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

# **AGENDA**

for the

**Ordinary Meeting of Council**

to be held

**2PM, THURSDAY 18<sup>th</sup> May 2017**

Shire of Cuballing  
Council Chambers  
Campbell Street, Cuballing

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# Agenda

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**1. DECLARATION OF OPENING:**

**2. ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE:**

**2.1.1 Attendance**

Cr Mark Conley  
Cr Eliza Dowling  
Cr Scott Ballantyne  
Cr Tim Haslam  
Cr Roger Newman  
Cr Dawson Bradford

President  
Deputy President

Mr Gary Sherry  
Ms Tonya Williams

Chief Executive Officer  
Deputy Chief Executive Officer

**2.1.2 Apologies**

Nil at this time.

**2.1.3 Leave of Absence**

Nil

**3. STANDING ORDERS:**

**OFFICER'S RECOMMENDATION:**

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

**4. PUBLIC QUESTION TIME:**

**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 at this time.

**5. APPLICATIONS FOR LEAVE OF ABSENCE:**

Nil at this time

**6. CONFIRMATION OF MINUTES:**

6.1.1 Ordinary Meeting of Council held on Thursday 20<sup>th</sup> April 2017

**OFFICER'S RECOMMENDATION:**

That the minutes of the Ordinary Meeting of Council held on Thursday 20<sup>th</sup> April 2017 be confirmed as a true record of proceedings.

**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 at this time.

## **9. REPORTS OF OFFICERS AND COMMITTEES:**

### **9.1 DEPUTY CHIEF EXECUTIVE OFFICER:**

#### **9.1.1 List of Accounts Submitted for Council Approval and Payment – April 2017**

File Ref. No:	NA
Disclosure of Interest:	Nil
Date:	8 <sup>th</sup> May 2017
Author:	Nichole Gould
Attachments:	9.1.1A List of April 2017 Trust Accounts 9.1.1B List of April 2017 Municipal Accounts

#### **Summary**

**Council is to consider the April 2017 List of Accounts.**

Background - Nil

Comment

Council is provided at Attachments 9.1.1A and 9.1.1B with a list of payments made from each of Council's bank accounts during the month of April 2017.

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

#### **OFFICER'S RECOMMENDATION:**

**That Council receives the List of Accounts for April 2017 paid under delegated authority in accordance with Regulation 13(1) of the Local Government (Financial Management) Regulations 1996 payments including payments from Council's:**

1. Trust Fund in April 2017 totalling \$55,552.25 included at Attachment 9.1.1A; and
2. Municipal Fund in April 2017 totalling \$227,940.88 included at Attachment 9.1.1B.

**LIST OF TRUST FUND ACCOUNTS DUE AND SUBMITTED TO COUNCIL  
APRIL 2017**

<b>Chq/EFT</b>	<b>Name</b>	<b>Description</b>	<b>Amount</b>
03042017	Police Licensing	Licensing Payments	-980.25
19042017	Police Licensing	Licensing Payments	-1246.40
20042017	Police Licensing	Licensing Payments	-265.85
21042017	Police Licensing	Licensing Payments	-144.15
24042017	Police Licensing	Licensing Payments	-604.95
26042017	Police Licensing	Licensing Payments	-1212.85
27042017	Police Licensing	Licensing Payments	-12865.60
28042017	Police Licensing	Licensing Payments	-12296.65
04042017	Police Licensing	Licensing Payments	-2344.75
05042017	Police Licensing	Licensing Payments	-1055.75
06042017	Police Licensing	Licensing Payments	-11318.60
07042017	Police Licensing	Licensing Payments	-3101.75
10042017	Police Licensing	Licensing Payments	-3705.65
11042017	Police Licensing	Licensing Payments	-995.20
12042017	Police Licensing	Licensing Payments	-2257.50
13042017	Police Licensing	Licensing Payments	-1156.35
			<b>-55552.25</b>

**LIST OF MUNICIPAL FUND ACCOUNTS DUE AND SUBMITTED TO COUNCIL  
APRIL 2017**

<b>Chq/EFT</b>	<b>Name</b>	<b>Description</b>	<b>Amount</b>
17042017	14 - Rent On Forrest Street	Rent On Forrest Street	-600.00
18042017	10 - Big Air Cloud Management	Big Air Cloud Management	-137.90
19042017	15 - Rent For Grader Driver House	Rent For Grader Driver House	-360.00
21042017	13 - ATO Clearing Account BAS	ATO Clearing Account BAS	-15572.00
03042017	14 - Rent On Forrest Street	Rent On Forrest Street	-600.00
05042017	15 - Rent For Grader Driver House	Rent For Grader Driver House	-360.00
07042017	11 - Interest On Graders	Interest On Graders	-722.83
07042017	12 - Loan Repayment No. 63 Graders	Loan Repayment No. 63 Graders	-2991.45
EFT2799	DJ Superannuation	Superannuation Contributions	-180.68
EFT2800	Lazeaway Caravan Park	Push Up Popo Rubbish Tip 6/02/17, 13/02/17, 20/02/17 & 28/02/17	-1276.00
EFT2801	Melchiorre Plumbing And Gas	Install New Pump, Tank And Leach Drain To Popanyinning Hall	-9138.06
EFT2802	Air Liquide Pty Ltd	Cylinder Fee Size G & E	-142.24
EFT2803	Air Response	Replace Existing Aircon Unit As Per Quote At Cwa Hall	-3179.00
EFT2804	Ashley Blyth Tree Lopping	Remove Trees Bunmulling Rd & Tree Branches Victoria St Popo	-885.50
EFT2805	Asphalt In A Bag	25 x 20kg Bags Asphalt	-1718.75
EFT2806	Bill & Bens Hot Bread Shop	250 x Hot Dog Rolls & 3 x White Slice Bread Loaves - Youth Day Event 12/04/17	-185.40
EFT2807	Bitutek	Bituminous Spray Seal	-31988.25
EFT2808	BKS Electrical	Install 3 New Power Points In Cwa Hall As Per Quote	-1780.92
EFT2809	Builders Registration Board Building Commission	March 2017 Buidling Forms	-896.80
EFT2810	Cannon Hygiene Australia Pty Ltd	Sanitary Unit Monthly Service Bi Annual Invoice	-419.06
EFT2811	Cuby Roadhouse	Postage & Freight	-669.42
EFT2812	DX Print Group Pty Ltd	Window Face & Plain Envelopes	-529.00
EFT2813	Digga West & Earthparts WA	1 x 150mm Post Hole Auger & 1 x Adaptor/Shaft	-508.20
EFT2814	Edwards Motors Pty Ltd	75,000 & 90,000kms Services - Replace Oil, Filters, Repack Fron Wheel Bearings & Replace Hub Seals, Inspect, Check Tyres & Brakes, Degrease Engine Bay, Test Drove, Parts & Labour	-801.15



<b>Chq/EFT</b>	<b>Name</b>	<b>Description</b>	<b>Amount</b>
EFT2815	Earl Street Surgery	Drs Appoint / Consult For Hep B Vaccination Script	-76.00
EFT2816	Edge Planning & Property	Interim Invoice March 2017	-2266.27
EFT2817	Great Southern Fuel Supplies	March Account - Bulk Diesel	-14383.31
EFT2818	Great Southern Waste Disposal	Rubbish Service 28/02/17 To 28/03/17 - Household Service x 251	-4712.40
EFT2819	JR & A Hersey P/L	Yakka Long Sleeve Shirts - D Thompson & P Lawrence, Pheonix Nubuck Boot - D Christensen, Argyle Zip Side Boot - B Brennan	-2057.05
EFT2820	Komatsu Australia Pty Limited	3,500 Hours Service On Grader	-2657.95
EFT2821	Landgate	UV Schedule No R2017/2 Dated 4/02/17 To 17/02/17	-144.60
EFT2822	LGIS Risk Management	LGISWA Peel/Central Wheatbelt Regional Risk Coordination Programme Project Number 9471 Service To 30/03/2017 Rrc Programme 2nd Instalment 2016/17	-2388.10
EFT2823	Lazeaway Caravan Park	Push Up Popanyinning Rubbish Tip 7/03/17, 13/03/17, 20/03/17 & 28/03/17	-1276.00
EFT2824	Makit Narrogin Hardware	Light Globes & Caroma Cistern Seals	-46.60
EFT2825	Mechanical And Diesel Services	Replace Clutch Slave Cylinder In Nissan Truck	-1172.60
EFT2826	Market Creations	Synergy Backup In The Cloud March 2017	-514.96
EFT2827	Marketforce	Public Notice - Advert - Narrogin Observer 30/03/17 - Council Meeting Dates	-358.99
EFT2828	Melchiorre Plumbing And Gas	Remove & Install New Pump In Septics At Equestrian Centre	-1246.19
EFT2829	Narrogin Auto Electrics	Regas Air Con In Bomag Roller & Replace Radio	-2357.16
EFT2830	Narrogin Earthmoving And Concrete	Hire Of Vibe Roller For Wandering-Narrogin Rd 13/03/17, 14/03/17, 15/03/17 & 16/03/17	-1782.00
EFT2831	Narrogin Observer	Advert Narrogin Observer 20/04/17 For Anzac Day 25/04/17	-50.00
EFT2832	Narrogin Smash Repairs	Tow Abandoned Vehicle From Wandering-Narrogin Rd To Depot 1/03/17	-220.00
EFT2833	Narrogin Country Fresh Meats	1kg Beef Bbq Sausage & 12 x Scotch Fillet Steak	-98.30

Chq/EFT	Name	Description	Amount
EFT2834	Narrogin Embroidery	Embroidery Work Shirts Logo - David, Phil & Peter	-126.00
EFT2836	Primaries - Narrogin	Simazine, Wetter, Roundup, Metsulfuron	-5990.38
EFT2837	Peel Harvey Catchment Council	Contribution Towards Dryandra Feral Cat Management	-2200.00
EFT2838	PH & KE Gow	Contour Survey Of Victoria St Popo For Drainage	-3355.00
EFT2839	Pictures For Pleasure	Framing Of Councillor Photos	-90.00
EFT2840	Popanyinning Progress Association	Contribution Towards PPA's 2016 Bonfire Night	-1000.00
EFT2841	Road Signs Australia	50 x 700mm Traffic Cones	-1413.50
EFT2842	Ramm Software Pty Ltd	Raam Training Held @ Cuballing On 23 & 24 February 2017 - Various Shires Employees	-3735.18
EFT2843	Shire Of Narrogin	Bill Collection Service Kerbside Pickup 9.18 Tonnes @ \$75 Per Tonne - Transfer To Shire Of Narrogin Landfill Site	-1996.21
EFT2844	SOS Office Equipment	Photocopier Meter Reading Dcvc4475 24/02/17 To 24/03/17	-604.51
EFT2845	Staples Australia Pty Ltd	6 x Boxes Of A4 White Paper & 4 x Sticky Tape	-127.97
EFT2846	Stewart And Heaton Clothing Co	Fire Uniforms - Wildland Boots x 4, Wildland Trousers x 3, Certified Coat x 3, Wildland Jacket x 1	-4109.82
EFT2847	Toll Ipec (Courier Australia)	Freight Charges - Rsa	-216.33
EFT2848	The Workwear Group Pty Ltd	NNT - LGC- Uniform Order - B Brennan	-49.94
EFT2849	Tonya Williams	50% Reimbursement Synergy - T Williams	-51.23
EFT2850	WA Fire Appliances	Service Fire Truck	-759.00
EFT2851	Western Stabilisers	Cement Stabilisation - Narrogin Wandering Road 200mm @ 1.5% Cement	-64099.32
EFT2852	Westrac	2 x 20litres Of Coolant	-178.51
EFT2853	Whitford Fertilisers Narrogin	Use Of Weighbridge 7 x Rubbish Truck Weighs @ \$5.00 Each	-38.50
EFT2854	DJ Superannuation	Superannuation Contributions	-180.68
EFT2855	Narrogin Guardian Pharmacy	Vaccination Hep B - Tom Cook	-39.10
184834	Australian Super	Superannuation Contributions	-408.90
184835	Hostplus Super	Superannuation Contributions	-209.84
184836	Matrix Superannuation	Superannuation Contributions	-65.41
184837	WA Local Government Super Plan	Superannuation Contributions	-5614.47
184838	Westscheme Superannuation	Superannuation Contributions	-593.69

