assets at amortised cost	4	373,294	
		2,777,967	1,797,550
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	21	4,884,658	4,818,699
Contract liabilities	12	286,029	331,746
Total restricted financial assets		5,170,687	5,150,445

**16. UNDRAWN BORROWING FACILITIES AND CREDIT
STANDBY ARRANGEMENTS**

Bank overdraft limit		500,000	500,000
Bank overdraft at balance date		0	0
Credit card limit		40,000	40,000
Credit card balance at balance date		(23,600)	(11,707)
Total amount of credit unused		516,400	528,293

**SHIRE OF CHRISTMAS ISLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

17. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

Fees, expenses and allowances to be paid or reimbursed to elected council members.

Note	2023 Actual	2023 Budget	2022 Actual
	\$	\$	\$
President's annual allowance	37,881	37,881	36,957
President's meeting attendance fees	25,976	25,976	25,308
President's travel and accommodation expenses	22,028		8,999
	85,885	63,857	71,264
Deputy President's annual allowance	9,470	9,470	9,239
Deputy President's meeting attendance fees	16,776	16,776	16,332
Deputy President's travel and accommodation expenses	15,919		7,430
	42,165	26,246	33,001
All other council member's meeting attendance fees	117,433	117,432	114,638
All other council member's travel and accommodation expenses	52,437		56,224
	169,870	117,432	170,862
17(b)	297,920	207,535	275,127

(b) Key Management Personnel (KMP) Compensation

The total of compensation paid to KMP of the Shire during the year are as follows:

Note	2023 Actual	2022 Actual
	\$	\$
Short-term employee benefits	746,496	764,572
Post-employment benefits	115,794	102,245
Employee - other long-term benefits	89,923	89,105
Employee - termination benefits	51,924	45,573
Council member costs	297,920	275,127
17(a)	1,302,057	1,276,622

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 cost of the Shire'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.

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.

**SHIRE OF CHRISTMAS ISLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

17. RELATED PARTY TRANSACTIONS

Transactions with related parties

Transactions between related parties and the Shire 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.

Related Parties

The Shire'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 17(a) and 17(b)

ii. Other Related Parties

Outside of normal citizen type transactions with the Shire, 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 Shire

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

**SHIRE OF CHRISTMAS ISLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

18. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Shire's operational cycle. In the case of liabilities where the Shire 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 Shire'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 Shire 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 report 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 Shire contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Shire contributes are defined contribution plans.

g) Fair value of assets and liabilities

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

Valuation techniques

The Shire 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 Shire 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 Shire 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 Shire's 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.

SHIRE OF CHRISTMAS ISLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

19. RATING INFORMATION

(a) General Rates

RATE TYPE Rate Description	Basis of valuation	Rate in \$	Number of Properties	2022/23 Actual Rateable Value*	2022/23 Actual Rate Revenue	2022/23 Actual Interim Rates	2022/23 Actual Total Revenue	2022/23 Budget Rate Revenue	2022/23 Budget Interim Rate	2022/23 Budget Total Revenue	2021/22 Actual Total Revenue
		\$		\$	\$	\$	\$	\$	\$	\$	\$
Residential	Gross rental valuation	0.101348	454	8,767,118	888,530		888,530	890,461	0	890,461	866,866
Commercial	Gross rental valuation	0.101348	89	2,190,676	198,711		198,711	204,881	0	204,881	193,866
DIAC	Gross rental valuation	0	20	1,210,320	0		0	0	0	0	0
Unallocated	Gross rental valuation	0.101348	4	63,960	6,482		6,482	15,857	0	15,857	6,324
Rural	Gross rental valuation	0.101348	2	45,280	4,589		4,589	4,589	0	4,589	4,477
Industrial	Gross rental valuation	0.101348	12	227,160	23,022		23,022	24,392	0	24,392	22,461
Exempt	Gross rental valuation	0	164		0		0	0	0	0	0
Industrial	Unimproved valuation	0.370000	1	940,000	347,800		347,800	347,800	0	347,800	204,120
Mining	Unimproved valuation	0.370000	8	689,568	255,140		255,140	258,404	0	258,404	168,988
Total general rates			754	14,134,082	1,724,274	0	1,724,274	1,746,384	0	1,746,384	1,467,102
Minimum payment											
		\$									
Residential	Gross rental valuation	610	5	19,050	3,050		3,050	3,050	0	3,050	2,980
Commercial	Gross rental valuation	610	16	60,886	9,760		9,760	22,570	0	22,570	9,536
Unallocated	Gross rental valuation	610	37	92,500	22,570		22,570	9,760	0	9,760	22,052
Industrial	Gross rental valuation	610	5	13,520	3,050		3,050	3,050	0	3,050	2,980
Exempt	Gross rental valuation	610	0		0		0	0	0	0	0
Mining	Unimproved valuation	368	2	500	736		736	1,104	0	1,104	1,077
Mining	Gross rental valuation	610	1	0	610		610	610	0	610	596
Total minimum payments			66	186,456	39,776	0	39,776	40,144	0	40,144	39,221
Total general rates and minimum payments			820	14,320,538	1,764,050	0	1,764,050	1,786,528	0	1,786,528	1,506,323
Discounts							(24,028)			(30,750)	(32,301)
Concessions							(259)				0
Total Rates							1,739,764			1,755,778	1,474,022
Rate instalment interest							2,016			5,000	1,952
Rate overdue interest							10,933			5,000	9,099

The rate revenue was recognised from the rate record as soon as practicable after the Shire 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.

*Rateable Value at time of raising of rate.

**SHIRE OF CHRISTMAS ISLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

20. DETERMINATION OF SURPLUS OR DEFICIT

Note	2022/23	2022/23	2021/22
	(30 June 2023 Carried Forward)	Budget (30 June 2023 Carried Forward)	(30 June 2022 Carried Forward)
	\$	\$	\$
(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 <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
			121,456
		0	1,850
8,9	18,964	2,208,300	1,145,500
Non-cash movements in non-current assets and liabilities:			
	0		
7	0		
	5,752		7,313
Non-cash amounts excluded from operating activities			
	1,617,665	2,208,300	1,276,119
(b) Surplus or deficit after imposition of general rates			
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.			
Adjustments to net current assets			
21	(4,884,658)	(5,425,927)	(4,818,699)
	1,699,557		1,708,372
Total adjustments to net current assets			
	(3,185,101)	(5,425,927)	(3,110,327)
Net current assets used in the Statement of Financial Activity			
	8,297,951	8,838,574	7,302,736
	(2,711,126)	(2,646,977)	(2,946,977)
	(3,185,101)	(5,425,927)	(3,110,327)
Surplus or deficit after imposition of general rates			
	2,401,724	765,670	1,245,432

**SHIRE OF CHRISTMAS ISLAND
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

21. RESERVE ACCOUNTS

	2023 Actual Opening Balance	2023 Actual Transfer to	2023 Actual Transfer (from)	2023 Actual Closing Balance	2023 Budget Opening Balance	2023 Budget Transfer to	2023 Budget Transfer (from)	2023 Budget Closing Balance	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
(a) Employee benefits	1,708,372	23,367		1,731,739	1,708,372	202,564	0	1,910,936	1,586,916	121,456	0	1,708,372
(b) Plant and machinery	897,520	12,276		909,796	897,520	401,346	(325,000)	973,866	1,071,638	103,383	(277,501)	897,520
(c) Furniture and equipment	666,957	9,123		676,080	666,957	101,000	(73,000)	694,957	684,796	102,161	(120,000)	666,957
(d) Buildings	660,206	9,030		669,236	660,206	50,990	0	711,196	558,442	101,764	0	660,206
(e) Welfare fund	85,948	1,226		87,174	85,948	129	(2,000)	84,077	85,716	232	0	85,948
(f) Recreation services	125,470	1,716		127,186	125,470	50,188	0	175,658	75,233	50,237	0	125,470
(g) Waste management	456,829	6,248		463,077	456,829	100,685	0	557,514	355,706	101,123	0	456,829
(h) Road works and materials	152,619	2,087		154,706	152,619	100,229	0	252,848	102,295	50,324	0	152,619
(i) Parks and gardens	64,778	886		65,664	64,778	97	0	64,875	64,574	204	0	64,778
	4,818,699	65,959	0	4,884,658	4,818,699	1,007,228	(400,000)	5,425,927	4,585,316	630,884	(397,501)	4,818,699
	4,818,699	65,959	0	4,884,658	4,818,699	1,007,228	(400,000)	5,425,927	4,585,316	630,884	(397,501)	4,818,699

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

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:

Name of reserve account	Purpose of the reserve account
Restricted by council	
(a) Employee benefits	to fund annual and long service leave requirements
(b) Plant and machinery	to purchase new major plant
(c) Furniture and equipment	to purchase new furniture and equipment
(d) Buildings	to upgrade staff housing
(e) Welfare fund	for specific community purpose
(f) Recreation services	to upgrade recreation services and purchase new plant, furniture and equipment
(g) Waste management	to upgrade tipsite and purchase new plant and equipment
(h) Road works and materials	for the purpose of road works and purchase of materials
(i) Parks and gardens	to hold open space contributions as required by the Planning & Development Act 2005

**SHIRE OF CHRISTMAS ISLAND
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2023**

22. TRUST FUNDS

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

	1 July 2022	Amounts Received	Amounts Paid	30 June 2023
	\$	\$	\$	\$
Taman Sweetland Reserve (POS)	55,845	1,048		56,893
	55,845	1,048	0	56,893



Auditor General

INDEPENDENT AUDITOR'S REPORT 2023 Shire of Christmas Island

To the Council of the Shire of Christmas Island

Opinion

I have audited the financial report of the Shire of Christmas Island (Shire) which comprises:

- the Statement of Financial Position as at 30 June 2023, and 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 significant 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 Shire for the year ended 30 June 2023 and its financial position as at the end of that period
- in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, the 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.

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 2023, 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 Shire is responsible for:

- keeping proper accounts and records
- preparation and fair presentation of the financial report in accordance with the requirements of the Act and, to the extent that they are not inconsistent with the Act, the 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 Shire'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 Shire.

The Council is responsible for overseeing the Shire'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.

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 Shire of Christmas Island for the year ended 30 June 2023 included in the annual report on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire'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 Shire to confirm the information contained in the website version.

Grant Robinson
Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
7 December 2023

SHIRE OF CHRISTMAS ISLAND
PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2023
FINDINGS IDENTIFIED DURING THE FINAL AUDIT

Index of findings	Potential impact on audit opinion	Rating			Prior year finding
		Significant	Moderate	Minor	
1. Related party disclosures	No		✓		
2. Fair value of Land, Buildings and Infrastructure Assets	No		✓		
3. Purchasing policy – obtaining quotations	No		✓		✓

Key to ratings

The Ratings in this management letter are based on the audit team's assessment of risks and concerns with respect to the probability and/or consequence of adverse outcomes if action is not taken. We give consideration to these potential adverse outcomes in the context of both quantitative impact (for example financial loss) and qualitative impact (for example inefficiency, non-compliance, poor service to the public or loss of public confidence).

Significant - Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly. A significant rating could indicate the need for a modified audit opinion in the current year, or in a subsequent reporting period if not addressed. However even if the issue is not likely to impact the audit opinion, it should be addressed promptly.

Moderate - Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.

Minor - Those findings that are not of primary concern but still warrant action being taken.

SHIRE OF CHRISTMAS ISLAND
PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2023
FINDINGS IDENTIFIED DURING THE FINAL AUDIT

1. Related party disclosures

Finding

We noted that a related party disclosure form had not been completed during the year for one councillor prior to their departure from the Shire. We have confirmed that there were no related party transactions relating to this councillor.

We note the following guidance from Western Australian Local Government Association ("WALGA"):

- Elected Council members and KMP will be required to complete a Related Party Disclosures - Declaration form each quarter.
- Disclosures must be made by all Councillors immediately prior to any ordinary or extraordinary election.
- Disclosures must be made immediately prior to the termination of employment of/by a KMP.

Rating: Moderate

Implication

As one related party disclosure form was not obtained, there is a risk that related party transactions and balances are not accurately identified and disclosed in the financial statements in accordance with the applicable financial reporting framework.

Recommendation

The Shire should ensure that related party disclosure forms are completed with accurate disclosures and filed appropriately. Disclosure forms must be completed even if the councillors have served only for part year or have engaged in one-off transactions. The procedures should be completed on a timely basis in accordance with WALGA guidance to avoid the risk of non-completion of the procedures.

Management comment

The process is that an Annual Return must be completed July 1 and 31 August for the previous year and it is acknowledged that the Councillor identified had resigned in May 23 and was not followed up to complete an Annual Return form this will be followed up by the Manager Governance & CEO. And the protocols around the submitting of these forms will be more vigorous in future.

Responsible position: Finance Manager

Completion date: 30 June 2024

SHIRE OF CHRISTMAS ISLAND
PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2023
FINDINGS IDENTIFIED DURING THE FINAL AUDIT

2. Fair Value of Land, Buildings and Infrastructure Assets

Finding

The Shire has not performed an assessment to determine whether its Land, Buildings and Infrastructure assets represent fair value at 30 June 2023. Revaluations were last performed in 2021 for Land, Buildings and Infrastructure (Other) assets, and in 2020 for Infrastructure (Roads) assets.

Update to the FM Regulations:

We acknowledge that the FM Regulations were updated on 18 October 2023 and the fair value amendment, which applies from 2023-24, now requires Local Government entities to revalue land, building and infrastructure assets every 5 years since the asset's last valuation date (Regulations 17A(4A)). The Shire may also revalue earlier if it chooses to do so (Regulation 17A(4B)).

Rating: Moderate

Implication

Without a robust assessment of fair value of the Shire's Land and Building Assets there is a risk that the fair value of these assets may not have been assessed adequately and in compliance with AASB 13 Fair Value Measurement.

Recommendation

We recommend that the City comply with the fair value requirements of the updated FM Regulations for the 2023-24 period and onwards.

Management comment:

The Shire performed and relied upon their internal assessment of the current market conditions. Their review indicated there were no significant movements or impacts on its infrastructure assets relevant to 30 June 2023.

The Shire has last engaged Griffin Valuation Advisory to perform a desktop review for the year ended 30 June 2022 for land and buildings; other infrastructure and property, plant and equipment. These have been sent across to RSM on the 15 December 2022.

Responsible position: Finance Manager

Completion date: 30 June 2024

SHIRE OF CHRISTMAS ISLAND
PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2023
FINDINGS IDENTIFIED DURING THE FINAL AUDIT

3. Purchasing policy – obtaining quotations

Finding

Policies 5.5 *Purchasing Thresholds* and 5.11 *Purchasing Procedures* of the Shire's purchasing policy and procedures outline the minimum number of quotations when procuring goods or services. For example, purchases above \$5,000 require 2 verbal quotations and purchases above \$25,000 require 3 written quotations.

2023

During our interim audit, from a sample of 20 purchases made during the period 1 July 2022 to 30 June 2023, we noted 3 (15%) instances where there was insufficient documentation to indicate that the requisite number of quotations had been obtained and evaluated.

2022

During our interim audit, from a sample of 20 purchases made during the period 1 July 2021 to 31 May 2022, we noted 16 (80%) instances of purchases over \$1,000 where there was insufficient documentation to indicate that the required number of quotations had been obtained and evaluated.

While we do note the remote location of the shire and with only limited resources for goods and services to be obtained within a reasonable time, the Shire should effectively propose an amendment to the purchasing policy to allow for an accurate purchasing requirement which better reflects the shire's circumstances.

Rating: Moderate (2022 rating: Moderate)

Implication

If purchases are made without obtaining sufficient quotations, there is an increased risk that the Shire's 'Value for Money' objectives are not achieved and also potential for bias in the supplier selecting process.

Recommendation

For purchases below the tender threshold, management should ensure that sufficient quotes are obtained and evidenced in accordance with the Shire's purchasing policy and procedures.

If instances arise where the Shire is unable to obtain the requisite number of quotations, the reasons should be recorded and attached to the purchase order at the time of the purchase being made.

Management comment:

The Management Group is considering a recommend amendment to the Shire's Purchasing Policy for the Council consideration. The Management Group has also been instructed to keep a record of all quotation requests irrespective of responses to such requests.

Responsible position: Finance Manager

Completion date: 30 June 2024

SHIRE OF CHRISTMAS ISLAND

PERIOD OF AUDIT: YEAR ENDED JUNE 2023

FINDINGS IDENTIFIED DURING THE GENERAL COMPUTER CONTROLS AUDIT

Index of findings	Potential impact on audit opinion	Rating			Prior year finding
		Significant	Moderate	Minor	
1. SynergySoft Financial Application – User Access Management	No	✓			✓
2. Business Continuity Plan	No		✓		
3. Network Access Management	No		✓		✓
4. Change Management	No		✓		✓
5. Network Security Management	No		✓		✓
6. Backup management	No		✓		✓
7. Risk Management	No		✓		✓
8. Password Management	No			✓	✓

Key to ratings

The Ratings in this management letter are based on the audit team's assessment of risks and concerns with respect to the probability and/or consequence of adverse outcomes if action is not taken. We give consideration to these potential adverse outcomes in the context of both quantitative impact (for example financial loss) and qualitative impact (for example inefficiency, non-compliance, poor service to the public or loss of public confidence).

