



SUSTAINABILITY POLICY

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1. OBJECTIVE

The objectives of the policy are to:

1. Outline the principles and methodology applied to corporate compliance;
2. Ensure good governance is paramount in the City's day to day business;
3. Ensure corporate compliance and legislative requirements are identified and met in specified timeframes; and
4. Ensure adequate resources are allocated to compliance monitoring and reporting to achieve best practice.

2. PRINCIPLES

The Council together with the Chief Executive Officer will be accountable to the community and other stakeholders by ensuring all compliance reporting requirements specified in the *Local Government Act 1995 and Regulations* and other relevant Acts are achieved. This includes but is not limited to:

- Integrated Planning and Reporting and Planning for the Future
- Annual Budgeting and Reporting
- Annual Returns
- Audit and Organisational Risk Committee
- Appointment of Auditor and Auditing processes
- Compliance Audit Report

3. RESOURCING CORPORATE COMPLIANCE

The CEO will ensure adequate resources are in place to:

- Achieve compliance with legislative and statutory requirements; and
- Provide legal services and advice to all departments.

2.1 Plan for the future

The City embraces the Integrated Planning and Reporting Framework (IP&R) that outlines the planning and reporting methodology to achieve the outcomes prescribed in section 5.56(2) of the *Local Government Act 1995* (LGA) in the context of Planning for the Future.

The City will ensure compliance with reporting timelines in the context of Planning for the Future. These include the City:

- Adopting a 10 year Strategic Community Plan (SCP) by 30 June 2013, conducting a desktop review every two (2) years and engaging the community in reviewing the SCP every four (4) years;
- Adopting a 5 year Corporate Business Plan (CBP) by 30 June 2013, reviewing the CBP each year when preparing the annual Operational Plan and Annual Budget and giving public notice when the CBP has been adopted or modified.
- Achieving an Advanced Standard of Compliance as outlined in the IP&R Framework by 2016.

2.2 Measurement of Financial Sustainability

The City of Karratha believes that effective long term financial management and compliance is paramount and will:

- Ensure the City remains in a sustainable financial position now and into the future;
- Give financial outcomes greater stability and certainty;
- Ensure the public resources are distributed equitably between current and future ratepayers;
- Provide the opportunity to cater for a growing community;
- Allow the City to take full advantage of funding opportunities;
- Ensure consistent delivery of essential community services; and
- Ensure adequate development and maintenance of infrastructure.

Measures of financial sustainability, in the form of ratios with sustainable targets are utilised by Council to provide a benchmark of the City's financial position at any time. These ratios are also a guide for Councillors and officers when undertaking future scenario and budget planning and will be considered in the Long Term Financial Plan.

Commencing in 2013, the annual financial report will include, five (5) discretionary ratios and the seven (7) statutory ratios (for the year ending 2013 and the two preceding years), as its measure of long term financial sustainability. The statutory indicators are outlined in *Local Government (Financial Management) Regulations* and *Local Government (Financial Management) Amendment Regulations 2012*.

2.3 Fair Value Reporting

In accordance with *Local Government (Financial Management) Amendment Regulations 2012*, Regulation 17A, the City will show in its financial reports ending 30 June 2013 and thereafter, its assets at fair value. In a staged approach over three years the assets will be re-valued as follows:

2013	Plant and Equipment
2014	Land and Buildings
2015	Infrastructure
2016	All Classes – Plant and Equipment Infrastructure Land and Buildings
2018	All Classes – Plant and Equipment Infrastructure Land and Buildings

4. CONSEQUENCES

This policy represents the formal policy and expected standards of the Council. Appropriate approvals need to be obtained prior to any deviation from the policy. It is imperative that Councillors and Officers retain appropriate documentation to substantiate their expenditure. Elected Members and Employees are reminded of their obligations under the Council's Code of Conduct to give full effect to the lawful policies, decisions and practices of the Council.

5. ROLES AND RESPONSIBILITIES

CUSTODIAN	OFFICER RESPONSIBLE FOR IMPLEMENTATION
Executive Manager Financial Services	Manager Financial Accounting

6. REFERENCES TO RELATED DOCUMENTS

- *Local Government Act 1995*
- *Local Government (Financial Management & FM Amendment) Regulations*
- Strategic Community Plan
- Corporate Business Plan
- Integrated Planning and Reporting Framework
- Asset Management Strategy and Plans
- CF1 Policy – Accounting – Local Government Accounting Directions
- City of Karratha: Long Term Financial Plan 2012-2022

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Next Review:	February 2015
Responsible Officer:	Manager Governance and Organisational Strategy

This Policy takes effect from the date of adoption by Council and shall remain valid until it is amended or deleted.