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with access to modern services and infrastructure,
in a unique part of the world*

MINUTES

for the

Ordinary Meeting of Council

held

THURSDAY 18th February 2016

Shire of Cuballing
Council Chambers
Campbell Street, Cuballing

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1. DECLARATION OF OPENING:

The Shire President, Cr Conley, declared the meeting open at 3.07 pm.

2. ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE:

2.1.1 Attendance

Cr Mark Conley	President
Cr Eliza Dowling	Deputy President
Cr Scott Ballantyne	
Cr Dawson Bradford	
Cr Tim Haslam	
Cr Roger Newman	
Mr Gary Sherry	Chief Executive Officer
Ms Tonya Williams	Deputy Chief Executive Officer
Mr Bruce Brennan	Works Supervisor

2.1.2 Apologies

Nil

2.1.3 Leave of Absence

Nil

3. STANDING ORDERS:

COUNCIL DECISION:

That Standing Orders be suspended for the duration of the meeting to allow for greater debate on items.

Moved: Cr Dowling

Seconded: Cr Haslam

Carried 6/0

4. PUBLIC QUESTION TIME:

Nil

4.1 RESPONSE TO PREVIOUS QUESTIONS TAKEN ON NOTICE:

Nil

4.2 WRITTEN QUESTIONS PROVIDED IN ADVANCE:

Nil

4.3 PUBLIC QUESTIONS FROM THE GALLERY:

Nil

5. APPLICATIONS FOR LEAVE OF ABSENCE:

Nil

6. CONFIRMATION OF MINUTES:

6.1.1 Ordinary Meeting of Council held on Thursday 17th December 2015

COUNCIL DECISION:

That the minutes of the Ordinary Meeting of Council held on Thursday 17th December 2015 be confirmed as a true record of proceedings.

Moved: Cr Dowling

Seconded: Cr Newman

Carried 6/0

6.1.2 Annual Electors Meeting of Council held on Thursday 17th December 2015

COUNCIL DECISION:

That the minutes of the Annual Electors Meeting of the Shire of Cuballing held on Thursday 17th December 2015 be confirmed as a true record of proceedings.

Moved: Cr Haslam

Seconded: Cr Dowling

Carried 6/0

**7. PETITIONS/DEPUTATIONS/PRESENTATIONS/
SUBMISSIONS:**

Nil

8. DISCLOSURE OF FINANCIAL INTEREST:

DISCLOSURE OF FINANCIAL INTEREST AND PROXIMITY INTEREST

Members must disclose the nature of their interest in matters to be discussed at the meeting.

Employees must disclose the nature of their interest in reports or advice when giving the report or advice to the meeting.

DISCLOSURE OF INTEREST AFFECTING IMPARTIALITY

Members and staff must disclose their interest in matters to be discussed at the meeting in respect of which the Member or employee has given or will give advice.

Nil.

9. REPORTS OF OFFICERS AND COMMITTEES:

9.1 DEPUTY CHIEF EXECUTIVE OFFICER:

9.1.1	List of Accounts Submitted for Council Approval and Payment – December 2015 and January 2016
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File Ref. No: NA
Disclosure of Interest: Nil
Date: 2nd February 2016
Author: Nichole Gould
Attachments: 9.1.1A List of December 2015 & January 2016 Accounts

Summary

Council is to consider the December 2015 and January 2016 List of Accounts.

Background - Nil

Comment

Council is provided at Attachment 9.1.1A with a list of payments made from each of Council's bank accounts during the months of December 2015 and January 2016.

Strategic Implications - Nil

Statutory Environment – Nil

Policy Implications - Nil

Financial Implications - Nil

Economic Implication - Nil

Environmental Considerations - Nil

Consultation - Nil

Options

Council may resolve:

1. the Officer's Recommendation; or
2. to not note the list of accounts.

Voting Requirements – Simple Majority

COUNCIL DECISION:

That Council notes the Chief Executive Officer's List Of Accounts for December 2015 and January 2016 paid under Delegated Authority in accordance with Regulation 13(1) of the Local Government (Financial Management) Regulations 1996 included at Attachment 9.1.1A including payments from:

1. the Municipal fund totalling \$945,912.89; and
2. the Trust Fund totalling \$31,282.00

Moved: Cr Bradford

Seconded: Cr Newman

Carried 6/0

LIST OF ACCOUNTS DUE AND SUBMITTED TO COUNCIL – DECEMBER 2015 & JANUARY 2016

Chq/EFT	Name	Description	Trust	Municipal	Total
011215	Police Licensing	Licensing Payments	-704.15		-704.15
151215	Police Licensing	Licensing Payments	-1013.35		-1013.35
161215	Police Licensing	Licensing Payments	-1814.95		-1814.95
211215	Police Licensing	Licensing Payments	-811.05		-811.05
221215	Police Licensing	Licensing Payments	-3475.85		-3475.85
231215	Police Licensing	Licensing Payments	-149.00		-149.00
241215	Police Licensing	Licensing Payments	-200.40		-200.40
291215	Police Licensing	Licensing Payments	-428.60		-428.60
301215	Police Licensing	Licensing Payments	-242.30		-242.30
021215	Police Licensing	Licensing Payments	-1095.20		-1095.20
031215	Police Licensing	Licensing Payments	-714.15		-714.15
041215	Police Licensing	Licensing Payments	-53.00		-53.00
071215	Police Licensing	Licensing Payments	-309.40		-309.40
091215	Police Licensing	Licensing Payments	-955.85		-955.85
101215	Police Licensing	Licensing Payments	-101.50		-101.50
111215	Police Licensing	Licensing Payments	-53.00		-53.00
141215	Police Licensing	Licensing Payments	-8984.35		-8984.35
060116	Police Licensing	Licensing Payments	-1010.15		-1010.15
190116	Police Licensing	Licensing Payments	-1907.35		-1907.35
200116	Police Licensing	Licensing Payments	-270.30		-270.30
220116	Police Licensing	Licensing Payments	-260.75		-260.75
250116	Police Licensing	Licensing Payments	-77.75		-77.75
270116	Police Licensing	Licensing Payments	-63.00		-63.00
280116	Police Licensing	Licensing Payments	-160.15		-160.15
290116	Police Licensing	Licensing Payments	-207.80		-207.80
070116	Police Licensing	Licensing Payments	-812.65		-812.65
080116	Police Licensing	Licensing Payments	-89.25		-89.25
110116	Police Licensing	Licensing Payments	-66.00		-66.00
120116	Police Licensing	Licensing Payments	-520.55		-520.55
130116	Police Licensing	Licensing Payments	-694.85		-694.85
140116	Police Licensing	Licensing Payments	-110.15		-110.15
150116	Police Licensing	Licensing Payments	-145.70		-145.70
180116	Police Licensing	Licensing Payments	-3779.50		-3779.50
071215	Interest On Graders	Interest On Graders		-893.35	-893.35
101215	Transfers To And From Investment Accounts	Transfers To And From Investment Accounts		-20000.00	-20000.00
141215	Rent On Forrest Street	Rent On Forrest Street		-600.00	-600.00
161215	Rent for Works Staff	Rent for Works Staff		-360.00	-360.00
161215	Transfers To And From Investment Accounts	Transfers To And From Investment Accounts		-35000.00	-35000.00
161215	Big Air Cloud Management	Big Air Cloud Management		-116.49	-116.49
231215	Transfers To And From Investment Accounts	Transfers To And From Investment Accounts		-424000.00	-424000.00
281215	Rent On Forrest Street	Rent On Forrest Street		-600.00	-600.00
301215	Rent for Works Staff	Rent for Works Staff		-360.00	-360.00
021215	Rent for Works Staff	Rent for Works Staff		-360.00	-360.00
031215	Transfers To And From Investment Accounts	Transfers To And From Investment Accounts		-20000.00	-20000.00
071215	Loan Repayment No. 63 Graders	Loan Repayment No. 63 Graders		-2820.93	-2820.93
130116	Rent for Works Staff	Rent for Works Staff		-360.00	-360.00
150116	Big Air Cloud Management	Big Air Cloud Management		-116.49	-116.49

Chq/EFT	Name	Description	Trust	Municipal	Total
230116	ATO Clearing Account BAS	ATO Clearing Account BAS		9229.00	9229.00
250116	Rent On Forrest Street	Rent On Forrest Street		-600.00	-600.00
270116	Rent for Works Staff	Rent for Works Staff		-360.00	-360.00
280116	Transfers To And From Investment Accounts	Transfers To And From Investment Accounts		100000.00	100000.00
070116	Loan Repayment No. 63 Graders	Loan Repayment No. 63 Graders		-2831.29	-2831.29
070116	Interest On Graders	Interest On Graders		-882.99	-882.99
110116	Rent On Forrest Street	Rent On Forrest Street		-600.00	-600.00
EFT1819	Hostplus Super	Super Contributions		-193.49	-193.49
EFT1820	Prime Super	Super Contributions		-166.34	-166.34
EFT1821	WA Local Government Super Plan	Super Contributions		-5162.74	-5162.74
EFT1822	Westscheme Superannuation	Super Contributions		-399.43	-399.43
EFT1823	J & D Rural Fencing	Material Cost For Equestrian Centre Horse Arena		-16470.75	-16470.75
EFT1824	Air Liquide Pty Ltd	Cylinder Fee-E & G Size		-108.61	-108.61
EFT1825	Ampac Debt Recovery	Debt Recovery Fees-Nov 2015		-319.00	-319.00
EFT1826	Argus Pest Control	Treatment For Termites-Popanyinning School		-1419.00	-1419.00
EFT1827	Avon Waste	Bin Service & Rent X 4		-1328.67	-1328.67
EFT1828	BEAUREPAIRES	4 X 11R 22.5 Tyres		-5187.63	-5187.63
EFT1829	Bill & Bens Hot Bread Shop	80 X Hot Dog Rolls & 7 Loaves Of Bread-Movie Night		-77.15	-77.15
EFT1830	Bitutek	Supply, Spray & Sealing Bitumen-Popanyinning East Rd		-219657.30	-219657.30
EFT1831	Bks Electrical	Install Generator Change Over Switch & Rewire		-2882.00	-2882.00
EFT1832	Builders Registration Board Building Commission	November 2015 Building Forms		-283.25	-283.25
EFT1833	Burgess Rawson (WA) Pty Ltd	Water Usage Charges 09/10/15-08/12/15		-52.25	-52.25
EFT1834	Butler Settineri	Interim Fee In Relation To Management Systems Review \$3000, Disbursements \$489.78		-5378.76	-5378.76
EFT1835	Cuby Roadhouse	November Account-Fuel CEO		-785.58	-785.58
EFT1836	Dews Mini Excavations	Install Culverts, Fit Headwalls-Narrogin Wandering Rd		-7040.00	-7040.00
EFT1837	Dawson Robert Bradford	Councillors Sitting Fees-July-Dec 2015		-600.00	-600.00
EFT1838	Elisa Alice Dowling	Councillors Sitting Fees-July-Dec 2015		-900.00	-900.00
EFT1839	Fairway Carriers	Cartage of 2 Packs Of Storm Pipe From Vinidex To Cuballing		-619.88	-619.88
EFT1840	Filters Plus	Hydraulic Filter		-72.16	-72.16
EFT1841	Fire Protection Association Australia	BPAD Practitioner Application Fee-D Baxter		-990.00	-990.00
EFT1842	Great Southern Fuel Supplies	November Account-Bulk Fuel		-19034.32	-19034.32

Chq/EFT	Name	Description	Trust	Municipal	Total
EFT1843	Hanson Construction Materials	10mm Washed Granite		-9483.48	-9483.48
EFT1844	Ingrey Ford Pty Ltd	75,000KM Service		-694.74	-694.74
EFT1845	JARC Transport Pty Ltd	Cartage 10mm Blue Metal-Byford To LOL Grey Soak Rd		-4732.10	-4732.10
EFT1846	JR & A Hersey P/L	100 Guide Posts Plus Delivery		-1755.28	-1755.28
EFT1847	Landgate	Rural UV'S Chargeable Schedule R2015/9		-64.00	-64.00
EFT1848	Makit Narrogin Hardware	November Account-Extension Cords		-177.50	-177.50
EFT1849	Mark Conley	Presidential Allowance-July-Dec 2015		-4450.00	-4450.00
EFT1850	Market Creations	Emails Not Being Received On Laptop		-71.50	-71.50
EFT1851	Marketforce	Advertising-General Meeting Of Electors-Narrogin Observer 03/12/15		-195.49	-195.49
EFT1852	McDougall Weldments	Hydraulic Hose, Hose End, Crimping Hydraulics		-529.83	-529.83
EFT1853	Narrogin Auto Electrics	Repairs, Tested A/C		-3661.64	-3661.64
EFT1854	Narrogin Bearing Services	Emery Paper, Folding Utility Knife		-28.93	-28.93
EFT1855	Narrogin Earthmoving And Concrete	Stabilized Sand 05/11/15 & 10/11/15		-4826.80	-4826.80
EFT1856	Narrogin Plant Hire	Hire Of 924GCat Loader-17 Days		-8030.00	-8030.00
EFT1857	Narrogin Smash Repairs	Tow Abandoned Vehicle From Wandering/Narrogin Rd To Depot		-302.50	-302.50
EFT1858	Narrogin Dingo Service	Hire Of Dingo To Level Sand		-264.00	-264.00
EFT1859	Narrogin Embroidery	Embroidery For Polo Shirts/Hi Vis Shirts & Jumper		-431.00	-431.00
EFT1860	Narrogin Packaging	Bleach		-56.65	-56.65
EFT1861	Page Truck Hire	Bobcat & Loader Hire To Push Up Rubbish At Popanyinning Tip 2,9,16,26/11/15		-1474.00	-1474.00
EFT1862	Peter Scott Ballantyne	Councillors Sitting Fees-July-Dec 2015		-600.00	-600.00
EFT1863	Phonographic Performance Company	Multiple Event Licence-01/01/16-31/12/16		-170.00	-170.00
EFT1864	Perfect Computer Solutions	23/11-Upgrade Synergy & Play Accounts-27/11-Refresh Play Account, Put Mapping Onto Works Synergy & Access To Play Account		-382.50	-382.50
EFT1865	PH & KE Gow	Popanyinning West Rd-Survey & Boundary Markers, Lot 66, 52 Cuballing East Rd-Survey		-3729.00	-3729.00
EFT1866	Roger David John Newman	Councillors Sitting Fees-July-Dec 2015		-900.00	-900.00
EFT1867	Ray White Real Estate	Water Consumption-1 Forrest St 13/10/15-08/12/15		-53.13	-53.13

Chq/EFT	Name	Description	Trust	Municipal	Total
EFT1868	Sheridan's	2 X CR'S Badges-E Dowling-Deputy President, R Newman-Councillor		-64.31	-64.31
EFT1869	Shire Of Beverley	Alert Online Food Safety Programme Shared Cost		-80.00	-80.00
EFT1870	Shire of Narrogin	Hire Of Truck,Float & Operator To Transport Loader To Narrogin For Repairs		-283.80	-283.80
EFT1871	State Records Nsw	Keywords For Council Licence		-363.00	-363.00
EFT1872	Timothy Phillip Haslam	Councillors Sitting Fees-July-Dec 2015		-750.00	-750.00
EFT1873	Toll Ipec (Courier Australia)	Courier Fees-Filters Plus		-17.66	-17.66
EFT1874	Town Of Narrogin	Contribution For Preparation Of Aged Care Housing Needs Analysis		-3666.66	-3666.66
EFT1875	The Workwear Group Pty Ltd	Protective Clothing-Terry Clark		-704.29	-704.29
EFT1876	Vinidex	Stormwater Pipe		-2800.25	-2800.25
EFT1877	WA Hino Sales and Service	Front Bumper, Step Sub Assy		-840.64	-840.64
EFT1878	Western Stabilisers	Cement Stabilisation-Narrogin Wandering Rd		-46615.14	-46615.14
EFT1879	Westrac	Hydraulic Pump For 930G Cat Loader		-3901.71	-3901.71
EFT1880	Water Wise Water Trucks Australia Pty Ltd	Namur Valve For Water Tank		-259.00	-259.00
EFT1881	Sportspower Narrogin	Donation For School Prize-Narrogin Senior High School		-100.00	-100.00
EFT1882	Australian Super	Super Contributions		-131.55	-131.55
EFT1883	Hostplus Super	Super Contributions		-193.49	-193.49
EFT1884	Prime Super	Super Contributions		-162.96	-162.96
EFT1885	WA Local Government Super Plan	Super Contributions		-4754.24	-4754.24
EFT1886	Westscheme SUPERANNUATION	Super Contributions		-399.43	-399.43
EFT1887	Hostplus Super	Super Contributions		-193.49	-193.49
EFT1888	Prime Super	Super Contributions		-176.49	-176.49
EFT1889	WA Local Government Super Plan	Super Contributions		-4737.09	-4737.09
EFT1890	Westscheme Superannuation	Super Contributions		-399.43	-399.43
EFT1891	J & D Rural Fencing	Erect & Supply Material For Equestrian Centre Horse Arena		-13178.20	-13178.20
EFT1892	Hostplus Super	Super Contributions		-193.49	-193.49
EFT1893	Prime Super	Super Contributions		-162.96	-162.96
EFT1894	WA Local Government Super Plan	Super Contributions		-4840.26	-4840.26
EFT1895	Westscheme Superannuation	Super Contributions		-399.43	-399.43
EFT1896	Air Liquide Pty Ltd	Cylinder Fee-E & G Size		-115.13	-115.13
EFT1897	Ampac Debt Recovery	Debt Recovery Fees-Dec 2015		-5173.12	-5173.12
EFT1898	Avon Waste	Bin Service & Rent X 4		-1328.67	-1328.67
EFT1899	Beaurepaires	Tyre Repairs		-411.50	-411.50

Chq/EFT	Name	Description	Trust	Municipal	Total
EFT1900	Bitutek	Supply, Spray & Sealing Bitumen-Narrogin Wandering Rd		-26063.90	-26063.90
EFT1901	Bruce Brennan	50% Reimbursement-Synergy-B Brennan		-146.95	-146.95
EFT1902	Builders Registration Board Building Commission	December 2015 Building Forms		-767.00	-767.00
EFT1903	Ballards Of Narrogin	45KG Liquid Withdrawal Gas		-122.00	-122.00
EFT1904	Birds Silos & Shelters	Relocate Fuel Cans On Light Tanker		-120.00	-120.00
EFT1905	Blue Diamond Machinery	Shelving		-650.00	-650.00
EFT1906	Butler Settineri	Interim Fee-Management Systems Review		-1876.51	-1876.51
EFT1907	C&D Cutri	Bridge Maintenance-Narrogin Wandering Rd		-8899.00	-8899.00
EFT1908	Communications Infrastructure Programme WA Police	REFUND FOR INVOICE 3202 - PAID TWICE (BUILDER AND WA POLICE)		-985.50	-985.50
EFT1909	Cuby Roadhouse	December Account-Fuel CEO		-613.61	-613.61
EFT1910	Cailles Gas Services	Install Commercial Cooker, Oven, Deep Fryer & LPG Regulator		-1624.20	-1624.20
EFT1911	David Hislop	REFUND FOR INVOICE 3141 - PAID TWICE (BUILDER AND SHIRE OF WOODANILLING)		-819.95	-819.95
EFT1912	Edwards Motors Pty Ltd	15,000KM Service		-724.85	-724.85
EFT1913	Farmworks Ruralco	20KG Postcrete		-77.00	-77.00
EFT1914	Fairway Carriers	Cartage Of 2 Oversize Pallets From Hollywood Touch To Cuballing		-213.42	-213.42
EFT1915	Great Southern Fuel Supplies	December Account-Bulk Fuel		-9516.51	-9516.51
EFT1916	Hancocks Home Hardware	Cut 3 Keys		-12.00	-12.00
EFT1917	Ingrey Ford Pty Ltd	Valve Adjustment Seal Kit, Gasket Inlet Manifold		-198.31	-198.31
EFT1918	Komatsu	Lock Assembly		-386.08	-386.08
EFT1919	Landgate	Rural UV'S Chargeable-Schedule R2015/10 31/10/15-27/11/15 & R2015/11 28/11/15-11/12/15		-118.50	-118.50
EFT1920	Linemarking WA Pty Ltd	Painting Of Reseals-Wandering Narrogin Rd		-4708.00	-4708.00
EFT1921	Makit Narrogin Hardware	Liquid Nails, Door Seals, Sockets		-142.90	-142.90
EFT1922	Mechanical And Diesel Services	Carry Out Service & Repairs 6392 Hrs		-6718.80	-6718.80
EFT1923	Market Creations	Synergy In The Cloud Backup-Dec 2015		-477.02	-477.02
EFT1924	Narrogin Auto Electrics	2 Led Beacons		-1116.00	-1116.00
EFT1925	Narrogin Bearing Services	Upright Truck Box		-2528.62	-2528.62
EFT1926	Narrogin Carpets And Curtains	Supply & Install 2 Roller Blinds To Shire Office		-594.00	-594.00

Chq/EFT	Name	Description	Trust	Municipal	Total
EFT1927	Narrogin Earthmoving And Concrete	Hire Of Vibe Roller & Operator-07/12/15-10/12/15		-4125.00	-4125.00
EFT1928	Narrogin Furnishings	Door Mat For Shire Office		-20.00	-20.00
EFT1929	Narrogin Hire Service And Reticulation	Eziwet Fertilizer		-146.03	-146.03
EFT1930	Narrogin Packaging	2 X 5 Litres Pineaway Disinfectant		-70.15	-70.15
EFT1931	Page Truck Hire	Loader Hire To Push Up Rubbish At Popanyinning Tip-3,7,14,21,28/12/15		-1650.00	-1650.00
EFT1932	Road Signs Australia	Signs		-374.88	-374.88
EFT1933	Security Man Pty Ltd	Quarterly Monitoring Account For Security System		-110.00	-110.00
EFT1934	Staples Australia Pty Ltd	9 Boxes A4 Copy Paper		-314.77	-314.77
EFT1935	Toll Ipec (Courier Australia)	Courier Fees-H/Wood Touch		-324.45	-324.45
EFT1936	The Workwear Group Pty Ltd	Protective Clothing-B Brennan		-281.12	-281.12
EFT1937	Tonya Williams	50% Reimbursement-Ballards Gas-T Williams		-113.58	-113.58
EFT1938	Westrac	Hose		-151.19	-151.19
EFT1939	Hostplus Super	Superannuation contributions		-193.49	-193.49
EFT1940	Prime Super	Superannuation contributions		-144.91	-144.91
EFT1941	WA Local Government Super Plan	Superannuation contributions		-4794.09	-4794.09
EFT1942	Westscheme Superannuation	Superannuation contributions		-399.43	-399.43
14762	Mercer Superannuation	Superannuation contributions		-97.10	-97.10
14763	Perth Face Painting Company	Face painting for Cuballing Christmas Tree, 1x face painter 2 hours @ \$180hr, travel fee \$79		-284.90	-284.90
14764	Building & Construction Industry Training	November Forms		-41.15	-41.15
14765	Cuby Tavern	Christmas Function		-3297.14	-3297.14
14766	Synergy	Streetlights-25/10/15-24/11/15		-596.90	-596.90
14767	Shire of Cuballing (CASH)	Building Services-Nov 2015-Labour 22hrs @\$99, Travel 170kms @\$0.95		-2389.00	-2389.00
14768	Telstra	Nov Mobile Charges-CEO & DCEO		-1126.53	-1126.53
14769	Water Corporation	Water Charges-Standpipe At Ridley St		-2465.29	-2465.29
14770	Asgard Superannuation Account	Super Contributions		-408.50	-408.50
14771	Mercer Superannuation	Super Contributions		-97.10	-97.10
14772	Asgard Superannuation Account	Super Contributions		-408.50	-408.50
14773	Mercer Superannuation	Super Contributions		-97.10	-97.10

Chq/EFT	Name	Description	Trust	Municipal	Total
14774	Asgard Superannuation Account	Super Contributions		-408.50	-408.50
14775	Mercer Superannuation	Super Contributions		-97.10	-97.10
14776	Building & Construction Industry Training	December Forms		-291.75	-291.75
14777	John Robertson Carpentry Services	Replace Wall In Depot Shed, Install New Gutters		-5553.73	-5553.73
14778	Narrogin Stihl	Whipper Snipper Part		-39.09	-39.09
14779	SYNERGY	Electricity Charges-U3/22 Campbell St Cuballing		-3509.50	-3509.50
14780	Shire of Cuballing (CASH)	Building Services-Dec 2015 Labour 19.5hrs @\$99 Travel 136kms @0.95		-2059.70	-2059.70
14781	Total Undercar	Wheel Alignment		-110.00	-110.00
14782	Telstra	SMS Messages-Harvest Ban Service		-1266.98	-1266.98
14783	Water Corporation	Water Charges-Standpipe At Francis St		-805.24	-805.24
14784	Asgard Superannuation Account	Super Contributions		-408.50	-408.50
14785	Mercer Superannuation	Super Contributions		-80.91	-80.91
24122015	Commonwealth Bank	Credit Card Charges December 2015		-1017.22	-1017.22
25012016	Commonwealth Bank	Credit Card Charges January 2016		-299.43	-299.43
TOTAL			-31282	-945912.89	-977194.89

9.1.2 Statement of Financial Activity – Period Ended 31st December 2015

Applicant:	N/A
File Ref. No:	ADM214
Disclosure of Interest:	Nil
Date:	6 th January 2016
Author:	Tonya Williams, Deputy Chief Executive Officer
Attachments:	9.1.2A Statement of Financial Activity for Period Ended 31 st December 2015

Summary

Council is to consider the Statement of Financial Activity for the period ended 31st December 2015.

Background

As per the Financial Management Regulation 34 each Local Government is to prepare each month a statement of financial activity reporting on the sources and applications of funds, as set out in the annual budget under regulation 22(1) (d), for that month with the following detail

- The annual budget estimates,
- The operating revenue, operating income, and all other income and expenses,
- Any significant variations between year to date income and expenditure and the relevant budget provisions to the end of the relevant reporting period,
- Identify any significant areas where activities are not in accordance with budget estimates for the relevant reporting period,
- Provide likely financial projections to 30 June for those highlighted significant variations and their effect on the end of year result,
- Include an operating statement, and
- Any other required supporting notes.

Comment

Governance

The LGIS Dividend has been received earlier than expected. Timing difference as Staff Training expenses have not been utilised. Council election costs were less than budgeted.