Significant - Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly. A significant rating could indicate the need for a modified audit opinion in the current year, or in a subsequent reporting period if not addressed. However even if the issue is not likely to impact the audit opinion, it should be addressed promptly.

Moderate - Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.

Minor - Those findings that are not of primary concern but still warrant action being taken.

SHIRE OF CHRISTMAS ISLAND**PERIOD OF AUDIT: YEAR ENDED JUNE 2023****FINDINGS IDENTIFIED DURING THE GENERAL COMPUTER CONTROLS AUDIT****1. SynergySoft Financial Application – User Access Management****Finding**

We identified the following issues with the Shire's user access management of the SynergySoft financial application:

- The Shire's Access Management Policy does not define the requirement to perform periodic user access reviews for active SynergySoft administrator and user accounts.
- Evidence of user access reviews are not retained, as such we could not determine if a review was conducted during the audit period.
- One SynergySoft account was noted as being a duplicated. Management advised this account has since been disabled.
- One enabled service account was identified as no longer required. Management advised this account has since been disabled.
- There is a segregation of duties (SoD) conflict where the Director of Finance & IT has SynergySoft administration access. It has been noted that the Director of Finance & IT performs day-to-day operational activities (e.g., Approving pay runs, financial reporting, expenses etc) and provides administrative functions within the application (e.g., Creating users, modifying permissions, deleting records etc.).
- The Access Management Policy states that the IT Officer will have full administrator access to SynergySoft, however currently they do not have this access, instead administrator access is held by two members of the financial department and the Shire's CEO.

This finding remains open from the previous year.

Rating: Significant (2022 rating: Significant)

Implication

Without effective segregation of duties and user access management processes in place, there is an increased risk of unauthorised access to the finance system. This could impact the confidentiality, integrity of data, availability of the Shire systems and increases the risk of unauthorised and fraudulent transactions.

Recommendation

The Shire should:

- Ensure segregation of duties controls are appropriately defined and implemented for the SynergySoft application and business users should not have "Administrator" privileges.
- Remove members of the financial departments' superuser access to the financial application and require an employee, separate from the financial department to perform the financial application's administrative functions.
- Perform a periodic, regular review of the financial application users to identify and remove:
 - Dormant/Inactive accounts,
 - Terminated employees missed during regular offboarding process,
 - Accounts with permissions greater than their position requires.

SHIRE OF CHRISTMAS ISLAND

PERIOD OF AUDIT: YEAR ENDED JUNE 2023

FINDINGS IDENTIFIED DURING THE GENERAL COMPUTER CONTROLS AUDIT

Management comment

Accepted, the Shire is currently implementing solutions to address the recommendations.

Responsible person: Chris Su
Completion date: February 2024

SHIRE OF CHRISTMAS ISLAND**PERIOD OF AUDIT: YEAR ENDED JUNE 2023****FINDINGS IDENTIFIED DURING THE GENERAL COMPUTER CONTROLS AUDIT****2. Business Continuity Plan****Finding**

The Shire have recently created an ICT Business Continuity Policy which governs business continuity activities within the Shire. However, there is no Business Continuity Plan (BCP) in place and no evidence of a Business Impact Assessment (BIA) being performed during the audit period.

Rating: Moderate**Implication**

Without a business continuity plan, it is likely to be more difficult to recover from an incident or crisis in a timely and effective manner. There is an increased risk that key business functions will remain out of operation for extended periods of time following a major incident.

Recommendation

The Shire should develop a business continuity plan to compliment the ICT Business Continuity Policy based on an evaluation of risks which may disrupt critical business functions. The evaluation should identify critical systems and processes, minimum resources and response times needed to assure/resume operations, and may involve performing a Business Impact Assessment or another relevant form of assessment.

Management comment

Agreed.

Considering Christmas Island's status as a non-self-governing external territory, where the Council directly depends on the Commonwealth, especially in the absence of the WA State Government for crucial matters such as emergency management, disaster recovery, and health controls, it is expected that a more extended timeframe for completion is necessary. This is due to the limited human resources available, consolidated within a single Canberra department, as opposed to the broader distribution of resources among several WA state departments, each with its own expertise.

Responsible person: Chris Su
Completion date: June 2024

SHIRE OF CHRISTMAS ISLAND**PERIOD OF AUDIT: YEAR ENDED JUNE 2023****FINDINGS IDENTIFIED DURING THE GENERAL COMPUTER CONTROLS AUDIT****3. Network Access Management****Finding**

During our audit, we identified the following issues with the Shire's network user access management:

- Evidence of network user access reviews are not retained, as such audit could not determine if a review was conducted during the audit period.
- One network active directory account was identified as a duplicated. Management advised this account has been disabled.
- 5 enabled accounts were identified as being inactive and haven't been accessed for at least 6 months. Management advised these accounts are no longer required and have now been disabled.
- 7 enabled service accounts were identified as no longer required. Management advised that 5 of the 7 accounts were disabled.

Rating: Moderate (2022 rating: Significant)

Implication

Without effective user access management processes in place, there is an increased risk of unauthorised access to the network through accounts that are dormant or were no longer required. This could impact the confidentiality, integrity, and availability of the Shire's information.

Recommendation

The Shire should:

- Perform and document a user access review ensuring the process identifies and disables or removes:
 - Inactive accounts for a period of 6 months or greater.
 - Terminated employee account which remain active.
 - Duplicated accounts.

Management comment

The Network Security Management Policy was adopted at the Ordinary Council Meeting of March 2023. We have subsequently completed all three recommendations above.

Responsible person: Chris Su

Completion date: Completed November 2023

SHIRE OF CHRISTMAS ISLAND**PERIOD OF AUDIT: YEAR ENDED JUNE 2023****FINDINGS IDENTIFIED DURING THE GENERAL COMPUTER CONTROLS AUDIT****4. Change Management****Finding**

During our audit, we identified the following issues with the management of the Shire's changes:

- The Shire's change management process is missing the following key aspects of change management:
 - A documented assessment of the impact of the change on the shire, prior to implementation.
 - Documented implementation and rollback plans.
- The change management process began in April 2023.
- Changes did not obtain evidenced approval from the Director of IT.
- The monthly required sign off by the Governance Officer were performed in November 2023 for all previous month.

This finding remains open from the previous year.

Rating: Moderate (2022 rating: Significant)

Implication

There is a risk that without formalised change control procedures, changes made to IT systems may not be adequately tested, recorded, and authorised. The availability or security of IT systems could be compromised should a change negatively impact them.

Recommendation

The Shire should:

- Include the following missing components to its change management process:
 - Assessment of potential change impact.
 - Implementation plans and testing.
 - Rollback plans.
- Ensure all changes:
 - Include appropriate approval from the Director of IT.
 - Are signed off within their monthly occurrence period, instead of all at once at the end.

Management comment

Accepted.

Responsible person: Chris Su
Completion date: February 2024

SHIRE OF CHRISTMAS ISLAND**PERIOD OF AUDIT: YEAR ENDED JUNE 2023****FINDINGS IDENTIFIED DURING THE GENERAL COMPUTER CONTROLS AUDIT****5. Network Security Management****Finding**

During our audit, we identified the following issues with the management of the Shire's network:

- An unsupported operating system is running on the servers.
- There is no centralised process to manage network devices and perform regular security updates.
- No defined requirement or process to perform vulnerability assessments and security penetration testing.
- There were no vulnerability assessments or security penetration testing conducted during the audit period.

This finding remains open from the previous year.

Rating: Moderate (2022 rating: Moderate)

Implication

Without an effective process to identify, assess and address known vulnerabilities in a timely manner, there is an increased risk that the system and/or data may not be adequately protected against potential threats. These vulnerabilities could be exploited and may result in unauthorised access to sensitive data or the loss of system operation.

Recommendation

The Shire should:

- Investigate, and if appropriate implement procedures and technical controls to ensure IT assets are operating on vendor supported operating systems and software, and are being actively monitored for security updates and vulnerabilities.

Management comment

Agreed.

Responsible person: Chris Su
Completion date: April 2024

SHIRE OF CHRISTMAS ISLAND

PERIOD OF AUDIT: YEAR ENDED JUNE 2023

FINDINGS IDENTIFIED DURING THE GENERAL COMPUTER CONTROLS AUDIT

6. Backup Management**Finding**

We identified the following deficiencies with the Shire's management of Backups:

- Management advised that restoration testing is performed on an ad hoc basis, however audit are unable to confirm as evidence is not maintained.
- There is no requirement defined within the ICT Business Continuity Policy to performed restoration testing.

This finding remains open from the previous year.

Rating: Moderate (2022 rating: Moderate)

Implication

Without an appropriate backup and restoration management system, the Shire may not be able to recover critical services in a timely manner, in line with business requirements. This could affect the Shire in providing key operations and business functions.

Recommendation

The Shire should:

- Implement a process to document restoration tests when performed, ensuring the evidence is available for review.

Management comment

Accepted. The Shire will conduct restore testing once a quarter and record results in ICT Officer's Log.

Responsible person: Chris Su
Completion date: June 2024

SHIRE OF CHRISTMAS ISLAND

PERIOD OF AUDIT: YEAR ENDED JUNE 2023

FINDINGS IDENTIFIED DURING THE GENERAL COMPUTER CONTROLS AUDIT

7. Risk management**Finding**

We identified the following deficiencies related to Risk Management within the Shire:

- The Risk Management Plan was not reviewed within the annual review required and was last reviewed in October 2021
- There were no IT risks documented or tracked within the audit period.

The above finding remains open from the previous year.

Rating: Moderate (2022 rating: Moderate)

Implication

Without effective risk management policies and processes in place, there is an increased risk that the Shire will not be able to identify and address key risks affecting the departments, enterprise, and IT environment.

Recommendation

The Shire should:

- Review their Risk Management Plan within the predefined review period.
- Identify, document and track IT and cyber security related risks within the Shire's risk register

Management comment

The Risk Management Plan was reviewed at the September 2023 Ordinary Council Meeting and accepted in resolution 78/23.

ICT Log identifies the actions undertaken in regards to securing IT infrastructure at the Shire.

Responsible person: Chris Su

Completion date: Completed September 2023.

SHIRE OF CHRISTMAS ISLAND

PERIOD OF AUDIT: YEAR ENDED JUNE 2023

FINDINGS IDENTIFIED DURING THE GENERAL COMPUTER CONTROLS AUDIT

8. Password Management**Finding**

We identified the following deficiencies between the Shire's documented password policy and active directory password configuration:

Password Requirements	Shire's Password Policy Requirements	Shire's Password Configuration
Character Length	10-characters minimum	7-characters minimum
Password Expiry	90 days	42 days
Password Complexity	Enabled	Disabled

Furthermore, we identified that following password configurations do not align with OAG better practice requirements:

- The Shire does enforce a password history requirement, however the OAG recommend the 6 most recent password not be re-used.
- The Shire does not enforce account lockout after a particular number of incorrect login attempts, however the OAG recommend password lockout be enabled to lock user accounts for at least 15 minutes after 5 invalid attempts

The Shire has implemented a password policy based on previous year recommendations.

Rating: Minor (2022 rating: Moderate)

Implication

Without adequate password management protocols and procedures, there is an increased risk of unauthorised access or compromises to network and system security. The network and systems may become susceptible to potential security breaches, such as brute force or social engineering attacks.

Recommendation

The Shire should ensure that the current password parameters configured in the Network AD are aligned with OAG better practice requirements and the Shire's documented password policy.

Management comment

The Shire will review Password Management after Active Directory is rebuilt following the upgrade to Office 365 in 2024.

Responsible person: Chris Su
Completion date: March 2024



SHIRE OF CHRISTMAS ISLAND

SUBMISSION TO	Ordinary Council Meeting 19 December 2023
GENDA REFERENCE	10.1.2
SUBJECT	Direct Purchase Report
LOCATION/ADDRESS/APPLICANT	
FILE REFERENCE	3.7.2
INTEREST DISCLOSURE	Nil
DATE OF REPORT	5 December 2023
AUTHOR	David Price
SIGNATURE OF CEO	SIGNED

RECOMMENDATIONS

Council receives the Direct purchase Report from the CEO

BACKGROUND

Council at the Ordinary Council Meeting 21 November 2023 adopted *the Financial Policy 2 – Purchasing in the Policy Manual Res No 100/23*

That review included the provision in purchases up to \$99,999 in which: *The CEO and Directors may direct purchase but will be required to report the purchase at the following Council Meeting. Staff cannot make purchases at this tier*

COMMENT

1. The Youth Council has suggested that the Shire consider constructing a Miniature Golf Course.

To further develop that concept for Public Comment a design concept was need to be developed.

The Foreshore Padang site was considered the preferred site if that concept could be facilitated within that area.

Calmy Planning & Design developed the initial Foreshore Padang design and as Herve Calmy was on the Christmas Island and could begin that Miniature Golf Course concept design work while currently on Christmas Island and complete it off Island and incurring no Transport or accommodation cost to that work.

Accordingly it was decided to make a direct purchase within the provisions of the Financial Policy 2 – Purchasing to accept the \$5,500 quotation from Calmy Planning & Design for the Miniature Golf Course Concept Design Work.

The intersection at Murray Road and Lam Lok Loh is an intersection that the Shire has been concerned about and the construction of a Roundabout at that intersection would possibly provide an improved movement of traffic in that area.

As the development of a Roundabout at the Murray Road /Lam Lok Loh intersection would require rationalisation of the road reserve within the Draft LPS.

As Calmy had been engaged to develop the Draft LPS Planning & Design and as Herve Calmy was on the Christmas Island and could begin the Roundabout Plan and road reserve review design work while currently on Christmas Island and complete it off Island and incurring no transport or accommodation cost to that work.

Accordingly it was decided to make a direct purchase within the provisions of the Financial Policy 2 – Purchasing to accept the \$2,800 quotation from Calmy Planning & Design for the Roundabout Plan design Work.

2. Due to operational systems failure of the Shire Incoming Email system there is a necessity to upgrade from Office 10 to Office 365.

NEC has been the Shire's sales partner for many years with them and they have intimate knowledge of all the workings of the Shire's servers.

With that background knowledge and the necessity to act quickly to address the operational system failure the decision to proceed with a Direct Purchase within the provisions of the Shire's financial Policy 2 - Purchasing was made.

STATUTORY ENVIRONMENT

Local Government Act 1995

POLICY IMPLICATIONS

Financial Policy 2 - Purchasing

FINANCIAL IMPLICATIONS

Possible reduction of Governance costs in future budgets with the reduction in the number of councilors

STRATEGIC IMPLICATIONS & MILESTONES

Nil

VOTING REQUIREMENTS

Simple Majority

ATTACHMENT

10.1.2.1 - Financial Policy 2 - Purchasing

10.1.2.2 - QUOTE FORM & Quotation Calmy Planning & Design

10.1.2.3 - QUOTE FORM & quotation NEC

Authority: Section 3.57 Local Government Act 1995 (WA) (CI); Section 4 Local Government (Functions and General) Regulations 1996; Local Government (Functions and General) Amendment Regulations 2007

Financial Policy 2 – PURCHASING

Objective

- To provide compliance with the Local Government Act, 1995 and the Local Government Act (Functions and General) Regulations, 1996 (as amended in March 2007).
- To deliver a best practice approach and procedures to internal purchasing for the Shire of Christmas Island.
- To ensure consistency for all purchasing activities that integrates within all the Shire of Christmas Island operational areas.
- To efficiently and effectively purchase goods and services recognising that the remoteness of Christmas Island limits the Shire's capacity to implement competitive purchasing strategies and recognising that the Shire is expending public monies that must accounted for.

Policy

The Shire of Christmas Island is committed to setting up efficient, effective, economical and sustainable procedures in all purchasing activities. This policy:

- Provides the Shire of Christmas Island with a more effective way of purchasing goods and services.
- Ensures that purchasing transactions are carried out in a fair and equitable manner.
- Strengthens integrity and confidence in the purchasing system.
- Ensures that the Shire of Christmas Island receives value for money in its purchasing.
- Ensures that the Shire of Christmas Island considers the environmental impact of the procurement process across the life cycle of goods and services.
- Ensures the Shire of Christmas Island is compliant with all regulatory obligations.
- Promotes effective governance and definition of roles and responsibilities.
- Upholds respect from the public and industry for the Shire of Christmas Island's purchasing practices that withstands probity.

ETHICS & INTEGRITY

All officers and employees of the Shire of Christmas Island shall observe the highest standards of ethics and integrity in undertaking purchasing activity and act in an honest and professional manner that supports the standing of the Shire of Christmas Island.

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

- full accountability shall be taken for all purchasing decisions and the efficient, effective and proper expenditure of public monies based on achieving value for money;
- all purchasing practices shall comply with relevant legislation, regulations, and requirements consistent with the Shire of Christmas Island policies and code of conduct;
- purchasing is to be undertaken on a competitive basis in which all potential suppliers are treated impartially, honestly and consistently;
- all processes, evaluations and decisions shall be transparent, free from bias and fully documented in accordance with applicable policies and audit requirements;
- any actual or perceived conflicts of interest are to be identified, disclosed and appropriately managed; and
- any information provided to the Shire of Christmas Island by a supplier shall be treated as commercial-in-confidence and should not be released unless authorised by the supplier or relevant legislation.

