



**BUDGET
FOR THE YEAR ENDED
30 JUNE 2016**

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SHIRE PRESIDENT'S MESSAGE

2015/2016 BUDGET

It is with pleasure that I present this message as Shire President on behalf of my fellow Councillors to the residents of the Shire of Nannup.

It has been a long and tedious task in the development of the 2015/2016 Budget and Councillors, together with their senior management team, have taken a very hands on role in its development. As indicated in the Shire of Nannup's Long Term Financial Plan, we knew that the 2015/2016 financial year was going to be one where grant funding for major projects diminished substantially, especially following the completion of the very successful Mowen Road project, and that to compensate for this loss of funding, rates revenue would have to increase. I can assure the ratepayers of our Shire that every effort was made to lessen the rate increase as much as possible and I firmly believe that we have achieved this in order to maintain the services that the Shire delivers. Unfortunately some landholders in our rural areas will receive an increase higher than the average 6.29 % increase and this was beyond Council's control due to the annual revaluations of Unimproved Values (UV's) undertaken by Landgate.

Council acknowledges the Federal Government's annual Financial Assistance Grant (FAGs) of \$1,305,916 (consisting of \$839,393 General Purpose Funding and a \$466,523 Road component) which assists the Shire of Nannup in providing important community infrastructure throughout the course of the financial year. However the decision by the Federal Government to freeze indexation on this funding at its current levels until the 2017/2018 financial year means that the funding is not keeping pace with demand for services and infrastructure in local communities. Local Government authorities throughout Australia are faced with this same dilemma and freezing FAG's at their current level will result in a permanent reduction in the FAGs base by 13%.

The Shire of Nannup is in a very important time where growth and tourism opportunities exist. We need to present to potential developers a positive image that the Shire is proactive in these areas and by undertaking projects to improve the amenities and appearance of the Nannup town site to ensure that it displays this positive attitude. In the 2015/2016 financial year the Nannup Main Street upgrade is one of these pivotal projects.

Council will continue to upgrade its road network in 2015/2016 through funding via Roads to Recovery, FAGs and Council's own financial resources. The Shire of Nannup has a very good road network and it is important that we maintain and build upon the standard that currently exists. The standard of the Mowen Road project

displays what our workforce can deliver and the benefits that this road will bring to the Shire are significant in many ways.

I would urge all residents to peruse the 2015/2016 Budget and if you have any questions or queries, direct these to Council's management team who would only be too pleased to provide explanation. Lastly but not least, I would like to thank my fellow Councillors and staff for the time that they have spent in delivering a responsible budget under difficult circumstances.

Tony Dean
Shire President

CHIEF EXECUTIVE OFFICER'S 2015/2016 BUDGET REPORT

In my capacity as CEO of the Shire of Nannup, I present this report to the ratepayers and residents of the district on the 2015/2016 Budget.

Upon my commencement in March 2015 Councillors and staff were well and truly in Budget mode and had conducted a number of workshops by this time. The reasons for an early start to Budget preparation was that it was considered that the 2015/2016 financial year was not going to be an easy one following a number of years of capital grant funding income ceasing in 2015/2016. For Council to maintain the expectations of ratepayers and residents in delivering ongoing services to the community, it was imperative that a rigorous assessment in all areas of Council's operations was undertaken and where possible, reduce expenditure to curb significant rate hikes.

I believe that Councillors and staff have been diligent in their processes to deliver a responsible Budget for the 2015/2016 financial year and whilst an overall 6.29% rate increase is not ideal, it is somewhat better than a far greater increase initially mooted in the early development phase of the Budget process.

This year will see the completion of the Community/Recreation Centre which will add a further dimension to the facilities that are offered at this location. The first phase of the Nannup Main Street Upgrade will also be undertaken and whilst Council has had to "cut its cloth" to suit in some aspects of the re-development, I'm sure that the works will see a huge improvement to the aesthetics of the main street and business proprietors and residents will see added benefit to the look of the town. There will be some disruptions and inconvenience to business proprietors during the construction phase and I would ask for patience during this period.

I congratulate Tracie Bishop in securing the position of Manager Corporate Services following Vic Smith's departure and believe that Tracie's local and corporate knowledge will be a huge benefit to the organisation. I was also extremely happy that Chris Wade decided to continue as Council's Manager of Infrastructure and his long tenure with the Shire of Nannup is also of huge benefit to all concerned. I wish to thank Councillors and all staff for making my transition into the CEO position a smooth one and over the course of the next 12 months I hope that I meet with as many residents as possible both in a work and sociable environment.

Peter Clarke
Chief Executive Officer

**STATEMENT OF COMPREHENSIVE INCOME BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2016**

| | Note | 2015/16 Budget \$ | 2014/15 Actual \$ | 2014/15 Budget \$ |
|---|-------------|----------------------------------|----------------------------------|----------------------------------|
| Revenue | | | | |
| Rates | 8 | 1,450,846 | 1,364,969 | 1,364,969 |
| Operating Grants, Subsidies and Contributions | | 949,991 | 2,462,014 | 1,606,272 |
| Fees & Charges | 13 | 301,236 | 366,085 | 449,871 |
| Service Charges | 10 | 0 | 0 | 0 |
| Interest Earnings | 2(a) | 103,896 | 99,004 | 116,743 |
| Other Revenue | | 48,150 | 124,647 | 66,150 |
| Total Revenue | | 2,854,119 | 4,416,719 | 3,604,005 |
| Expenses | | | | |
| Employee Costs | | (1,619,955) | (1,763,423) | (1,685,803) |
| Materials and Contracts | | (1,155,151) | (1,343,932) | (1,690,220) |
| Utility Charges | | (96,681) | (104,737) | (113,045) |
| Depreciation on Non-Current Assets | 2(a) | (2,049,850) | (2,498,786) | (2,049,850) |
| Interest Expenses | 2(a) | (8,659) | (12,564) | (13,184) |
| Insurance Expenses | | (174,016) | (165,952) | (187,475) |
| Other Expenditure | | (300) | (9) | (300) |
| Total Expenses | | (5,104,612) | (5,889,403) | (5,739,877) |
| | | (2,250,493) | (1,472,684) | (2,135,872) |
| Non-Operating Grants, Subsidies and Contributions | | 2,378,884 | 3,160,762 | 2,800,549 |
| Fair value adjustments to financial assets at fair value through profit or loss | | 0 | 0 | 0 |
| Profit on Asset Disposals | 4 | 9,500 | 0 | 5000 |
| Loss on Asset Disposals | 4 | (15,700) | (34,884) | |
| NET RESULT | | 122,191 | 1,653,194 | 669,677 |
| Other Comprehensive Income | | | | |
| Changes on Revaluation of Non-Current Assets | | 0 | 0 | 0 |
| Total Other Comprehensive Income | | 0 | 0 | 0 |
| TOTAL COMPREHENSIVE INCOME | | 122,191 | 1,653,194 | 669,677 |

Fair value adjustments to financial assets at fair value through profit or loss and other comprehensive income is impacted upon by external forces and is not able to be reliably estimated at the time of budget adoption. It is anticipated in all instances that any other comprehensive income will relate to non-cash transactions and, as such, have no impact on this budget document. Fair value adjustments relating to the remeasurement of non-current assets through profit or loss will be assessed at the time they occur with compensating budget amendments made as necessary. This statement should be read in conjunction with the accompanying notes.

**STATEMENT OF COMPREHENSIVE INCOME BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2016**

| | Note | 2015/16 Budget \$ | 2014/15 Actual \$ | 2014/15 Budget \$ |
|--|------|-------------------------|-------------------------|-------------------------|
| Revenue | | | | |
| Governance | | 500 | 365 | 1,000 |
| General Purpose Funding | | 2,249,120 | 3,495,010 | 2,841,949 |
| Law, Order, Public Safety | | 186,947 | 291,178 | 221,522 |
| Health | | 2,730 | 6,516 | 2,600 |
| Education & Welfare | | 53,830 | 157,422 | 13,830 |
| Housing | | 35,356 | 13,260 | 16,796 |
| Community Amenities | | 150,851 | 154,947 | 165,258 |
| Recreation & Culture | | 28,785 | 35,038 | 45,200 |
| Transport | | 95,000 | 131,211 | 108,000 |
| Economic Services | | 21,000 | 68,872 | 162,850 |
| Other Property & Services | | 30,000 | 54,165 | 25,000 |
| Total Revenue | | 2,854,119 | 4,407,984 | 3,604,005 |
| Expenses Excluding Finance Costs | | | | |
| Governance | | (300,344) | (287,985) | (296,491) |
| General Purpose Funding | | (167,350) | (148,408) | (807,311) |
| Law, Order, Public Safety | | (456,879) | (535,377) | (459,489) |
| Health | | (68,959) | (67,009) | (58,043) |
| Education & Welfare | | (215,868) | (248,441) | (159,734) |
| Housing | | (52,983) | (59,697) | (42,924) |
| Community Amenities | | (491,871) | (451,264) | (483,888) |
| Recreation & Culture | | (581,923) | (494,892) | (561,198) |
| Transport | | (2,436,634) | (2,941,944) | (2,537,426) |
| Economic Services | | (149,516) | (256,582) | (301,362) |
| Other Property & Services | | (173,626) | (385,238) | (18,827) |
| Total Expenses | | (5,095,953) | (5,876,837) | (5,726,693) |
| Finance Costs | | | | |
| Community Amenities | | (5,580) | (6,363) | (6,397) |
| Transport | | (3,079) | (6,201) | (6,787) |
| | 5 | (8,659) | (12,564) | (13,184) |
| Non-Operating Grants, Subsidies & Contributions | | | | |
| General Purpose Funding | | 0 | 721,656 | 665,468 |
| Law, Order & Public Safety | | 0 | 50,000 | 40,000 |
| Education & Welfare | | 0 | 0 | 0 |
| Recreation & Culture | | 879,884 | 607,106 | 0 |
| Transport | | 1,344,000 | 1,782,000 | 2,095,081 |
| Economic Services | | 155,000 | 0 | 0 |
| | | 2,378,884 | 3,160,762 | 2,800,549 |
| Profit/(Loss) on Disposal of Assets | | | | |
| Governance | | (15,700) | (6,745) | 0 |
| Transport | 4 | 9,500 | (28,139) | 5,000 |
| | | (6,200) | (34,884) | 5,000 |
| NET RESULT | | 122,191 | 1,644,461 | 669,677 |
| Other Comprehensive Income | | | | |
| Changes on Revaluation of Non-Current Assets | | 0 | 0 | 0 |
| Total Other Comprehensive Income | | 0 | 0 | 0 |

TOTAL COMPREHENSIVE INCOME**122,191****1,644,461****669,677**

Fair value adjustments to financial assets at fair value through profit or loss and other comprehensive income is impacted upon by external forces and is not able to be reliably estimated at the time of budget adoption. It is anticipated in all instances that any other comprehensive income will relate to non-cash transactions and, as such, have no impact on this budget document. Fair value adjustments relating to the remeasurement of non-current assets through profit or loss will be assessed at the time they occur with compensating budget amendments made as necessary. This statement should be read in conjunction with the accompanying notes.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016**

| | Note | 2015/16 Budget \$ | 2014/15 Actual \$ | 2014/15 Budget \$ |
|--|-------|-------------------------|-------------------------|-------------------------|
| Cash Flows from Operating Activities | | | | |
| Receipts | | | | |
| Rates | | 1,450,846 | 1,364,969 | 1,364,969 |
| Operating Grants, Subsidies and Contributions | | 949,991 | 2,462,014 | 1,606,272 |
| Fees & Charges | | 301,236 | 366,085 | 449,871 |
| Service Charges | | 0 | 0 | 0 |
| Interest Earnings | | 103,896 | 99,004 | 116,743 |
| Other Revenue | | 48,150 | 124,647 | 66,150 |
| Total Receipts | | 2,854,119 | 4,416,719 | 3,604,005 |
| Payments | | | | |
| Employee Costs | | (1,414,899) | (1,671,043) | (1,474,675) |
| Materials and Contracts | | (1,155,151) | (1,343,932) | (1,690,220) |
| Utility Charges | | (96,681) | (104,737) | (113,045) |
| Insurance Expenses | | (174,016) | (165,952) | (187,475) |
| Interest expenses | | (8,625) | (12,527) | (12,528) |
| Other Expenditure | | (300) | (9) | (300) |
| Total Payments | | (2,849,672) | (3,298,200) | (3,478,243) |
| Net Cash Provided by/(Used in) Operating Activities | 15(b) | 4,447 | 1,118,519 | 125,762 |
| Cash Flows from Investing Activities | | | | |
| Payments for Purchase of Property, Plant & Equipment | | (1,599,184) | (1,482,137) | (519,300) |
| Payments for Construction of Infrastructure | | (2,743,561) | (2,442,847) | (2,551,081) |
| Advances to Community Groups | | 0 | 0 | 0 |
| Non-Operating Grants, Subsidies & Contributions used for the Development of Assets | | 2,378,884 | 3,160,762 | 2,800,549 |
| Proceeds from the Sale of Plant & Equipment | | 183,000 | (7,245) | 145,000 |
| Cash Provided by/(Used in) Investing Activities | | (1,780,861) | (771,467) | (124,832) |
| Cash Flows from Financing Activities | | | | |
| Repayment of Debentures | | (76,933) | (72,723) | (72,723) |
| Proceeds from Self- Supporting Loans | | 14,560 | 13,713 | 13,713 |
| Proceeds from New Debentures | | 0 | 0 | 0 |
| Net Cash Provided by/(Used in) Financing Activities | | (62,373) | (59,010) | (59,010) |
| Net Increase/(Decrease) in Cash Held | | (1,838,787) | 288,040 | (58,080) |
| Cash at Beginning of Year | | 4,851,954 | 4,563,914 | 2,313,477 |
| Cash & Cash Equivalents at End of Year | 15(a) | 3,013,167 | 4,851,954 | 2,255,397 |

This statement should be read in conjunction with the accompanying notes.

**RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016**

| | Note | 2015/16 Budget \$ | 2014/15 Actual \$ | 2014/15 Budget \$ |
|---|------|-------------------------|-------------------------|-------------------------|
| Revenue | | | | |
| Governance | | 500 | 365 | 1,000 |
| General Purpose Funding | | 798,274 | 2,860,431 | 2,142,448 |
| Law, Order, Public Safety | | 186,947 | 341,178 | 261,522 |
| Health | | 2,730 | 6,516 | 2,600 |
| Education & Welfare | | 53,830 | 157,422 | 13,830 |
| Housing | | 35,356 | 13,260 | 16,796 |
| Community Amenities | | 150,851 | 154,947 | 165,258 |
| Recreation & Culture | | 908,669 | 642,143 | 45,200 |
| Transport | | 1,439,000 | 1,913,211 | 2,203,081 |
| Economic Services | | 176,000 | 68,872 | 162,850 |
| Other Property & Services | | 30,000 | 54,165 | 25,000 |
| Total Revenue | | 3,782,157 | 6,212,510 | 5,039,585 |
| Expenses | | | | |
| Governance | | (316,044) | (294,730) | (296,491) |
| General Purpose Funding | | (167,350) | (148,408) | (807,311) |
| Law, Order, Public Safety | | (456,879) | (535,377) | (459,489) |
| Health | | (68,959) | (67,009) | (58,043) |
| Education & Welfare | | (215,868) | (248,441) | (159,734) |
| Housing | | (52,983) | (59,697) | (42,924) |
| Community Amenities | | (497,451) | (457,627) | (490,285) |
| Recreation & Culture | | (581,923) | (494,892) | (561,198) |
| Transport | | (2,430,213) | (2,976,284) | (2,539,213) |
| Economic Services | | (149,516) | (256,582) | (301,362) |
| Other Property & Services | | (173,626) | (385,238) | (18,827) |
| Total Expenses | | (5,110,812) | (5,924,285) | (5,734,877) |
| Net Operating Result Excluding Rates | | (1,328,655) | 288,225 | (695,292) |

| | | | | |
|--|----------|--------------------|--------------------|--------------------|
| Net Operating Result Excluding Rates | | (1,328,655) | 288,225 | (695,292) |
| Adjustments for Cash Budget Requirements | | | | |
| Non-Cash Expenditure & Revenue | | | | |
| (Profit)/Loss on Asset Disposals | 4 | 6,200 | 34,884 | (5,000) |
| Depreciation and Amortisation on Assets | 2(a) | 2,049,850 | 2,498,786 | 2,049,850 |
| Leave Provisions | | 190,597 | 69,288 | 203,360 |
| Accruals | | 14,493 | 23,128 | 8,424 |
| Capital Expenditure & Revenue | | | | |
| Purchase Land Held for Resale | | 0 | 0 | 0 |
| Purchase Land & Buildings | 3 | (1,086,884) | (1,099,433) | (40,000) |
| Purchase Infrastructure Assets | 3 | (2,743,561) | (2,442,847) | (2,551,081) |
| Purchase Plant & Equipment | 3 | (512,300) | (365,986) | (479,300) |
| Purchase Furniture & Equipment | 3 | 0 | (16,718) | 0 |
| Proceeds from Disposal of Assets | 4 | 183,000 | (7,245) | 145,000 |
| Repayment of Debentures | 5 | (76,933) | (72,723) | (72,723) |
| Proceeds from New Debentures | 5 | 0 | 0 | 0 |
| Self-Supporting Loan Principal Repayments | | 14,560 | 13,713 | 13,713 |
| Transfers to Reserves (Restricted Assets) | 6 | (313,880) | (427,524) | (416,880) |
| Transfers from Reserves (Restricted Assets) | 6 | 762,305 | 793,272 | 475,000 |
| ADD: Estimated Surplus/(Deficit) July 1 B/fwd | 7 | 1,390,362 | 767,366 | 0 |
| LESS: Estimated Surplus/(Deficit) June 30 C/fwd | 7 | 0 | 1,421,155 | 0 |
| Amount Required to be Raised from General Rates | 8 | (1,450,846) | (1,364,969) | (1,364,929) |

This statement should be read in conjunction with the accompanying notes.

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2016

1. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of this budget are:

(a) Basis of Preparation

The budget has been prepared in accordance with applicable Australian Accounting Standards (as they apply to local government and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. Material accounting policies which have been adopted in the preparation of this budget are presented below and have been consistently applied unless stated otherwise.

Except for cash flow and rate setting information, the budget has also been prepared on the accrual basis modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

(b) The Local Government Reporting Entity

All Funds through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this budget.

In the process of reporting on the local government as a single unit, all transactions and balances between those Funds (for example, loans and transfers between Funds) have been eliminated.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 16 to this budget document.

(c) 2014/15 Actual Balances

Balances shown in this budget as 2014/15 Actual are as forecast at the time of budget preparation and are subject to final adjustments.

(d) Rounding Off Figures

All figures shown in this budget, other than a rate in the dollar, are rounded to the nearest dollar.

(e) Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions.

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

**NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2016**

(f) Goods and Services Tax

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.

(g) Superannuation

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

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash-on-hand, cash at bank, deposits available on demand with banks, other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown as short term borrowings in current liabilities in the statement of financial position.

(i) Trade and Other Receivables

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

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Collectibility of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

(j) Inventories

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.

**NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2016**

Land Held for Resale

Land held for development and sale 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. Finance 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 on to the buyer at this point.

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

(k) 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, where applicable, any accumulated depreciation and impairment losses.

Mandatory Requirement to Revalue Non-Current Assets

Effective from 1 July 2012, the Local Government (Financial Management) Regulations were amended and the measurement of non-current assets at Fair Value became mandatory.

The amendments allow for a phasing in of fair value in relation to fixed assets over three years as follows:

- (a) for the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and
- (b) for the financial year ending on 30 June 2014, the fair value of all of the assets of the local government –
 - (i) that are plant and equipment; and
 - (ii) that are land and buildings or infrastructure; and
- (c) for a financial year ending on or after 30 June 2015, the fair value of all of the assets of the local government.

Thereafter, in accordance with the regulations, each asset class must be revalued at least every three years.

In 2013 Council commenced the process of adopting Fair Value in accordance with the Regulations.

Relevant disclosures, in accordance with the requirements of Australian Accounting Standards, have been made in the budget as necessary.

**NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2016**

Land Under Control

In accordance with Local Government (Financial Management) Regulation 16(a), the Council was required to include as an asset (by 30 June 2013), Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of state or regional significance.

Upon initial recognition, these assets are recorded at cost in accordance with AASB 116. They are then classified as Land and revalued along with other land in accordance with the other policies detailed in this Note. Whilst they are initially recorded at cost (being fair value at the date of acquisition (deemed cost) as per AASB 116) they are revalued along with other items of Land and Buildings.

Initial Recognition and Measurement between Mandatory Revaluation Dates

All assets are initially recognised at cost and subsequently revalued in accordance with the mandatory measurement framework detailed above.

In relation to this measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Council 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 acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework detailed above.

Revaluation

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

Transitional Arrangements

During the time it takes to transition the carrying value of non-current assets from the cost approach to the fair value approach, the Council may still be utilising both methods across differing asset classes.

NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2016

Those assets carried at cost will be carried in accordance with the policy detailed in the ***Initial Recognition*** section as detailed above.

Those assets carried at fair value will be carried in accordance with the ***Revaluation Methodology*** section as detailed above.

Land Under Roads

In Western Australia, all land under roads is Crown land, the responsibility for managing which, is vested in the local government.

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB 1051 Land Under Roads and the fact Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

Whilst such treatment is inconsistent with the requirements of AASB 1051, Local Government (Financial Management) Regulation 4(2) provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail.

Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the Council.

Capitalisation Threshold

Expenditure on items of equipment under \$2,000 is not capitalised; rather, it is recorded in an asset inventory listing.

Assets may also be capitalised where they can be easily grouped and where the total value of the assets so grouped exceeds the \$3,000 threshold.

Depreciation of Non-Current Assets

The depreciable amount of all fixed assets including buildings but excluding freehold land, 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.

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2016

Major depreciation periods used for each class of depreciable asset are:

| | | |
|--|-----------|-----------------|
| Buildings | 40 years | Straight Line |
| Furniture and Equipment | 10 years | Straight Line |
| Office Equipment | 5 years | Straight Line |
| Plant and Equipment | 10 years | Straight Line |
| Sealed roads and streets | | |
| • formation | | Not Depreciated |
| • pavement | 50 years | Straight Line |
| • seal | | |
| - bituminous seals | 15 years | Straight Line |
| - asphalt surfaces | 15 years | Straight Line |
| Kerbs | 100 years | Straight Line |
| Parks & Gardens | 50 years | Straight Line |
| Footpaths - slab | 50 years | Straight Line |
| Water supply piping and drainage systems | 50 years | Straight Line |

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

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 and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss in the period which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

(I) Fair Value of Assets and Liabilities

When performing a revaluation, the Council uses a mix of both independent and management valuations using the following as a guide:

Fair Value is the price that Council 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.

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2016

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. 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 (i.e. the market with the greatest volume and level of activity for the asset 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.

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 Council 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.

NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2016

The valuation techniques selected by the Council 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 an asset at its current service capacity.

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 Council 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 and 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.

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued at least every 3 years.

(m) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Council becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Council commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost.

**NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2016**

Amortised cost is calculated as:

- (a) the amount in which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments and any reduction for impairment;
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(i) Financial assets at fair value through profit and loss

Financial assets at fair value through profit or loss are financial assets held for trading for the purpose of short term profit taking. Assets in this category are classified as current assets. Such assets are subsequently measured at fair value with changes in the carrying amount being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Loans and receivables are included in current assets where they are, expected to mature within 12 months after the end of the reporting period.

(ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments that the Council's management has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Held-to-maturity investments are included in current assets where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as non-current.

NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2016

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in current assets, where they are expected to be sold within 12 months after the end of the reporting period. All other available for sale financial assets are classified as non-current.

(v) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in the profit or loss.

Impairment

A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events having occurred, which will have an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial instruments, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

**NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2016**

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

Derecognition

Financial assets are derecognised where the contractual rights for receipt of cash flows expire or the asset is transferred to another party, whereby the Council no longer has any significant continual involvement in the risks and benefits associated with the asset.

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

(n) Impairment of Assets

In accordance with Australian Accounting Standards the Council'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.

For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

At the time of adopting this budget, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2016.

In any event, an impairment loss is a non-cash transaction and consequently, has no impact on this budget document.

NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2016

(o) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Council prior to the end of the financial year that are unpaid and arise when the Council 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.

(p) Employee Benefits

Short-Term Employee Benefits

Provision is made for the Council'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 Council'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. The Council's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other Long-Term Employee Benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other 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 or 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 Council's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Council 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

**NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2016**

(q) Borrowing Costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

(r) Provisions

Provisions are recognised when the Council has a 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.

(s) 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. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle.

In the case of liabilities where the Council 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 even if not expected to be realised in the next 12 months except for land held for resale where it is held as non-current based on the Council's intentions to release for sale.

