

Shire of Nannup
Ordinary Council Meeting Agenda: June 2013

AGENDA NUMBER:	11.12
SUBJECT:	Budget Review – May 2013
LOCATION/ADDRESS:	Nannup Shire
NAME OF APPLICANT:	N/A
FILE REFERENCE:	FNC 8
AUTHOR:	Tracie Bishop – Finance Officer
REPORTING OFFICER:	Vic Smith – Manager Corporate Services
DISCLOSURE OF INTEREST:	None
DATE OF REPORT	19 June 2013

Attachments: 1. Table Showing Detailed Variances for 2012/13
2: Monthly Financial Statements for the period ending 30 May 2013

BACKGROUND:

It is a statutory requirement that Council report monthly on the financial activity from all the various operating and capital divisions. Previously this has resulted in all variances of 10% or more being identified and reported. While this achieved the objective of showing these variances as at the date of the report, a lot were the result of timing, as opposed to actual variances that will carry through to the end of year figures. This report focuses attention on only those variances that are expected to impact on the end of year position.

The report format does not reflect the detailed requirements as set out in Section 34(1) of the Local Government (Financial Management) Regulations 1996. In order to comply with legislation these statements are provided at Attachment 2. This covering report identifies all of the major variations; other variations as shown in the statutory statements are due to timing differences.

The report has been broken down showing over and underspends in both operating and capital divisions. The second column from the right shows the current variances and the end column shows the anticipated final figures.

COMMENT:

The gross underspend that is anticipated for the end of this financial year is expected to be \$1,891,527. The vast majority of this relates to capital projects where expenditure lags the receipt of income to fund the project. For example, projects such as the recreation centre upgrade and the main street upgrade are dependent on income from Royalties for Regions; this income is only now being received. Additionally there is a Mowen Road carried forward to account for works to be completed in future periods. The expenditure relating to these types of projects will therefore be carried forward into 2013/14.

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After removing these amounts from the overall variance we anticipate that the actual carried forward figure for this year will be a \$20,973 overspend. This is shown in the table below.

	<i>Savings</i> \$
Gross saving expected for the year	
Income – under received	\$122,214
Expenditure – savings made	-\$2,011,241
Total Gross Saving	-\$1,891,527
Less: Savings to be carried forward income	\$2,500
Less: Savings to be carried forward expenditure	\$1,910,000
Net overspend at end of the year	\$20,973

Full details of all variances, including all the savings which will be carried forward, are contained within Attachment 1. There are significant savings found within Parks and Gardens and Insurances; however the previously reported savings in Fuels and Oils have now been revised to \$20,000. The savings within Parks and Gardens have been revised down from an anticipated saving of \$50,000 to \$15,000 and is the result of efficiency savings, while the savings returned on insurance is a result of anticipated increases within this industry not reaching levels expected.

Within our works program, there has been additional expenditure which relates to the rehabilitation of the gravel pits and a reserve contribution of \$8,000 will be made to partially offset this cost.

Income variances are primarily as a result of funding from grants being received later than expected and lower interest on investments. In other areas transaction volumes have been lower than expected for example, commission received from Department of Transport, town planning income, venue hire. There have also been reductions within this area from mobile bin fees. This is as a result of a bin audit conducted this year which revealed less bins in use than previously listed.

The final figure for the new addition of a caravan park has now been analysed up to the end of April 2013. As this project is only in its first year of operation, there were no historical figures on which to base our original estimations. The full cost of this project, at this point in time is under constant review as a result. It is anticipated that on an operational level there will be a loss of approximately \$60,000. This comprises \$10,000 of increased expenses and \$50,000 of lost income as a result of the park not being in our control for a full twelve months. For the first three months of this financial year the park was under the control of the Nannup Tourist Association. Capital costs are \$80,000, which results in an overspend of \$10,000 in this area.

As a result of the lag in receipt of grant income we anticipate that capital expenditure will be lower than originally budgeted. Projects that will be carried forward and included in

the 2013/14 budget include the Recreation Centre upgrade, and Heart of Nannup projects.

For a more detailed explanation of the variances and the actions being taken to address them please refer to Attachment 1, which has included all variances to date.

STATUTORY ENVIRONMENT:

Local Government (Financial Management) Regulation 34 (1)(a).

POLICY IMPLICATIONS: None.

FINANCIAL IMPLICATIONS: None.

STRATEGIC IMPLICATIONS: None.

VOTING REQUIREMENTS: Simple Majority.

RECOMMENDATION:

It is recommended that the Monthly Financial Statement for the period ending 31 May 2013 be received.

Summary

May-13	
Year End Anticipated Position	Year To Date Position
(Surplus)/Deficit	
\$	\$
Income - under received	122,214
Expenditure - overspent	448,022
Total Overspend/(Underspend) Anticipated	(2,125,356)
	20,973
	(1,677,334)

Income - Gross - <i>under received</i>	\$119,714.00
Less Reserve Contribution	\$2,500.00
Expenses - Gross - <i>under spent</i>	-\$2,011,241.00
Plus carried forwards	\$1,910,000.00
	<u>\$20,973.00</u>

Gross Inc + Gross Exp	-\$1,891,527.00
-carried forwards and reserve transfers	-\$1,912,500.00
	<u>\$20,973.00</u>

Based on projections from current data it is anticipated that we will have an overspend of \$126,973

Governance Expenditure			Explanation		(Under Expended)/Over Expended	
	Budget	Actual			Current	Year End
0112	\$ -	\$ -	Election Expenses	Balanced	*	0
0122	\$ 23,125.00	\$ 17,531.27	Strategic Planning		(5,594)	0
0142	\$ 15,400.00	\$ 13,569.17	Refreshments	For current month showing a \$3 difference. Balanced outcome	*	(1,831)
0162	\$ 37,550.00	\$ 37,845.00	Donations/contributions	Timing issues. Expected to balance at year end		295
0172	\$ 42,650.00	\$ 23,814.60	Councillor allowances	Timing issues expected. Balanced at year end		(18,835)
0182	\$ 21,977.00	\$ 16,586.58	Subscriptions	Savings expected		(5,390)
				Overall a \$9K savings overall increases anticipated not achieved		(9,000)
0202	\$ 189,000.00	\$ 180,000.00	Insurance			(9,000)
0212	\$ -	\$ 2,000.00	CEO performance review	Balanced to IR account		2,000
0532	\$ 1,000.00	\$ 252.96	Gratuities	Savings expected		(747)
0572	\$ -	\$ -	Members consumables	Timing issues expected. Balanced at year end		0
	\$ 330,702.00	\$ 291,599.58			(39,102)	(11,700)
General Administration						
0272	\$ 371,015.00	\$ 341,592.54	Admin Salaries	Additional workload attributed to strategic planning. Support also needed for finance area due to increased pressures from town planning/building/health areas.		(29,422)
				Balanced position expected. Current position result of incorrect coding of exp.		2,125
0312	\$ 2,000.00	\$ 4,124.61	Minor furniture & equip			2,125
0362	\$ 49,290.00	\$ 26,722.41	Building & Gardens maintenance	Timing issues expected. Balanced at year end		(22,568)
0372	\$ 32,741.00	\$ 29,887.67	Computer maintenance	Timing issues expected. Balanced at year end		(2,853)
0382	\$ 15,877.00	\$ 20,105.52	Printing & Stationery	Additional administration costs		4,229
0392	\$ 11,178.00	\$ 10,311.29	Telephone Expenses	Overall increase in office expenditure		(867)
0402	\$ 6,649.00	\$ 2,811.26	Office Equipment Maintenance	Less maintenance than anticipated		(3,838)
0412	\$ 4,237.00	\$ 3,671.69	Postage	Balanced position expected.		(565)
0432	\$ 9,000.00	\$ 6,052.43	Vehicle & Travel	Balanced position expected.		(2,948)
0442	\$ 5,156.00	\$ 5,317.89	Bank Charges	Fees more than anticipated		162
0452	\$ 7,941.00	\$ 4,385.63	Advertising	Expenses less than anticipated		(3,555)
0462	\$ 11,617.00	\$ 9,480.00	Audit Fees	Timing issues expected. Balanced at year end		(2,137)
0482	\$ 5,000.00	\$ 160.20	Legal Fees	No major legal costs for this fin year		(4,840)
0492	\$ 13,600.00	\$ 12,146.47	Staff training expenses	Timing issues expected. Balanced at year end		(1,454)
0522	\$ 1,000.00	\$ 12.23	Uniforms	Expenses less than anticipated		(1,012)
0502	\$ 800.00	\$ 252.24	Sundry expenses	Expenses less than anticipated		(548)
	\$ 547,101.00	\$ 477,009.62			(70,091)	700
General Purpose Revenue						
4812	\$ 1,059,368.00	\$ 1,260.00	R4R Expenditure	Should carry forward \$1.0M Due to lag time between receiving funds and action.	*	(1,058,108)
0472	\$ 20,548.00	\$ 1,378.53	Rating Valuation Expenses	Annual charges outstanding. Should be balanced	*	(19,169)
4872	\$ 18,010.00	\$ 18,443.43	DOT Licensing Expenses	Expenses higher than anticipated		433
0422	\$ 50,000.00	\$ 14,547.92	Recoverable Expenses	Changes in classification has seen expenses coded to correct area of occurrence.	*	(35,452)
	\$ 1,147,926.00	\$ 35,629.88			(1,112,296)	(1,019,500)
Law & Public Order						
0652	\$ 20,000.00	\$ 14,670.13	Maintenance of Strategic Firebreaks	Expenses less than anticipated	*	(5,330)
0712	\$ 29,985.00	\$ 13,328.31	Fire Break Inspections	Overall savings - Carry forward \$10k for software package		(16,657)
	\$ 49,985.00	\$ 27,998.44			(21,987)	(17,000)

Operating Expenses

	Budget	Actual		Explanation		Current	Year End
Transport							
3212	\$ 32,358.00	\$ 24,146.41	Depot Maintenance	Anticipated savings at year end		(8,212)	(4,000)
3130	\$ 5,436,114.00	\$ 3,868,051.12	Mowen Road	Overall savings. All savings transferred to Plant Reserve		(1,568,063)	(1,000,000)
3380	\$ 470,000.00	\$ 474,038.37	Local Road Maintenance	Overspend anticipated		4,038	4,038
3450	\$ 5,000.00	\$ 6,525.30	Traffic Counter Placement	Overspend anticipated		1,525	1,525
3240	\$ 5,000.00	\$ 7,495.17	Traffic Signs	Overspend anticipated		2,495	2,500
3420	\$ 23,832.00	\$ 19,543.09	Street Lighting	Overspend anticipated		(4,289)	2,000
	\$ 5,972,304.00	\$ 4,399,799.46				(1,572,505)	(993,937)
Economic Services							
3862	\$ 7,784.00	\$ 17,000.00	Functions & Events	Infancy phase anticipated loss from concert \$10K	*	9,216	10,000
3923	\$ 140,000.00	\$ 5,879.80					
3932		\$ 43,941.59	Caravan Park & Camping		*		
3934		\$ 34,378.98				3,000	10,000
3912		\$ 34,377.01	Caravan Park & Camping Gardening				
3924		\$ 9,003.18		Five COA's combined = 127,580.56. Overspend expected			
3962		\$ 370.53	Regional Promotion			371	
4024	\$ 70,000.00	\$ 79,222.47	Capital - Caravan Park	Due to Council agreement of a revised budget of \$70k it is expected that this item will have overspent by 10K.		9,222	10,000
4062	\$ 24,753.00	\$ 16,293.93	Salary - Bldg	Building Surveyor worked less than anticipated to date.		(8,459)	(7,000)
	\$ 242,537.00	\$ 240,467.49				13,350	23,000
Other Property & Services							
4292	\$ 21,809.00	\$ 32,279.53	Private Works	Anticipated that expenses will be \$4K over at year end.	*	10,471	10,500
4312	\$ 9,152.00	\$ 5,387.30	Training	Should be balanced at year end.	*	(3,765)	0
4462	\$ 3,201.00	\$ 1,534.85	Safety Meetings	Should be balanced at year end		(1,666)	(1,500)
4532	\$ 913.00	\$ -	Admin Expenses			(913)	(900)
6792	\$ 30,613.00	\$ 32,698.19	Public Hols			2,085	2,000
7672	\$ 1,826.00	\$ -	Recruitment Exp	Anticipated \$2K saving at year end.	*	(1,826)	(2,000)
4482	\$ 25,663.00	\$ 27,562.57	Tyres & Batteries	Anticipated \$3K saving at year end	*	1,900	(3,000)
4492	\$ 24,513.00	\$ 32,142.30	Insurances & Licenses			7,629	7,700
4982	\$ 275,000.00	\$ 173,507.97	Fuel & Oil	Anticipated \$80K saving at year end	*	(101,492)	(20,000)
4992	\$ 3,663.00	\$ 4,291.45	Sundry Tools	Higher spending than anticipated		628	700
6802	\$ 50,413.00	\$ 43,305.79	Parts & External Work	Journals required - Should be balanced		(7,107)	0
9362	\$ -	\$ -				0	
	\$ 446,766.00	\$ 352,709.95				(94,056)	(6,500)
Total Expenditure Savings Anticipated for Year							
						(3,125,356)	(2,011,241)
							(10,000)
							(900,000)
						(1,000,000)	(1,000,000)
						(2,125,356)	(101,241)

31/05/2013	Budget	Actual	Explanation		(Over received)/Under received	
					Current	Anticipated Year End
			General Purpose Revenue			
0011	(1,236,189)	(1,240,582)	Rate Revenue	Anticipated surplus of \$4.4K	(4,393)	(4,393)
0041	(3,500)	(3,538)	Legal Fees		(38)	(100)
0061	(6,000)	(12,749)	Int on Overdue rates	Anticipate that at year end will have surplus of \$7.5K	(6,749)	(7,500)
0091	(345,537)	(285,785)	Equalisation Grant	Revision from Grants Commission will see increase in revenue received	59,753	(35,500)
0261	(3,000)	(4,179)	Interest on Instalments		(1,179)	(1,179)
0271	(500)		0 Int on deferred rates	Should be balanced at year end	500	0
0291	(242,690)	(142,769)	Local Road Grant	Revision from Grants Commission will see decrease in revenue received	99,922	52,000
0553	(670,936)	(455,678)	R4R	Dependent on timing of payment by CLGF. Expected to be balanced.	215,258	0
0361	(3,500)	(3,720)	Admin Charges		(220)	(220)
0523	(25,000)	(17,064)	DOT Commission	Lower than anticipated usage	7,936	7,000
0533	(20,000)	(11,858)	Sundry Income	Lower than anticipated usage	8,142	8,000
0573	(50,000)	(6,892)	Expenses Recovered	Should be balanced to expenses recoverable at year end	43,108	20,000
4873	(80,000)	(48,400)	Interest on Investment - General	Lower interest rates have impacted overall income received	26,118	15,000
4883	(30,000)	(35,482)	Interest on Investment - R4R			
	(2,716,852)	(2,268,694)			448,158	53,108
			General Administration			
7053	(1,000)	(13,732)	Shirley Humble room hire	Hall hire higher than expected	(12,732)	(13,000)
	(1,000)	(13,732)			(12,732)	(13,000)
			Health			
1383	(2,618)	(1,592)	Gen License Fees	Lower income than anticipated	2,209	3,266
1373	(2,200)	(1,017)				
	(4,818)	(2,609)			2,209	3,266
			Education & Welfare			
0993	(6,670)	(3,640)		Payment plan in place.	3,030	2,000
	(6,670)	(3,640)			3,030	2,000
			Housing			
1723	(16,796)	(16,516)	Rental Income	Balanced	280	0
	(16,796)	(16,516)			280	0

31/05/2013	Budget	Actual		Explanation	(Over received)/Under received	
	Community Amenities					
1803	(60,045)	(47,060)	Mobile Bin Charges	Audit revealed incorrect number of bins used for calculation - account for current period outstanding	12,985	13,000
1805	(36,225)	(34,571)	Recycling Fees	Timing issues	1,654	1,650
1813	(14,000)	(14,710)	Tip Fees	Tip pass impact seen	(710)	(710)
2243	(3,000)	0	LPS Amend Contributions	Less amendments to LPS. O/S amends not likely to be ready in time. Fees and charges vary year to year	3,000	3,000
2253	(7,000)	(2,398)	Misc Fees & Charges	Lower than anticipated town planning income received	4,602	4,000
2373	(2,000)	(2,598)	Cemetery Fees	Higher than anticipated - estimation only in first instance	(598)	(600)
	(122,270)	(101,337)			20,933	20,340
	Recreation & Culture					
7043	(5,889)	(7,868)	Hire Fees - Rec Centre		(1,979)	(2,000)
7053	(5,531)	(13,732)	Hire Fees - Other Venues		(8,201)	(8,500)
3033	(3,000)	0	User Charges & Sundry Income		3,000	3,000
	(14,420)	(21,600)			(7,180)	(7,500)
	Transport					
	0	(8,000)	Gravel Pit Reserve	Transfer from Reserve for Gravel Pit	(8,000)	(8,000)
3341	(5,100,000)	(5,000,000)	Mowen Road Capital Grant		100,000	100,000
3361	(140,000)	0	Mowen Road Supervision Fee	Supervision fee collected will be higher than anticipated	(140,000)	(78,000)
	(140,000)	0			(48,000)	14,000
	Economic Services					
3933	(140,000)	(86,289)	Caravan Park Income		53,711	60,000
	(140,000)	(86,289)			53,711	60,000
	Other Property & Services					
4323	(26,894)	(39,282)	Private Works	Timing issues higher income anticipated	(12,388)	(12,500)
	(26,894)	(39,282)			(12,388)	(12,500)
				Overall (Surplus)/deficit anticipated	448,022	119,714
				Reserve Transfer - Plant		2,500
	(3,189,720)	(2,553,698)	TOTAL INCOME			
				Net Deficit Anticipated:	448,022	122,214