VALUE FOR MONEY

Value for money is an overarching principle governing purchasing that allows the best possible outcome to be achieved for the Shire of Christmas Island. It is important to note that compliance with the specification is more important than obtaining the lowest price, particularly taking into account user requirements, quality standards, sustainability, life cycle costing, and service benchmarks.

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

- all relevant whole-of-life costs and benefits whole of life cycle costs (for goods) and whole of contract life costs (for services) including transaction costs associated with acquisition, delivery, distribution, as well as other costs such as but not limited to holding costs, consumables, deployment, maintenance and disposal.
- the technical merits of the goods or services being offered in terms of compliance with specifications, contractual terms and conditions and any relevant methods of assuring quality;
- financial viability and capacity to supply without risk of default. (Competency of the prospective suppliers in terms of managerial and technical capabilities and compliance history);
- a strong element of competition in the allocation of orders or the awarding of contracts. This is achieved by obtaining a sufficient number of competitive quotations wherever practicable.

Where a higher priced conforming offer is recommended, there should be clear and demonstrable benefits over and above the lowest total priced, conforming offer.

SUSTAINABLE PROCUREMENT

Sustainable Procurement is defined as the procurement of goods and services that have less environmental and social impacts than competing products and services. Shire of Christmas Island is committed to sustainable procurement and where appropriate shall endeavour to design quotations and tenders to provide an advantage to goods, services and/or processes that minimise environmental and negative social impacts. Sustainable considerations must be balanced against value for money outcomes in accordance with the Shire of Christmas Island's sustainability objectives.

Practically, sustainable procurement means the Shire of Christmas Island shall endeavour at all times to identify and procure products and services that:

- Have been determined as necessary;
- Demonstrate environmental best practice in energy efficiency / and or consumption which can be demonstrated through suitable rating systems and eco-labelling.
- Demonstrate environmental best practice in water efficiency.
- Are environmentally sound in manufacture, use, and disposal with a specific preference for products made using the minimum amount of raw materials from a sustainable resource, that are free of toxic or polluting materials and that consume minimal energy during the production stage;
- Products that can be refurbished, reused, recycled or reclaimed shall be given priority, and those that are designed for ease of recycling, re-manufacture or otherwise to minimise waste.
- For motor vehicles – select vehicles featuring the highest fuel efficiency available, based on vehicle type and within the designated price range;
- For new buildings and refurbishments – where available use renewable energy and technologies.

PURCHASING THRESHOLDS

Where the value of procurement (excluding GST) for the value of the contract over the full contract period (including options to extend) is, or is expected to be:-

Amount of Purchase	Policy
Under \$200	Direct purchase from suppliers using petty cash or purchase order
\$201 to \$5,000	Direct purchase from suppliers requiring only two verbal quotations. Notes to be kept on file.
\$5,001 - \$39,999	CEO and Directors to obtain at least three verbal or written quotations. CEO and Directors may direct purchase but will be required to report the purchase at the following Council Meeting. Staff cannot make purchases at this tier.
\$40,000 - \$99,999	CEO and Directors to obtain at least three written quotations. CEO and Directors may direct purchase but will be required to report the purchase at the following Council Meeting. Staff cannot make purchases at this tier.

\$100,000 - \$149,999	CEO and Directors to obtain at least three written quotations containing price and specification of goods and services (with procurement decision based on all value for money considerations). Staff cannot make purchases at this tier.
\$150,000 and above	Conduct a Public Tender process.

Where it is considered beneficial, tenders may be called in lieu of seeking quotations for purchases under the \$150,000 threshold (excluding GST). If a decision is made to seek public tenders for Contracts of less than \$150,000, a Request for Tender process that entails all the procedures for tendering outlined in this policy must be followed in full.

Under \$200

Where the value of procurement of goods or services is under \$200, staff may make purchases via Purchase Order or petty cash.

\$201-\$5,000

Between \$201 to \$5,000, purchase on the basis of at least two verbal quotations is permitted. However it is recommended to use professional discretion and occasionally undertake market testing with a greater number or more formal forms of quotation to ensure best value is maintained.

This purchasing method is suitable where the purchase is relatively small and low risk. Staff are permitted to make purchases up to the value of \$5,000 if they have the job responsibility to procure goods and services in their position description. Staff are not able to engage in any procurements above this threshold and are to refer to the Director in their section for assistance.

Record keeping requirements must be maintained in accordance with record keeping policies.

\$5,001 - \$39,999

This category is for CEO and Directors to procure goods or services where the value of such procurement ranges between \$5,001 - \$39,999. Staff are not permitted to engage for procurements at this or any higher level.

At least three verbal or written quotations (or a combination of both) should be sought. Where this is not practical, e.g. due to limited suppliers, it must be noted through records relating to the process.

The general principles for obtaining verbal quotations are:

- ensure that the requirement / specification is clearly understood by the Shire of Christmas Island employee seeking the verbal quotations;
- ensure that the requirement is clearly, accurately and consistently communicated to each of the suppliers being invited to quote;
- read back the details to the Supplier contact person to confirm their accuracy; and
- written notes detailing each verbal quotation must be recorded.

Record keeping requirements must be maintained in accordance with record keeping policies.

The CEO and Directors may opt to directly purchase from a supplier, but must report so at the closest possible Council meeting following the procurement.

\$40,000 to \$99,999

For the procurement of goods or services where the between \$40,000 to \$99,999, CEO and Directors are required to obtain at least three written quotes.

The CEO and Directors may opt to directly purchase from a supplier, but must report at the closest possible Council meeting the procurement.

The CEO and Directors are expected to demonstrate due diligence seeking quotes and to comply with any record keeping and audit requirements. Record keeping requirements must be maintained in accordance with record keeping policies.

The Shire can still access a WALGA Preferred Supply Contract for these types of purchases.

NOTES: The general principles relating to written quotations are;

- An appropriately detailed specification should communicate requirement(s) in a clear, concise and logical fashion.
- The request for written quotation should include as a minimum:
 - Written Specification
 - Selection Criteria to be applied
 - Price Schedule
 - Conditions of responding
 - Validity period of offer
- Invitations to quote should be issued simultaneously to ensure that all parties receive an equal opportunity to respond.
- Offer to all prospective suppliers at the same time any new information that is likely to change the requirements.
- Responses should be assessed for compliance, then against the selection criteria, and then value for money and all evaluations documented.
- Respondents should be advised in writing as soon as possible after the final determination is made and approved.

\$100,000 to \$149,999

For the procurement of goods or services where the value exceeds \$100,000 but is less than \$149,999, Directors and the CEO are required to obtain at least three written quotations containing price and a sufficient amount of information relating to the specification of goods and services being purchased.

Record keeping requirements must be maintained in accordance with record keeping policies.

For this procurement range, the selection should not be based on price alone, and it is strongly recommended to consider some of the qualitative factors such as quality, stock availability, accreditation, time for completion or delivery, warranty conditions, technology, maintenance requirements, organisation's capability, previous relevant experience and any other relevant factors as part of the assessment of the quote.

\$150,000 and above

For the procurement of goods or services where the value will be \$150,000 or more, the CEO and Directors need to put the procurement to tender.

TRADES REGISTER

The Shire will maintain a Trades Register for the supply of electrical, plumbing, painting, mechanical, maintenance and construction goods and services provided by local businesses.

The Trades Register will be utilised to procure services valued at \$99,999 or less via the quotation system. Entry onto the Register will be restricted to businesses, persons or groups which meet nominated assessment criteria to ensure that they are suitably qualified and capable of carrying out quality work for the Shire.

Given the small size of the local economy, the administrative team will scan the business environment diligently for new businesses may be entered onto the Register at any time subject to meeting the assessment criteria.

The assessment criteria for entry onto the register shall include as a minimum but shall not be limited to:

- A current ABN or ACN;
- Currency of Public Liability insurance of not less than \$10M;
- Currency of Workers Compensation;
- Qualifications and experience of personnel.

REGULATORY COMPLIANCE

Tender Exemption

In the following instances public tenders or quotation procedures are not required (regardless of the value of expenditure):

- An emergency situation as defined by the Local Government Act 1995;
- The purchase is under a contract of WALGA (Preferred Supplier Arrangements), Department of Treasury and Finance (permitted Common Use Arrangements), Regional Council, or another Local Government;
- The purchase is under auction which has been authorised by Council;
- The contract is for petrol, oil, or other liquid or gas used for internal combustion engines;

- Any of the other exclusions under Regulation 11 of the Functions and General Regulations apply.

Sole Source of Supply (Monopoly Suppliers)

The procurement of goods and/or services available from only one private sector source of supply, (i.e. manufacturer, supplier or agency) is permitted without the need to call competitive quotations provided that there must genuinely be only one source of supply. Every endeavour to find alternative sources must be made. Written confirmation of this must be kept on file for later audit.

Anti-Avoidance

The Shire of Christmas Island shall not enter two or more contracts of a similar nature for the purpose of splitting the value of the contracts to take the value of consideration below the level of \$50,000.

Tender Criteria

The Shire of Christmas Island shall, before tenders are publicly invited, determine in writing the criteria for deciding which tender should be accepted.

An evaluation panel shall be established prior to the advertising of a tender and shall include a mix of skills and experience relevant to the nature of the purchase. The panel must contain a minimum of 3 members.

Advertising Tenders

Tenders are to be advertised in a state wide publication e.g. "The West Australian" newspaper, Local Government Tenders section, preferably on a Wednesday or Saturday.

Tenders must remain open for at least 14 full days after the date the tender is advertised.

The notice must include;

- a brief description of the goods or services required;
- information as to where and how tenders may be submitted;
- the date and time after which tenders cannot be submitted;
- particulars identifying a person from who more detailed information as to tendering may be obtained;
- detailed information shall include;
 - such information as the Shire of Christmas Island decides should be disclosed to those interested in submitting a tender;
 - detailed specifications of the goods or services required;
 - the criteria for deciding which tender should be accepted;
 - whether or not the Shire of Christmas Island has decided to submit a tender; and
 - whether or not tenders can be submitted by facsimile or other electronic means, and if so, how tenders may so be submitted.

As a general rule, advertising of tenders by statewide notice as required in the Regulations will be addressed by advertising in The Islander and by public notice. Where the goods or services are not available on Island, notice will be advertised off Island.

Issuing Tender Documentation

Tenders will not be made available (counter, mail, internet, referral, or other means) without a robust process to ensure the recording of details of all parties who acquire the documentation.

This is essential as if clarifications, addendums or further communication is required prior to the close of tenders, all potential tenderers must have equal access to this information in order for the Shire of Christmas Island not to compromise its duty to be fair.

Tender Deadline

A tender that is not received in full in the required format by the advertised Tender Deadline shall be rejected.

Opening of Tenders

No tenders are to be removed from the tender box, or opened (read or evaluated) prior to the Tender Deadline.

Tenders are to be opened in the presence of the Chief Executive Officer's delegated nominee and at least one other Council Officer. The details of all tenders received and opened shall be recorded in the Tenders Register.

Tenders are to be opened in accordance with the advertised time and place. There is no obligation to disclose or record tendered prices at the tender opening, and price information should be regarded as commercial-in-confidence to the Shire of Christmas Island. Members of the public are entitled to be present.

The Tenderer's Offer form, Price Schedule and other appropriate pages from each tender shall be date stamped and initialled by at least two Shire of Christmas Island Officers present at the opening of tenders.

No Tenders Received

Where the Shire of Christmas Island has invited tenders, however no compliant submissions have been received, direct purchases can be arranged on the basis of the following:

- a sufficient number of quotations are obtained;
- the process follows the guidelines for seeking quotations between \$40,000 & \$99,999 (listed above);
- the specification for goods and/or services remains unchanged;
- purchasing is arranged within 6 months of the closing date of the lapsed tender.

Tender Evaluation

Tenders that have not been rejected shall be assessed by the Shire of Christmas Island by means of a written evaluation against the pre-determined criteria. The tender evaluation panel shall assess each tender that has not been rejected to determine which tender is most advantageous.

Addendum to Tender

If, after the tender has been publicly advertised, any changes, variations or adjustments to the tender document and/or the conditions of tender are required, the Shire of Christmas Island may vary the initial information by taking reasonable steps to give each person who has sought copies of the tender documents notice of the variation.

Minor Variation

If after the tender has been publicly advertised and a successful tenderer has been chosen but before the Shire of Christmas Island and tenderer have entered into a Contract, a minor variation may be made by the Shire of Christmas Island.

A minor variation will not alter the nature of the goods and/or services procured, nor will it materially alter the specification or structure provided for by the initial tender.

Notification of Outcome

Each tenderer shall be notified of the outcome of the tender following Council resolution. Notification shall include:

- The name of the successful tenderer
- The total value of consideration of the winning offer

The details and total value of consideration for the winning offer must also be entered into the Tenders Register at the conclusion of the tender process.

Records Management

All records associated with the tender process or a direct purchase process must be recorded and retained. For a tender process this includes:

- Tender documentation;
- Internal documentation;
- Evaluation documentation;
- Enquiry and response documentation;
- Notification and award documentation.

For a direct purchasing process this includes:

- Quotation documentation;
- Internal documentation;
- Order forms and requisitions.

Record retention shall be in accordance with the minimum requirements of the State Records Act, and the Shire of Christmas Island's internal records management policy.

Keywords Tender, Goods and Services, Purchases

Related Policies FI1 regional Price Preference Policy

Related Procedures/
Documents Tender/Procurement Procedure
WALGA Purchasing and Tender Guide

Delegation Level Council, CEO

First endorsed by Council 13 March 2007

Version	Approved, Amended, Rescinded	Date	Officer	Resolution number	Key changes/ notes	Next Review date	File Ref No.
1	Approved	13/3/2007	CEO	30/07			2.11.12
2	Approved	26/9/2017	GRPG	88/17		2019	2.11.12
3	Approved	27/9/2022	GRPG	89/22		2024	2.11.12
4	Approved	24/10/2023	DGPG	100/23	Changes to thresholds based on advice from DFCS	2024	2.11.12

SHIRE OF CHRISTMAS ISLAND

RECORD OF QUOTATION OBTAINED FOR PURCHASE / EVALUATION REPORT TEMPLATE

In accordance with the procedures contained in Financial Policy 2 – Purchasing, the following quotations for goods/services have been obtained:

Goods/Services Required: **Draft a layout for a proposed Mini Golf course at the Foreshore Padang and design of a roundabout for the Murraby Road and Lam Lok Loh interesection.**

Account/Job Code	Account/Job Description

- Quotation Sought (fill as needed below) Sole Supplier
 Direct Purchase Decision

Date for next Council Meeting for Direct Purchase Decision Reporting 19-Dec-2023

Quotation No.	Date Received	Supplier	Amount
1123-1	22/11/2023	Calmy Planning & Design	\$8,300

AUTHORISATION FOR PURCHASE

Purchase Order Number:

Conflict of Interest Form: YES (required for RFQs/RFTs)
 NO



PURCHASING OFFICER



AUTHORISING OFFICER

Additional Purchasing Information:

Calmy Planning & Design was a Direct Purchase Decision because of their involvement in the previous design of the Forshore Padang for the Mini Golf Course and for their involvement in the TOS3 planning of the Roundabout design. Also as they were currently on Island and can complet the work off Island the work does not incur travel and flight costs.

PLEASE NOTE:

Upon completion, this form is to be forwarded to the Senior Account Officer along with all supporting quotations and purchase order.

Proposal

Calmy Planning & Design



Date 22/11/2023
 Client Shire of Christmas Island
 Contact David Price CEO

Job Title **Design Concepts - Foreshore Mini Golf & Drumsite Roundabout**

Locations Miniature Golf at the Foreshore Padang - Roundabout at the Murray Road / Lam Lok Loh intersection at Drumsite

Proposal No. 1123-1

Aim & Objective Miniature Golf - To encourage a greater usage of the foreshore by broadening the active recreation offerings in the vicinity of the bowling rink and respond to youth demand. Documentation suitable for seeking public comments.

Drumsite Roundabout - To rationalise of the road reservation in the Draft LPS at p.55. To improve road safety by; slowing through traffic on Murray Road, eliminating mining truck movements through the Drumsite POS, better protecting the children using the playground and allowing the orderly distribution of traffic for six origin/destination.

Timing **Jan-24**

Deliverables	Item	Hours	Budget
Hourly Rate:	1 Synthesise key findings of the June 2020 R. Chamberlain report	2	\$400
\$200	2 Visit, comment, document 3 selected Perth Metropolitan succesful facilities	4.5	\$900
	3 Enquiry with South Perth Collier Park Mini Golf (layout & specification)	3	\$600
	4 Establish Mini Golf layout for approx. 9 holes with measurements & landscaping	14	\$2,800
	5 Provide construction arrangements and specification options for synthetic surfaces	4	\$800
	6 Finalise document	3	\$600
	Sub-total		\$5,500
	7 Roundabout plan at scale with dimenssion and truck turning circles	11	\$2,200
	8 Identification of cadastre and services <i>60 1063150.</i>	3	\$600
	Sub-total		\$2,800
Disbursements	Nil		
Cost type		Total Lump Sum - Fees	\$8,300

SHIRE OF CHRISTMAS ISLAND

RECORD OF QUOTATION OBTAINED FOR PURCHASE / EVALUATION REPORT TEMPLATE

In accordance with the procedures contained in Financial Policy 2 – Purchasing, the following quotations for goods/services have been obtained:

Goods/Services Required: Upgrade and migration of the Shire 36 users from Office 10 to Office 365.