Law, Order and Public Safety

Income and expenditure have a permanent difference as an unbudgeted grant was received and expended to install mobile reception boosters at the Fire Stations in Cuballing and Popanyinning. Additional funds have also been paid for the over-expenditure claim from 2014/15.

Health

Additional septic licence fees have been received.

Education and Welfare

The Age Friendly Audit was expected to be completed in August, this has created a timing difference as spending on the Aged Housing Project is expected later in the financial year.

Housing

Timing difference, maintenance costs are lower than budgeted. Permanent difference, rent contribution by salary sacrifice not budgeted for.

Community Amenities

Timing difference as cemetery fees have been received. Timing difference on the expenditure for the Local Planning Strategy review.

Recreation and Culture

Income has a timing difference as budget expected an instalment payment of the CSRFF Grant that has not been received. Income will have a permanent difference as Kidsport funding was received and not budgeted for, Council will now manage these funds. Timing difference, maintenance costs are lower than expected.

Transport

Permanent difference as the depreciation costs on Roads is significantly higher than budgeted due to the revaluation of Infrastructure Assets from 2014/15.

Economic Services

Additional Building Licenses have been received. Timing difference, expected to pay the Dryandra Country Visitors Centre contribution invoice in August but this has not yet been paid.

Other Property and Services

Private Works has cost less than expected to date. Private Works for Building is also invoiced at the start of the new month and has created a timing difference for invoicing. There is a timing difference on staff training expenses, holiday pay and Public Works Overheads Other spending.

Capital Expenditure

It was budgeted to spend the remaining funding for the Equestrian Clubrooms evenly over the first three months of this financial year, works are moving along and funds are almost fully expended.

Large invoices for the Capital Works program are being received for payment, there is a timing difference on this expenditure that will even out over the coming months as works are completed.

Purchase of new Ute was more than budgeted, the trade in costs was allocated rather than the full purchase price. Purchase of a new mower was under the capitalisation threshold (and budget) and further spending will be delayed until the new financial year.

Detailed breakdown of all variances provided in Note 2 of the Statement of Financial Activity.

Administration Allocations done to December 2015.

Depreciation expenses calculated to December 2015.

Strategic Implications - Nil

Statutory Environment – Nil

Policy Implications – Nil

Financial Implications – Nil

Economic Implication - Nil

Environmental Considerations - Nil

Consultation - Nil

Options

Council may resolve:

1. the Officer's Recommendation; or
2. not to receive the Statement of Financial Activity

Voting Requirements – Simple Majority

COUNCIL DECISION:

That the Statement of Financial Activity, as included at Attachment 9.1.2A for the Shire of Cuballing for period ending 31st December 2015 be received.

Moved: Cr Newman

Seconded: Cr Ballantyne

Carried 6/0

SHIRE OF CUBALLING
MONTHLY FINANCIAL REPORT
For the Period Ended 31 December 2015

LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

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Shire of Cuballing
Compilation Report
For the Period Ended 31 December 2015

Report Purpose

This report is prepared to meet the requirements of *Local Government (Financial Management) Regulations 1996*, Regulation 34 .

Overview

Summary reports and graphical progressive graphs are provided on page 3, 4 and 5.
No matters of significance are noted.

Statement of Financial Activity by reporting program

Is presented on page 6 and shows a surplus as at 31 December 2015 of \$618,353.

Note: The Statements and accompanying notes are prepared based on all transactions recorded at the time of preparation and may vary.

Preparation

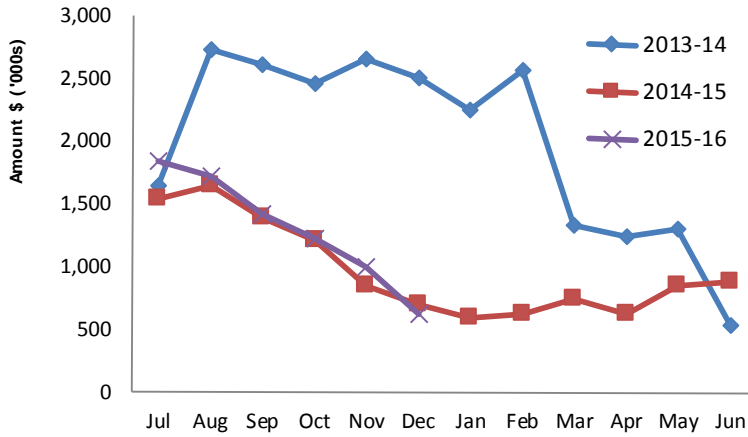
Prepared by: Tonya Williams, Deputy Chief Executive Officer

Reviewed by:

Date prepared: 6th January 2016

Shire of Cuballing
Monthly Summary Information
 For the Period Ended 31 December 2015

Liquidity Over the Year (Refer Note 3)



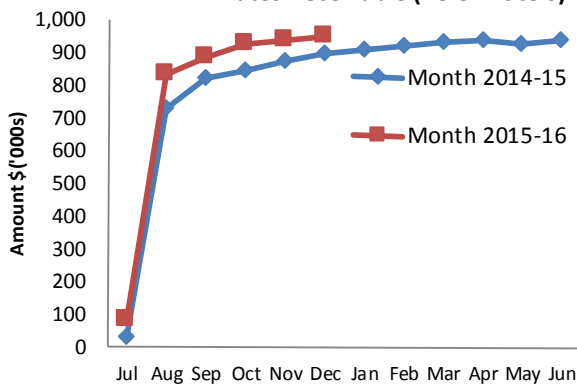
Cash and Cash Equivalents as at period end

Unrestricted	\$ 409,026
Restricted	\$ 1,266,669
	\$ 1,675,696

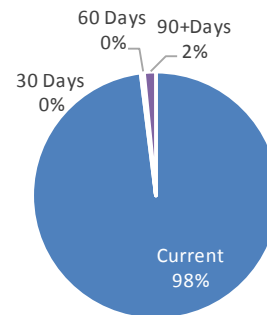
Receivables

Rates	\$ 87,054
Other	\$ 133,179
	\$ 220,233

Rates Receivable (Refer Note 6)



Accounts Receivable Ageing (non-rates) (Refer Note 6)



Comments

Early Discount - 14th August 2015
 Rates Due - 28th August 2015
 47 on installments

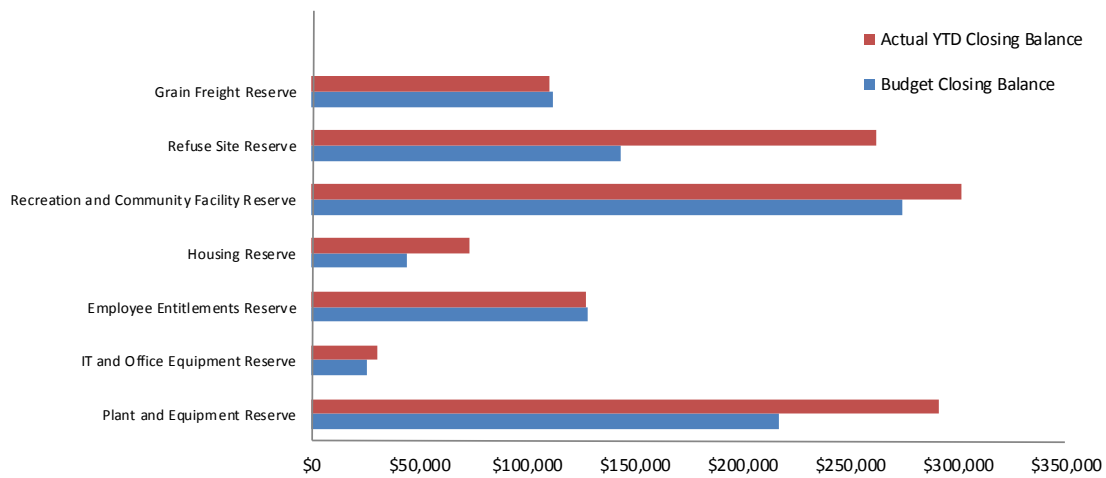
This information is to be read in conjunction with the accompanying Financial Statements and notes.

Shire of Cuballing
 Monthly Summary Information
 For the Period Ended 31 December 2015

Capital Expenditure Program YTD (Refer Note 13)



Year To Date Reserve Balance to End of Year Estimate (Refer Note 7)



Comments

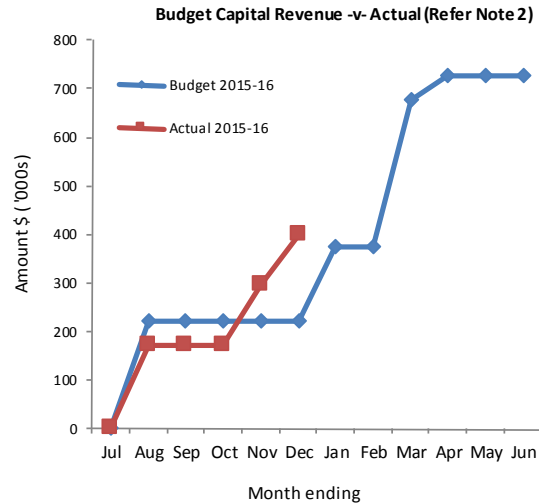
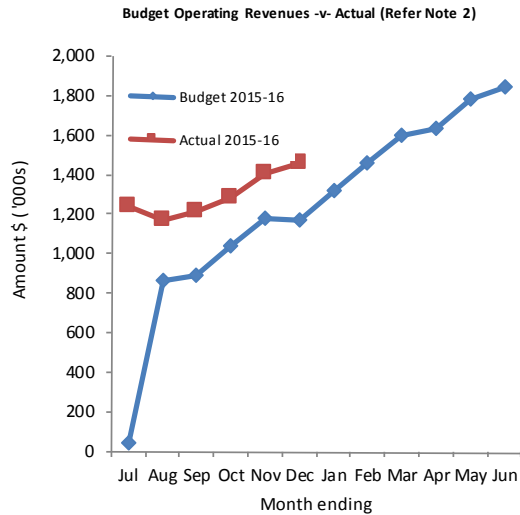
This information is to be read in conjunction with the accompanying Financial Statements and notes.

Shire of Cuballing

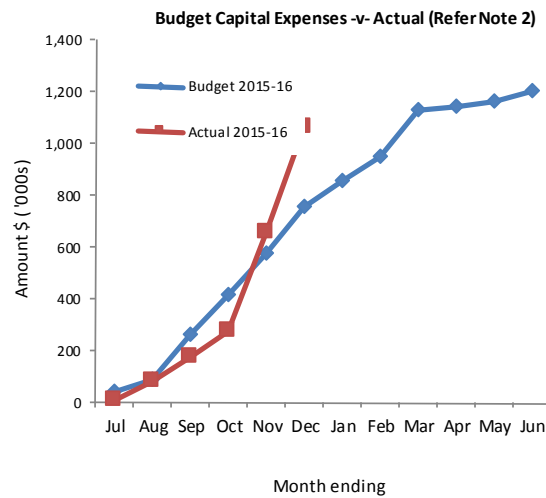
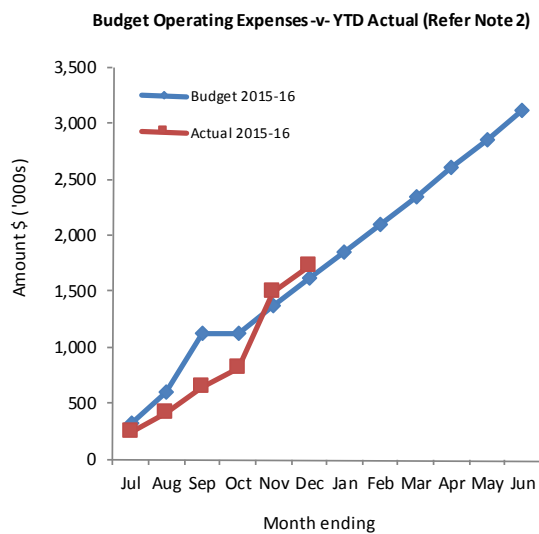
Monthly Summary Information

For the Period Ended 31 December 2015

Revenues



Expenditure



Comments

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

SHIRE OF CUBALLING
STATEMENT OF FINANCIAL ACTIVITY
(Statutory Reporting Program)
For the Period Ended 31 December 2015

Note	Adopted Annual Budget	Adopted YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
Operating Revenues	\$	\$	\$	\$	%	
Governance	2,500	1,746	6,367	4,621	264.69%	▲
General Purpose Funding	1,316,565	942,844	1,150,932	208,088	22.07%	▲
Law, Order and Public Safety	20,063	9,188	23,177	13,990	152.27%	▲
Health	1,500	464	762	298	64.22%	
Education and Welfare	0	0	0	0		
Housing	0	0	2,160	2,160		
Community Amenities	1,350	752	2,092	1,340	178.24%	
Recreation and Culture	13,750	8,448	8,732	284	3.36%	
Transport	158,287	79,144	78,381	(763)	(0.96%)	
Economic Services	32,300	16,150	43,806	27,656	171.25%	▲
Other Property and Services	333,600	109,282	138,736	29,454	26.95%	▲
Total Operating Revenue	1,879,915	1,168,017	1,455,146	287,129		
Operating Expense						
Governance	(123,858)	(102,153)	(78,052)	24,102	23.59%	▲
General Purpose Funding	(57,098)	(25,536)	(20,045)	5,491	21.50%	▲
Law, Order and Public Safety	(114,049)	(58,920)	(63,882)	(4,962)	(8.42%)	
Health	(39,543)	(20,026)	(17,108)	2,918	14.57%	▲
Education and Welfare	(75,022)	(9,260)	(9,050)	210	2.26%	
Housing	(48,751)	(26,373)	(24,940)	1,433	5.43%	
Community Amenities	(235,141)	(104,354)	(80,374)	23,980	22.98%	▲
Recreation and Culture	(254,827)	(139,695)	(141,894)	(2,199)	(1.57%)	
Transport	(1,746,746)	(873,348)	(976,364)	(103,016)	(11.80%)	▼
Economic Services	(170,518)	(85,914)	(58,976)	26,938	31.35%	
Other Property and Services	(298,939)	(171,367)	(258,645)	(87,279)	(50.93%)	▼
Total Operating Expenditure	(3,164,492)	(1,616,946)	(1,729,331)	(112,385)		
Funding Balance Adjustments						
Add back Depreciation	923,700	461,838	714,753	252,915	54.76%	▲
Adjust (Profit)/Loss on Asset Disposal	59,974	59,974	7,782	(52,192)	(87.02%)	▼
Adjust Provisions and Accruals	0	0	0	0		
Net Cash from Operations	(300,904)	72,883	448,350	375,467		
Capital Revenues						
Grants, Subsidies and Contributions	756,871	221,345	385,769	164,424	74.28%	▲
Proceeds from Disposal of Assets	95,634	95,634	12,134	(83,500)	(87.31%)	▼
Total Capital Revenues	852,505	316,979	397,903	80,924		
Capital Expenses						
Land Held for Resale	0	0	0	0		
Land and Buildings	(468,473)	(330,513)	(215,117)	115,396	34.91%	▲
Infrastructure - Roads & Footpaths	(729,155)	(422,471)	(491,211)	(68,740)	(16.27%)	▼
Plant and Equipment	(407,690)	(407,690)	(352,624)	55,066	13.51%	▲
Furniture and Equipment	0	0	0	0		
Total Capital Expenditure	(1,605,318)	(1,160,674)	(1,058,952)	101,722		
Net Cash from Capital Activities	(752,813)	(843,695)	(661,049)	182,646		
Financing						
Proceeds from New Debentures	0	0	0	0		
Proceeds from Advances	0	0	0	0		
Self-Supporting Loan Principal	0	0	0	0		
Transfer from Reserves	451,505	191,315	191,315	0	0.00%	
Transfer from Restricted Cash	70,275	70,275	64,851	(5,424)		
Transfer to Restricted Cash	0	0	0	0		
Advances to Community Groups	0	0	0	0		
Repayment of Debentures	(66,420)	(34,087)	(34,087)	0	0.00%	
Transfer to Reserves	(213,464)	(192,814)	(201,407)	(8,593)	(4.46%)	
Net Cash from Financing Activities	241,896	34,689	20,672	(14,017)		
Net Operations, Capital and Financing	(811,820)	(736,122)	(192,026)	544,096		
Opening Funding Surplus(Deficit)	811,820	811,820	810,380	(1,440)	(0.18%)	
Closing Funding Surplus(Deficit)	(0)	75,698	618,353	542,656		

Indicates a variance between Year to Date (YTD) Budget and YTD Actual data as per the adopted materiality threshold. Refer to Note 2 for an explanation of the reasons for the variance.

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

SHIRE OF CUBALLING
STATEMENT OF FINANCIAL ACTIVITY
(By Nature or Type)
For the Period Ended 31 December 2015

	Note	Adopted Annual Budget	Adopted YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
Operating Revenues		\$	\$	\$	\$	%	
Rates	9	994,120	781,178	994,626	213,448	27.32%	▲
Operating Grants, Subsidies and Contributions	11	454,895	227,854	274,107	46,253	20.30%	▲
Fees and Charges		374,900	190,266	151,536	(38,730)	(20.36%)	▼
Service Charges		0	0	0	0		
Interest Earnings		38,000	19,694	21,108	1,414	7.18%	
Other Revenue		18,000	9,000	13,769	4,769	52.99%	
Profit on Disposal of Assets	8	0	0	0			
Total Operating Revenue		1,879,915	1,227,992	1,455,146	227,155		
Operating Expense							
Employee Costs		(1,030,464)	(508,142)	(418,896)	89,246	17.56%	▲
Materials and Contracts		(922,721)	(461,038)	(413,068)	47,971	10.40%	▲
Utility Charges		(33,000)	(15,926)	(17,245)	(1,319)	(8.28%)	
Depreciation on Non-Current Assets		(923,700)	(461,838)	(714,753)	(252,915)	(54.76%)	▼
Interest Expenses		(16,356)	(8,371)	(8,629)	(258)	(3.08%)	
Insurance Expenses		(116,177)	(115,081)	(109,767)	5,314	4.62%	
Other Expenditure		(62,100)	(46,550)	(39,191)	7,359	15.81%	▲
Loss on Disposal of Assets	8	(59,974)	(59,974)	(7,782)			
Total Operating Expenditure		(3,164,492)	(1,676,920)	(1,729,331)	(104,603)		
Funding Balance Adjustments							
Add back Depreciation		923,700	461,838	714,753	252,915	54.76%	▲
Adjust (Profit)/Loss on Asset Disposal	8	59,974	59,974	7,782	(52,192)	(87.02%)	▼
Adjust Provisions and Accruals		0	0	0	0		
Net Cash from Operations		(300,903)	72,883	448,350	323,275		
Capital Revenues							
Grants, Subsidies and Contributions	11	756,871	221,345	385,769	164,424	74.28%	▲
Proceeds from Disposal of Assets	8	95,634	95,634	12,134	(83,500)	(87.31%)	▼
Total Capital Revenues		852,505	316,979	397,903	80,924		
Capital Expenses							
Land Held for Resale		0	0	0	0		
Land and Buildings	13	(468,473)	(330,513)	(215,117)	115,396	34.91%	▲
Infrastructure - Roads & Footpaths	13	(729,155)	(422,471)	(491,211)	(68,740)	(16.27%)	▼
Plant and Equipment	13	(407,690)	(407,690)	(352,624)	55,066	13.51%	▲
Furniture and Equipment	13	0	0	0	0		
Total Capital Expenditure		(1,605,318)	(1,160,674)	(1,058,952)	101,722		
Net Cash from Capital Activities		(752,813)	(843,695)	(661,049)	182,646		
Financing							
Proceeds from New Debentures		0	0	0	0		
Proceeds from Advances		0	0	0	0		
Self-Supporting Loan Principal		0	0	0	0		
Transfer from Reserves	7	451,505	191,315	191,315	0	0.00%	
Transfer from Restricted Cash		70,275	70,275	64,851			
Transfer to Restricted Cash		0	0	0			
Advances to Community Groups		0	0	0	0		
Repayment of Debentures	10	(66,420)	(34,087)	(34,087)	0	0.00%	
Transfer to Reserves	7	(213,464)	(192,814)	(201,407)	(8,593)	(4.46%)	
Net Cash from Financing Activities		241,896	34,689	20,672	(8,593)		
Net Operations, Capital and Financing		(811,820)	(736,122)	(192,026)	497,329		
Opening Funding Surplus(Deficit)	3	811,820	811,820	810,380	(1,440)	(0.18%)	
Closing Funding Surplus(Deficit)	3	0	75,698	618,353	495,888		

Indicates a variance between Year to Date (YTD) Budget and YTD Actual data as per the adopted materiality threshold. Refer to Note 2 for an explanation of the reasons for the variance.

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

SHIRE OF CUBALLING
STATEMENT OF CAPITAL ACQUISITIONS AND CAPITAL FUNDING
For the Period Ended 31 December 2015

Capital Acquisitions By Class	Note	YTD Actual Total (a)	YTD Budget (b)	Annual Budget	Variance (b) - (a)
Land and Buildings	13	\$ 215,117	\$ 330,513	\$ 468,473	\$ (115,396)
Infrastructure Assets	13	491,211	422,471	729,155	68,740
Plant and Equipment	13	352,624	407,690	407,690	(55,066)
Furniture and Equipment	13	0	0	0	0
Capital Expenditure Totals		1,058,952	1,160,674	1,605,318	(101,722)

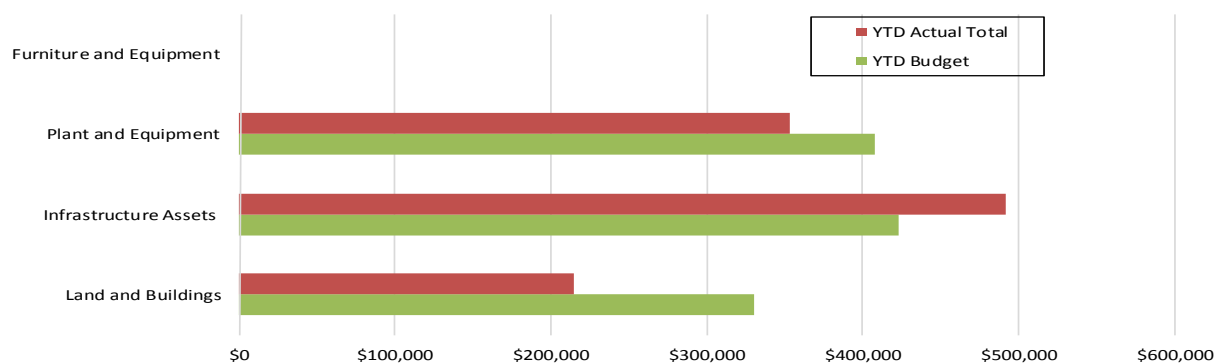
Capital Acquisitions By Program	Note	YTD Actual Total (a)	YTD Budget (b)	Annual Budget	Variance (b) - (a)
Governance	13	\$ 381	\$ 1,950	\$ 5,950	\$ (1,569)
Community Amenities	13	0	139,980	180,000	(139,980)
Recreation and Culture	13	199,748	168,583	262,523	31,165
Transport	13	858,823	850,161	1,156,845	8,662
Capital Expenditure Totals		1,058,952	1,160,674	1,605,318	(101,722)

Funded By:

Capital Grants and Contributions	385,769	221,345	0	164,424
Borrowings	0	0	0	0
Other (Disposals & C/Fwd)	12,134	95,634	0	(83,500)
Own Source Funding - Cash Backed Reserves				
Plant and Equipment Reserve	0	0	76,190	
Administration Building and Office Equipment Reserve	0	0	5,000	
Housing Reserve	0	0	30,000	
Recreation and Community Facility Reserve	0	0	29,000	
Refuse Site Reserve	0	0	120,000	
Grain Freight Reserve	66,000	66,000	66,000	
General Purpose Reserve	125,315	125,315	125,315	
Total Own Source Funding - Cash Backed Reserves	-191,315	191,315	451,505	382,630
Own Source Funding - Operations	661,048	461,065	702,308	199,983
Capital Funding Total	1,058,952	1,160,674	1,605,318	(101,722)

Comments and graphs

Capital Expenditure Program YTD



SHIRE OF CUBALLING
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 December 2015

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

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

Except for cash flow and rate setting information, the report 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.

Critical Accounting Estimates

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

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

(b) The Local Government Reporting Entity

All Funds through which the Council controls resources to carry on its functions have been included in this statement.

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 statement, but a separate statement of those monies appears at Note 12.

(c) Rounding Off Figures

All figures shown in this statement are rounded to the nearest dollar.

(d) 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.

(e) 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.

SHIRE OF CUBALLING
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 December 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Cash and Cash Equivalents

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

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

(g) 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.

Collectability 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.

(h) 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 held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed.

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

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

(i) Fixed Assets

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 local government includes the cost of all materials used in the construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. Assets carried at fair value 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.

SHIRE OF CUBALLING
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 December 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Depreciation of Non-Current Assets

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

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

Buildings	30 to 50 years
Furniture and Equipment	4 to 10 years
Plant and Equipment	5 to 15 years
Sealed roads and streets	
clearing and earthworks	not depreciated
construction/road base	50 years
original surfacing and	
major re-surfacing	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
clearing and earthworks	not depreciated
construction/road base	50 years
gravel sheet	12 years
Formed roads (unsealed)	
clearing and earthworks	not depreciated
construction/road base	50 years
Footpaths - slab	20 years
Sewerage piping	100 years
Water supply piping & drainage systems	75 years

(k) 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.

(l) Employee Benefits

The provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

(i) Wages, Salaries, Annual Leave and Long Service Leave (Short-term Benefits)

The provision for employees' benefits to wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount the Shire has a present obligation to pay resulting from employees services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the Shire expects to pay and includes related on-costs.

(ii) Annual Leave and Long Service Leave (Long-term Benefits)

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the project unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where the Shire does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

SHIRE OF CUBALLING
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 December 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Interest-bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

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.

(n) Provisions

Provisions are recognised when: The council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one of item included in the same class of obligations may be small.

(o) 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 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 Council's intentions to release for sale.

SHIRE OF CUBALLING
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 December 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Nature or Type Classifications

Rates

All rates levied under the Local Government Act 1995. Includes general, differential, specific area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts offered. Exclude administration fees, interest on instalments, interest on arrears and service charges.

Operating Grants, Subsidies and Contributions

Refer to all amounts received as grants, subsidies and contributions that are not non-operating grants.