SHIRE OF NANNUP

STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2012 TO 31 MAY 2013

Variances
Y-T-D
Budget to
Actual
%

<u>Operating</u>	2012/13 Y-T-D Actual \$	2012/13 Y-T-D Budget \$	2012/13 Budget \$	
Revenues/Sources				
Governance	0	917	1,000	(100%)
General Purpose Funding	1032836.62	1,369,578	1,494,085	(25%)
Law, Order, Public Safety	199099.02	321,505	350,733	(38%)
Health	2609	4,417	4,818	(41%)
Education and Welfare	91229.52	37,794	41,230	141%
Housing	16515.57	15,396	16,796	7%
Community Amenities	101336.77	112,081	122,270	(10%)
Recreation and Culture	22008.69	26,633	29,054	(17%)
Transport	5772824.09	6,305,547	6,878,779	(8%)
Economic Services	96298.91	198,000	216,000	(51%)
Other Property and Services	39281.6	24,653	26,894	59%
	<u>7,374,040</u>	<u>8,416,521</u>	<u>9,181,659</u>	<u>(12%)</u>
(Expenses)/(Applications)				
Governance	(264,350)	(773,775)	(844,118)	(66%)
General Purpose Funding	(107,404)	(1,052,449)	(1,148,126)	(90%)
Law, Order, Public Safety	(297,046)	(303,757)	(331,371)	(2%)
Health	(47,306)	(33,385)	(36,420)	42%
Education and Welfare	(137,600)	(160,546)	(175,141)	(14%)
Housing	(37,740)	(25,755)	(28,096)	47%
Community Amenities	(318,345)	(348,380)	(380,051)	(9%)
Recreation & Culture	(335,256)	(370,583)	(404,272)	(10%)
Transport	(1,560,274)	(2,023,278)	(2,207,212)	(23%)
Economic Services	(269,609)	(312,526)	(340,937)	(14%)
Other Property and Services	258,601	26,121	28,496	890%
	<u>(3,116,329)</u>	<u>(5,378,311)</u>	<u>(5,867,248)</u>	<u>(42%)</u>
Adjustments for Non-Cash				
(Revenue) and Expenditure				
(Profit)/Loss on Asset Disposals	(0)	17,875	19,500	(100%)
Depreciation on Assets	932,430	1,666,792	1,818,318	(44%)
Capital Revenue and (Expenditure)				
Purchase Land and Buildings	(203,699)	(591,619)	(645,402)	(66%)
Purchase Infrastructure Assets - Roads	(5,213,496)	(6,656,021)	(7,261,114)	(22%)
Purchase of Infrastructure Assets - Parks				0%
Purchase Plant and Equipment	(394,565)	(379,500)	(414,000)	4%
Purchase Furniture and Equipment	(14,041)	(25,163)	(27,450)	(44%)
Proceeds from Disposal of Assets	0	128,333	140,000	(100%)
Repayment of Debentures	(35,004)	(59,567)	(64,982)	(41%)
Proceeds from New Debentures	0	0	0	0%
Leave Provisions	46,395	152,816	166,708	(70%)
Accruals	(461)	17,281	18,852	(103%)
Self Supporting Loan Principal Income	16,730	18,079	19,722	(7%)
Transfers (to)/from Reserves	(481)	78,159	85,264	(101%)
Net Current Assets July 1 B/Fwd	1,593,984	1,593,984	1,593,984	
Net Current Assets Year to Date	2,226,628	235,848		
Amount Raised from Rates	<u>(1,241,124)</u>	<u>(1,236,189)</u>	<u>(1,236,189)</u>	

SHIRE OF NANNUP

STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2012 TO 31 MAY 2013

	2012/13 Actual \$	Brought Forward 01-July-2012 \$
NET CURRENT ASSETS		
Composition of Estimated Net Current Asset Position		
CURRENT ASSETS		
Cash - Unrestricted	2,127,526	1,902,967
Cash - Restricted	(20,693)	94,107
Cash - Reserves	1,802,468	1,779,437
Receivables	448,290	553,247
Inventories	0	0
	<u>4,357,591</u>	<u>4,329,757</u>
LESS: CURRENT LIABILITIES		
Payables and Provisions	<u>(349,188)</u>	<u>(943,187)</u>
	4,008,403	3,386,570
Less: Cash - Reserves - Restricted	(1,781,775)	(1,873,543)
NET CURRENT ASSET POSITION	<u><u>2,226,628</u></u>	<u><u>1,513,026</u></u>

**Shire of Nannup
Ordinary Council Meeting Agenda: June 2013**

AGENDA NUMBER:	11.13
SUBJECT:	Monthly Accounts for Payment , May 2013
LOCATION/ADDRESS:	Nannup Shire
NAME OF APPLICANT:	N/A
FILE REFERENCE:	FNC 8
AUTHOR:	Tracie Bishop – Finance Officer
REPORTING OFFICER:	Vic Smith – Manager Corporate Services
DISCLOSURE OF INTEREST:	None
DATE OF REPORT	Date 18 June 2013

Attachment: 1. Schedule of Accounts for Payment

BACKGROUND:

The Accounts for Payment for the Nannup Shire Municipal Account fund and Trust Account fund detailed hereunder and noted on the attached schedule are submitted to Council.

COMMENT:

If Councillors have questions about individual payments prior notice of these questions will enable officers to provide properly researched responses at the Council meeting.

Municipal Account

Accounts paid by EFT	4890 - 4992	\$ 599,872.65
Accounts paid by cheque	19142 - 19167	\$815,545.10

Sub Total Municipal Account		<u>\$1,415,417.75</u>
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Trust Account

Accounts Paid by cheque	22768 - 22769	\$350.00
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Sub Total Trust Account		<u>\$350.00</u>
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Total Payments		<u>\$1,415,767.75</u>
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STATUTORY ENVIRONMENT:

LG (Financial Management) Regulation 13

POLICY IMPLICATIONS: None.

FINANCIAL IMPLICATIONS:

As indicated in Schedule of Accounts for Payment.

STRATEGIC IMPLICATIONS: None.

VOTING REQUIREMENTS: Simple majority

RECOMMENDATION:

That the List of Accounts for Payment for the Nannup Shire Municipal Account fund totalling \$1,415,767.75 in the attached schedule be endorsed.

SHIRE OF NANNUP ACCOUNTS FOR PAYMENT -JUNE 2013			Attachment 1
Chq/EFT	Name	Description	Amount
EFT4890	DEPARTMENT OF PREMIER AND CABINET	PUBLISH AMENDMENT NO 12	\$ 195.76
EFT4891	NANNUP SKIP BINS	SKIP BIN SERVICE	\$ 570.00
EFT4892	ROBERT LONGMORE	REIMBURSEMENT OF EXPENSES	\$ 278.30
EFT4893	IMINI HOLDINGS PTY LTD	TRANSPORTABLE HIRE	\$ 1,655.50
EFT4894	WA TYRE RECOVERY	DISPOSAL OF TYRES FROM NANNUP REFUSE	\$ 1,913.70
EFT4895	LANDMARK ENGINEERING & DESIGN	2 SHELTERS	\$ 9,179.50
EFT4896	ARBOR GUY	TREE WORKS COMPLETED-PRUNING OF STREET TREES	\$ 2,200.00
EFT4897	DORMAR INDENTS	STOCK FOR CARAVAN PARK	\$ 405.37
EFT4898	ROBERT JENNINGS	TOYOTA VEHICLE LIGHTS MAINTENANCE	\$ 583.80
EFT4899	KERRIE YABSLEY	TRAVEL ALLOWANCE	\$ 167.42
EFT4900	MADER RICKARD CIVIL PTY LTD	MACHINERY HIRE	\$ 35,266.00
EFT4901	LOUISE'S KITCHEN	DINNER AND DRINKS	\$ 645.80
EFT4902	JOHN PATMAN	REIMBURSEMENT FOR EXPENSES	\$ 52.00
EFT4903	BUSSELTON PSI PTY LTD	RATES DEBT COLLECTION FEES	\$ 134.05
EFT4904	FIRE RESCUE SAFETY AUSTRALIA	SUNDRY SUPPLIES	\$ 459.80
EFT4905	MINING AND CIVIL PLANT HIRE PTY LTD	MACHINERY HIRE	\$ 6,534.00
EFT4906	MANJIMUP FARM MACHINERY	SUNDRY SUPPLIES	\$ 225.75
EFT4907	WA COUNTRY HEALTH SERVICES	WORKERS COMPENSATION	\$ 189.00
EFT4908	DANIEL EDDY	POLICE CLEARANCE	\$ 62.75
EFT4909	PICKLE & O	REFRESHMENTS	\$ 126.00
EFT4910	LIBRA ENTERPRISES (WA) PTY LTD	STOCK FOR CARAVAN PARK	\$ 136.60
EFT4911	DOWN SOUTH AUTO ELECTRIX & AIR	VEHICLE REPAIRS	\$ 195.00
EFT4912	GOVQUIP	PORCELAIN WHITEBOARD	\$ 841.50
EFT4913	P.M.ARCHDALL TANKMAKERS	3 X TANKS FOR HOUSES	\$ 2,214.00
EFT4914	BUSSELTON PEST & WEED CONTROL	BRIDGE TERMITE TREATMENT	\$ 3,872.00
EFT4915	BRIDGETOWN MEDICAL GROUP	WORKERS COMPENSATION	\$ 123.75
EFT4916	BLACKWOODS	SUNDRY SUPPLIES	\$ 1,762.40
EFT4917	HOLCIM AUSTRALIA PTY LTD	ROAD SUPPLIES	\$ 47,792.80
EFT4918	GEOGRAPHE SAWS & MOWERS	SUNDRY SUPPLIES	\$ 1,847.00
EFT4919	GUMPTION PTY LTD	DESIGN OF REGIONAL MAP FOR NANNUP	\$ 1,250.00
EFT4920	TOLL IPEC ROAD EXPRESS PTY LTD	FREIGHT EXPENSES	\$ 587.12
EFT4921	INSIGHT CCS PTY LTD	OVERCALLS FEE FOR MONTH OF APRIL 2013	\$ 151.89
EFT4922	JASON SIGNMAKERS	SIGNAGE	\$ 1,164.90
EFT4923	MCCAYS TOP GUN COMPUTERS	SUNDRY SUPPLIES	\$ 59.00
EFT4924	NANNUP EZIWAY SELF SERVICE STORE	SUNDRY SUPPLIES	\$ 1,104.77
EFT4925	NANNUP LIQUOR STORE	MOWEN ROAD WIND UP	\$ 377.91
EFT4926	PRESTIGE PRODUCTS	CLEANING PRODUCTS	\$ 133.10
EFT4927	SW PRECISION PRINT	STATIONERY SUPPLIES	\$ 1,011.00
EFT4928	SYNERGY	ELECTRICITY EXPENSES	\$ 1,653.45
EFT4929	TRADE HIRE	MACHINERY HIRE	\$ 841.50
EFT4930	WALGA	ADVERTISE LPP20	\$ 214.51
EFT4931	WORK CLOBBER	SAFETY WEAR	\$ 165.00
EFT4932	DEAN GUJA	CONSULTANCY FEES	\$ 2,400.00
EFT4933	LOOSE GOOSE CHALETs	REFRESHMENTS	\$ 1,050.00
EFT4934	NANNUP SURVEYS	DRAFTING NANNUP STORM WATER DRAINAGE SYSTEM	\$ 770.00
EFT4935	TULIPS WITH A DIFFERENCE	SUNDRY SUPPLIES	\$ 243.70
EFT4936	ROBERT LONGMORE	REIMBURSEMENT OF EXPENSES	\$ 276.00
EFT4937	GUMNUTS GALORE	GARDENING SUPPLIES	\$ 35.40
EFT4938	SCANIA AUSTRALIA - BUNBURY OFFICE	SUNDRY SUPPLIES	\$ 58.52
EFT4939	SETTLERS ROOFING AND GRADING	WATER CARTAGE	\$ 5,445.00
EFT4940	PM TREASURE - EARTHMOVING CONTRACTOR	GRADER HIRE	\$ 5,390.00
EFT4941	KERRIE YABSLEY	TRAVEL EXPENSES	\$ 52.30
EFT4942	EDGE PLANNING & PROPERTY	PLANNING SERVICES	\$ 8,154.04
EFT4943	COVS PARTS	SUNDRY SUPPLIES	\$ 75.90
EFT4944	WA COUNTRY HEALTH SERVICES	WORKERS COMPENSATION	\$ 310.45
EFT4945	HAMISH WATKINS	REIMBURSEMENT OF EXPENSES	\$ 130.80
EFT4946	BJ & FH TOMAS	2ND PAYMENT - CONSTRUCTION CARLOTTA FIRE SHED	\$ 50,400.00
EFT4947	FORIS GARDEN CENTRE & IRRIGATION CENTRE	WORKS ON TOWN OVAL	\$ 19,043.50
EFT4948	DEPENDABLE LAUNDRY SOLUTIONS	ELECTRIC DRYER - CARAVAN PARK	\$ 1,595.00
EFT4949	COATES HIRE	MACHINERY HIRE	\$ 4,595.05
EFT4950	HOLCIM AUSTRALIA PTY LTD	ROAD SUPPLIES	\$ 27,691.40
EFT4951	D & J MILLER (DO YOUR BLOCK CONTRACTING)	MOWEN ROAD WATERCART	\$ 2,480.50
EFT4952	DEPARTMENT OF FIRE AND EMERGENCY SERVICES	ESL 4TH QTR CONTRIBUTION	\$ 6,430.17
EFT4953	TOLL IPEC ROAD EXPRESS PTY LTD	FREIGHT EXPENSES	\$ 54.83
EFT4954	K & C HARPER	MARINKO TOMAS ABLUTION REPAIRS	\$ 244.65
EFT4955	RENTAL CHOICE	CARAVAN PARK PURCHASES	\$ 328.00
EFT4956	SYNERGY	ELECTRICITY EXPENSES	\$ 3,453.40
EFT4957	SUGAR MOUNTAIN ELECTRICAL SERVICES	BUILDING INSPECTION - SHIRE BUILDINGS	\$ 3,263.71
EFT4958	SCOTTIES EXCAVATIONS	HIRE OF EXCAVATOR TRUCK	\$ 17,521.28
EFT4959	WALGA	MARKET FORCE ADVERTISING	\$ 382.41
EFT4960	JACKSONS DRAWING SUPPLIES PTY LTD	YAC SUPPLIES	\$ 57.12