(t) Comparative Figures

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

(u) Budget Comparative Figures

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

NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2016

2. REVENUE AND EXPENSES

(a) Net Result

The Net Result includes:

| | 2015/16 | 2014/15 | 2014/15 |
|--|------------------|------------------|------------------|
| | Budget | Actual | Budget |
| | \$ | \$ | \$ |
| (i) Charging as an Expenses: | | | |
| Amortisation | | | |
| Capitalised Leased Assets | 0 | 0 | 0 |
| Auditors Remuneration | | | |
| - Audit | 10,130 | 10,070 | 9,300 |
| - Other Services | 1,200 | 2,000 | 1,500 |
| | 11,330 | 12,070 | 10,800 |
| Depreciation | | | |
| By Program | | | |
| Governance | 30,372 | 34,066 | 30,372 |
| General Purpose Funding | 0 | 0 | 0 |
| Law, Order & Public Safety | 116,658 | 127,919 | 116,658 |
| Health | 0 | 0 | 0 |
| Education & Welfare | 15,587 | 11,637 | 15,587 |
| Housing | 17,500 | 17,520 | 17,500 |
| Community Amenities | 13,468 | 14,613 | 13,468 |
| Recreation & Culture | 113,149 | 125,974 | 113,149 |
| Transport | 1,384,401 | 1,834,525 | 1,384,401 |
| Economic Services | 17,910 | 18,707 | 17,910 |
| Other Property & Services | 340,805 | 313,823 | 340,805 |
| | 2,049,850 | 2,498,786 | 2,049,850 |
| By Class | | | |
| Land & Buildings | 203,896 | 218,820 | 203,896 |
| Infrastructure Assets - Roads | 1,412,515 | 1,889,595 | 1,412,515 |
| Plant & Equipment | 427,847 | 383,029 | 427,847 |
| Furniture & Equipment | 5,592 | 7,342 | 5,592 |
| | 2,049,850 | 2,498,786 | 2,049,850 |
| Interest Expenses (Finance Costs) | | | |
| Debentures (refer Note 5(a)) | 8,659 | 12,564 | 13,184 |
| | 8,659 | 12,564 | 13,184 |

**NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2016**

2. REVENUE AND EXPENSES (cont)

(a) Net Result (cont)

| | 2015/16 | 2014/15 | 2014/15 |
|--|----------------|----------------|----------------|
| | Budget | Actual | Budget |
| | \$ | \$ | \$ |
| (ii) Crediting as Revenue: | | | |
| Interest Earnings | | | |
| Investments | | | |
| - Reserve Funds | 21,880 | 47,257 | 21,880 |
| - Other Funds (DOTARS, RTR & General) | 60,000 | 31,605 | 72,000 |
| Other Interest Revenue (refer note 11) | 22,016 | 20,141 | 22,863 |
| | 103,896 | 99,003 | 116,743 |

(b) Statement of Objectives

Vision

To foster a community that acknowledges its heritage, values and lifestyles, whilst encouraging sustainable development.

Mission Statement

The Shire of Nannup will deliver quality services, facilities and representation in order to achieve our Vision.

Council operations as disclosed in this report encompass the following service orientated activities/programs:

GOVERNANCE

Objective: To provide a decision making process for the efficient allocation of scarce resources.

Activities: Administration and operation of facilities and services to members of council; other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific council services.

GENERAL PURPOSE FUNDING

Objective: To collect revenue to allow for the provision of services.

Activities: Rates, general purpose government grants and interest revenue.

**NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2016**

2. REVENUE AND EXPENSES (cont)

(b) Statement of Objectives (cont)

LAW, ORDER, PUBLIC SAFETY

Objective: To provide services to help ensure a safer community.

Activities: Supervision of various by-laws, fire prevention, emergency services and animal control.

HEALTH

Objective: To provide an operational framework for good community health.

Activities: Food quality, building sanitation and sewage.

EDUCATION AND WELFARE

Objective: To provide services to disadvantaged persons, the elderly, children and youth.

Activities: Operation of pre-school, provision of youth support.

HOUSING

Objective: Help ensure adequate housing.

Activities: Maintenance of staff and rental housing.

COMMUNITY AMENITIES

Objective: Provide services required by the community.

Activities: Rubbish collection services, operation of tip, noise control, administration of the town planning scheme, maintenance of cemetery and maintenance of public conveniences.

RECREATION AND CULTURE

Objective: To establish and manage efficiently infrastructure and resources which will help the social well being of the community.

Activities: Maintenance of halls, recreation centre and various reserves; operation of library.

TRANSPORT

Objective: To provide effective and efficient transport services to the community.

Activities: Construction and maintenance of streets, roads, bridges; cleaning of streets, depot maintenance.

**NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2016**

2. REVENUE AND EXPENSES (cont)

(b) Statement of Objectives (cont)

ECONOMIC SERVICES

Objective: To help promote the Shire and improve its economic wellbeing.

Activities: Assistance to tourism, area promotion, building control, noxious weeds, vermin control.

OTHER PROPERTY AND SERVICES

Objective: To accurately allocate plant and labour costs across the various programs of Council.

Activities: Private works operations, plant repairs and operations costs.

3. ACQUISITION OF ASSETS

| | 2015/16 |
|---------------------------------------|------------------|
| | \$ |
| By Program | |
| <u>Governance</u> | |
| Land & Buildings | 0 |
| Plant & Equipment | 63,000 |
| Furniture & Equipment | 0 |
| <u>Law, Order & Public Safety</u> | |
| Land & Buildings | 0 |
| <u>Recreation & Culture</u> | |
| Land & Buildings | 1,086,884 |
| <u>Transport</u> | |
| Infrastructure Assets - Roads | 2,743,561 |
| Plant & Equipment | 449,300 |
| Total Assets | 4,342,745 |
| By Class | |
| Land Held for Resale | 0 |
| Land & Buildings | 1,086,884 |
| Infrastructure Assets - Roads | 2,743,561 |
| Plant & Equipment | 512,300 |
| Furniture & Equipment | 0 |
| Total Assets | 4,342,745 |

NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2016

4. DISPOSALS OF ASSETS - 2015/16 FINANCIAL YEAR

The following assets are budgeted to be disposed of during the year:

| By Program | Net Book Value 2015/16 Budget \$ | Sale Price 2015/16 Budget \$ | Profit (Loss) 2015/16 Budget \$ |
|--------------------------|---|---|--|
| <u>Governance</u> | | | |
| Suzuki Swift NP0 | 23,000 | 15,000 | (8,000) |
| Toyota Camry NP000 | 22,700 | 15,000 | (7,700) |
| | 45,700 | 30,000 | (15,700) |
| <u>Transport</u> | | | |
| Toyota Prado NP00 | 42,500 | 48,000 | 5,500 |
| Grader Volvo G930 NP3002 | 96,000 | 100,000 | 4,000 |
| Ride On Mower JD NP3016 | 5,000 | 5,000 | 0 |
| Total Transport | 143,500 | 153,000 | 9,500 |
| Total | 189,200 | 183,000 | (6,200) |

By Class

| | | | |
|------------------------------|----------------|----------------|----------------|
| <u>Plant & Equipment</u> | | | |
| Suzuki Swift NP0 | 23,000 | 15,000 | (8,000) |
| Toyota Camry NP000 | 22,700 | 15,000 | (7,700) |
| Volvo 70F Loader | 101,500 | 100,000 | (1,500) |
| Kubota Tractor ME9000 | 24,250 | 30,000 | 5,750 |
| Ford Ranger | 14,250 | 15,000 | 750 |
| | 189,200 | 183,000 | (6,200) |
| Summary | | | |
| Profit on Asset Disposals | | | 9,500 |
| Loss on Asset Disposals | | | (15,700) |
| | | | (6,200) |

**NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2016**

5. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

| Particulars | Principal 01 July 15 \$ | New Loans \$ | Principal Repayments | | Principal | | Interest Repayments | |
|--|-------------------------------|--------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | | | 2015/16 Budget \$ | 2014/15 Actual \$ | 30/6/16 Budget \$ | 30/6/15 Actual \$ | 2015/16 Budget \$ | 2014/13 Actual \$ |
| Community Amenities L37 S/S Community Resource Centre ¹ | 96,995 | 0 | 14,560 | 13,713 | 82,435 | 96,995 | 5,580 | 6,363 |
| Transport L38 Plant - Grader | 62,373 | 0 | 62,373 | 59,010 | 0 | 62,373 | 3,079 | 6,201 |
| | 159,368 | 0 | 76,933 | 72,723 | 82,435 | 159,368 | 8,659 | 12,564 |

1. Self supporting loan financed by payments from third parties.

All other loan repayments were financed by general purpose revenue.

(b) New debentures

The Council will not be raising any new debentures in 2015/16.

(c) Unspent Debentures

The Council had no unspent debenture funds as at 30 June 2015, nor is it expected to have unspent debenture funds as at 30 June 2016.

(d) Overdraft

Council does not have an overdraft facility and does not anticipate that an overdraft facility will be required during 2015/16.

**NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2016**

6. RESERVES - CASH BACKED

| | 2015/16 Budget \$ | 2014/15 Actual \$ | 2014/15 Budget \$ |
|--|----------------------------------|----------------------------------|----------------------------------|
| Long Service Leave Reserve | | | |
| Opening Balance | 183,923 | 167,768 | 167,768 |
| Amount Set Aside / Transfer to Reserve | 25,000 | 25,000 | 25,000 |
| Interest Earned | 2,400 | 3,708 | 2,400 |
| Amount Used / Transfer from Reserve | (19,500) | (12,553) | 0 |
| | 191,823 | 183,923 | 195,168 |
| Office Equipment Reserve | | | |
| Opening Balance | 50,828 | 34,923 | 34,923 |
| Amount Set Aside / Transfer to Reserve | 15,000 | 15,000 | 15,000 |
| Interest Earned | 100 | 905 | 100 |
| Amount Used / Transfer from Reserve | 0 | 0 | 0 |
| | 65,928 | 50,828 | 50,023 |
| Asset Management Reserve | | | |
| Opening Balance | 420,539 | 292,824 | 292,824 |
| Amount Set Aside / Transfer to Reserve | 130,000 | 180,000 | 180,000 |
| Interest Earned | 2,500 | 2,925 | 2,500 |
| Amount Used / Transfer from Reserve | (20,000) | (55,210) | 0 |
| | 533,039 | 420,539 | 475,324 |
| Rates Equalisation Reserve | | | |
| Opening Balance | 100,000 | 150,000 | 150,000 |
| Amount Set Aside / Transfer to Reserve | 0 | 0 | 0 |
| Interest Earned | 0 | 0 | 0 |
| Amount Used / Transfer from Reserve | (50,000) | (50,000) | (50,000) |
| | 50,000 | 100,000 | 100,000 |
| Emergency Management Reserve | | | |
| Opening Balance | 53,538 | 52,185 | 52,185 |
| Amount Set Aside / Transfer to Reserve | 0 | 0 | 0 |
| Interest Earned | 500 | 1,353 | 500 |
| Amount Used / Transfer from Reserve | 0 | 0 | 0 |
| | 54,038 | 53,538 | 52,685 |
| Aged Housing Reserve | | | |
| Opening Balance | 21,418 | 20,876 | 20,876 |
| Amount Set Aside / Transfer to Reserve | 0 | 0 | 0 |
| Interest Earned | 200 | 542 | 200 |
| Amount Used / Transfer from Reserve | 0 | 0 | 0 |
| | 21,618 | 21,418 | 21,076 |
| Land Fill Site Reserve | | | |
| Opening Balance | 41,235 | 30,696 | 30,696 |
| Amount Set Aside / Transfer to Reserve | 10,000 | 10,000 | 10,000 |
| Interest Earned | 200 | 539 | 200 |
| Amount Used / Transfer from Reserve | 0 | 0 | 0 |
| | 51,435 | 41,235 | 40,896 |

Recreation Centre Upgrade Reserve

| | | | |
|--|-----------|----------------|----------------|
| Opening Balance | 197,080 | 384,346 | 384,346 |
| Amount Set Aside / Transfer to Reserve | 0 | 0 | 0 |
| Interest Earned | 10,000 | 16,734 | 10,000 |
| Amount Used / Transfer from Reserve | (207,000) | (204,000) | 0 |
| | 80 | 197,080 | 394,346 |

Plant & Machinery Reserve

| | | | |
|--|----------------|----------------|----------------|
| Opening Balance | 425,022 | 606,708 | 606,708 |
| Amount Set Aside / Transfer to Reserve | 92,000 | 130,267 | 145,000 |
| Interest Earned | 1,300 | 13,047 | 1,300 |
| Amount Used / Transfer from Reserve | (292,000) | (325,000) | (325,000) |
| | 226,322 | 425,022 | 428,008 |

Gravel Pit Rehabilitation Reserve

| | | | |
|--|---------------|---------------|---------------|
| Opening Balance | 20,007 | 7 | 7 |
| Amount Set Aside / Transfer to Reserve | 20,000 | 20,000 | 20,000 |
| Interest Earned | 180 | 0 | 180 |
| Amount Used / Transfer from Reserve | 0 | 0 | 0 |
| | 40,187 | 20,007 | 20,187 |

Main Street Upgrade Reserve

| | | | |
|--|---------------|----------------|----------------|
| Opening Balance | 207,432 | 346,438 | 346,438 |
| Amount Set Aside / Transfer to Reserve | 0 | 0 | 0 |
| Interest Earned | 4,500 | 7,503 | 4,500 |
| Amount Used / Transfer from Reserve | (173,805) | (146,509) | (100,000) |
| | 38,127 | 207,432 | 250,938 |

| | | |
|------------------|------------------|------------------|
| 1,272,597 | 1,721,022 | 2,028,651 |
|------------------|------------------|------------------|