Account/Job Code	Account/Job Description
422650	Migration 36 users from Exchange 2010 to Office 365

- Quotation Sought (fill as needed below) Sole Supplier
 Direct Purchase Decision

Date for next Council Meeting for Direct Purchase Decision Reporting 19-Dec-2023

Quotation No.	Date Received	Supplier	Amount
OPP-027508	30 November 2023	NEC	\$22,978.00

AUTHORISATION FOR PURCHASE

Purchase Order Number:


Conflict of Interest Form: YES (required for RFQs/RFTs)
 NO

Additional Purchasing Information:


Due to operational systems failure of the Shire Incoming Email system there is a necessity to upgrade from Office 10 to Office 365.

NEC has been the Shire's sales partner for many years with them and they have intimate knowledge of all the workings of the Shire's servers.

With that background knowledge and the necessity to act quickly to address the operational system failure the decision to proceed with a Direct Purchase within the provisions of the Shire's financial Policy 2 - Purchasing was made.



 PURCHASING OFFICER



 AUTHORISING OFFICER

PLEASE NOTE:

Upon completion, this form is to be forwarded to the Senior Account Officer along with all supporting quotations and purchase order.

Prof. Services

Company: Shire of Christmas Island
 Contact: Darren Marsh
 Title: IT Officer
 Address:
 Email: darren@shire.gov.cx
 Phone (08) 9164 8300 ext 241

Quote Number: OPP-027508
 Revision: 0
 Quote Date: 30 Nov 2023
 Expiration Date: 14 Dec 2023
 Account Manager: Frida Barth

To accept this quote, please send your Purchase Order to Orders@nec.com.au

General Quote Items

Qty	Description	Unit Price (ex GST)	Extended Price (ex GST)
1	Project Costs Fees for the mailbox Migrations Services	\$22,978.00	\$22,978.00
TOTALS		Subtotal (ex GST)	\$ 22,978.00
		GST	\$ 2,297.80
		Total (inc GST)	\$ 25,275.80

Name:	Position:
Date:	Customer Reference:
Delivery Address:	Signature:

NEC Australia Pty Ltd, L7/111 St Georges Terrace, Perth WA 6000 ABN 86 001 217 527
 If you have any queries about this quote, please contact Quotes@nec.com.au, or your Sales Person shown below.
 Frida Barth Office: Mobile: 0451 018 847 Email: Frida.Barth@nec.com.au
 To view our terms and conditions, please visit <https://www.nec.com.au/about/legal/terms/business-terms>

Commercial in Confidence



SHIRE OF CHRISTMAS ISLAND

SUBMISSION TO	Ordinary Council Meeting 19 December 2023
AGENDA REFERENCE	10.2.1
SUBJECT	Schedule of Accounts - November 2023
LOCATION/ADDRESS/APPLICANT	N/A
FILE REFERENCE	3.1.14
INTEREST DISCLOSURE	None
DATE OF REPORT	4 December 2023
AUTHOR	Wei Ho, Assistant Director of FCS
SIGNATURE OF AUTHOR	SIGNED
SIGNATURE OF CEO	SIGNED

RECOMMENDATION

That Council approves the expenditure as presented in November 2023 Schedule of Accounts

BACKGROUND

The Local Government Act 1995 (WA)(CI) requires Council to maintain a Municipal Fund, a Reserve Fund and a Trust Fund and to manage and report on these accounts in accordance with this Act and Regulations.

Outstanding creditors as at 30 November 2023: **\$ 361,793.30**

COMMENT

A schedule of accounts is attached to this report, setting out expenditure from the Municipal and Trust Funds. This report is provided in compliance with the Act and Regulations.

STATUTORY ENVIRONMENT

Section 6.10 of the Local Government Act 1995 (WA)(CI) authorizes payment from Municipal and Trust Funds.

Regulation 12 of the Local Government (Financial Management) Regulations 1996 requires a local government to compile a list of Creditors each month.

Regulation 13 of the Local Government (Financial Management) Regulations 1996 requires that if a Local Government has delegated to the CEO the exercise of its power to make payments from the Municipal Fund or the Trust Fund, the CEO is to compile each month a list of accounts paid since the last payment such list was prepared.

POLICY IMPLICATIONS

There are no significant policy implications arising from this matter. The CEO is to ensure that all expenditure incurred is in accordance with the Annual Budget and any approved variations.

FINANCIAL IMPLICATIONS

The financial implications arising from expenditure from the Municipal, Reserve and Trust funds are reported on a monthly/quarterly basis to Council via Financial and cash flow statements in accordance with the Act and Regulations.

STRATEGIC IMPLICATIONS & MILESTONES

Objective 1 of the Government Environment is to “Provide good governance in line with the requirements of the Local Government Act and the culture of the Island”. Objective 4 of the same Environment is to “Effectively manage the resources of the Shire in line with the objectives of the Strategic Plan”.

VOTING REQUIREMENTS

A simple majority is required.

ATTACHMENTS

10.2.1.1 Certification of CEO and Chairperson of the Meeting.

10.2.1.2 Schedule of Accounts – November 2023 (including Credit Card Transaction in accordance with Financial Regulation 13A)

“Pursuant to s 5.25 (j) of the Local Government Act, and Regulation 14 (2) of the Local Government (Administration) Regulations, this attachment is not available to the public.”



SHIRE OF CHRISTMAS ISLAND

PO Box 863, Christmas Island

Indian Ocean 6798, Australia

All correspondence should be addressed to the Chief Executive Officer

Telephone: 08 9164 8300

Facsimile: 08 9164 8304

Website: www.shire.gov.cx

ATTACHMENT 10.2.1

CERTIFICATE OF CHIEF EXECUTIVE OFFICER

The Schedule of Accounts which has been paid under the delegation to make payment given to the Chief Executive Officer, covering vouchers numbered from:

#19770 to #19859 totalling	\$ 779661.94	(Municipal Fund Account)
Direct bank payment totalling	\$ 657392.08	(Municipal Fund Account)
#19833 to #19836 Credit Card totalling	\$ 8461.16	(Municipal Fund Account)

which was submitted to each member of the Council on 19 December 2023 has been checked and is fully supported by vouchers and invoices which have been duly certified as to the receipt of goods and the rendition of services and as to prices, computations and costings.

David Price
Chief Executive Officer
19/12/23

CERTIFICATE OF CHAIRPERSON OF COUNCIL MEETING (Being Chairperson of this meeting 19/12/23)

I hereby certify that this Schedule of Accounts covering vouchers numbered from:

#19770 to #19859 totalling	\$ 779661.94	(Municipal Fund Account)
Direct bank payment totalling	\$ 657392.08	(Municipal Fund Account)
#19833 to #19836 Credit Card totalling	\$ 8461.16	(Municipal Fund Account)

was submitted to the Council on 19 December 2023 and that the amounts are recommended to be passed by the Council.

Gordon Thomson *Azmi Yal*
Chairperson *Deputy President*
19/12/23

SCHEDULE OF ACCOUNTS - NOVEMBER 2023

**Pursuant to s5.25 (j) of the Local Government Act, and Regulation 14 (2) of the Local Government (Administration) Regulations,
this attachment is not available to the public.**

SOCI MUNICIPAL FUND ACCOUNT - EFT PAYMENTS

EFT	DATE	NAME	DESCRIPTION	AMOUNT
EFT19770	1/11/23	CLEAR NETWORKS PTY LTD	1/11/23-30/11/23 INTERNET SERVICE CHARGES FOR SKYMUSTER PLUS 150G PEAK 150G OFF PEAK-SHIRE DEPOT	206.56
EFT19771	2/11/23	AWARE SUPER/WA SUPER (VIA SUPERCHOICE)	SUPERANNUATION CONTRIBUTIONS	1182.57
EFT19772	3/11/23	MERCER SUPER TRUST (VIA QUICKSUPER)	SUPERANNUATION CONTRIBUTIONS	17554.08
EFT19773		AUSTRALIANSUPER (VIA QUICKSUPER)	SUPERANNUATION CONTRIBUTIONS	27549.70
EFT19774		UNION OF CHRISTMAS ISLAND WORKERS	PAYROLL DEDUCTIONS	865.25
EFT19775		DEPUTY COMMISSIONER OF TAXATION	PAYROLL DEDUCTIONS	96778.70
EFT19776		CBUS	SUPERANNUATION CONTRIBUTIONS	3028.31
EFT19777		ZENTNER SHIPPING PTY LTD	SEAFREIGHT FOR 2 X OPEN TOP CONTAINERS OF STEEL GUARD RAILS/2 X FCL DOC FEE/2 X FCL BAF/2 X CONTAINER DELIVERY ON ISLAND & 14.96M3 LCL CARGO & LCL BAF/21 X LCL DOC FEES/16X EDN FEES MV ASC LOTTI AL2304NB	55866.00
EFT19778		DHS OFFICIAL ADMINISTERED RECEIPTS CSA ACCOUNT	PAYROLL DEDUCTIONS	1458.04
EFT19779		CALMY PLANNING & DESIGN PTY LTD	CLAIM NO. 2-DRAFT LOCAL PLANNING STRATEGY-DRAFT PLANNING AREAS MAPS/REVIEW JUNE 2022 DRAFT LPS/PLANNING AREAS/OBJECTIVES, PRIORITIES & LIMITATIONS	13925.00
EFT19780		TUTT BRYANT EQUIPMENT (BT EQUIPMENT PTY LTD)	2 X SWITCH/FREIGHT-VEH: CI0868/10 X VALVE STEM/RUBBER/18 X ASSORTED FILTERS-VEH: CI0868/CI0198	1304.27
EFT19781		COASTLINE MOWERS	2 X LAMP FRONT COMBI/2 X LIGHT REAR COMBI RH/2 X LIGHT REAR COMBI RH/POSTAGE & HANDLING	764.50
EFT19782		SEA COUNTRY SOLUTIONS PTY LTD	FISHERIES MANAGEMENT-TECHNICAL SERVICES AND ADVICE (20%)	23064.40
EFT19783		TOTALLY WORKWEAR-MALAGA	23/24 PROTECTIVE CLOTHING & FOOTWEAR WITH EMB OF SOCI NAME/LOGO FOR C/WKS, P&G, MECH & PROJECTS CREW/RICHARD FOO TEE JONG	20796.17
EFT19784		LIVING THE DREAM SUPER FUND	SUPERANNUATION CONTRIBUTIONS	2561.39
EFT19785		DOWN TO EARTH TRAINING & ASSESSING	TRAINING RESOURCES-RII30920 CERTIFICATE III IN CIVIL CONSTRUCTION-ANWAR RAMLAN/CHRISTOPHER WONG	1016.36
EFT19786	10/11/23	SUZANE CHAN SOOK FEI	REIMB FOR PURCHASE OF ITEMS/VIRGIN PREPAID BAGGAGE FOR 2023 STAFF AWARDS PARTY ON 1/12/23	599.97
EFT19787		NEC AUSTRALIA PTY LTD	HPE HARDWARE & REMOTE TECH SUPPORT RENEWAL FROM 1/10/23 TO 30/9/24	17810.82
EFT19788		PETER TAN CHENG HAR	REIMB FOR PURCHASE OF GROCERIES/MISC SUPPLIES FOR PROJECT CREW BBQ ON 9/11/23	180.00
EFT19789		GREGORY CI MAINTENANCE (GCIM)	SUPPLIED TILES FOR G/FAM TEA ROOM KITCHEN AREA/1 BAG OF GROUT/2 X STEEL MESH FOR LILY BEACH PROJECT	398.00
EFT19790		SHO YIT MENG	REIMB SINGLE FOCAL LENSES PRESCRIPTION SPECTACLES	105.00
EFT19791		SHOREFIRE	VERSAFUX MACHETE-GARRY FOO/WASH DOWN PUMP KIT-PETER TAN	384.00
EFT19792		POWERHOUSE MIDLAND	VARIOUS PARTS FOR PAVELINE BITUMEN EMULSION SYSTEM	2675.21
EFT19793		SIMON PRINCE	PA HIRE & OPERATION FOR TERRITORY WEEK OPENING NIGHT ON 29/9/23, TERRITORY WEEK PERFORMANCES ON 30/9/23 & COVE DAY ON 2/10/23	500.00
EFT19794		INDIAN OCEAN GROUP TRAINING ASSN	WAGES FOR FORTNIGHT ENDING 22/10/23 (75HRS)-MUHAMMAD IDI FIRDAUS MD IDRIS	2821.50
EFT19795		C I SUPERMARKET (EVERCROWN GROUP P/L)	2 X ARNOTTS FAMILY ASST 500GM & 2 X MOUNT FRANKLIN SPRING WATER 24X600ML/6 X D/DALE MILK F/CREAM UHT 10X1L/2 X B/GOLD WHITE SUGAR 2KG	320.70
EFT19796		FREIGHTSHOP	AIRFREIGHT/DOC FEE/EDN/COURIER-GRAB RAILS FOR DISABLED/MOTOR PARTS/MACHINERY PARTS/FILTERS/SIGNS	2061.53
EFT19797		KOOKAI'Z CAFE	MIXED SANDWICHES PLATTER/SEAFOOD BASKET FOR CITIZENSHIP CEREMONY ON 1/11/23	95.00
EFT19798		KOMATSU AUSTRALIA PTY LTD	4 X TUBE/4 X CLAMP/3 X HOSE/12 X PLUG/10 X O RING/FREIGHT-KOMATSU EXCAVATOR	3470.12
EFT19799		BOC LIMITED	OXYGEN INDUSTRIAL G SIZE (BAR CODE: 9203134551)/FUEL SURCHARGE/DELIVERY CHARGE GAS AGENTS-SHIRE DEPOT WORKSHOP	474.67
EFT19800		TROPHY SHOP AUSTRALIA (THE TROPHY HOUSE)	ENGRAVING FOR 5 X SHIRE COUNCIL HONOUR BOARD NAME & YEAR UPDATE/500G EXPRESS ENVELOPE	58.00
EFT19801		EIJAS ABDUL RAZAK	REIMB RENEWAL OF REFRIGERANT HANDLING LICENCE FOR 2 YEARS-EIJAS ABDUL RAZAK	166.00
EFT19802		BRAND REPUBLIC PTY LTD	50 X EXPRESS CUP-NATURA 480ML REUSABLE SHIRE PRINTED COFFEE CUP/FREIGHT INCLUDED TO FREIGHTSHOP	420.00