SHIRE OF NANNUP			
ACCOUNTS FOR PAYMENT - JUNE 2013			
EFT4961	NANNUP SKIP BINS	SKIP BIN SERVICE 1 MOWEN ROAD DEPOT	\$ 285.00
EFT4962	IMINI HOLDINGS PTY LTD	TRANSPORTABLE KITCHEN - CARAVAN PARK	\$ 374.00
EFT4963	BP NANNUP	MAY FUEL ACCOUNT	\$ 207.60
EFT4964	ROBERT JENNINGS	DRIVING LIGHT BAR, SPOTLIGHTS CAMRY	\$ 834.00
EFT4965	A TASTE OF NANNUP	DRIFT DISPLAY AT THE TASTE OF NANNUP	\$ 1,122.00
EFT4966	MADER RICKARD CIVIL PTY LTD	BIRD ROAD PIT WORKS - GRAVEL SUPPLIES	\$ 237,484.50
EFT4967	VIC SMITH	REIMBURSEMENT OF EXPENSES	\$ 1,178.35
EFT4968	CALTEX ENERGY WA	RECOCHEM KERO 200L	\$ 990.00
EFT4969	DEAN GUJA	EHO CONSULTANCY COSTS	\$ 2,400.00
EFT4970	MAMMOTH EQUIPMENT & EXHAUSTS	ECO BLUE 1000L- SCHUETZ	\$ 1,914.00
EFT4971	STRATEGEN ENVIRONMENTAL CONSULTANTS PTY LTD	CADASTRE INFORMATION BUSH FIRE PRONE MAPS	\$ 1,372.26
EFT4972	MPM DEVELOPMENT CONSULTANTS	DESIGN AND DOCUMENTATION MAINSTREET PROJECT	\$ 6,890.40
EFT4973	COVS PARTS	SUNDRY SUPPLIES	\$ 1,255.85
EFT4974	STAPLES AUSTRALIA PTY LTD	STATIONARY ORDER	\$ 100.30
EFT4975	MINING AND CIVIL PLANT HIRE PTY LTD	GRADER, MACHINE HIRE	\$ 9,460.00
EFT4976	BJ & FH TOMAS	SUPPLY AND FABRICATE PLANTER BOX FRAMES	\$ 5,400.00
EFT4977	REDGATE HOLDINGS PTY LTD	12 TONNE AG LIME	\$ 240.00
EFT4978	CJD EQUIPMENT PTY. LTD.	MOTOR VEHICLE PARTS	\$ 1,071.43
EFT4979	HOLCIM AUSTRALIA PTY LTD	ROAD SUPPLIES	\$ 24,884.20
EFT4980	CUTTS ENGINEERING PTY LTD	STRAIGHTEN GRAB FORK TYNE	\$ 277.20
EFT4981	DEPARTMENT OF FIRE AND EMERGENCY SERVICES	4 X A1 MAPS	\$ 130.00
EFT4982	FTE ENGINEERING	SUNDRY SUPPLIES	\$ 260.53
EFT4983	GREENWAY ENTERPRISES	FERTILISER	\$ 370.06
EFT4984	TOLL IPEC ROAD EXPRESS PTY LTD	FREIGHT EXPENSES	\$ 889.76
EFT4985	JASON SIGNMAKERS	SIGNAGE	\$ 332.20
EFT4986	K & C HARPER	FORESHORE PARK PLUMBING	\$ 1,723.70
EFT4987	MCCAYS TOP GUN COMPUTERS	COMPUTER EQUIPMENT	\$ 46.45
EFT4988	NANNUP HARDWARE & AGENCIES	SUNDRY SUPPLIES	\$ 5,422.48
EFT4989	NANNUP EZIWAY SELF SERVICE STORE	SUNDRY SUPPLIES	\$ 32.65
EFT4990	NANNUP COMMUNITY RESOURCE CENTRE	FOOD BOWL WORKS	\$ 234.40
EFT4991	SHIRE OF MANJIMUP	IT CONSULTANCY	\$ 487.50
EFT4992	WARREN BLACKWOOD WASTE	BIN SUPPLIES	\$ 1,925.00
		TOTAL EFT PAYMENTS - MUNICIPAL ACCOUNT	\$ 599,872.65
19168	AUSTRALIAN TAXATION OFFICE	FBT LIABILITY	\$ 4,680.33
19169	NUMERO PTY LTD	3 DAY VAN HIRE	\$ 334.63
19170	CITY OF BUSSELTON	REIMBURSEMENT OF LONG SERVICE LEAVE	\$ 350.00
19171	THE GOOD GUYS DISCOUNT WAREHOUSES	FURNITURE PURCHASES FOR CARAVAN PARK	\$ 962.00
19172	SENSIS PTY LTD	SOUTH WESTERN YELLOW PAGES DIRECTORY 2013/2014	\$ 70.30
19173	WORKFORCE ROAD SERVICES PTY LTD	LINE MARKING CAR BAYS NANNUP	\$ 4,499.00
19174	RAPHAEL WATTS	ACRYLIC PAINTING FOR YOUTH WEEK	\$ 125.00
19175	DR CRAIG HENDRY	WORKERS COMPENSATION	\$ 73.35
19176	PASSION TELECOM	PHONE BILL	\$ 295.97
19177	MITCHELL IPSEN	RE-IMBURSE SEPTIC APPLICATION/INSPECTION FEES	\$ 226.00
19178	MATTHEW DELLA FRANCA	RE-IMBURSE SEPTIC APPLICATION/INSPECTION FEES	\$ 226.00
19179	ST JOHN OF GOD BUNBURY HOSPITAL	WORKERS COMPENSATION	\$ 4,039.50
19180	CITY OF BUNBURY	LG EMERGENCY MANAGEMENT RECOVERY WORKSHOP	\$ 220.00
19181	MAIN ROADS WA	MAIDMENTS BRIDGE WORKS	\$ 788,700.00
19182	SHIRE OF DONNYBROOK/BALINGUP	REIMBURSE ATTENDANCE ELECTED TRAINING MEMBERS	\$ 469.05
19183	JAMES BLACKWELL	RATES REFUND	\$ 247.89
19184	DR CRAIG HENDRY	WORKERS COMPENSATION	\$ 2,070.40
19185	JM COMMUNITY DEVELOPMENT PROJECTS	2012/13 BUSINESS CASE THE HEART OF NANNUP	\$ 4,752.00
19186	DR WOLFGANG FUDICKAR	WORKERS COMPENSATION	\$ 528.85
19187	BUNNINGS- BUSSELTON	BBQ FLAT JUMBUCK - CARAVAN PARK	\$ 139.00
19188	KARLENE NEWNHAM	PEACE RUN BREAKFAST	\$ 200.00
19189	CHRIS WILLIAMSON	CONSULTATIVE WORK - PROPOSED 'DRIFT' PROJECT	\$ 490.00
19190	THE GOOD GUYS DISCOUNT WAREHOUSES	DYSON VACUUM CLEANER	\$ 548.00
19191	DR CRAIG HENDRY	WORKERS COMPENSATION	\$ 76.25
19192	MATTHEW HUMBLE	TRAVEL REIMBURSEMENT	\$ 656.11
19193	BUNNINGS- BUSSELTON	GARDENING SUPPLIES	\$ 565.47
		TOTAL CHEQUE PAYMENTS - MUNICIPAL ACCOUNT	\$ 815,545.10
22768	VAL RUSSELL	REFUND ON GOING BOND	\$ 150.00
22769	SUE GRAY	REFUND BOND TOWN HALL	\$ 200.00
		TOTAL CHEQUE PAYMENTS - TRUST ACCOUNT	\$ 350.00
		TOTAL MUNICIPAL PAYMENTS FOR PERIOD	\$1,415,417.75
		TOTAL TRUST PAYMENTS FOR PERIOD	\$350.00
		TOTAL PAYMENTS FOR PERIOD:	\$1,415,767.75

**Shire of Nannup
Ordinary Council Meeting Agenda: June 2013**

AGENDA NUMBER:	11.14
SUBJECT:	Budget 2013/14
LOCATION/ADDRESS:	Nannup Shire
NAME OF APPLICANT:	N/A
FILE REFERENCE:	FNC 3
AUTHOR:	Vic Smith – Manager Corporate Services
REPORTING OFFICER:	Vic Smith – Manager Corporate Services
DISCLOSURE OF INTEREST:	None
DATE OF REPORT	Date 18 June 2013

Attachments: 1. Budget Summary 2013/14
2. Changes to Base Budget
3. Budgeted Reserves
4. Proposed Savings and Growth

BACKGROUND:

This recommended draft budget continues the process started in 2011/12 to produce a sustainable financial position for the Shire of Nannup. In compiling the draft budget a great deal of background work has been undertaken by both Councillors and officers. Monthly financial reporting is focused to concentrate on the anticipated end of year financial position; this was supplemented by a detailed budget review reported to Council on 28 March 2013. 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 Long Term Financial Plan is presented to this meeting for adoption elsewhere on today's agenda.

The model underpinning the draft Long Term Financial Plan was reported to Council at its budget workshops held on 2 May and 6 June 2013. The model demonstrates that the Council currently benefits from capital grants because significant elements of its recurring costs are charged to these capital projects. Once the grant funding ceases these costs will need to be met by the ratepayer. Decisions taken in adopting the 2012/13 budget have started to address this issue and the projected impact has been reduced from a 100% increase in rates in 2015/16 to a 38% increase to meet the anticipated shortfall. The 2013/14 budget contains measures that will help to mitigate this position by including a reserve contribution that can be used to reduce the demand on rates in that year; this will allow Council to smooth the impact over more than one year.

As part of the Integrated Planning process the Council has developed a detailed Asset Management Plan. In preparing this document each of the assets owned by the Council has been reviewed and an assessment carried out to determine the condition of each asset and the cost of maintaining the asset base over the next 10 years. A detailed

presentation was given to Council at its budget workshops held on 2 May and 6 June 2013. The Asset Management Plan is presented for adoption by Council elsewhere on today's agenda.

The budget format classifies income and expenditure into three groups:

1. Base income/expenditure – the cost of carrying out the same level of activity in the new financial year as was undertaken in the old financial year.
2. Committed income/expenditure – unavoidable changes to the base, such as contracts entered into in the old financial year which will have a cost impact on the new financial year.
3. Uncommitted income/expenditure – items of income or expenditure where there is a choice over whether it should be included in the draft budget.

Officers carried out a detailed review of the draft budget prior to a presentation to Council at its budget workshops on 6 and 13 June 2013. The workshops examined all areas of committed and uncommitted income and expenditure and the output from this process provided guidance to officers on which items should be included or excluded from the draft budget.

The result of the process described above is the draft budget presented to Council today as summarised at Attachment 1.

COMMENT:

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 3% has been added to the base level of expenditure but has not been added where underspends have been seen in previous years.

The employee budget is a major constituent of the Council's finances. The 2013/14 budget allows for a pay award of 4.5% for employees as part of a three year agreement from 2012/13 to 2014/15. Employee costs have also increased as a result of the statutory increase in employer superannuation contributions; employer contributions for 2013/14 have increased from 9% to 9.25%. Employer contributions will continue to increase over the next six years until they reach 12%.

The 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 five major risks affecting the revenue budget:

- (a) In the current economic climate the Council's main income streams are at risk. The base budget for 2013/14 includes income from fees and charges of approximately \$390,000.
- (b) The Council receives significant income from investment interest. As interest rates decline and grant income falls this will decrease. A decrease of \$20,000 has been assumed in the draft 2013/14 budget.
- (c) Whilst considerable work has been undertaken to produce a business plan for the caravan parks this is based on income and expenditure information from records for previous years. There is a risk that the income will not be sufficient to cover the expenditure required on the parks.
- (d) At the time of compiling the budget a review of councillors' expenses was being carried out by the Salaries and Allowances Tribunal. The results of this review were due to be reported in April, so that local governments could include the review outcomes in their 2013/14 budget. The review was finally published on 19 June 2013 and an initial assessment has concluded that the current budget should be sufficient to cover the recommendations. A full report on the review will be brought to a future meeting.
- (e) The 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 2013/14.

Changes to the Base Budget

The Base Budget for 2013/14 represents the cost of carrying out the same level of activity as in 2012/13. At the time of compiling the 2012/13 budget the financial implications of taking on the management of the Brockman Street and Riversbend caravan parks was largely unknown. The base budget for 2013/14 now includes a more detailed costing of the caravan parks and this is approximately \$30,000 higher than the 2012/13 budget. Funding for road construction under the Commodity Routes (formerly TIRES) program will cease in 2013/14 and this has also been incorporated into the base budget. After taking account of these changes and including inflationary increases the base budget is expected to rise by approximately 7.3%.

However, the Base Budget also needs to be revised to accommodate other detailed changes in circumstances which have occurred during 2012/13 that will continue in 2013/14 or that will occur in 2013/14. These changes are summarised in Attachment 2. Overall, costs have decreased by \$197,284, primarily as a result of activities budgeted for in 2012/13 that will not continue in 2013/14 and a significant increase in the Financial Assistance Grants. This is offset by a net contribution to reserves of \$95,400,

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including a contribution of \$100,000 to fund the recreation centre project as resolved by Council at its meeting on 23 August 2012. Overall costs have reduced by \$101,884.

Reserves

The budget process provides an opportunity for the Council to assess the adequacy of its reserves. The 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 reserves are adequate to meet the future needs of the Council and are anticipated to have sufficient funds to meet expected expenditure. The budgeted contribution to the Plant Reserve is in accordance with Council's Plant Replacement Policy (WKS12). The Kindergarten Extension Reserve will be fully utilised in 2012/13 to fund the remaining costs of constructing the FROGS Early Learning Centre.

Once plans for the upgrade of the main street of Nannup are more developed, the Main Street Upgrade Reserve will be used to provide Shire resources to supplement external funding secured against this project.

The Emergency Management Reserve was established with an initial contribution of \$50,000 from savings in the 2011/12 budget.

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.

Funding Corporate Priorities

As part of the 2013/14 business planning process, managers have submitted bids for growth within their service areas. These bids have been considered and prioritised by the Senior Management Team and reviewed in the budget workshops held on 6 and 13 June 2013.

Only those revenue bids that were agreed as high priority items have been included within the proposed budget for 2013/14; they are shown in the uncommitted column in the draft budget. A list of all the bids is shown in Attachment 4.

The top priority for investment is considered to be the creation of a reserve to address the projected budget deficit in 2015/16 that will arise as a result of the cessation of capital grants on the completion of Mowen Road. The budget includes a contribution of \$150,000 to this reserve in 2013/14. The reserve will be used to mitigate the impact of the loss of capital grants and avoid an excessive rate increase in 2015/16.

A sum of \$10,600 has been included in the budget to adopt the Microsoft Software Assurance program. This allows the council to maintain pace with new releases of Microsoft products without having to commit large sums in future years for major

software upgrades. After three years the annual contribution reduces to around 25% of the initial level.

The proposed budget includes \$22,802 to employ an apprentice gardener. This investment will generate an employment opportunity in the area and will help to ensure that the environment is well maintained in line with the ambitions as set out in the Strategic Community Plan.

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 Attachment 4.

Prospects for the Future

The Council is heavily dependent upon grants to deliver both operational and project specific works. These grants include an “administrative” component which allows Council to offset officers’ time against some of these grants; this has the effect of reducing the requirement to fund operational expenses (in the form of wages and salaries) from rate income.

The model underpinning the Long Term Financial Plan demonstrates that rates would need to increase by 38% in 2015/16 as the income derived from these capital grants ceases. The 2013/14 budget contains measures that will help to mitigate this position by including a reserve contribution that can be used to reduce the demand on rates in that year; this will allow Council to smooth the impact over more than one year.

Identifying measures to mitigate projected rate increases will be the main focus for 2013/14 and will commence with a further review of the Long Term Financial Plan early in the new financial year; the output from this will be a savings and investment plan. Typically, there will be four strands to this work:

1. Reducing the cost base by identifying efficiencies
2. Achieving economies of scale by working with others
3. Increasing other income streams
4. Reducing service levels

A Council workshop in the new financial year will review the Long Term Financial Plan in the light of the budget adopted for 2013/14. After the financial position stabilises by 2016/17 the pressure on income streams is expected to reduce and rate increases of around the level of CPI are anticipated.

Budget Monitoring

Regulation 34(5) of the Local Government (Financial Management) Regulations 1996 requires that:

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Each financial year, a local government is to adopt a percentage or value, calculated in accordance with AAS 5, to be used in statements of financial activity for reporting material variances.

Currently the materiality level for budget variances for reporting purposes has been set at 10% or \$5,000, whichever is greater. It is not proposed to amend this limit for monthly reporting for 2013/14.

Under the Regulations reporting can be broken down by program area, the nature or type of expenditure or by business unit. For statutory reporting purposes a breakdown by program area is used.

The Regulations allow Council to incorporate any supplementary information that it seems appropriate into its monthly reporting. The current reporting format makes extensive use of this provision; this supplementary information focuses attention on the expected outturn position rather than the monthly variation.

Conclusion

The proposed rate requirement is \$1,319,834, an increase of 6.77% on 2012/13. The budget presented for adoption assumes a balanced budget, in that the Council will not end the 2013/14 financial year with either a surplus or deficit.

The Council faces substantial financial challenges over the next three years and the proposed 2013/14 budget is a key step in addressing these. 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 2013/14.

STATUTORY ENVIRONMENT:

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

Section 6.2 of the Local Government Act 1995 stipulates that no later than 31 August each financial year or such extended time as the Minister allows each local government is to prepare and adopt by absolute majority in the form and manner prescribed a budget for its municipal fund for the financial year ending on the next following 30 June.

POLICY IMPLICATIONS: None.

FINANCIAL IMPLICATIONS: A rate requirement for 2013/14 of \$1,319,834.

STRATEGIC IMPLICATIONS:

The adoption of the proposed 2013/14 budget is the cornerstone of developing the long term financial sustainability of the Shire.

VOTING REQUIREMENTS: Simple Majority

RECOMMENDATION:

1. A Rates Equalisation Reserve be established with an initial contribution of \$50,000; these funds to be used to support the budget in 2015/16.
2. \$100,000 included in the budget to support the recreation centre project be transferred to reserves.
3. \$100,000 be transferred from the Recreation Centre Reserve to the Rates Equalisation Reserve.
4. \$100,000 included in the budget to support the recreation centre project be transferred to reserves.
5. Council adopt the proposed budget as set out in Attachment 1.
6. That the statutory reporting of material variances in the monthly financial statements for 2013/14 be based on variations of 10% or \$5,000, whichever is the greater.