Summary of Reserve Transfers

| | 2015/16 Budget \$ | 2014/15 Actual \$ | 2014/15 Budget \$ |
|-----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Transfers to Reserves | | | |
| Long Service Leave Reserve | 27,400 | 28,708 | 27,400 |
| Office Equipment Reserve | 15,100 | 15,905 | 15,100 |
| Asset Management Reserve | 132,500 | 182,925 | 182,500 |
| Rates Equalisation Reserve | 0 | 0 | 0 |
| Emergency Management Reserve | 500 | 1,353 | 500 |
| Aged Housing Reserve | 200 | 542 | 200 |
| Land Fill Site Reserve | 10,200 | 10,539 | 10,200 |
| Recreation Centre Upgrade Reserve | 10,000 | 16,734 | 10,000 |
| Plant & Machinery Reserve | 93,300 | 143,314 | 146,300 |
| Gravel Pit Rehabilitation Reserve | 20,180 | 20,000 | 20,180 |
| Main Street Upgrade Reserve | 4,500 | 7,503 | 4,500 |
| | 313,880 | 427,523 | 416,880 |

**NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2015**

| | 2015/16 Budget \$ | 2014/15 Actual \$ | 2014/15 Budget \$ |
|---------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| <u>Transfers from Reserves</u> | | | |
| Long Service Leave Reserve | (19,500) | (12,553) | 0 |
| Office Equipment Reserve | 0 | 0 | 0 |
| Asset Management Reserve | (20,000) | (55,210) | 0 |
| Rates Equalisation Reserve | (50,000) | (50,000) | (50,000) |
| Emergency Management Reserve | 0 | 0 | 0 |
| Aged Housing Reserve | 0 | 0 | 0 |
| Land Fill Site Reserve | 0 | 0 | 0 |
| Recreation Centre Upgrade Reserve | (207,000) | (204,000) | 0 |
| Plant & Machinery Reserve | (292,000) | (325,000) | (325,000) |
| Gravel Pit Rehabilitation Reserve | 0 | 0 | 0 |
| Main Street Upgrade Reserve | (173,805) | (146,509) | (100,000) |
| | (762,305) | (793,272) | (475,000) |

All of the reserve accounts are supported by money held in financial institutions and match the amounts shown as restricted cash of this financial report.

In accordance with council resolutions in relation to each reserve account, the purpose for which the funds are set aside are as follows:

Long Service Leave Reserve: An accounting requirement to fund long service leave accumulated by employees.

Office Equipment Reserve: To be used to ensure that the equipment required for Shire administration and the supporting computer system is maintained.

Asset Management Reserve: To provide funding for works to Shire buildings as determined by the Asset Management Plan.

Rates Equalisation Reserve: To provide support to the 2015/16 budget to minimise the impact of the loss of capital grants on the completion of Mowen Road.

Emergency Management Reserve: To provide funding for costs of dealing with local emergencies, where those costs cannot be recovered from another party.

Aged Housing Reserve: to be used to facilitate the development of Aged Housing.

Refuse Site Rehabilitation Reserve: To provide funding for the rehabilitation of the refuse disposal site once it reaches the end of its useful life.

Recreation Centre Reserve: To be used for the construction of the new recreation centre. Completion date anticipated October 2015

Plant Reserve: Used for the purchase of major plant.

Gravel Pit Reserve: to be used for the rehabilitation of the gravel pit at the end of its useful life.

Main Street Upgrade Reserve: To be used to support the project to upgrade the main street of Nannup. Completion date anticipated January 2016.

**NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2016**

7. NET CURRENT ASSETS

Composition of Estimated Net Current Asset Position

| | Note | 2015/16 Budget \$ | 2014/15 Actual \$ |
|---|-------------|----------------------------------|----------------------------------|
| Current Assets | | | |
| Cash - Unrestricted | 15(a) | 1,719,505 | 3,089,687 |
| Cash – Restricted | 15(a) | 1,293,662 | 1,762,267 |
| Receivables | | (1,074,462) | (971,043) |
| Inventories | | 0 | 0 |
| Total Current Assets | | 1,938,705 | 3,880,911 |
| Current Liabilities | | | |
| Payables & Provisions | | 641,163 | 742,095 |
| Net Current Asset Position | | 1,298,346 | 3,138,816 |
| Less: Cash Restricted Reserves | 6 | 1,272,597 | 1,721,022 |
| Less: Cash Restricted Municipal | | 24,932 | 27,432 |
| Estimated Surplus/Deficiency Carried Forward | | 0 | 1,390,362 |

The estimated surplus/(deficiency) carried forward in the 2014/15 actual column represents the surplus/(deficit) brought forward as at 1 July 2015.

The estimated surplus/(deficiency) carried forward in the 2015/16 budget column represents the surplus/(deficit) carried forward as at 30 June 2016.

**NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2016**

8. RATING INFORMATION - 2015/16 FINANCIAL YEAR

| RATE TYPE | Rate in Dollar \$ | Number of Properties | Rateable Value \$ | 2015/16 Rate Revenue \$ | 2015/16 Interim Rates \$ | 2015/16 Back Rates \$ | 2015/16 Total Revenue \$ | 2014/15 Actual Total Revenue \$ |
|------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------------|------------------------------------|---------------------------------|------------------------------------|---|
| General Rate | | | | | | | | |
| Gross Rental Valuation | 0.098339 | 368 | 4,839,742 | 475,935 | (1) | 0 | 475,935 | 450,663 |
| Unimproved Valuation | 0.004155 | 197 | 110,798,000 | 460,366 | 0 | 0 | 460,366 | 434,860 |
| Sub Totals | Minimum \$ | 565 | 115,637,742 | 936,301 | (1) | 0 | 936,301 | 885,523 |
| Minimum Rates | | | | | | | | |
| Gross Rental Valuation | 793 | 349 | 1,832,874 | 276,626 | 0 | 0 | 276,626 | 257,857 |
| Unimproved Valuation | 1039 | 189 | 27,848,139 | 196,371 | 0 | 0 | 196,371 | 182,555 |
| | | 538 | 29,681,013 | 472,997 | 0 | 0 | 472,997 | 440,412 |
| Sub-Totals | | | | | | | | |
| Ex-Gratia Rates | | | | | | | 1,409,298 | 1,325,935 |
| Specified Area Rate (Note 9) | | | | | | | 41,488 | 39,034 |
| Sub Total | | | | | | | 0 | 0 |
| Discounts (Note 12) | | | | | | | 1,450,786 | 1,364,969 |
| Totals | | | | | | | 0 | 0 |
| | | | | | | | 1,450,786 | 1,364,969 |

**NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2016**

8. RATING INFORMATION - 2015/16 FINANCIAL YEAR (Cont)

All land except exempt land in the Shire of Nannup is rated according to its Gross Rental Value (GRV) in townsites or Unimproved Value (UV) in the remainder of the Shire.

The general rates detailed above for the 2015/16 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

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

9. SPECIFIED AREA RATE - 2015/16 FINANCIAL YEAR

No specified area rates will be applied for the year ending 30 June 2016.

10. SERVICE CHARGES - 2015/16 FINANCIAL YEAR

The Shire of Nannup does not propose to impose any service charges for the year ending 30 June 2016.

11. INTEREST CHARGES AND INSTALMENTS - 2014/15 FINANCIAL YEAR

An interest rate of 11% will be charged on all rate payments that are late. It is estimated that this will generate income of \$12,000.

Two options are available to ratepayers for payment of their rates:

Option 1 – Full Payment

The full amount of rates and charges, including arrears, to be paid on or before 04 September 2015 or 35 days after the issue date of the notice, whichever is the later.

Option 2 – Four Instalments

The first instalment, including arrears to be received on or before 4 September 2015 or 35 days after the issue date of the notice, whichever is later. Subsequent payments to be made at intervals of two months from the date of the first instalment. The cost of the instalment plans will comprise simple interest of 5.5% per annum calculated from the date that the first instalment is due, together with an administration fee of \$5 for each instalment notice (i.e. \$15 in total).

The total revenue from the imposition of the interest and administration charge under this option is estimated to be \$8,400, comprising \$4,500 in interest charges and \$3,900 in administration charges.

**NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2016**

11. INTEREST CHARGES AND INSTALMENTS - 2015/16 FINANCIAL YEAR (Cont)

Actual instalment dates are as follows:

| | |
|--------------|------------------|
| Instalment 1 | 4 September 2015 |
| Instalment 2 | 4 November 2015 |
| Instalment 3 | 12 January 2016 |
| Instalment 4 | 12 March 2016 |

12. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS - 2015/16 FINANCIAL YEAR

1. Council Buildings Hire

Currently Council policy ADM7 details the criteria and the list of local organisations for which hire charges for the use of the function room are waived. A copy of this policy can be viewed on request.

2. Incentive Scheme – Rates

The Council does not offer an incentive scheme for the early payment of rates.

3. Discounts

No discount is offered in relation to any rates, service charge or fees and charges.

4. Write Offs

The budget includes sums for the write off of irrecoverable income. A sum of \$100 is budgeted for rates and \$200 for library books.

13. FEES & CHARGES

| | 2015/16 Budget \$ | 2014/15 Actual \$ |
|-----------------------------|----------------------------------|----------------------------------|
| Governance | 500 | 365 |
| General Purpose Funding | 21,500 | 13,680 |
| Law, Order, Public Safety | 7,100 | 15,710 |
| Health | 2,730 | 6,516 |
| Education and Welfare | 6,930 | 6,985 |
| Housing | 35,356 | 13,260 |
| Community Amenities | 145,335 | 148,584 |
| Recreation and Culture | 28,785 | 35,038 |
| Transport | 2,000 | 2,911 |
| Economic Services | 21,000 | 68,872 |
| Other Property and Services | 30,000 | 54,165 |
| | 301,236 | 366,086 |

**NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2016**

14. ELECTED MEMBERS REMUNERATION

The following fees, expenses and allowances were paid to council members and/or the Shire President.

| | 2015/16 | 2014/15 |
|------------------------------|----------------|----------------|
| | Budget | Actual |
| | \$ | \$ |
| President's Allowance | 8,000 | 8,000 |
| Deputy President's Allowance | 2,000 | 2,000 |
| Meeting Fees | 6,500 | 6,811 |
| Travelling Expenses | 3,000 | 3,000 |
| Conference Expenses | 9,000 | 0 |
| Telecommunications Allowance | 7,700 | 0 |
| | 36,200 | 19,811 |

15. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Estimated cash at the end of the reporting period is as follows:

| | 2015/16 | 2014/15 | 2014/15 |
|---------------------|------------------|------------------|------------------|
| | Budget | Actual | Budget |
| | \$ | \$ | \$ |
| Cash - Unrestricted | 1,601,987 | 2,992,349 | 1,245,386 |
| Cash - Restricted | 1,411,180 | 1,859,605 | 2,153,931 |
| | 3,013,167 | 4,851,954 | 2,085,310 |

The following restrictions have been imposed by regulation or other externally imposed requirements:

| | | | |
|------------------------------|---------|---------|---------|
| Recreation Centre Reserve | 80 | 197,080 | 125,280 |
| Long Service Leave Reserve | 191,823 | 183,923 | 214,370 |
| Plant & Machinery Reserve | 226,322 | 425,022 | 353,330 |
| Office Equipment Reserve | 65,928 | 50,828 | (5,080) |
| Main Street Upgrade Reserve | 38,127 | 207,432 | 65,740 |
| Land Fill Site Reserve | 51,435 | 41,235 | 10,000 |
| Emergency Management Reserve | 54,038 | 53,538 | 0 |
| Aged Housing Reserve | 21,618 | 21,418 | 0 |
| Asset Management Reserve | 533,039 | 420,539 | 0 |
| Rates Equalisation Reserve | 50,000 | 100,000 | 0 |
| Gravel Pit Reserve | 40,187 | 20,007 | 20,187 |
| Restricted Assets | 138,583 | 138,583 | 125,280 |

**NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2016**

15. NOTES TO THE STATEMENT OF CASH FLOWS (Cont)

(b) Reconciliation of Net Cash Provided by Operating Activities to Net Result

| | 2015/16 Budget \$ | 2014/15 Actual \$ | 2014/15 Budget \$ |
|--|----------------------------------|----------------------------------|----------------------------------|
| Net Result | 122,191 | 1,653,194 | 669,677 |
| Amortisation | 0 | 0 | 0 |
| Depreciation | 2,049,850 | 2,498,786 | 2,049,850 |
| (Profit)/Loss on Sale of Assets | 6,200 | 34,884 | (5,000) |
| (Increase)/Decrease in Receivables | 0 | 0 | 0 |
| (Increase)/Decrease in Inventories | 0 | 0 | 0 |
| Increase/(Decrease) in Payables | 34 | 36 | 656 |
| Increase/(Decrease) in Employee Provisions | 205,056 | 92,380 | 211,128 |
| Grants/Contributions for the Development of Assets | (2,378,884) | (3,160,762) | (2,800,549) |
| Net Cash from Operating Activities | 4,447 | 1,118,518 | 125,762 |