<u>EFT</u>	<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
EFT19803	17/11/23	MERCER SUPER TRUST (VIA QUICKSUPER)	SUPERANNUATION CONTRIBUTIONS	22488.82
		AUSTRALIANSUPER (VIA QUICKSUPER)	SUPERANNUATION CONTRIBUTIONS	36852.84
		SUZANE CHAN SOOK FEI	3 X WORK SKIRT ALTERATIONS FOR KARIN LWIN	60.00
		UNION OF CHRISTMAS ISLAND WORKERS	PAYROLL DEDUCTIONS	865.25
		DEPUTY COMMISSIONER OF TAXATION	PAYROLL DEDUCTIONS	93672.88
		CHRISTMAS ISLAND PHOSPHATES	5 X SEAL GASKET-VEH: C11635/2 X TYRE BOBCAT 12-16.5 12PR-VEH: C12396	1245.25
		SCARBORO TOYOTA (REGENT MOTORS)	30 X RUBBER WIPER BLADE/EXPRESS POST	460.40
		INDIAN OCEAN GROUP TRAINING ASSN	COURSE FEES FOR LICENCE TO A BOOM-TYPE ELEVATING WORK PLATFORM 24/10/23 & 25/10/23-MUHAMMAD IDI FIRDAUS MD IDRIS & LICENCE TO PERFORM DOGGING (CPCCLDG3001) 30/10/23-3/11/23 FOR MOHD RASHIDI ABDOL RAHMAN	3345.00
		FREIGHTSHOP	AIRFREIGHT/DOC FEE/EDN-HOSES FROM ATOM SUPPLY	535.25
		CALMY PLANNING & DESIGN PTY LTD	CLAIM NO. 3-DRAFT LOCAL PLANNING STRATEGY-24 OCT TO 4 NOV CI VISIT/90% PROGRESS DRAFT LPS-PART 2/DISBURSEMENTS	7202.00
		ATOM SUPPLY	2 X 25MM & 2 X 50MM SS SINGLE BRAID HOSE ASSY C/W S/STEEL CAMS EA END 6MTR-BITUMEN SPRAYER	3200.00
		TALISHIA ZARB FILMS	GRAPHIC DESIGN ON 8/11/23 FOR IOTHS ENLARGED LOGO FOR PRINTING SENIORS CUPS FOR CHRISTMAS GIFT	104.00
		SOFTFALLGUYS	1 X TOP BLADE/2 X STANDRADR BLADE/6 X MIXER SPRINGS/FREIGHT COST-ROTOTUB 60SFG	896.00
		CHEN JINGHUA (SUNNIE)	CHINESE TRANSLATION FOR PUBLIC NOTICES & DOCUMENTS	723.50
		FILTER SUPPLIES (WA) PTY LTD	38 X ASSORTED FILTERS-VEH: C10549/C10238	772.75
		ECOFLO WASTEWATER MANAGEMENT PTY LTD	50% DEPOSIT FOR DISABLED FURNITURE PACKAGE/SINGLE CUBICLE ULTRA SHEETING & ACCESSORIES/FREIGHT OUT/PACKING, HANDLING & STORAGE/ENGINEERING CONSULTANT/SPARE PARTS/PLUMBING FITTINGS (REFER COUNCIL RES #76/23 ON 26/9/23)	34318.89
		BIOSPHERICS PTY LTD	MILESTONE 1 COMPLETION OF FIELD TRIP & PROVISION OF TRIP REPORT FOR FISH STOCK ASSESSMENT PROGRAM	19978.00
EFT19820	20/11/23	TELSTRA	TEL/FAX/MOBILE USAGE CHARGES TO 1/11/23/SVS & EQPT RENTAL TO 1/12/23	523.26
EFT19821		PIVOTEL SATELLITE PTY LTD	ACCESS FEES FOR 5 X THURAYA CASUAL CHARGE 1/11/23-30/11/23	75.00
EFT19822	24/11/23	KHAIRUL RAZIQIN MOHD HAJIL	REIMB FOR HR DRIVERS LICENCE APPLICATION (NO. 5203)	81.10
EFT19823		GREGORY CI MAINTENANCE (GCIM)	REPLACED HOSE REEL AT P&G WORKSHOP AT SHIRE DEPOT	852.25
EFT19824		CHRISTMAS ISLAND HARDWARE	OCT 23 HARDWARE SUPPLIES	6783.25
EFT19825		ST JOHN AMBULANCE WESTERN AUSTRALIA LTD	2 X FIRST AID KITS-OLIVIER LINES	181.80
EFT19826		INDIAN OCEAN GROUP TRAINING ASSN (FOR TRAINING COURSES)	PROVIDE CARDIOPULMONARY RESUSCITATION (HLTAID009) ON 1/11/23-SUJANGI BUANG/MOHAMED OTHMAN DARDAK/FOO SAY WAH/OOI GUAN SENG/ANWAR RAMLAN/AMRAN WAHID/CRAIG WOOD	1050.00
EFT19827		TROPHY CHOICE	10 X ENGRAVING ADDITIONAL ENGRAVED PLATES FOR PREVIOUSLY SUPPLIED MEDALS/DELIVERY	52.50
EFT19828		INDIAN OCEAN OIL COMPANY	OCT 23 DIESEL TO DEPOT BOWSER & SHIRE MACHINERIES/PETROL & DIESEL FROM SERVICE STATION BOWSER/MAINTENANCE FEES	37047.32
EFT19829		METAL WISE DESIGNS	2 X STAINLESS PLATES 10MM 830 X 815MM/DELIVERY TO ZENTNER	1340.00
EFT19830		KOOKAI'Z CAFE	40 X CHOCOLATE BROWNIE/40 X FRENCH VANILLA CHEESECAKE IN SUPPORT OF MENS HEALTH NIGHT AT CLA ON 12/11/23	240.00
EFT19831		BAHASA MELAYU TRANSLATIONS	MALAY TRANSLATION FOR PUBLIC NOTICES & DOCUMENTS IN OCT 23	524.20
EFT19832		BRAND REPUBLIC PTY LTD	150 X IRIS CUP WITH SOCI COLOUR PRINTED LOGO/DELIVERY TO FREIGHTSHOP FOR 2023 STAFF AWARDS PARTY ON 1/12/23	853.50
EFT19837	30/11/23	MERCER SUPER TRUST (VIA QUICKSUPER)	SUPERANNUATION CONTRIBUTIONS	26630.98
EFT19838		CHRISTMAS ISLAND PLUMBING	RESEAT & SERVICE SHOWER & BATHTUB TAPS/REPLACE HANDLES & FLANGES ON BATHTUB TAPS	529.90
EFT19839		CHRISTMAS ISLAND POST OFFICE	SAMSUNG GALAXY A54 5G MOBILE PHONE (S/NO. RZCW726MEYP) FOR SHAHRIN JAMIL (FISHERIES RANGER USE)	1069.95
EFT19840		AUSTRALIA POST	5/10/23-20/10/23 BULK POSTAGE CHARGES	131.64
EFT19841		AUSTRALIANSUPER (VIA QUICKSUPER)	SUPERANNUATION CONTRIBUTIONS	25769.92
EFT19842		SOUTH POINT SOON TIAN KONG TEMPLE	COMMUNITY ASSISTANCE FOR "KANG TIAN TAI DI" GOD'S BIRTHDAY CELEBRATION ON 7/12/23	5000.00
EFT19843		UNION OF CHRISTMAS ISLAND WORKERS	PAYROLL DEDUCTIONS	2215.25
EFT19844		DEPUTY COMMISSIONER OF TAXATION	PAYROLL DEDUCTIONS	84358.97
EFT19845		CBUS	SUPERANNUATION CONTRIBUTIONS	2333.74
EFT19846		WA LOCAL GOVERNMENT ASSOCIATION (WALGA)	COUNCIL MEMBER ESSENTIALS ANNUAL eLEARNING SUBSCRIPTION (1 NOV 23-31 OCT 24)	6300.00
EFT19847		INDIAN OCEAN GROUP TRAINING ASSN (FOR APPRENTICE WAGES)	WAGES FOR FORTNIGHT ENDING 8/10/23, 5/11/23 & 19/11/23/REIMBURSEMENT OF COURSE FEES (CIII ENGRG-SEMESTER 2)- MUHAMMAD IDI FIRDAUS MD IDRIS	8641.25
EFT19848		MOORE AUSTRALIA (WA) PTY LTD	2023 NUTS & BOLTS WORKSHOP ON 24/11/23 LIVESTREAM ATTENDANCE-WEI HO	1050.00
EFT19849		OWNERS OF STRATA PLAN 29532	JUL 23-DEC 23 STRATA TITLE FEES-UNIT 2/112 GAZE RD	600.00

<u>EFT</u>	<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
EFT19850	30/11/23	DHS OFFICIAL ADMINISTERED RECEIPTS CSA ACCOUNT	PAYROLL DEDUCTIONS	897.08
EFT19851		OLIVIER WILLIAM LINES	REIMB WORK SHOES (FY 23/24 UNIFORM ALLOW)	278.75
EFT19852		BOC LIMITED	1 X E2 SIZE & 1 X G SIZE OXYGEN INDUSTRIAL/1 X INDUSTRIAL ARGON G2 SIZE/1 X DISSOLVED ACETYLENE E SIZE CONTAINER SERVICE-DAILY TRACKING FOR PERIOD 28/9/23 TO 28/10/23 (31 DAYS)	114.03
EFT19853		INDIAN OCEAN AIR CONDITIONING	REPAIR MULTIPAC ROLLER AIRCON NOT COLD-VEH: CI0870/MUSTANG AIRCON NOT COLD/AIRCON LEAKING IN OLIVIER LINE'S OFFICE	4635.00
EFT19854		TERRITORIES COURIER SERVICES (TCS)	106 X ASSORTED CAPS/60 X FLAGS-AUSTRALIA THE GIFT/1000 X BBQ SAUSAGES-ISMAIL'S BUTCHERS-PURCHASE, ADMIN & DELIVERY TO FREIGHTSHOP/LABELLING/PACKAGING OF ITEMS/COMPLETION OF SHIPPERS	2463.69
EFT19855		CIFI PTY LTD	1/11/23-30/11/23 INTERNET CHARGES FOR SOCI D1, D2 & D3/GEORGE FAM OFFICES/COMMUNITY HALL SENIORS/SHIRE DEPOT	2094.50
EFT19856		LIVING THE DREAM SUPER FUND	SUPERANNUATION CONTRIBUTIONS	2020.46
EFT19857		DOWN TO EARTH TRAINING & ASSESSING	COURSE FEES FOR CONSTRUCTION CERTIFICATE III FROM 9/10/23 TO 13/10/23-CHRISTOPHER WONG/ANWAR RAMLAN	728.00
EFT19858		MWF GENERAL ENGINEERING	BALANCE PAYMENT FOR NEW STANDARD AGGREGATE SPREADER/FREIGHT TO ZENTNER SHIPPING	24582.00
EFT19859		NIENA'S SUGAR BOM	CUSTARD HORNS/CARAMEL SLICES/CHUNKY BROWNIES/MINI BAKED CHEESECAKE FOR 2023 STAFF AWARD PARTY ON 1/12/23	430.00
				779661.94

CHARGES DEBITED TO SOCI MUNICIPAL FUND ACCOUNT

<u>BANK STATEMENT</u>	<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
1631	1/11/23	WESTPAC BANKING CORPORATION	ACTIVITY FEE-REFER ANALYSIS & FEE STMT	30.40
		WESTPAC BANKING CORPORATION	MONTHLY PLAN FEE-TRUST A/C	10.00
		WESTPAC BANKING CORPORATION	MONTHLY PLAN FEE-MUNI A/C	20.00
		WESTPAC BANKING CORPORATION	MERCHANT FEES 25325978FEE	81.59
	2/11/23	WESTPAC BANKING CORPORATION	PAY ENDING 29/10/23	233540.76
1633	16/11/23	WESTPAC BANKING CORPORATION	PAY ENDING 12/11/23	218626.92
1635	30/11/23	WESTPAC BANKING CORPORATION	PAY ENDING 26/11/23	205082.41
				657392.08

**CREDIT CARD PAYMENTS FROM 11/10/23 TO 10/11/23 APPROVED BY CARDHOLDER HO CHIA VEE
EFT19833 TO EFT19836 DATED 28/11/23**

**Pursuant to s5.25 (j) of the Local Government Act, and Regulation 13A of the Local Government (Financial Management) Regulations 1996,
this attachment is not available to the public.**

<u>EFT</u>	<u>STMT DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
EFT19833	28/11/23	DoITRDC&A (INDIAN OCEAN TERRITORIES ADMIN)	VEH REGN RENEWAL-VEH: CI0968	550.60
EFT19834		LANDGATE (WA LAND INFORMATION AUTHORITY)	CERTIFICATE OF TITLE LR3174/704, LOT 610 ON DEPOSITED PLAN 44641 TO ASSIST IN AUDIT PROCESS FOR VAGABOND WASTE TIP SITE	30.50
EFT19835		VIRGIN AUSTRALIA	AIRFARES FOR GORDON THOMSON/DAVID PRICE/SU ZHONG XIONG	7425.31
EFT19836		BOOKTOPIA PTY LTD	14 X BOOKS FROM BOOKTOPIA PTY LTD	454.75
				8461.16



SHIRE OF CHRISTMAS ISLAND

SUBMISSION TO	Ordinary Council Meeting 19 December 2023
AGENDA REFERENCE	10.2.2
SUBJECT	Financial Statements –November 2023
LOCATION/ADDRESS/APPLICANT	N/A
FILE REFERENCE	3.1.14
INTEREST DISCLOSURE	None
DATE OF REPORT	8 December 2023
AUTHOR	Wei Ho, Assistant Director of FCS
SIGNATURE OF AUTHOR	SIGNED
SIGNATURE OF CEO	SIGNED

RECOMMENDATION

That Council receives the Financial Statements of November 2023.

BACKGROUND

The Local Government Act 1995 (WA)(CI) requires the local government to prepare a monthly or a quarterly financial report in accordance with this Act, Financial Regulations and other relevant legislation.

COMMENT

A monthly or a quarterly financial report is attached to this report, setting out expenditure from the Municipal and Trust Funds. This report is provided in compliance with the Act and Regulations. Also included is a status report on Asset Acquisition expenditure for the period.

This financial statement are prepared in a new accrual type format including the statement of financial activity (operating income and expenditure) and statement of financial position (balance sheet).

This new format provides council with a more comprehensive of financial information and is in line with all other local government monthly financial report.

STATUTORY ENVIRONMENT

Section 6.4 of the Local Government Act 1995 (WA) (CI) requires a local government to prepare a financial report.

Regulation 34 of the Local Government (Financial Management) Regulations 1996 requires a local government to prepare a monthly or a quarterly financial report.

Regulation 35 of the Local Government (Financial Management) Regulations 1996 requires the local government to prepare the quarterly report in the form as set out.

POLICY IMPLICATIONS

There are no significant policy implications arising from this matter. Each Manager and the CEO are to ensure that the expenditure is incurred in accordance with the Annual Budget and or any variations as approved.

FINANCIAL IMPLICATIONS

The financial implications arising from expenditure from the Municipal and Trust funds are reported on a monthly/quarterly basis to Council via Financial and cash flow statements in accordance with the Act and Regulations.

STRATEGIC IMPLICATIONS & MILESTONES

Objective 1 of the Government environment is to “Provide good governance in line with the requirements of the Local Government Act and the culture of the Island”. Objective 4 of the same Environment is to “Effectively manage the resources of the Shire in line with the objectives of the Strategic Plan”.

VOTING REQUIREMENTS

A simple majority is required.

ATTACHMENTS

10.2.2.1 Financial Statements November 2023.

SHIRE OF CHRISTMAS ISLAND

MONTHLY FINANCIAL REPORT

(Containing the required statement of financial activity and statement of financial position)

For the period ended 30 November 2023

LOCAL GOVERNMENT ACT 1995

LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

TABLE OF CONTENTS

Statements required by regulation

Statement of Financial Activity	2
Statement of Financial Position	3
Note 1 Basis of Preparation	4
Note 2 Statement of Financial Activity Information	5
Note 3 Explanation of Material Variances	6

SHIRE OF CHRISTMAS ISLAND
STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 NOVEMBER 2023

	Supplementary Information	Adopted Budget Estimates (a) \$	YTD Budget Estimates (b) \$	YTD Actual (c) \$	Variance* \$ (c) - (b)	Variance* % ((c) - (b))/(b)	Var.
OPERATING ACTIVITIES							
Revenue from operating activities							
General rates	10	1,847,948	1,847,948	1,849,856	1,908	0.10%	
Grants, subsidies and contributions	12	8,686,178	3,606,496	4,211,224	604,728	16.77%	▲
Fees and charges		1,071,262	446,400	930,408	484,008	108.42%	▲
Interest revenue		43,656	18,405	32,478	14,073	76.46%	▲
Other revenue		58,735	16,165	16,074	(91)	(0.56%)	
Profit on asset disposals	6	5,575	0	0	0	0.00%	
		11,713,354	5,935,414	7,040,040	1,104,626	18.61%	
Expenditure from operating activities							
Employee costs		(8,556,758)	(3,427,863)	(3,105,414)	322,449	9.41%	▲
Materials and contracts		(2,906,777)	(716,467)	(449,980)	266,487	37.19%	▲
Utility charges		(113,552)	(51,438)	(44,879)	6,559	12.75%	▲
Depreciation		(1,779,000)	(741,086)	(646,308)	94,778	12.79%	▲
Insurance		(171,646)	(78,350)	(206,766)	(128,416)	(163.90%)	▼
Other expenditure		(450,809)	(129,199)	(612,080)	(482,881)	(373.75%)	▼
Loss on asset disposals	6	0	0	(13,006)	(13,006)	0.00%	▼
		(13,978,542)	(5,144,403)	(5,078,433)	65,970	1.28%	
Non-cash amounts excluded from operating activities	Note 2(b)	1,773,425	741,086	659,314	(81,772)	(11.03%)	▼
Amount attributable to operating activities		(491,763)	1,532,097	2,620,921	1,088,824	71.07%	
INVESTING ACTIVITIES							
Inflows from investing activities							
Proceeds from capital grants, subsidies and contributions	13	1,582,914	659,448	149,051	(510,397)	(77.40%)	▼
Proceeds from disposal of assets	6	35,079	35,079	0	(35,079)	(100.00%)	▼
		1,617,993	694,527	149,051	(545,476)	(78.54%)	
Outflows from investing activities							
Payments for property, plant and equipment	5	(1,652,104)	(441,480)	(262,157)	179,323	40.62%	▲
Payments for construction of infrastructure	5	(1,232,914)	(513,714)	(369,134)	144,580	28.14%	▲
Amount attributable to investing activities		(1,267,025)	(260,667)	(482,240)	(221,573)	(85.00%)	
FINANCING ACTIVITIES							
Inflows from financing activities							
Transfer from reserves	4	400,000	0	0	0	0.00%	
		400,000	0	0	0	0.00%	
Outflows from financing activities							
Transfer to reserves	4	(929,733)	0	0	0	0.00%	
		(929,733)	0	0	0	0.00%	
Amount attributable to financing activities		(529,733)	0	0	0	0.00%	
MOVEMENT IN SURPLUS OR DEFICIT							
Surplus or deficit at the start of the financial year		2,294,274	2,294,274	2,410,554	116,280	5.07%	▲
Amount attributable to operating activities		(491,763)	1,532,097	2,620,921	1,088,824	71.07%	▲
Amount attributable to investing activities		(1,267,025)	(260,667)	(482,240)	(221,573)	(85.00%)	▼
Amount attributable to financing activities		(529,733)	0	0	0	0.00%	
Surplus or deficit after imposition of general rates		5,753	3,565,704	4,549,235	983,531	27.58%	▲

KEY INFORMATION

▲▼ Indicates a variance between Year to Date (YTD) Budget and YTD Actual data as per the adopted materiality threshold.