Attachment 1

2013/14 COMPREHENSIVE INCOME SUMMARY						
2011/12	PROGRAM AREAS	2012/13	2013/14	2013/14		2013/14
ACTUAL		ORIG EST	BASE	COMMITTED	UN-COMMIT	ESTIMATE
400,989.48	Governance	377,407	337,466	(7,325)	(3,550)	326,591
(2,254,927.27)	General Purpose Funding	(258,827)	(1,234,439)	(90,023)	0	(1,324,462)
204,071.94	Law, Order & Public Safety	137,988	177,153	(1,000)	0	176,153
36,905.54	Health	42,624	48,480	0	0	48,480
242,036.28	Education & Welfare	154,063	136,307	2,000	12,000	150,307
39,033.44	Housing	21,931	19,677	0	0	19,677
276,607.45	Community Amenities	298,289	314,413	(11,000)	3,000	306,413
442,510.91	Recreation & Culture	957,077	427,931	(9,436)	22,802	441,297
2,196,682.78	Transport	3,117,063	2,816,983	(11,000)	0	2,805,983
111,188.85	Economic Services	146,590	164,459	(19,500)	17,340	162,299
37,103.62	Other Property & Services	(55,390)	45,211	(50,000)	0	(4,789)
1,732,203.02	PROGRAM EXPENDITURE	4,938,815	3,253,641	(197,284)	51,592	3,107,949
(52,189.87)	Leave Accruals	(183,141)	(203,161)	0	0	(203,161)
1,064.71	Interest Accruals	(2,419)	(656)	0	0	(656)
(1,843,090.74)	Depreciation	(1,818,318)	(1,929,378)	0	0	(1,929,378)
(26,641.37)	Profit/(Loss) on Sale of Assets	(19,500)	(42,200)	0	0	(42,200)
921,799.09	Contributions to/(from) Reserves	(85,264)	241,880	95,400	50,000	387,280
	Contribution from Grants carried forward	(841,919)	0	0	0	0
	Contribution from Surplus	(752,065)	0	0	0	0
(10,381.97)	Rate (Surplus)/Deficit	0	0	0	0	0
722,762.87	TOTAL NET EXPENDITURE	1,236,189	1,320,126	(101,884)	101,592	1,319,834
394,451.13	Surplus Carried Forward	0				0
1,117,214.00	RATE REQUIREMENT	1,236,189	1,320,126	(101,884)	101,592	1,319,834

GENERAL PURPOSE FUNDING						
2011/12		2012/13	2013/14	2013/14		2013/14
Actual		Original Estimate	Base	Committed	Uncommitted	Estimate
(5,583.60)	Rates	7,648	(771)	(11,229)	0	(12,000)
(691,023.76)	Royalties for Regions	388,432	0	0	0	0
(1,413,837.00)	Grant Income	(588,227)	(1,179,584)	(98,794)	0	(1,278,378)
(13,036.91)	Department of Transport	(6,990)	17,938	0	0	17,938
(134,901.73)	Investments	(109,900)	(122,000)	20,000	0	(102,000)
(49,905.11)	Miscellaneous Income & Expenditure	(20,813)	(21,000)	0	0	(21,000)
(2,308,288.11)		(329,850)	(1,305,417)	(90,023)	0	(1,395,440)
53,360.84	Administration Expenses Reallocated	71,023	70,978	0	0	70,978
(2,254,927.27)	NET CHARGE TO MUNICIPAL FUND	(258,827)	(1,234,439)	(90,023)	0	(1,324,462)

GOVERNANCE						
2011/12		2012/13	2013/14	2012/13		2013/14
Actual		Original Estimate	Base	VARIANCES		Estimate
				Committed	Uncommitted	
3,371.78	Elections	0	0	2,500	0	2,500
59,209.69	Councillors Expenses	58,050	49,900	0	350	50,250
60,320.77	Subscriptions	69,027	66,768	(800)	3,500	69,468
93,841.79	Central Expenses	64,857	54,172	(25,625)	0	28,547
80,587.45	General Administration	242,999	232,399	16,600	(7,400)	241,599
297,331.48		434,933	403,239	(7,325)	(3,550)	392,364
103,658.00	Administration Expenses Reallocated	(57,526)	(65,773)		0	(65,773)
400,989.48		377,407	337,466	(7,325)	(3,550)	326,591
0	Reserves	0	0	95,400		95,400
400,989.48	NET CHARGE TO MUNICIPAL FUND	377,407	337,466	88,075	(3,550)	421,991

LAW, ORDER & PUBLIC SAFETY						
2011/12		2012/13	2013/14	2013/14		2013/14
Actual		Original Estimate	Base	Committed	Uncommitted	Estimate
8,425.91	DFES	49	0	0	0	0
70,684.33	CESM	85,004	79,882	0	0	79,882
7,449.04	Firebreaks	42,985	50,756	0	0	50,756
(368.90)	Animal Control	2,500	1,900	(1,000)	0	900
121,558.38	Public Safety	(41,921)	1,000	0	0	1,000
960.18	SES	0	0	0	0	0
208,708.94		88,617	133,538	(1,000)	0	132,538
(4,637.00)	Administration Expenses Reallocated	49,371	43,615	0	0	43,615
204,071.94		137,988	177,153	(1,000)	0	176,153
0.00	Reserves	0	0	0	0	0
204,071.94	NET CHARGE TO MUNICIPAL FUND	137,988	177,153	(1,000)	0	176,153

HEALTH						
2011/12		2012/13	2013/14	2013/14		2013/14
Actual		Original Estimate	Base	Committed	Uncommitted	Estimate
26,778.54	Health Inspection & Administration	31,602	36,733	0	0	36,733
26,778.54	Administration Expenses Reallocated	31,602	36,733	0	0	36,733
10,127.00		11,022	11,747	0	0	11,747
36,905.54	NET CHARGE TO MUNICIPAL FUND	42,624	48,480	0	0	48,480

EDUCATION & WELFARE						
2011/12		2012/13	2013/14	2013/14		2013/14
Actual		Original Estimate	Base	Committed	Uncommitted	Estimate
48,229.00	Pre-School	4,515	14,955	0	0	14,955
89,516.85	Youth & Community	127,282	99,875	(1,000)	10,000	108,875
15,774.43	Aged & Disabled	2,114	0	3,000	2,000	5,000
153,520.28	Administration Expenses Reallocated	133,911	114,830	2,000	12,000	128,830
88,516.00		20,152	21,477	0	0	21,477
242,036.28	NET CHARGE TO MUNICIPAL FUND	154,063	136,307	2,000	12,000	150,307

HOUSING						
2011/12		2012/13	2013/14	2013/14		2013/14
Actual		Original Estimate	Base	VARIANCES		Estimate
				Committed	Uncommitted	
24,129.31	Council Staff	11,300	8,347	0	0	8,347
5,136.13	Other Housing	0	0	0	0	0
29,265.44		11,300	8,347	0	0	8,347
9,768.00	Administration Expenses Reallocated	10,631	11,330	0	0	11,330
39,033.44	NET CHARGE TO MUNICIPAL FUND	21,931	19,677	0	0	19,677

COMMUNITY AMENITIES						
2011/12		2012/13	2013/14	2013/14		2013/14
Actual		Original Estimate	Base	VARIANCES		Estimate
				Committed	Uncommitted	
108,450.90	Refuse Collection	101,529	112,805	5,000	0	117,805
86,068.68	Planning	105,032	113,062	(16,000)	3,000	100,062
47,922.87	Community Facilities	53,662	47,321	0	0	47,321
242,442.45		260,223	273,188	(11,000)	3,000	265,188
34,165.00	Administration Expenses Reallocated	38,066	41,225	0	0	41,225
276,607.45	NET CHARGE TO MUNICIPAL FUND	298,289	314,413	(11,000)	3,000	306,413

RECREATION & CULTURE						
2011/12		2012/13	2013/14	2013/14		2013/14
Actual		Original Estimate	Base	VARIANCES		Estimate
				Committed	Uncommitted	
343,276.93	Recreation Centre	158,680	19,932	0	0	19,932
15,690.61	Public Halls	26,306	3,171	(3,436)	0	(265)
306,487.12	Sport & Recreation	302,067	293,203	(7,000)	22,802	309,005
24,068.25	Libraries	31,165	26,969	1,000	0	27,969
689,522.91		518,218	343,275	(9,436)	22,802	356,641
(247,012.00)	Administration Expenses Reallocated	438,859	84,656	0	0	84,656
442,510.91	NET CHARGE TO MUNICIPAL FUND	957,077	427,931	(9,436)	22,802	441,297

TRANSPORT						
2011/12		2012/13	2013/14	2013/14		2013/14
Actual		Original Estimate	Base	Committed	Uncommitted	Estimate
(110,856.72)	Construction	606,033	192,862	0	0	192,862
1,932,852.75	Maintenance	2,059,300	2,137,184	0	0	2,137,184
35,811.59	Depot	52,358	52,104	(11,000)	0	41,104
466,270.09	Plant	265,174	232,996	0	0	232,996
2,324,077.71		2,982,865	2,615,146	(11,000)	0	2,604,146
(127,394.93)	Administration Expenses Reallocated	134,198	201,837	0	0	201,837
2,196,682.78	NET CHARGE TO MUNICIPAL FUND	3,117,063	2,816,983	(11,000)	0	2,805,983

ECONOMIC SERVICES						
2011/12		2012/13	2013/14	2013/14		2013/14
Actual		Original Estimate	Base	Committed	Uncommitted	Estimate
7,916.93	Rural Services	6,553	0	0	0	0
29,700.03	Tourism	78,684	74,703	(20,000)	17,340	72,043
25,938.85	Caravan Parks	19,584	48,966	0	0	48,966
22,662.04	Building Control	20,116	17,715	500	0	18,215
268,076.00	Heart of Nannup	0	0	0	0	0
354,293.85		124,937	141,384	(19,500)	17,340	139,224
(243,105.00)	Administration Expenses Reallocated	21,653	23,075	0	0	23,075
111,188.85	NET CHARGE TO MUNICIPAL FUND	146,590	164,459	(19,500)	17,340	162,299

OTHER PROPERTY & SERVICES						
2011/12		2012/13	2013/14	2013/14		2013/14
Actual		Original Estimate	Base	Committed	Uncommitted	Estimate
(57,313.34)	Private Works	(5,085)	(4,736)	0	0	(4,736)
79,372.92	Works Overheads	(305)	(53)	0	0	(53)
15,044.04	Plant Overheads	(50,000)	50,000	(50,000)	0	0
37,103.62		(55,390)	45,211	(50,000)	0	(4,789)
0.00	Administration Expenses Reallocated	0	0	0	0	0
37,103.62	NET CHARGE TO MUNICIPAL FUND	(55,390)	45,211	(50,000)	0	(4,789)

CHANGES TO THE BASE BUDGET

General Purposes Funding	
\$	Item
20,000	Reduced investment income – interest rates are falling and capital grants are decreasing in 2013/14. Interest from cash deposits will therefore decline
-11,229	Rating valuations – additional funding was included in the 2012/13 budget to fund the three yearly revaluation of GRV properties. This will drop out in 2013/14
-98,794	Increased income from Financial Assistance Grants
-90,023	Total – General Purposes Funding
Governance	
\$	Item
2,500	Election – administrative costs of running the 2013 election
18,000	Net cost of replacing two sedans in compliance with employment contracts
-800	Subscriptions – budget has been over-provided for in 2012/13. 2013/14 therefore reduced
-5,000	Integrated Planning Framework – allowance made in 2012/13 budget no longer required in 2013/14
-10,000	Community Strategic Plan - allowance made in 2012/13 budget no longer required in 2013/14
-8,125	Strategic Planning implementation - allowance made in 2012/13 budget no longer required in 2013/14
-2,500	Legal Expenses – this budget has had limited use over the last two years and has been reduced accordingly
-6,000	Alarm replacement – funding to replace the alarm system was a one off cost in 2012/13. This will drop out in 2013/14.
4,600	Replacement tape drive – existing backup drive is at the end of its useful life and needs replacement. Hardware has been ordered and will be funded from the Office Equipment Fund
-7,325	Total - Governance
Law & Order	
\$	Item
-1,000	Contract ranger – the 2012/13 budget has not been fully utilised even though there has been higher than normal call on the service. The budget for 2013/14 has therefore been reduced
-1,000	Total – Law & Order

Health	
\$	Item
0	Total - Health
Education & Welfare	
\$	Item
-3,000	Works to Youth Space – works to the Youth Space completed in 2012/13
3,000	Grant to fund works to Youth Space - works to the Youth Space completed in 2012/13
3,000	Seniors bus grant – no grant funding available in 2013/14 so grant income has been removed
-2,000	Drift film launch – budget for supporting the launch of the film Drift was one off expenditure and is not therefore required in 2013/14
1,000	Match funding for Community Sheds grant
2,000	Total – Education & Welfare
Housing	
\$	Item
0	Total - Housing
Community Amenities	
\$	Item
5,000	Waste Disposal Recycling Facility fencing – when the contract was let in 2012/13 the Shire undertook to improve the signage and fencing at the facility. Estimates to complete the fencing work require an additional \$5,000 to be funded.
-15,000	Local Planning Strategy review – item included in 2012/13 budget and unspent amounts will be carried forward to 2013/14 to fund further work. Separate provision not required in 2013/14.
-1,000	Jalbarragup Bridge interpretation – this is one off expenditure not required in 2013/14.
-11,000	Total – Community Amenities
Recreation & Culture	
\$	Item
3,000	Income Foreshore Park – no income has been received against this budget head in the last two years.
1,000	Inter library loan charges. Many services previously provided free of charge are now being charged for between libraries
-3,500	Major works Old Roads Board – one off funding provided in the 2012/13

	budget.
-1,733	New lease for Lesser Hall (Supper Room) – 2012/13 budget includes part year income for this building. A full year's income will be received in 2013/14
-1,670	Reduced water costs for Bowling Club. To be paid by leasee
3,467	New lease for Bowling Club – the 2012/13 budget anticipated a lease income for this facility. Council resolved not to charge a commercial lease at its meeting on 18 April 2013
-10,000	Trees & shrubs – savings identified in the landscaping budget. Reflects level of spending over the last two years.
-9,436	Total – Recreation & Culture
Transport	
\$	Item
-11,000	Depot maintenance – all maintenance budgets relating to the works depot have been combined and reduced.
-11,000	Total - Transport
Economic Services	
\$	Item
-10,000	Regional & economic promotion – budget reduced
500	Building Control expenses – ancillary expenses of Building Surveyor included in contract
-10,000	Branding implementation – budget no longer required now that rebranding work has been completed.
-19,500	Total – Economic Services
Other Property & Services	
\$	Item
-50,000	Reduced cost of fuel & oil – costs reduced to reflect actual performance over the last two years.
-50,000	Total – Other Property & Services
-197,284	Total – All Services
100,000	Recreation Centre contribution – Council at its meeting on 23 August 2012 resolved to provide \$100,000 in its 2013/14 budget to support the construction of Stage 1 of the Recreation Centre project
-4,600	Expenditure funded from reserves – funding for replacement tape drive.
-101,884	Change in Operational Costs

RESERVES

Reserve	Opening Balance 1/7/12 \$	Net Cont. To/(from) 2012/13 \$	Interest Earned 2012/13 \$	Closing Balance 30/6/13 \$	Net Cont. To/(from) 2013/14 \$	Interest Earned 2013/14 \$	Closing Balance 30/6/14 \$
Long Service Leave Reserve	125,824	10,000	2,800	138,624	25,000	2,400	166,024
Plant Reserve	414,685	73,590	1,500	489,775	(5,000)	1,300	486,075
Recreation Centre Reserve	791,870	(50,000)	12,860	754,730	0	10,000	764,730
Kindergarten Extension Reserve	19,344	(22,744)	3,400	0	0	0	0
Office Equipment Reserve	8,888	7,550	100	16,538	5,400	100	22,038
Main Street Upgrade Reserve	330,826	(80,000)	5,370	256,196	0	4,500	260,696
Refuse Site Rehabilitation Reserve	10,000	10,000	100	20,100	10,000	200	30,300
Gravel Pit Reserve	8,000	(8,000)	100	100	0	180	280
Emergency Management Reserve	50,000	0	500	50,500	0	500	51,000
Asset Management Reserve	0	110,000	0	110,000	180,000	2,500	292,500
Aged Housing Reserve	20,000	0	250	20,250	0	200	20,450
Rates Equalisation Reserve	0	0	0	0	150,000	0	150,000
Total	1,779,437	50,396	26,980	1,856,813	365,400	21,880	2,244,093

Notes:

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

Plant Reserve: Used for the purchase of major plant.

Recreation Centre reserve: To be used for the construction of the new recreation centre.

Kindergarten Extension Reserve: Used for the construction of the FROGS Early Learning Centre.

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

Main Street Upgrade Reserve: To be used to support the project to upgrade the main street of Nannup.

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

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

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

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.