(c) Undrawn Borrowing Facilities

| | 2015/16 Budget \$ | 2014/15 Actual \$ | 2014/15 Budget \$ |
|---|----------------------------------|----------------------------------|----------------------------------|
| Credit Standby Arrangements | | | |
| Bank Overdraft limit | 0 | 0 | 0 |
| Bank Overdraft at Balance Date | 0 | 0 | 0 |
| Credit Card limit | 0 | 0 | 0 |
| Credit Card Balance at Balance Date | 0 | 0 | 0 |
| Total Amount of Credit Unused | 0 | 0 | 0 |
| Loan Facilities | | | |
| Total Facilities in Use at Balance Date | 82,435 | 159,368 | 159,368 |
| Unused Loan Facilities at Balance Date | 0 | 0 | 0 |

**NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2016**

16. TRUST FUNDS

Estimated movement in funds held over which the Shire has no control and which are not included in the financial statements are as follows:

| | Balance | Estimated | Estimated | Estimated |
|---|------------------|------------------|------------------|------------------|
| | 1 July 15 | Amounts | Amounts | Balance |
| | | Received | Paid | 30 June |
| | \$ | \$ | \$ | \$ |
| Building and Construction Industry Training Fund Levy | 13,031 | 9,355 | 0.00 | 22,386 |
| Builders Registration Board of WA Levy | 12,781 | 6,344 | 0.00 | 19,124 |
| Bonds | 34,272 | 1,600 | (1,840) | 34,032 |
| | 80 | 160 | (160) | 80 |
| | 0 | 15,250 | 0.00 | 15,250 |
| | 60,164 | 32,709 | (2,000) | 90,873 |

17. MAJOR LAND TRANSACTIONS

Council does not propose to engage in any major land transactions during the 2015/16 financial year.

18. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

It is not anticipated that any trading undertakings or major trading undertakings will occur in the 2015/16 financial year.

**SHIRE OF NANNUP BUDGET
FOR THE YEAR ENDING 30TH JUNE 2016
SUPPLEMENTARY INFORMATION**

OVERVIEW

Introduction

This budget continues the process started in 2011/12 to produce a sustainable financial position for the Shire of Nannup. A model of the projected budgetary position over the next 10 years has been developed as part of the Integrated Planning process, so that the annual consideration of the budget can take into account cost pressures that will arise over the medium and long term. The model underpinning the Long Term Financial Plan demonstrates that the Council currently benefits from capital grants because significant elements of its recurring costs are charged to capital projects. The 2013/14 budget established a Rate Equalisation Reserve and the use of the reserve was a major element in reducing the impact of the budget increase in 2014/15 and will be further utilised within the 2015/16 budget for the same purpose.

Budget Assumptions

In compiling the base budget an assessment of probable levels of inflation and interest rates has been taken. Reasonable account has been taken of known or anticipated price increases and other committed expenditure. Inflation of 2.0% has been added to the base level of expenditure but has not been added where underspends have been seen in previous years.

Council has a degree of control over the main areas of uncertainty in the budget and should therefore be able to moderate its exposure to significant variations through the decisions taken during the budget process. However, the unpredictability of many of the factors influencing the Council's budget remains a risk and this is addressed through prudent estimates.

There are three major factors affecting the revenue budget:

The base budget for 2015/16 includes income from fees and charges of approximately \$301,236 however these are not guaranteed.

Council receives significant income from investment interest. As interest rates decline and grant income falls this has decreased from previous periods. A decrease of \$30,000 has been assumed in the draft 2015/16 budget.

Council does not maintain a general level of working balances which can absorb unexpected fluctuations in its income and expenditure. In the event that there are significant adverse variations during the year money would need to be released from other earmarked reserves to cover any shortfall.

In the light of the assumptions made in compiling these estimates and reflected in the recommendation it is considered that the budget as presented is sufficient to meet the liabilities facing the Council during 2015/16.

Changes to the Budget

The Base Budget for 2015/16 represents the cost of carrying out the same level of activity as in 2014/15. After taking account the costs associated with the removal of capital grant income and including inflationary increases the base budget is expected to rise by approximately 2.02%.

However, the Base Budget also needs to be revised to accommodate other detailed changes in circumstances that will occur throughout the course of a financial year. These changes are summarised in Attachment 2.

Overall, within the budget for 2015/16 there have been savings made wherever possible. Taking all factors into consideration there is a net committed increase of 6.25%.

Reserves

The budget process provides an opportunity for Council to assess the adequacy of its reserves. Council maintains a number of Reserves set up for specific purposes. The table in Attachment 3 details the Reserve position as reflected in the recommended budget and the purpose for which each Reserve is maintained.

The Asset Management Plan shows that significant funds will be required over the next 10 years to maintain the Council's buildings and infrastructure. The resources required to maintain Council owned buildings is anticipated to be \$180,000 per annum. For the upcoming budget period Council has reduced this reserve contribution by \$50,000. This was necessary to balancing annual budgets and to avoid significant rate increases. It is anticipated that this Reserve can sustain a reduction for this financial year in order to allow the overall increase in budget to be reduced.

It is Officer recommendation that if this reduction is supported by Council, at the end of the 2015/16 financial year if a surplus is realised then the surplus be applied to cover shortfall in the Asset Reserve contributions for 2015/16.

Funding Corporate Priorities

As part of the 2015/16 business planning process, Council has identified growth within its service areas. The identified projects have been considered and prioritised by Council and reviewed in the budget workshops.

A further four bridges will be included within our insurance schedule for the 2015/16 period. This is in keeping with Council's decision to stage insurance coverage of bridges under the Shire of Nannup's control over a four year period. Overall increase to the budget to cover these four bridges is \$5,355.

There is a unique opportunity to develop an area to the south of the Shire known as the Quannup Lease. Recent discussions with the Department of Lands, support this land jointly coming under the control of the Shire of Nannup and the Department of Parks and Wildlife when the current pastoral lease expires on 30 June 2015. In order to take advantage of this opportunity an options appraisal will need to be carried out. It is anticipated that some external funding can be secured to support this work and a net sum of \$10,000 has been included in the budget to allow the project to proceed.

A number of smaller items are included in the proposed budget to support existing council services and details of all the proposed changes to the budget are set out in the attachment. After taking these bids into account the overall increase in the budget is 6.25%.

Prospects for the Future

The model underpinning the Long Term Financial Plan (LTFP) demonstrates that rates would need to increase by 7% in 2016/17 and 9% in 2017/18. Current forecasts suggest that the financial position will stabilise in the 2017/18 financial year which will result in the pressure on income streams being reduced and rate increases of around the level of CPI anticipated. The 2015/16 budget contains measures that will help to mitigate rate increases in the upcoming periods and identifying further savings will be the main focus for 2016/17; this will commence with a further review of the Long Term Financial Plan early in the new financial year.

Conclusion

The rate requirement for 2015/16 is \$1,450,786, an increase of 6.25% on 2014/15. The budget presented assumes a balanced budget, in that the Council will not end the 2015/16 financial year with either a surplus or deficit.

The Council continues to face substantial financial challenges and the proposed 2015/16 budget is a key step in addressing this. It is therefore considered that after taking all the above factors into account the budget as presented is sufficient to meet the liabilities facing the Council during 2015/16.

SCHEDULE OF FEES & CHARGES

2015/16



Shire of
Nannup
rest • connect • grow

LIBRARY

| SERVICE | UNIT | STATUTORY | GST | 2015/16 |
|--|----------|-----------|-----|---------|
| HISTORY BOOKS | | | | |
| History of Nannup (Extracts of minutes etc.) | Each | N | N | \$7.00 |
| War Clouds Over Nannup (Mr. A Hartley) | Each | N | N | \$7.00 |
| Bulk purchase of 10+ books | Each | N | N | \$5.00 |
| Nannup Heritage Trail booklet | Each | N | Y | \$2.00 |
| Overdue Library Book Fee | Per Book | N | Y | \$9.00 |

ADMINISTRATIVE SERVICES

| SERVICE | UNIT | STATUTORY | GST | 2015/16 |
|---|-------------|-----------|-----|----------|
| PROPERTIES REPORT (UN BOUND) | | | | |
| List of All Owners, Address, Property Descriptions etc. - Hard Copy | Each | N | Y | \$126.00 |
| List of All Owners, Address, Property Descriptions etc. - Email | Each | N | Y | \$30.00 |
| COUNCIL MINUTES AND AGENDAS | | | | |
| Copy of Ordinary Minutes - Hard Copy | Per Year | N | Y | \$240.00 |
| | Per Meeting | N | Y | \$27.00 |
| Copy of Ordinary Agendas - Hard Copy | Per Year | N | Y | \$240.00 |
| | Per Meeting | N | Y | \$27.00 |
| PHOTOCOPIES | | | | |
| Only Applicable to Community Not-For-Profit Organisations | | | | |
| A4 Copy | Each | N | Y | \$0.80 |
| A4 Copy Double Sided | Each | N | Y | \$1.00 |
| A3 Copy | Each | N | Y | \$1.00 |
| A3 Copy Double Sided | Each | N | Y | \$1.60 |
| Own Paper Supplied - A4 | Each | N | Y | \$0.50 |
| Own Paper Supplied - A4 DOUBLE SIDED | Each | N | Y | \$0.50 |
| Own Paper Supplied - A3 | Each | N | Y | \$0.50 |
| Colour Copies - Additional \$0.25 per copy | | | | |
| FACSIMILES | | | | |
| (Sending & Receiving) | | | | |
| Within W.A. | Per Page | N | Y | \$5.00 |
| Within Australia | Per Page | N | Y | \$7.00 |

| SERVICE | | UNIT | STATUTORY | GST | 2015/16 |
|---|--|---------------------|-----------|-----|----------|
| Overseas - First Page - Each Additional Page | | Per Page | N | Y | \$21.00 |
| | | Per Page | N | Y | \$12.00 |
| MISCELLANEOUS ADMINISTRATION | | | | | |
| Production of Misc. Computer Reports, Other | | | | | |
| Information Requiring Dedicated Staff Time | | Per 15 Mins | N | Y | \$27.00 |
| | | Per Hour | N | Y | \$105.00 |
| Account Enquiries - Rates Only | | Per Enquiry | N | Y | \$52.00 |
| Freedom of Information Requests (as set by FOI Regulations 1993 Schedule 1) | | | | | |
| - Application for FOI | | Per Application | Y | N | \$32.00 |
| - Staff Time Dealing With Application | | Per Hour (Pro Rata) | Y | N | \$32.00 |
| - Access Time Supervised by Staff | | Per Hour (Pro Rata) | Y | N | \$32.00 |
| - Photocopying: | | | | | |
| - Staff Time to Copy Information | | Per Hour (Pro Rata) | Y | N | \$32.00 |
| - Cost Per Copy | | | Y | N | \$0.20 |