<b>Chq/EFT</b>	<b>Name</b>	<b>Description</b>	<b>Amount</b>
184839	Water Corporation	Water Charges - Standpipe Francis St Popanyinning	-1206.10
184840	Australian Communications And Media Authority	Licence Renewal Fees For Land Mobile-Licence Number 1621950/1	-109.00
184841	Australian Institute Of Building Surveyors	Tie-Down & Bracing For Houses & Advance Mid-Rise Fire Engineering - Aibs Training - D Baxter	-340.00
184842	Building & Construction Industry Training	Bcift Forms March 2017	-1372.01
184843	Cuby Tavern	Salads Council Meeting 10/03/17, 1 x Carton Calton Dry 16/03/17, 1 x Carton Calton Dry 17/03/17 & 1 x Carton Calton Dry 29/03/17	-253.00
184844	inet Limited	Nbn Wireless Limitless Boost Inc Lnm Calls	-91.84
184845	Synergy	Electricity Charges - Street Lighting 25/02/17 To 24/03/17	-519.45
184846	Shire Of Cuballing	Building Services - March 2017 - Labour 39.5hrs @ \$110.00 & Travel 314kms @ \$0.95	-5086.84
184847	Telstra	Service Charges - Shire Office	-947.60
184848	Australian Super	Superannuation Contributions	-408.90
184849	Hostplus Super	Superannuation Contributions	-209.84
184850	Matrix Superannuation	Superannuation Contributions	-100.30
184851	WA Local Government Super Plan	Superannuation Contributions	-5652.56
184852	Westscheme Superannuation	Superannuation Contributions	-593.69
27042017	Commonwealth Bank	Credit Card Bank Fees	-9.99
27042017	Commonwealth Bank	Fuel – 0CN	-46.90
27042017	Commonwealth Bank	Council Refreshments	-39.99
27042017	Commonwealth Bank	Integrated Planning	-30.00
27042017	Commonwealth Bank	Fuel – CN039	-120.07
27042017	Commonwealth Bank	Community Events	-63.00
27042017	Commonwealth Bank	Council Refreshments	-35.22
			<b>-227940.88</b>

## 9.1.2 Statement of Financial Activity

Applicant:	N/A
File Ref. No:	ADM214
Disclosure of Interest:	Nil
Date:	2 <sup>nd</sup> May 2017
Author:	Tonya Williams, Deputy Chief Executive Officer
Attachments:	9.1.2A Statement of Financial Activity 9.1.2A

### **Summary**

**Council is to consider the Statement of Financial Activity for April 2017.**

### **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**

#### **General Purpose Funding**

Discount amount was higher than budgeted, this will result in a permanent difference to the amount of Rates available for funding projects in the year.

#### **Governance**

LSL reimbursements from other Shire's was not budgeted but has been recouped.

#### **Law, Order & Public Safety**

Expenditure is lower than budgeted as the contract Ranger was not appointed until November, creating a timing difference.

#### **Education & Welfare**

Expected to have spent funds on Aged Housing (\$20,000), this has not occurred to due project delays.

#### **Housing**

Salary Sacrifice for Grader Driver House not commenced until September, this has created a permanent difference.

#### **Community Amenities**

Additional Planning Fees have been received. Tip maintenance costs are lower than expected. Manning of tip stations has occurred slightly later than expected, resulting in a timing difference for wages. Contractor cost of rubbish collection currently lower than budgeted. Expected to pay

contribution to the Great Southern Waste Group, not yet paid creating a timing difference (\$5,000).

### **Recreation and Culture**

Additional Recreation Centre hire fees have been received. Maintenance costs of Recreation and the Cuballing Recreation Centre are higher than budgeted.

### **Transport**

Final Storm Damage claim works expenditure delayed, no further income has been claimed as a result. Road and bridge maintenance costs are lower than budgeted, expect this to change after the completion of the capital works program.

### **Economic Services**

Central Country Zone Golf Day expenditure was not budgeted for, this has no overall impact as all funds were paid out to the Cuballing Golf Club for running the day. Yornaning Dam funds (\$5,000) were allocated to be spent but have not yet been allocated.

### **Other Property and Services**

Loss on disposal is higher than budgeted due to Fair Value revaluations made for 30 June 2016 (\$7,743).

### **Capital Expenditure**

Regional Road Group project will not be completed this financial year due to the February flooding impact on the culvert installation. The final 20% of funding will not be claimed in this financial year. Some expenditure ongoing for Roads to Recovery projects that should be completed in May. Ongoing works on the Grain Freight Route, this expenditure was delayed creating a timing difference.

Construction on the Popanyinning Transfer Station will continue longer than budgeted, the shed is constructed but fencing is not due to be completed until 2017.

Revaluation of Plant & Equipment at the end of 2015/16 increased the value of the previous Building vehicle. This created a higher than budgeted loss on the trade in of the asset.

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

Administration Allocations done to April 2017.

Depreciation expenses calculated to April 2017.

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

**OFFICER'S RECOMMENDATION:**

**That the Statement of Financial Activity, as included at Attachment 9.1.2A for the Shire of Cuballing for period ending 30<sup>th</sup> April 2017 be received.**

**SHIRE OF CUBALLING**

**MONTHLY FINANCIAL REPORT**  
**(Containing the Statement of Financial Activity)**  
**For the Period Ended 30 April 2017**

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

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**Shire of Cuballing  
Information Summary  
For the Period Ended 30 April 2017**

## Key Information

### 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 pages 2 - 3.

### Statement of Financial Activity by reporting program

Is presented on page 6 and shows a surplus as at 30 April 2017 of \$749,320.

### Items of Significance

The material variance adopted by the Shire of Cuballing for the 2016/17 year is \$5,000 or 10% whichever is the greater. The following selected items have been highlighted due to the amount of the variance to the budget or due to the nature of the revenue/expenditure. A full listing and explanation of all items considered of material variance is disclosed in Note 2.

### Capital Expenditure

Land and Buildings	▲ \$	217,962	Minor completion works
Infrastructure - Roads	▲ \$	344,622	Change to Capital Works
Plant and Equipment	-\$	1,170	No material variance

### Capital Revenue

Grants, Subsidies and Contributions	▲	\$95,507	All Roads to Recovery and
Proceeds from Disposal of Assets		(\$782)	No material variance

	Collected / Complete	Annual Budget	YTD Budget	YTD Actual
<b>Significant Projects</b>				
DREC Weather Shelter	23%	\$ 96,869	\$ 96,869	\$ 22,384
Popanyinning Transfer Station	19%	\$ 148,451	\$ 148,452	\$ 28,057
RRG - Wandering Narrogin Road	72%	\$ 496,800	\$ -	\$ 355,717
<b>Grants, Subsidies and Contributions</b>				
Operating Grants, Subsidies and Contributions	77%	\$ 1,052,784	\$ 727,702	\$ 807,719
Non-operating Grants, Subsidies and Contributions	79%	\$ 1,017,793	\$ 914,799	\$ 800,984
	78%	\$ 2,070,577	\$ 1,642,501	\$ 1,608,703
Rates Levied	99%	\$ 1,039,987	\$ 1,039,986	\$ 1,031,128

% Compares current ytd actuals to annual budget

### Financial Position

		Prior Year	Current Year
Adjusted Net Current Assets	261%	\$ 286,911	\$ 749,321
Cash and Equivalent - Unrestricted	312%	\$ 155,725	\$ 485,085
Cash and Equivalent - Restricted	104%	\$ 1,278,765	\$ 1,329,841
Receivables - Rates	#DIV/0!	\$ -	\$ 70,627
Receivables - Other	134%	\$ 151,432	\$ 202,251
Payables	15%	\$ 104,083	\$ 15,818

% Compares current ytd actuals to prior year actuals at the same time

Note: The Statements and accompanying notes are prepared based on all transactions recorded at the time of preparation and may vary due to transactions being processed for the reporting period after the date of

## Preparation

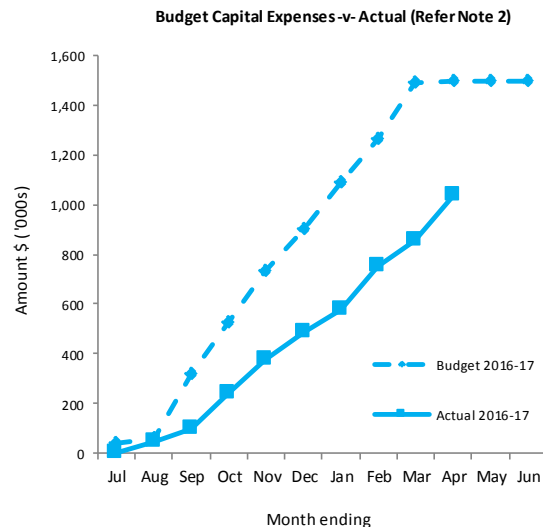
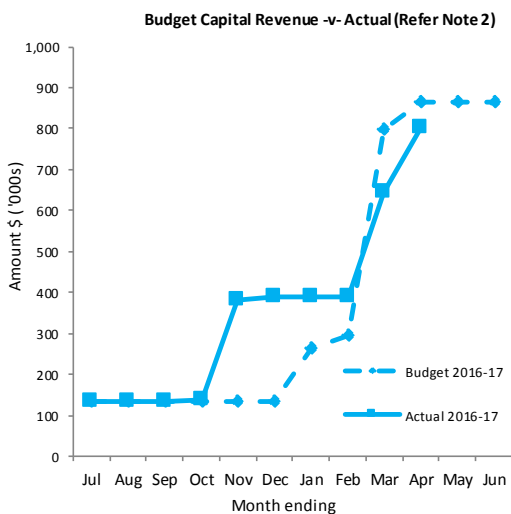
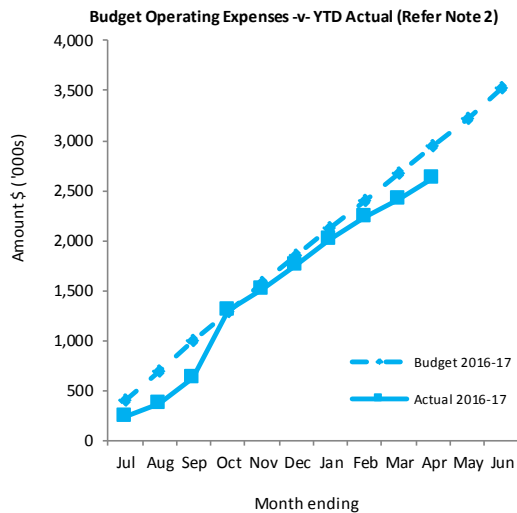
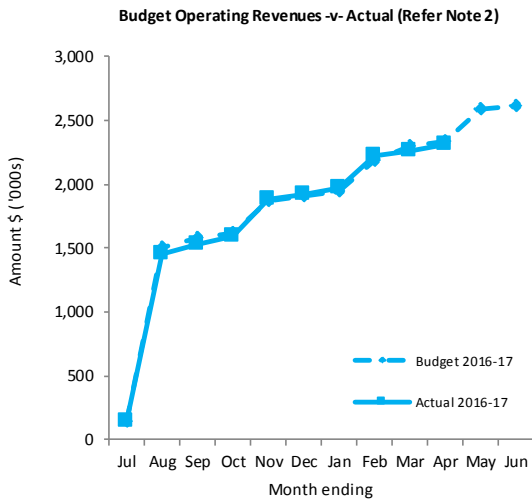
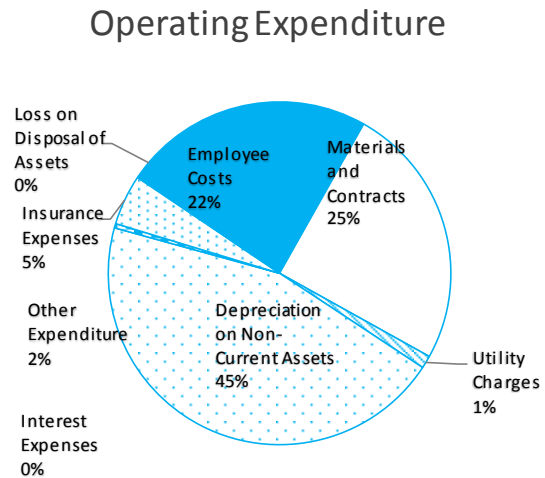
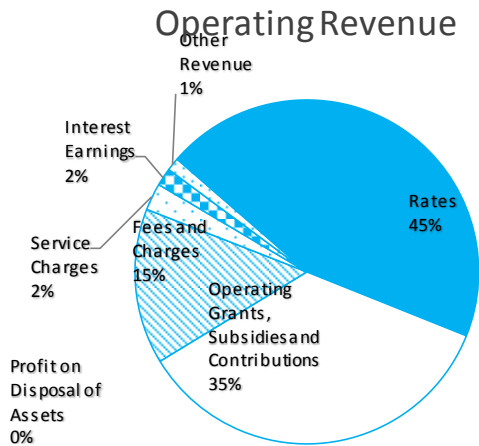
Prepared by: Tonya Williams, DCEO