* Refer to Note 3 for an explanation of the reasons for the variance.

This statement is to be read in conjunction with the accompanying Financial Statements and Notes.

**SHIRE OF CHRISTMAS ISLAND
STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDED 30 NOVEMBER 2023**

	Supplementary Information	30 June 2023	30 November 2023
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	7,575,610	9,893,113
Trade and other receivables		247,846	357,713
Inventories	8	441,417	426,745
Other assets	8	9,726	8,588
TOTAL CURRENT ASSETS		8,274,599	10,686,159
NON-CURRENT ASSETS			
Other financial assets		23,600	23,600
Property, plant and equipment		14,730,799	14,797,867
Infrastructure		22,924,527	22,823,709
TOTAL NON-CURRENT ASSETS		37,678,926	37,645,176
TOTAL ASSETS		45,953,525	48,331,335
CURRENT LIABILITIES			
Trade and other payables	9	428,309	361,793
Other liabilities	11	286,029	728,596
Employee related provisions	11	1,996,788	1,996,787
TOTAL CURRENT LIABILITIES		2,711,126	3,087,176
NON-CURRENT LIABILITIES			
Employee related provisions		30,977	30,977
TOTAL NON-CURRENT LIABILITIES		30,977	30,977
TOTAL LIABILITIES		2,742,103	3,118,153
NET ASSETS		43,211,422	45,213,428
EQUITY			
Retained surplus		14,516,944	16,518,950
Reserve accounts	4	4,884,658	4,884,658
Revaluation surplus		23,809,820	23,809,820
TOTAL EQUITY		43,211,422	45,213,428

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

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY FOR THE PERIOD ENDED 30 NOVEMBER 2023

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

This prescribed financial report has 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*, prescribe 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 where no inconsistencies exist.

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 Shire to measure any vested improvements at zero cost.

Local Government (Financial Management) Regulations 1996, regulation 34 prescribes contents of the financial report. Supporting information does not form part of the financial report.

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.

THE LOCAL GOVERNMENT REPORTING ENTITY

All funds through which the Shire 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 14 to these financial statements.

Judgements and estimates

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

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

The balances, transactions and disclosures impacted by accounting estimates are as follows:

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation of fair values of land and buildings, infrastructure and investment property
- estimation uncertainties made in relation to lease accounting
- estimated useful life of intangible assets

SIGNIFICANT ACCOUNTING POLICES

Significant accounting policies utilised in the preparation of these statements are as described within the 2023-24 Annual Budget. Please refer to the adopted budget document for details of these policies.

PREPARATION TIMING AND REVIEW

Date prepared: All known transactions up to 00 January 1900

SHIRE OF CHRISTMAS ISLAND
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 NOVEMBER 2023

2 STATEMENT OF FINANCIAL ACTIVITY INFORMATION

	Supplementary Information	Adopted Budget Opening 30 June 2023	Last Year Closing 30 June 2023	Year to Date 30 November 2023
		\$	\$	\$
(a) Net current assets used in the Statement of Financial Activity				
Current assets				
Cash and cash equivalents	3	873,084	7,575,610	9,893,113
Trade and other receivables		247,846	247,846	357,713
Other financial assets		23,600	0	0
Inventories	8	441,417	441,417	426,745
Other assets	8		9,726	8,588
		1,585,947	8,274,599	10,686,159
Less: current liabilities				
Trade and other payables	9	(427,461)	(428,309)	(361,793)
Other liabilities	11	(286,629)	(286,029)	(728,596)
Employee related provisions	11	(1,996,787)	(1,996,788)	(1,996,787)
		(2,710,877)	(2,711,126)	(3,087,176)
Net current assets		(1,124,930)	5,563,473	7,598,983
Less: Total adjustments to net current assets	Note 2(c)	1,130,864	(3,152,919)	(3,049,748)
Closing funding surplus / (deficit)		5,934	2,410,554	4,549,235

(b) Non-cash amounts excluded from operating activities

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

	Adopted Budget	YTD Budget (a)	YTD Actual (b)
	\$	\$	\$
Non-cash amounts excluded from operating activities			
Adjustments to operating activities			
Less: Profit on asset disposals	6	(5,575)	0
Add: Loss on asset disposals	6	0	13,006
Add: Depreciation		1,779,000	646,308
Total non-cash amounts excluded from operating activities		1,773,425	659,314

(c) Current assets and liabilities excluded from budgeted deficiency

The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.

	Adopted Budget Opening 30 June 2023	Last Year Closing 30 June 2023	Year to Date 30 November 2023
	\$	\$	\$
Adjustments to net current assets			
Less: Reserve accounts	4	(4,884,658)	(4,884,658)
- Current financial assets at amortised cost - self supporting loans			
Other Liabilities -balancing			103,171
Add: Current liabilities not expected to be cleared at the end of the year:			
- Current portion of employee benefit provisions held in reserve	4	1,731,739	1,731,739
Total adjustments to net current assets	Note 2(a)	(3,152,919)	(3,049,748)

CURRENT AND NON-CURRENT CLASSIFICATION

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. Unless otherwise stated assets or liabilities are classified as current if expected to be settled within the next 12 months, being the Council's operational cycle.

SHIRE OF CHRISTMAS ISLAND
 NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
 FOR THE PERIOD ENDED 30 NOVEMBER 2023

3 EXPLANATION OF MATERIAL VARIANCES

The material variance thresholds are adopted annually by Council as an indicator of whether the actual expenditure or revenue varies from the year to date actual materially.
 The material variance adopted by Council for the 2023-24 year is \$10,000 or 5.00% whichever is the greater.

Description	Var. \$	Var. %	
	\$	%	
Revenue from operating activities			
Grants, subsidies and contributions	604,728	16.77%	▲ Financial Assistance Grant paid in 2 Instalments change cashflow
Fees and charges	484,008	108.42%	▲ Full Year charges for waste services linked to rates notices, change cashflow
Interest revenue	14,073	76.46%	▲ Increase in interest rates
Expenditure from operating activities			
Employee costs	322,449	9.41%	▲ Employment Oncosts well under budget and underspend in admin, parks & gardens and public works overheads
Materials and contracts	266,487	37.19%	▲ Underspend due to classification between this under other expenses category
Utility charges	6,559	12.75%	▲ Slightly under budget
Depreciation	94,778	12.79%	▲ Slightly under budget
Insurance	(128,416)	(163.90%)	▼ Need to change cashflow as invoice for insurance received in July
Other expenditure	(482,881)	(373.75%)	▼ Underspend due to classification between this under other materials & contracts category
Loss on asset disposals	(13,006)	0.00%	▼
Non-cash amounts excluded from operating activities	(81,772)	(11.03%)	▼ Depreciation expense less than budget
Inflows from investing activities			
Proceeds from capital grants, subsidies and contributions	(510,397)	(77.40%)	▼ Major capital works, LRCIP4, R2R and CRA works not started as yet
Proceeds from disposal of assets	(35,079)	(100.00%)	▼
Outflows from investing activities			
Payments for property, plant and equipment	179,323	40.62%	▲ Majority of capital works projects and acquisitions have not started as yet
Payments for construction of infrastructure	144,580	28.14%	▲ Slightly under budget
Surplus or deficit at the start of the financial year	116,280	5.07%	▲ Increase in surplus following audit
Surplus or deficit after imposition of general rates	983,531	27.58%	▲ Increase of revenue over expenditure at end of this reporting period.
Due to variances described above			

SHIRE OF CHRISTMAS ISLAND
SUPPLEMENTARY INFORMATION

TABLE OF CONTENTS

1	Key Information	8
2	Key Information - Graphical	9
3	Cash and Financial Assets	10
4	Reserve Accounts	11
5	Capital Acquisitions	12
6	Disposal of Assets	14
7	Receivables	15
8	Other Current Assets	16
9	Payables	17
10	Rate Revenue	18
11	Other Current Liabilities	19
12	Grants and contributions	20
13	Capital grants and contributions	21
14	Trust Fund	22

SHIRE OF CHRISTMAS ISLAND
SUPPLEMENTARY INFORMATION
FOR THE PERIOD ENDED 30 NOVEMBER 2023

1 KEY INFORMATION

Funding Surplus or Deficit Components

Funding surplus / (deficit)				
	Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
Opening	\$2.29 M	\$2.29 M	\$2.41 M	\$0.12 M
Closing	\$0.01 M	\$3.57 M	\$4.55 M	\$0.98 M

Refer to Statement of Financial Activity

Cash and cash equivalents		
	\$	% of total
Unrestricted Cash	\$5.01 M	50.6%
Restricted Cash	\$4.88 M	49.4%

Refer to 3 - Cash and Financial Assets

Payables	
	% Outstanding
Trade Payables	\$0.36 M
0 to 30 Days	28.0%
Over 30 Days	72.0%
Over 90 Days	1.6%

Refer to 9 - Payables

Receivables		
	\$	% Collected
Rates Receivable	\$0.24 M	87.8%
Trade Receivable	\$0.12 M	% Outstanding
Over 30 Days		12.3%
Over 90 Days		6.2%

Refer to 7 - Receivables

Key Operating Activities

Amount attributable to operating activities			
Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
(\$0.49 M)	\$1.53 M	\$2.62 M	\$1.09 M

Refer to Statement of Financial Activity

Rates Revenue		
	\$	% Variance
YTD Actual	\$1.85 M	0.1%
YTD Budget	\$1.85 M	

Refer to 10 - Rate Revenue

Grants and Contributions		
	\$	% Variance
YTD Actual	\$4.21 M	16.8%
YTD Budget	\$3.61 M	

Refer to 12 - Grants and Contributions

Fees and Charges		
	\$	% Variance
YTD Actual	\$0.93 M	108.4%
YTD Budget	\$0.45 M	

Refer to Statement of Financial Activity

Key Investing Activities

Amount attributable to investing activities			
Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
(\$1.27 M)	(\$0.26 M)	(\$0.48 M)	(\$0.22 M)

Refer to Statement of Financial Activity

Proceeds on sale		
	\$	%
YTD Actual	\$0.00 M	
Adopted Budget	\$0.04 M	(100.0%)

Refer to 6 - Disposal of Assets

Asset Acquisition		
	\$	% Spent
YTD Actual	\$0.37 M	70.1%
Adopted Budget	\$1.23 M	

Refer to 5 - Capital Acquisitions

Capital Grants		
	\$	% Received
YTD Actual	\$0.15 M	90.6%
Adopted Budget	\$1.58 M	

Refer to 5 - Capital Acquisitions

Key Financing Activities

Amount attributable to financing activities			
Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
(\$0.53 M)	\$0.00 M	\$0.00 M	\$0.00 M

Refer to Statement of Financial Activity

Borrowings	
Principal repayments	\$0.00 M
Interest expense	\$0.00 M
Principal due	\$0.00 M

Reserves	
Reserves balance	\$4.88 M
Interest earned	\$0.00 M

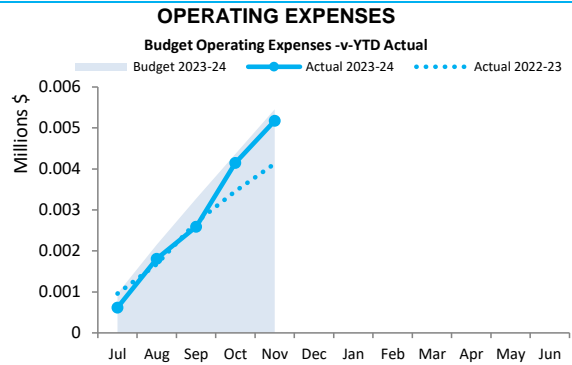
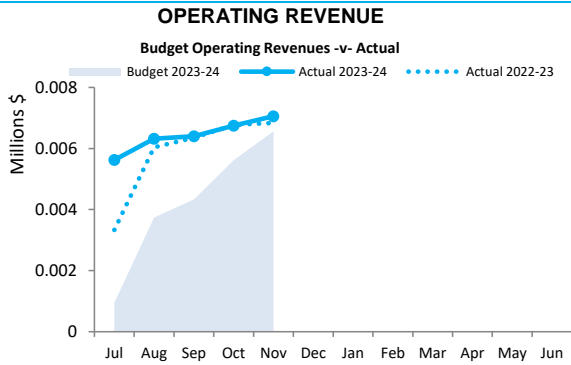
Refer to 4 - Cash Reserves

This information is to be read in conjunction with the accompanying Financial Statements and notes.

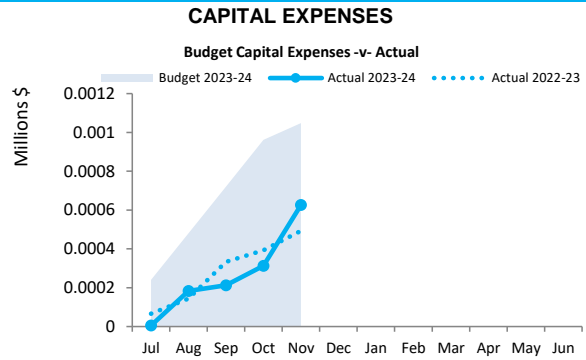
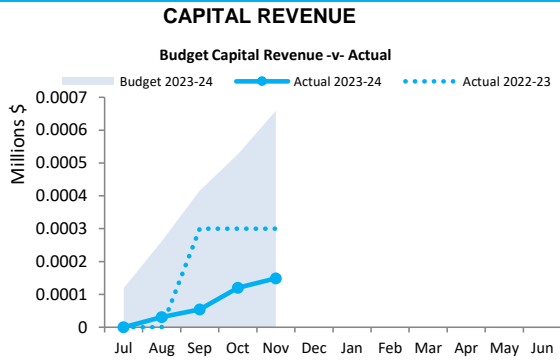
**SHIRE OF CHRISTMAS ISLAND
SUPPLEMENTARY INFORMATION
FOR THE PERIOD ENDED 30 NOVEMBER 2023**

2 KEY INFORMATION - GRAPHICAL

OPERATING ACTIVITIES



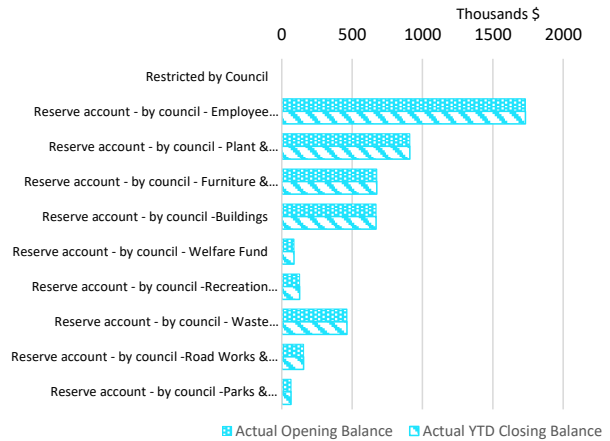
INVESTING ACTIVITIES



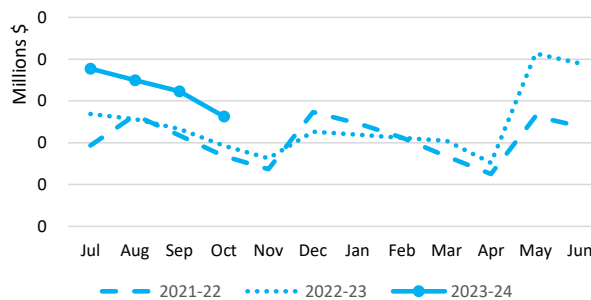
FINANCING ACTIVITIES

BORROWINGS

RESERVES



Closing funding surplus / (deficit)



This information is to be read in conjunction with the accompanying Financial Statements and Notes.