HIRE OF FACILITIES

| SERVICE | | UNIT | STATUTORY | GST | 2015/16 |
|---|--|-------------------|-----------|-----|------------|
| SHIRLEY HUMBLE ROOM | | | | | |
| Bond for All Bookings (Except Exempted Community Groups) | | Per Hire | N | N | \$200.00 |
| Function Room | | Per Hour | N | Y | \$16.00 |
| | | Per Half Day | N | Y | \$48.00 |
| | | Per Day | N | Y | \$75.00 |
| TOWN HALL | | | | | |
| Bond for All Bookings (Except Passive Use) | | Per Hire | N | N | \$200.00 |
| <i>Hourly Rate - Active Sporting Event Hire</i> | | Per Hour | N | Y | \$24.00 |
| Session Rate - Morning (8 AM - 12 NOON) | | Per Session | N | Y | \$63.00 |
| - Afternoon (12 NOON - 5 PM) | | Per Session | N | Y | \$63.00 |
| - Evening (After 5PM) | | Per Session | N | Y | \$63.00 |
| Daily Rate | | Per Day | N | Y | \$125.00 |
| Seasonal Booking Option | | Per Term per hour | N | Y | \$204.00 |
| Based on 85% of hour hall hire, 1 hr per week x 10 weeks = (\$24.00 x 10 = \$204) | | | | | |
| Social Events Session Rate - Morning (8 AM - 12 NOON) | | | N | Y | \$82.00 |
| - Afternoon (12 NOON - 5 PM) | | | N | Y | \$82.00 |
| - Evening (After 5PM) | | | N | Y | \$82.00 |
| Social Events - Daily Rate | | | N | Y | \$150.00 |
| Long Term Hire (Passive Use Only) - Two Days | | Per Day | N | Y | \$105.00 |
| Surcharge For Alcohol Consumption | | Per Session | N | Y | \$55.00 |
| Social events refer to all functions that are not sporting in nature. i.e. Weddings, Birthdays, Funerals, Exhibitions, Auctions, Film nights etc. | | | | | |
| RECREATION HALL | | | | | |
| Bond for All Non-Recreational Bookings | | Per Hire | N | N | \$1,000.00 |
| Bond for Recreational Bookings | | Per Hire | N | N | \$200.00 |
| Sporting Events - Hourly | | Per Hour | N | Y | \$24.00 |
| Sporting Events - Daily | | Per Day | N | Y | \$125.00 |
| Seasonal Booking Option - Basketball/Netball/Trapeze | | Per Term per hour | N | Y | \$204.00 |
| Based on 85% of hour hall hire, 1 hr per week x 10 weeks = (\$24.00 x 10 = \$204) | | | | | |
| Other Functions (Social, Cabaret, Wedding, Overnight Events, etc.) - daily | | Per day | | | \$275.00 |
| Long Term Hire - Two Days | | Per Day | N | Y | \$190.00 |
| *Non recreational bookings refer to all social functions that are not sporting in nature. i.e. Weddings, Birthdays, Funerals, Exhibitions, Auctions | | | | | |

| SERVICE | | UNIT | STATUTORY | GST | 2015/16 |
|---|--|-------------------------|-----------|-----|----------|
| SENIORS ROOM - PORTION OF OLD COMMUNITY CENTRE | | | | | |
| Bond for all bookings | | Per Hire | N | N | \$200.00 |
| 1/2 day hire | | 1/2 day | N | Y | \$50.00 |
| Full day hire | | per day | N | Y | \$100.00 |
| Surcharge For Alcohol Consumption | | Per Session | N | Y | \$55.00 |
| COMMUNITY ROOM - PORTION OF OLD COMMUNITY CENTRE | | | | | |
| Bond for all bookings | | Per Hire | N | N | \$200.00 |
| 1/2 day hire | | 1/2 day | N | Y | \$50.00 |
| Full day hire | | per day | N | Y | \$100.00 |
| Surcharge For Alcohol Consumption | | Per Session | N | Y | \$55.00 |
| <i>NB: If both Seniors Room and Community Room booked only one bond to be charged and only one surcharge for alcohol consumption if applicable.</i> | | | | | |
| MISCELLANEOUS EQUIPMENT | | | | | |
| Hire of Trestles | | Each | N | Y | \$5.00 |
| Hire of Polypropylene Chairs – Individual | | Each | N | Y | \$1.50 |
| Hire of Polypropylene Chairs - Maximum | | | N | Y | \$140.00 |
| Hire of Public Address (PA) Equipment | | Per Day | N | Y | \$25.00 |
| Hire of Projector | | Per Hire | N | Y | \$25.00 |
| Bond for projector | | Per Hire | N | N | \$250.00 |
| Hire of Nordic Poles | | Per Day | N | Y | \$10.00 |
| FOOTBALL / CRICKET OVAL | | | | | |
| Community Sporting Groups | | Per Day | N | Y | \$65.00 |
| Other Groups (\$200 Bond Required) | | Per Day | N | Y | \$65.00 |
| Seasonal Charge | | Per Year | N | Y | \$500.00 |
| Change Rooms | | Per Day Per Change Room | N | Y | \$30.00 |
| HOCKEY FIELD | | | | | |
| Community Sporting Groups | | Per Day | N | Y | \$65.00 |
| Other Groups (\$165 Bond Required) | | Per Day | N | Y | \$65.00 |
| Change Rooms | | Per Day Per Change Room | N | Y | \$30.00 |
| TOWN GREENS | | | | | |
| Village Green | | Per Day | N | Y | \$65.00 |
| Old Roads Board Building Park | | Per Day | N | Y | \$65.00 |
| Event Rubbish Bond | | Per Event | N | N | \$525.00 |

| SERVICE | UNIT | STATUTORY | GST | 2015/16 |
|---|------------|-----------|-----|------------|
| OVERFLOW CAMPING AREAS | | | | |
| No Facilities Required | Per Person | N | Y | \$13.00 |
| Facilities Required (\$250.00 Bond for Group Booking) | Per Person | N | Y | \$14.00 |
| FORESHORE PARK | | | | |
| Bond for All Bookings | Per Hire | N | Y | \$650.00 |
| ALL FACILITIES - NO POWER | | | | |
| Not-For-Profit Incorporated Local Community Groups | Per Day | N | Y | \$80.00 |
| All Other Community Groups | Per Day | N | Y | \$315.00 |
| Commercial Use | Per Day | N | Y | \$420.00 |
| ALL FACILITIES | | | | |
| Not-For-Profit Incorporated Local Community Groups | Per Day | N | Y | \$155.00 |
| All Other Community Groups | Per Day | N | Y | \$790.00 |
| Commercial Use | Per Day | N | Y | \$1,000.00 |
| CONSUMER POLES | | | | |
| Each Pole | Per Day | N | Y | \$42.00 |
| Note: Actual Cost of the account for the period will be charged when being used for more than just street stalls. | | | | |

FIRE CONTROL

| SERVICE | UNIT | STATUTORY | GST | 2015/16 |
|--|---------------------|-----------|-----|----------|
| Application for Suspension of Prohibited Burning Period | Per Application | N | Y | \$475.00 |
| Application for Fire Break Variation | | | | |
| - One (1) Year | Per Lot Applied For | N | Y | \$105.00 |
| - Five (5) Year | Per Lot Applied For | N | Y | \$265.00 |
| Firebreaks Fine | Each | N | Y | \$250.00 |
| Firebreak Fines – Late Payment Fee | Each | N | Y | \$15.00 |
| Firebreak Fines – Late Payment Court Registration Fee | Each | N | Y | \$50.00 |
| Firebreak Fines – Late Payment Enforcement Certificate Fee | Each | N | Y | \$12.50 |

ENVIRONMENTAL HEALTH

| SERVICE | | UNIT | STATUTORY | GST | 2015/16 |
|---|--|----------|-----------|-----|----------|
| FOOD PREMISES: | | | | | |
| Notification (food street traders, registered elsewhere) | | Each | N | N | \$50.00 |
| Registration (food business in Shire) | | Each | N | N | \$115.00 |
| Inspection Fee - High/Medium Risk | | Each | N | N | \$145.00 |
| Inspection Fee - Low Risk | | Each | N | N | \$85.00 |
| Verification Certificate | | Each | N | Y | \$55.00 |
| Food Premises Fit Out Approval - High/Medium Risk (Includes Notification) | | Each | N | N | \$220.00 |
| Food Premises Fit Out Approval - Low Risk (Includes Notification) | | Each | N | N | \$165.00 |
| Follow Up Inspections <30 Mins Officer Time | | Each | N | Y | \$55.00 |
| Follow Up Inspections 30 Mins or more Officer Time | | Each | N | Y | \$85.00 |
| Food Spoilt (Written Confirmation of Disposal) | | Each | N | N | \$95.00 |
| Hairdressing Fit Out Approval | | Each | N | Y | \$110.00 |
| Beauty Therapy/Skin Piercing Fit Out Approval | | Each | N | Y | \$110.00 |
| Registration - Lodging House | | Each | N | Y | \$165.00 |
| Seized Food Analysis | | Each | N | Y | \$55.00 |
| Food Sampling Request | | Each | N | Y | \$200.00 |
| TEMPORARY FOOD PREMISES (STALL HOLDERS) | | | | | |
| Festival Notification - per event | | Each | N | Y | \$30.00 |
| OTHER ENVIRONMENTAL HEALTH CHARGES: | | | | | |
| Section 39 (Liquor Licensing) Certificates | | Each | N | N | \$95.00 |
| Noise Monitoring - Non-Complying Event | | Each | N | Y | \$550.00 |
| Local Government Report Fee | | Each | Y | N | \$150.00 |
| WATER TESTING: | | | | | |
| Bacteriological Testing | | Per Test | N | Y | \$135.00 |
| Chemical Testing (Plus Cost of Analysis) | | Per Test | N | Y | \$135.00 |
| Regular Water Testing (6 Per Year) | | Per Year | N | Y | \$550.00 |
| HEALTH (TREATMENT OF SEWERAGE AND DISPOSAL OF EFFLUENT AND LIQUID WASTE) | | | | | |
| REGULATIONS 1994 | | | | | |
| SEPTIC TANKS: | | | | | |
| Application Fee | | Each | Y | Y | \$118.00 |
| Inspection Fee | | Each | Y | Y | \$118.00 |

| SERVICE | | UNIT | STATUTORY | GST | 2015/16 |
|---|-------------|-----------------|-----------|-----|----------|
| CARAVAN & CAMPING FEES HEALTH ACT 1911 SECTION 344C | | | | | |
| Caravan & Camping Facility | Minimum Fee | Per Site | Y | N | \$200.00 |
| Short & Long Stay Caravan Park | | Per Site | Y | N | \$6.00 |
| Camp Site | | Per Site | Y | N | \$3.00 |
| Overflow Site | | Per Site | Y | N | \$1.50 |
| Application for Caravan Annexes or Park Home Approval | | Each | Y | N | \$80.00 |
| Transfer of Facility License (Caravan Park/Camp Ground) | | Each | Y | N | \$100.00 |
| Temporary License Facility | | Each | Y | N | \$100.00 |
| HEALTH (OFFENSIVE TRADES FEES) REGULATIONS 1976: | | | | | |
| Slaughterhouses | | Per Application | Y | N | \$285.00 |
| Piggeries | | Per Application | Y | N | \$285.00 |
| Artificial Manure Depots | | Per Application | Y | N | \$202.00 |
| Bone Mills | | Per Application | Y | N | \$163.00 |
| Places for Storing, Drying or Preserving Bones | | Per Application | Y | N | \$163.00 |
| Fat Melting, Fat Extraction or Tallow Melting ESTABLISHMENTS | | Per Application | Y | N | \$163.00 |
| Butcher Shops & Similar | | Per Application | Y | N | \$163.00 |
| Blood Drying | | Per Application | Y | N | \$163.00 |
| Gut Scraping, Preparation of Sausage Skins | | Per Application | Y | N | \$163.00 |
| Fellmongeries | | Per Application | Y | N | \$163.00 |
| Manure Works | | Per Application | Y | N | \$202.00 |
| Fish Curing Establishments | | Per Application | Y | N | \$202.00 |
| Laundries, Dry Cleaning Establishments | | Per Application | Y | N | \$140.00 |
| Bone Merchant Premises | | Per Application | Y | N | \$163.00 |
| Flock Factories | | Per Application | Y | N | \$163.00 |
| Knackeries | | Per Application | Y | N | \$285.00 |
| Poultry Processing Establishments | | Per Application | Y | N | \$285.00 |
| Poultry Farming | | Per Application | Y | N | \$285.00 |
| Rabbit Farming | | Per Application | Y | N | \$285.00 |
| Fish Processing Establishments in which Whole Fish are Cleaned & Prepared | | Per Application | Y | N | \$285.00 |
| Shellfish & Crustacean Processing Establishments | | Per Application | Y | N | \$285.00 |
| Any Other Offensive Trade Not Specified | | Per Application | Y | N | \$285.00 |

| SERVICE | | UNIT | STATUTORY | GST | 2015/16 |
|--|--|-----------------|-----------|-----|----------|
| HEALTH (PUBLIC BUILDINGS) REGULATIONS 1992: | | | | | |
| Inspection of Premises on Request | | Per Application | N | Y | \$165.00 |
| Environmental Assessment & Reports on Request | | Per Application | N | Y | \$165.00 |
| Public Building Approval <1,000 People | | Per Application | N | N | \$262.50 |
| Public Building Approval 1,000 People or more | | Per Application | N | N | \$525.00 |