Non-Operating Grants, Subsidies and Contributions

Amounts received specifically for the acquisition, construction of new or the upgrading of non-current assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

Profit on Asset Disposal

Profit on the disposal of assets including gains on the disposal of long term investments. Losses are disclosed under the expenditure classifications.

Fees and Charges

Revenues (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees. Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

Service Charges

Service charges imposed under Division 6 of Part 6 of the Local Government Act 1995. Regulation 54 of the Local Government (Financial Management) Regulations 1996 identifies the These are television and radio broadcasting, underground electricity and neighbourhood surveillance services. Exclude rubbish removal charges. Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

Interest Earnings

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

Other Revenue / Income

Other revenue, which can not be classified under the above headings, includes dividends, discounts, rebates etc.

Employee Costs

All costs associate with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences, safety expenses, medical examinations, fringe benefit tax, etc.

Materials and Contracts

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc. Local governments may wish to disclose more detail such as contract services, consultancy, information technology, rental or lease expenditures.

Utilities (Gas, Electricity, Water, etc.)

Expenditures made to the respective agencies for the provision of power, gas or water. Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

SHIRE OF CUBALLING
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 December 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Nature or Type Classifications (Continued)

Insurance

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

Loss on asset disposal

Loss on the disposal of fixed assets.

Depreciation on non-current assets

Depreciation expense raised on all classes of assets.

Interest expenses

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and refinancing expenses.

Other expenditure

Statutory fees, taxes, provision for bad debts, member's fees or levies including WA Fire Brigade Levy and State taxes. Donations and subsidies made to community groups.

(r) Statement of Objectives

Council has adopted a 'Plan for the future' comprising a Strategic Community Plan and Corporate Business Plan to provide the long term community vision, aspirations and objectives.

Based upon feedback received from the community the vision of the Shire is:

"A wonderful place to live, work, invest and visit with the community working together to achieve shared objectives"

The Strategic Community Plan defines the key objectives of the Shire as:

"Economic: A strong, resilient and balanced economy.

Environment: Our unique natural and built environment is protected and enhanced.

Social: Our community enjoys a high quality of life.

Civic Leadership: A collaborative and engaged community."

(s) Reporting Programs

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

GOVERNANCE

Expenses associated with provision of services to members of council and elections. Also included are costs associated with computer operations, corporate accounting, corporate records and asset management. Costs reported as administrative expenses are redistributed in accordance with the principle of activity based costing (ABC).

GENERAL PURPOSE FUNDING

Rates and associated revenues, general purpose government grants, interest revenue and other miscellaneous revenues such as commission on Police Licensing. The costs associated with raising the above mentioned revenues, eg. Valuation expenses, debt collection and overheads.

LAW, ORDER, PUBLIC SAFETY

Enforcement of Local Laws, fire prevention, animal control and provision of ranger services.

HEALTH

Health inspection services, food quality control, mosquito control and contributions towards provision of medical health services.

SHIRE OF CUBALLING
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 December 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Reporting Programs (Continued)

HOUSING

Provision and maintenance of rented housing accommodation for pensioners and employees.

COMMUNITY AMENITIES

Sanitation, sewerage, stormwater drainage, protection of the environment, public conveniences, cemeteries and town planning.

RECREATION AND CULTURE

Parks, gardens and recreation reserves, library services, television and radio re-broadcasting, swimming facilities, walk trails, youth recreation, Shark Bay World Heritage Discovery and Visitor Centre, boat ramps, foreshore, public halls and Shark Bay Recreation Centre.

TRANSPORT

Construction and maintenance of roads, footpaths, drainage works, parking facilities, traffic control, depot operations, plant purchase, marine facilities and cleaning of streets.

ECONOMIC SERVICES

Tourism, community development, pest control, building services, caravan parks and private works.

OTHER PROPERTY & SERVICES

Plant works, plant overheads and stock of materials.

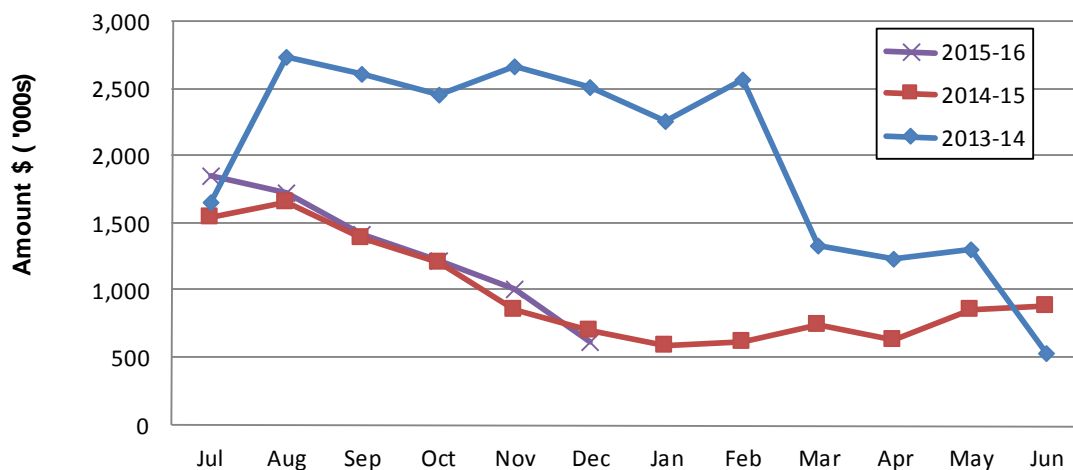
Note 2: EXPLANATION OF MATERIAL VARIANCES

Reporting Program	Var. \$	Var. %	V	Timing/ Permane	Explanation of Variance
Operating Revenues	\$	%			
General Purpose Funding	208,088	22.07%	▲	Timing	Less on Rates installments than budgeted.
Governance	4,621	264.69%		Permanent	Water Corp Refund received, was expected in June 15. LGIS Dividend paid earlier than expected.
Law, Order and Public Safety	13,990	152.27%	▲	Permanent	Volunteer Bushfire Association Grant received. Additional funds from 14/15 overspend received.
Health	298	64.22%		Timing	Additional Septic Tank Licences received
Education and Welfare	0				No material variance
Housing	2,160			Permanent	Rent contribution, salary sacrifice
Community Amenities	1,340	178.24%		Timing	Cemetery fees received
Recreation and Culture	284	3.36%		Permanent	Equestrain Centre lease fee, GST included in budget. Kidsport Grant Money received not budgeted. Expected to receive CSRFF funds portion, not received.
Transport	(763)	(0.96%)			No material variance
Economic Services	27,656	171.25%	▲	Timing	Additional Building Licenses received
Other Property and Services	29,454	26.95%	▲	Timing	Private Works Building - invoiced start of new month. Private Works income less than budget.
Operating Expense					
General Purpose Funding	5,491	21.50%	▲	Timing	Rate Recovery invoice allocated but not yet posted
Governance	24,102	23.59%	▲	Timing	Council Election costs less than expected. Admin allocation less than budgeted.
Law, Order and Public Safety	(4,962)	(8.42%)		Permanent	Mobile Reception at Fire Stations (Grant) Spending.
Health	2,918	14.57%	▲	Timing	EHO Salary less than budget.
Education and Welfare	210	2.26%		Timing	Age Friendly Audit not completed yet
Housing	1,433	5.43%		Timing	Housing maintenance costs less than budget.
Community Amenities	23,980	22.98%	▲	Timing	Tip and Cemetery maintenance costs lower than budget. Timing difference on Local Planning Strategy review costs.
Recreation and Culture	(2,199)	(1.57%)		Timing	Maintenance costs lower than budget.
Transport	(103,016)	(11.80%)	▼	Permanent	Depreciation costs higher than budget to to 14/15 Road Revaluation.
Economic Services	26,938	31.35%		Timing	Tourism expenses down (Dryandra Visitor Centre invoice not paid), noxious weed control expenses lower than budget. Building Services cost lower than budget.
Other Property and Services	(87,279)	(50.93%)	▼	Timing	Timing difference on staff training expenses, holiday pay and PWO other expenditure.
Capital Revenues					
Grants, Subsidies and Contributions	164,424	74.28%	▲		CSRFF Grant instalment expected, not received
Proceeds from Disposal of Assets	(83,500)	(87.31%)	▼		CAT Loader not disposed.
Capital Expenses					
Land and Buildings	115,396	34.91%	▲	Timing	Depot Upgrade under budget, further invoices expected. Transfer Station development not yet started.
Infrastructure - Roads	(68,740)	(16.27%)	▼	Timing	Timing difference, large invoices expected in coming months.
Plant and Equipment	55,066	13.51%	▲	Timing	Mowers purchased under threshold, permanent difference to expenditure for next year. Works Ute greater than budget as only trade in cost was accounted for. Loader total cost lower than budget.
Furniture and Equipment	0				No material variance
Financing					
Loan Principal	0	0.00%			No material variance

SHIRE OF CUBALLING
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 December 2015

Note 3: NET CURRENT FUNDING POSITION

		Positive=Surplus (Negative=Deficit)		
		YTD 31 Dec 2015	30th June 2015	YTD 31 Dec 2014
		\$	\$	\$
Current Assets				
Cash Unrestricted	4	409,026	774,608	571,668
Cash Restricted - Reserves	4	1,266,669	1,256,586	1,037,930
Cash Restricted Cash	6	0	64,851	0
Receivables	6	231,510	78,409	191,049
Inventories		7,197	7,197	11,032
		1,914,402	2,181,651	1,811,679
Less: Current Liabilities				
Payables and Provisions		(29,380)	(49,834)	(70,785)
		(29,380)	(49,834)	(70,785)
Less: Cash Reserves Restricted	7	(1,266,669)	(1,256,586)	(1,037,930)
Less: Cash - Restricted Municipal		0	(64,851)	0
Net Current Funding Position		618,353	810,380	702,964

Note 3 - Liquidity Over the Year**Comments - Net Current Funding Position**

SHIRE OF CUBALLING
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 December 2015

Note 4: CASH AND INVESTMENTS

	Interest Rate	Unrestricted \$	Restricted \$	Trust \$	Total Amount \$	Institution	Maturity Date
(a) Cash Deposits							
Municipal Bank Account	0.00%	53,894	0		53,894	Commonwealth	At Call
Online Saver	1.75%	42,158			42,158	Commonwealth	At Call
Cash Deposit Account	1.75%	300,000			300,000	Commonwealth	At Call
Police Licensing Account	0.00%	0			0	Commonwealth	At Call
Trust Bank Account	0.00%			20,913	20,913	Commonwealth	At Call
Cash On Hand	Nil	700			700	N/A	On Hand
Reserves	1.75%		1,266,669		1,266,669	Commonwealth	At Call
(b) Term Deposits							
Total							
		396,752	1,266,669	20,913	1,684,334		

Comments/Notes - Investments

Muni Account Restricted Cash - remaining CLGF funds (all spent)

Police Licensing Account - account not used as funds go through Trust account. Account Closed November 2015, funds transferred to Muni.

SHIRE OF CUBALLING
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 December 2015

Note 5: BUDGET AMENDMENTS

Amendments to original budget since budget adoption. Surplus/(Deficit)

GL Account Code	Description	Council Resolution	Classification	Non Cash Adjustment	Increase in Available Cash	Decrease in Available Cash	Amended Budget Running Balance
	Budget Adoption		Opening Surplus	\$	\$	\$	\$
	Permanent Changes						0
	Changes Due to Timing						0
				0	0	0	

SHIRE OF CUBALLING
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 December 2015

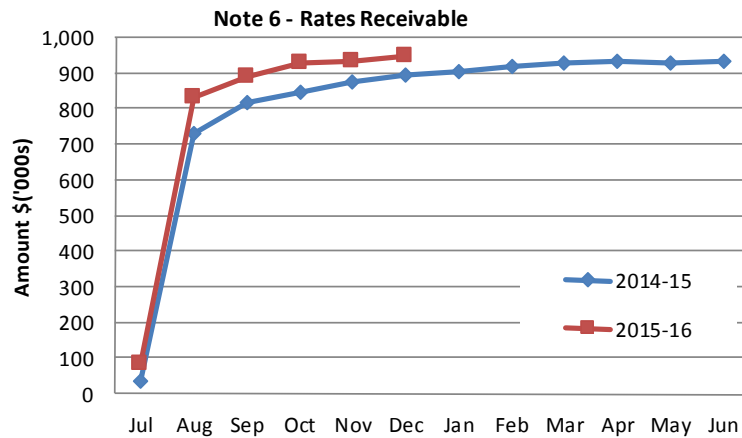
Note 6: RECEIVABLES

Receivables - Rates Receivable

Opening Arrears Previous Years
 Levied this year
Less Collections to date
 Equals Current Outstanding

Net Rates Collectable
 % Collected

	YTD 31 Dec 2015	30 June 2015
	\$	\$
Opening Arrears Previous Years	39,377	28,976
Levied this year	994,626	944,371
<u>Less Collections to date</u>	(946,949)	(933,970)
Equals Current Outstanding	87,054	39,376
Net Rates Collectable	87,054	39,376
% Collected	91.58%	95.95%



Comments/Notes - Receivables Rates

Early Discount - 14th August 2015
 Rates Due - 28th August 2015

Receivables - General

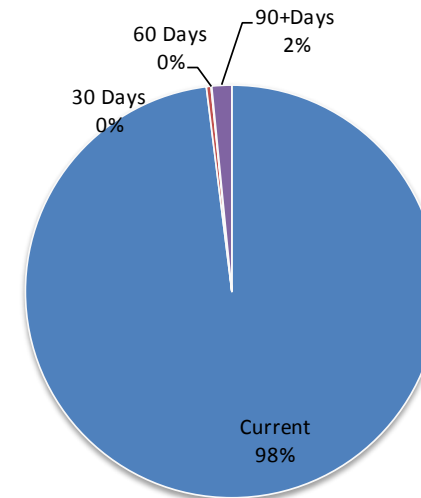
Receivables - General

Total Receivables General Outstanding

	Current	30 Days	60 Days	90+Days
	\$	\$	\$	\$
Receivables - General	130,548	484	71	2,077
Total Receivables General Outstanding				133,179

Amounts shown above include GST (where applicable)

Note 6 - Accounts Receivable (non-rates)



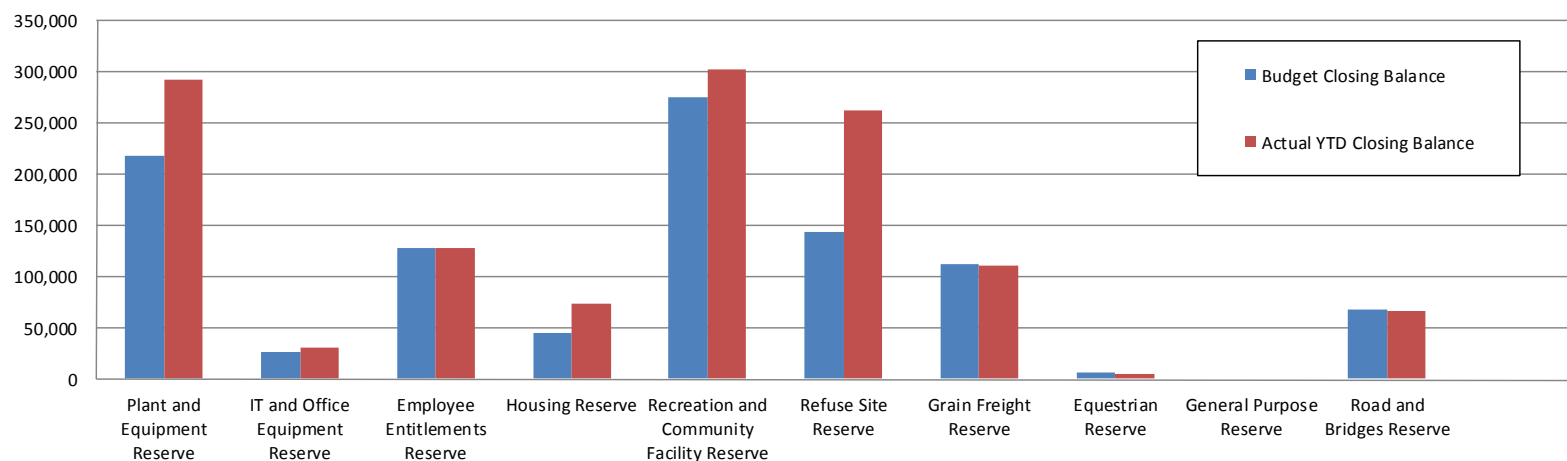
Comments/Notes - Receivables General

Main Roads invoice in current for grant funding

SHIRE OF CUBALLING
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 December 2015

Note 7: Cash Backed Reserve

2015-16										
Name	Opening Balance	Budget Interest Earned	Actual Interest Earned	Budget Transfers In (+)	Actual Transfers In (+)	Budget Transfers Out (-)	Actual Transfers Out (-)	Transfer out Reference	Budget Closing Balance	Actual YTD Closing Balance
	\$	\$	\$	\$	\$	\$	\$		\$	\$
Plant and Equipment Reserve	289,119	4,372	2,321	0	0	(76,190)	0		217,301	291,440
IT and Office Equipment Reserve	29,864	452	240	0	0	(5,000)	0		25,316	30,104
Employee Entitlements Reserve	126,014	1,906	1,012	0	0	0	0		127,920	127,026
Housing Reserve	7,791	1,106	587	65,327	65,315	(30,000)	0		44,224	73,693
Recreation and Community Facility Reserve	299,160	4,524	2,403	0	0	(29,000)	0		274,684	301,563
Refuse Site Reserve	199,867	3,930	2,087	60,000	60,000	(120,000)	0		143,797	261,954
Grain Freight Reserve	175,256	2,650	878	0	0	(66,000)	(66,000)		111,906	110,134
Equestrian Reserve	4,191	200	34	2,000	0	0	0		6,391	4,225
General Purpose Reserve	125,315	0	0	0	0	(125,315)	(125,315)		0	0
Road and Bridges Reserve	0	998	530	66,000	66,000	0	0		66,998	66,530
	1,256,577	20,138	10,092	193,327	191,315	(451,505)	(191,315)		1,018,537	1,266,669

Note 7 - Year To Date Reserve Balance to End of Year Estimate

SHIRE OF CUBALLING
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 December 2015

Note 8 CAPITAL DISPOSALS

Actual YTD Profit/(Loss) of Asset Disposal				Disposals	Amended Current Budget			Comments
Cost	Accum Depr	Proceeds	Profit (Loss)		YTD 31 12 2015			
					Amended Annual Budget Profit/(Loss)	Actual Profit/(Loss)	Variance	
\$	\$	\$	\$	\$	\$	\$		
				Plant and Equipment				
26,000	(6,083)	12,134	(7,782)	Colorado Utility - Crew Vehicle	(10,152)	(7,782)	2,370	
			0	CAT 930G - Loader	(49,822)	0	49,822	
			0			0	0	
			0			0	0	
			0			0	0	
26,000	(6,083)	12,134	(7,782)		(59,974)	(7,782)	52,192	

Comments - Capital Disposal/Replacements

Colorado Utility traded in September - \$12,134.40

CAT Loader no longer to be traded, as per September Council Meeting Resolution

SHIRE OF CUBALLING
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 December 2015

Note 9: RATING INFORMATION	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Amended Budget Rate Revenue \$	Amended Budget Interim Rate \$	Amended Budget Back Rate \$	Amended Budget Total Revenue \$
RATE TYPE											
General Rates											
GRV	0.0663	170	2,168,114	143,112	0	0	143,112	143,724	0	0	143,724
UV	0.0071	216	99,824,000	705,556	0	0	705,556	705,556	0	0	705,556
Sub-Totals		386	101,992,114	848,668	0	0	848,668	849,280	0	0	849,280
	Minimum \$										
Minimum Payment											
GRV	620.00	162	741,460	100,440	0	0	100,440	100,440	0	0	100,440
UV	800.00	128	10,469,225	102,400	0	0	102,400	102,400	0	0	102,400
Sub-Totals		290	11,210,685	202,840	0	0	202,840	202,840	0	0	202,840
Ex-Gratia Rates							1,051,508				949,720
Specified Area Rates							0				0
							0				0
Amount from General Rates							1,051,508				949,720
Discounts							(55,111)				(58,000)
Write Off							(1,771)				
Totals							994,626				891,720

Comments - Rating Information

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

The general rates detailed above for the 2015/16 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also bearing 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/facilities.

SHIRE OF CUBALLING
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 December 2015

10. INFORMATION ON BORROWINGS

(a) Debenture Repayments

Particulars	Loan Date	Years	Principal 1-Jul-15	New Loans	Principal Repayments		Principal Outstanding		Interest Repayments	
					Actual \$	Amended Budget \$	Actual \$	Amended Budget \$	Actual \$	Amended Budget \$
RECREATION AND CULTURE										
Loan 61 - Change Rooms	31/10/2005	10	2,622		2,622	2,622	-	-	37	40
TRANSPORT										
Loan 62 - Loader	11/08/2008	10	95,916		14,694	29,882	81,222	66,034	3,077	5,660
Loan 63 - Graders	7/02/2014	8	257,040		16,771	33,916	240,269	223,124	5,514	10,655
	120,004	28	355,578	0	34,087	66,420	321,491	289,158	8,629	16,356

All debenture repayments were financed by general purpose revenue.

(b) New Debentures

No new debentures were raised during the reporting period.

SHIRE OF CUBALLING
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 December 2015

Note 11: GRANTS AND CONTRIBUTIONS

Program/Details GL	Grant Provider	Approval	2015-16 Amended Budget	Variations Additions (Deletions)	Operating	Capital	Recoup Status	
							Received	Not Received
		(Y/N)	\$	\$	\$	\$	\$	\$
GENERAL PURPOSE FUNDING								
Grants Commission - General	WALGGC	Y	281,045	0	281,045	0	132,405	148,640
Grants Commission - Roads	WALGGC	Y	149,287	0	149,287	0	114,107	35,180
LAW, ORDER, PUBLIC SAFETY								
FESA Grant - Operating Bush Fire Brigade	Dept. of Fire & Emergency Services	Y	15,563	0	15,563	0	(349)	15,911
Smartboxes at Firestations	Volunteer Bushfire Association	Y	0	0	2,891	0	2,891	0
COMMUNITY AMENITIES								
Regional Landfill Transfer Station Infrastructure Development Grant	Waste Authority	Y	30,000	0	0	30,000	0	30,000
RECREATION AND CULTURE								
CSRFF Grant - Equestrian Show Jumping Arena	CSRFF	Y	60,419	0	0	60,419	0	60,419
Community Group Contribution to Equestrian Show Jumping Arena	DREA, DPA	Y	40,909	0	0	40,909	0	40,909
Kidsport Funding	Dept. of Sport & Recreation	Y	0	0	1,100	0	1,000	100
TRANSPORT								
Direct Grant	Main Roads	Y	69,700	0	0	69,700	69,700	0
Roads To Recovery Grant - Capital	Roads to Recovery	Y	303,390	0	0	303,390	114,107	189,283
RRG Grants - Capital Projects	Regional Road Group	Y	252,453	0	0	252,453	201,962	50,491
Licensing Commission	Dept. of Transport	Y	9,000	0	9,000	0	5,646	3,354
TOTALS			1,211,766	0	458,885	756,871	641,470	574,287
Operating	Operating		458,885				255,700	
Non-Operating	Non-operating		726,871				385,769	
			<u>1,185,756</u>				<u>641,470</u>	

SHIRE OF CUBALLING
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 December 2015

Note 12: TRUST FUND

Funds held at balance date over which the Shire has no control and which are not included in this statement are as follows:

Description	Opening Balance 1 Jul 15	Amount Received	Amount Paid	Closing Balance 31-Dec-15
	\$	\$	\$	\$
Bonds - Building	14,389	0	0	14,389
Bonds - Hall Hire	1,050	200	(200)	1,050
Commodine Tennis Club	3,090	0	0	3,090
Cuballing Country Festival	1,099	0	0	1,099
Cuballing Cricket Club	200	0	0	200
Popo Plates	0	0	0	0
Cuballing Football Association	566	0	0	566
Environment and Townscape Trust Fund	5,713	0	0	5,713
Police Licensing	5,148	113,762	(114,296)	4,614
Swipe cards	1,545	0	0	1,545
Reimbursements	0	320	0	320
	32,800	114,282	(114,496)	32,586

Level of Completion Indicators

- 0% ○
 20% ○
 40% ●
 60% ●
 80% ●
 100% ●

SHIRE OF CUBALLING
 NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
 For the Period Ended 31 December 2015

Note 13: CAPITAL ACQUISITIONS

Level of Completion Indicator	Infrastructure Assets	COA / Job	Annual Budget	YTD Budget	YTD 31 07 2015		Strategic Reference / Comment
					YTD Actual	Variance (Under)/Over	
	Land and Buildings						
	Governance						
○	Back Office Fit Out	104261	(5,950)	0	(381)	(381)	
○	Governance Total		(5,950)	0	(381)	(381)	
	Community Amenities						
○	Refuse Site - Land Purchase	10740	(80,000)	(80,000)	0	80,000	
○	Transfer Station Development	10742	(100,000)	(59,980)	0	59,980	
○	Community Amenities Total		(180,000)	(139,980)	0	139,980	
	Recreation And Culture						
●	Equestrian Clubrooms	11148	(56,060)	(56,060)	(53,010)	3,050	
●	Tennis Building	11055	(9,200)	(9,200)	(6,863)	2,337	
●	Equestrian Show Jumping Arena	11305	(172,263)	(103,323)	(139,875)	(36,552)	
○	Popanyinning School	11056	(25,000)	0	0	0	
●	Recreation And Culture Total		(262,523)	(168,583)	(199,748)	(31,165)	
	Transport						
●	Depot Shed Upgrade	12145	(20,000)	(20,000)	(14,988)	5,012	
○	Transport Total		(20,000)	(20,000)	(14,988)	5,012	
○	Land & Buildings Total		(468,473)	(328,563)	(215,117)	113,446	
	Plant and Equipment						
	Transport						
●	CAT Loader and Attachments	12419	(330,000)	(330,000)	(276,000)	54,000	
●	Colorado Utility - Crew Vehicle	12417	(31,500)	(31,500)	(41,934)	(10,434)	
○	Mowers - Roadside and Oval	12420	(11,500)	(11,500)	0	11,500	
●	Traffic Lights	12421	(34,690)	(34,690)	(34,690)	0	
●	Transport Total		(407,690)	(407,690)	(352,624)	55,066	
●	Plant & Equipment Total		(407,690)	(407,690)	(352,624)	55,066	
	Roads						
	Transport						
●	Wandering Narrogin Road - RRG	J600	(378,680)	(212,247)	(313,301)	(101,054)	
●	Reseals - CLGF, R2R	12105	(85,760)	(27,945)	(46,877)	(18,932)	
●	Popanyinning East Reseals - R2R	R004	(74,925)	(44,939)	(76,115)	(31,176)	
○	Popanyinning West Stabilisation- R2R	R002	(72,001)	(44,005)	(14,619)	29,386	
○	Popanyinning West Widening - R2R	R002A	(73,361)	(43,187)	(808)	42,379	
○	Popanyinning Truck Bay and Standpipe - R2R	R024	(44,428)	(26,649)	(4,154)	22,495	
●	Town Reseals	J411	(39,182)	(23,499)	(35,337)	(11,838)	
○	Transport Total		(768,337)	(422,471)	(491,211)	(56,902)	
○	Roads Total		(768,337)	(422,471)	(491,211)	(56,902)	
○	Capital Expenditure Total		(1,644,500)	(1,158,724)	(1,058,952)	111,610	

9.1.3 Statement of Financial Activity – For Period Ended 31st January 2016

Applicant:	N/A
File Ref. No:	ADM214
Disclosure of Interest:	Nil
Date:	1 st February 2016
Author:	Tonya Williams, Deputy Chief Executive Officer
Attachments:	9.1.3A Statement of Financial Activity – For Period Ended 31 st January 2016

Summary

Council is to consider the Statement of Financial Activity for period ended 31st January 2016.