SHIRE OF CHRISTMAS ISLAND
SUPPLEMENTARY INFORMATION
FOR THE PERIOD ENDED 30 NOVEMBER 2023

3 CASH AND FINANCIAL ASSETS

Description	Classification	Unrestricted \$	Restricted \$	Total Cash \$	Trust \$	Institution	Interest Rate	Maturity Date
Municipal Bank Account	Cash and cash equivalents	1,831,204		1,831,204		Westpac		N/A
Community Welfare fund	Financial assets at amortised cost	0	2,585	2,585		Westpac		N/A
Reserve Funds	Financial assets at amortised cost	61,519	595,533	657,052		Westpac		N/A
Term Deposit - Municipal	Cash and cash equivalents	615,732		615,732		Westpac	4.32%	17-02-24
Term Deposit - Municipal	Cash and cash equivalents	500,000		500,000		Westpac	4.08%	16-01-24
Term Deposit - Municipal	Cash and cash equivalents	500,000		500,000		Westpac	4.16%	16-02-24
Term Deposit - Municipal	Cash and cash equivalents	500,000		500,000		Westpac	4.24%	19-03-24
Term Deposit - Municipal	Cash and cash equivalents	500,000		500,000		Westpac	4.32%	19-04-24
Term Deposit - Municipal	Cash and cash equivalents	500,000		500,000		Westpac	4.40%	19-05-24
Term Deposit - Trust	Cash and cash equivalents	0			57,943	Westpac	4.32%	12-03-24
Term Deposit - CWF	Financial assets at amortised cost	0	23,626	23,626		Westpac	4.32%	17-02-24
Term Deposit - CWF	Financial assets at amortised cost	0	33,606	33,606		Westpac	4.32%	12-03-24
Term Deposit - CWF	Financial assets at amortised cost	0	26,931	26,931		Westpac	4.32%	12-03-24
Term Deposit - Reserve	Financial assets at amortised cost	0	1,795,903	1,795,903		Westpac	4.32%	17-02-24
Term Deposit - Reserve	Financial assets at amortised cost	0	522,127	522,127		Westpac	4.35%	26-03-24
Term Deposit - Reserve	Financial assets at amortised cost	0	67,067	67,067		Westpac	4.32%	12-03-24
Term Deposit - Reserve	Financial assets at amortised cost	0	763,508	763,508		Westpac	4.32%	12-03-24
Term Deposit - Reserve	Financial assets at amortised cost	0	528,730	528,730		Westpac	4.24%	10-12-23
Term Deposit - Reserve	Financial assets at amortised cost	0	525,042	525,042		Westpac	4.24%	10-12-23
Total		5,008,454	4,884,658	9,893,113	57,943			
Comprising								
Cash and cash equivalents		4,946,936	0	4,946,936	57,943			
Financial assets at amortised cost		61,519	4,884,658	4,946,177	0			
		5,008,454	4,884,658	9,893,113	57,943			

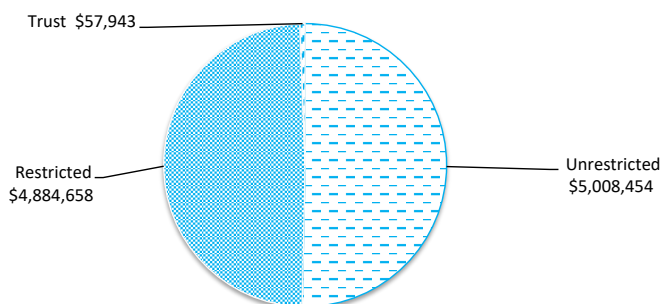
KEY INFORMATION

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 net current assets.

The local government 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.

Financial assets at amortised cost held with registered financial institutions are listed in this note other financial assets at amortised cost are provided in Note 4 - Other asse



SHIRE OF CHRISTMAS ISLAND
 SUPPLEMENTARY INFORMATION
 FOR THE PERIOD ENDED 30 NOVEMBER 2023

4 RESERVE ACCOUNTS

Reserve name	Budget Opening Balance	Budget Interest Earned	Budget Transfer s In (+)	Budget Transfer s Out (-)	Budget Closing Balance	Actual Opening Balance	Actual Interest Earned	Actual Transfer s In (+)	Actual Transfer s Out (-)	Actual YTD Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by Council										
Reserve account - by council - Employee Benefits	1,731,739	14,000	190,000		1,935,739	1,731,739				1,731,739
Reserve account - by council - Plant & Machinery	909,796	2,000	400,000	(400,000)	911,796	909,796				909,796
Reserve account - by council - Furniture & Equipment	676,080	1,000	100,000		777,080	676,080				676,080
Reserve account - by council -Buildings	669,236	1,000	50,000		720,236	669,236				669,236
Reserve account - by council - Welfare Fund	87,174				87,174	87,174				87,174
Reserve account - by council -Recreation Services	127,186	210	46,000		173,396	127,186				127,186
Reserve account - by council - Waste Management	463,077	258	80,000		543,335	463,077				463,077
Reserve account - by council -Road Works & Materials	154,706	265	45,000		199,971	154,706				154,706
Reserve account - by council -Parks & Gardens	65,664				65,664	65,664				65,664
	4,884,658	18,733	911,000	(400,000)	5,414,391	4,884,658	0	0	0	4,884,658

5 CAPITAL ACQUISITIONS

Capital acquisitions	Adopted		YTD Actual	YTD Actual Variance
	Budget	YTD Budget		
	\$	\$	\$	\$
Buildings - non-specialised	265,000	110,370	8,307	(102,063)
Buildings - specialised	80,000	110,370		(110,370)
Furniture and equipment	294,000	110,370		(110,370)
Plant and equipment	1,013,104	110,370	253,850	143,480
Acquisition of property, plant and equipment	1,652,104	441,480	262,157	(179,323)
Infrastructure - roads	700,704	291,960	179,958	(112,002)
Infrastructure - Other	532,210	221,754	171,380	(50,374)
Infrastructure - Work in Progress			17,796	17,796
Acquisition of infrastructure	1,232,914	513,714	369,134	(503,226)
Total capital acquisitions	2,885,018	955,194	631,291	(682,549)
Capital Acquisitions Funded By:				
Capital grants and contributions	1,582,914	659,448	149,051	(510,397)
Other (disposals & C/Fwd)	35,079	35,079	0	(35,079)
Reserve accounts				
Reserve account - by council - Plant & Machinery	400,000		0	0
Contribution - operations	867,025	260,667	482,240	221,573
Capital funding total	2,885,018	955,194	631,291	(323,903)

SIGNIFICANT ACCOUNTING POLICIES

Each class of fixed assets within either plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

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

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

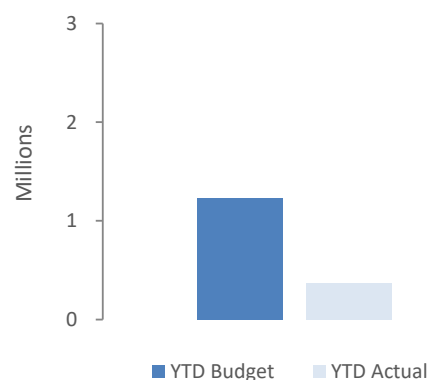
Initial recognition and measurement for assets held at cost

Plant and equipment including furniture and equipment is recognised at cost on acquisition in accordance with *Financial Management Regulation 17A*. Where acquired at no cost the asset is initially recognise at fair value. Assets held at cost are depreciated and assessed for impairment annually.

Initial recognition and measurement between mandatory revaluation dates for assets held at fair value

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

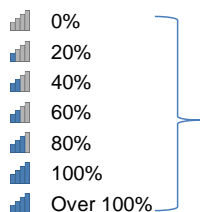
Payments for Capital Acquisitions



5 CAPITAL ACQUISITIONS - DETAILED

Capital expenditure total

Level of completion indicators



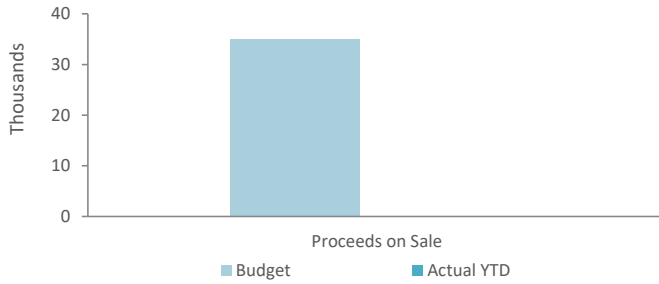
Percentage Year to Date Actual to Annual Budget expenditure where the expenditure over budget highlighted in red.

Level of completion indicator, please see table at the end of this note for further detail.

	Account Description	Adopted			Variance (Under)/Over
		Budget	YTD Budget	YTD Actual	
		\$	\$	\$	\$
	427800 Governance - Printers	12,000	5,000	8,307	-3307
	1077800 Roundabout Lighting Upgrade	5,000	2,083		2083.333333
	1137800 Library - Shelving Upgrade	5,000	2,083		2083.333333
	1127805 Lily Beach Roundabout	250,000	104,167	171,380	-67213.333333
	1127806 Poon Saan Park Resurface	22,000	9,167		9166.666667
	907228 28 Seaview Drive	50,000	20,833		20833.333333
	907239 5 Jalan Ketam Merah	50,000	20,833		20833.333333
	907212 12 Guano Close	50,000	20,833		20833.333333
	907223 23 Seaview Drive	50,000	20,833		20833.333333
	907238 Flat 138	15,000	6,250		6250
	907230 30 Seaview Drive	50,000	20,833		20833.333333
	107811 Bus Shelter Upgrades	80,000	33,333		33333.333333
	72931 Road Resealing Program	400,000	166,667	33,891	132775.66667
	72617 LRCIP Phase 4	532,210	221,754		221754.1667
	72930 RTR 23/24-Murray Rd-CIDHS Crab Bridge	300,704	125,293	146,067	-20773.66667
	1217500 Kubota GR2120-48-AU-2 Ride on Mower	20,104	8,377	13,297	-4920
		2,885,018	1,202,091	631,291	570,800

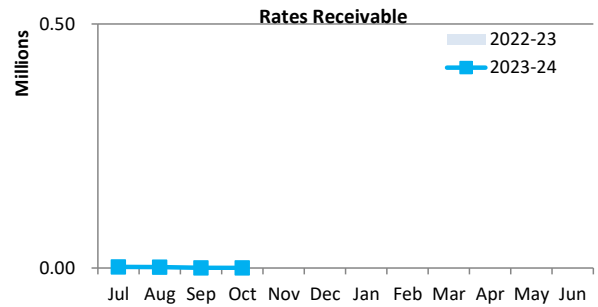
6 DISPOSAL OF ASSETS

Asset Ref.	Asset description	Budget				YTD Actual			
		Net Book Value	Proceeds	Profit	(Loss)	Net Book Value	Proceeds	Profit	(Loss)
		\$	\$	\$	\$	\$	\$	\$	\$
	Plant and equipment								
	Various Plant & Machinery	29,504	35,079	5,575	0	13,006		0	(13,006)
		29,504	35,079	5,575	0	13,006	0	0	(13,006)



7 RECEIVABLES

Rates receivable	30 Jun 2023	30 Nov 2023
	\$	\$
Opening arrears previous years	114,373	114,373
Levied this year		1,849,857
Less - collections to date	0	(1,724,998)
Gross rates collectable	114,373	239,232
Net rates collectable	114,373	239,232
% Collected	0.0%	87.8%



Receivables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Receivables - general	0	65,435	3,471	1,037	4,601	74,544
Percentage	0.0%	87.8%	4.7%	1.4%	6.2%	
Balance per trial balance						
Trade receivables		105,234	12,760	508	4,724	118,481
Total receivables general outstanding						118,481

Amounts shown above include GST (where applicable)

KEY INFORMATION

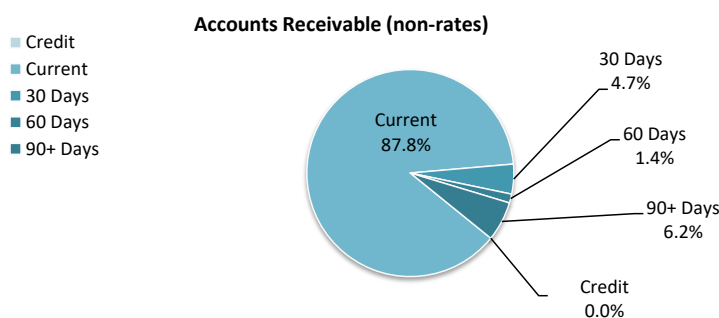
Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods and services performed in the ordinary course of business.

Trade receivables are recognised at original invoice amount less any allowances for uncollectable amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

Classification and subsequent measurement

Receivables which are generally due for settlement within 30 days 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 Shire measures them subsequently at amortised cost using the effective interest rate method.



8 OTHER CURRENT ASSETS

	Opening Balance 1 July 2023	Asset Increase	Asset Reduction	Closing Balance 30 November 2023
	\$	\$	\$	\$
Other current assets				
Inventory				
Fuel & Materials	441,417	134,851	(149,523)	426,745
Other assets				
Prepayments	5,108	8,098		13,206
Accrued income	4,618		(9,236)	(4,618)
Total other current assets	451,143	142,949	(158,759)	435,333

Amounts shown above include GST (where applicable)

KEY INFORMATION

Inventory

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.

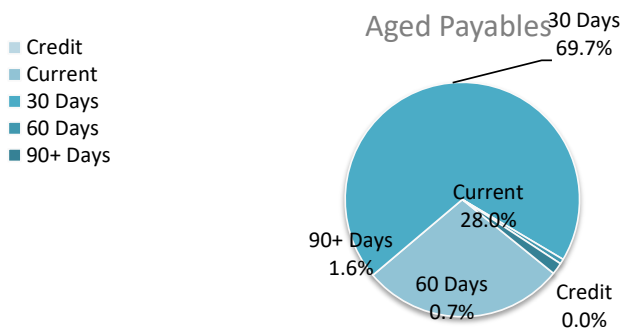
9 PAYABLES

Payables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Payables - general	0	101,304	252,163	2,475	5,851	361,793
Percentage	0.0%	28.0%	69.7%	0.7%	1.6%	
Balance per trial balance						
Sundry creditors		101,304	252,163	2,475	5,851	361,793
Total payables general outstanding						361,793

Amounts shown above include GST (where applicable)

KEY INFORMATION

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the period that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.



10 RATE REVENUE

General rate revenue

RATE TYPE	Rate in \$ (cents)	Number of Properties	Rateable Value	Budget		YTD Actual		Total Revenue	
				Rate Revenue	Reassessed Rate Revenue	Total Revenue	Rate Revenue		Reassessed Rate Revenue
				\$	\$	\$	\$	\$	
Gross rental value									
Gross Rental Value - Resident	0.1044	456	8,769,508	915,431		915,431	915,182		915,182
Gross Rental Value - Commercial	0.1044	89	1,960,676	204,671		204,671	204,671		204,671
Gross Rental Value - DIAC	0.0000	20	1,197,820	0		0	0		0
Gross Rental Value - Unallocated	0.1044	4	63,960	6,677		6,677	6,677		6,677
Gross Rental Value - Rural	0.1044	2	45,280	4,727		4,727	4,727		4,727
Gross Rental Value - Industrial	0.1044	12	227,160	23,713		23,713	23,713		23,713
Gross Rental Value - Exempt	0.1044	209	0	0		0	0		0
Unimproved value									
Unimproved Value - Industrial	0.4200	1	940,000	394,800		394,800	394,800		394,800
Unimproved Value - Mining	0.4200	6	689,568	289,619		289,619	300,962		300,962
Sub-Total		799	13,893,972	1,839,638	0	1,839,638	1,850,732	0	1,850,732
Minimum payment									
Minimum Payment \$									
Gross rental value									
Gross Rental Value - Resident	630	5		3,150		3,150	3,150		3,150
Gross Rental Value - Commercial	630	16		10,080		10,080	10,080		10,080
Gross Rental Value - Unallocated	630	37		23,310		23,310	23,310		23,310
Gross Rental Value - Rural	630			0		0	0		0
Gross Rental Value - Industrial	630	5		3,150		3,150	3,780		3,780
Gross Rental Value - Exempt	630			0		0	0		0
Unimproved value									
Unimproved Value - Industrial	380	1		380		380	0		0
Unimproved Value - Mining	380	2		760		760	758		758
Sub-total		66	0	40,830	0	40,830	41,078	0	41,078
Discount						(31,520)			(41,953)
Concession						(1,000)			
Total general rates						1,847,948			1,849,857

11 OTHER CURRENT LIABILITIES

	Note	Opening Balance 1 July 2023	Liability transferred from/(to) non current	Liability Increase	Liability Reduction	Closing Balance 30 November 2023
		\$	\$	\$	\$	\$
Other current liabilities						
Other liabilities						
Contract liabilities		286,029	0	167,578	(364,338)	136,683
Capital grant/contributions liabilities		0	0	639,326	0	591,913
Total other liabilities		286,029	0	806,904	(364,338)	728,596
Employee Related Provisions						
Provision for annual leave		1,018,579	0			1,018,579
Provision for long service leave		978,209	0			978,208
Total Provisions		1,996,788	0	0	0	1,996,787
Total other current liabilities		2,282,817	0	806,904	(364,338)	2,725,383
Amounts shown above include GST (where applicable)						

A breakdown of contract liabilities and associated movements is provided on the following pages at Note 12 and 13

KEY INFORMATION

Provisions

Provisions are recognised when the Shire has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Employee Related Provisions

Short-term employee benefits

Provision is made for the Shire'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 Shire'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 calculation of net current assets.

Other long-term employee benefits

The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as employee related provisions in the statement of financial position.

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at 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 Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire 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.

Contract liabilities

An entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer.

Capital grant/contribution liabilities

Grants to acquire or construct recognisable non-financial assets to identified specifications be constructed to be controlled by the Shire are recognised as a liability until such time as the Shire satisfies its obligations under the agreement.