PRIORITIES FOR 2012/13

GENERAL PURPOSES SPENDING			
\$	Recommended	\$	Not Supported
50,000	Contribution to reserves to support the 2015/16 budget		
50,000	Total	0	
GOVERNANCE			
\$	Recommended	\$	Not Supported
350	Community get-togethers – extra funding to augment current allocation of \$400		
2,300	Community grants – at its March meeting Council resolved to fund requests of \$10,200 subject to budget funding being available. If the allocation of \$25,000 is maintained for the Music Festival then an additional \$2,300 would be required to fund all the other requests		
200	Christmas lights – request from Christmas Lights Competition Team to continue to donate \$200 towards the prize money. Previously funded from gifts budget.		
1,000	Town Hall centenary – one off 2013/14 to support celebrations		
10,600	Microsoft Software Assurance – signing up to this program would allow the council to always have the latest version of Microsoft products running on its equipment. This prevents a situation developing where some machines are running older software. After three years the cost drops to 25% of the initial charge and generates a long term saving. The current cost of replacing the software is approximately \$25,000		

\$	Recommended	\$	Not Supported
		1,000	Busselton Women's Shelter – request from Cr Best at City of Busselton in his presentation to Council. No specific amount requested.
		1,000	South West Academy of Sport – request to all SW local governments for a contribution. No specific sum requested.
		1,000	Miscellaneous contributions – this would double the council's available budget for unanticipated contributions & donations
-18,000	Savings on insurance premiums		
-3,550	Total	3,000	

LAW & ORDER

\$	Recommended	\$	Not Supported
		5,000	Firebreak maintenance – funding to enable additional work to be undertaken in early Spring to identify hazardous areas.
		5,000	Emergency Management Reserve – see report. This would allow an annual contribution to be made to the reserve
		5,000	Emergency Management Reserve - see report. This would allow an annual contribution to be made to the reserve
0	Total	15,000	

HEALTH			
\$	Recommended	\$	Not Supported
0	Total	0	
EDUCATION & WELFARE			
\$	Recommended	\$	Not Supported
-1,500	CDO grant income – estimate to cover grant income not budgeted for		
3,000	CDO Grants match funding – see above. Grants generally need Shire to match the grant. Cost is therefore double the grant amount		
2,000	YAC supervision – to cover OSH requirements additional supervision is required at events with large numbers of children attending		
2,000	Seniors bus hire – cost generally not covered in funding programs and grants not available from other sources.		
2,500	CDO initiatives – community development work currently has to be fully funded by grants and contributions to go ahead. It has no budget currently. This would allow a Shire contribution to support initiatives		
4,000	Cultural Plan – to implement next initiatives contained in the Cultural Plan. Some external funding for this work.	4,000	
		2,000	Seniors activities – current activities have to be fully funded from grants & contributions received. This would allow a Shire contribution to support initiatives
12,000	Total	6,000	

HOUSING			
\$	Recommended	\$	Not Supported
0	Total	0	
COMMUNITY AMENITIES			
\$	Recommended	\$	Not Supported
2,000	Sustainability support – an allocation to allow for some paid professional advice to be obtained from an adjoining shire to cover environmental issues		
1,000	Signage strategy – funding to allow the signage in the Shire to be reviewed and improved	3,000	
		500	Ventilation Town Hall toilets – the toilets have been noted to be hot in the Summer months. This would allow for some additional ventilation
3,000	Total	3,500	
RECREATION & CULTURE			
\$	Recommended	\$	Not Supported
22,802	Apprentice gardener – the current gardening team have found it difficult to maintain the area with their current resources. A additional gardener would sourced through the apprentice scheme and would provide six months cover		
		1,000	Request to fully fund the tulips in the street boxes. No specific amount identified.
22,802	Total	1,000	

TRANSPORT			
\$	Recommended	\$	Not Supported
0	Total	0	
ECONOMIC SERVICES			
\$	Recommended	\$	Not Supported
340	Quit Forest Rally – NDHS sausage sizzle		
4,000	Economic development plan – to develop an Economic Strategic Plan		
-5,000	Visitor Centre services – cut to current allocation of \$30,000. Current contract is for one year and included an element of set up costs.		
5,000	Agricultural promotion		
48,000	Events – to promote an economic stimulus over the quieter Summer months and increase usage at Foreshore Park.		
-40,000	Events funding – Lotterywest grants to support the events described above. Net cost \$8,000		
5,000	Amphitheatre – annual contribution to allow the canvas on the amphitheatre to be replaced		
17,340	Total	0	
OTHER PROPERTY & SERVICES			
\$	Recommended	\$	Not Supported
0	Total	0	
101,592	Total – All Services	28,500	

**Shire of Nannup
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AGENDA NUMBER:	11.15
SUBJECT:	Rate in the Dollar 2013/14
LOCATION/ADDRESS:	Nannup
NAME OF APPLICANT:	N/A
FILE REFERENCE:	FNC 3
AUTHOR:	Vic Smith, Manager Corporate Services
REPORTING OFFICER:	Vic Smith, Manager Corporate Services
DISCLOSURE OF INTEREST:	None
DATE OF REPORT	18 June 2013

BACKGROUND:

Section 6.32 of the Local Government Act 1995 requires that:

When adopting the annual budget, a local government —

- (a) in order to make up the budget deficiency, is to impose a general rate on rateable land within its district, which rate may be imposed either —
 - (i) uniformly; or*
 - (ii) differentially;**
- (b) may impose on rateable land within its district —
 - (i) a specified area rate; or*
 - (ii) a minimum payment; and**
- (c) may impose a service charge on land within its district.*

A minimum rate can only be imposed in conjunction with a general rate and if the minimum rate is more than \$200 it cannot be imposed on more than 50% of rated properties. This limit applies separately to those properties classed as Gross Rental Value (GRV) or Unimproved Value (UV).

The draft budget is included elsewhere on today's agenda. The proposed budget requires a sum of \$1,319,835 to be raised from rates, giving an average increase of 6.77%. If Council changes the total required yield from rates as a result of the adoption of the 2013/14 budget, then the recommendation in this report will need to be amended in line with that resolution. The meeting will need to be adjourned for this work to be completed.

Council need to determine the rate in the dollar to be applied to the different categories of rates so as to raise the budgeted rate income.

**Shire of Nannup
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COMMENT:

Council's rating model for 2012/13 was:

	RATE IN THE \$	MINIMUM RATE	BUDGETED YIELD
GRV	0.091602	\$675	\$657,642
UV	0.003280	\$885	\$578,549
			\$1,236,191

Actual rate income for 2012/13 is expected to be \$1,240,913.

Principles for Rate Modelling

The rating methodology to be followed is set out in Council resolution 8946 from the meeting of 18 April 2013.

This states:

In preparing rate models for Council consideration officers should:

1. *adopt the principle that future rate increases should be at or above CPI and more closely linked to the LGCI (Local Government Cost Index) given that the latter has more relevance to local governments' costs; and*
2. *the current balance of payment between UV and GRV properties be maintained; and*
3. *the rate in the dollar for UV and GRV properties be adjusted up or down, as the case may be, to compensate for general increases or reductions in rateable values for each class of property before applying new rate models.*

Changes in 2012/13

Valuations of properties occur throughout the year as a result of land amalgamation, sub-divisions, new building etc. These changes affect the rate base and change the rate yield. Prior to the general revaluation undertaken by the Valuer General changes to the rate base had the following effect on the projected rate yield.

	Rate in the Dollar	Minimum Rate	Yield	Minimums
GRV	0.091602	\$675	\$657,313	48.81%
UV	0.003280	\$885	\$585,586	50.39%
			\$1,243,169	

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As a result of changes during the year the proportion of UV properties on the minimum rate increased above the 50% threshold allowed in the Local Government Act 1995. If no other changes were applied the rate in the dollar for UV properties would need to increase to 0.003315 (+1.1%) to bring the UV minimum rated properties back below 50%.

Revaluation

Whilst UV properties undergo an annual revaluation the revaluation of GRV properties is carried out at less frequent intervals; a general revaluation of GRV properties was carried out by the Valuer General in 2012/13 and new valuations will apply from 1 July 2013. The last revaluation of GRV properties was carried out in 2010.

As a result of the revaluation of UV properties, valuations fell by an average of 4.85% and were reasonably even distributed.

The revaluation of GRV properties was much less evenly distributed. The Valuer General identified that overall valuations for GRV properties had increased by 2.3% but this masked significant variations in different property types. The detailed analysis is reproduced in the table below.

Classification	Inc/Dec	No.	Value	% of Total
Residential	+10.69%	413	\$4,203,414	63.1%
Commercial	-15.50%	26	\$785,896	11.8%
Industrial	+11.37%	18	\$606,526	9.1%
Vacant Land	-14.06%	235	\$1,068,140	16.0%
TOTAL GRV	+2.29%	692	\$6,663,976	100.0%

The revaluation changes would have the following impact on the rate yield if the rate in the dollar and minimum rates remained unchanged.

	Rate in the Dollar	Minimum Rate	Yield	Minimums
GRV	0.091602	\$675	\$680,138	42.40%
UV	0.003280	\$885	\$564,069	54.07%
			\$1,244,197	

Overall the rate yield has changed very little but this masks a significant rise in the yield for GRV properties that is largely offset by the fall in the yield for UV properties. The fall in UV valuations results in more UV properties falling into the

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minimum rate category. To bring the number of UV properties back below 50% the UV rate in the dollar would need to increase to 0.003499 (+6.68%).

Resetting the Rate Base

Council's rating methodology requires the rate in the dollar for UV and GRV properties to be increased or reduced, as the case may be, to compensate for general increases or reductions in rateable values for each class of property before applying new rate models. This means that the rate in the dollar for UV properties would need to increase and the rate in the dollar for GRV properties decrease to generate the same rate yield as set in the 2012/13 budget.

The impact of this adjustment is shown in the table below.

	Rate in the Dollar	Minimum Rate	Yield	Minimums
GRV	0.087152	\$675	\$657,640	47.00%
UV	0.003403	\$885	\$578,548	51.18%
			\$1,236,188	

To generate the same yields the rate in the dollar for GRV properties has decreased by 4.65% and the rate in the dollar for UV properties has increased by 3.75%. However, this increase would not be sufficient to bring the number of minimum UV properties below the 50% threshold; to achieve this the rate in the dollar would need to increase by 6.68% as outline in the previous section of the report.

Proposed Rates

The final stage of the process is to apply changes to the base as reset in the previous step to generate the rate yield required by the proposed budget without changing the balance between UV and GRV properties.

The first stage is to apply the average increase (i.e. 6.77%) to the properties on the minimum rate. This would establish the following minimums:

	Minimum Rate	Increase
GRV	\$721	6.81%
UV	\$945	6.78%

The rebased rate in the dollar for UV properties as shown above is 0.003403. Increasing this by 6.77% gives a rate in the dollar of 0.003633 but would result in the number of minimum rated properties being 51.18% of the total. The UV rate in the dollar must therefore be increased further to address this. The lowest UV rate

**Shire of Nannup
Ordinary Council Meeting Agenda: June 2013**

in the dollar that would result in a model that complies with the Local Government Act is 0.003736, equivalent to an increase of 13.9%.

The remainder of the rate requirement is funded from an increase in the rate in the dollar for GRV properties, resulting in a rate in the dollar of 0.090987, representing a net reduction of 1.21%.

This produces the following proposed rate model:

	Rate in the Dollar	Minimum Rate	Yield	Minimums
GRV	0.090493	\$721	\$689,820	48.81%
UV	0.003736	\$945	\$630,015	49.34%
			\$1,319,835	

The impact of these proposals on rate bills has been modelled and is shown graphically in Attachments 1-3.

Conclusion

Rate increases for 2012/13 were contained within a fairly narrow range to produce an average increase of 10.36% as shown in the table below.

UV Minimum	+10.63%
UV Non Minimum	+7.5%
GRV Minimum	+10.63%
GRV Non Minimum	+9.93%

Whilst every effort has been made to minimise the variation in increases in rate bills this is constrained by the valuation adjustments imposed by the Valuer General. Rate increases for the majority of UV properties can be contained within a fairly narrow range of between 7.3% and 9%. However, the large variation in the changes to GRV valuations means that 140 properties will have increases of over 10%.

Alternative Proposals

Councillors are free to propose alternative rates in the dollar. Any proposals will need to comply with the statutory requirements as set out in the Local Government Act 1995 regarding the proportions of properties subject to the minimum rate. Councillors are encouraged to contact the Manager Corporate Services to check that any individual proposals are compliant with these requirements. In the event that any proposals are tabled at the meeting the Shire President will adjourn the meeting to allow the proposals to be examined for statutory compliance.

Shire of Nannup
Ordinary Council Meeting Agenda: June 2013

Any proposals that do not generate sufficient rates to fund the budget would require the adopted budget to be amended.

STATUTORY ENVIRONMENT: Local Government Act 1995 Division 6.

POLICY IMPLICATIONS: None.

FINANCIAL IMPLICATIONS: The resolution on the rate in the dollar is required to fund the 2013/14 budget.

STRATEGIC IMPLICATIONS: None.

VOTING REQUIREMENTS: Absolute Majority

RECOMMENDATION:

That Council agree to the following rates in the dollar and minimum rates for the 2013/14 financial year:

	Rate in the Dollar	Minimum Rate	Yield	Minimums
GRV	0.090493	\$721	\$689,820	48.81%
UV	0.003736	\$945	\$630,015	49.34%
			\$1,319,835	

Shire of Nannup
Ordinary Council Meeting Agenda: June 2013

AGENDA NUMBER:	11.16
SUBJECT:	Adoption of 2013/14 Budget
LOCATION/ADDRESS:	Nannup
NAME OF APPLICANT:	N/A
FILE REFERENCE:	FNC 3
AUTHOR:	Vic Smith, Manager Corporate Services
REPORTING OFFICER:	Vic Smith, Manager Corporate Services
DISCLOSURE OF INTEREST:	None
DATE OF REPORT	18 June 2013

Attachment 1: 2013/14 Budget

Attachment 2: Schedule of Fees & Charges 2013/14

BACKGROUND:

Section 5.2 of the Local Government Act 1995 stipulates that no later than 31 August each financial year, or such extended time as the Minister allows, each local government is to prepare and adopt by absolute majority in the form and manner prescribed a budget for its municipal fund for the financial year.

The draft 2013/14 budget anticipates a deficit of \$1,325,952 being the rate requirement. These formal budget statements submitted for adoption assume that the recommended budget and rate in the dollar as presented to today's meeting will be accepted. Any variation to these recommendations will require the formal statements at Attachment 1 to be amended prior to adoption.

COMMENT:

Section 6.2 of the Local Government Act 1995 and Financial Management Regulations Part 3 stipulate the requirements for the content of the budget and these are reflected in Attachment 1.

Councillors will note that the comparative figures for 2012/13 are estimates only as the end of year has not been finalised; however this has no bearing on the adoption of the budget itself.

Whilst the Rate Setting Statement shows a surplus on 2012/13 of just over \$2.3 million this is primarily made up of grants received in 2012/13 where the expenditure will be incurred in 2013/14; these funds will therefore be carried forward into the next financial year.

The budget also reflects Council resolution 8969 in relation to Fees and Charges. The full schedule is set out in Attachment 2 and formal adoption is

Shire of Nannup
Ordinary Council Meeting Agenda: June 2013

required by section 6.16 of the Local Government Act 1995 as part of the approval of the annual budget. There has been one change to the schedule since the adoption of the fees and charges to reflect the issue of statutory planning fees for 2013/14.

STATUTORY ENVIRONMENT: Local Government Act 1995 Part 6.

POLICY IMPLICATIONS: None.

FINANCIAL IMPLICATIONS: 2013/14 budget.

STRATEGIC IMPLICATIONS:

This budget forms the basis for the Long Term Financial Plan.

VOTING REQUIREMENTS: Absolute Majority.

RECOMMENDATION:

That Council adopt the budget papers for 2013/14 as set out in Attachments 1 and 2.



**BUDGET
FOR THE YEAR ENDED
30 JUNE 2014**

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**STATEMENT OF COMPREHENSIVE INCOME BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2013/14 Budget \$	2012/13 Actual \$	2012/13 Budget \$
Revenue				
Rates	8	1,319,834	1,240,913	1,236,189
Operating Grants, Subsidies and Contributions		1,613,794	918,432	1,416,802
Fees & Charges	13	389,555	359,920	493,538
Service Charges	10	0	0	0
Interest Earnings	2(a)	140,380	144,588	135,609
Other Revenue		193,000	276,576	49,947
Total Revenue		3,656,563	2,940,429	3,332,085
Expenses				
Employee Costs		(1,596,552)	(1,285,225)	(1,230,581)
Materials and Contracts		(2,785,585)	(1,052,751)	(3,635,284)
Utility Charges		(98,607)	(108,282)	(81,559)
Depreciation on Non-Current Assets	2(a)	(1,929,378)	(1,959,019)	(1,818,318)
Interest Expenses	2(a)	(17,163)	(20,268)	(20,368)
Insurance Expenses		(172,092)	(185,995)	(197,531)
Other Expenditure		(300)	(200)	(300)
Total Expenses		(6,599,677)	(4,611,740)	(6,983,941)
		(2,943,114)	(1,671,311)	(3,651,856)
Non-Operating Grants, Subsidies and Contributions		3,791,509	7,752,695	9,251,946
Fair value adjustments to financial assets at fair value through profit or loss		0	0	0
Profit on Asset Disposals		3,700	0	0
Loss on Asset Disposals	4	(45,900)	0	(19,500)
NET RESULT		806,195	6,081,384	5,580,590
Other Comprehensive Income				
Changes on Revaluation of Non-Current Assets		0	0	0
Total Other Comprehensive Income		0	0	0
TOTAL COMPREHENSIVE INCOME		806,195	6,081,384	5,580,590

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 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 2014**