Reviewed by: Gary Sherry, CEO

Date prepared: 6th December 2016



Shire of Cuballing  
Information Summary  
For the Period Ended 30 April 2017



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 30 April 2017**

	Note	Annual Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)- (a)/(a)	Var.
		\$	\$	\$	\$	%	
<b>Opening Funding Surplus(Deficit)</b>	3	169,358	169,029	<b>169,029</b>	0	0%	
<b>Revenue from operating activities</b>							
Governance		3,150	3,060	<b>31,970</b>	28,910	945%	▲
General Purpose Funding	9	1,639,907	1,493,128	<b>1,496,454</b>	3,326	0%	
Law, Order and Public Safety		26,400	26,400	<b>28,830</b>	2,430	9%	
Health		1,500	950	<b>1,882</b>	932	98%	
Education and Welfare		0	0	<b>0</b>	0		
Housing		4,680	3,900	<b>3,240</b>	(660)	(17%)	
Community Amenities		58,350	58,070	<b>62,339</b>	4,269	7%	
Recreation and Culture		9,795	9,715	<b>10,314</b>	599	6%	
Transport		477,157	396,918	<b>367,389</b>	(29,529)	(7%)	
Economic Services		65,000	55,330	<b>83,165</b>	27,835	50%	▲
Other Property and Services		258,000	213,449	<b>222,632</b>	9,183	4%	
		<b>2,543,939</b>	<b>2,260,920</b>	<b>2,308,215</b>			
<b>Expenditure from operating activities</b>							
Governance		(126,635)	(99,862)	<b>(100,090)</b>	(228)	(0%)	
General Purpose Funding		(59,356)	(44,340)	<b>(37,956)</b>	6,384	14%	▲
Law, Order and Public Safety		(131,070)	(112,434)	<b>(100,625)</b>	11,809	11%	▲
Health		(40,339)	(33,540)	<b>(29,406)</b>	4,134	12%	▲
Education and Welfare		(54,439)	(30,443)	<b>(9,265)</b>	21,178	70%	▲
Housing		(51,022)	(43,046)	<b>(41,479)</b>	1,567	4%	
Community Amenities		(369,431)	(297,930)	<b>(237,723)</b>	60,207	20%	▲
Recreation and Culture		(283,284)	(240,265)	<b>(254,390)</b>	(14,125)	(6%)	
Transport		(2,043,332)	(1,707,248)	<b>(1,489,982)</b>	217,266	13%	▲
Economic Services		(145,495)	(118,958)	<b>(124,649)</b>	(5,691)	(5%)	
Other Property and Services		(224,687)	(193,989)	<b>(190,365)</b>	3,623	2%	
		<b>(3,529,090)</b>	<b>(2,922,055)</b>	<b>(2,615,929)</b>			
<b>Operating activities excluded from budget</b>							
Add back Depreciation		1,274,700	1,062,180	<b>1,177,420</b>	115,240	11%	▲
Adjust (Profit)/Loss on Asset Disposal	8	1,541	1,541	<b>7,743</b>	6,202	402%	▲
Adjust Provisions and Accruals		0	0	<b>0</b>	0		
<b>Amount attributable to operating activities</b>		<b>291,090</b>	<b>402,587</b>	<b>877,449</b>			
<b>Investing Activities</b>							
Non-operating Grants, Subsidies and Contributions	11	940,255	705,477	<b>800,984</b>	95,507	14%	▲
Proceeds from Disposal of Assets	8	18,597	18,597	<b>17,815</b>	(782)	(4%)	
Land Held for Resale		0	0	<b>0</b>	0		
Land and Buildings	13	(291,390)	(291,391)	<b>(73,429)</b>	217,962	75%	▲
Infrastructure Assets	13	(1,092,512)	(1,193,618)	<b>(848,996)</b>	344,622	29%	▲
Plant and Equipment	13	(113,000)	(113,000)	<b>(114,170)</b>	(1,170)	(1%)	
Furniture and Equipment	13	0	0	<b>0</b>	0		
<b>Amount attributable to investing activities</b>		<b>(538,050)</b>	<b>(873,935)</b>	<b>(217,795)</b>			
<b>Financing Activities</b>							
Proceeds from New Debentures		0	0	<b>0</b>	0		
Proceeds from Advances		0	0	<b>0</b>	0		
Self-Supporting Loan Principal		0	0	<b>0</b>	0		
Transfer from Reserves	7	250,470	0	<b>0</b>	0		
Advances to Community Groups		0	0	<b>0</b>	0		
Repayment of Debentures	10	(67,368)	(53,171)	<b>(53,171)</b>	0	0%	
Transfer to Reserves	7	(105,500)	(26,191)	<b>(26,191)</b>	0	0%	
<b>Amount attributable to financing activities</b>		<b>77,602</b>	<b>(79,362)</b>	<b>(79,362)</b>			
<b>Closing Funding Surplus(Deficit)</b>	3	<b>0</b>	<b>(381,682)</b>	<b>749,320</b>			

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 30 April 2017**

	Note	Annual Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
		\$	\$	\$	\$	%	
<b>Opening Funding Surplus (Deficit)</b>	3	169,358	169,029	<b>169,029</b>	0	0%	
<b>Revenue from operating activities</b>							
Rates	9	1,039,987	1,039,986	<b>1,031,128</b>	(8,858)	(1%)	
Operating Grants, Subsidies and Contributions	11	1,066,508	845,817	<b>813,466</b>	(32,351)	(4%)	
Fees and Charges		326,945	274,934	<b>337,537</b>	62,603	23%	▲
Service Charges		57,000	57,000	<b>58,867</b>	1,867	3%	
Interest Earnings		34,500	28,728	<b>38,635</b>	9,907	34%	▲
Other Revenue		19,000	15,996	<b>28,582</b>	12,586	79%	▲
Profit on Disposal of Assets	8	0	0	<b>0</b>			
		<b>2,543,940</b>	<b>2,262,461</b>	<b>2,308,215</b>			
<b>Expenditure from operating activities</b>							
Employee Costs		(823,752)	(665,230)	<b>(569,926)</b>	95,304	14%	▲
Materials and Contracts		(1,183,409)	(971,266)	<b>(651,236)</b>	320,029	33%	▲
Utility Charges		(44,470)	(37,804)	<b>(31,263)</b>	6,542	17%	▲
Depreciation on Non-Current Assets		(1,274,700)	(1,062,180)	<b>(1,177,420)</b>	(115,240)	(11%)	▼
Interest Expenses		(12,746)	(10,529)	<b>(10,628)</b>	(99)	(1%)	
Insurance Expenses		(125,274)	(125,273)	<b>(124,560)</b>	713	1%	
Other Expenditure		(63,200)	(49,773)	<b>(43,153)</b>	6,620	13%	▲
Loss on Disposal of Assets	8	(1,541)	(1,541)	<b>(7,743)</b>			
		<b>(3,529,091)</b>	<b>(2,923,596)</b>	<b>(2,615,929)</b>			
<b>Operating activities excluded from budget</b>							
Add back Depreciation		1,274,700	1,062,180	<b>1,177,420</b>	115,240	11%	▲
Adjust (Profit)/Loss on Asset Disposal	8	1,541	1,541	<b>7,743</b>	6,202	402%	▲
<b>Amount attributable to operating activities</b>		<b>291,090</b>	<b>402,587</b>	<b>877,449</b>			
<b>Investing activities</b>							
Grants, Subsidies and Contributions	11	940,255	705,477	<b>800,984</b>	95,507	14%	▲
Proceeds from Disposal of Assets	8	18,597	18,597	<b>17,815</b>	(782)	(4%)	
Land Held for Resale		0	0	<b>0</b>	0		
Land and Buildings	13	(291,390)	(291,391)	<b>(73,429)</b>	217,962	75%	▲
Infrastructure Assets	13	(1,092,512)	(1,193,618)	<b>(848,996)</b>	344,622	29%	▲
Plant and Equipment	13	(113,000)	(113,000)	<b>(114,170)</b>	(1,170)	(1%)	
Furniture and Equipment	13	0	0	<b>0</b>	0		
<b>Amount attributable to investing activities</b>		<b>(538,050)</b>	<b>(873,935)</b>	<b>(217,795)</b>			
<b>Financing Activities</b>							
Proceeds from New Debentures		0	0	<b>0</b>	0		
Proceeds from Advances		0	0	<b>0</b>	0		
Self-Supporting Loan Principal		0	0	<b>0</b>	0		
Transfer from Reserves	7	250,470	0	<b>0</b>	0		
Advances to Community Groups		0	0	<b>0</b>	0		
Repayment of Debentures	10	(67,368)	(53,171)	<b>(53,171)</b>	0	0%	
Transfer to Reserves	7	(105,500)	(26,191)	<b>(26,191)</b>	0	0%	
<b>Amount attributable to financing activities</b>		<b>77,602</b>	<b>(79,362)</b>	<b>(79,362)</b>			
<b>Closing Funding Surplus (Deficit)</b>	3	0	(381,682)	<b>749,320</b>	<b>1,131,003</b>	(296%)	

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.

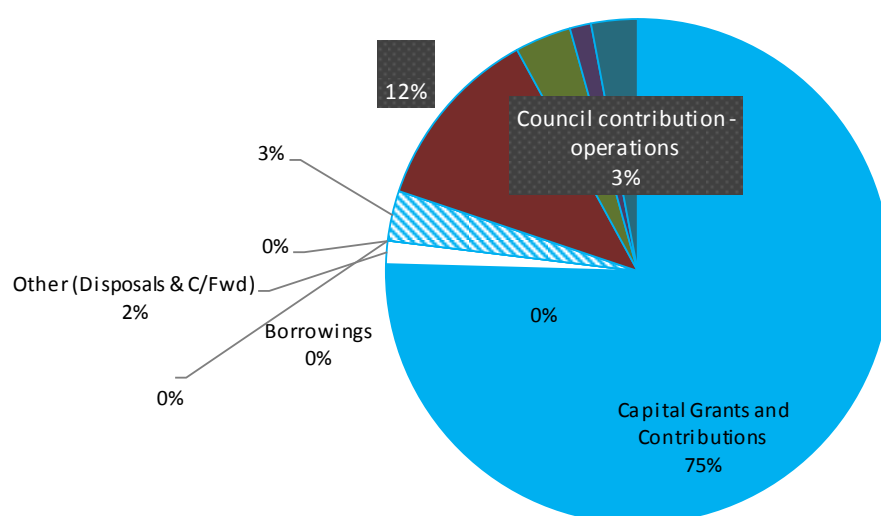
**SHIRE OF CUBALLING**  
**STATEMENT OF CAPITAL ACQUISITIONS AND CAPITAL FUNDING**  
For the Period Ended 30 April 2017

**Capital Acquisitions**

	Note	YTD Actual New /Upgrade (a)	YTD Actual (Renewal Expenditure) (b)	YTD Budget (d)	Annual Budget	YTD Actual Total (c) = (a)+(b)	Variance (d) - (c)
		\$	\$	\$	\$	\$	\$
Land and Buildings	13	0	0	291,391	291,390	<b>73,429</b>	(217,962)
Infrastructure Assets	13	0	0	1,193,618	1,092,512	<b>848,996</b>	(344,622)
Plant and Equipment	13	0	0	113,000	113,000	<b>114,170</b>	1,170
<b>Capital Expenditure Totals</b>		0	0	1,598,009	1,496,902	<b>1,036,594</b>	<b>(561,415)</b>

**Capital acquisitions funded by:**

Capital Grants and Contributions				<b>914,799</b>	<b>940,255</b>	<b>800,984</b>	
Borrowings				<b>0</b>	<b>0</b>	<b>0</b>	
Other (Disposals & C/Fwd)				<b>18,597</b>	<b>18,597</b>	<b>17,815</b>	
Council contribution - Cash Backed Reserves				<b>0</b>	<b>250,470</b>	<b>0</b>	
Plant and Equipment Reserve				0	0	0	
Administration Building and Office Equipment Reserve				0	0	0	
Housing Reserve				0	40,000	0	
Recreation and Community Facility Reserve				0	0	0	
Refuse Site Reserve				0	148,451	0	
Grain Freight Reserve				0	45,019	0	
Equestrian Reserve				0	17,000	0	
Council contribution - operations				<b>664,614</b>	<b>37,110</b>	<b>217,795</b>	
<b>Capital Funding Total</b>				<b>1,598,009</b>	<b>1,246,432</b>	<b>1,036,594</b>	

**Budgeted Capital Acquisitions Funding**

**SHIRE OF CUBALLING**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 30 April 2017**

**Note 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

**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

**(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

**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

**(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:

<b>Asset</b>	<b>Years</b>
Buildings	30 to 50 years
Furniture and Equipment	4 to 10 years
Plant and Equipment	5 to 15 years
Sealed roads and streets formation	not depreciated
pavement seal	50 years
bituminous seals	20 years
asphalt surfaces	25 years
Gravel Roads formation	not depreciated
pavement	50 years
gravel sheet	12 years
Formed roads formation	not depreciated
pavement	50 years
Footpaths - slab	20 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.