Background

As per the Financial Management Regulation 34 each Local Government is to prepare each month a statement of financial activity reporting on the sources and applications of funds, as set out in the annual budget under regulation 22(1) (d), for that month with the following detail

- The annual budget estimates,
- The operating revenue, operating income, and all other income and expenses,
- Any significant variations between year to date income and expenditure and the relevant budget provisions to the end of the relevant reporting period,
- Identify any significant areas where activities are not in accordance with budget estimates for the relevant reporting period,
- Provide likely financial projections to 30 June for those highlighted significant variations and their effect on the end of year result,
- Include an operating statement, and
- Any other required supporting notes.

Comment

Governance

The LGIS Dividend has been received earlier than expected. Timing difference as Staff Training expenses have not been utilised. Council election costs were less than budgeted.

Law, Order and Public Safety

Income and expenditure have a permanent difference as an unbudgeted grant was received and expended to install mobile reception boosters at the Fire Stations in Cuballing and Popanyinning. Additional funds have also been paid for the over-expenditure claim from 2014/15.

Health

Additional septic licence fees have been received.

Education and Welfare

The Age Friendly Audit was expected to be completed in August, this has created a timing difference as spending on the Aged Housing Project is expected later in the financial year.

Housing

Timing difference, maintenance costs are lower than budgeted. Permanent difference, rent contribution by salary sacrifice not budgeted for.

Community Amenities

Permanent difference higher than expected funds for Town Planning received. Timing difference on the expenditure for the Local Planning Strategy review.

Recreation and Culture

Income has a timing difference as budget expected an instalment payment of the CSRFF Grant that has not been received. It was also budgeted to invoice the next set of Equestrian lease fees but this has not happened yet. Income will have a permanent difference as Kidsport funding was received and not budgeted for, Council will now manage these funds. Timing difference, maintenance costs are lower than expected.

Transport

Permanent difference as the depreciation costs on Roads is significantly higher than budgeted due to the revaluation of Infrastructure Assets from 2014/15.

Economic Services

Additional Building Licenses have been received. Timing difference, expected to pay the Dryandra Country Visitors Centre contribution invoice in August but this has not yet been paid.

Other Property and Services

Private Works has cost less than expected to date. Private Works for Building is also invoiced at the start of the new month and has created a timing difference for invoicing. There is a timing difference on staff training expenses, holiday pay and Public Works Overheads Other spending.

Capital Expenditure

It was budgeted to spend the remaining funding for the Equestrian Clubrooms evenly over the first three months of this financial year, works are moving along and funds are almost fully expended.

Large invoices for the Capital Works program are being received for payment, there is a timing difference on this expenditure that will even out over the coming months as works are completed.

Purchase of new Ute was more than budgeted, the trade in costs was allocated rather than the full purchase price. Purchase of a new mower was under the capitalisation threshold (and budget) and further spending will be delayed until the new financial year.

Detailed breakdown of all variances provided in Note 2 of the Statement of Financial Activity.

Administration Allocations done to January 2016.

Depreciation expenses calculated to January 2016.

Strategic Implications - Nil

Statutory Environment – Nil

Policy Implications – Nil

Financial Implications – Nil

Economic Implication - Nil

Environmental Considerations - Nil

Consultation - Nil

Options

Council may resolve:

1. the Officer's Recommendation; or
2. not to receive the Statement of Financial Activity

Voting Requirements – Simple Majority

COUNCIL DECISION:

That the Statement of Financial Activity, as included at Attachment 9.1.3A for the Shire of Cuballing for period ending 31st January 2016 be received.

Moved: Cr Ballantyne

Seconded: Cr Newman

Carried 6/0

SHIRE OF CUBALLING
MONTHLY FINANCIAL REPORT
For the Period Ended 31 January 2016

LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

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Shire of Cuballing
Compilation Report
For the Period Ended 31 January 2016

Report Purpose

This report is prepared to meet the requirements of *Local Government (Financial Management) Regulations 1996*, Regulation 34 .

Overview

Summary reports and graphical progressive graphs are provided on page 3, 4 and 5.
No matters of significance are noted.

Statement of Financial Activity by reporting program

Is presented on page 6 and shows a surplus as at 31 January 2016 of \$465,456.

Note: The Statements and accompanying notes are prepared based on all transactions recorded at the time of preparation and may vary.

Preparation

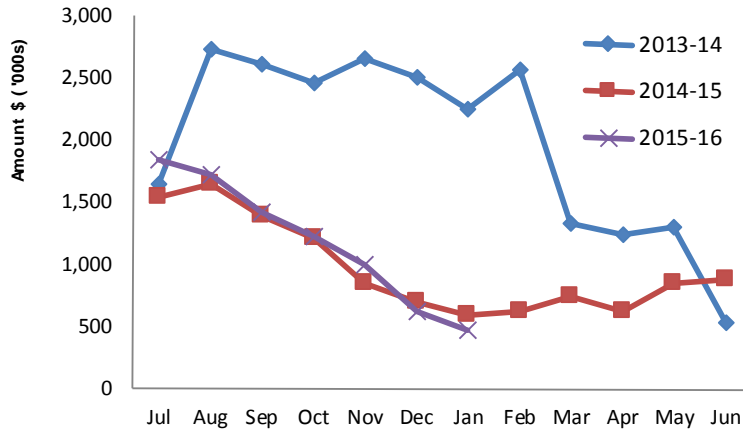
Prepared by: Tonya Williams, Deputy Chief Executive Officer

Reviewed by:

Date prepared: 6th January 2016

Shire of Cuballing
 Monthly Summary Information
 For the Period Ended 31 January 2016

Liquidity Over the Year (Refer Note 3)



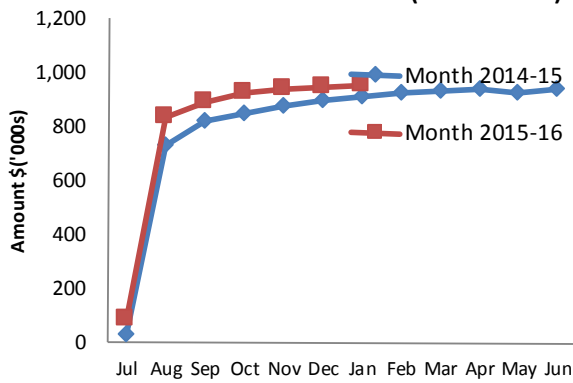
Cash and Cash Equivalents as at period end

Unrestricted	\$ 253,757
Restricted	\$ 1,269,577
	\$ 1,523,334

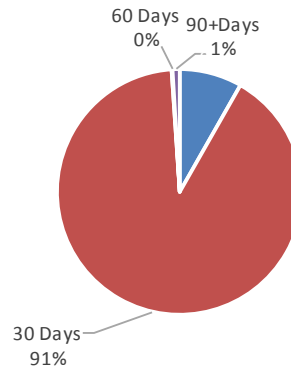
Receivables

Rates	\$ 80,924
Other	\$ 123,109
	\$ 204,033

Rates Receivable (Refer Note 6)



Accounts Receivable Ageing (non-rates) (Refer Note 6)



Comments

Early Discount - 14th August 2015
 Rates Due - 28th August 2015
 47 on installments

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

SHIRE OF CUBALLING
STATEMENT OF FINANCIAL ACTIVITY
(Statutory Reporting Program)
For the Period Ended 31 January 2016

Note	Adopted Annual Budget	Adopted YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
Operating Revenues						
	\$	\$	\$	\$	%	
Governance	2,500	1,787	6,404	4,617	258.34%	
General Purpose Funding	1,316,565	1,051,001	1,155,529	104,528	9.95%	
Law, Order and Public Safety	20,063	14,542	28,525	13,983	96.15%	▲
Health	1,500	464	762	298	64.22%	
Education and Welfare	0	0	0	0		
Housing	0	0	2,520	2,520		
Community Amenities	1,350	769	2,092	1,323	172.10%	
Recreation and Culture	13,750	13,331	8,739	(4,592)	(34.45%)	
Transport	158,287	79,894	78,950	(944)	(1.18%)	
Economic Services	32,300	17,925	47,905	29,980	167.25%	▲
Other Property and Services	333,600	135,158	148,830	13,672	10.12%	▲
Total Operating Revenue	1,879,915	1,314,871	1,480,257	165,386		
Operating Expense						
Governance	(123,858)	(101,263)	(81,995)	19,269	19.03%	▲
General Purpose Funding	(57,098)	(30,167)	(28,506)	1,661	5.51%	
Law, Order and Public Safety	(114,049)	(67,643)	(70,359)	(2,716)	(4.02%)	
Health	(39,543)	(23,197)	(19,973)	3,224	13.90%	▲
Education and Welfare	(75,022)	(10,220)	(9,826)	394	3.86%	
Housing	(48,751)	(29,702)	(28,711)	991	3.34%	
Community Amenities	(235,141)	(119,438)	(95,660)	23,778	19.91%	▲
Recreation and Culture	(254,827)	(159,155)	(158,772)	383	0.24%	
Transport	(1,746,746)	(1,018,656)	(1,122,687)	(104,031)	(10.21%)	▼
Economic Services	(170,518)	(99,809)	(66,877)	32,932	32.99%	
Other Property and Services	(298,939)	(182,305)	(306,882)	(124,577)	(68.33%)	▼
Total Operating Expenditure	(3,164,492)	(1,841,555)	(1,990,248)	(148,693)		
Funding Balance Adjustments						
Add back Depreciation	923,700	538,811	836,835	298,024	55.31%	▲
Adjust (Profit)/Loss on Asset Disposal	59,974	59,974	7,782	(52,192)	(87.02%)	▼
Adjust Provisions and Accruals	0	0	0	0		
Net Cash from Operations	(300,904)	72,101	334,626	262,525		
Capital Revenues						
Grants, Subsidies and Contributions	756,871	372,990	385,769	12,779	3.43%	
Proceeds from Disposal of Assets	95,634	95,634	12,134	(83,500)	(87.31%)	▼
Total Capital Revenues	852,505	468,624	397,903	(70,721)		
Capital Expenses						
Land Held for Resale	0	0	0	0		
Land and Buildings	(468,473)	(359,739)	(241,444)	118,295	32.88%	▲
Infrastructure - Roads & Footpaths	(729,155)	(490,876)	(498,318)	(7,442)	(1.52%)	
Plant and Equipment	(407,690)	(407,690)	(352,624)	55,066	13.51%	▲
Furniture and Equipment	0	0	0	0		
Total Capital Expenditure	(1,605,318)	(1,258,305)	(1,092,386)	165,919		
Net Cash from Capital Activities	(752,813)	(789,681)	(694,482)	95,198		
Financing						
Proceeds from New Debentures	0	0	0	0		
Proceeds from Advances	0	0	0	0		
Self-Supporting Loan Principal	0	0	0	0		
Transfer from Reserves	451,505	191,315	191,315	0	0.00%	
Transfer from Restricted Cash	70,275	70,275	64,851	(5,424)		
Transfer to Restricted Cash	0	0	0	0		
Advances to Community Groups	0	0	0	0		
Repayment of Debentures	(66,420)	(36,918)	(36,918)	0	0.00%	
Transfer to Reserves	(213,464)	(192,814)	(204,315)	(11,501)	(5.96%)	
Net Cash from Financing Activities	241,896	31,858	14,933	(16,925)		
Net Operations, Capital and Financing	(811,820)	(685,722)	(344,923)	340,799		
Opening Funding Surplus(Deficit)	811,820	811,820	810,380	(1,440)	(0.18%)	▼
Closing Funding Surplus(Deficit)	(0)	126,098	465,456	339,358		

Indicates a variance between Year to Date (YTD) Budget and YTD Actual data as per the adopted materiality threshold. Refer to Note 2 for an explanation of the reasons for the variance.

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

SHIRE OF CUBALLING
STATEMENT OF FINANCIAL ACTIVITY
(By Nature or Type)
For the Period Ended 31 January 2016

Note	Adopted Annual Budget	Adopted YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
Operating Revenues						
	\$	\$	\$	\$	%	
9	994,120	886,075	994,623	108,548	12.25%	▲
	Operating Grants, Subsidies and Contributions					
11	454,895	233,041	286,206	53,165	22.81%	▲
	Fees and Charges					
	374,900	223,775	158,054	(65,721)	(29.37%)	▼
	Service Charges					
	0	0	0	0		
	Interest Earnings					
	38,000	22,954	25,607	2,653	11.56%	
	Other Revenue					
	18,000	9,000	15,766	6,766	75.18%	▲
8	Profit on Disposal of Assets					
	0	0	0			
	Total Operating Revenue					
	1,879,915	1,374,845	1,480,257	105,412		
Operating Expense						
	(1,030,464)	(589,637)	(508,968)	80,669	13.68%	▲
	Employee Costs					
	(922,721)	(521,790)	(455,256)	66,535	12.75%	▲
	Materials and Contracts					
	(33,000)	(18,943)	(21,503)	(2,560)	(13.52%)	▼
	Utility Charges					
	(923,700)	(538,811)	(836,835)	(298,024)	(55.31%)	▼
	Depreciation on Non-Current Assets					
	(16,356)	(9,259)	(9,512)	(253)	(2.73%)	
	Interest Expenses					
	(116,177)	(115,265)	(109,767)	5,498	4.77%	
	Insurance Expenses					
	(62,100)	(47,850)	(40,625)	7,225	15.10%	▲
8	Other Expenditure					
	(59,974)	(59,974)	(7,782)			
	Loss on Disposal of Assets					
	(3,164,492)	(1,901,529)	(1,990,248)	(140,911)		
	Total Operating Expenditure					
Funding Balance Adjustments						
	Add back Depreciation					
	923,700	538,811	836,835	298,024	55.31%	▲
8	Adjust (Profit)/Loss on Asset Disposal					
	59,974	59,974	7,782	(52,192)	(87.02%)	▼
	Adjust Provisions and Accruals					
	0	0	0	0		
	Net Cash from Operations					
	(300,903)	72,101	334,626	210,334		
Capital Revenues						
11	Grants, Subsidies and Contributions					
	756,871	372,990	385,769	12,779	3.43%	
8	Proceeds from Disposal of Assets					
	95,634	95,634	12,134	(83,500)	(87.31%)	▼
	Total Capital Revenues					
	852,505	468,624	397,903	(70,721)		
Capital Expenses						
	Land Held for Resale					
	0	0	0	0		
13	Land and Buildings					
	(468,473)	(359,739)	(241,444)	118,295	32.88%	▲
13	Infrastructure - Roads & Footpaths					
	(729,155)	(490,876)	(498,318)	(7,442)	(1.52%)	
13	Plant and Equipment					
	(407,690)	(407,690)	(352,624)	55,066	13.51%	▲
13	Furniture and Equipment					
	0	0	0	0		
	Total Capital Expenditure					
	(1,605,318)	(1,258,305)	(1,092,386)	165,919		
	Net Cash from Capital Activities					
	(752,813)	(789,681)	(694,482)	95,198		
Financing						
	Proceeds from New Debentures					
	0	0	0	0		
	Proceeds from Advances					
	0	0	0	0		
	Self-Supporting Loan Principal					
	0	0	0	0		
7	Transfer from Reserves					
	451,505	191,315	191,315	0	0.00%	
	Transfer from Restricted Cash					
	70,275	70,275	64,851			
	Transfer to Restricted Cash					
	0	0	0	0		
	Advances to Community Groups					
	0	0	0	0		
10	Repayment of Debentures					
	(66,420)	(36,918)	(36,918)	0	0.00%	
7	Transfer to Reserves					
	(213,464)	(192,814)	(204,315)	(11,501)	(5.96%)	
	Net Cash from Financing Activities					
	241,896	31,858	14,933	(11,501)		
	Net Operations, Capital and Financing					
	(811,820)	(685,722)	(344,923)	294,031		
3	Opening Funding Surplus(Deficit)					
	811,820	811,820	810,380	(1,440)	(0.18%)	
3	Closing Funding Surplus(Deficit)					
	0	126,098	465,456	292,591		

Indicates a variance between Year to Date (YTD) Budget and YTD Actual data as per the adopted materiality threshold. Refer to Note 2 for an explanation of the reasons for the variance.

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

SHIRE OF CUBALLING
STATEMENT OF CAPITAL ACQUISITIONS AND CAPITAL FUNDING
For the Period Ended 31 January 2016

Capital Acquisitions By Class	Note	YTD Actual Total (a)	YTD Budget (b)	Annual Budget	Variance (b) - (a)
		\$	\$	\$	\$
Land and Buildings	13	241,444	359,739	468,473	(118,295)
Infrastructure Assets	13	498,318	490,876	729,155	7,442
Plant and Equipment	13	352,624	407,690	407,690	(55,066)
Furniture and Equipment	13	0	0	0	0
Capital Expenditure Totals		1,092,386	1,258,305	1,605,318	(165,919)

Capital Acquisitions By Program	Note	YTD Actual Total (a)	YTD Budget (b)	Annual Budget	Variance (b) - (a)
		\$	\$	\$	\$
Governance	13	921	3,950	5,950	(3,029)
Community Amenities	13	0	149,980	180,000	(149,980)
Recreation and Culture	13	219,895	185,809	262,523	34,086
Transport	13	871,570	918,566	1,156,845	(46,996)
Capital Expenditure Totals		1,092,386	1,258,305	1,605,318	(165,919)

Funded By:

Capital Grants and Contributions	385,769	372,990	0	12,779
Borrowings	0	0	0	0
Other (Disposals & C/Fwd)	12,134	95,634	0	(83,500)
Own Source Funding - Cash Backed Reserves				
Plant and Equipment Reserve	0	0	76,190	
Administration Building and Office Equipment Reserve	0	0	5,000	
Housing Reserve	0	0	30,000	
Recreation and Community Facility Reserve	0	0	29,000	
Refuse Site Reserve	0	0	120,000	
Grain Freight Reserve	66,000	66,000	66,000	
General Purpose Reserve	125,315	125,315	125,315	
Total Own Source Funding - Cash Backed Reserves	-191,315	191,315	451,505	382,630
Own Source Funding - Operations	694,482	407,051	702,308	287,431
Capital Funding Total	1,092,386	1,258,305	1,605,318	(165,919)

Comments and graphs

Capital Expenditure Program YTD



SHIRE OF CUBALLING
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 January 2016

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

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

Except for cash flow and rate setting information, the report 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.

Critical Accounting Estimates

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

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

(b) The Local Government Reporting Entity

All Funds through which the Council controls resources to carry on its functions have been included in this statement.

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 statement, but a separate statement of those monies appears at Note 12.

(c) Rounding Off Figures

All figures shown in this statement are rounded to the nearest dollar.

(d) 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.

(e) 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.

SHIRE OF CUBALLING
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 January 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Cash and Cash Equivalents

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

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

(g) 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.

Collectability 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.

(h) 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 held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed.

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

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

(i) Fixed Assets

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 local government includes the cost of all materials used in the construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. Assets carried at fair value 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.

SHIRE OF CUBALLING
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 January 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Depreciation of Non-Current Assets

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

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

Buildings	30 to 50 years
Furniture and Equipment	4 to 10 years
Plant and Equipment	5 to 15 years
Sealed roads and streets clearing and earthworks construction/road base original surfacing and major re-surfacing	not depreciated 50 years
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads clearing and earthworks construction/road base gravel sheet	not depreciated 50 years 12 years
Formed roads (unsealed) clearing and earthworks construction/road base	not depreciated 50 years
Footpaths - slab	20 years
Sewerage piping	100 years
Water supply piping & drainage systems	75 years

(k) 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.

(l) Employee Benefits

The provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

(i) Wages, Salaries, Annual Leave and Long Service Leave (Short-term Benefits)

The provision for employees' benefits to wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount the Shire has a present obligation to pay resulting from employees services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the Shire expects to pay and includes related on-costs.

(ii) Annual Leave and Long Service Leave (Long-term Benefits)

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the project unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where the Shire does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

SHIRE OF CUBALLING
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 January 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Interest-bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

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.

(n) Provisions

Provisions are recognised when: The council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one of item included in the same class of obligations may be small.

(o) 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 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 Council's intentions to release for sale.

SHIRE OF CUBALLING
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 January 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Nature or Type Classifications

Rates

All rates levied under the Local Government Act 1995. Includes general, differential, specific area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts offered. Exclude administration fees, interest on instalments, interest on arrears and service charges.

Operating Grants, Subsidies and Contributions

Refer to all amounts received as grants, subsidies and contributions that are not non-operating grants.

Non-Operating Grants, Subsidies and Contributions

Amounts received specifically for the acquisition, construction of new or the upgrading of non-current assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

Profit on Asset Disposal

Profit on the disposal of assets including gains on the disposal of long term investments. Losses are disclosed under the expenditure classifications.

Fees and Charges

Revenues (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees. Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

Service Charges

Service charges imposed under Division 6 of Part 6 of the Local Government Act 1995. Regulation 54 of the Local Government (Financial Management) Regulations 1996 identifies the These are television and radio broadcasting, underground electricity and neighbourhood surveillance services. Exclude rubbish removal charges. Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

Interest Earnings

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

Other Revenue / Income

Other revenue, which can not be classified under the above headings, includes dividends, discounts, rebates etc.

Employee Costs

All costs associate with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences, safety expenses, medical examinations, fringe benefit tax, etc.

Materials and Contracts

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc. Local governments may wish to disclose more detail such as contract services, consultancy, information technology, rental or lease expenditures.

Utilities (Gas, Electricity, Water, etc.)

Expenditures made to the respective agencies for the provision of power, gas or water. Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

SHIRE OF CUBALLING
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 January 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Nature or Type Classifications (Continued)

Insurance

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

Loss on asset disposal

Loss on the disposal of fixed assets.

Depreciation on non-current assets

Depreciation expense raised on all classes of assets.

Interest expenses

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and refinancing expenses.

Other expenditure

Statutory fees, taxes, provision for bad debts, member's fees or levies including WA Fire Brigade Levy and State taxes. Donations and subsidies made to community groups.

(r) Statement of Objectives

Council has adopted a 'Plan for the future' comprising a Strategic Community Plan and Corporate Business Plan to provide the long term community vision, aspirations and objectives.

Based upon feedback received from the community the vision of the Shire is:

"A wonderful place to live, work, invest and visit with the community working together to achieve shared objectives"

The Strategic Community Plan defines the key objectives of the Shire as:

"Economic: A strong, resilient and balanced economy.

Environment: Our unique natural and built environment is protected and enhanced.

Social: Our community enjoys a high quality of life.

Civic Leadership: A collaborative and engaged community."

(s) Reporting Programs

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

GOVERNANCE

Expenses associated with provision of services to members of council and elections. Also included are costs associated with computer operations, corporate accounting, corporate records and asset management. Costs reported as administrative expenses are redistributed in accordance with the principle of activity based costing (ABC).

GENERAL PURPOSE FUNDING

Rates and associated revenues, general purpose government grants, interest revenue and other miscellaneous revenues such as commission on Police Licensing. The costs associated with raising the above mentioned revenues, eg. Valuation expenses, debt collection and overheads.

LAW, ORDER, PUBLIC SAFETY

Enforcement of Local Laws, fire prevention, animal control and provision of ranger services.

HEALTH

Health inspection services, food quality control, mosquito control and contributions towards provision of medical health services.

SHIRE OF CUBALLING
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 January 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Reporting Programs (Continued)

HOUSING

Provision and maintenance of rented housing accommodation for pensioners and employees.

COMMUNITY AMENITIES

Sanitation, sewerage, stormwater drainage, protection of the environment, public conveniences, cemeteries and town planning.

RECREATION AND CULTURE

Parks, gardens and recreation reserves, library services, television and radio re-broadcasting, swimming facilities, walk trails, youth recreation, Shark Bay World Heritage Discovery and Visitor Centre, boat ramps, foreshore, public halls and Shark Bay Recreation Centre.

TRANSPORT

Construction and maintenance of roads, footpaths, drainage works, parking facilities, traffic control, depot operations, plant purchase, marine facilities and cleaning of streets.

ECONOMIC SERVICES

Tourism, community development, pest control, building services, caravan parks and private works.

OTHER PROPERTY & SERVICES

Plant works, plant overheads and stock of materials.