	Note	2013/14 Budget \$	2012/13 Actual \$	2012/13 Budget \$
Revenue				
Governance		1,000	1,000	1,000
General Purpose Funding		2,778,392	2,007,425	2,647,565
Law, Order, Public Safety		216,100	214,514	18,230
Health		3,600	2,900	4,818
Education & Welfare		12,360	94,336	13,760
Housing		16,796	16,796	16,796
Community Amenities		109,435	103,800	122,270
Recreation & Culture		25,570	28,960	29,054
Transport		264,816	313,198	235,698
Economic Services		201,600	117,500	216,000
Other Property & Services		26,894	40,000	26,894
Total Revenue		3,656,563	2,940,429	3,332,085
Expenses Excluding Finance Costs				
Governance		(303,291)	(264,993)	(326,083)
General Purpose Funding		(1,799,524)	(135,496)	(2,104,164)
Law, Order, Public Safety		(397,953)	(338,403)	(382,058)
Health		(52,080)	(65,876)	(60,416)
Education & Welfare		(203,667)	(173,105)	(262,042)
Housing		(36,473)	(51,241)	(32,223)
Community Amenities		(430,814)	(413,973)	(432,294)
Recreation & Culture		(474,367)	(434,855)	(474,805)
Transport		(2,464,941)	(2,366,810)	(2,559,631)
Economic Services		(397,299)	(208,274)	(358,353)
Other Property & Services		(22,105)	(138,446)	28,496
Total Expenses		(6,582,514)	(4,591,472)	(6,963,573)
Finance Costs				
Governance		0	0	(100)
Housing		0	0	0
Community Amenities		(7,195)	(7,912)	(7,912)
Transport		(9,968)	(12,356)	(12,356)
	5	(17,163)	(20,268)	(20,368)
Non-Operating Grants, Subsidies & Contributions				
General Purpose Funding		665,428	1,126,614	1,547,362
Law, Order & Public Safety		0	51,000	332,503
Education & Welfare		0	0	60,000
Recreation & Culture		0	0	0
Transport		3,126,081	6,575,081	7,312,081
Economic Services		0	0	0
		3,791,509	7,752,695	9,251,946

Profit/(Loss) on Disposal of Assets

Governance		0	0	0
Health		0	0	0
Community Amenities		0	0	0
Transport	4	(42,200)	0	(19,500)
Economic Services		0	0	0
		(42,200)	0	(19,500)

NET RESULT

806,195	6,081,384	5,580,590
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Other Comprehensive Income

Changes on Revaluation of Non-Current Assets	0	0	0
Total Other Comprehensive Income	0	0	0

TOTAL COMPREHENSIVE INCOME

806,195	6,081,384	5,580,590
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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 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 2014**

	Note	2013/14 Budget \$	2012/13 Actual \$	2012/13 Budget \$
Cash Flows from Operating Activities				
Receipts				
Rates		1,319,834	1,240,913	1,236,189
Operating Grants, Subsidies and Contributions		1,613,794	918,432	1,416,802
Fees & Charges		389,555	359,920	493,538
Service Charges		0	0	0
Interest Earnings		140,380	144,588	135,609
Other Revenue		193,000	276,576	49,947
Total Receipts		3,656,563	2,940,429	3,332,085
Payments				
Employee Costs		(1,393,391)	(1,173,325)	(1,047,440)
Materials and Contracts		(2,785,585)	(1,052,751)	(3,635,284)
Utility Charges		(98,607)	(108,282)	(81,559)
Insurance Expenses		(172,092)	(185,995)	(197,531)
Interest expenses		(16,507)	(20,268)	(17,949)
Other Expenditure		(300)	(200)	(300)
Total Payments		(4,466,482)	(2,540,821)	(4,980,063)
Net Cash Provided by/(Used in) Operating Activities	15(b)	(809,919)	399,608	(1,647,978)
Cash Flows from Investing Activities				
Payments for Purchase of Property, Plant & Equipment		(549,950)	(687,283)	(1,120,983)
Payments for Construction of Infrastructure		(4,438,943)	(6,628,473)	(7,744,000)
Advances to Community Groups		0	0	0
Non-Operating Grants, Subsidies & Contributions used for the Development of Assets		3,791,509	7,752,695	9,251,946
Proceeds from the Sale of Plant & Equipment		135,000	0	140,000
Cash Provided by/(Used in) Investing Activities		(1,062,384)	436,939	526,963
Cash Flows from Financing Activities				
Repayment of Debentures		(68,743)	(64,981)	(64,982)
Proceeds from Self- Supporting Loans		20,076	20,076	19,722
Proceeds from New Debentures		0	0	0
Net Cash Provided by/(Used in) Financing Activities		(48,667)	(44,905)	(45,260)
Net Increase/(Decrease) in Cash Held		(1,920,670)	791,842	(1,166,275)
Cash at Beginning of Year		4,568,152	3,776,510	3,049,396
Cash & Cash Equivalents at End of Year	15(a)	2,647,482	4,568,352	1,883,121

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

**RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2012/13 Budget \$	2012/13 Actual \$	2012/13 Budget \$
Revenue				
Governance		1,000	1,000	1,000
General Purpose Funding		2,123,986	1,893,126	2,958,738
Law, Order, Public Safety		216,100	265,514	350,733
Health		3,600	2,900	4,818
Education & Welfare		12,360	94,336	73,760
Housing		16,796	16,796	16,796
Community Amenities		109,435	103,800	122,270
Recreation & Culture		25,570	28,960	29,054
Transport		3,390,897	6,888,279	7,547,779
Economic Services		201,600	117,500	216,000
Other Property & Services		26,894	40,000	26,894
Total Revenue		6,128,238	9,452,211	11,347,842
Expenses				
Governance		(303,291)	(264,993)	(326,083)
General Purpose Funding		(1,799,524)	(135,496)	(2,104,264)
Law, Order, Public Safety		(397,953)	(338,403)	(382,058)
Health		(52,080)	(65,876)	(60,416)
Education & Welfare		(203,667)	(173,105)	(262,042)
Housing		(36,473)	(51,241)	(32,223)
Community Amenities		(438,009)	(421,885)	(440,206)
Recreation & Culture		(474,367)	(434,855)	(474,805)
Transport		(2,517,109)	(2,379,166)	(2,591,487)
Economic Services		(397,299)	(208,274)	(358,353)
Other Property & Services		(22,105)	(138,446)	28,496
Total Expenses		(6,641,877)	(4,611,740)	(7,003,441)
Net Operating Result Excluding Rates		(513,639)	4,840,471	4,344,401

Net Operating Result Excluding Rates		(513,639)	4,840,471	4,344,401
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Adjustments for Cash Budget Requirements

Non-Cash Expenditure & Revenue

(Profit)/Loss on Asset Disposals	4	42,200	0	19,500
Depreciation and Amortisation on Assets	2(a)	1,929,378	1,959,019	1,818,318
Leave Provisions		195,531	99,900	166,708
Accruals		8,286	12,000	18,852

Capital Expenditure & Revenue

Purchase Land Held for Resale		0	0	0
Purchase Land & Buildings	3	(79,900)	(292,600)	(609,633)
Purchase Infrastructure Assets	3	(4,438,943)	(6,628,473)	(7,744,000)
Purchase Plant & Equipment	3	(433,000)	(394,683)	(493,900)
Purchase Furniture & Equipment	3	(37,050)	0	(17,450)
Proceeds from Disposal of Assets	4	135,000	0	140,000
Repayment of Debentures	5	(68,743)	(64,981)	(64,982)
Proceeds from New Debentures	5	0	0	0
Self-Supporting Loan Principal Repayments		20,076	20,076	19,722
Transfers (to)/from Reserves (Restricted Assets)	6	(387,280)	(77,376)	85,264

ADD: Estimated Surplus/(Deficit) July 1 B/fwd		2,308,250	1,593,984	1,081,011
LESS: Estimated Surplus/(Deficit) June 30 C/fwd		0	2,308,250	0

Amount to be Required to be Raised from Rates	8	(1,319,834)	(1,240,913)	(1,236,189)
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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 2014

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.

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

(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) 2012/13 Actual Balances

Balances shown in this budget as 2012/13 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.

(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 with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

(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.

Land Held for Resale

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

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

Land Under Control

In accordance with Local Government (Financial Management) Regulation 16(a), the Council is 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, fair value at the date of acquisition is deemed cost in accordance with AASB 116.

Initial Recognition

All assets are initially recognised at cost. 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.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Council and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in the statement of comprehensive income in the period in which they are incurred.

Revaluation

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

Revalued assets are carried at their fair value being the price that would be received to sell the asset, in an orderly transaction between market participants at the measurement date (Level 1 inputs in the fair value hierarchy).

For land and buildings, fair value will be determined based on the nature of the asset class. For land and non-specialised buildings, fair value is determined on the basis of observable open market values of similar assets, adjusted for conditions and comparability at their highest and best use (Level 2 inputs in the fair value hierarchy).

With regards to specialised buildings, fair value is determined having regard for current replacement cost and both observable and unobservable costs. These include construction costs based on recent contract prices, current condition (observable Level 2 inputs in the fair value hierarchy), residual values and remaining useful life assessments (unobservable Level 3 inputs in the fair value hierarchy).

For infrastructure and other asset classes, fair value is determined to be the current replacement cost of an asset (Level 2 inputs in the fair value hierarchy) less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset (Level 3 inputs in the fair value hierarchy).

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.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Those assets carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses, are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.

In addition, the amendments to the Financial Management Regulations mandating the use of Fair Value imposes a further minimum 3 year revaluation requirement. As a minimum, all assets carried at a revalued amount, will be revalued at least every 3 years.

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.

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.

Early Adoption of AASB 13 – Fair Value Measurement

Whilst the new accounting standard in relation to Fair Value, *AASB 13 – Fair Value Measurement* did not become applicable until the year ended 30 June 2014 (in relation to this Council), given the legislative need to commence using Fair Value methodology for this reporting period, the Council chose to early adopt AASB 13 (as allowed for in the standard).

As a consequence, the principles embodied in *AASB 13 – Fair Value Measurement* were applied to the previous reporting period being the year ended 30 June 2013 (2012/13 Actual in this budget document).

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.

Depreciation of Non-Current Assets

All non-current assets having a limited useful life (excluding freehold land) are systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets.

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time the asset is completed and held ready for use.

Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period. Major depreciation periods are:

Buildings	40 years	Straight Line
Furniture and Equipment	10 years	Straight Line
Office Equipment	5 years	Straight Line
Plant and Equipment	10 years	Reducing Balance
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.

Capitalisation Threshold

Expenditure on items of equipment under \$2,000 is not capitalised. 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.

(I) 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.

Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

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;
- (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; and
- (d) less any reduction for impairment.

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. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term.

Derivatives are classified as held for trading unless they are designated as hedges.

Assets in this category are classified as current assets. They 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.

(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

At the end of each reporting period, the Council assesses whether there is objective evidence that a financial instrument has been impaired.

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.

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.

(m) **Impairment**

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 2014.

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

(n) 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.

(o) Employee Benefits

Provision is made for the Council's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

(p) 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.

(q) 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.

(r) 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.

(s) Comparative Figures

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

(t) 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.

2. REVENUE AND EXPENSES

(a) Net Result

The Net Result includes:

	2013/14	2012/13	2012/13
	Budget	Actual	Budget
	\$	\$	\$
(i) Charging as an Expenses:			
Amortisation			
Capitalised Leased Assets	0	0	0
Auditors Remuneration			
- Audit	9,300	7,400	9,200
- Other Services	1,500	3,580	2,417
	10,800	10,980	11,617
Depreciation			
<u>By Program</u>			
Governance	21,299	21,959	20,795
General Purpose Funding	0	0	0
Law, Order & Public Safety	61,584	66,185	61,448
Health	0	0	0
Education & Welfare	11,891	11,891	1,364
Housing	9,039	9,039	9,039
Community Amenities	9,045	9,045	9,057
Recreation & Culture	50,141	50,655	25,459
Transport	1,524,665	1,524,665	1,507,388
Economic Services	12,630	10,880	6,641
Other Property & Services	229,084	248,700	177,127
	1,929,378	1,953,019	1,818,318

By Class

Land & Buildings	88,743	85,243	72,011
Infrastructure Assets - Roads	1,552,779	1,552,779	1,508,968
Plant & Equipment	281,834	307,800	231,915
Furniture & Equipment	6,022	7,197	5,424
	1,929,378	1,953,019	1,818,318

Interest Expenses (Finance Costs)

Debentures (refer Note 5(a))	17,063	20,268	20,268
	17,063	20,268	20,268

2013/14	2012/13	2012/13
Budget	Actual	Budget
\$	\$	\$

(ii) Crediting as Revenue:

Interest Earnings

Investments

- Reserve Funds	21,880	23,700	16,109
- Other Funds (DOTARS, RTR & General)	105,000	127,261	110,000
Other Interest Revenue (refer note 26)	16,500	16,950	9,500
	143,380	167,911	135,609

(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.

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.

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

	2013/14 \$
By Program	
<u>Governance</u>	
Plant & Equipment	18,000
Furniture & Equipment	9,600
<u>Transport</u>	
Infrastructure Assets - Roads	3,343,943
Plant & Equipment	415,000
Total Assets	3,786,543
By Class	
Land Held for Resale	0
Land & Buildings	0
Infrastructure Assets - Roads	3,343,943
Plant & Equipment	433,000
Furniture & Equipment	9,600
Total Assets	3,786,543

4. DISPOSALS OF ASSETS - 2013/14 FINANCIAL YEAR

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

By Program	Net Book Value 2012/13 Budget \$	Sale Price 2012/13 Budget \$	Profit (Loss) 2012/13 Budget \$
<u>Governance</u>			
Toyota Camry	21,000	21,000	0
Toyota Camry	21,000	21,000	0
Total Governance	42,000	42,000	0
<u>Transport</u>			
Toyota Prado	45,100	45,000	(100)
Isuzu Crane Tipper	53,100	40,000	(13,100)
Isuzu Service	49,740	30,000	(19,740)
Ford Ranger	16,300	20,000	3,700
Roller	12,960	0	(12,960)
Total Transport	177,200	135,000	(42,200)
Total	219,200	177,000	(42,200)

By Class

<u>Plant & Equipment</u>			
Toyota Camry	21,000	21,000	0
Toyota Camry	21,000	21,000	0
Toyota Prado	45,100	45,000	(100)
Isuzu Crane Tipper	53,100	40,000	(13,100)
Isuzu Crane Tipper	49,740	30,000	(19,740)
Ford Ranger	16,300	20,000	3,700
Roller	12,960	0	(12,960)
	219,200	177,000	(42,200)
Summary			
Profit on Asset Disposals			3,700
Loss on Asset Disposals			(45,900)
			(42,200)

5. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Principal 01 July 13 \$	New Loans \$	Principal Repayments		Principal		Interest Repayments	
			2013/14 Budget \$	2012/13 Actual \$	30/6/14 Budget \$	30/6/13 Actual \$	2013/14 Budget \$	2012/13 Actual \$
Community Amenities L37 S/S Community Resource Centre ¹	123,623	0	12,915	12,163	110,708	123,623	7,195	7,912
Transport L38 Plant - Grader	177,211	0	55,828	52,819	121,383	177,211	9,186	12,196
	300,834	0	68,743	64,982	232,091	300,834	16,381	20,108

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 2013/14.

(c) Unspent Debentures

The Council had no unspent debenture funds as at 30 June 2013, nor is it expected to have unspent debenture funds as at 30 June 2014.

(d) Overdraft

Council does not have an overdraft facility and does not anticipate that an overdraft facility will be required during 2013/14.

6. RESERVES - CASH BACKED

	2013/14 Budget \$	2012/13 Actual \$	2012/13 Budget \$
Civic Building Reserve - Recreation Centre			
Opening Balance	754,730	791,870	915,930
Amount Set Aside / Transfer to Reserve	0	0	0
Interest Earned	10,000	12,860	10,077
Amount Used / Transfer from Reserve	0	(50,000)	(359,423)
	764,730	754,730	566,584
Long Service Leave Reserve			
Opening Balance	138,624	125,824	125,663
Amount Set Aside / Transfer to Reserve	25,000	10,000	10,000
Interest Earned	2,400	2,800	3,371
Amount Used / Transfer from Reserve	0	0	0
	166,024	138,624	139,034
Plant & Machinery Reserve			
Opening Balance	567,775	414,685	282,557
Amount Set Aside / Transfer to Reserve	275,000	340,000	340,000
Interest Earned	1,300	1,500	259
Amount Used / Transfer from Reserve	(280,000)	(266,410)	(289,500)
	564,075	489,775	333,316
Civic Building Reserve - Kindergarten Extension			
Opening Balance	0	19,344	0
Amount Set Aside / Transfer to Reserve	0	0	0
Interest Earned	0	3,400	0
Amount Used / Transfer from Reserve	0	(22,744)	0
	0	0	0
Office Equipment Reserve			
Opening Balance	16,538	8,888	(5,150)
Amount Set Aside / Transfer to Reserve	15,000	25,000	25,000
Interest Earned	100	100	202
Amount Used / Transfer from Reserve	(9,600)	(17,450)	(17,450)
	22,038	16,538	2,602
Main Street Upgrade Reserve			
Opening Balance	256,196	330,826	65,821
Amount Set Aside / Transfer to Reserve	0	0	0
Interest Earned	4,500	5,370	2,000
Amount Used / Transfer from Reserve	0	(80,000)	0
	260,696	256,196	67,821
Land Fill Site Reserve			
Opening Balance	20,100	10,000	10,000
Amount Set Aside / Transfer to Reserve	10,000	10,000	10,000
Interest Earned	200	100	0
Amount Used / Transfer from Reserve	0	0	0
	30,300	20,100	20,000
Gravel Pit Rehabilitation Reserve			
Opening Balance	100	8,000	0
Amount Set Aside / Transfer to Reserve	0	0	0
Interest Earned	180	100	0
Amount Used / Transfer from Reserve	0	(8,000)	0
	280	100	0

Emergency Management Reserve

Opening Balance	50,500	50,000	50,000
Amount Set Aside / Transfer to Reserve	0	0	0
Interest Earned	500	500	200
Amount Used / Transfer from Reserve	0	0	0
	51,000	50,500	50,200

Aged Housing Reserve

Opening Balance	20,250	20,000	20,000
Amount Set Aside / Transfer to Reserve	0	0	0
Interest Earned	200	250	0
Amount Used / Transfer from Reserve	0	0	0
	20,450	20,250	20,000

Asset Management Reserve

Opening Balance	110,000	0	0
Amount Set Aside / Transfer to Reserve	180,000	110,000	180,000
Interest Earned	2,500	0	0
Amount Used / Transfer from Reserve	0	0	0
	292,500	110,000	180,000

Rates Equalisation Reserve

Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	0	0
Interest Earned	0	0	0
Amount Used / Transfer from Reserve	150,000	0	0
	150,000	0	0

2,322,093	1,856,813	1,379,557
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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:

Recreation Centre Reserve: to be used for the construction of a new recreation centre.