**(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

**(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

**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,

**Profit on Asset Disposal**

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

**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 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

**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,

**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

**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.

**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 State taxes. Donations and subsidies made to community groups.

**SHIRE OF CUBALLING**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 30 April 2017**

**Note 2: Explanation of Material Variances**

The material variance thresholds are adopted annually by Council as an indicator of whether the actual expenditure or revenue varies from the year to date budget materially.

The material variance adopted by Council for the 2016/17 year is \$5,000 or 10% whichever is the greater.

Reporting Program	Var. \$	Var. %	V.	Timing/ Permane	Explanation of Variance
<b>Operating Revenues</b>					
General Purpose Funding	\$ 3,326	0%		Permanent	No material variance Creditor payment correction (double receipted) was made from 2015/16 in 2016/17 for \$1,058.26.
Governance	28,910	945%	▲	Permanent	Reimbursements from LSL paid (not budgeted).
Law, Order and Public Safety	2,430	9%		Timing	DFES Administration Fee of \$4,000 was not budgeted
Health	932	98%		Timing	Additional Septic Approvals. Salary sacrifice for Grader Driver House under Budgeted, as no employee payroll till Sept.
Housing	(660)	(17%)		Permanent	Additional Planning Application fees received. Additional Rubbish Collection fees collected.
Community Amenities	4,269	7%		Timing	Additional Recreation Center Hire fees Budgeted to have completed Storm Damage Works in Q1, has not occurred (\$30,307). Licensing commission slightly lower than budgeted.
Recreation and Culture	599	6%		Timing	Additional Building Licence fees received. Central Country Zone Gold Day fees, unbudgeted expense (paid to Cuballing Golf Club).
Transport	(29,529)	(7%)		Timing	Diesel Fuel Rebate and workers compensation claims more than budgeted.
Economic Services	27,835	50%	▲	Timing	
Other Property and Services	9,183	4%		Timing	
<b>Operating Expense</b>					
General Purpose Funding	6,384	14%	▲	Timing	Administration expenses lower than budgeted. Legal Fees to be allocated out to Rates Assessments.
Governance	(228)	(0%)	▲	Timing	Fringe Benefits Tax instalments paid and not moved to accurately reflect all employees with FBT. Ranger costs lower than expected (contract Ranger not engaged until November). Community Safety wages lower than budgeted.
Law, Order and Public Safety	11,809	11%	▲	Timing	EHO Salary lower than budgeted.
Health	4,134	12%	▲	Timing	Expected to have spent funds on Aged Housing (\$20,000), this has not occurred to due project delays.
Education & Welfare	21,178	70%	▲	Timing	No material variance.
Housing	1,567	4%		Timing	Tip maintenance costs lower than expected as manning of tip stations started later than budgeted. Rubbish Collection Fees currently less than budgeted. Town Planning consultant fees lower than budgeted. Expected to pay contribution to GSWG, not yet paid creating a timing difference (\$5,000).
Community Amenities	60,207	20%	▲	Timing	Maintenance costs on Recreation and the Cuballing Recreation Centre are more than budgeted.
Recreation and Culture	(14,125)	(6%)		Timing	Expenditure on final storm damage works delayed (\$40,409). Road and bridge maintenance costs lower than budgeted, expect these to pick up again after the capital works program is completed.
Transport	217,266	13%	▲	Timing	Central Country Zone Golf Day payments to Cuballing Golf Club, unbudgeted expense (\$4,865). Yornaning Dam expenditure (5,000) budgeted but not spent.
Economic Services	(5,691)	(5%)		Permanent	Workers compensation claims are higher than budgeted. Loss on disposal is higher than budgeted due to Fair Value revaluations made for 30 June 2016 (\$7,743).
Other Property and Services	3,623	2%		Permanent	
<b>Capital Revenues</b>					
Grants, Subsidies and Contributions	95,507	14%	▲		All Roads to Recovery and Blackspot payments received. Final 20% of Regional Road Group payments will not be claimed this financial year due to delays in project completion (\$66,240).
Proceeds from Disposal of Assets	(782)	(4%)		Permanent	No material variance
<b>Capital Expenses</b>					
Land and Buildings	217,962	75%	▲	Timing	Minor completion works undertaken at the Cuballing Transfer Station. Construction of Popanyinning Transfer Station will continue longer than budgeted, shed is constructed but fencing and station wall not due for completion until 2017. Change to Capital Works Program for the Summer due to factors outside of Council's control. Regional road group expenditure delayed permanently. Works delayed on the Grain Freight Route. Some ongoing expenditure on Victoria Road for Raods to Recovery.
Infrastructure - Roads	344,622	29%	▲	Timing	
Plant and Equipment	(1,170)	(1%)		Timing	No material variance
Furniture and Equipment	0				No material variance
<b>Financing</b>					
Loan Principal	0	0%			No material variance

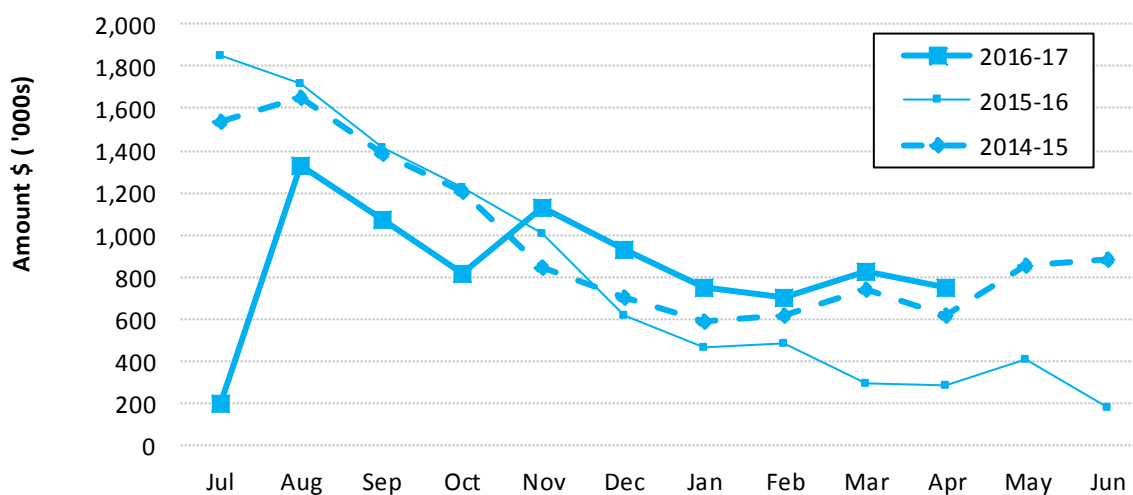


**SHIRE OF CUBALLING**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 30 April 2017**

**Note 3: Net Current Funding Position**

Positive=Surplus (Negative=Deficit)

		Last Years Closing	This Time Last Year	Current
	Note	30 June 2017	29 Apr 2016	30 Apr 2017
		\$	\$	\$
<b>Current Assets</b>				
Cash Unrestricted	4	129,820	155,725	481,700
Cash Restricted	11	0	0	0
Cash Reserves	4	1,303,650	1,278,765	1,329,841
Receivables - Rates	6	41,871	0	70,627
Receivables - Other	6	97,802	151,432	202,251
Interest / ATO Receivable/Trust		0	0	6,942
Inventories		3,619	7,197	3,619
		1,576,762	1,593,119	2,094,980
<b>Less: Current Liabilities</b>				
Payables and Provisions		(104,083)	(27,443)	(15,818)
		(104,083)	(27,443)	(15,818)
Less: Cash Reserves	7	(1,303,650)	(1,278,765)	(1,329,841)
<b>Net Current Funding Position</b>		<b>169,029</b>	<b>286,911</b>	<b>749,321</b>

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

FAGS Allocation in 16/17 is paid in quarterly installments, in 15/16 there was an advance.

**SHIRE OF CUBALLING**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 30 April 2017**

**Note 4: Cash and Investments**

	Unrestricted	Restricted	Trust	Total Amount	Institution	Interest Rate	Maturity Date
	\$	\$	\$	\$			
<b>(a) Cash Deposits</b>							
Municipal Bank Account	32,050			32,050	CBA	0.00%	At Call
Investment Account	452,335			452,335	CBA	1.75%	At Call
Trust Bank Account			20,310	20,310	CBA	0.00%	At Call
Cash On Hand	700			700	N/A	Nil	On Hand
Reserves Account		2,904		2,904	CBA	0.00%	At Call
<b>(b) Term Deposits</b>							
Reserves Term Deposit 1		436,843		436,843	CBA	2.25%	09-Jun-17
Reserves Term Deposit 2		436,992		436,992	CBA	2.26%	08-May-17
Reserves Term Deposit 3		453,103		453,103	CBA	2.30%	03-May-17
<b>Total</b>	<b>485,085</b>	<b>1,329,841</b>	<b>20,310</b>	<b>1,835,236</b>			

**Comments/Notes - Investments**

Reserve Funds are on a rolling maturity schedule to maximise interest, linked to a Reserve transaction account.

**SHIRE OF CUBALLING**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 30 April 2017**

**Note 5: Budget Amendments**

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

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

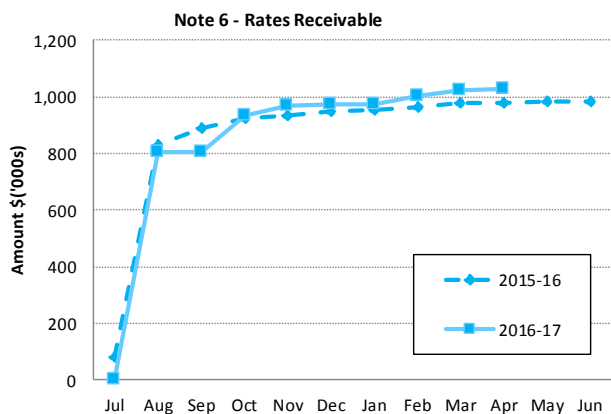
**SHIRE OF CUBALLING**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 30 April 2017**

**Note 6: Receivables**

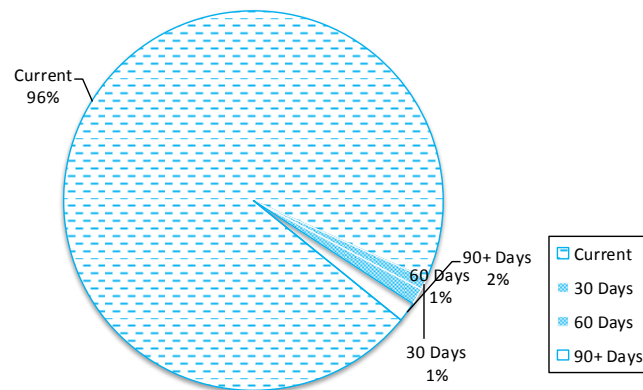
Receivables - Rates Receivable	30 Apr 2017	30 June 2016
	\$	\$
Opening Arrears Previous Years	47,139	39,377
Levied this year	1,031,128	996,640
Less Collections to date	(1,025,589)	(988,878)
Equals Current Outstanding	<b>52,678</b>	<b>47,139</b>
<b>Net Rates Collectable</b>	<b>52,678</b>	<b>47,139</b>
% Collected	95.11%	95.45%

Receivables - General	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$
Receivables - General	193,964	2,044	2,811	3,433	202,251
<b>Balance per Trial Balance</b>					
Sundry Debtors					202,251
Receivables - Other					6,942
<b>Total Receivables General Outstanding</b>					<b>209,193</b>

Amounts shown above include GST (where applicable)



**Note 6 - Accounts Receivable (non-rates)**



**Comments/Notes - Receivables Rates**

Rates Issue Date - 5th August 2016  
 Discount Period Ends - 26 August 2016  
 Rates Due - 9 September 2016  
 81 on Instalment Option