12 GRANTS, SUBSIDIES AND CONTRIBUTIONS

Provider	Unspent grant, subsidies and contributions liability					Grants, subsidies and contributions revenue		
	Liability	Increase in	Decrease in	Liability	Current	Adopted	YTD	YTD
	1 July 2023	Liability	Liability	30 Nov 2023	Liability	Budget	Budget	Revenue
	\$	\$	(As revenue)	\$	\$	\$	\$	\$
Grants and subsidies								
CI Fisheries Management DITRDCA Grant	178,391	167,578	(215,286)	130,683	130,683	452,059	188,325	215,286
Saluting Their Service Commemorations Grant	6,000			6,000	6,000	6,000	2,496	0
Financial Assistance Grant				0		6,866,660	2,860,647	3,333,330
Commonealth _ Community Service Obligations				0		500,459	208,490	500,459
Building Better Regions Grant				0		20,000	8,332	8,800
Parks Australia Grading Grant				0		800,000	333,280	123,750
	184,391	167,578	(215,286)	136,683	136,683	8,645,178	3,601,570	4,181,625
Contributions								
CI Marathon Contributions				0		40,000	4,166	8,121
Ranger Pool Car contributions				0			345	321
Australia Day Contributions				0		1,000	415	14,558
Territory Week Contribution				0				6,600
	0	0	0	0	0	41,000	4,926	29,600
TOTALS	184,391	167,578	(215,286)	136,683	136,683	8,686,178	3,606,496	4,211,224

13 CAPITAL GRANTS, SUBSIDIES AND CONTRIBUTIONS

Provider	Capital grant/contribution liabilities					Capital grants, subsidies and contributions revenue		
	Liability	Increase in	Decrease in	Liability	Current	Adopted	YTD	YTD
	1 July 2023	Liability	Liability	30 Nov 2023	Liability	Budget	Budget	Revenue
	\$	\$	(As revenue)	\$	\$	\$	\$	\$
Capital grants and subsidies								
Road to Revocery Grant (R2R)				0		300,704	125,270	0
Central Road Authority (CRA)		300,000	(27,413)	272,587	272,587	600,000	249,960	27,413
Local Road & Community Infrastructure Program Phase 4		319,326		319,326	319,326	532,210	221,718	0
Lily Beach Redevelopment	101,638	20,000	(121,638)	0	0	150,000	62,500	121,638
	101,638	639,326	(149,051)	591,913	591,913	1,582,914	659,448	149,051

**SHIRE OF CHRISTMAS ISLAND
SUPPLEMENTARY INFORMATION
FOR THE PERIOD ENDED 30 NOVEMBER 2023**

14 TRUST FUND

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

Description	Opening	Amount	Amount	Closing
	Balance			Balance
	1 July 2023	Received	Paid	30 Nov 2023
	\$	\$	\$	\$
Taman Sweetland Reserve (POS)	56,893	1,050		57,943
	56,893	1,050	0	57,943



SHIRE OF CHRISTMAS ISLAND

SUBMISSION TO	Ordinary Council Meeting 19 December 2023
AGENDA REFERENCE	10.5.1
SUBJECT	Regulation 5 – Financial Management Review
LOCATION/ADDRESS/APPLICANT	N/A
FILE REFERENCE	3.1.4
INTEREST DISCLOSURE	None
DATE OF REPORT	4 December 2023
AUTHOR	Chris Su, DPGP
SIGNATURE OF AUTHOR	SIGNED
SIGNATURE OF CEO	SIGNED

RECOMMENDATION

That Council receive the Regulation 5 – Financial Management Review from Paxon Consulting.

BACKGROUND

The scope of the Financial Management Review was based on the requirements of Local Government (Financial Management) Regulation 5, for efficient systems and procedures to be established by the CEO for the Shire. This reviews the appropriateness and effectiveness of the financial management systems and procedures of the Shire, which should be reviewed regularly (not less than once in every three financial years) and includes:

- a) For the proper collection of all money owing to the Shire
- b) For the safe custody and security of all money collected or held
- c) For the proper maintenance and security of financial records (whether maintained in written form or by electronic or other means or process)
- d) To ensure proper accounting for municipal or trust
 - (i) Revenue received or receivable
 - (ii) Expenses paid or payable, and
 - (iii) Assets and liabilities.
- e) To ensure proper authorisation for the incurring of liabilities and the making of payments
- f) For the maintenance of payroll, stock control and costing records, and
- g) To assist in the preparation of budgets, budget reviews, accounts and reports required by the Act or these regulations.

COMMENT

Paxon Consulting were engaged by the Shire to conduct the review.

The methodology of the following steps:

- Conducted an initial meeting with management to obtain an understanding of processes and potential issues;
- Developed overview documentation of the processes including key controls by discussion with staff and review of the processes;

- Evaluated the effectiveness of the design of controls to cover the identified risk and tested the operation of the key controls;
- Followed up and confirmed action taken on any previous business issues identified and recommendations made;
- Researched the issues, weaknesses and potential improvements noted from our discussions and review of the existing processes and identified key controls;
- Developed appropriate recommendations for improvement for discussion with management;
- Drafted a report of findings and recommendations and obtained formal responses from management; and
- Finalised the report and issued it to Management for distribution to the Audit and Risk Committee.

STATUTORY ENVIRONMENT

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

POLICY IMPLICATIONS

Paxon made five 'medium' and two 'low' risk findings in the review process. These have or are being actioned by the Assistant Director for Finance and Corporate Services and Director for Planning, Governance and Policy. The progress of these will be reported to the Audit Committee.

FINANCIAL IMPLICATIONS

There are no direct financial implications from receiving the report. Paxon Group were engaged through quotation submissions from the procurement policy for \$6,300

STRATEGIC IMPLICATIONS & MILESTONES

The Governance goal G1 in the 2023-2033 Strategic Community Plan *'Our Island, Our Responsibility,'* requires the Shire to have *accountable and transparent leadership*. The ordinary observation of the applicable regulation and the use of an external audit group to assist with the review fulfils Governance goal G1.

VOTING REQUIREMENTS

A simple majority is required.

ATTACHMENTS

10.5.1.1 Shire of Christmas Island Regulation 5 – Financial Management Review

PAXON

SHIRE OF CHRISTMAS ISLAND

Regulation 5 – Financial Management Review

Final | October 2023

paxongroup.com.au

Perth • Sydney • Melbourne • Brisbane • Adelaide • Darwin |
Liability Limited by a scheme under Professional Standards Legislation

TABLE OF CONTENTS

- 1. INTRODUCTION.....3**
- 1.1 BACKGROUND & OBJECTIVE3
- 1.2 RISKS & SCOPE.....3
- 2. EXECUTIVE SUMMARY4**
- 3. METHODOLOGY.....5**
- 4. INHERENT LIMITATIONS.....6**
- 5. DETAILED AUDIT FINDINGS7**
- 5.1 RECORDING OF INVESTMENTS7
- 5.2 INCOMPLETE PROCUREMENT RECORDS.....8
- 5.3 SYSTEM USER ACCESS9
- 5.4 IMPLEMENTATION OF ACTIONS AND MONITORING 10
- 5.5 RISK MANAGEMENT 11
- 5.6 AUTHORISING SIGNATURES 12
- 5.7 POLICY AND PROCEDURE DOCUMENTS 13

1. INTRODUCTION

1.1 Background & Objective

Regulation 5(2)(c) of the Local Government (Financial Management) Regulations 1996 states:

“The CEO is to –

Undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 3 financial years) and report to the local government the results of those reviews.”

The objective of our Regulation 5 Review was to provide a report, based on our understanding of the Shire of Christmas Island (Shire) and associated risks, to assist the CEO in reporting to the Audit Committee on the appropriateness and effectiveness of the Shire’s financial management systems and procedures.

1.2 Risks & Scope

The Regulation 5 Review focused on the risk that the Shire’s financial management systems and procedures are not appropriate and effective. The Regulation 5 Review covered the period from 1 July 2022 to 31 March 2023.

The scope of the review was based on the requirements of Local Government (Financial Management) Regulation 5, for efficient systems and procedures to be established by the CEO for the Shire. This reviews the appropriateness and effectiveness of the financial management systems and procedures of the Shire, which should be reviewed regularly (not less than once in every three financial years) and included:

- a) For the proper collection of all money owing to the Shire
- b) For the safe custody and security of all money collected or held
- c) For the proper maintenance and security of financial records (whether maintained in written form or by electronic or other means or process)
- d) To ensure proper accounting for municipal or trust
 - (i) Revenue received or receivable
 - (ii) Expenses paid or payable, and
 - (iii) Assets and liabilities.
- e) To ensure proper authorisation for the incurring of liabilities and the making of payments
- f) For the maintenance of payroll, stock control and costing records, and
- g) To assist in the preparation of budgets, budget reviews, accounts and reports required by the Act or these regulations.

2. EXECUTIVE SUMMARY

Based upon our work performed we have identified a number of improvements that could be implemented to improve the design, but mainly the operational effectiveness of the controls in place at the Shire.

We identified a number of medium rated findings as follows:

- There is no investment register
- Some procurement transactions were not fully supported by records of decisions made
- There is no audit log to monitor the timely implementation of required actions arising from assurance reviews
- Review of Synergysoft user access for superusers, and
- Lack of active risk management processes.

Our findings are summarised below and documented in detail within section 5 of this report.

We would like to thank all officers that assisted with the performance of this review.

Risk Area	Finding	Risk Rating
Investments	Recording of Investments	Medium
Procurement	Incomplete Procurement Records	Medium
Previous Audits	Previous findings not addressed	Medium
Financial Management	System User Access	Medium
Financial Management	Risk Management	Medium
Financial Management	Identification of signatories	Low
Policies/ Procedures	Documented procedures	Low

3. METHODOLOGY

Our methodology for this review comprised of the following steps:

- Conducted an initial meeting with management to obtain an understanding of processes and potential issues;
- Developed overview documentation of the processes including key controls by discussion with staff and review of the processes;
- Evaluated the effectiveness of the design of controls to cover the identified risk and tested the operation of the key controls;
- Followed up and confirmed action taken on any previous business issues identified and recommendations made;
- Researched the issues, weaknesses and potential improvements noted from our discussions and review of the existing processes and identified key controls;
- Developed appropriate recommendations for improvement for discussion with management;
- Drafted a report of findings and recommendations and obtained formal responses from management; and
- Finalised the report and issued it to Management for distribution to the Audit and Risk Committee.

Each finding detailed in section 5 is rated based on the following scale:

Rating	Definition
High	Major contravention of policies, procedures or laws, unacceptable internal controls, high risk for fraud, waste or abuse, major opportunity to improve effectiveness and efficiency, major risk identified. Immediate corrective action is required. A short-term fix may be needed prior to it being resolved properly.
Medium	Moderate contravention of policies, procedures or laws, poor internal controls, significant opportunity to improve effectiveness and efficiency, significant risk identified. Corrective action is required. Need to be resolved as soon as resources can be made available, but within six months.
Low	Minor contravention of policies and procedures, weak internal controls, opportunity to improve effectiveness and efficiency, moderate risk identified. Corrective action is required. Need to be resolved within twelve months.

4. INHERENT LIMITATIONS

Due to the inherent limitations in any internal control structure, it is possible errors or irregularities may occur and not be detected. Further, the internal control structure, within which the control procedures that have been reviewed operate, has not been reviewed in its entirety and therefore no opinion is expressed as to the effectiveness of the greater internal control structure.

It should also be noted our review was not designed to detect all weaknesses in control procedures as it was not performed continuously throughout the period subject to review.

The review conclusion and any opinion expressed in this report have been formed on the above basis.

5. DETAILED AUDIT FINDINGS

5.1 Recording of Investments

Audit Finding

Paxon noted that there is no investment register in place to enable clear oversight of investments and their details, such as value and maturity date. Items within the register should be supported by third party evidence of ownership and valuation.

Risk Rating

Paxon has determined this finding to be of **Medium Risk**

Implication

- Risk of fraud and financial loss
- Lack of transparency

Recommendation

An investment register should be developed.

Management Comment

The Shire will develop an investment register which will form part of the Cash and Financial Note to Council in the monthly financial report.

Action Owner

Assistant Director Finance & Corporate Services

Target Completion Date

31/12/2023

5.2 Incomplete Procurement Records

Audit Finding

Paxon Group selected a sample of 10 procurements made by the Shire during the audited period. The samples were tested according to the Shire's purchasing policy. It was noted that two out of 10 samples did not have enough quotations to satisfy the procurement requirement as they were deemed as sole source suppliers. However, documented evidence of the approval of a sole supplier was not provided.

One of the 10 samples was procured through obtaining a verbal quote as per the requirements, however, there is no documented evidence noted of this.

Risk Rating

Paxon has determined this finding to be of **Medium Risk**

Implication

Procurement processes may not be appropriately followed resulting in unauthorised transactions

Recommendation

Management should ensure that evidence is documented for sole supplier transactions and verbal quotes and that they are formally recorded.

Management Comment

The Shire has reviewed its Purchasing Policy making recommendations to Council around quotations and supporting evidence. On adoption staff will be advised of the changes to the purchasing policy and the need for quote evidence. A new quotation support form will be developed which will be required to be attached to all purchase orders.

Action Owner

Assistant Director Finance & Corporate Services

Target Completion Date

31/03/2024

5.3 System User Access

Audit Finding

A Synergysoft finance system user access report was obtained and it was noted that there are eight superusers for the system, which appears to be a large number of users to have this universal access.

Risk Rating

Paxon has determined this finding to be of **Medium Risk**

Implication

Possible data breaches and unauthorised access.

Recommendation

We recommend the Shire reviews the access list and ensures the access to make changes within the finance system is only provided to required users.

Management Comment

A review of the access list to the finance systems will be undertaken and super users will be downsized.

Action Owner

Assistant Director Finance & Corporate Services

Target Completion Date

31/3/2024

5.4 Implementation of Actions and Monitoring

Audit Finding

Paxon reviewed the implementation status of the findings identified by the OAG for the period of 1 July 2021 to 30 June 2022. Our work identified that the following items have not yet been completed:

- Inventory – no reconciliation of the bitumen.
- Investments – Lack of third party support for investment
- Rate reconciliations – Lack of review

Audit reports are presented to the Council, however, there is no centralised audit log to track the status of audit actions and ensure that they are being followed up on in a timely manner. This can lead to a number of problems, including:

Risk Rating

Paxon has determined this finding to be of **Medium Risk**

Implication

- Delays in implementing audit recommendations, which can increase the risk exposure of the Shire.
- A lack of transparency and accountability, as it can be difficult for stakeholders to track the progress of audit actions.

Recommendation

- 5.4.1 The Shire should revisit all open items to develop remediation plans
- 5.4.2 An audit log should be developed and reported to the Executive and Audit Committee to enable improved oversight of the timely implementation of remediation action plans.

Management Comment

The recommendations in prior audits have been addressed and the audit and finance committee will be advised at next meeting. It is noted that an audit log should be developed and this will be put in place.

Action Owner

Assistant Director Finance & Corporate Services

Target Completion Date

31/03/2024

5.5 Risk Management

Audit Finding

The Risk Management Framework 2021 is a robust and effective framework that demonstrates the Shire's commitment to managing risks proactively. It is important to note that risk management is an ongoing process, and the framework should be reviewed and updated regularly to ensure that it remains aligned with the changing risk landscape.

No risk register was provided to evidence the on-going assessment, evaluation and treatment of risk within the Shire.

Risk Rating

Paxon has determined this finding to be of **Medium Risk**

Implication

Lack of active risk management activity

Recommendation

We recommend the Shire perform a review of the Risk Management Framework and develop a schedule for regularly reviewing the Risk Management Framework.

Management Comment

The recommendation is noted and a full review of the risk management framework will be undertaken and a risk register will be implemented which will include risks identified and action plans to address those risks. The registers will be reported to the finance and audit committee at their meetings.

Action Owner

Manager Governance

Target Completion Date

31/03/2024

5.6 Authorising Signatures

Audit Finding

Throughout the Financial Management review, it was noted that the Shire rely on physical signatures and in some cases some of the employees were found to have different signatures on different documents.

The Shire does not have a signature register to provide evidence and identify the signatory.

Risk Rating

Paxon has determined this finding to be of **Low Risk**

Implication

- Risk of fraud with possibility of signature forgery.
- Auditability due to lack of a signature register which can make it difficult to detect errors or irregularities.

Recommendation

5.6.1 The Shire should consider implementing electronic signatures which can be more secure and efficient when compared to physical signatures.

5.6.2 However, in the case of electronic signatures not being a viable option, a signature register should be implemented to help identify all physical signatures.

Management Comment

Until the Shire has introduced electronic processing of receipts, payments, journals and reconciliations manual signatures will be required. As a result a signature register will be developed and held by finance.

Action Owner

Assistant Director Finance & Corporate Services

Target Completion Date

31/12/2023

5.7 Policy and Procedure Documents

Audit Finding

During the course of our review policy and procedure documents were reviewed and the following points were noted:

- Lack of process documents for securing money collected (cash).
- lack of a formal process for creating account codes and the use of account codes.
- No formal process documents for new employees or termination of employee's processes.
- The Financial Policy 5 – Debt Recovery was reviewed on September 27,2022. The policy was reviewed and found to be appropriate, however, there was no next review date. The regular review of the policy is important to help identify, and address areas of improvement and ensure overall compliance with regulations.

Risk Rating

Paxon has determined this finding to be of **Low Risk**

Implication

Lack of consistent or appropriate processes

Recommendation

We recommend that the Shire should develop and implement formal process documents for securing money collected (cash), new employees on-boarding, terminated employees, creation of account codes & use of account codes. to help mitigate risks and improve efficiency & transparency. We would also recommend an inclusion of a next review date on all Shire policies including the Financial Policy 5 – Debt Recovery.

Management Comment

The recommendations are noted and accepted and these processes identified will be developed and formalised.

Action Owner

Assistant Director Finance & Corporate Services

Target Completion Date

30/6/2024