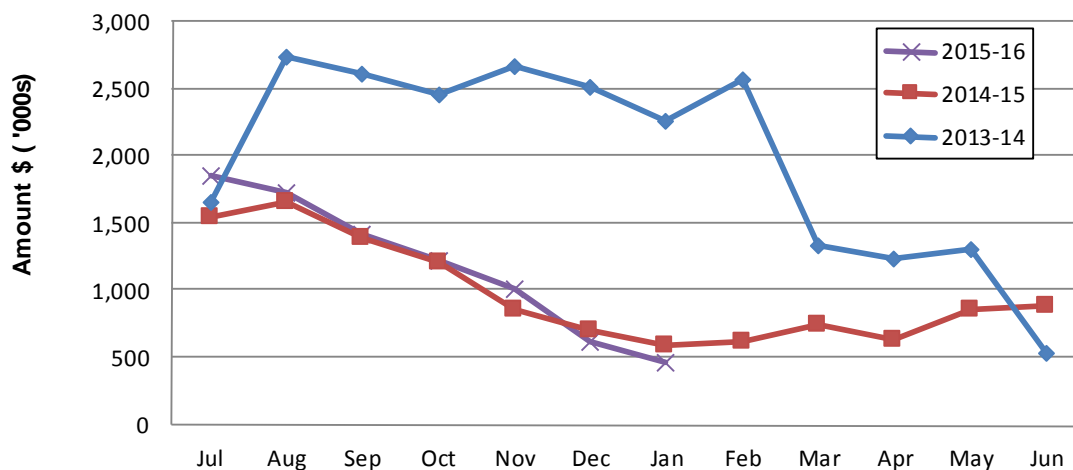
Note 2: EXPLANATION OF MATERIAL VARIANCES

Reporting Program	Var. \$	Var. %	V	Timing/ Permane	Explanation of Variance
Operating Revenues	\$	%			
General Purpose Funding	104,528	9.95%		Timing	Less on Rates installments than budgeted.
Governance	4,617	258.34%		Permanent	Water Corp Refund received, was expected in June 15. LGIS Dividend paid earlier than expected.
Law, Order and Public Safety	13,983	96.15%	▲	Permanent	Volunteer Bushfire Association Grant received. Additional funds from 14/15 overspend received.
Health	298	64.22%		Timing	Additional Septic Tank Licences received
Education and Welfare	0				No material variance
Housing	2,520			Permanent	Rent contribution, salary sacrifice
Community Amenities	1,323	172.10%		Timing	Additional funds for Town Planning received.
Recreation and Culture	(4,592)	(34.45%)		Permanent	Equestrain Centre lease fee, GST included in budget. Kidsport Grant Money received not budgeted. Second fee for lease expected to be invoice, timing difference. Expected to receive CSRFF funds portion, not received.
Transport	(944)	(1.18%)			No material variance
Economic Services	29,980	167.25%	▲	Timing	Additional Building Licenses received
Other Property and Services	13,672	10.12%	▲	Timing	Private Works Building - invoiced start of new month. Private Works income less than budget.
Operating Expense					
General Purpose Funding	1,661	5.51%		Timing	Rate Recovery invoice allocated but not yet posted
Governance	19,269	19.03%	▲	Timing	Council Election costs less than expected. Admin allocation less than budgeted.
Law, Order and Public Safety	(2,716)	(4.02%)		Permanent	Mobile Reception at Fire Stations (Grant) Spending.
Health	3,224	13.90%	▲	Timing	EHO Salary less than budget.
Education and Welfare	394	3.86%		Timing	Age Friendly Audit not completed yet
Housing	991	3.34%		Timing	Housing maintenance costs less than budget.
Community Amenities	23,778	19.91%	▲	Timing	Tip and Cemetery maintenance costs lower than budget. Timing difference on Local Planning Strategy review costs.
Recreation and Culture	383	0.24%		Timing	Maintenance costs lower than budget.
Transport	(104,031)	(10.21%)	▼	Permanent	Depreciation costs higher than budget to to 14/15 Road Revaluation. Tourism expenses down (Dryandra Visitor Centre invoice not paid), noxious weed control expenses lower than budget. Building Services cost lower than budget.
Economic Services	32,932	32.99%		Timing	Timing difference on staff training expenses, holiday pay and PWO other expenditure.
Other Property and Services	(124,577)	(68.33%)	▼	Timing	
Capital Revenues					
Grants, Subsidies and Contributions	12,779	3.43%			CSRFF Grant instalment expected, not received
Proceeds from Disposal of Assets	(83,500)	(87.31%)	▼		CAT Loader not disposed.
Capital Expenses					
Land and Buildings	118,295	32.88%	▲	Timing	Depot Upgrade under budget, further invoices expected. Transfer Station development not yet started.
Infrastructure - Roads	(7,442)	(1.52%)		Timing	Timing difference, large invoices expected in coming months.
Plant and Equipment	55,066	13.51%	▲	Timing	Mowers purchased under threshold, permanant difference to expenditure for next year. Works Ute greater than budget as only trade in cost was accounted for. Loader total cost lower than budget.
Furniture and Equipment	0				No material variance
Financing					
Loan Principal	0	0.00%			No material variance

SHIRE OF CUBALLING
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 January 2016

Note 3: NET CURRENT FUNDING POSITION

		Positive=Surplus (Negative=Deficit)		
		YTD 31 Jan 2016	30th June 2016	YTD 31 Jan 2015
		\$	\$	\$
Current Assets				
Cash Unrestricted	4	253,757	774,608	487,318
Cash Restricted - Reserves	4	1,269,577	1,256,586	1,039,922
Cash Restricted Cash	6	0	64,851	0
Receivables	6	208,762	78,409	100,601
Inventories		7,197	7,197	11,032
		1,739,293	2,181,651	1,638,873
Less: Current Liabilities				
Payables and Provisions		(4,260)	(49,834)	(13,017)
		(4,260)	(49,834)	(13,017)
Less: Cash Reserves Restricted	7	(1,269,577)	(1,256,586)	(1,039,922)
Less: Cash - Restricted Municipal		0	(64,851)	0
Net Current Funding Position		465,456	810,380	585,934

Note 3 - Liquidity Over the Year**Comments - Net Current Funding Position**

SHIRE OF CUBALLING
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 January 2016

Note 4: CASH AND INVESTMENTS

	Interest Rate	Unrestricted \$	Restricted \$	Trust \$	Total Amount \$	Institution	Maturity Date
(a) Cash Deposits							
Municipal Bank Account	0.00%	22,051	0		22,051	Commonwealth	At Call
Online Saver	1.75%	42,563			42,563	Commonwealth	At Call
Cash Deposit Account	1.75%	200,000			200,000	Commonwealth	At Call
Police Licensing Account	0.00%	0			0	Commonwealth	At Call
Trust Bank Account	0.00%			22,190	22,190	Commonwealth	At Call
Cash On Hand	Nil	700			700	N/A	On Hand
Reserves	1.75%		1,269,577		1,269,577	Commonwealth	At Call
(b) Term Deposits							
Total		265,314	1,269,577	22,190	1,557,081		

Comments/Notes - Investments

Muni Account Restricted Cash - remaining CLGF funds (all spent)

Police Licensing Account - account not used as funds go through Trust account. Account Closed November 2015, funds transferred to Muni.

SHIRE OF CUBALLING
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 January 2016

Note 5: BUDGET AMENDMENTS

Amendments to original budget since budget adoption. Surplus/(Deficit)

GL Account Code	Description	Council Resolution	Classification	Non Cash Adjustment	Increase in Available Cash	Decrease in Available Cash	Amended Budget Running Balance
	Budget Adoption		Opening Surplus	\$	\$	\$	\$
	Permanent Changes						0
	Changes Due to Timing						0
				0	0	0	

SHIRE OF CUBALLING
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 January 2016

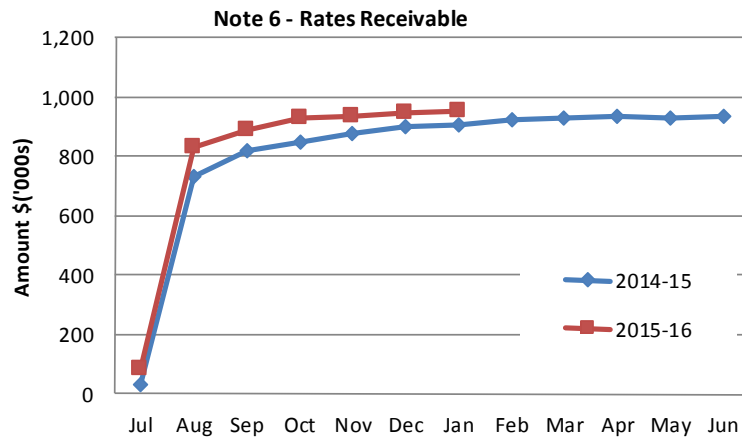
Note 6: RECEIVABLES

Receivables - Rates Receivable

Opening Arrears Previous Years
 Levied this year
 Less Collections to date
 Equals Current Outstanding

Net Rates Collectable
 % Collected

	YTD 31 Jan 2016	30 June 2015
	\$	\$
Opening Arrears Previous Years	39,377	28,976
Levied this year	994,626	944,371
Less Collections to date	(953,079)	(933,970)
Equals Current Outstanding	80,924	39,376
Net Rates Collectable	80,924	39,376
% Collected	92.17%	95.95%



Comments/Notes - Receivables Rates

Early Discount - 14th August 2015
 Rates Due - 28th August 2015

Receivables - General

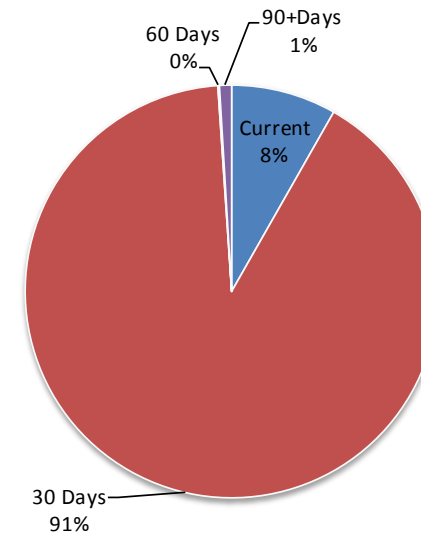
Receivables - General

Total Receivables General Outstanding

	Current	30 Days	60 Days	90+Days
	\$	\$	\$	\$
Receivables - General	10,137	111,656	154	1,161
Total Receivables General Outstanding				123,109

Amounts shown above include GST (where applicable)

Note 6 - Accounts Receivable (non-rates)



Comments/Notes - Receivables General

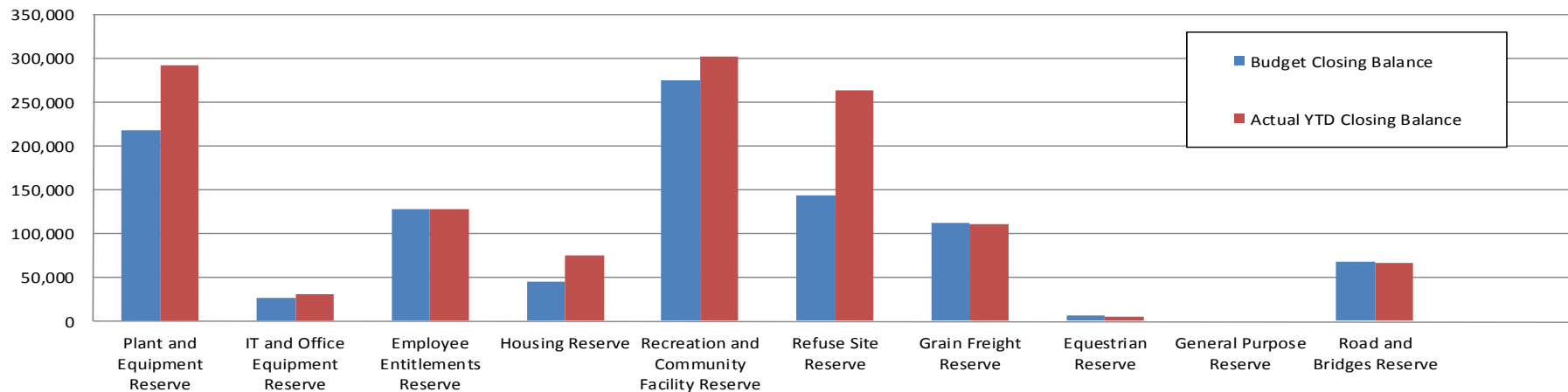
Main Roads invoice in 30 days for grant funding, should be paid in February 2016

**SHIRE OF CUBALLING
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 January 2016**

Note 7: Cash Backed Reserve

2015-16										
Name	Opening Balance	Budget Interest Earned	Actual Interest Earned	Budget Transfers In (+)	Actual Transfers In (+)	Budget Transfers Out (-)	Actual Transfers Out (-)	Transfer out Reference	Budget Closing Balance	Actual YTD Closing Balance
Plant and Equipment Reserve	\$ 289,119	\$ 4,372	\$ 2,991	\$ 0	\$ 0	\$ (76,190)	\$ 0		\$ 217,301	\$ 292,110
IT and Office Equipment Reserve	29,864	452	309	0	0	(5,000)	0		25,316	30,173
Employee Entitlements Reserve	126,014	1,906	1,304	0	0	0	0		127,920	127,318
Housing Reserve	7,791	1,106	756	65,327	65,315	(30,000)	0		44,224	73,862
Recreation and Community Facility Reserve	299,160	4,524	3,095	0	0	(29,000)	0		274,684	302,255
Refuse Site Reserve	199,867	3,930	2,689	60,000	60,000	(120,000)	0		143,797	262,556
Grain Freight Reserve	175,256	2,650	1,130	0	0	(66,000)	(66,000)		111,906	110,386
Equestrian Reserve	4,191	200	43	2,000	0	0	0		6,391	4,234
General Purpose Reserve	125,315	0	0	0	0	(125,315)	(125,315)		0	0
Road and Bridges Reserve	0	998	683	66,000	66,000	0	0		66,998	66,683
	1,256,577	20,138	13,000	193,327	191,315	(451,505)	(191,315)		1,018,537	1,269,577

Note 7 - Year To Date Reserve Balance to End of Year Estimate



SHIRE OF CUBALLING
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 January 2016

Note 8 CAPITAL DISPOSALS

Actual YTD Profit/(Loss) of Asset Disposal				Disposals	Amended Current Budget			Comments
Cost	Accum Depr	Proceeds	Profit (Loss)		YTD 31 01 2016			
					Amended Annual Budget Profit/(Loss)	Actual Profit/(Loss)	Variance	
\$	\$	\$	\$	\$	\$	\$		
				Plant and Equipment				
26,000	(6,083)	12,134	(7,782)	Colorado Utility - Crew Vehicle	(10,152)	(7,782)	2,370	
			0	CAT 930G - Loader	(49,822)	0	49,822	
			0			0	0	
			0			0	0	
			0			0	0	
26,000	(6,083)	12,134	(7,782)		(59,974)	(7,782)	52,192	

Comments - Capital Disposal/Replacements

Colorado Utility traded in September - \$12,134.40

CAT Loader no longer to be traded, as per September Council Meeting Resolution

SHIRE OF CUBALLING
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 January 2016

Note 9: RATING INFORMATION	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Amended Budget Rate Revenue \$	Amended Budget Interim Rate \$	Amended Budget Back Rate \$	Amended Budget Total Revenue \$
General Rates											
GRV	0.0663	170	2,168,114	143,112	0	0	143,112	143,724	0	0	143,724
UV	0.0071	216	99,824,000	705,556	0	0	705,556	705,556	0	0	705,556
Sub-Totals		386	101,992,114	848,668	0	0	848,668	849,280	0	0	849,280
Minimum Payment	Minimum \$										
GRV	620.00	162	741,460	100,440	0	0	100,440	100,440	0	0	100,440
UV	800.00	128	10,469,225	102,400	0	0	102,400	102,400	0	0	102,400
Sub-Totals		290	11,210,685	202,840	0	0	202,840	202,840	0	0	100,440
Ex-Gratia Rates							1,051,508				949,720
Specified Area Rates							0				0
Amount from General Rates							1,051,508				949,720
Discounts							(55,111)				(58,000)
Write Off							(1,771)				
Totals							994,626				891,720

Comments - Rating Information

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

The general rates detailed above for the 2015/16 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also bearing 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/facilities.

SHIRE OF CUBALLING
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 January 2016

10. INFORMATION ON BORROWINGS

(a) Debenture Repayments

Particulars	Loan Date	Years	Principal 1-Jul-15	New Loans	Principal Repayments		Principal Outstanding		Interest Repayments	
					Actual	Amended Budget	Actual	Amended Budget	Actual	Amended Budget
					\$	\$	\$	\$	\$	\$
RECREATION AND CULTURE Loan 61 - Change Rooms	31/10/2005	10	2,622		2,622	2,622	-	-	37	40
TRANSPORT Loan 62 - Loader	11/08/2008	10	95,916		14,694	29,882	81,222	66,034	3,077	5,660
Loan 63 - Graders	7/02/2014	8	257,040		19,603	33,916	237,437	223,124	6,397	10,655
	120,004	28	355,578	0	36,918	66,420	318,659	289,158	9,512	16,356

All debenture repayments were financed by general purpose revenue.

(b) New Debentures

No new debentures were raised during the reporting period.

SHIRE OF CUBALLING
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 January 2016

Note 11: GRANTS AND CONTRIBUTIONS

Program/Details GL	Grant Provider	Approval	2015-16 Amended Budget	Variations Additions (Deletions)	Operating	Capital	Recoup Status	
							Received	Not Received
		(Y/N)	\$	\$	\$	\$	\$	\$
GENERAL PURPOSE FUNDING								
Grants Commission - General	WALGGC	Y	281,045	0	281,045	0	132,405	148,640
Grants Commission - Roads	WALGGC	Y	149,287	0	149,287	0	114,107	35,180
LAW, ORDER, PUBLIC SAFETY								
FESA Grant - Operating Bush Fire Brigade	Dept. of Fire & Emergency Services	Y	15,563	0	15,563	0	22,434	(6,872)
Smartboxes at Firestations	Volunteer Bushfire Association	Y	0	0	2,891	0	2,891	0
COMMUNITY AMENITIES								
Regional Landfill Transfer Station Infrastructure Development Grant	Waste Authority	Y	30,000	0	0	30,000	0	30,000
RECREATION AND CULTURE								
CSRFF Grant - Equestrian Show Jumping Arena	CSRFF	Y	60,419	0	0	60,419	0	60,419
Community Group Contribution to Equestrian Show Jumping Arena	DREA, DPA	Y	40,909	0	0	40,909	0	40,909
Kidsport Funding	Dept. of Sport & Recreation	Y	0	0	1,100	0	1,000	100
TRANSPORT								
Direct Grant	Main Roads	Y	69,700	0	0	69,700	69,700	0
Roads To Recovery Grant - Capital	Roads to Recovery	Y	303,390	0	0	303,390	114,107	189,283
RRG Grants - Capital Projects	Regional Road Group	Y	252,453	0	0	252,453	201,962	50,491
Licensing Commission	Dept. of Transport	Y	9,000	0	9,000	0	6,215	2,785
TOTALS			1,211,766	0	458,885	756,871	664,822	550,934
Operating	Operating		458,885				279,053	
Non-Operating	Non-operating		726,871				385,769	
			<u>1,185,756</u>				<u>664,822</u>	

SHIRE OF CUBALLING
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 January 2016

Note 12: TRUST FUND

Funds held at balance date over which the Shire has no control and which are not included in this statement are as follows:

Description	Opening Balance 1 Jul 15	Amount Received	Amount Paid	Closing Balance 31-Jan-16
	\$	\$	\$	\$
Bonds - Building	14,389	0	0	14,389
Bonds - Hall Hire	1,050	200	(200)	1,050
Commodine Tennis Club	3,090	0	(91)	2,999
Cuballing Country Festival	1,099	0	0	1,099
Cuballing Cricket Club	200	0	0	200
Popo Plates	0	0	0	0
Cuballing Football Association	566	0	0	566
Environment and Townscape Trust Fund	5,713	0	0	5,713
Police Licensing	5,148	144,522	(145,578)	4,092
Swipe cards	1,545	0	0	1,545
Reimbursements	0	320	0	320
	32,800	145,042	(145,869)	31,973

Level of Completion Indicators

- 0% ○
 20% ○
 40% ○
 60% ○
 80% ○
 100% ●

SHIRE OF CUBALLING
 NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
 For the Period Ended 31 January 2016

Note 13: CAPITAL ACQUISITIONS

Level of Completion Indicator	Infrastructure Assets	COA / Job	Annual Budget	YTD Budget	YTD 31 07 2015		Strategic Reference / Comment
					YTD Actual	Variance (Under)/Over	
	Land and Buildings						
	Governance						
○	Back Office Fit Out	104261	(5,950)	0	(921)	(921)	
○	Governance Total		(5,950)	0	(921)	(921)	
	Community Amenities						
○	Refuse Site - Land Purchase	10740	(80,000)	(80,000)	0	80,000	
○	Transfer Station Development	10742	(100,000)	(69,980)	0	69,980	
○	Community Amenities Total		(180,000)	(149,980)	0	149,980	
	Recreation And Culture						
●	Equestrian Clubrooms	11148	(56,060)	(56,060)	(54,487)	1,573	
●	Tennis Building	11055	(9,200)	(9,200)	(6,863)	2,337	
●	Equestrian Show Jumping Arena	11305	(172,263)	(120,549)	(158,545)	(37,996)	
○	Popanyinning School	11056	(25,000)	0	0	0	
○	Recreation And Culture Total		(262,523)	(185,809)	(219,895)	(34,086)	
	Transport						
●	Depot Shed Upgrade	12145	(20,000)	(20,000)	(20,627)	(627)	
○	Transport Total		(20,000)	(20,000)	(20,627)	(627)	
○	Land & Buildings Total		(468,473)	(355,789)	(241,444)	114,345	
	Plant and Equipment						
	Transport						
●	CAT Loader and Attachments	12419	(330,000)	(330,000)	(276,000)	54,000	
●	Colorado Utility - Crew Vehicle	12417	(31,500)	(31,500)	(41,934)	(10,434)	
○	Mowers - Roadside and Oval	12420	(11,500)	(11,500)	0	11,500	
●	Traffic Lights	12421	(34,690)	(34,690)	(34,690)	0	
○	Transport Total		(407,690)	(407,690)	(352,624)	55,066	
○	Plant & Equipment Total		(407,690)	(407,690)	(352,624)	55,066	
	Roads						
	Transport						
●	Wandering Narrogin Road - RRG	J600	(378,680)	(245,604)	(317,844)	(72,240)	
○	Reseals - CLGF, R2R	12105	(85,760)	(32,604)	(46,877)	(14,273)	
●	Popanyinning East Reseals - R2R	R004	(74,925)	(44,939)	(76,115)	(31,176)	
○	Popanyinning West Stabilisation- R2R	R002	(72,001)	(44,005)	(17,183)	26,822	
○	Popanyinning West Widening - R2R	R002A	(73,361)	(43,187)	(808)	42,379	
○	Popanyinning Truck Bay and Standpipe - R2R	R024	(44,428)	(26,649)	(4,154)	22,495	
●	Town Reseals	J411	(39,182)	(23,499)	(35,337)	(11,838)	
○	Transport Total		(768,337)	(460,487)	(498,318)	(25,993)	
○	Roads Total		(768,337)	(460,487)	(498,318)	(25,993)	
○	Capital Expenditure Total		(1,644,500)	(1,223,966)	(1,092,386)	143,418	

9.1.4 Budget Review 2015/2016

Applicant: NA
File Ref. No: ADM 102
Disclosure of Interest: Nil
Date: 8th January 2016
Author: Tonya Williams, Deputy Chief Executive Officer
Attachment: 9.1.4A Budget Review Report 2015/16

Summary

A Statement of Financial Activity incorporating year to date budget variations and forecasts to 30 June 2016 for the period ended 31 December 2015 is presented for council to consider.

Background

The Local Government (Financial Management) Regulations 1996, regulation 33A as amended, requires that Local Governments conduct a budget review between 1 January and 31 March in each financial year. A copy of the review and determination is to be provided to the Department of Local Government within 30 days of the adoption of the review.

A Statement of Financial Activity incorporating year to date budget variations and forecasts to 30 June 2016 is presented for council to consider.

Comment

The budget review has been prepared to include information required by the Local Government Act 1995, Local Government (Financial Management) Regulations 1996 and Australian Accounting Standards. Council adopted a 10% and a \$5,000 minimum for the reporting of material variances to be used in the statements of financial activity and the annual budget review.

These projections are estimates done to the best of the abilities of the staff involved consulting with current accounts, forecasted expenditures and current budgets. These estimates do not guarantee that the 2015/2016 projected results will match the end of year result.

Note 4 of the attached report provides an explanation for predicted variances shown in the Budget Review forecasts for this financial year.

The major variances found in the Budget Review:

- Purchase of Regional Waste Site Land (\$80,000) not to occur this financial year (this has impacted Reserve Transfers as well as Capital Expenditure);
- Only one Transfer Station will be completed this financial year, delaying some construction costs to next financial year (this has impacted Reserve Transfers as well as Capital Expenditure);
- Depreciation expenses are higher than budgeted due to the Infrastructure Revaluation conducted in 2014/2015. Council's Road Network was significantly undervalued and as a result depreciation this financial year is higher than expected;
- The addition of a power pole relocation funded by Main Roads has impacted both Capital Expenditure and Income (\$41,334);

- Higher than expected income from ongoing Workers Compensation claims.
- Received a reimbursement for extra costs for the Bush Fire Brigade in 2014/2015, as well as an additional grant for mobile boosters at the two fire stations. Additionally there are salary sacrifice payments for rent included in this total that were not budgeted; and
- The CAT Loader was not disposed this year as budgeted (\$49,822) and it is expected that the Veneri Loader will be disposed (\$13,375).

Based on Budget Review predictions Council is on track to meet budget with an end of year result of a small surplus of \$3,333.

Strategic Implications - Nil

Statutory Environment

Local Government (Financial Management) Regulations 1996

Part 3 Annual budget — s. 6.2

33A. Review of budget

- (1) Between 1 January and 31 March in each year a local government is to carry out a review of its annual budget for that year.
- (2) Within 30 days after a review of the annual budget of a local government is carried out it is to be submitted to the council.
- (3) A council is to consider a review submitted to it and is to determine* whether or not to adopt the review, any parts of the review or any recommendations made in the review.

**Absolute majority required.*

- (4) Within 30 days after a council has made a determination, a copy of the review and determination is to be provided to the Department.

Policy Implications – Nil

Financial Implications

There are now financial implications that are not included in the report and attachments.

Economic Implication - Nil

Environmental Considerations - Nil

Consultation - Nil

Options

Council may resolve:

1. the Officer's Recommendation;
2. not to adopt the Budget Review for 2015/2016 at this time.

Voting Requirements – Simple Majority

COUNCIL DECISION:

That Council adopt the Budget Review for the financial year 2015/2016 that was conducted in accordance with Regulation 33A (2) and (3) of the Local Government (Financial Management) Regulation 1996.