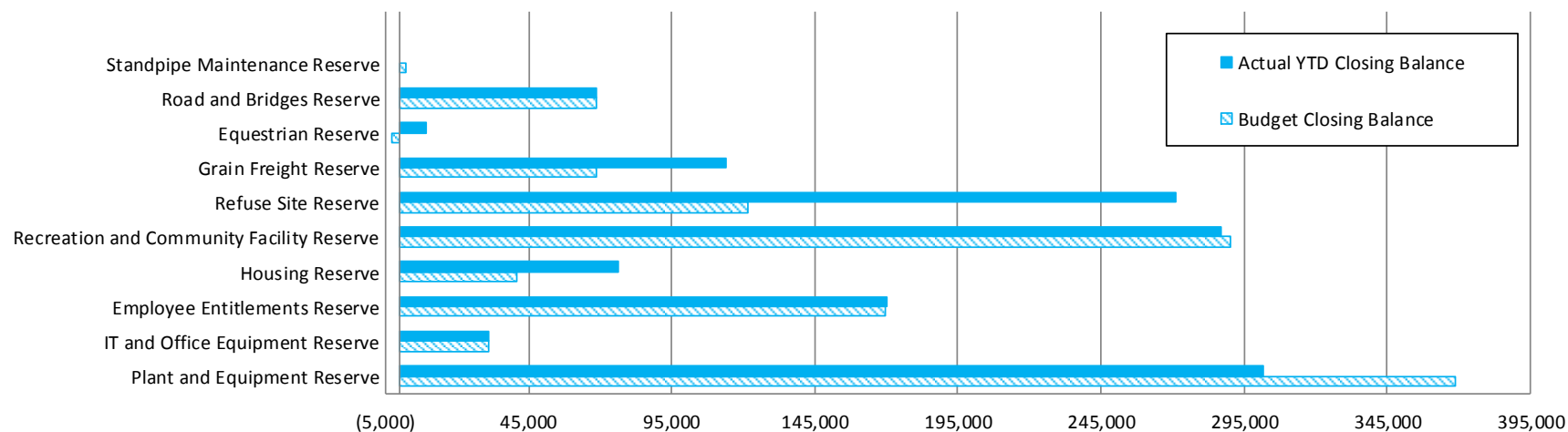
Arrears + Raised (Total Outstanding)	1,078,267
Rates Outstanding (GL - 1302000)	- 71,315
<b>TOTAL RAISED</b>	<b>1,096,905</b>
	<u>1,025,589</u>

**SHIRE OF CUBALLING**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 30 April 2017**

**Note 7: Cash Backed Reserve**

Name	Opening Balance	Budget Interest Earned	Actual Interest Earned	Budget Transfers In (+)	Actual Transfers In (+)	Budget Transfers Out (-)	Transfers Out (-)	Budget Closing Balance	Actual YTD Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Plant and Equipment Reserve	295,806	4,538	5,943	68,500	0	0	0	368,844	301,749
IT and Office Equipment Reserve	30,555	469	614	0	0	0	0	31,024	31,169
Employee Entitlements Reserve	166,928	2,561	3,354	0	0	0	0	169,489	170,281
Housing Reserve	74,799	1,148	1,503	5,000	0	(40,000)	0	40,947	76,302
Recreation and Community Facility Reserve	281,087	4,312	5,647	5,000	0	0	0	290,399	286,735
Refuse Site Reserve	265,878	4,079	5,342	0	0	(148,451)	0	121,506	271,219
Grain Freight Reserve	111,783	1,715	2,246	0	0	(45,019)	0	68,479	114,029
Equestrian Reserve	9,288	142	187	5,000	0	(17,000)	0	(2,570)	9,474
Road and Bridges Reserve	67,527	1,036	1,357	0	0	0	0	68,563	68,883
Standpipe Maintenance Reserve	0	0	0	2,000	0	0	0	2,000	0
	<b>1,303,650</b>	<b>20,000</b>	<b>26,191</b>	<b>85,500</b>	<b>0</b>	<b>(250,470)</b>	<b>0</b>	<b>1,158,680</b>	<b>1,329,841</b>

**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 30 April 2017**

**Note 8: Disposal of Assets**

Asset Number	Asset Description	YTD Actual				Amended Budget			
		Net Book Value	Proceeds	Profit	(Loss)	Net Book Value	Proceeds	Profit	(Loss)
		\$	\$	\$	\$	\$	\$	\$	\$
	<b>Plant and Equipment</b>								
3	CN027 Mitsubishi Triton (Building)	25,558	17,815		(7,743)	20,137	18,597	0	(1,541)
		<b>25,558</b>	<b>17,815</b>	<b>0</b>	<b>(7,743)</b>	<b>20,137</b>	<b>18,597</b>	<b>0</b>	<b>(1,541)</b>

**SHIRE OF CUBALLING**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 30 April 2017**

**Note 9: Rating Information**

	Rate in	Number of Properties	Rateable Value	YTD Actual			Amended Budget				
				Rate Revenue	Interim Rates	Back Rates	Total Revenue	Rate Revenue	Interim Rate	Back Rate	Total Revenue
<b>RATE TYPE</b>	\$		\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Differential General Rate</b>											
GRV	6.9560	166	2,122,347	147,630	208	0	147,839	147,630	0	0	147,630
UV	0.7078	216	103,735,000	734,236	(1,397)	0	732,839	734,236	0	0	734,236
<b>Sub-Totals</b>		<b>382</b>	<b>105,857,347</b>	<b>881,867</b>	<b>(1,189)</b>	<b>0</b>	<b>880,679</b>	<b>881,866</b>	<b>0</b>	<b>0</b>	<b>881,867</b>
<b>Minimum Payment</b>											
	\$										
GRV	660.00	162	768,488	106,920	0	0	106,920	106,920	0	0	106,920
UV	840.00	130	11,239,152	109,200	0	0	109,200	109,200	0	0	109,200
<b>Sub-Totals</b>		<b>292</b>	<b>12,007,640</b>	<b>216,120</b>	<b>0</b>	<b>0</b>	<b>216,120</b>	<b>216,120</b>	<b>0</b>	<b>0</b>	<b>216,120</b>
		<b>674</b>	<b>117,864,987</b>	<b>1,097,987</b>	<b>(1,189)</b>	<b>0</b>	<b>1,096,799</b>	<b>1,097,986</b>	<b>0</b>	<b>0</b>	<b>1,097,987</b>
Discount							(65,545)				(58,000)
Write Off							(125)				
<b>Amount from General Rates</b>							<b>1,031,128</b>				<b>1,039,987</b>
Ex-Gratia Rates							0				0
Specified Area Rates							0				0
<b>Totals</b>							<b>1,031,128</b>				<b>1,039,987</b>

**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 2016/17 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 30 April 2017**

**Note 10: Information on Borrowings**

## (a) Debenture Repayments

Particulars	Loan Date	Years	Principal at 1/07/2016	New Loans	Principal Repayments		Principal Outstanding		Interest Repayments	
					Actual	Amended Budget	Actual	Amended Budget	Actual	Amended Budget
					\$	\$	\$	\$	\$	\$
<b>Transport</b>										
Loan 62 - Loader	11/08/2008	10	66,034		23,745	31,925	42,289	34,109	2,912	3,617
Loan 63 - Graders	7/02/2014	8	223,124		29,426	35,442	193,698	187,682	7,716	9,129
			289,158	0	53,171	67,368	235,987	221,790	10,628	12,746

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 30 April 2017**

**Note 11: Grants and Contributions**

	Grant Provider	Type	Opening Balance (a)	Budget Operating	Capital	YTD Budget	Annual Budget (d)	Post Variations (e)	Expected (d)+(e)	YTD Actual Revenue	
				\$	\$	\$				\$	
<b>General Purpose Funding</b>											
	Grants Commission - General	WALGGC	Operating	0	562,527	0	375,018	562,527	562,527	420,952	
	Grants Commission - Roads	WALGGC	Operating	0	313,774	0	209,183	313,774	313,774	235,590	
<b>Law, Order and Public Safety</b>											
	DFES Grant - Operating Bush Fire Brigade	Dept. of Fire & Emergency Serv.	Operating	0	21,900	0	14,600	21,900	21,900	25,900	
<b>Recreation and Culture</b>											
	Grants - Kidsport	Dept. of Communities	Operating	0	1,000	0	667	1,000	1,000	1,000	
	DREC Weather Shelter	R4R, Lotterywest, Contributions	Non-operating	0	0	76,369	50,913	76,369	76,369	0	
<b>Transport</b>											
	Direct Grant - Main Roads	Main Roads WA	Operating	0	75,045	0	50,030	75,045	75,045	75,045	
	Roads To Recovery Grant - Cap	Roads to Recovery	Non-operating	0	0	500,820	500,820	500,820	500,820	504,158	
	RRG Grants - Capital Projects	Regional Road Group	Non-operating	0	0	331,200	331,200	331,200	331,200	264,960	
	Blackspot Grant Funding	Main Roads WA	Non-operating	0	0	31,866	31,866	31,866	31,866	31,866	
	WANDRRA Storm Damage Funding	Main Roads WA	Operating	0	77,538	77,538	77,538	77,538	77,538	47,231	
<b>Economic Services</b>											
	Youth Day Grant	Dept. of Communities	Operating	0	1,000	0	667	1,000	1,000	1,000	
	Volunteer Day Grant	Dept. of Communities	Operating	0	1,000	0	667	1,000	1,000	1,000	
<b>TOTALS</b>				<b>0</b>	<b>1,053,784</b>	<b>1,017,793</b>	<b>1,643,167</b>	<b>1,994,039</b>	<b>0</b>	<b>1,994,039</b>	<b>1,608,703</b>
<b>SUMMARY</b>											
	Operating	Operating Grants, Subsidies and Contributions		0	1,052,784	77,538	727,702	1,052,784	0	1,052,784	807,719
	Operating - Tied	Tied - Operating Grants, Subsidies and Contributions		0	0	0	0	0	0	0	0
	Non-operating	Non-operating Grants, Subsidies and Contributions		0	0	940,255	914,799	940,255	0	940,255	800,984
<b>TOTALS</b>				<b>0</b>	<b>1,052,784</b>	<b>1,017,793</b>	<b>1,642,501</b>	<b>1,993,039</b>	<b>0</b>	<b>1,993,039</b>	<b>1,608,703</b>

**SHIRE OF CUBALLING**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 30 April 2017**








**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 01 Jul 2016	Amount Received	Amount Paid	Closing Balance 30 Apr 2017
	\$	\$	\$	\$
Bonds - Building	14,389	0	0	14,389
Bonds - Hall Hire	1,050	900	(1,100)	850
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
Yornaning Dam	0	500	(500)	0
Cuballing Football Association	566	0	0	566
Environment and Townscape Trust Fund	5,713	0	0	5,713
Police Licensing	5,148	261,585	(261,302)	5,431
Swipe Cards	1,545	0	0	1,545
Reimbursements	0	27	(27)	0
	<b>32,800</b>	<b>263,012</b>	<b>(262,929)</b>	<b>32,883</b>













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

**Note 13: Capital Acquisitions**








Assets	Account	YTD Actual			Budget			Strategic Reference / Comment
		New/Upgrade	Renewal	Total YTD	Annual Budget	YTD Budget	YTD Variance	
		\$	\$	\$	\$	\$	\$	
 Level of completion indicator, please see table at the end of this note for further detail.								
<b>Land &amp; Buildings</b>								
<b>Governance</b>								
 Shire Office Upgrade	04261	0	0	(22,987)	(21,250)	(21,250)	(1,737)	
<b>Governance Total</b>		<b>0</b>	<b>0</b>	<b>(22,987)</b>	<b>(21,250)</b>	<b>(21,250)</b>	<b>(1,737)</b>	
<b>Recreation And Culture</b>								
 Skate Park Toilet Upgrade	11315	0	0	0	(24,820)	(24,820)	24,820	
 DREC Weather Shelter	11310	0	0	(22,384)	(96,869)	(96,869)	74,485	
<b>Recreation And Culture Total</b>		<b>0</b>	<b>0</b>	<b>(22,384)</b>	<b>(121,689)</b>	<b>(121,689)</b>	<b>99,305</b>	
<b>Community Amenities</b>								
Popanyinning Transfer Station	10742	0	0	(28,057)	(148,451)	(148,452)	120,395	
<b>Community Amenities Total</b>		<b>0</b>	<b>0</b>	<b>(28,057)</b>	<b>(148,451)</b>	<b>(148,452)</b>	<b>120,395</b>	
<b>Land &amp; Buildings Total</b>		<b>0</b>	<b>0</b>	<b>(73,429)</b>	<b>(291,390)</b>	<b>(291,391)</b>	<b>193,142</b>	
<b>Plant , Equip. &amp; Vehicles</b>								
<b>Economic Services</b>								
 Building Vehicle	13600	0	0	(38,270)	(43,000)	(43,000)	4,730	Budget - trade July
<b>Recreation And Culture Total</b>		<b>0</b>	<b>0</b>	<b>(38,270)</b>	<b>(43,000)</b>	<b>(43,000)</b>	<b>4,730</b>	
<b>Transport</b>								
 Mower	12420	0	0	(19,900)	(20,000)	(20,000)	100	Budget - purchase Sept
 Machinery Float	12422	0	0	(56,000)	(50,000)	(50,000)	(6,000)	Budget - purchase Sept, additional equipment \$6,000
<b>Transport Total</b>		<b>0</b>	<b>0</b>	<b>(75,900)</b>	<b>(70,000)</b>	<b>(70,000)</b>	<b>(5,900)</b>	
<b>Plant , Equip. &amp; Vehides Total</b>		<b>0</b>	<b>0</b>	<b>(114,170)</b>	<b>(113,000)</b>	<b>(113,000)</b>	<b>(1,170)</b>	