Long Service Leave Reserve: to be used to fund long service leave requirements.

Plant & Machinery Reserve: to be used for the purchase of major plant.

Civic Building Kindergarten Extension Reserve: to be used for the construction of the FROGS Early Learning Centre.

Office Equipment Reserve: to be used to ensure that the administration office and computer system is maintained.

Main Street Upgrade Reserve: to be used for the provision of underground power in the main street.

Land Fill Site Reserve: to be used for the rehabilitation of the Nannup Waste Management site.

Emergency Management Reserve: to be used for non-recoverable expenditure incurred in dealing with emergencies.

Aged Housing Reserve: to be used to support the development of aged housing within the Shire.

Asset Management Reserve: to be used for the maintenance of the Council's assets in accordance with 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.

7. NET CURRENT ASSETS

Composition of Estimated Net Current Asset Position

	Note	2013/14 Budget \$	2012/13 Actual \$
Current Assets			
Cash - Unrestricted	15(a)	342,117	2,650,187
Cash – Restricted	15(a)	2,305,065	1,917,965
Receivables		59,238	414,097
Inventories		0	0
Total Current Assets		2,706,420	4,982,249
Current Liabilities			
Payables & Provisions		401,355	756,034
Net Current Asset Position		2,305,065	4,226,215
Less: Cash Restricted Reserves	6	2,243,813	1,856,713
Less: Cash Restricted Municipal		61,252	61,252
Estimated Surplus/Deficiency Carried Forward		0	2,308,250

The estimated surplus/(deficiency) carried forward in the 2012/13 actual column represents the surplus/(deficit) brought forward as at 1 July 2013.

The estimated surplus/(deficiency) carried forward in the 2013/14 budget column represents the surplus/(deficit) carried forward as at 30 June 2014.

8. RATING INFORMATION - 2013/14 FINANCIAL YEAR

RATE TYPE	Rate in Dollar	Number of Properties	Rateable Value	2013/14 Rate Revenue	2013/14 Interim Rates	2013/14 Back Rates	2013/14 Total Revenue	2012/13 Actual Total Revenue
	\$		\$	\$	\$	\$	\$	\$
General Rate								
Gross Rental Valuation	0.090493	367	4,834,295	437,470	0	0	437,470	417,773
Unimproved Valuation	0.003736	193	110,646,000	413,373	0	0	413,373	377,098
Sub Totals		560	115,480,295	850,843	0	0	850,843	794,871
	Minimum \$							
Minimum Rates								
Gross Rental Valuation	721	350	1,824,102	252,350	0	0	252,350	238,275
Unimproved Valuation	945	188	27,463,148	177,660	0	0	177,660	170,805
		538	29,287,250	430,010	0	0	430,010	409,080
Sub-Totals							1,280,853	1,203,951
Ex-Gratia Rates							38,981	35,955
Specified Area Rate (note 23)							0	5,834
Sub Total							1,319,834	1,245,740
Discounts (note 25)							0	0
Totals							1,319,834	1,245,740

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 2013/14 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 - 2013/14 FINANCIAL YEAR

Specified area rates were applied to two areas in 2012/13 for the provision of firebreaks. No specified area rates will be applied for the year ending 30 June 2014.

	Rate In \$	Rateable Value \$	2013/14 Budgeted Revenue \$	Budget Applied To Costs \$	2012/13 Actual \$
Strategic Firebreaks Cockatoo Valley	0	-	-	-	1,157
Strategic Firebreaks Jalbarragup	0	-	-	-	4,677

10. SERVICE CHARGES - 2013/14 FINANCIAL YEAR

The Shire of Nannup does not propose to impose any service charges for the year ending 30 June 2014.

11. INTEREST CHARGES AND INSTALMENTS - 2013/14 FINANCIAL YEAR

An interest rate of 11% will be charged on all rate payments that are late.

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 29 August 2013 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 29 August 2013 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).

Actual instalment dates are as follows:

Instalment 1	29 August 2013
Instalment 2	28 October 2013
Instalment 3	27 December 2013
Instalment 4	25 February 2014

12. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS - 2012/13 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

	2013/14 Budget	2012/13 Actual
	\$	\$
Governance	1,000	1,000
General Purpose Funding	16,800	16,920
Law, Order, Public Safety	17,100	30,514
Health	3,600	2,900
Education and Welfare	6,760	6,370
Housing	16,796	16,796
Community Amenities	109,435	103,800
Recreation and Culture	25,570	28,960
Transport	4,000	3,500
Economic Services	161,600	117,500
Other Property and Services	26,894	40,000
	389,555	368,260

There were no changes during the year to the amount of the fees or charges detailed in the original budget.

14. ELECTED MEMBERS REMUNERATION

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

	2013/14	2012/13
	Budget	Actual
	\$	\$
Meeting Fees	9,000	6,000
President's Allowance	8,000	8,000
Deputy President's Allowance	2,000	2,000
Travelling Expenses	7,000	4,000
Telecommunications Allowance	8,800	7,700
	34,800	27,700

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:

	2013/14	2012/13	2012/13
	Budget	Actual	Budget
	\$	\$	\$
Cash - Unrestricted	342,117	2,650,187	442,312
Cash - Restricted	2,305,065	1,917,965	1,440,809
	2,647,182	4,568,152	1,883,121

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

Recreation Centre Reserve	764,730	754,730	566,584
Long Service Leave Reserve	166,024	138,624	139,034
Plant & Machinery Reserve	486,075	489,775	333,316
Kindergarten Extension Reserve	0	0	0
Office Equipment Reserve	22,038	16,538	2,602
Main Street Upgrade Reserve	260,696	256,196	67,821
Land Fill Site Reserve	30,300	20,100	20,000
Emergency Management Reserve	51,000	50,500	50,200
Aged Housing Reserve	20,450	20,250	20,000
Asset Management Reserve	292,500	110,000	180,000
Rates Equalisation Reserve	150,000	0	0
Restricted Assets	61,252	61,252	61,252
	2,305,065	1,917,965	1,440,809

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

	2013/14 Budget \$	2012/13 Actual \$	2012/13 Budget \$
Net Result	806,195	6,081,384	5,580,590
Amortisation	0	0	0
Depreciation	1,929,378	1,959,019	1,818,318
(Profit)/Loss on Sale of Assets	42,200	0	19,500
(Increase)/Decrease in Receivables			
(Increase)/Decrease in Inventories	0	0	0
Increase/(Decrease) in Payables	656	0	2,419
Increase/(Decrease) in Employee Provisions	203,161	111,900	183,141
Grants/Contributions for the Development of Assets	(3,791,509)	(7,752,695)	(9,251,946)
Net Cash from Operating Activities	(809,919)	399,608	(1,647,978)

(c) Undrawn Borrowing Facilities

	2013/14 Budget \$	2012/13 Actual \$	2012/13 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	232,091	300,834	273,805
Unused Loan Facilities at Balance Date	0	0	0

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 13	Amounts	Amounts	Balance
		Received	Paid	30 June 14
	\$	\$	\$	\$
Building and Construction Industry Training Fund Levy	6,601	6,000	(12,601)	0
Builders Registration Board of WA Levy	5,104	5,000	(10,104)	0
Bonds	29,878	1,100	(978)	30,000
	41,583	12,100	(23,683)	30,000

17. MAJOR LAND TRANSACTIONS

Council does not propose to engage in any major land transactions during the 2013/14 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 2013/14 financial year.

SCHEDULE OF FEES & CHARGES

2013/14



LIBRARY

SERVICE	UNIT	STATUTORY	GST	2013/14
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
Overdue Library Book Fee	Per Book	N	Y	\$8.00

ADMINISTRATIVE SERVICES

SERVICE	UNIT	STATUTORY	GST	2013/14
PROPERTIES REPORT (UN BOUND)				
List of All Owners, Address, Property Descriptions etc. - Hard Copy	Each	N	Y	\$115.00
List of All Owners, Address, Property Descriptions etc. - Email	Each	N	Y	\$25.00
COUNCIL MINUTES AND AGENDAS				
Copy of Ordinary Minutes - Hard Copy	Per Year	N	Y	\$215.00
	Per Meeting	N	Y	\$23.00
Copy of Ordinary Agendas - Hard Copy	Per Year	N	Y	\$215.00
	Per Meeting	N	Y	\$23.00
Copy of Ordinary Minutes - Email	Per Year	N	Y	\$0.00
Copy of Ordinary Agendas - Email	Per Year	N	Y	\$0.00
Copy of Information Report - Email	Per Year	N	Y	\$0.00

SERVICE	UNIT	STATUTORY	GST	2013/14
PHOTOCOPIES Only Applicable to Community Not-For-Profit Organisations				
A4 Copy	Each	N	Y	\$0.75
A4 Copy Double Sided	Each	N	Y	\$1.00
A3 Copy	Each	N	Y	\$1.00
A3 Copy Double Sided	Each	N	Y	\$1.50
Own Paper Supplied - A4	Each	N	Y	\$0.30
Own Paper Supplied - A4 DOUBLE SIDED	Each	N	Y	\$0.30
Own Paper Supplied - A3	Each	N	Y	\$0.30
Colour Copies - Additional \$0.25 per copy				
FACSIMILES (Sending & Receiving)				
Within W.A.	Per Page	N	Y	\$4.50
Within Australia	Per Page	N	Y	\$6.50
Overseas - First Page	Per Page	N	Y	\$20.50
- Each Additional Page	Per Page	N	Y	\$12.00
MISCELLANEOUS ADMINISTRATION Production of Misc. Computer Reports, Other				
Information Requiring Dedicated Staff Time	Per 15 Mins	N	Y	\$25.00
	Per Hour	N	Y	\$95.00
Account Enquiries - Rates Only	Per Enquiry	N	Y	\$48.00
Freedom of Information Requests (as set by FOI Regulations 1993 Schedule 1)				
- Application for FOI	Per Application	Y	N	\$30.00
- Staff Time Dealing With Application	Per Hour (Pro Rata)	Y	N	\$30.00
- Access Time Supervised by Staff	Per Hour (Pro Rata)	Y	N	\$30.00
- Photocopying:				
- Staff Time to Copy Information	Per Hour (Pro Rata)	Y	N	\$30.00
- Cost Per Copy		Y	N	\$0.20

HIRE OF FACILITIES

SERVICE	UNIT	STATUTORY	GST	2013/14
SHIRLEY HUMBLE ROOM				
Bond for All Bookings (Except Exempted Community Groups)	Per Hire	N	N	\$200.00
Function Room	Per Hour	N	Y	\$12.00
	Per Half Day	N	Y	\$45.00
	Per Day	N	Y	\$65.00
TOWN HALL				
Bond for All Bookings (Except Passive Use)	Per Hire	N	N	\$200.00
Hourly Rate	Per Hour	N	Y	\$23.00
Session Rate - Morning (8 AM - 12 NOON)	Per Session	N	Y	\$60.00
- Afternoon (12 NOON - 5 PM)	Per Session	N	Y	\$60.00
- Evening (After 5PM)	Per Session	N	Y	\$60.00
Daily Rate	Per Day	N	Y	\$110.00
Long Term Hire (Passive Use Only)	Per Day	N	Y	\$95.00
Surcharge For Alcohol Consumption	Per Session	N	Y	\$50.00
BOWLING CLUB				
Indicative fees only. Facility available through the Nannup Bowling Club				
Bond for All Bookings (Except Passive Use)	Per Hire	N	N	\$200.00
Hourly Rate	Per Hour	N	Y	\$23.00
Daily Rate	Per Day	N	Y	\$110.00
Surcharge For Alcohol Consumption	Per Session	N	Y	\$50.00
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	\$20.00
Sporting Events - Daily	Per Day	N	Y	\$90.00
Other Functions (Social, Cabaret, Wedding, Overnight Events, etc.)	Per Day	N	Y	\$250.00
Long Term Hire	Per Day	N	Y	\$170.00

SERVICE	UNIT	STATUTORY	GST	2013/14
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	\$130.00
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			\$200.00
Hire of Nordic Poles	Per Day	N	Y	\$10.00
FOOTBALL / CRICKET OVAL				
Community Sporting Groups	Per Day	N	Y	\$60.00
Other Groups (\$200 Bond Required)	Per Day	N	Y	\$60.00
Seasonal Charge	Per Year	N	Y	\$465.00
Change Rooms	Per Day Per Change Room	N	Y	\$27.00
HOCKEY FIELD				
Community Sporting Groups	Per Day	N	Y	\$60.00
Other Groups (\$165 Bond Required)	Per Day	N	Y	\$60.00
Change Rooms	Per Day Per Change Room	N	Y	\$27.00
TENNIS COURTS				
Hire Charge	Per Hour	N	Y	\$5.50
OVERFLOW CAMPING AREAS				
No Facilities Required	Per Person	N	Y	\$12.50
Facilities Required (\$250.00 Bond for Group Booking)	Per Person	N	Y	\$13.00
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	\$75.00
All Other Community Groups	Per Day	N	Y	\$300.00
Commercial Use	Per Day	N	Y	\$400.00
ALL FACILITIES				
Not-For-Profit Incorporated Local Community Groups	Per Day	N	Y	\$150.00
All Other Community Groups	Per Day	N	Y	\$750.00
Commercial Use	Per Day	N	Y	\$950.00

SERVICE	UNIT	STATUTORY	GST	2013/14
CONSUMER POLES				
Each Pole	Per Day	N	Y	\$35.00
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	2013/14
Application for Suspension of Prohibited Burning Period	Per Application	N	Y	\$430.00
Application for Fire Break Variation				
- One (1) Year	Per Lot Applied For	N	Y	\$95.00
- Five (5) Year	Per Lot Applied For	N	Y	\$240.00
Firebreaks Fine	Each	N	Y	\$230.00
Firebreak Fines – Late Payment Fee	Each	N	Y	\$13.50
Firebreak Fines – Late Payment Court Registration Fee	Each	N	Y	\$43.00
Firebreak Fines – Late Payment Enforcement Certificate Fee	Each	N	Y	\$11.50

ENVIRONMENTAL HEALTH

SERVICE	UNIT	STATUTORY	GST	2013/14
FOOD PREMISES ANNUAL FEE:				
High Risk	Each	N	N	\$250.00
Medium Risk	Each	N	N	\$150.00
Low Risk	Each	N	N	\$50.00
Exempt	Each	N		NIL

SERVICE	UNIT	STATUTORY	GST	2013/14
FOOD PREMISES OTHER FEES:				
Notification	Each	N	N	\$45.00
Registration	Each	N	N	\$105.00
Inspection on Request - High/Medium Risk	Each	N	Y	\$150.00
Inspection on Request - Low Risk	Each	N	Y	\$100.00
Verification Certificate	Each	N	Y	\$50.00
Transfer of Ownership	Each	N	Y	\$50.00
Fit Out Approval - High/Medium Risk (Includes Notification)	Each	N	N	\$200.00
Fit Out Approval - Low Risk (Includes Notification)	Each	N	N	\$150.00
Follow Up Inspections <30 Mins Officer Time	Each	N	Y	\$50.00
Follow Up Inspections 30 Mins or more Officer Time	Each	N	Y	\$75.00
Food Spoilt (Written Confirmation of Disposal)	Each	N	N	\$85.00
Hairdressing Fit Out Approval	Each	N	Y	\$100.00
Beauty Therapy/Skin Piercing Fit Out Approval	Each	N	Y	\$100.00
Lodging House Fit Out Approval	Each	N	Y	\$150.00
TEMPORARY FOOD PREMISES:				
Notification	Each	N	Y	\$25.00
Registration	Each	N	Y	\$50.00
WATER TESTING:				
Bacteriological Testing	Per Test	N	Y	\$120.00
Chemical Testing (Plus Cost of Analysis)	Per Test	N	Y	\$120.00
Regular Water Testing (6 Per Year)		N	Y	\$500.00
HEALTH (TREATMENT OF SEWERAGE AND DISPOSAL OF EFFLUENT AND LIQUID WASTE) REGULATIONS 1994				
SEPTIC TANKS:				
Application Fee	Each	Y	Y	\$113.00
Inspection Fee	Each	Y	Y	\$113.00
Copy of Septic Tank Plans	Each	N	Y	\$20.00

SERVICE	UNIT	STATUTORY	GST	2013/14
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
Lodging Houses	Each	Y	N	\$140.00
OTHER ENVIRONMENTAL HEALTH CHARGES:				
Food Sampling Results (Copy)	Each	N	Y	\$50.00
Seized Food Analysis Certificate	Each	N	Y	\$50.00
Section 39 (Liquor Licensing) Certificates	Each	N	N	\$85.00
Noise Monitoring – Non-Complying Event	Each	N	Y	\$500.00
Local Government Report Fee	Each	Y	N	\$150.00
Written Report to Settlement Agency	Each	N	Y	\$90.00