Moved: Cr Dowling

Seconded: Cr Bradford

Carried 6/0

Shire of Cuballing

REVIEW OF BUDGET REPORT

For the Period Ended 31st December 2015

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LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

Shire of Cuballing
STATEMENT OF BUDGET REVIEW
(Nature or Type)
For the Period Ended 31st December 2015

FM Reg
33A (1)

		FM Reg 33A(2A)(a)		FM Reg 33A(2A)(c)			
		Budget v Actual		Predicted			
Note		Annual Budget \$ (a)	YTD Actual \$ (b)	Variance Permanent (c)	Variance Timing (Carryover) (d)	Year End \$ (a)+(c)+(d)	
FM Reg 33A		\$	\$	\$	\$	\$	
FM Reg Sch 1	Operating Revenues						
	Rate Revenue	994,120	994,626	506		994,626	▲
	Grants, Subsidies and Contributions	454,895	274,107	87,282		542,177	▲
	Profit on Asset Disposal	0	0	0		0	
	Fees and Charges	374,900	151,536	(78,503)		296,397	▼
	Service Charges	0	0			0	
	Interest Earnings	38,000	21,108	1,259		39,259	▲
	Other Revenue	18,000	13,769	7,639		25,639	▲
		1,879,915	1,455,146	18,182	0	1,898,097	
	Operating Expense						
	Employee Costs	(1,030,464)	(509,938)	45,444		(985,020)	▼
	Materials and Contracts	(922,721)	(347,860)	49,315		(873,406)	▼
	Utilities Charges	(33,000)	(17,245)	(3,250)		(36,250)	▲
	Depreciation (Non-Current Assets)	(923,700)	(688,891)	(453,004)		(1,376,704)	▲
	Interest Expenses	(16,356)	(8,629)	3		(16,353)	▼
	Insurance Expenses	(116,177)	(109,767)	4,326		(111,851)	▼
	Loss on Asset Disposal	(59,974)	(7,782)	38,817		(21,157)	▼
	Other Expenditure	(62,100)	(39,219)	7,417		(54,683)	▼
		(3,164,492)	(1,729,331)	(310,932)	0	(3,475,424)	
	Funding Balance Adjustment						
	Add Back Depreciation	923,700	688,891	453,004		1,376,704	▲
	Adjust (Profit)/Loss on Asset Disposal	59,974	7,782	(38,817)		21,157	▼
	Adjust Provisions and Accruals	0	0			0	
	Net Operating	(300,903)	422,488	121,437	0	(179,466)	
	Capital Revenues						
	Grants, Subsidies and Contributions	756,871	385,769	21,078		777,949	▲
	Proceeds from Disposal of Assets	95,634	86,388	(73,500)		22,134	▼
	Proceeds from New Debentures	0	0			0	
	Proceeds from Sale of Investments	0	0			0	
	Proceeds from Advances	0	0			0	
	Self-Supporting Loan Principal	0	0			0	
	Transfer from Reserves	451,505	191,315	(198,690)		252,815	▼
	Transfer from Restricted Cash	70,275	70,275	0		70,275	
		1,374,285	733,747	(251,112)	0	1,123,173	
	Capital Expenses						
	Land Held for Resale	0	0			0	
	Land and Buildings	(468,473)	(215,108)	122,023		(346,450)	▼
	Plant and Equipment	(407,690)	(352,624)	55,066		(352,624)	▼
	Furniture and Equipment	0	0			0	
	Infrastructure Assets - Roads & Footpaths, Other	(729,155)	(491,211)	(42,641)		(771,796)	▲
	Purchase of Investments	0	0			0	
	Repayment of Debentures	(66,420)	(34,087)	0		(66,420)	
	Advances to Community Groups	0	0			0	
	Transfer to Reserves	(213,464)	(201,404)	0		(213,464)	
		(1,885,202)	(1,294,434)	134,447	0	(1,750,755)	
	Net Capital	(510,917)	(560,687)	(116,665)	0	(627,582)	
	Net Operating + Capital	(811,820)	(138,198)	4,773	0	(807,047)	
	Opening Funding Surplus(Deficit)	811,820	810,380	(1,440)		810,380	▼
FM Reg 33A(2A)(b)	Closing Funding Surplus(Deficit)	0	672,182	3,333	0	3,333	▲

Shire of Cuballing
STATEMENT OF BUDGET REVIEW
(Statutory Reporting Program)
For the Period Ended 31st December 2015

FM Reg
33A (1)

		FM Reg 33A(2A)(a)	FM Reg 33A(2A)(c)			
Note	Budget v Actual		Predicted			
	Revised Annual Budget \$ (a)	YTD Actual \$ (b)	Variance Permanent (c)	Variance Timing (Carryover) (d)	Year End \$ (a)+(c)+(d)	
FM Reg 33A						
FM Reg Sch 1	Operating Revenues					
	Governance	2,500	6,367	3,960		6,460 ▲
	General Purpose Funding	1,316,565	1,150,932	(2,466)		1,314,099 ▼
	Law, Order and Public Safety	20,063	23,177	13,490		33,552 ▲
	Health	1,500	762	(738)		762 ▼
	Education and Welfare	0	0			0
	Housing	0	2,160	4,320		4,320 ▲
	Community Amenities	31,350	2,092	742		32,092 ▲
	Recreation and Culture	115,078	8,732	(20,738)		94,340 ▼
	Transport	783,830	464,150	39,819		823,649 ▲
	Economic Services	32,300	43,806	57,001		89,301 ▲
	Other Property and Services	333,600	130,953	(77,286)		256,314 ▼
		2,636,786	1,833,133	18,104	0	2,654,890
	Operating Expense					
	Governance	(123,858)	(78,052)	4,029		(119,829) ▼
	General Purpose Funding	(57,098)	(20,045)	8,432		(48,666) ▼
	Law, Order and Public Safety	(114,049)	(63,882)	3,239		(110,810) ▼
	Health	(39,543)	(17,108)	6,545		(32,998) ▼
	Education and Welfare	(75,022)	(9,050)	1,246		(73,775) ▼
	Housing	(48,751)	(24,940)	60		(48,691) ▼
	Community Amenities	(235,141)	(80,374)	56,843		(178,298) ▼
	Recreation and Culture	(254,827)	(141,894)	14,463		(240,363) ▼
	Transport	(1,746,746)	(976,364)	(469,264)		(2,216,010) ▲
	Economic Services	(170,518)	(58,976)	37,507		(133,011) ▲
	Other Property and Services	(298,939)	(250,863)	47,125		(251,814) ▼
		(3,164,492)	(1,721,549)	(289,774)	0	(3,454,267)
	Funding Balance Adjustment					
	Add Back Depreciation	923,700	688,891	453,004		1,376,704 ▲
	Adjust (Profit)/Loss on Asset Disposal	59,974	7,782	(38,817)		21,157 ▼
	Adjust Provisions and Accruals	0	0			0
	Net Operating	455,967	808,258	142,517	0	598,484
	Capital Revenues					
	Proceeds from Disposal of Assets	95,634	86,388	(73,500)		22,134 ▼
	Proceeds from New Debentures	0	0			0
	Proceeds from Sale of Investments	0	0			0
	Proceeds from Advances	0	0			0
	Self-Supporting Loan Principal	0	0			0
	Transfer from Reserves	451,505	191,315	(198,690)		252,815 ▼
	Transfer from Restricted Cash	70,275	70,275	0		70,275
		617,414	347,978	(272,190)	0	345,224
	Capital Expenses					
	Land Held for Resale	0	0			0
	Land and Buildings	(468,473)	(215,108)	122,023		(346,450) ▼
	Plant and Equipment	(407,690)	(352,624)	55,066		(352,624) ▼
	Furniture and Equipment	0	0			0
	Infrastructure Assets - Roads & Footpaths, Other	(729,154)	(491,211)	(42,642)		(771,796) ▲
	Purchase of Investments	0	0			0
	Repayment of Debentures	(66,420)	(34,087)	0		(66,420) ▼
	Advances to Community Groups	0	0			0
	Transfer to Reserves	(213,464)	(201,404)	0		(213,464) ▼
		(1,885,201)	(1,294,434)	134,446	0	(1,750,755)
	Net Capital	(1,267,787)	(946,456)	(137,744)	0	(1,405,531)
	Net Operating + Capital	(811,820)	(138,198)	4,772	0	(807,047)
	Opening Funding Surplus(Deficit)	811,820	810,380	(1,440)		810,380 ▼
FM Reg (33A(2A)(b))	Closing Funding Surplus(Deficit)	0	672,182	3,332	0	3,333 ▲

Shire of Cuballing
NOTES TO THE BUDGET REVIEW REPORT
For the Period Ended 31st December 2015

1. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of this statement of financial activity are:

(a) Basis of Accounting

This statement is a special purpose financial report, prepared in accordance with applicable Australian Accounting Standards, other mandatory professional reporting requirements and the Local Government Act 1995 (as amended) and accompanying regulations (as amended).

(b) The Local Government Reporting Entity

All Funds through which the Council controls resources to carry on its functions have been included in this statement.

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.

(c) Rounding Off Figures

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

(d) 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.

(e) Goods and Services Tax

In accordance with recommended practice, revenues, expenses and assets capitalised are stated net of any GST recoverable. Receivables and payables are stated inclusive of applicable GST.

(f) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included as short-term borrowings in current liabilities.

(g) Trade and Other Receivables

Trade receivables, which generally have 30 - 90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less any allowance for uncollectible amounts.

Collectability of trade 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.

Shire of Cuballing
NOTES TO THE BUDGET REVIEW REPORT
For the Period Ended 31st December 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Inventories

General

Inventories are valued 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 of necessary to make the sale.

Inventories held from trading are classified as current even if not expected to be raised in the next 12 months.

Land Held for Resale

Land purchased for development and/or resale is valued at the lower of the cost and net realisable value. Cost includes the cost of acquisition, development and interest incurred on the financing of that land during its development. Interest and holding charges incurred after development is complete are recognised as expenses.

Revenue arising from the sale of property is recognised in the operating statement as at the time of signing a binding contract of sale.

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.

(i) Fixed Assets

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

Mandatory Requirement to Revalue Non-Current Assets

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

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

Revaluation

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

Land Under Control

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

Upon initial recognition, these assets were recorded at cost in accordance with AASB 116. They were then classified as Land and revalued along with other land in accordance with the other policies detailed in this Note.

Whilst they were initially recorded at cost (being fair value at the date of acquisition (deemed cost) as per AASB 116) they were revalued along with other items of Land and Buildings at 30 June 2014 and now form part of Land and Buildings to be subject to regular revaluation as detailed above.

Shire of Cuballing
NOTES TO THE BUDGET REVIEW REPORT
For the Period Ended 31st December 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Depreciation of Non-Current Assets

The depreciable amount of all fixed assets including buildings but excluding freehold land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

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

Buildings	30-50 years
Furniture and Equipment	4-10 years
Plant and Equipment	5-15 years
Sealed Roads and Streets	
Clearing and Earthworks	Not Depreciated
Construction/ Road Base	50 years
Original and Major Resurfacing	
Bituminous Seals	20 years
Asphalt Surfaces	25 years
Gravel Roads	
Clearing and Earthworks	Not Depreciated
Construction/ Road Base	50 years
Gravel Sheet	12 years
Formed Roads (unsealed)	
Clearing and Earthworks	Not Depreciated
Construction/ Road Base	50 years
Footpaths - Slab	20 years
Sewerage Piping	100 years
Water Supply Piping and Drainage Systems	75 years

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 \$5,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

Shire of Cuballing
NOTES TO THE BUDGET REVIEW REPORT
For the Period Ended 31st December 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) 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 estimate of the recoverable amount of the asset is made in accordance with AASB 136 "Impairment of Assets" and appropriate adjustments made.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Income Statement.

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 preparing this report, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2015.

In any event, an impairment loss is a non-cash transaction and consequently, has no impact on the Monthly Statement of Financial Position from a budgetary perspective.

(l) Trade and Other Payables

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Municipality prior to the end of the financial year that are unpaid and arise when the Municipality becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(m) Employee Benefits

The provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

(i) Wages, Salaries, Annual Leave and Long Service Leave (Short-term Benefits)

The provision for employees' benefits to wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount the municipality has a present obligation to pay resulting from employees services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the Council expects to pay and includes related on-costs.

(ii) Annual Leave and Long Service Leave (Long-term Benefits)

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the project unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where Council does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

Shire of Cuballing
NOTES TO THE BUDGET REVIEW REPORT
For the Period Ended 31st December 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Interest-bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

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.

(o) Provisions

Provisions are recognised when: The council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one of item included in the same class of obligations may be small.

(p) 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 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 Council's intentions to release for sale.

Shire of Cuballing
NOTES TO THE BUDGET REVIEW REPORT
For the Period Ended 31st December 2015

(q) Nature or Type Classifications**Rates**

All rates levied under the Local Government Act 1995. Includes general, differential, specific area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts offered. Exclude administration fees, interest on instalments, interest on arrears, service charges and sewerage rates.

Operating Grants, Subsidies and Contributions

Refer to all amounts received as grants, subsidies and contributions that are not non-operating grants.

Non-Operating Grants, Subsidies and Contributions

Amounts received specifically for the acquisition, construction of new or the upgrading of non-current assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

Profit on Asset Disposal

Profit on the disposal of assets including gains on the disposal of long term investments. Losses are disclosed under the expenditure classifications.

Fees and Charges

Revenues (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees. Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

Service Charges

Service charges imposed under Division 6 of Part 6 of the Local Government Act 1995. Regulation 54 of the Local Government (Financial Management) Regulations 1996 identifies these as television and radio broadcasting, underground electricity, neighbourhood surveillance services and water. Exclude rubbish removal charges. Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

Interest Earnings

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

Other Revenue / Income

Other revenue, which can not be classified under the above headings, includes dividends, discounts, rebates etc.

Employee Costs

All costs associated with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences, safety expenses, medical examinations, fringe benefit tax, etc.

Materials and Contracts

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc. Local governments may wish to disclose more detail such as contract services, consultancy, information technology, rental or lease expenditures.

Utilities (Gas, Electricity, Water, etc.)

Expenditures made to the respective agencies for the provision of power, gas or water. Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

Shire of Cuballing
NOTES TO THE BUDGET REVIEW REPORT
For the Period Ended 31st December 2015

(q) Nature or Type Classifications (Continued)**Insurance**

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

Loss on asset disposal

Loss on the disposal of fixed assets.

Depreciation on non-current assets

Depreciation expense raised on all classes of assets.

Interest expenses

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and refinancing expenses.

Other expenditure

Statutory fees, taxes, provision for bad debts, member's fees or levies including WA Fire Brigade Levy and State taxes. Donations and subsidies made to community groups.

(r) Statement of Objectives

In order to discharge its responsibilities to the community, the Council has developed a set of operational and financial objectives. These objectives have been established both on an overall basis and for each of its broad activities/programs.

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

GOVERNANCE

Details expenses related to Councils six councillors, who normally meet the third Thursday of each month, make policy decisions, review Councils operations, plan for current and future service provision requirements and undertake necessary appropriate training and attend conferences.

GENERAL PURPOSE FUNDING

Rates - the amount raised is determined by Councils budget "shortfall" that is known income and desired expenditure.

General purpose grants - are the grant amounts paid to the shire from Federal Government funding as determined by and via the Western Australian Local Government Grants Commission.

Interest - interest earned on monies invested or deposited by Council.

LAW, ORDER, PUBLIC SAFETY

Supervision of by-laws, fire prevention and animal control.
 Requirements that Council carries out by statute.

HEALTH

Food quality control.

Shire of Cuballing
NOTES TO THE BUDGET REVIEW REPORT
For the Period Ended 31st December 2015

(r) STATEMENT OF OBJECTIVE (Continued)

EDUCATION AND WELFARE

Support of school activities

HOUSING

Provides and maintains housing rented to staff.

COMMUNITY AMENITIES

Operation and control of cemeteries, public conveniences and sanitation service. Provides public amenities. Controls and maintains rubbish disposal sites. Administration of the Town Planning Scheme.

RECREATION AND CULTURE

Maintenance of hall, recreation centre and various reserves. Support library services in Narrogin.

TRANSPORT

Construction and maintenance of roads, footpaths, drainage works and cleaning of streets. Provision of infrastructure necessary to ensure adequate transport, communication, freight, social access routes and environmental enhancement within the shire. Depot maintenance.

ECONOMIC SERVICES

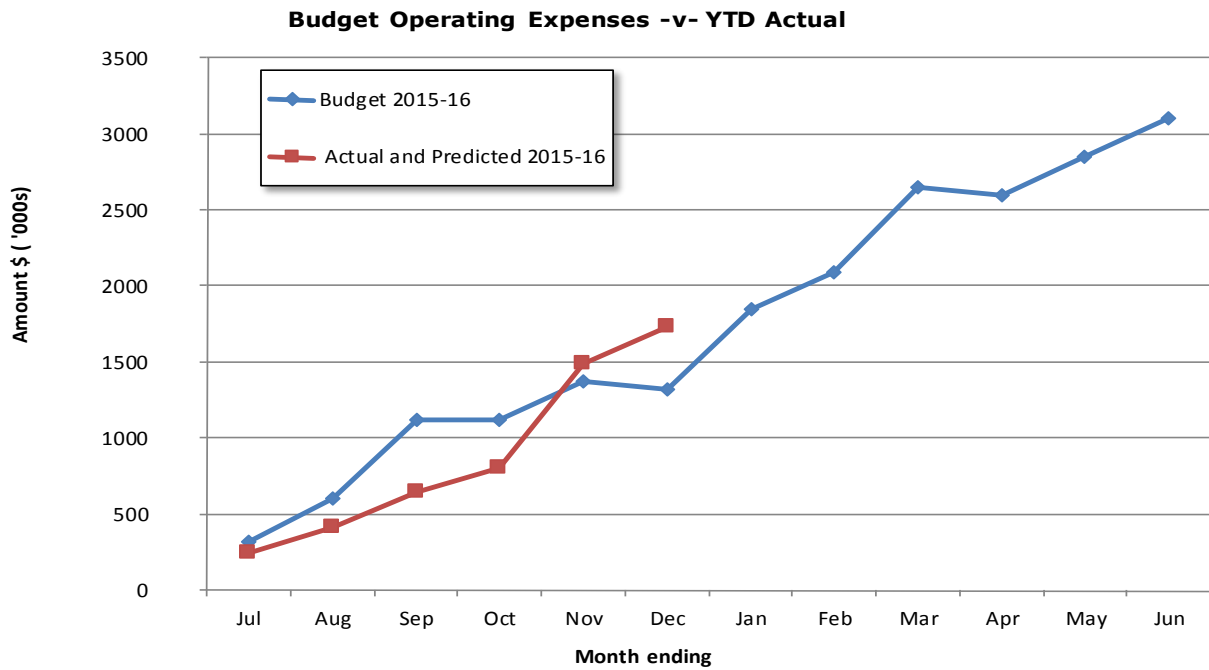
Tourism, pest control, building controls and natural resource management. Tourism facilities, information and directional signs. Weed and pest control services. Necessary building control services.

OTHER PROPERTY & SERVICES

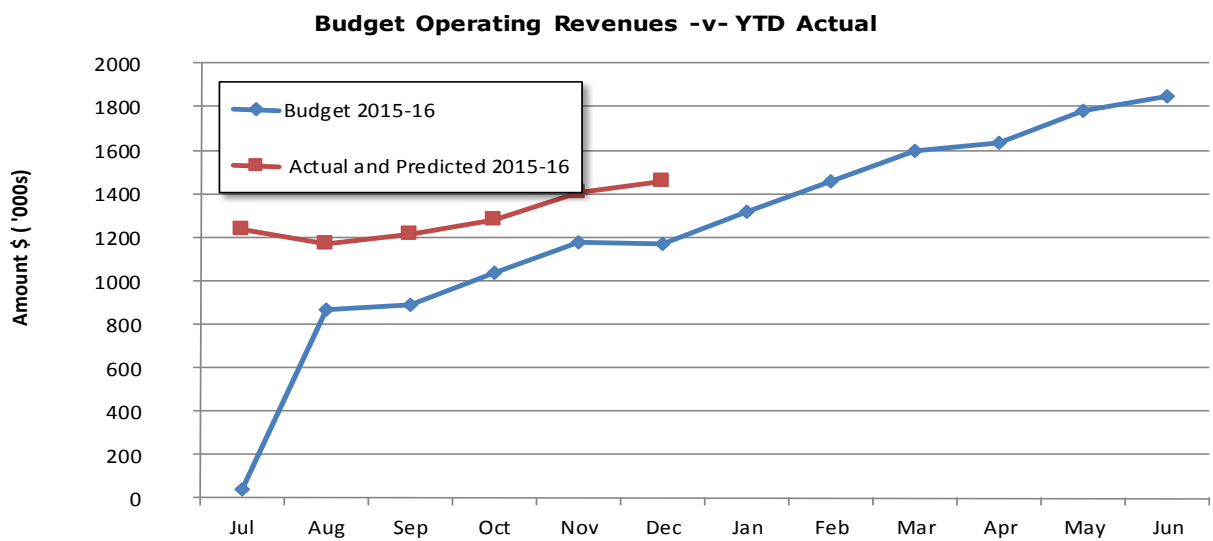
Private works carried out by council and indirect cost allocation pools. Public Works Overheads, plant operation and administrative costs are allocated to the various functions, works and services provided by Council.

**Shire of Cuballing
NOTES TO THE BUDGET REVIEW REPORT
For the Period Ended 31st December 2015**

Note 2 - Graphical Representation - Source Statement of Financial Activity



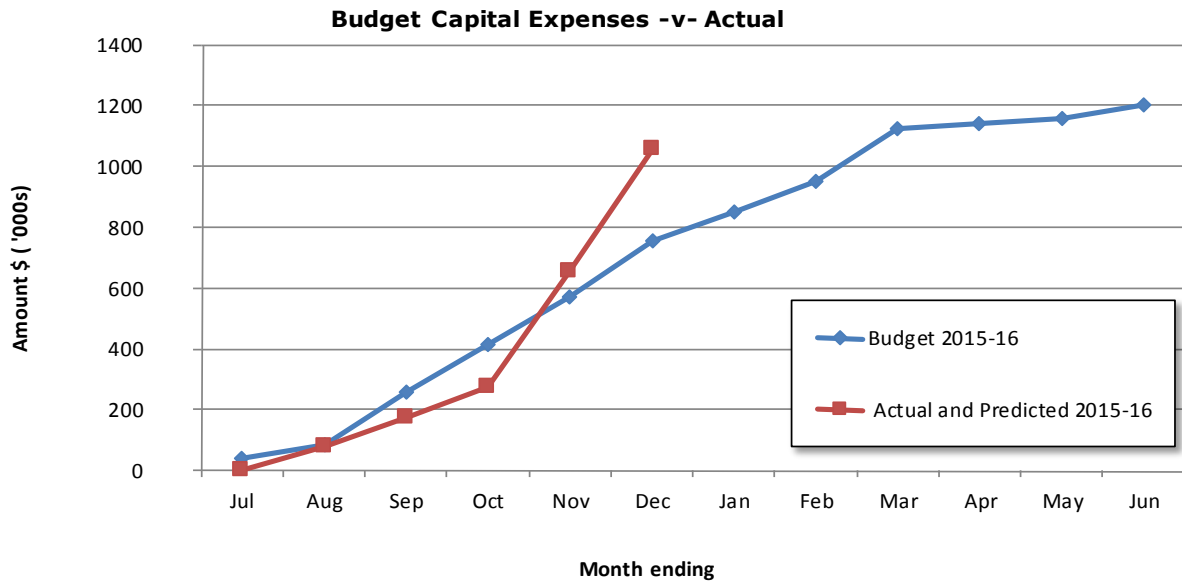
Comments/Notes - Operating Expenses



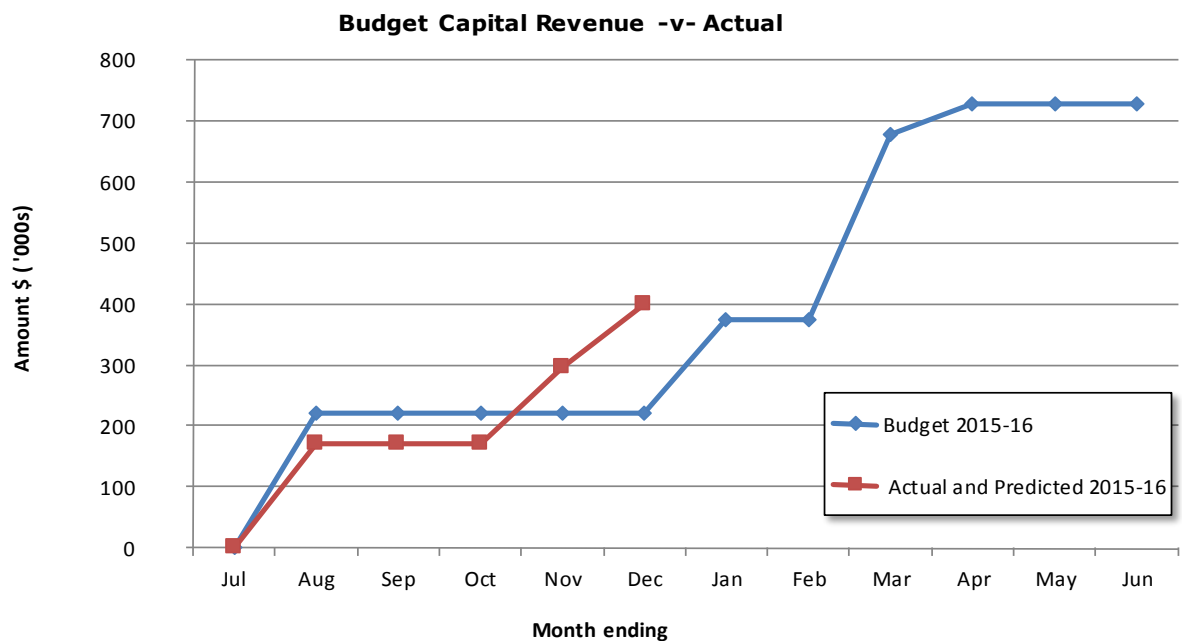
Comments/Notes - Operating Revenues

Shire of Cuballing
 NOTES TO THE BUDGET REVIEW REPORT
 For the Period Ended 31st December 2015