**Roads**

**Transport**

	RRG - Wandering Narrogin Road	12115	0	0	(355,717)	(496,800)	0	(355,717)	J600
	R2R - Yornaning West Cement Stabilisation	12120	0	0	(52,953)	(71,895)	(244,094)	191,141	R005
	R2R - Victoria Road Sealing	12120	0	0	(36,267)	(68,720)	(71,894)	35,627	R122
	R2R - Popanyinning West Cement Stabilisation	12120	0	0	(36,057)	(68,021)	(496,800)	460,743	R002A
	R2R - Popanyinning West Road Realignment	12120	0	0	(254,521)	(244,096)	0	(254,521)	R002B
	R2R - Popanyinning West Reseals	12120	0	0	(43,032)	(54,013)	(68,018)	24,986	R002C
	R2R - Yornaning West Reseal	12120	0	0	(5,757)	(7,366)	(244,094)	238,337	R005A
	GFR - Cuballing East Cement Stabilisation	12115	0	0	(23,992)	(45,019)	0	(23,992)	J149 - Grain Freight Reserve
	BS - Stratherence Road/ Kerruish Road	12125	0	0	(17,663)	(14,149)	0	(17,663)	B064
	BS - Yornaning West Road	12125	0	0	(23,035)	(22,433)	(68,718)	45,683	B005
<b>Transport Total</b>			<b>0</b>	<b>0</b>	<b>(848,996)</b>	<b>(1,092,512)</b>	<b>(1,193,618)</b>	<b>344,622</b>	
	<b>Roads Total</b>		<b>0</b>	<b>0</b>	<b>(848,996)</b>	<b>(1,092,512)</b>	<b>(1,193,618)</b>	<b>344,622</b>	
	<b>Capital Expenditure Total</b>		<b>0</b>	<b>0</b>	<b>(1,036,594)</b>	<b>(1,496,902)</b>	<b>(1,598,009)</b>	<b>536,595</b>	

**Level of Completion Indicators**

-  0%
-  20%
-  40%
-  60%
-  80%
-  100%
-  Over 100%

Percentage YTD Actual to Annual Budget  
Expenditure over budget highlighted in red.

### 9.1.3 Capital Purchases

Applicant: N/A  
File Ref. No: ADM  
Disclosure of Interest: Nil  
Date: 10<sup>th</sup> May 2017  
Author: Tonya Williams, Deputy CEO  
Attachments: Nil

#### **Summary**

**Council is to consider bringing forward capital expenditure for three light vehicle purchases that were due in the 2017/2018 Plant Replacement Schedule.**

#### **Background**

The State Government has recently announced a removal of the local government concession on vehicles that has allowed all Council Plant purchases to be Stamp Duty Free. The change in concession status comes into effect for the 1<sup>st</sup> July 2017 and passenger vehicles will be charged at a rate of 6.5% on the purchase price.

#### **Comment**

As part of the Plant Replacement Program adopted by Council at the April 2017 Council Meeting, the Chief Executive Officer's vehicle, The Deputy Chief Executive Officer's vehicle and, the Manager of Works and Services vehicle were due for renewal.

Based on the first quote provided to Council, the total cost to bring these purchases forward would be:

<b>Vehicle</b>	<b>Possible Purchase Price</b>	<b>Possible Trade In Price</b>	<b>Net Cost</b>	<b>Anticipated Stamp Duty for 17/18</b>
Holden Calais	38,850	17,350	21,500	2,525
Holden Cruze	21,600	10,000	11,600	1,404
Holden Colorado	47,373	23,373	24,000	3,079
<b>Totals</b>	<b>107,823</b>	<b>50,723</b>	<b>57,100</b>	<b>8,008</b>

The purchases would be made from the expected surplus to be made at the End of Financial Year. This purchase will save Council all stamp duty costs that would have been made for purchases in the 2017/18 financial year.

Any other capital purchases as per the Plant Replacement Schedule will be considered as part of the 2017/2018 Budget process.

Strategic Implications - Nil

Statutory Environment – Nil

Policy Implications - Nil

#### **Financial Implications**

In February, Council was expecting a Budget surplus of \$133,691. Current expectations are that this will at least be met. Shire staff also expect that 50% of the Financial Assistance Grant

allocation for 2017/18 to be paid by the 30<sup>th</sup> June 2017, giving Council additional cash at the end of financial year.

Capital purchases will have an impact on Council's End of Financial Year position and Long Term Financial Planning position (Plant Replacement Schedule). These purchases will also impact Reserve Transfer into the Plant Replacement Reserve as per 2016/2017 Budget.

Economic Implication - Nil

Environmental Considerations - Nil

Consultation - Nil

### Options

Council may resolve:

1. the Officer's Recommendation;
2. to only make one or two of the three Capital Purchases recommended; or
3. not alter the 2016/17 Budget and make the Capital Purchases.

Voting Requirements – Absolute Majority

### **OFFICER'S RECOMMENDATION:**

**That Council approve out of Budget expenditure to changeover the Chief Executive Officer's vehicle, Deputy Chief Executive Officer's vehicle and, the Manager of Works and Services vehicle by 30<sup>th</sup> June 2017 in accordance with Council's Purchasing Policy and for a total expenditure of up to \$65,000.**

## 9.1.4 2018 Audit Contract

Applicant:	N/A
File Ref. No:	ADM107
Disclosure of Interest:	Nil
Date:	3 <sup>rd</sup> May 2017
Author:	Tonya Williams
Attachments:	9.1.4A Audit Renewal Proposal Butler Settineri

### **Summary**

**The Audit Committee is to consider recommending Council reappoint Butler Settineri as Council's Auditor for the 2017/2018 Financial Year. This is an extension of the current 3 year contract with Butler Settineri to bring Council in line with the shift of local government auditing to the Office of the Auditor General.**

### **Background**

Council appointed Butler Settineri as their auditor at the June 2014 Council Meeting for a term of three years. This appointment ends with the completion of the 2017 financial year audit.

It was expected that Local Government Audits would be taken over by the Office of the Auditor General after this time.

Due to delays in the State Government passing this legislation, it is unlikely that the Office of the Auditor General will be in a position to take over the local government audits for the 2018 year.

On the 12<sup>th</sup> December 2016, the Department of Local Government and Communities advised local governments to extend existing audit contracts for the 2017/18 audit, with an option for annual extensions.

### **Comment**

Staff are happy with the current provision of services in relation to audits conducted by Butler Settineri. Given the short term of this extension, staff recommend that it will be more efficient to continue with the current service provider rather than progress through a full quote and appointment process.

Depending on the outcome of the *Local Government Amendment (Auditing) Bill 2016*, Council may need to consider a further extension of the auditing contract.

### **Strategic Implications** – Nil

### **Statutory Environment**

Local Government Act 1995 – Section Seven

Division 2 — Appointment of auditors

7.2. Audit

The accounts and annual financial report of a local government for each financial year are required to be audited by an auditor appointed by the local government.

7.3. Appointment of auditors

(1) A local government is to, from time to time whenever such an appointment is necessary or expedient, appoint\* a person, on the recommendation of the audit committee, to be its auditor.

\* *Absolute majority required.*

(2) The local government may appoint one or more persons as its auditor.

(3) The local government's auditor is to be a person who is —

(a) a registered company auditor; or

(b) an approved auditor.

[Section 7.3 amended by No. 49 of 2004 s. 6.]

Policy Implications – Nil

Financial Implications – Nil

Economic Implications - Nil

Social Implications - Nil

Environmental Considerations – Nil

Consultation - Nil

#### Options

The Audit Committee can resolve:

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

Voting Requirements – Absolute Majority

#### **OFFICER'S RECOMMENDATION:**

**That Council:**

- 1. accept the proposal included at Attachment 9.1.4A from Butler Settineri for auditing services for the 2017/2018 financial year;**
- 2. that Council appoint Marius van der Merwe and Lucy Gardner of Butler Settineri as Council's Auditors for the 2017/2018 financial year.**





BUTLER  SETTINERI

**A PROPOSAL TO:  
SHIRE OF CUBALLING**

**Statutory Audit Quotation  
July 2017 - June 2018**

Unit 16, First Floor  
Spectrum Offices  
100 Railway Road  
(Corr Hay Street)  
Subiaco WA 6008

Tel : (08) 6389 5222  
Fax : (08) 6389 5255  
mail@butlerstetteri.com.au  
www.butlerstetteri.com.au

Locked Bag 18  
Subiaco WA 6904  
Australia

Butler Settineri (Audit) Pty Ltd  
RCA No. 299100 ABN 61 112 042 373  
*Liability limited by a scheme approved under Professional Standards Legislation*

Proactive  Quality  Supportive


 BUTLER SETTINERI

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# BUTLER SETTINERI

## Company Profile



Butler Settineri was established in the mid 1980's and is West Australian based and owned. Butler Settineri has enjoyed a reputation for providing clients with integrated Auditing, Accounting and Financial Services advice.

Our aim is to be a leading financial and business services provider.

We will be 'Partners in Business' and aim to listen to and understand our clients' needs and then strive to not only meet, but to exceed those expectations.

We are fully committed to building relationships with clients and ensuring that we assist our clients to meet their business goals.



# BUTLER SETTINERI

## Vision, Mission and Core Value

We will maximize the positive impact on the business and personal success of clients by delivering quality and timely service.

We will develop key relationships, and be dedicated to providing knowledgeable solutions that will exceed the expectation of our clients.

## Core Values

Butler Settineri is a professional business services provider. We aim to deliver value beyond clients' expectations. We achieve this goal by taking pride in our work, and always respecting our client and fellow team members. We are responsible for exercising good judgment and maintain excellent ethical behaviour as we all work towards a common business objective.

Our clients and colleagues trust us to use our professionalism and integrity and we will maintain our reputation of delivering excellence.

We will be responsible in the confidential use of our clients' information.

There are **People** behind the numbers, who

- ⇒ Take ownership;
- ⇒ Respect and acknowledge others;
- ⇒ Strive for continual improvement;
- ⇒ Work as a team;
- ⇒ Act with integrity and independence at all times;
- ⇒ Create value - provide solutions; and
- ⇒ Timely, honest and open communication.

We have **Fun**, Enjoy what we do  
and **Celebrate** success

 Proactive  
 Quality  
 Supportive

# BUTLER SETTINERI

## Expertise

The partners and staff at Butler Settineri enjoy what they do. The partners use that passion to assist both their employees and clients to feel the same way about their careers and businesses. The partners and their teams are driven by educating their clients and believe their business is a means to provide resources to help them achieve their personal goals. Client assignments concentrate on identifying and pursuing these goals.

Butler Settineri offers a range of services to assist clients at all levels of their business. This includes:

- **Audit**
  - External Audit
  - Internal Audit
  - Governance
- **Business Advisory**
  - Accounting
  - Taxation
- **Superannuation**
  - Retirement
  - Superannuation Startup
  - Superannuation Administration
- **Wealth Advisory**
  - Investment Advice
  - Asset Protection
  - Life Insurance
  - Financial Planning



## Service Delivery Model

Service Management	
The Team Approach	The Service Delivery
⇒ You will have continuous access to a qualified team of professional staff at all times	⇒ The partner is the principal point of contact and co-ordinates the delivery of services on time and on budget

Through integration and access to combined expertise, we can identify and address issues due to our knowledge of your business and operations.

The difference between Butler Settineri and other accounting firms is in our commitment to superior personalised client service and a full range of specialist divisions tailored to assist our clients in every possible way.



## History

Butler Settineri was established in the mid 1980's with two partners and three staff. Today the firm has five partners and forty five staff. Two of the partners have been together since 1988. The remaining partners joined between 1995 and 2011.

Butler Settineri has a broad base of tax, accounting and audit clients with no client representing more than 2% of total fees. The tax division has been fully committed to helping clients with the ongoing changes to the taxation system including GST and PAYG. We provide a wide range of accounting services for clients requiring monthly, quarterly, half yearly and annual accounts.

As a strategy for the future, we established an Investment Advisory arm in association with a large national group based in Melbourne. We also have a Superannuation Advisory division dealing in Self-Managed Superannuation Funds. This strategy has proven to be very successful, as clients feel confident in receiving independent quality advice to enable them to plan for their future wealth creation and for their retirement.

## Butler Settineri (Audit) Pty Ltd

Although the firm has been involved with audit engagements from its inception, a separate audit and assurance division was created as of January 2001. We have established a team of senior professional staff who have extensive experience.

We incorporated our audit practice on 1 July 2005 obtaining registration as an authorised audit company in accordance with Part 9.2A of the Corporations Act 2001.