BUILDING CONTROL

| SERVICE | | UNIT | STATUTORY | GST | 2015/16 |
|--|--|-----------------|-----------|-----|---|
| BUILDING REGULATIONS 2012 | | | | | |
| BUILDING PERMIT | | | | | |
| Uncertified Application Class 1 or Class 10 Building/Structure - Minimum Fee | | Per Application | Y | N | \$95.00 |
| Uncertified Application Class 1 or Class 10 Building/Structure - Scale Fee | | Per Application | Y | N | 0.32% of estimated value of building work |
| Certified Application: | | Per Application | | | |
| - Class 1 or Class 10 Building/Structure - Minimum Fee | | Per Application | Y | N | \$95.00 |
| - Class 1 or Class 10 Building/Structure - Scale Fee | | Per Application | Y | N | 0.19% of estimated value of building work |
| - Class 2 to 9 Building/Structure - Minimum Fee | | Per Application | Y | N | \$95.00 |
| - Class 2 to 9 Building/Structure - Scale Fee | | Per Application | Y | N | 0.09% of estimated value of building work |
| BUILDING PERMIT EXTENSION | | | | | |
| Major Reassessments (Estimated Value of Construction Remaining): | | | | | |
| - Class 1 or Class 10 Building/Structure - Minimum Fee | | Per Application | Y | N | \$95.00 |
| - Class 1 or Class 10 Building/Structure - Scale Fee | | Per Application | Y | N | 0.32% of value of construction |
| - Class 2 to 9 Building/Structure - Minimum Fee | | Per Application | Y | N | \$95.00 |
| - Class 2 to 9 Building/Structure - Scale Fee | | Per Application | Y | N | 0.19% of value of construction |
| Extension of Time for Building Approval Certificate | | Per Application | Y | N | \$95.00 |

| SERVICE | UNIT | STATUTORY | GST | 2015/16 |
|---|------------------|-----------|-----|---|
| DEMOLITION PERMIT | | | | |
| Class 1 or Class 10 Building/Structure | Each | Y | N | \$95.00 |
| Class 2 to 9 Building/Structure | Per Storey | Y | N | \$95.00 |
| Extension of Time | Per Application | Y | N | \$95.00 |
| Performance Bond - Site Clean-Up & Verge Including Footpaths | Each | N | N | \$750.00 |
| OCCUPANCY PERMIT & BUILDING APPROVAL CERTIFICATE | | | | |
| Occupancy Permit for a Completed Building | Each | Y | N | \$95.00 |
| Temporary Permit for Incomplete Building | Each | Y | N | \$95.00 |
| Modification for Additional Use of Building on Temporary Basis | Each | Y | N | \$95.00 |
| Replacement Permit for Permanent Change of Building Use | Each | Y | N | \$95.00 |
| Building Approval Application Certificate (Strata) - Minimum Fee | Per Application | Y | N | \$104.65 |
| Building Approval Application Certificate (Strata) - Scale Fee | Each Strata Unit | Y | N | \$10.50 |
| Occupancy Permit where Unauthorised Work has been done - Minimum Fee | Each | Y | N | \$95.00 |
| Occupancy Permit where Unauthorised Work has been done - Scale Fee | Each | Y | N | 0.18% of estimated value of building work |
| Building Approval Certificate where Unauthorised Work has been done | Each | Y | N | 0.38% of estimated value of building work |
| Replacement Occupancy Certificate for Existing Building | Each | Y | N | \$95.00 |
| Building Approval Certificate where Unauthorised Work has not been done | Each | Y | N | \$95.00 |
| Extension of Time for Occupancy Permit | Each | Y | N | \$95.00 |
| OTHER APPLICATIONS | | | | |
| Declaration that a Building Standard Does Not Apply | Each | Y | N | \$2,100.00 |
| OTHER BUILDING CHARGES | | | | |
| Temporary Accommodation Approval | Each | N | Y | \$115.00 |
| Extension of Temporary Accommodation Approval | Each | N | Y | \$115.00 |
| Monthly Building Statistics Report | Per Year | N | Y | \$195.00 |
| | Per Month | N | Y | \$45.00 |
| CROSSOVERS - PERFORMANCE BONDS | | | | |
| Single crossovers to residential/rural living properties | Each | N | N | \$3,000.00 |
| Double crossovers to residential/rural living properties | Each | N | N | \$6,000.00 |
| Single commercial/industrial crossovers | Each | N | N | \$5,000.00 |
| Double commercial/industrial crossovers | Each | N | N | \$7,500.00 |

| SERVICE | UNIT | STATUTORY | GST | 2015/16 |
|--|-----------------|-----------|-----|--|
| CONSTRUCTION TRAINING FUND LEVY (CTF) | | Y | N | 0.2% of value of construction > \$20,000 |
| BUILDING SERVICES LEVY | | | | |
| Building or demolition permit - for Works up to \$45,000 (Inc. GST) | Per Application | Y | N | \$61.65 |
| Building or demolition permit - for Works over \$45,000 (Inc GST) | Per Application | Y | N | 0.137% of value of work |
| Occupancy permit or building approval certificate for approved building work under s47, 49, 50 or 52 of the Building Act | Per Application | Y | N | \$61.65 |
| Occupancy permit or building approval certificate for unauthorised building work under s51 of the Building Act - for Works up to \$45,000 (Inc. GST) | Per Application | Y | N | \$123.30 |
| Occupancy permit or building approval certificate for unauthorised building work under s51 of the Building Act - for Works over \$45,000 (Inc. GST) | Per Application | Y | N | 0.274% of value of work |
| BUILDING PLAN SEARCHES AND RESEARCH FEE | | | | |
| Building Plans | Each | N | N | \$60.00 |
| Provide Copy of Housing Indemnity Insurance Policy | Each | N | N | \$60.00 |
| Copy of Archived Building Plans | Each | N | Y | \$90.00 |
| BUILDING INSPECTION AND REPORTS | | | | |
| Housing Indemnity Insurance Report | Each | N | Y | \$1,225.00 |
| Building call out fee applies where work for which an inspection is requested, was not ready for inspection | Each | N | Y | \$85.00 |
| Weekend Call Out Fee - Per Hour (Minimum of One Hour) | Per Hour | N | Y | \$170.00 |

DOG REGISTRATION

| SERVICE | UNIT | STATUTORY | GST | 2015/16 |
|--|------|-----------|-----|----------|
| Sterilised - 1 Year | Each | Y | N | \$20.00 |
| Sterilised - 3 Year | Each | Y | N | \$42.50 |
| Sterilised - Lifetime | Each | Y | N | \$100.00 |
| Unsterilised - 1 Year | Each | Y | N | \$50.00 |
| Unsterilised - 3 Year | Each | Y | N | \$120.00 |
| Unsterilised - Lifetime | Each | Y | N | \$250.00 |
| Pensioner Concession - Sterilised - 1 year | Each | Y | N | \$10.00 |
| Pensioner Concession - Sterilised - 3 year | Each | Y | N | \$21.25 |
| Pensioner Concession - Sterilised - Lifetime | Each | Y | N | \$50.00 |
| Pensioner Concession - Unsterilised - 1 year | Each | Y | N | \$25.00 |
| Pensioner Concession - Unsterilised - 3 year | Each | Y | N | \$60.00 |
| Pensioner Concession - Unsterilised - Lifetime | Each | Y | N | \$125.00 |

| SERVICE | UNIT | STATUTORY | GST | 2015/16 |
|---------------------------------------|-----------------|-----------|-----|----------|
| Working Dog - sterilised - 1 Year | Each | Y | N | \$5.00 |
| Working Dog - sterilised - 3 Year | Each | Y | N | \$10.60 |
| Working Dog - sterilised - Lifetime | Each | Y | N | \$25.00 |
| Working Dog - Unsterilised - 1 Year | Each | Y | N | \$12.50 |
| Working Dog - Unsterilised - 3 Year | Each | Y | N | \$30.00 |
| Working Dog - Unsterilised - Lifetime | Each | Y | N | \$62.50 |
| Dogs kept in an approved kennel | Per Application | Y | N | \$200.00 |

*Note registration fees reduced by 50% if registered between 1 June - 31 October each year

**Working Dog concession is equal to 25% of registration payable

CAT REGISTRATION

| SERVICE | UNIT | STATUTORY | GST | 2015/16 |
|--|------|-----------|-----|----------|
| Sterilised - 1 Year | Each | Y | N | \$20.00 |
| Sterilised - 3 Year | Each | Y | N | \$42.50 |
| Pensioner Concession - Sterilised - 1 year | Each | Y | N | \$10.00 |
| Pensioner Concession - Sterilised - 3 year | Each | Y | N | \$21.25 |
| Unsterilised - 1 Year | Each | Y | N | \$50.00 |
| Unsterilised - 3 Year | Each | Y | N | \$120.00 |
| Pensioner Concession - Unsterilised - 1 year | Each | Y | N | \$25.00 |
| Pensioner Concession - Unsterilised - 3 year | Each | Y | N | \$60.00 |
| Lifetime Registration | Each | Y | N | \$100.00 |
| Lifetime Registration - Pensioner | Each | Y | N | \$50.00 |

*Note registration fees reduced by 50% if registered between 1 June - 31 October each year

WASTE MANAGEMENT

| SERVICE | UNIT | STATUTORY | GST | 2015/16 |
|---|--------------------|-----------|-----|----------|
| REFUSE COLLECTION | | | | |
| Kerbside Rubbish Collection | Per Bin | N | N | \$200.00 |
| Kerbside Recycling Collection | Per Bin | N | N | \$125.00 |
| REFUSE DISPOSAL | | | | |
| Non-Resident's Pass | Per Pass | N | N | \$60.00 |
| TIP FEES - Non Resident or Non Domestic Refuse | | | | |
| Small Load <1m ³ | Each | N | Y | \$8.00 |
| Large Load > 1m ³ | Each | N | Y | \$15.00 |
| Large Trailer >1.8m x 1.2m | Each | N | Y | \$45.00 |
| Small Truck up to 4T | Each | N | Y | \$115.00 |
| Medium Truck 4 - 8T | Each | N | Y | \$180.00 |
| Large Truck 8 - 14T | Each | N | Y | \$230.00 |
| Semi Trailer | Each | N | Y | \$300.00 |
| < 3M ³ Skip Bin | Each | N | Y | \$50.00 |
| 3M ³ - 6M ³ Skip Bin | Each | N | Y | \$85.00 |
| 6M ³ - 10M ³ Skip Bin | Each | N | Y | \$135.00 |
| > 10M ³ Skip Bin | Each | N | Y | \$180.00 |
| Asbestos | Per M ³ | N | Y | \$90.00 |
| Asbestos minimum charge | per load | N | Y | \$50.00 |
| TIP FEES - TYRES/RIMS | | | | |
| Passenger Tyre | Each | N | Y | \$10.00 |
| Light Truck & 4 x 4 Tyre | Each | N | Y | \$15.00 |
| Truck Tyre | Each | N | Y | \$20.00 |
| Super Single Truck | Each | N | Y | \$25.00 |
| Passenger Tyre On Rim | Each | N | Y | \$15.00 |
| Light Truck & 4 x 4 Tyre On Rim (not split rim) | Each | N | Y | \$20.00 |
| Super Single Truck Tyre On Rim | Each | N | Y | \$40.00 |
| Small Forklift Tyre UP TO 30 cm | Each | N | Y | \$15.00 |
| Medium Forklift Tyre 30cm to 45cm | Each | N | Y | \$20.00 |
| Large Forklift Tyre 45cm to 60cm | Each | N | Y | \$25.00 |
| Solid Forklift Tyre Small TO 30cm | Each | N | Y | \$20.00 |
| Solid Forklift Tyre Medium 30cm to 45cm | Each | N | Y | \$25.00 |
| Solid Forklift Tyre Large 45cm to 60cm | Each | N | Y | \$30.00 |

| SERVICE | UNIT | STATUTORY | GST | 2015/16 |
|--|------|-----------|-----|----------|
| Solid Forklift Tyre Extra Large 60cm to 1m | Each | N | Y | \$110.00 |
| Solid Forklift Tyre 1m & above (Per Tonne) | Each | N | Y | \$200.00 |
| Tractor Tyre Small UP TO 1m | Each | N | Y | \$40.00 |
| Tractor Tyre Large 1m to 1.5m | Each | N | Y | \$110.00 |
| Tractor Tyre 1.5m to 2.2m | Each | N | Y | \$200.00 |
| Bobcat Tyre | Each | N | Y | \$15.00 |
| Earthmover Tyre Small UP TO 1m | Each | N | Y | \$120.00 |
| Earthmover Tyre Medium 1m to 1.5m | Each | N | Y | \$165.00 |
| Earthmover Tyre Large 1.5m to 2m | Each | N | Y | \$245.00 |
| Grader Tyre | Each | N | Y | \$110.00 |