Note 2 - Graphical Representation - Source Statement of Financial Activity



Comments/Notes - Capital Expenses



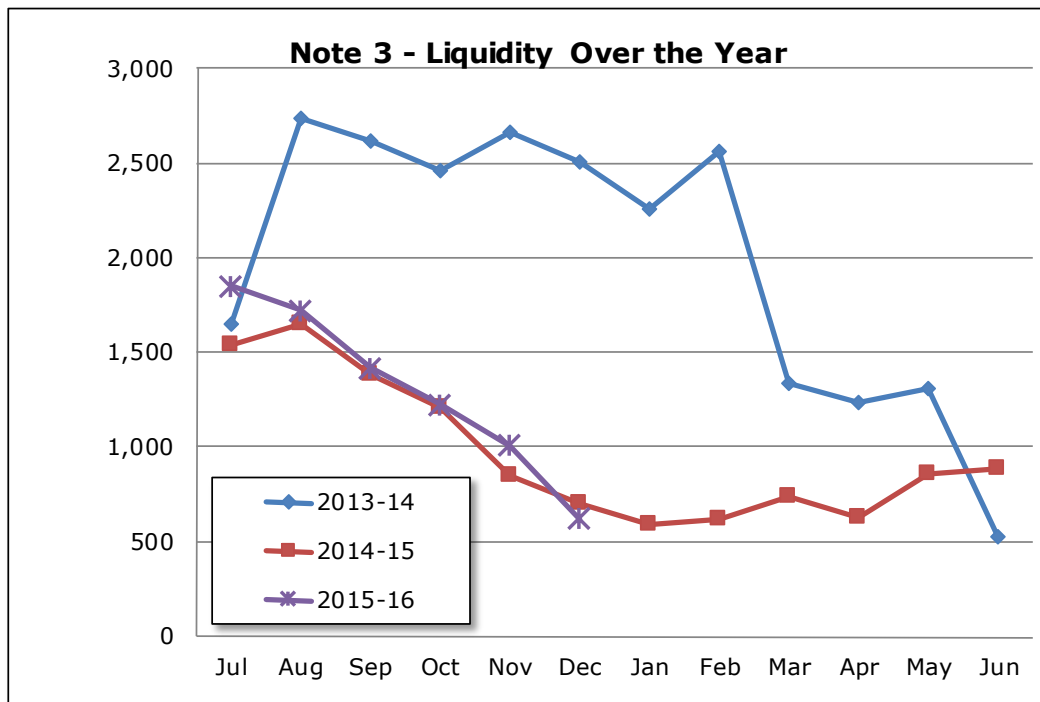
Comments/Notes - Capital Revenues

Shire of Cuballing
NOTES TO THE BUDGET REVIEW REPORT
For the Period Ended 31st December 2015

Note 3: NET CURRENT FUNDING POSITION

FM Reg
33A
(2A)(c)

	Positive=Surplus (Negative=Deficit)		
	2015-16		
	Note	This Period	Same Period Last Year
	\$	\$	\$
Current Assets			
Cash Unrestricted	409,026	869,868	571,668
Cash Restricted Reserves	1,266,669	1,264,809	1,037,930
Cash Restricted Cash	0	3,854	0
Receivables	231,510	144,859	191,049
Inventories	7,197	7,197	11,032
	1,914,402	2,290,587	1,811,679
Less: Current Liabilities			
Payables and Provisions	(29,380)	(18,898)	(70,785)
	(29,380)	(18,898)	(70,785)
Less: Cash Reserves Restricted	(1,266,669)	(1,264,809)	(1,037,930)
Less: Cash Restricted Municipal	0	(3,854)	0
Net Current Funding Position	618,353	1,003,026	702,964



Comments/Notes - Net Current Funding Position

Shire of Cuballing
NOTES TO THE REVIEW OF THE ANNUAL BUDGET
For the Period Ended 31st December 2015

Note 4: PREDICTED VARIANCES

Comments/Reason for Variance	Variance \$	
	Permanent	Timing
4.1 OPERATING REVENUE (EXCLUDING RATES)		
4.1.1 PROFIT ON ASSET DISPOSAL No Material Variance	0	
4.1.2 FEES AND CHARGES Fees and Charges have generated lower than budgeted income as Private Works requests have been much lower than expected.	(78,503)	
4.1.3 GRANTS, SUBSIDIES AND CONTRIBUTIONS Higher than expected income from ongoing Workers Compensation claims. Received a reimbursement for extra costs for the Bush Fire Brigade in 2014/2015, as well as an additional grant for mobile boosters at the two firestations. Additionally there are salary sacrifice payments for rent included in this total that were not budgeted for. Building Licence fees are higher than expected.	87,282	
4.1.7 INTEREST EARNINGS Rolling Term Deposits for Reserve Funds is expected to generate more than budgeted interest.	1,259	
4.1.8 OTHER REVENUE Diesel Fuel Rebate is expected to be larger than budgeted.	7,639	
Predicted Variances Carried Forward	17,677	0

Predicted Variances Brought Forward		17,677	0
4.2 OPERATING EXPENSES			
4.2.1 EMPLOYEE COSTS			
Manning of Transfer Stations not to go ahead as planned in February 2016. Overall wages under budget, less outside staff members than budget due to staff changeovers and illness (unpaid leave incurred in some instances).		45,444	
4.2.2 MATERIAL AND CONTRACTS			
Records Keeping Implementation, Maintenance on Streets and Roads and Bridge Maintenance under budget.		49,315	
4.2.3 UTILITY CHARGES			
Street lighting, electricity and water usage are above expected.		(3,250)	
4.2.4 DEPRECIATION (NON CURRENT ASSETS)			
Depreciation expenses are higher than budgeted due to the Infrastructure Revaluation conducted in 2014/2015. Council's Road Network was significantly undervalued and as a result depreciation this financial year is higher than expected.		453,004	
4.2.4 INTEREST EXPENSES			
No Material Variance		3	
4.2.5 INSURANCE EXPENSES			
Insurance premiums have been paid for 15/16 and were below budgeted expense by a small amount.		4,326	
4.2.6 LOSS ON ASSET DISPOSAL			
The CAT Loader was not disposed this year as budgeted (\$49,822). The disposal of the Veneri Loader is expected this financial year (\$13,375).		38,817	
4.2.7 OTHER EXPENDITURE			
Council Election costs and Councillor Training expenses under budget, with only small expenditure expected on the latter in the coming months.		7,417	
Predicted Variances Carried Forward		612,752	0

Predicted Variances Brought Forward		612,752	0
4.3 CAPITAL REVENUE			
4.3.1 GRANTS, SUBSIDIES AND CONTRIBUTIONS			
Additional funds (\$41,344) provided by Main Roads for movement of a power pole on Roads to Recovery projects in Popanyinning.		21,078	
4.3.2 PROCEEDS FROM DISPOSAL OF ASSETS			
The CAT Loader was not traded in this year as budgeted (\$85,000). The disposal of the Veneri Loader is expected this financial year for \$10,000.		(73,500)	
4.3.3 PROCEEDS FROM NEW DEBENTURES			
No Material Variance		0	
4.3.4 PROCEEDS FROM SALE OF INVESTMENT			
No Material Variance		0	
4.3.5 PROCEEDS FROM ADVANCES			
No Material Variance		0	
4.3.6 SELF-SUPPORTING LOAN PRINCIPAL			
No Material Variance		0	
4.3.7 TRANSFER FROM RESERVES (RESTRICTED ASSETS)			
Purchase of Regional Waste Site not to go ahead this financial year (\$80,000). Transfer Station Development will be under budget as only one site will be developed in 2015/16 (\$20,000). Painting of Popanyinning Hall to go ahead in 2016/2017 (\$4,000). Popanyinning School Repairs (\$25,000), Back Office Fit out (\$5,00), Aged Housing (\$30,000) and Traffic Light purchase (34,690) transfers not needed to be made.		(198,690)	
Predicted Variances Carried Forward		361,641	0

Predicted Variances Brought Forward		361,641	0
4.4 CAPITAL EXPENSES			
4.4.1 LAND HELD FOR RESALE			
No Material Variance		0	
4.4.2 LAND AND BUILDINGS			
Regional Waste Site land purchase is unlikely to go ahead this year (\$80,000). Expect to spend funds allocated for the development of the Transfer Station at Cuballing, the Popanyinning site is expected to be deferred til next financial year. Expected to spend part of the \$60,000 for set up of Transfer stations. Expected costs of the Equestrian Clubrooms will exceed the budget by a small amount.		122,023	
4.4.3 PLANT AND EQUIPMENT			
Mower purchase for \$11,500 is no longer going ahead this financial year. The Loader purchase came in under budget, as a further discount was provided for not trading in the existing Loader. All budgeted capital purchases for the year have now been made.		55,066	
4.4.4 FURNITURE AND EQUIPMENT			
No Material Variance		0	
4.4.5 INFRASTRUCTURE ASSETS - ROADS & FOOTPATHS, OTHER			
Roads to Recovery Project will go over budget as an additional expense for moving a power pole has been added to the project. This is funded by Main Roads.		(42,641)	
4.4.7 PURCHASES OF INVESTMENT			
No Material Variance		0	
4.4.8 REPAYMENT OF DEBENTURES			
No Material Variance		0	
4.4.9 ADVANCES TO COMMUNITY GROUPS			
No Material Variance		0	
Predicted Variances Carried Forward		496,088	0

Predicted Variances Brought Forward		496,088	0
4.5 OTHER ITEMS			
4.5.10 TRANSFER TO RESERVES (RESTRICTED ASSETS)			
No Material Variance		0	
4.5.11 TRANSFER FROM RESERVES (RESTRICTED ASSETS)			
No Material Variance		0	
4.5.1 RATE REVENUE			
No Material Variance		506	
4.5.2 OPENING FUNDING SURPLUS(DEFICIT)			
No Material Variance.		(1,440)	
4.5.3 NON-CASH WRITE BACK OF PROFIT (LOSS)			
Please see 4.1.1 and 4.2.6 above for explanation of the change in net Profit (Loss)		414,187	
Total Predicted Variances as per Annual Budget Review		909,340	0

9.2 CHIEF EXECUTIVE OFFICER:

9.2.1 2015 Compliance Audit Return

Applicant:	NA
File Ref. No:	ADM 35
Disclosure of Interest:	Nil
Date:	8 th February 2016
Author:	Gary Sherry
Attachments:	9.2.1A 2015 Compliance Audit Return Draft

Summary

The Department of Local Government require the Compliance Audit Return for the period 1st January 2015 to 31st December 2015 to be completed, endorsed and included within an Ordinary Meeting Agenda papers.

Background

The Compliance Audit Return (CAR) is a Department of Local Government prepared check list of some of the statutory requirements Local Governments in the twelve months to 31st December 2015.

While the structure of the 2015 CAR is generally similar to that of previous years, the Department of Local Government has kept the reduced number of areas of compliance covered in recent CAR's to those considered high risk. The CAR contains substantially fewer questions, reducing the size of the CAR from the previous 27 pages in 2010 to nine pages for 2015.

Regulation 14 of the Local Government (Audit) Regulations requires that a local government's Audit Committee reviews the CAR and reports the results of that review to the Council prior to adoption by Council and submission to the Department.

The Statutory Compliance Audit Return is to be:

1. presented to the Audit Committee for consideration at a meeting of the Audit Committee; by Council;
2. recommended for Adoption by Council at an Audit Committee Meeting;
3. presented to the Council at a meeting of Council;
4. adopted by the Council; and
5. the adoption recorded in the minutes of the meeting at which it is adopted.

After the Compliance Audit Return has been presented to Council, a certified copy of the return, along with the relevant section of the minutes and any additional information explaining or qualifying the compliance audit is to be submitted to the Executive Director, Department of Local Government, by 31st March 2016.

Comment

Council's Audit Committee is to consider the Compliance Audit Return. The Compliance Audit Return 2015 is included at Attachment 9.2.1A. The Audit Committee is to make a recommendation to Council for formal adoption.

The 2015 Compliance Audit Return included the following matter of non-compliance:

Tenders for Providing Goods and Services				
No	Reference	Question	Response	Comments
25	F&G Reg 11A	Does the local government have a current purchasing policy in relation to contracts for other persons to supply goods or services where the consideration under the contract is, or is expected to be, \$150,000 or less.	No	Council only had a purchasing policy in relation to contracts for other persons to supply goods or services where the consideration under the contract is, or is expected to be less than \$100,000
On 18 Sep 2015 the Local Government (Functions and General) regulations were formally revised. Part of this revision was to increase the minimum amount at which an open tender is required to purchase goods and services was increased from \$100,000 to \$150,000. Council's current purchasing policy that details the method of purchase required for certain priced goods includes the previous limit of \$100,000.				

Rectification of this non-compliance will occur with the review of Council's Purchasing Policy.

Strategic Implications - Nil

Statutory Environment

Local Government Act 1995

7.13. Regulations as to audits

(1) Regulations may make provision —

- (aa) as to the functions of the CEO and the audit committee in relation to audits carried out under this Part and reports made on those audits;
- (ab) as to the functions of audit committees, including the selection and recommendation of an auditor;
- (ac) as to the procedure to be followed in selecting an auditor;
- (ad) as to the contents of the annual report to be prepared by an audit committee;
- (ae) as to monitoring action taken in respect of any matters raised in a report by an auditor;
 - (a) with respect to matters to be included in agreements between local governments and auditors;
 - (b) for notifications and reports to be given in relation to agreements between local governments and auditors, including any variations to, or termination of such agreements;
- (ba) as to the copies of agreements between local governments and auditors being provided to the Department;
- (c) as to the manner in which an application may be made to the Minister for approval as an auditor;
- (d) in relation to approved auditors, for —
 - (i) reviews of, and reports on, the quality of audits conducted;
 - (ii) the withdrawal by the Minister of approval as an auditor;
 - (iii) applications to the State Administrative Tribunal for the review of decisions to withdraw approval;
- (e) for the exercise or performance by auditors of their powers and duties under this Part;
- (f) as to the matters to be addressed by auditors in their reports;
- (g) requiring auditors to provide the Minister with such information as to audits carried out by them under this Part as is prescribed;

- (h) prescribing the circumstances in which an auditor is to be considered to have a conflict of interest and requiring auditors to disclose in their reports such information as to a possible conflict of interest as is prescribed;
 - (i) requiring local governments to carry out, in the prescribed manner and in a form approved by the Minister, an audit of compliance with such statutory requirements as are prescribed whether those requirements are —
 - (i) of a financial nature or not; or
 - (ii) under this Act or another written law.
- (2) Regulations may also make any provision about audit committees that may be made under section 5.25 in relation to committees.

Local Government (Audit) Regulations

13. Prescribed statutory requirements for which compliance audit needed (Act s. 7.13(1)(i))

For the purposes of section 7.13(1)(i) the statutory requirements set forth in the Table to this regulation are prescribed.

Table

Local Government Act 1995		
s. 3.57	s. 3.58(3) and (4)	s. 3.59(2), (4) and (5)
s. 5.16	s. 5.17	s. 5.18
s. 5.36(4)	s. 5.37(2) and (3)	s. 5.42
s. 5.43	s. 5.44(2)	s. 5.45(1)(b)
s. 5.46	s. 5.67	s. 5.68(2)
s. 5.70	s. 5.73	s. 5.75
s. 5.76	s. 5.77	s. 5.88
s. 5.103	s. 5.120	s. 5.121
s. 7.1A	s. 7.1B	s. 7.3
s. 7.6(3)	s. 7.9(1)	s. 7.12A
Local Government (Administration) Regulations 1996		
r. 18A	r. 18C	r. 18E
r. 18F	r. 18G	r. 19
r. 22	r. 23	r. 28
r. 34B	r. 34C	
Local Government (Audit) Regulations 1996		
r. 7	r. 10	
Local Government (Elections) Regulations 1997		
r. 30G		
Local Government (Functions and General) Regulations 1996		
r. 7	r. 9	r. 10
r. 11A	r. 11	r. 12
r. 14(1), (3) and (5)	r. 15	r. 16
r. 17	r. 18(1) and (4)	r. 19
r. 21	r. 22	r. 23
r. 24	r. 24E	r. 24F
Local Government (Rules of Conduct) Regulations 2007		
r. 11		

14. Compliance audits by local governments
- (1) A local government is to carry out a compliance audit for the period 1 January to 31 December in each year.
 - (2) After carrying out a compliance audit the local government is to prepare a compliance audit return in a form approved by the Minister.
 - (3A) The local government's audit committee is to review the compliance audit return and is to report to the council the results of that review.
 - (3) After the audit committee has reported to the council under subregulation (3A), the compliance audit return is to be —
 - (a) presented to the council at a meeting of the council; and
 - (b) adopted by the council; and
 - (c) recorded in the minutes of the meeting at which it is adopted.

Policy Implications – Nil

While there is direct implications in this regard, Council will need to amend its Policy Manual to comply with recent regulatory change.

Financial Implications – Nil

Economic Implications – Nil

Social Implications – Nil

Environmental Considerations – Nil

Consultation – Nil

Options

The Council can resolve:

1. the Audit Committee's Recommendation; or
2. defer and seek additional information.

Voting Requirements – Simple Majority

COUNCIL DECISION:

That Council:

- 1. adopts the completed Local Government Compliance Audit Return for the period 1 January 2015 to 31 December 2015 and the President and Chief Executive Officer be authorised to sign the joint certification and return to the Director General of the Department of Local Government and Communities as required; and**
- 2. notes the non-compliance matter and requests that the Chief Executive Officer ensure the area of non-compliance is addressed.**

Moved: Cr Dowling

Seconded: Cr Bradford

Carried 6/0

Cuballing - Compliance Audit Return 2015

Certified Copy of Return

Please submit a signed copy to the Director General of the Department of Local Government and Communities together with a copy of section of relevant minutes.

Commercial Enterprises by Local Governments					
No	Reference	Question	Response	Comments	Respondent
1	s3.59(2)(a)(b)(c) F&G Reg 7,9	Has the local government prepared a business plan for each major trading undertaking in 2015.	N/A	Council did not have a Major Trading Undertaking in 2015	Gary Sherry
2	s3.59(2)(a)(b)(c) F&G Reg 7,10	Has the local government prepared a business plan for each major land transaction that was not exempt in 2015.	N/A	Council did not have a Major Trading Undertaking in 2015	Gary Sherry
3	s3.59(2)(a)(b)(c) F&G Reg 7,10	Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2015.	N/A	Council did not have a Major Trading Undertaking in 2015	Gary Sherry
4	s3.59(4)	Has the local government given Statewide public notice of each proposal to commence a major trading undertaking or enter into a major land transaction for 2015.	N/A	Council did not have a Major Trading Undertaking in 2015	Gary Sherry
5	s3.59(5)	Did the Council, during 2015, resolve to proceed with each major land transaction or trading undertaking by absolute majority.	N/A	Council did not have a Major Trading Undertaking in 2015	Gary Sherry

Delegation of Power / Duty					
No	Reference	Question	Response	Comments	Respondent
1	s5.16, 5.18	5.17, Were all delegations to committees resolved by absolute majority.	N/A	Council has not delegated authority to committees.	Gary Sherry
2	s5.16, 5.18	5.17, Were all delegations to committees in writing.	N/A	Council has not delegated authority to committees.	Gary Sherry
3	s5.16, 5.18	5.17, Were all delegations to committees within the limits specified in section 5.17.	N/A	Council has not delegated authority to committees.	Gary Sherry
4	s5.16, 5.18	5.17, Were all delegations to committees recorded in a register of delegations.	N/A	Council has not delegated authority to committees.	Gary Sherry
5	s5.18	Has Council reviewed delegations to its committees in the 2014/2015 financial year.	N/A	Council has not delegated authority to committees.	Gary Sherry
6	s5.42(1),5.43 Admin Reg 18G	Did the powers and duties of the Council delegated to the CEO exclude those as listed in section 5.43 of the Act.	Yes		Gary Sherry
7	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO resolved by an absolute majority.	Yes		Gary Sherry
8	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO in writing.	Yes		Gary Sherry
9	s5.44(2)	Were all delegations by the CEO to any employee in writing.	Yes		Gary Sherry
10	s5.45(1)(b)	Were all decisions by the Council to amend or revoke a delegation made by absolute majority.	Yes		Gary Sherry
11	s5.46(1)	Has the CEO kept a register of all delegations made under the Act to him and to other employees.	Yes		Gary Sherry
12	s5.46(2)	Were all delegations made under Division 4 of Part 5 of the Act reviewed by the delegator at least once during the 2014/2015 financial year.	Yes		Gary Sherry
13	s5.46(3) Admin Reg 19	Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record as required.	Yes		Gary Sherry

Disclosure of Interest					
No	Reference	Question	Response	Comments	Respondent
1	s5.67	If a member disclosed an interest, did he/she ensure that they did not remain present to participate in any discussion or decision-making procedure relating to the matter in which the interest was disclosed (not including participation approvals granted under s5.68).	Yes		Gary Sherry
2	s5.68(2)	Were all decisions made under section 5.68(1), and the extent of participation allowed, recorded in the minutes of Council and Committee meetings.	N/A	Council made no decisions under section 5.68(1)	Gary Sherry
3	s5.73	Were disclosures under section 5.65 or 5.70 recorded in the minutes of the meeting at which the disclosure was made.	Yes		Gary Sherry
4	s5.75(1) Admin Reg 22 Form 2	Was a primary return lodged by all newly elected members within three months of their start day.	N/A	No new elected members started in 2015.	Gary Sherry
5	s5.75(1) Admin Reg 22 Form 2	Was a primary return lodged by all newly designated employees within three months of their start day.	Yes		Gary Sherry
6	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all continuing elected members by 31 August 2015.	Yes		Gary Sherry
7	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all designated employees by 31 August 2015.	Yes		Gary Sherry
8	s5.77	On receipt of a primary or annual return, did the CEO, (or the Mayor/ President in the case of the CEO's return) on all occasions, give written acknowledgment of having received the return.	Yes		Gary Sherry
9	s5.88(1)(2) Admin Reg 28	Did the CEO keep a register of financial interests which contained the returns lodged under section 5.75 and 5.76	Yes		Gary Sherry

10	s5.88(1)(2) Admin Reg 28	Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70 and 5.71, in the form prescribed in Administration Regulation 28.	Yes	Gary Sherry
11	s5.88 (3)	Has the CEO removed all returns from the register when a person ceased to be a person required to lodge a return under section 5.75 or 5.76.	Yes	Gary Sherry
12	s5.88(4)	Have all returns lodged under section 5.75 or 5.76 and removed from the register, been kept for a period of at least five years, after the person who lodged the return ceased to be a council member or designated employee.	Yes	Gary Sherry
13	s5.103 Admin Reg 34C & Rules of Conduct Reg 11	Where an elected member or an employee disclosed an interest in a matter discussed at a Council or committee meeting where there was a reasonable belief that the impartiality of the person having the interest would be adversely affected, was it recorded in the minutes.	Yes	Gary Sherry
14	s5.70(2)	Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to the Council or a Committee, did that person disclose the nature of that interest when giving the advice or report.	Yes	Gary Sherry
15	s5.70(3)	Where an employee disclosed an interest under s5.70(2), did that person also disclose the extent of that interest when required to do so by the Council or a Committee.	Yes	Gary Sherry
16	s5.103(3) Admin Reg 34B	Has the CEO kept a register of all notifiable gifts received by Council members and employees.	Yes	Gary Sherry

Disposal of Property					
No	Reference	Question	Response	Comments	Respondent
1	s3.58(3)	Was local public notice given prior to disposal for any property not disposed of by public auction or tender (except where excluded by Section 3.58(5)).	N/A	No Property was disposed of in 2015	Gary Sherry
2	s3.58(4)	Where the local government disposed of property under section 3.58(3), did it provide details, as prescribed by section 3.58(4), in the required local public notice for each disposal of property.	N/A	No Property was disposed of in 2015	Gary Sherry

Elections					
No	Reference	Question	Response	Comments	Respondent
1	Elect Reg 30G (1)	Did the CEO establish and maintain an electoral gift register and ensure that all 'disclosure of gifts' forms completed by candidates and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the candidates.	Yes		Gary Sherry

Finance					
No	Reference	Question	Response	Comments	Respondent
1	s7.1A	Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Act.	Yes		Tonya Williams
2	s7.1B	Where a local government determined to delegate to its audit committee any powers or duties under Part 7 of the Act, did it do so by absolute majority.	N/A		Tonya Williams
3	s7.3	Was the person(s) appointed by the local government to be its auditor, a registered company auditor.	Yes		Tonya Williams

4	s7.3, 7.6(3)	Was the person or persons appointed by the local government to be its auditor, appointed by an absolute majority decision of Council.	Yes	Tonya Williams
5	Audit Reg 10	Was the Auditor's report for the financial year ended 30 June 2015 received by the local government within 30 days of completion of the audit.	Yes	Tonya Williams
6	s7.9(1)	Was the Auditor's report for 2014/2015 received by the local government by 31 December 2015.	Yes	Tonya Williams
7	S7.12A(3)	Where the local government determined that matters raised in the auditor's report prepared under s7.9(1) of the Act required action to be taken by the local government, was that action undertaken.	N/A	Tonya Williams
8	S7.12A (4)	Where the local government determined that matters raised in the auditor's report (prepared under s7.9(1) of the Act) required action to be taken by the local government, was a report prepared on any actions undertaken.	N/A	Tonya Williams
9	S7.12A (4)	Where the local government determined that matters raised in the auditor's report (prepared under s7.9(1) of the Act) required action to be taken by the local government, was a copy of the report forwarded to the Minister by the end of the financial year or 6 months after the last report prepared under s7.9 was received by the local government whichever was the latest in time.	N/A	Tonya Williams
10	Audit Reg 7	Did the agreement between the local government and its auditor include the objectives of the audit.	Yes	Tonya Williams
11	Audit Reg 7	Did the agreement between the local government and its auditor include the scope of the audit.	Yes	Tonya Williams

12	Audit Reg 7	Did the agreement between the local government and its auditor include a plan for the audit.	Yes		Tonya Williams
13	Audit Reg 7	Did the agreement between the local government and its auditor include details of the remuneration and expenses to be paid to the auditor.	Yes		Tonya Williams
14	Audit Reg 7	Did the agreement between the local government and its auditor include the method to be used by the local government to communicate with, and supply information to, the auditor.	No		Tonya Williams

Local Government Employees

No	Reference	Question	Response	Comments	Respondent
1	Admin Reg 18C	Did the local government approve the process to be used for the selection and appointment of the CEO before the position of CEO was advertised.	N/A	Council did not employ a CEO in 2015	Gary Sherry
2	s5.36(4) s5.37(3), Admin Reg 18A	Were all vacancies for the position of CEO and other designated senior employees advertised and did the advertising comply with s.5.36(4), 5.37(3) and Admin Reg 18A.	N/A	Council did not employ a CEO in 2015	Gary Sherry
3	Admin Reg 18F	Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position of CEO under section 5.36(4).	N/A	Council did not employ a CEO in 2015	Gary Sherry
4	Admin Regs 18E	Did the local government ensure checks were carried out to confirm that the information in an application for employment was true (applicable to CEO only).	Yes	Council did not employ a CEO in 2015	Gary Sherry
5	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss a designated senior employee.	Yes		Gary Sherry

Official Conduct					
No	Reference	Question	Response	Comments	Respondent
1	s5.120	Where the CEO is not the complaints officer, has the local government designated a senior employee, as defined under s5.37, to be its complaints officer.	N/A	The CEO is the Complaints Officer.	Gary Sherry
2	s5.121(1)	Has the complaints officer for the local government maintained a register of complaints which records all complaints that result in action under s5.110(6)(b) or (c).	Yes		Gary Sherry
3	s5.121(2)(a)	Does the complaints register maintained by the complaints officer include provision for recording of the name of the council member about whom the complaint is made.	Yes		Gary Sherry
4	s5.121(2)(b)	Does the complaints register maintained by the complaints officer include provision for recording the name of the person who makes the complaint.	Yes		Gary Sherry
5	s5.121(2)(c)	Does the complaints register maintained by the complaints officer include provision for recording a description of the minor breach that the standards panel finds has occurred.	Yes		Gary Sherry
6	s5.121(2)(d)	Does the complaints register maintained by the complaints officer include the provision to record details of the action taken under s5.110(6)(b) or (c).	Yes		Gary Sherry

Tenders for Providing Goods and Services					
No	Reference	Question	Response	Comments	Respondent
1	s3.57 Reg 11	F&G Did the local government invite tenders on all occasions (before entering into contracts for the supply of goods or services) where the consideration under the contract was, or was expected to be, worth more	N/A	Council did not conduct a tender in 2015.	Gary Sherry

		than the consideration stated in Regulation 11(1) of the Local Government (Functions & General) Regulations (Subject to Functions and General Regulation 11(2)).		
2	F&G Reg 12	Did the local government comply with F&G Reg 12 when deciding to enter into multiple contracts rather than inviting tenders for a single contract.	Yes	Gary Sherry
3	F&G Reg 14(1) & (3)	Did the local government invite tenders via Statewide public notice.	N/A	Council did not Gary Sherry conduct a tender in 2015.
4	F&G Reg 14 & 15	Did the local government's advertising and tender documentation comply with F&G Regs 14, 15 & 16.	N/A	Council did not Gary Sherry conduct a tender in 2015.
5	F&G Reg 14(5)	If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents or each acceptable tenderer, notice of the variation.	N/A	Council did not Gary Sherry conduct a tender in 2015.
6	F&G Reg 16	Did the local government's procedure for receiving and opening tenders comply with the requirements of F&G Reg 16.	N/A	Council did not Gary Sherry conduct a tender in 2015.
7	F&G Reg 18(1)	Did the local government reject the tenders that were not submitted at the place, and within the time specified in the invitation to tender.	N/A	Council did not Gary Sherry conduct a tender in 2015.
8	F&G Reg 18 (4)	In relation to the tenders that were not rejected, did the local government assess which tender to accept and which tender was most advantageous to the local government to accept, by means of written evaluation criteria.	N/A	Council did not Gary Sherry conduct a tender in 2015.
9	F&G Reg 17	Did the information recorded in the local government's tender register comply with the requirements of F&G Reg 17.	N/A	Council did not Gary Sherry conduct a tender in 2015.