Audit services and related corporate work accounts for 30% of overall fees and includes the provision of services to listed companies, local government authorities, not-for-profit organisations, small to medium sized public and private corporations, AFS Licensees, self-managed superannuation funds and trust audits for legal practitioners, travel agencies and property related entities.

We have been involved with the external audit of local government authorities in WA for more than twenty years. We are currently the external auditors for the Shires of:

- ⇒ Camamah (2016 year);
  - ⇒ Dardanup;
  - ⇒ Dundas;
  - ⇒ Esperance (2016 year);
  - ⇒ Koorda;
  - ⇒ Leonora;
  - ⇒ Menzies (2016 year);
  - ⇒ Merredin;
  - ⇒ Narrogin;
  - ⇒ Peppermint Grove;
  - ⇒ Wagin (2016 year);
  - ⇒ Wandering;
  - ⇒ Wickelpin; and
  - ⇒ Williams.
- Tamala Park Regional Council and
  - Southern Metropolitan Regional Council (2016 year).

Our audit philosophy is based on "Partner led audits" which ensure that you have access to the decision makers during the audit process to resolve matters that may be identified during the audit process, avoiding "last minute surprises".

# BUTLER SETTINERI

## Audit and Assurance Services

In today's highly regulated marketplace, audit and assurance services add value to your organisation by:

- ⇒ Providing independent credibility to your financial statements;
- ⇒ Professional advice to management; and
- ⇒ Solutions to improve systems and performance.

Butler Settineri's approach is designed to:

- ⇒ Focus on key risks and financial areas; and
- ⇒ Add value to your business by providing you with constructive ideas for improving internal controls and on-going business systems.

Our partner-led assurance service team is committed to meeting your specific business needs by:

- ⇒ Working closely with you to get to know your business whilst maintaining our independence;
- ⇒ Using the latest computerised systems and audit techniques; and
- ⇒ Conducting an in-depth review of your financial records to enable identification of key areas where additional support and attention will improve your business.



Our team is qualified and experienced in delivering efficient audit services which comply with Australian auditing standards and maintain ethical behaviour and independence. Currently we provide these services to:

- ⇒ Listed and unlisted public companies;
- ⇒ Local and interstate companies;
- ⇒ Subsidiaries of foreign entities;
- ⇒ Local and State government agencies;
- ⇒ Not for profit entities; and
- ⇒ Small to large reporting and non-reporting entities.



## Independence

We confirm that Butler Settineri and its personnel will have no conflict of interest in relation to the proposed appointment and that the independence requirements of the relevant professional bodies are complied with.

## Our Understanding of Your Needs

We recognise that you want to engage auditors who understand the intricacies and unique aspects of a local government. We note that Council requires us to provide an independent audit opinion of the accounts and annual financial reports of the *local government* for each financial year covered by the term of the audit appointment. The audit will meet the statutory requirements under the Local Government Act and Regulations and will be carried out in accordance with the Australian Auditing Standards.

- 1) The auditor is to carry out such work as is necessary to form an opinion as to whether the:
  - a) accounts are properly kept; and
  - b) annual financial report:
    - i. is prepared in accordance with the financial records; and
    - ii. represents fairly the results of the operations of the local government and the financial position of the local government at 30 June in accordance with the Australian Accounting Standards, the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) and other mandatory professional reporting requirements.
- 2) Give an opinion in his or her audit report on the:
  - a) Financial position of the local government; and
  - b) Results of the operation of the local government.
- 3) We will also include the following matters in the report:
  - a) any material matters that indicate significant adverse trends in the financial position or the financial management practices of the local government;
  - b) any matters indicating non-compliance with Part 6 of the Act, the Local Government (Financial Management) Regulations 1996 or applicable financial controls in any other written law;
  - c) details of whether information and explanations were obtained by the auditor;
  - d) a report on the conduct of the audit; and
  - e) the opinion of the auditor as to whether or not the following financial ratios included in the annual financial report are supported by verifiable information and reasonable assumptions the:
    - i. asset consumption ratio; and
    - ii. asset renewal funding ratio.

We will be available to perform other additional auditing requests as directed. We will attend at least one meeting of Council's Audit Committee each year in person if so required. The engagement partner and audit team will visit the Shires' offices during each stage of the audit and we will be available for subsequent meetings at Councils' request.



## Our Understanding of Your Needs (continued)

### Critical Audit Areas

We will obtain an understanding of your operations and design audit procedures that address key risk areas. Areas which will be specifically included in our audit are:

- a) Revenue
  - i. Rates revenue;
  - ii. Government grants;
  - iii. User pays revenue;
  - iv. Profit on sale of non-current assets; and
  - v. Other income;
- b) Expenditure
  - i. Salary and wage costs;
  - ii. Depreciation;
  - iii. Materials and contract expenditure;
  - iv. Loss on sale of non-current assets;
  - v. Insurances;
  - vi. Bad debts; and
  - vii. Other expenditure;
- c) Current Assets
  - i. Bank and short term investments;
  - ii. Receivables and prepayments; and
  - iii. Inventory;
- d) Non-Current Assets
  - i. Property, plant, furniture and equipment;
  - ii. Infrastructure and depreciation; and
  - iii. Other receivables;
- e) Liabilities (Current and non-current)
  - i. Creditors and accruals;
  - ii. Loan borrowings including new loans raised; and
  - iii. Provision for annual and long service leave entitlements;
- f) Reserve Funds;
- g) Contingent Liabilities;
- h) Capital Commitments;
- i) Accounting Policies and Notes to the Financial Statements;
- j) Cash Flow Statement;
- k) Financial Ratios required by Local Government (Financial Management) Regulations 1996; and
- l) Any other statutory obligations.



## Our Understanding of Your Needs (continued)

We will address the audit areas identified by applying our audit methodology, in compliance with all applicable Australian Auditing Standards:

- ⇒ **Pre-engagement activities** We will comply with the legislative requirements of independence, client acceptance and other pre-engagement activities. This will result in the preparation of an engagement letter that will set out our understanding of the engagement(s) and will provide certainty as to the specifics of our role and responsibilities.
- ⇒ **Risk assessment procedures** Through discussions with the management team at the Shire of Cuballing and the members of the Audit Committee and a review of key accounting systems and operations, we will assess the risks of material misstatement, and design procedures to address the matters identified above.
- ⇒ **Audit procedures** Based on the risk assessment procedures above, we will conduct procedures to collect appropriate evidence to provide us with sufficient information to issue our audit report.
- ⇒ **Reporting and communication** We will issue our report to the Council and the Audit Committee of the Shire of Cuballing as soon as practical after the completion of our procedures.

## Referees

Shire of Dundas  
Doug Stead  
Chief Executive Officer  
Audit Client since 2015  
Tel: (08) 9039 1205

Shire of Dardanup  
Stuart Eaton  
Director Corporate &  
Community Services  
Audit client since 2005  
Tel: 08 9724 0000

Shire of Leonora  
Jim Epis  
Chief Executive Officer  
Audit client since 2013  
Tel: 08 9037 6044

Shire of Williams  
Geoff McKeown  
Chief Executive Officer  
Audit Client since 2014  
Tel: 08 9885 1005



We are registered with WALGA as a preferred supplier.

We are a preferred supplier with the Office of Auditor General.



## Proposed Fee Structure

Our fee proposal is based on our understanding of your needs. Should you require any other or additional services, we will propose a separate fee for such services before commencement on those engagements.

Our normal hourly rates for different levels of staff are as follows:

	Year 1	
Audit Director	\$420	Excl GST
Audit Manager	\$185	Excl GST
Auditors	\$115	Excl GST

Our proposed audit fees are:	
	<b>Audit Fee</b>
2018	\$7,500
<b>These fees exclude GST and travelling costs</b> <b>We do not charge time cost for travel</b>	

We do not charge "hidden" costs and we will discuss any fee variations with you before commencement, in order to avoid any "last minute changes" to our fee structure.

Our proposed fee per grant acquittal is \$800 and \$420 per hour for attendance of additional audit committee meetings, excluding GST.

A separate audit quotation can be provided upon request for any additional services requested by Council.

### Audit Time and Visits to Council

<i>Proposed number per annum</i>	2 visits
<i>Proposed duration of visits</i>	66 hours in conjunction with the client's requirements.
<i>Number of hours proposed for the Audit by staff classification</i>	<p>We will attend two field visits to the Shire during the course of each audit as follows:</p> <ul style="list-style-type: none"> <li>· Interim visit during May / June</li> <li>· Final visit during September (but not later than 30 days after receipt of the final draft financial statements)</li> </ul> <p>We estimate the time required to complete the audit as being 66 staff hours either on site or in the office. The quoted fees exclude travel time to and from the Shire, as we do not recover travel time from clients.</p> <p>The breakdown is as follows:</p> <ul style="list-style-type: none"> <li>· 5 hours – Engagement partner;</li> <li>· 14 hours – Manager;</li> <li>· 46 hours – Auditors; and</li> <li>· 1 hour – Engagement Quality Control Reviewer.</li> </ul> <p>We will gain an understanding of and document the financial and internal control systems in relation to the new IT system during the interim visit.</p> <p>We plan to meet with the CEO and Shire President during the course of our audit, to ensure effective communication between our team and the Shire.</p> <p>We plan to have entrance and exit interviews with the Finance team, either via teleconference before commencement and after closure of the audit, or as the first and last matters of business during our visits, whichever is more convenient for the Shire's staff.</p>
<i>Ability to meet in person and onsite with the Council's Audit Committee at least once each year for the term of the Contract</i>	In addition to the above the engagement partner will attend at least one Audit Committee meeting in person at the close of the audit. We will also be available to attend additional Audit Committee meetings during the year at the request of the Audit Committee.





## Methodology Used to Undertake Audit

Our audit will be conducted in accordance with the requirements of section 7.9 of the Local Government Act 1995 and Local Government (Audit) Regulations 1996, to enable us to issue our opinion as to whether the accounts are properly kept and whether the financial report is prepared in accordance with the financial records and fairly represents the results of the Shires' operations and its financial position as at the end of the financial year.

We have adopted the Australian Auditing Standards and Auditing Guidance Statements as required by the Institute of Chartered Accountants as well as relevant Australian Accounting Standards and other professional reporting requirements.

Our audit process has several phases as follows:

1. Pre-engagement activities;
2. Planning and risk assessment;
3. Performing audit procedures; and
4. Reporting and communication.

### *Pre-engagement Activities*

This phase of the process ensures that there is an agreement as to the terms of the audit engagement for the relevant year and enables us to be flexible and adapt our work to include any additional requirements requested by management and / or the Audit Committee. The agreed terms are then recorded in our audit engagement letter which can be varied from year to year to accommodate these requirements.

### *Planning and Risk Assessment*

This phase of the process involves the first of our two scheduled audit visits to the Shire. This is a critical phase of the process during which we will hold detailed discussions with management and perform analytical procedures to identify specific significant transactions and/or unusual trends within the financial information which may result in a material misstatement flowing through to the financial report.

Also as part of this process, and as required under the Australian Auditing Standards we will obtain an understanding of all the financial and internal control systems relating to key balances in the financial report. Having documented this understanding we will then discuss improvement matters with members of management during the audit process. Where we plan to rely on these internal control systems we will then test these systems during our interim visit. In relation to the Shire of Cuballing we plan to place reliance on the rates system, the payroll system and the job costing system.

Having identified which systems we can place reliance on, the areas where there is a risk of material misstatement and considering those areas specifically required to be addressed through our audit, we then develop a tailored program of audit procedures.

## Methodology Used to Undertake Audit (continued)

### *Performing Audit Procedures*

This phase of the audit involves performing the audit procedures selected to enable us to gather sufficient appropriate audit evidence on which to base our audit opinion.

On receipt of the draft financial report and the requested supporting documentation, we will start on this phase of the audit prior to our final audit visit.

In relation to the Shire's significant revenue and expenditure categories, we plan to undertake at least the following procedures:

- ⇒ Verify rates revenue and user pay revenues analytically with reference to the applicable rate in the dollar, GRV comparisons and other relevant data;
- ⇒ Verify grant income to supporting documentation;
- ⇒ Verify other income via sample testing of significant transactions;
- ⇒ Verify any significant interest income by computation;
- ⇒ Verify salary costs to the PAYG payment summary;
- ⇒ Recalculate the expected depreciation charge based on the Shire's stated accounting policy;
- ⇒ Sample test items classified as "materials and contracts" expenditure;
- ⇒ Verify any significant interest expenditure by computation; and
- ⇒ Consider the reasonableness of other key income and expenditure categories through analytical review procedures.

We would then adopt a largely substantive approach to the balance sheet by using a combination of verification procedures, substantive analytical review procedures and sampling. For example:

- ⇒ Direct confirmation of cash balances held at banks and/or building societies;
- ⇒ Vouching significant additions and disposals of fixed assets to supporting documentation;
- ⇒ Direct confirmation of any loans and other financial liabilities;
- ⇒ Analytical review of employee entitlement provisions; and
- ⇒ Sampling of balances within sundry receivables and payables.