SERVICE	UNIT	STATUTORY	GST	2013/14
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
HEALTH (PUBLIC BUILDINGS) REGULATIONS 1992:				
Inspection of Premises on Request	Per Application	N	Y	\$150.00
Environmental Assessment & Reports on Request	Per Application	N	Y	\$150.00
Public Building Approval <1,000 People	Per Application	N	N	\$250.00
Public Building Approval 1,000 People or more	Per Application	N	N	\$500.00

BUILDING CONTROL

SERVICE	UNIT	STATUTORY	GST	2013/14
BUILDING REGULATIONS 2012				
BUILDING PERMIT				
Uncertified Application Class 1 or Class 10 Building/Structure - Minimum Fee	Per Application	Y	N	\$90.00
Uncertified Application Class 1 or Class 10 Building/Structure - Scale Fee	Per Application	Y	N	0.19% of estimated value of building work
Certified Application:	Per Application			
- Class 1 or Class 10 Building/Structure - Minimum Fee	Per Application	Y	N	\$90.00
- 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	\$90.00
- 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	\$90.00
- 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	\$90.00
- 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	\$90.00
DEMOLITION PERMIT				
Class 1 or Class 10 Building/Structure	Each	Y	N	\$90.00
Class 2 to 9 Building/Structure	Per Storey	Y	N	\$90.00
Extension of Time	Per Application	Y	N	\$90.00
Performance Bond - Site Clean-Up & Verge Including Footpaths	Each	N	N	\$750.00

SERVICE	UNIT	STATUTORY	GST	2013/14
OCCUPANCY PERMIT & BUILDING APPROVAL CERTIFICATE				
Occupancy Permit for a Completed Building	Each	Y	N	\$90.00
Temporary Permit for Incomplete Building	Each	Y	N	\$90.00
Modification for Additional Use of Building on Temporary Basis	Each	Y	N	\$90.00
Replacement Permit for Permanent Change of Building Use	Each	Y	N	\$90.00
Building Approval Application Certificate (Strata) - Minimum Fee	Per Application	Y	N	\$100.00
Building Approval Application Certificate (Strata) - Scale Fee	Each Strata Unit	Y	N	\$10.00
Occupancy Permit where Unauthorised Work has been done - Minimum Fee	Each	Y	N	\$90.00
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	\$90.00
Building Approval Certificate where Unauthorised Work has not been done	Each	Y	N	\$90.00
Extension of Time for Occupancy Permit	Each	Y	N	\$90.00
OTHER APPLICATIONS				
Declaration that a Building Standard Does Not Apply	Each	Y	N	\$2,000.00
OTHER BUILDING CHARGES				
Temporary Accommodation Approval	Each	N	Y	\$110.00
Extension of Temporary Accommodation Approval	Each	N	Y	\$110.00
Monthly Building Statistics Report	Per Year	N	Y	\$175.00
	Per Month	N	Y	\$40.00
Copy of Archived Building Plans	Each	N	Y	\$30.00
CONSTRUCTION TRAINING FUND LEVY (CTF)				
		Y	N	0.2% of value of construction > \$20,000

SERVICE	UNIT	STATUTORY	GST	2013/14
BUILDING SERVICES LEVY				
Applies to Building & Demolitions Applications				
For Works up to \$45,000 (Inc. GST)	Per Application	Y	N	\$40.50
For Works Over \$45,000 (Inc GST)	Per Application	Y	N	0.09% of value of construction
BUILDING PLAN SEARCHES AND RESEARCH FEE				
Building Plans	Each	N	N	\$55.00
Provide Copy of Housing Indemnity Insurance Policy	Each	N	N	\$55.00
BUILDING INSPECTION AND REPORTS				
Housing Indemnity Insurance Report	Each	N	Y	\$1,110.00
Building call out fee applies where work for which an inspection is requested, was not ready for inspection	Each	N	Y	\$75.00
Weekend Call Out Fee - Per Hour (Minimum of One Hour)	Per Hour	N	Y	\$150.00

DOG REGISTRATION

SERVICE	UNIT	STATUTORY	GST	2013/14
Sterilised - 1 Year	Each	Y	N	\$10.00
Sterilised - 3 Year	Each	Y	N	\$18.00
Pensioner Concession - sterilised - 1 year	Each	Y	N	\$5.00
Pensioner Concession - sterilised - 3 year	Each	Y	N	\$9.00
Farm Dog - sterilised - 1 Year	Each	Y	N	\$2.50
Farm Dog - sterilised - 3 Year	Each	Y	N	\$4.50
Unsterilised - 1 Year	Each	Y	N	\$30.00
Unsterilised - 3 Year	Each	Y	N	\$75.00
Pensioner Concession - unsterilised - 1 year	Each	Y	N	\$15.00
Pensioner Concession - unsterilised - 3 year	Each	Y	N	\$37.50
Farm Dog - unsterilised - 1 Year	Each	Y	N	\$7.50
Farm Dog - unsterilised - 3 Year	Each	Y	N	\$18.75

WASTE MANAGEMENT

SERVICE	UNIT	STATUTORY	GST	2013/14
Refuse Collection				
Kerbside Rubbish Collection	Per Bin	N	N	\$165.00
Kerbside Recycling Collection	Per Bin	N	N	\$125.00
Refuse Disposal				
Tip Pass	Per Pass	N	N	\$25.00
Replacement Tip Pass	Per Pass	N	N	\$10.00
Second Pass	Per Pass	N	N	\$10.00
Non-Resident's Pass	Per Pass	N	N	\$50.00
TIP FEES - No Tip Pass				
Car/Station Wagon	Each	N	Y	\$6.00
Van/Utility/Trailer not exceeding 1.8 X 1.2m	Each	N	Y	\$10.00
Large Trailer	Each	N	Y	\$35.00
Small Truck up to 4T	Each	N	Y	\$95.00
Medium Truck 4 - 8T	Each	N	Y	\$150.00
Large Truck 8 - 14T	Each	N	Y	\$190.00
Semi Trailer	Each	N	Y	\$250.00
< 3M³ Skip Bin	Each	N	Y	\$40.00
3M³ - 6M³ Skip Bin	Each	N	Y	\$70.00
6M³ - 10M³ Skip Bin	Each	N	Y	\$110.00
> 10M³ Skip Bin	Each	N	Y	\$150.00
Asbestos	Per M³	N	Y	\$70.00

SERVICE	UNIT	STATUTORY	GST	2013/14
TIP FEES - TYRES/RIMS				
Passenger Tyre	Each	N	Y	\$7.50
Light Truck & 4 x 4 Tyre	Each	N	Y	\$10.00
Truck Tyre	Each	N	Y	\$17.00
Super Single Truck	Each	N	Y	\$20.00
Passenger Tyre On Rim	Each	N	Y	\$10.00
Light Truck & 4 x 4 Tyre On Rim (not split rim)	Each	N	Y	\$15.00
Super Single Truck Tyre On Rim	Each	N	Y	\$35.00
Small Forklift Tyre UP TO 30 cm	Each	N	Y	\$10.00
Medium Forklift Tyre 30cm to 45cm	Each	N	Y	\$15.00
Large Forklift Tyre 45cm to 60cm	Each	N	Y	\$20.00
Solid Forklift Tyre Small TO 30cm	Each	N	Y	\$15.00
Solid Forklift Tyre Medium 30cm to 45cm	Each	N	Y	\$20.00
Solid Forklift Tyre Large 45cm to 60cm	Each	N	Y	\$25.00
Solid Forklift Tyre Extra Large 60cm to 1m	Each	N	Y	\$90.00
Solid Forklift Tyre 1m & above (Per Tonne)	Each	N	Y	\$165.00
Tractor Tyre Small UP TO 1m	Each	N	Y	\$35.00
Tractor Tyre Large 1m to 1.5m	Each	N	Y	\$90.00
Tractor Tyre 1.5m to 2.2m	Each	N	Y	\$165.00
Bobcat Tyre	Each	N	Y	\$10.00
Earthmover Tyre Small UP TO 1m	Each	N	Y	\$100.00
Earthmover Tyre Medium 1m to 1.5m	Each	N	Y	\$140.00
Earthmover Tyre Large 1.5m to 2m	Each	N	Y	\$200.00
Grader Tyre	Each	N	Y	\$90.00

DEPOT SERVICES

SERVICE	UNIT	STATUTORY	GST	2013/14
SUPPLY OF AGGREGATE				
Supply of Used Aggregate Ex-Depot - Loaded	Per Trailer	N	Y	\$42.00
Supply of New Aggregate Ex-Depot - Loaded	Per Trailer	N	Y	\$100.00
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	\$126.00
14T Truck	Per Std Hour	N	Y	\$160.00
Backhoe	Per Std Hour	N	Y	\$140.00
Grader	Per Std Hour	N	Y	\$180.00
Loader	Per Std Hour	N	Y	\$160.00
Roller	Per Std Hour	N	Y	\$130.00
Tractor	Per Std Hour	N	Y	\$125.00
WEEKEND HIRE				
4.5T Truck	Per Std Hour	N	Y	\$165.00
14T Truck	Per Std Hour	N	Y	\$195.00
Backhoe	Per Std Hour	N	Y	\$180.00
Grader	Per Std Hour	N	Y	\$210.00
Loader	Per Std Hour	N	Y	\$195.00
Roller	Per Std Hour	N	Y	\$195.00
Tractor	Per Std Hour	N	Y	\$195.00
OTHER HIRE CHARGES				
Hire of Pig Trailer	Per Std Hour	N	Y	\$60.00
Hire of Float	Per Std Hour	N	Y	\$60.00
LABOUR CHARGES				
Weekday	Per Std Hour	N	Y	\$60.00
Weekend	Per Std Hour	N	Y	\$90.00

SERVICE	UNIT	STATUTORY	GST	2013/14
OTHER WORKS Quotations can be obtained for small jobs. These will be charged at an appropriate hourly rate.				
HIRE OF TEMPORARY FENCING				
Bond		N	N	\$500.00
For Other Local Governments for Extended Periods Only	Per Metre/Week	N	Y	\$15.00
Erected & Dismantled within Nannup Townsite	Per Metre/Week	N	Y	\$30.00
WATER FROM BROCKMAN ST AND DEPOT STAND PIPE:				
Commercial Users	Per K/L	N	Y	\$20.00
Local Residents for Domestic Purposes	Per K/L	N	Y	\$8.00
Heavy Haulage Agreement	Each	N	Y	\$240.00

CEMETERY

SERVICE	UNIT	STATUTORY	GST	2013/14
RIGHT OF BURIAL				
Grant of Exclusive Right of Burial - 25 Year Period	Each	N	Y	\$735.00
Grant of Exclusive Right of Burial Niche Wall/Rose Garden - 25 Year Period	Each	N	Y	\$170.00
Renewal of Grant of Exclusive Right of Burial - 25 Year Period	Each	N	Y	\$145.00
Registration of Transfer of Form of Grant of Right of Burial	Each	N	Y	\$25.00
INTERMENT TO A DEPTH OF 2.1M				
Any Person Ten Years of Age or Older	Each	N	Y	\$1,000.00
Any Person Under Ten Years of Age	Each	N	Y	\$890.00
A Stillborn Child	Each	N	Y	\$600.00
Additional Fee – Interment Without Due Notice	Each	N	Y	\$115.00
Additional Fee - Interment Not in Usual Hours	Each	N	Y	\$115.00
Additional Fee - Interment on a Saturday, Sunday or Public Holiday	Each	N	Y	\$525.00
ASHES				
Interment of Ashes	Each	N	Y	\$200.00
Placement of Ashes Within Niche Wall (includes plaque with standard inscription)	Each	N	Y	\$450.00
Placement of Ashes in Rose Garden (includes plaque with standard inscription & Concrete Base)	Each	N	Y	\$490.00
Placement of Ashes in Rose Garden - No Plaque	Each	N	Y	\$260.00
MEMORIALS				
Dedicated Memorial Rose Bush/Shrub (exclusive family use, maximum of 8)				
Internments, (Shrub selection to be approved by CEO as per Council plan)				
- Initial Placement (includes plaque with standard inscription & concrete base)	Each	N	Y	\$750.00
- Subsequent Single Placements	Each	N	Y	\$370.00
Permission to Erect Headstone, Kerbing or Monument	Each	N	Y	\$45.00
LICENSE FEES				
Undertakers Annual License Fee	Each	N	Y	\$115.00
Undertakers Single License Fee (for one interment)	Each	N	Y	\$30.00

CARAVAN PARK

SERVICE	UNIT	STATUTORY	GST	2013/14
Off Peak				
Powered Sites - Standard	Per night	N	Y	\$28.00
Powered Site - Seniors	Per night	N	Y	\$26.00
Unpowered Sites - Standard	Per night	N	Y	\$20.00
Unpowered Sites - Senior	Per night	N	Y	\$18.00
Additional Adult	Per night	N	Y	\$12.00
Childred aged 5 - 16	Per night	N	Y	\$7.00
Children under 5	Per night	N	Y	\$0.00
Showers	Per person	N	Y	\$4.00
Peak				
Powered Sites - Standard	Per night	N	Y	\$30.00
Powered Site - Seniors	Per night	N	Y	\$28.00
Unpowered Sites - Standard	Per night	N	Y	\$25.00
Unpowered Sites - Senior	Per night	N	y	\$24.00
Additional Adult	Per night	N	Y	\$12.00
Childred aged 5 - 16	Per night	N	Y	\$7.00
Children under 5	Per night	N	Y	\$0.00
Showers	Per person	N	Y	\$4.00

Caravan Parks and Camping Grounds Act 1995

Peak Season: Sunday 1 December, 2013 - Sunday May 4, 2014

Off Peak Season: Monday 5 May, 2013 - Saturday 30 November, 2013

Monday 5 May 2014 - Sunday 30 November 2014

TOWN PLANNING

All fees are to be paid upon application.

DEVELOPMENT APPLICATIONS

CHARGE & COMMENT	STATUTORY	GST	2013/14
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

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).

MISCELLANEOUS DEVELOPMENT APPLICATIONS

CHARGE & COMMENT	STATUTORY	GST	2013/14
Single Dwelling (with approved building envelope or complying with setbacks)	N	N	\$139
Additions to Single Dwelling (where Planning Approval required)	N	N	\$139
Second Dwelling for Rural Purposes	N	N	\$139
Ancillary Accommodation/Granny Flat/Caretakers Dwelling	N	N	\$139
Farm stay/Bed & Breakfast/Holiday Cottage (in existing residence)	N	N	\$275
Application for approval of home occupation	Y	N	\$222
Sign Application Fee	N	N	\$139
Relocation of a Building Envelope	N	N	\$150
Setback Reduction (in addition to other fees)	N	N	\$125
Application for change of use or for change or continuation of a non-conforming use where no new development is occurring	Y	N	\$295
Alfresco Dining	N	N	\$275
Extending Conditional Planning Approval/Renewal Fee	Y	N	\$73
Extractive Industry	Y	N	\$739
Timber Plantation	N	N	\$500
Nannup Strata Title Fees	a) For a certificate under Section 5B(2)	N	Minimum \$100
	b) For a certificate under Section 8A(f) or 9(3)	N	Minimum \$100
	c) For a Form 7 certificate	N	\$0.20 per square metre of building floor area (min \$100)

Notes:

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.

SCHEME AMENDMENTS/STRUCTURE PLANS

CHARGE & COMMENT	STATUTORY	GST	2013/14
Minor Amendment	N	N	\$2,677.50 per FCT
Major Amendment - determined by CEO	N	N	\$4,725.00 per FCT
Structure Plan - if previously addressed through scheme amendment	N	N	\$525 per application
Structure Plan - (separate to scheme amendment process)	N	N	\$4,725.00 per FCT
Revised minor structure plan	N	N	\$525.00 per application
Revised major structure plan (separate to scheme amendment process) - determined by CEO	N	N	\$2,677.50 per FCT
Detailed area plans	N	N	\$787.50 per application
Revised detailed area plans	N	N	\$387.50 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	2013/14
Clearance Certificates	Up to 5 lots	N	\$73 per lot
	6 to 195 lots	N	\$35 per lot
	More than 195 lots	N	\$7,393 per application

OTHER PLANNING FEES

CHARGE & COMMENT	STATUTORY	GST	2013/14
Issue of zoning certificate	Y	N	\$73 each
Section 40 (Liquor Licensing) Certificate	N	Y	\$70 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	\$69
Road Closure Application	N	Y	\$525 per application
Erection of sign at Information Bay	N	Y	\$73.50 each
Application for advertising signage	N	Y	\$73.50 per application

PLANNING DOCUMENTS

CHARGE & COMMENT	UNIT	STATUTORY	GST
Copy of Local Planning Scheme Text	N	Y	\$73.50 each
Copy of Local Planning Strategy	N	Y	\$73.50 each
Copy of Townsite Strategy	N	Y	\$73.50 each
Copy of Municipal Inventory	N	Y	\$73.50 each

ADVERTISING/NOTIFICATION OF PROPOSALS (NOT SCHEME AMENDMENTS)

CHARGE & COMMENT	UNIT	STATUTORY	GST
Local newspaper advertising	N	N	\$183.75

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.