DEPOT SERVICES

| SERVICE | UNIT | STATUTORY | GST | 2015/16 |
|---|--------------|-----------|-----|----------|
| SUPPLY OF AGGREGATE | | | | |
| Supply of Used Aggregate Ex-Depot - Loaded | Per Trailer | N | Y | \$47.00 |
| Supply of New Aggregate Ex-Depot - Loaded | Per Trailer | N | Y | \$110.00 |
| Only the plant listed below is available for hire. All plant must be hired with an operator | | | | |
| WEEKDAY HIRE | | | | |
| 4.5T Truck | Per Std Hour | N | Y | \$138.00 |
| 14T Truck | Per Std Hour | N | Y | \$175.00 |
| Backhoe | Per Std Hour | N | Y | \$155.00 |
| Grader | Per Std Hour | N | Y | \$200.00 |
| Loader | Per Std Hour | N | Y | \$176.00 |
| Roller | Per Std Hour | N | Y | \$145.00 |
| Tractor | Per Std Hour | N | Y | \$140.00 |
| WEEKEND HIRE | | | | |
| 4.5T Truck | Per Std Hour | N | Y | \$182.00 |
| 14T Truck | Per Std Hour | N | Y | \$215.00 |
| Backhoe | Per Std Hour | N | Y | \$200.00 |
| Grader | Per Std Hour | N | Y | \$230.00 |
| Loader | Per Std Hour | N | Y | \$215.00 |
| Roller | Per Std Hour | N | Y | \$215.00 |
| Tractor | Per Std Hour | N | Y | \$205.00 |

| SERVICE | UNIT | STATUTORY | GST | 2015/16 |
|---|--------------|-----------|-----|----------|
| OTHER HIRE CHARGES | | | | |
| Hire of Pig Trailer | Per Std Hour | N | Y | \$66.00 |
| Hire of Float | Per Std Hour | N | Y | \$66.00 |
| LABOUR CHARGES | | | | |
| Weekday | | | | |
| Weekend | Per Std Hour | N | Y | \$66.00 |
| OTHER WORKS | | | | |
| Quotations can be obtained for small jobs. These will be charged at an appropriate hourly rate. | Per Std Hour | N | Y | \$100.00 |

| | | | | |
|---|----------------|---|---|----------|
| HIRE OF TEMPORARY FENCING | | | | |
| Bond | | | | |
| For Other Local Governments for Extended Periods Only | Per Metre/Week | N | N | \$525.00 |
| Erected & Dismantled within Nannup Townsite | Per Metre/Week | N | Y | \$17.00 |
| WATER FROM BROCKMAN ST AND DEPOT STAND PIPE: | | | | |
| Commercial Users | | | | |
| Local Residents for Domestic Purposes | Per K/L | N | Y | \$22.00 |
| | Per K/L | N | Y | \$9.50 |
| Heavy Haulage Agreement | Each | N | Y | \$265.00 |

CEMETERY

| SERVICE | UNIT | STATUTORY | GST | 2015/16 |
|---|------|-----------|-----|------------|
| RIGHT OF BURIAL | | | | |
| Grant of Exclusive Right of Burial - 25 Year Period | Each | N | Y | \$850.00 |
| Grant of Exclusive Right of Burial Niche Wall/Rose Garden - 25 Year Period | Each | N | Y | \$200.00 |
| Renewal of Grant of Exclusive Right of Burial - 25 Year Period | Each | N | Y | \$150.00 |
| Registration of Transfer of Form of Grant of Right of Burial | Each | N | Y | \$27.00 |
| INTERMENT TO A DEPTH OF 2.1M | | | | |
| Any Person Ten Years of Age or Older | Each | N | Y | \$1,050.00 |
| Any Person Under Ten Years of Age | Each | N | Y | \$900.00 |
| A Stillborn Child | Each | N | Y | \$600.00 |
| Additional Fee – Interment Without Due Notice | Each | N | Y | \$125.00 |
| Additional Fee - Interment Not in Usual Hours | Each | N | Y | \$125.00 |
| Additional Fee - Interment on a Saturday, Sunday or Public Holiday | Each | N | Y | \$580.00 |
| ASHES | | | | |
| Interment of Ashes | Each | N | Y | \$250.00 |
| Placement of Ashes Within Niche Wall (includes plaque with standard inscription) | Each | N | Y | \$495.00 |
| Placement of Ashes in Rose Garden (includes plaque with standard inscription & Concrete Base) | Each | N | Y | \$525.00 |
| Placement of Ashes in Rose Garden - No Plaque | Each | N | Y | \$285.00 |
| MEMORIALS | | | | |
| Dedicated Memorial Rose Bush/Shrub (exclusive family use, maximum of 8) Interments, (Shrub selection to be approved by CEO as per Council plan) | | | | |
| - Initial Placement (includes plaque with standard inscription & concrete base | Each | N | Y | \$790.00 |
| - Subsequent Single Placements | Each | N | Y | \$400.00 |
| Permission to Erect Headstone, Kerbing or Monument | Each | N | Y | \$50.00 |
| LICENSE FEES | | | | |
| Undertakers Annual License Fee | Each | N | Y | \$125.00 |
| Undertakers Single License Fee (for one interment) | Each | N | Y | \$40.00 |

TOWN PLANNING DEVELOPMENT APPLICATIONS

| Charge & Comment | | STATUTORY | GST | 2015/16 |
|--|--|-----------|-----|--|
| Determination of a development application where the estimated cost of the development is: | | | | |
| a) No more than \$50,000 | | Y | N | \$147 |
| b) More than \$50,000 but not more than \$500,000 | | Y | N | 0.32% of the estimated cost of the development |
| c) More than \$500,000 but not more than \$2.5 million | | Y | N | \$1,700 + 0.257% for every \$1 in excess of \$500,000 |
| d) More than \$2.5 million but not more than \$5 million | | Y | N | \$7,161 + 0.206% for every \$1 in excess of \$2.5M |
| e) More than \$5 million but not more than \$21.5 million | | Y | N | \$12,633 + 0.123% for every \$1 in excess of \$5 million |
| f) More than \$21.5 million | | Y | N | \$34,196 |
| <i>Note: If the development has commenced or being carried out prior to approval, an additional amount, by way of penalty that is twice the amount of the maximum fee payable for determination of the application under Parts (a), (b), (c), (d), (e) and (f) will be added to base rate.</i> | | | | |
| Single Dwelling (where Planning Approval required) | | N | N | \$145 |
| Additions to Single Dwelling (where Planning Approval required) | | N | N | \$145 |
| Second Dwelling for Rural Purposes | | N | N | \$145 |
| Ancillary Accommodation/Granny Flat/Caretakers Dwelling | | N | N | \$145 |

Notes:

- Applications that are subject to Development Assessment Panels will attract an additional fee at the rate set out in Schedule 1 to the Planning and Development (Development Assessment Panels) Regulations 2011
- Applicants are to provide details of estimated cost of development (includes any car parking, effluent disposal, landscaping features, etc).
- Delegated Authority has been provided to the CEO to determine the value of proposed development. If applicants disagree with the estimate made by the Shire reconsideration can be requested if evidence of the cost of development can be provided. If applicants still dispute the estimated cost determined by the Shire the matter can be referred to the Fees Arbitration Panel (WAPC WAMA) for determination.
- The costs of advertising and any specialist reports will be an additional cost

MISCELLANEOUS DEVELOPMENT APPLICATIONS

| Charge & Comment | | STATUTORY | GST | 2015/16 |
|---|--|-----------|-----|--|
| Extractive Industry | | Y | N | \$739 |
| Plantations | | N | N | 0.32% of the estimated value |
| Relocation of a Building Envelope | | N | N | \$120 |
| Setback Reduction (in addition to other fees) | | N | N | \$120 |
| Nameup Strata Title Fees | a) For a certificate under Section 5B(2) | N | N | Minimum \$100 |
| | b) For a certificate under Section 8A(f) or 9(3) | N | N | Minimum \$100 |
| | c) For a Form 7 certificate | N | N | \$0.20 per square metre of building floor area (min \$100) |
| Sign Application Fee | | N | N | \$146 |

Note: The estimated value of plantations will be calculated at a rate of \$1,300 per hectare of planted area.

1. Applications that are subject to Development Assessment Panels will attract an additional fee at the rate set out in Schedule 1 to the Planning and Development (Development Assessment Panels) Regulations 2011
2. Applicants are to provide details of estimated cost of development (includes any car parking, effluent disposal, landscaping features, etc).
3. Delegated Authority has been provided to the CEO to determine the value of proposed development. If applicants disagree with the estimate made by the Shire reconsideration can be requested if evidence of the cost of development can be provided. If applicants still dispute the estimated cost determined by the Shire, the matter can be referred to the Fees Arbitration Panel (WAPC WAMA) for determination.

CHANGE OF USE

| Charge & Comment | STATUTORY | GST | 2015/16 |
|---|-----------|-----|---------|
| Application for change of use or for change or continuation of a non-conforming use where no new development is occurring | Y | N | \$295 |
| Retail / Shop (use only) | N | N | \$72 |
| Home Occupation (Including cottage industry) | Y | N | \$222 |
| - where home occupation has commenced prior to initial application for approval of home occupation being granted, fee will be actual fee plus penalty of two times fee. | | | |
| Extending Conditional Planning Approval/Renewal Fee | Y | N | \$73 |
| - where home occupation renewal application received after expiry date, fee will be actual fee plus penalty of two times fee. | | | |
| Bed & Breakfast Accommodation (additional fees if notification required) | N | N | \$300 |
| Farm Stay/Holiday Cottage (in existing residence) | N | N | \$290 |
| Alfresco Dining | N | N | \$290 |
| Consulting Rooms | N | N | \$185 |
| Light/General/Service/Rural Industry (use only) | N | N | \$72 |

SCHEME AMENDMENTS/STRUCTURE PLANS

| Charge & Comment | STATUTORY | GST | 2015/16 |
|---|-----------|-----|-----------------------|
| Minor Amendment | N | N | \$2,700 per FCT |
| Major Amendment - determined by CEO | N | N | \$4,725 per FCT |
| Structure Plan - if previously addressed through scheme amendment | N | N | \$525 per application |
| Structure Plan - (separate to scheme amendment process) | N | N | \$4,725 per FCT |
| Revised minor structure plan | N | N | \$525 per application |
| Revised major structure plan (separate to scheme amendment process) - determined by CEO | N | N | \$2,700 per FCT |
| Detailed area plans | N | N | \$800 per application |
| Revised detailed area plans | N | N | \$400 per application |

Notes:

1. Details of the calculation used to derive the fee is to be made available to the applicant upon request
2. Any specialist external studies (soil reports, land capability analysis, engineering reports, etc) are to be provided by the applicant at the applicants cost. Such costs are separate to the fees stipulated in this schedule.
3. If an applicant is not satisfied that the fee calculated by the Shire are a reasonable estimate of the service, the matter may be referred to the Fees Arbitration Panel (WAPC, WAMA) for determination.

SUBDIVISIONS

| | Charge & Comment | STATUTORY | GST | 2015/16 |
|------------------------|--------------------|-----------|-----|-------------------------|
| Clearance Certificates | Up to 5 lots | Y | N | \$730 per lot |
| | 6 to 195 lots | Y | N | \$35 per lot |
| | More than 195 lots | Y | N | \$7,393 per application |

OTHER PLANNING FEES

| | Charge & Comment | STATUTORY | GST | 2015/16 |
|---|------------------|-----------|-----|-----------------------|
| Issue of zoning certificate | | Y | N | \$73 each |
| Section 40 (Liquor Licensing) Certificate | | N | Y | \$75 each |
| Replying to a property settlement questionnaire | | Y | Y | \$73 each |
| Issue of written planning advice | | Y | Y | \$73 each |
| Certificate of Title Search | | N | Y | \$73 each |
| Road Closure Application | | N | Y | \$550 per application |
| Erection of sign at Information Bay | | N | Y | \$75 each |
| Application for advertising signage | | N | Y | \$75 each |

PLANNING DOCUMENTS

| | Charge & Comment | STATUTORY | GST | 2015/16 |
|------------------------------------|------------------|-----------|-----|-----------|
| Copy of Local Planning Scheme Text | | N | Y | \$75 each |
| Copy of Local Planning Strategy | | N | Y | \$75 each |
| Copy of Townsite Strategy | | N | Y | \$75 each |
| Copy of Municipal Inventory | | N | Y | \$75 each |

ADVERTISING/NOTIFICATION OF PROPOSALS (NOT SCHEME AMENDMENTS)

| Charge & Comment | STATUTORY | GST | 2015/16 |
|-----------------------------|-----------|-----|-----------------------|
| Local newspaper advertising | N | N | 185 per advertisement |

Notes:

1. Advertising and/or notification fees are to be paid in addition to any development application fees (as set out in part 1 of this Schedule)
2. Advertising or nearby land owner notification may be required to comply with Council's local planning scheme(s), policies or may be determined as being a requirement of the planning assessment process by Shire Officers.

Acquisition of Assets 2015/16

| | 2015/16 \$ |
|---------------------------------------|-----------------------|
| <u>Land & Buildings</u> | |
| Recreation Centre | 1,086,884 |
| Total Land & Buildings | <hr/> 1,086,884 |
| <u>Infrastructure Assets</u> | |
| Mowen Road | 0 |
| Local Roads | 969,786 |
| Bridges | 708,000 |
| Footpaths | 15,314 |
| Heart of Nannup - Mainstreet Upgrade | 1,050,461 |
| | <hr/> 2,743,561 |
| <u>Plant & Equipment</u> | |
| Toyota Prado NP00 | 55,000 |
| Volvo G930 Grader - NP3002 | 370,000 |
| Hyundai Sonata NP0 | 31,500 |
| Toyota Camry NP000 | 31,500 |
| SES Purchase | 4,300 |
| Ride on Lawn Mower John Deere NP 3016 | 20,000 |
| | <hr/> 512,300 |
| Total | <hr/> <hr/> 4,342,745 |