10	F&G Reg 19	Was each tenderer sent written notice advising particulars of the successful tender or advising that no tender was accepted.	N/A	Council did not Gary Sherry conduct a tender in 2015.
11	F&G Reg 21 & 22	Did the local governments's advertising and expression of interest documentation comply with the requirements of F&G Regs 21 and 22.	N/A	Council did not Gary Sherry conduct a Tender or Expression of Interest in 2015.
12	F&G Reg 23(1)	Did the local government reject the expressions of interest that were not submitted at the place and within the time specified in the notice.	N/A	Council did not Gary Sherry conduct an Expression of Interest in 2015.
13	F&G Reg 23(4)	After the local government considered expressions of interest, did the CEO list each person considered capable of satisfactorily supplying goods or services.	N/A	Council did not Gary Sherry conduct an Expression of Interest in 2015.
14	F&G Reg 24	Was each person who submitted an expression of interest, given a notice in writing in accordance with Functions & General Regulation 24.	N/A	Council did not Gary Sherry conduct an Expression of Interest in 2015.
15	F&G Reg 24AD(2)	Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice.	N/A	Council did not Gary Sherry have a panel of pre-qualified suppliers in 2015.
16	F&G Reg 24AD(4) & 24AE	Did the local government's advertising and panel documentation comply with F&G Regs 24AD(4) & 24AE.	N/A	Council did not Gary Sherry have a panel of pre-qualified suppliers in 2015.
17	F&G Reg 24AF	Did the local government's procedure for receiving and opening applications to join a panel of pre-qualified suppliers comply with the requirements of F&G Reg 16 as if the reference in that regulation to a tender were a reference to a panel application.	N/A	Council did not Gary Sherry have a panel of pre-qualified suppliers in 2015.
18	F&G Reg 24AD(6)	If the local government to sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an	N/A	Council did not Gary Sherry have a panel of pre-qualified suppliers in 2015.

		application, notice of the variation.		
19	F&G 24AH(1)	Reg Did the local government reject the applications to join a panel of pre-qualified suppliers that were not submitted at the place, and within the time specified in the invitation for applications.	N/A	Council did not have a panel of pre-qualified suppliers in 2015. Gary Sherry
20	F&G 24AH(3)	Reg In relation to the applications that were not rejected, did the local government assess which application(s) to accept and which application(s) were most advantageous to the local government to accept, by means of written evaluation criteria.	N/A	Council did not have a panel of pre-qualified suppliers in 2015. Gary Sherry
21	F&G Reg 24AG	Did the information recorded in the local government's tender register about panels of pre-qualified suppliers, comply with the requirements of F&G Reg 24AG.	N/A	Council did not have a panel of pre-qualified suppliers in 2015. Gary Sherry
22	F&G Reg 24AI	Did the local government send each person who submitted an application, written notice advising if the person's application was accepted and they are to be part of a panel of pre-qualified suppliers, or, that the application was not accepted.	N/A	Council did not have a panel of pre-qualified suppliers in 2015. Gary Sherry
23	F&G Reg 24E	Where the local government gave a regional price preference in relation to a tender process, did the local government comply with the requirements of F&G Reg 24E in relation to the preparation of a regional price preference policy (only if a policy had not been previously adopted by Council).	N/A	Council has a previously adopted policy. Gary Sherry
24	F&G Reg 24F	Did the local government comply with the requirements of F&G Reg 24F in relation to an adopted regional price preference policy.	N/A	Council has a previously adopted policy. Gary Sherry
25	F&G Reg 11A	Does the local government have a current purchasing	No	Council only had a purchasing policy. Gary Sherry

policy in relation to contracts for other persons to supply goods or services where the consideration under the contract is, or is expected to be, \$150,000 or less.

in relation to contracts for other persons to supply goods or services where the consideration under the contract is, or is expected to be less than \$100,000

I certify this Compliance Audit return has been Thursday 18th February 2016
adopted by Council at its meeting on

Signed Mayor / President, Cuballing

Signed CEO, Cuballing

9.2.2 Sale of Venieri Front End Loader

Applicant: Mr Doug Allan
File Ref. No: ADM 159
Disclosure of Interest: Nil
Date: 9th November 2016
Author: Gary Sherry
Attachments: Nil

Summary

Council is to consider the sale of Council's Venieri Front End Loader to Mr Doug Allan for a price of \$11,000 (GST Inclusive).

Background

Council purchased its Venieri Front End Loader (FEL) in the 2004/2005 financial year for \$189,084.

The Venieri FEL's performance and efficiency was so poor that Council bought a replacement FEL in September 2008 for \$273,850. The Venieri has had a number of major mechanical issues. The failure of the front differential to work as designed and the lack of service for over 4 months in late 2007 and early 2008 appears to have been the catalyst for Council to move to replace the Venieri. The Venieri's electrical system has been notoriously unreliable in Council's service.

At that time Council sought legal advice on the possibility of the seeking warranty compensation from the company from which the Venieri Front End Loader was purchased. The legal advice received advised that the legal cost could outweigh any benefit possible.

At the time of the purchase of the Caterpillar FEL in 2008 the trade in offered by for the sale of the Venieri FEL was deemed by Council not to be of value. While the records of the tendered offer couldn't be located, the trade-in offer was in 2008 was about \$40,000/\$50,000.

Since the purchase of the Caterpillar, the Venieri has been used as a second loader to complete depot work and local tasks such as pushing the Cuballing waste disposal site.

Since 2008 the Venieri FEL has continued to be mechanically unreliable. The FEL's electric system regularly has issues. Given the reducing serviceability and cost of repairs, Council has been only completed required maintenance. With the decreasing amount of work, the maintenance on this machine has also reduced accordingly.

In September 2015 Council resolved:

COUNCIL DECISION:

That Council:

1. purchase the Komatsu WA320PZ-6 offered by Komatsu Australia Pty Ltd for up to \$276,000 (GST Exclusive);
2. not sell Council's Caterpillar 930G Loader as a trade in;
3. authorise out of budget expenditure \$31,000 and authorise a transfer from Council's Plant Reserve if required; and
4. direct staff to expedite the sale of Council's Venieri loader in a private sale.

Moved: Cr Newman Seconded: Cr Dowling

Carried 3/0

Council chose to not follow the Officer's Recommendation because Council:

1. wished to take advantage of an offered discount on the purchase price of a new loader if Council did not wish to trade in Council's existing Caterpillar 930G Loader; and
2. saw an opportunity dispose of Council's much older existing Venieri loader and still retain the Caterpillar 930G as a second loader for efficient Council operations.

The Venieri FEL is currently unroadworthy and requires significant mechanical and auto-electrical work to meet that standard. In Shire staff's opinion Council completing that work prior to sale of the machine will not add value to the sale price.

With the delivery of the Komatsu loader, the Caterpillar FEL is available to complete the tasks once performed by the Venieri. The Venieri is not being used by staff. The Venieri is now difficult to operate and Shire staff only permit Council's most experienced operators to use it.

Council staff were contacted by a local earthmoving contractor about the possibility of the purchase of the Venieri FEL. The contractor's letter of offer is included as at Confidential Attachment 11.1.2A. The offered price is \$10,000.

In discussions with this contractor, Council staff were open and with the true state of mechanical repair and the staff's opinion of the machine's reliability. The contractor did mention that his operation has better and cheaper access to mechanical and auto electrician services than the Shire of Cuballing. The contractor advised that he would not be using the loader continuously, rather siting the loader in a gravel quarry and using it from time to time as required.

Under Reg. 30 of the Local Government (Functions and General) Regulations 1996 if the value of property (that is not land) is less than \$20,000 the sale of that property is exempt from Section 3.58 *Disposing of Property* of the Local Government Act 1995 that requires property to be sold by auction or public tender. Reg. 30 of the Local Government (Functions and General) Regulations 1996 does also allow an exemption of selling property by private treaty, if the details of a proposed disposal – including purchaser, independent valuation and proposed sale price - are advertised locally prior to the sale being completed.

The Venieri FEL was valued by machinery dealer Komatsu in December 2015 at up to \$15,000.

At the December 2015 Ordinary Meeting, Council resolved:

That Council:

1. authorise the Chief Executive Officer to negotiate a proposed sale price of at least \$11,000 (GST Exclusive) with Mr Doug Allan for the Venieri Front End Loader;
2. obtain an assessment of the price of the Venieri Front End Loader from a local machinery dealer or similarly qualified person or company;
3. authorise the Chief Executive Officer to give local public notice of the proposed the sale of the Venieri Front End Loader stating:
 - a. the proposed sale price;
 - b. the independent local valuation; and
 - c. invite public submissions on the proposed sale; and
4. consider the proposed sale of the Venieri Front End Loader at the February 2016 Ordinary Meeting of Council.

Comment

In January 2015 Council advertised in the Narrogin Observer and the Cuballing News Council's proposal to sell the Venieri FEL. The advertisement invited public comment on the proposal, with written submissions being accepted until Wednesday 17th February 2016.

To date no submissions have been received. Staff will inform Councillors of any submissions received between publication of the agenda and the close of submissions.

Mr Allan has indicated that he will accept the proposed disposal cost of \$11,000 (GST Exclusive).

Strategic Implications - Nil

Statutory Environment

Local Government Act 1995

3.58. Disposing of property

- (1) In this section —
dispose includes to sell, lease, or otherwise dispose of, whether absolutely or not;
property includes the whole or any part of the interest of a local government in property, but does not include money.
- (2) Except as stated in this section, a local government can only dispose of property to —
 - (a) the highest bidder at public auction; or
 - (b) the person who at public tender called by the local government makes what is, in the opinion of the local government, the most acceptable tender, whether or not it is the highest tender.
- (3) A local government can dispose of property other than under subsection (2) if, before agreeing to dispose of the property —
 - (a) it gives local public notice of the proposed disposition —
 - (i) describing the property concerned; and
 - (ii) giving details of the proposed disposition; and
 - (iii) inviting submissions to be made to the local government before a date to be specified in the notice, being a date not less than 2 weeks after the notice is first given;and
 - (b) it considers any submissions made to it before the date specified in the notice and, if its decision is made by the council or a committee, the decision and the reasons for it are recorded in the minutes of the meeting at which the decision was made.
- (4) The details of a proposed disposition that are required by subsection (3)(a)(ii) include —
 - (a) the names of all other parties concerned; and
 - (b) the consideration to be received by the local government for the disposition; and
 - (c) the market value of the disposition —
 - (i) as ascertained by a valuation carried out not more than 6 months before the proposed disposition; or
 - (ii) as declared by a resolution of the local government on the basis of a valuation carried out more than 6 months before the proposed disposition that the local government believes to be a true indication of the value at the time of the proposed disposition.

Local Government (Functions and General) Regulations 1996

30. Dispositions of property excluded from Act s. 3.58

- (1) A disposition that is described in this regulation as an exempt disposition is excluded from the application of section 3.58 of the Act.

- (3) A disposition of property other than land is an exempt disposition if —
- (a) its market value is less than \$20 000; or
 - (b) it is disposed of as part of the consideration for other property that the local government is acquiring for a consideration the total value of which is not more, or worth more, than \$50 000.

Policy Implications – Nil

Financial Implications

In considering this offer for the Venieri FEL Council should recognise that:

- to date Council has incurred few advertising costs for the sale of the FEL
- the value and serviceability of the machine will decline without use and maintenance by Council; and
- if the machine is not sold by June 2016, Council will incur additional licence and insurance cost.

Economic Implications – Nil

Social Implications – Nil

Environmental Considerations – Nil

Consultation – Nil

Options

The Council can resolve:

1. the Officer's Recommendation;
2. to not sell the Venieri FEL at this time and withdraw from offer of sale of the Venieri FEL to Mr Allan, stating the reasons for such decision; or
3. defer and seek additional information stating the reasons for such decision.

Voting Requirements – Simple Majority

COUNCIL DECISION:

That Council sell the Venieri Front End Loader to Mr Doug Allan for \$11,000 (GST Inclusive).

Moved: Cr Newman

Seconded: Cr Ballantyne

Carried 6/0

9.2.3 Waste Management

Applicant: NA
File Ref. No: ADM 209
Disclosure of Interest: Nil
Date: 9th November 2016
Author: Gary Sherry
Attachments: Nil

Summary

The Council is to consider further developments in regional waste management and the Shire of Cuballing's response.

Background

The Great Southern Regional Waste Group (GSRWG), previously called the Wagin Group of Council's was established in 2005. In 2009 the GSRWG completed a Strategic Waste Management Plan (SWMP). The purpose of this Plan, completed by Bowman and Associates, was to provide strategies and actions to guide the Local Governments and communities of the GSRWG to improve waste management practices consistent with the State's vision of Towards Zero Waste in order to protect human health and the environment.

In 2009 12 local governments were included in the SWMP. Subsequently five Councils have withdrawn from the GSRWG.

Council will be aware that the GSRWG has for a considerable time been trying to establish a Regional Refuse Site, with previous efforts in the Shire of Wagin, Shire of Narrogin and now the Shire of Cuballing.

At the December 2015 Ordinary Meeting, Council resolved in the following manner

That Council endorses the recommendation of the Great Southern Regional Waste Group to:

1. not proceed with the development of the proposed Regional Waste Disposal Site at Nebrikinning Road because of the expected high cost and uncertain outcome of meeting the EPA's determined Level of Assessment for this site and formally withdraws the Development Application with the Cuballing Shire
2. advise the landowners, Peter and Heather Dowdell that the Great Southern Regional Waste Group will not be proceeding with the development of the proposed Regional Waste Disposal Site at Nebrikinning Road and therefore will be withdrawing the development application with the Cuballing Shire and from any action to purchase part of their property;
3. gratefully thank Peter and Heather Dowdell for their patience and perseverance in their dealings with the Great Southern Regional Waste Group in this process;
4. advise the EPA, other interested authorities and stakeholders that the Development Application is to be withdrawn and the Great Southern Regional Waste Group will not be proceeding with the development of the proposed Regional Waste Disposal Site at Nebrikinning Road
5. proceed with investigations into alternative short and long term regional options to improve waste management within this region.

Moved: Cr Dowling

Seconded: Cr Newman

Carried 5/0

In October 2015 Council considered a range of waste management matters and resolved in the following manner:

That Council:

1. because of the closer proximity of residences, construct the Cuballing Waste Transfer station in 2015/16 using grant funding received through the Great Southern Regional Waste Group;
2. plan to complete construction of the Popanyinning Waste Transfer Station in 2016/17;
3. acknowledge that there will be a considerable number of years before the commencement of operations of the Great Southern Regional Waste Groups Regional Waste Disposal site;
4. support the Great Southern Regional Waste Group to establish a short term regional waste site solution to operate while the Regional Waste Disposal site is being developed;
5. move to have Council staff supervise the operations of the Popanyinning and Cuballing Waste Disposal/Transfer Stations;
6. seek interest from local residents in Council providing a voluntary kerbside waste collection; and
7. seek interest from local residents in Council providing a voluntary kerbside recycling collection service.

Moved: Cr Newman

Seconded: Cr Haslam

Carried 6/0

Comment

This report to Council seeks to update and further develop several of Council's previous decisions.

Cuballing Waste Transfer Station

The licencing for the Cuballing Waste Transfer Station is nearing completion and is ready for commencement of construction as planned in March 2016. Council will receive grant funding to complete this construction.

The completion of the construction of the transfer station will impact on the use of the site as Waste Disposal Site requiring public access. While use could be made in the short period, it was envisaged by staff in siting the Transfer Station that the Shire of Cuballing would transfer waste to a regional waste disposal site.

Popanyinning Waste Transfer Station

Staff will shortly commence completing budget costings for the construction and licencing of the Popanyinning Waste Transfer Station in 2016/17 financial year.

Short Term Regional Waste Solution

The GSRWG are considering shorter term regional waste site solution. The GSRWG have completed some preliminary investigation of the possibility of waste from the region being disposed of at the Town of Narrogin Waste Disposal Site at White Road in Narrogin. At this time:

- the White Road site has considerable capacity for waste to be deposited;
- the site has a licence for 5,000 tonnes of waste per annum. This is well in excess of what the Town of Narrogin requires; and

- preliminary costing for depositing waste at the site would be \$71.50 (GST Exclusive). This cost is only preliminary and depends on the number of Shires utilising the site and the operational costs after an upcoming .

The GSRWG are seeking the position of the Town of Narrogin to the group members depositing waste at the Town's site. Two possible scenarios have emerged in initial discussions being:

1. Council's pay the Town of Narrogin an agreed fee to deposit waste at the White Road site with the Town of Narrogin taking all responsibility to manage and plan for this activity. The Town would exclusively receive the financial proceeds of this activity;
2. the GSRWG members take control in some way of the Town of Narrogin's Waste Disposal Site. This could be a lease agreement or a management contract. Under this scenario the GSRWG would plan and manage the waste disposal and receive the financial proceeds from the activity.

Either scenario will take some considerable planning and will probably not be operational for 12 months.

The Town of Narrogin have indicated that they would consider an individual approach from a single local government of the GSRWG, to deposit their waste at the site prior to the resolution of the approach to all GSRWG Councils.

Because the construction of the transfer station at the Cuballing Waste Disposal Site will impact on the use of that site, it is a recommendation of the Officer, that Council approach the Town of Narrogin to deposit waste at the Town's White Road Site from about July 2016. In response the Town of Narrogin will provide a cost for the activity which can be used for dumping purposes. The anticipated cost of disposal is anticipated to be in the region of \$71.50 per tonne (GST Exclusive)

Voluntary Kerbside Waste and Recycling Collections

Staff are ready to direct mail local residents with an offer to provide Kerbside Waste and Recycling Collections for those residents who would like to receive such a service. After establishing demand, Council would then seek a contractor to provide this service.

The Town of Narrogin will complete a selection process for a new waste and recycling contractor for their services in 2016. There may be a possibilities for the Shire of Cuballing to participate in this process and receive a reduction in price from participating with a larger scale service provision. The Officer believes it would be beneficial in a financial terms to conduct a joint purchase with the Town of Narrogin. The Town, with a much greater service size, would attract a considerably lower price than much smaller local governments.

The one drawback to this opportunity is the difference in services. The Town of Narrogin is a compulsory service while the service proposed by the Shire of Cuballing is a voluntary one. The Shire of Cuballing service is considerably more uncertain for a contractor. . There is significantly greater opportunity for change in the Shire of Cuballing service requirements with a voluntary service. That is the number of services may change significantly – both increase and decrease – and change the profitability of the service over the life of a contract.

The Officer still recommends that Council investigate this option and possibilities that may arise with the Town of Narrogin.

Strategic Implications

Waste management is a key responsibility of local government. Council needs to improve its current service provision to meet the intended outcomes identified in the SWMP.

Statutory Environment – Nil at this time
Policy Implications – Nil

Financial Implications

Council has budgeted for the following in 2015/16:

Capital Expenditure	
Building at Popanyinning Site	15,000
Fence at Cuballing Site	5,000
TOTAL	20,000
Operational Expenditure	
Manning of Popanyinning Waste Disposal/Transfer Station - From February 2016 (13.5 of Ordinary Time Hours) 3 hours Friday 3 hours Saturday 3 hours Sunday	12,029
Manning of Cuballing Waste Disposal/Transfer Station (13.5 of Ordinary Time Hours) 3 hours Friday 3 hours Saturday 3 hours Sunday	12,029
Voluntary Kerbside Pickup - Recycling From February - 11 weeks Recycling 200 Pickups	8,800
Voluntary Kerbside Pickup - Waste From February - 22 Weeks Waste 200 Pickups	8,800
TOTAL	41,658
Operational Income	
Kerbside Recycling Pickup	- 8,800
Kerbside Waste Pickup	- 8,800
TOTAL	- 17,600

Economic Implications

Local business may reduce costs or improve productivity by using waste collection services provided by Council.

Social Implications

While the proposed Regional Waste Disposal Site at Nebrikinning Road did create significant community opposition from within and from outside the Shire of Cuballing, waste management remains an important local government provided community service to residents across the GSRWG region.

Council provision of efficient, environmentally sustainable and cost effective waste management services is a high priority for the community of the Shire of Cuballing and for communities across the GSRWG region.

Environmental Considerations

It is anticipated that improved waste management practices will assist in the protection human health and the environment.

Consultation

Members of the GSRWG.

To date little public consultation has been conducted although it is believed that the Strategic Waste Management Plan did receive significant public consultation in 2008/09. The introduction of the measures included in the Officer's Recommendation directly impacting on households and businesses would need wide spread notice.

This would include letter drops and advertising in the Cuby News, seeking interest from local residents in Council providing a voluntary kerbside waste collection. Any change to the management of Waste Disposal Sites/Transfer Stations would be similarly advertised.

Council's strategic plans about moving to transfer stations and the destination of waste disposed at the transfer stations will be reported in the Cuballing news and other publications of Council from time to time.

Options

The Council can resolve:

1. the Officer's Recommendation;
2. an amended Officer's Recommendation;
3. defer and seek additional information.

Voting Requirements – Simple Majority

OFFICER RECOMMENDATION:

That Council:

- 1. seek to dispose of waste from kerbside Waste Collection in the Shire of Cuballing and from the Cuballing Transfer Station in the Town of Narrogin's White Road Waste Disposal Site from 1st July 2016 prior to the finalisation of a preferred short term regional waste disposal solution by the Great Southern Regional Waste Group; and**
- 2. discuss options and possibilities with the Town of Narrogin for a joint purchase of kerbside waste collection services with the Shire of Cuballing; and**
- 4. wish to reconsider the options and costs and possibilities of implementing compulsory kerbside waste and recycling kerbside collections in 2016/17.**

COUNCIL DECISION:

That Council:

- 1. seek to dispose of waste from kerbside Waste Collection in the Shire of Cuballing and from the Cuballing Transfer Station in the Town of Narrogin's White Road Waste Disposal Site from 1st July 2016 prior to the finalisation of a preferred short term regional waste disposal solution by the Great Southern Regional Waste Group;**
- 2. discuss options and possibilities with the Town of Narrogin for a joint purchase of kerbside waste collection services with the Shire of Cuballing; and**
- 3. wish to reconsider the options, costs and possibilities of implementing compulsory kerbside waste and recycling collection in 2016/17 at a future meeting of Council.**

Moved: Cr Ballantyne

Seconded: Cr Newman

Carried 6/0

Council did not resolve the Officer's Recommendation because of the impact of changes of the Great Southern Regional Waste Group's recent decision to not continue with the proposed Regional Waste Disposal Site.

9.4 ENVIRONMENTAL HEALTH OFFICER:

Nil

9.5 BUILDING OFFICER:

Nil

10. ELECTED MEMBERS' MOTION OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN:

Nil

11. URGENT BUSINESS WITHOUT NOTICE WITH THE APPROVAL OF THE PRESIDENT OR MEETING:

Nil

12. CONFIDENTIAL ITEM:

Nil

13. NEXT MEETING

3pm, Thursday 17th March 2016 at the Shire of Cuballing Council Chambers, Campbell Street, Cuballing.

14. CLOSURE OF MEETING:

There being no further business, the Shire President, Cr Conley, closed the meeting at 4:25pm.