In addition to the above, all council meeting minutes will be subject to audit review.

### *Reporting and Communication*

This phase of the process involves collating and concluding on the audit evidence gathered as a result of our procedures and then addressing areas such as the impact of subsequent events on the information presented in the financial report.

At this stage we perform a detailed review of the financial report to ensure that it incorporates all the required information and any additional information that may be required to fully explain the information being reported.

Additional to our audit report we will present management and the Audit Committee with a summary of the key areas of the audit. Any issues or concerns regarding the system of internal control will be raised in the form of a management letter.

Once the audit process is finalised, the team will hold a debriefing session and will note any items for consideration in the next audit.



## Corporate Social Responsibility

Butler Settineri has a view that, as an organisation, it has a responsibility not only to its clients and its people but also to the general community.

Giving back to the community, wherever it is needed, is an important part of doing business at Butler Settineri. This philosophy is aligned with the values that we maintain as a firm and our desire to make a positive and enduring difference.

We have defined Corporate Social Responsibility 'CSR' as an investment in a strategic capability that provides an opportunity for staff and clients to make a positive contribution to the community in a way which benefits the community, the company and individuals.

Every activity that Butler Settineri undertakes, both as an organisation and its individual people, has an impact on the communities in which we operate. Our responsibility is to ensure that these activities support strong thriving and diverse communities.

In a competitive market people are integral to an organisation's business success. Building a positive workplace culture which supports diversity and well-being is integral to Butler Settineri's high performance, innovation and agility in the marketplace.

Butler Settineri staff provide accounting and governance assistance and advice to various small non-profit organisations.








## Specified Personnel


Our professional team is key to our client service. We will provide clearly communicated, tailored solutions and practical recommendations to ensure you grow and succeed in today's challenging environment.

Our people have the right attitude, skills and industry experience to provide valuable support to Council. We are continually improving through training, professional development, and workplace programs.

	<p><b>Marius van der Merwe</b> B.Com (Hons) CA (Partner)</p>
<p><i>Registered company auditor number</i></p>	<p>404957</p>
<p><i>Position held</i></p>	<p>Director of Butler Settineri (Audit) Pty Ltd</p>
<p><i>Qualifications</i></p>	<ul style="list-style-type: none"> <li>• Member of Chartered Accountants Australia and New Zealand;</li> <li>• Registered company auditor with the Australian Securities and Investment Commission;</li> <li>• Member Institute of Internal Auditors Australia;</li> <li>• Registered SMSF Auditor; and</li> <li>• Honours Bachelor of Accounting Science Degree (Hons B Compt) from the University of South Africa.</li> </ul>
<p><i>Level of expertise and experience</i></p>	<p>Marius trained with a mid-tier accounting firm in South Africa. He qualified as a Chartered Accountant in 2000 and specialises in the external audit field.</p> <p>He acted as audit principal in his own practice for over ten years, delivering external audit and taxation services to a broad range of clients across a variety of industries, including government and government controlled agencies.</p> <p>On arrival in Perth, Marius worked as a senior audit manager at a large mid-tier firm in Perth and has audit knowledge at a senior level in a range of industries, including several State and Local government authorities.</p> <p>Marius joined Butler Settineri in December 2010 as an external audit specialist. He has a key role in the audit and corporate services team. He was admitted to the partnership on 1 July 2012.</p>
<p><i>Capacity in which each person is to act</i></p>	<p>Engagement Partner (Audit Director)</p>




## Specified Personnel (continued)

	<p><b>Lucy Gardner</b> B. Sc (Hons) CA (Partner)</p>
<i>Position held</i>	Director of Butler Settineri (Audit) Pty Ltd
<i>Registered company auditor number</i>	280101
<i>Qualifications</i>	<ul style="list-style-type: none"> <li>• Member of Chartered Accountants Australia and New Zealand;</li> <li>• Registered company auditor with the Australian Securities and Investment Commission;</li> <li>• Registered SMSF Auditor;</li> <li>• Graduate Diploma in Applied Corporate Governance; and</li> <li>• Bachelor of Science (Hons) in Geological Sciences from Durham University, UK</li> </ul>
<i>Level of expertise and experience</i>	<p>Lucy trained with BDO – Binder Hamlyn, a medium sized firm of Chartered Accountants in Newbury, England before immigrating to Australia. She qualified as a Chartered Accountant in 1995 and specialises in the external audit field.</p> <p>On arrival in Perth, Lucy worked as an audit senior at one of the "Big 4", Ernst &amp; Young. She was promoted to manager as of January 1996 and has experience auditing at a senior level in a range of industries.</p> <p>Lucy joined Butler Settineri in August 1999 as an external audit specialist. Lucy has a key role in the audit and corporate services team and is instrumental in ensuring that the Firm's internal standards, checklists and work papers satisfy Australian and International best practice.</p>
<i>Capacity in which each person is to act</i>	Engagement Quality Control Reviewer (Audit Director – EQCR)

## Specified Personnel (continued)

	<p><b>Janine Sirgel</b> BCompt (Hons) CA (Manager)</p>
<i>Position held</i>	Audit Manager
<i>Qualifications</i>	<ul style="list-style-type: none"> <li>• Member of Chartered Accountants Australia and New Zealand; and</li> <li>• Honours Bachelor of Accounting Science Degree (Hons B Compt) from the University of South Africa.</li> </ul>
<i>Level of Expertise and experience</i>	<p>Janine trained with a mid-tier accounting firm in South Africa and qualified as a Chartered Accountant in 2008, she then held various roles both in audit and commerce where she gained extensive financial and management experience.</p> <p>Janine joined Butler Settineri in February 2013, and is responsible for managing the audit team and extensive audit portfolio, including our local government portfolio.</p> <p>In May 2014 Janine successfully completed a certificate in International Financial Reporting Standards. She continually strives to improve her skills and update her knowledge by attending the Women's Series hosted by Chartered Accountants Australia and New Zealand.</p>
<i>Capacity in which each person is to act</i>	Manager

## Specified Personnel (continued)

	<p><b>Robert Hall</b> BCom (Hons) CA (Supervisor)</p>
<p><i>Position held</i></p>	<p>Audit Supervisor</p>
<p><i>Qualifications</i></p>	<ul style="list-style-type: none"> <li>• Member of Chartered Accountants Australia and New Zealand;</li> <li>• Honours Bachelor of Accounting Science Degree (Hons B Com) from the University of Kwa Zulu Natal; and</li> <li>• Higher Diploma in Auditing from the University of South Africa.</li> </ul>
<p><i>Level of Expertise and experience</i></p>	<p>Robert trained with a small accounting firm in South Africa and qualified as a Chartered Accountant in 2004 before moving to a small to medium-sized audit and accounting practice to head up the audit division. After settling in Australia he joined a boutique audit and accounting practice specialising in the not-for-profit sector to add to his experience in audit and assurance ranging from large, listed corporates to privately owned and managed businesses across a range of industries from retail and manufacturing to service and not for profits.</p> <p>Robert joined Butler Settineri in June 2016, and is responsible for managing an extensive audit portfolio, including our local government portfolio and assist with regular in-house technical training events.</p>
<p><i>Capacity in which each person is to act</i></p>	<p>External Audit Supervisor</p>

## Specified Personnel (continued)

	<p><b>Danielle Cavanagh</b> MAAT (Supervisor)</p>
<i>Position Held</i>	Audit Supervisor
<i>Qualifications</i>	Member of Association of Accounting Technicians UK
<i>Level of expertise and experience</i>	<p>Danielle gained most of her experience in a mid-tier public practice in Glasgow UK, where over ten years she gained experience in both external and internal audits in many industries. She then moved to a larger firm to undertake the role of audit supervisor and further her leadership skills.</p> <p>Since moving to Australia in 2013 Danielle has been managing our large property management and superannuation audit portfolio, where she collaborates with clients and staff continuously in order to achieve the best outcomes for all involved.</p>
<i>Capacity in which each person is to act</i>	Supervisor

Other members of our audit team will make up the remaining 50% of the expected audit hours.



### Execution by Respondent

<b>Name of Respondent</b> Butler Settineri (Audit) Pty Ltd	
<b>Address of Respondent</b> Unit 16, 100 Railway Road SUBIACO WA 6008	
<b>Postal Address</b> Locked Bag 18 SUBIACO WA 6904	
<b>Refer enquiries to:</b> Marius van der Merwe Email: <a href="mailto:mvdm@butlerstetteri.com.au">mvdm@butlerstetteri.com.au</a>	
<b>Phone Number:</b> (08) 6389 5222	<b>Fax Number:</b> (08) 6389 5255
<b>Legal Entity :</b> Butler Settineri (Audit) Pty Ltd	<b>ABN</b> 61 112 942 373 <b>Registered Company Auditor No.</b> 289109

## 9.2 CHIEF EXECUTIVE OFFICER:

9.2.1	Application for Industry-Extractive (Gravel Pit) – Lot 12344 Shaddicks Road, East Popanyinning
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Location:	Lot 12344 Shaddicks Road, East Popanyinning
Applicant:	Duncan Patten
File Ref. No:	A972
Disclosure of Interest:	Impartiality Interest – Mr Patten is a long-time friend of the Author
Date:	10 <sup>th</sup> May 2017
Author:	Gary Sherry
Attachments	9.2.1A Information from applicant 9.2.1B Location plan 9.2.1C Submissions

### Summary

**A Development Application seeking approval for an industry – extractive use (gravel pit) at Lot 12344 Shaddicks Road is recommended for conditional approval.**

### Background

#### 1. *The application*

The applicant seeks development approval for an industry - extractive use (gravel pit) from a development area of 19.5 hectares. A minimum 10 metre setback will be provided between the gravel pit and existing/proposed boundaries. Details submitted by the applicant are set out in Attachment 9.2.1A.

#### 2. *Previous Council resolution*

The Council at its meeting on 16<sup>th</sup> February 2017 resolved the following at Council Decision 2017-15:

“That Council continue to investigate the purchase from Mr Duncan Patten of a 20 hectare portion of Williams Location 12344 for the purpose of establishing a strategic, secure, long term, source of gravel from this site for use in road construction and maintenance in the north eastern area of the Shire of Cuballing for the cost of \$25,000 and the expenses of subdivision.”

#### 3. *Application site*

The site’s location is outlined in Attachment 9.2.1B which is approximately 12km east of the Popanyinning townsite. Lot 12344 is 67.7 hectares in area. The gravel pit is located in the southern section of the site in an area containing native vegetation. The remainder of Lot 12344 is used as part of Mr Patten’s farming property.

#### 4. *Public consultation*

The Shire administration sent letters to 10 stakeholders including adjoining/nearby landowners and relevant State Government authorities seeking comment on the application for 42 days. The Shire received 2 submissions on the Development Application. These submissions are included at Attachment 9.2.1C.

## 5. *Planning and environmental context*

There is a range of legislation and regulations relevant to the application including the *Planning and Development Act 2005*, *Planning and Development (Local Planning Schemes) Regulations 2015*, *Environmental Protection Act 1986* and the *Shire of Cuballing Town Planning Scheme No. 2 (TPS2)*. There are also a range of policies, strategies and publications including:

- *State Planning Policy 2 Environment and Natural Resources Policy*;
- *State Planning Policy 2.5 Land Use Planning in Rural Areas*;
- *State Planning Policy 2.9 Water Resources*;
- *State Planning Policy 4.1 State Industrial Buffer Policy*;
- *Basic Raw Materials Applicants' Manual*;
- *Environmental Protection Authority (EPA) Guidance Statement No. 3 Separation Distances between Industrial and Sensitive Land Uses*; and
- *EPA Guidance Statement No. 33 - Environmental Guidance for Planning and Development*.

*EPA Guidance Statement No. 3 Separation Distances between Industrial and Sensitive Land Uses* recommends a generic buffer distance for sand/limestone extraction (where there are no grinding or milling works) of 300 – 500 metres from “sensitive” uses (e.g. dwellings) depending on the size of the operation.

### *Shire of Cuballing Town Planning Scheme No. 2*

The site is zoned “General Agriculture” in TPS2. The gravel pit use is defined in TPS2 as “Industry – Extractive” as follows:

“means an industry which involves the extraction, quarrying or removal of sand, gravel, clay, hard rock, stone or similar material from the land and includes the treatment and storage of those materials on, or adjacent to, the land from which the materials are extracted, but does not include industry-mining”.

Industry-Extractive is an “A” use in the General Agriculture Zone. This means that the use is not permitted unless the local government has exercised its discretion by granting development approval after giving special notice (seeking comment) in accordance with the *Planning and Development (Local Planning Schemes) Regulations 2015*.

The aims of TPS2 (clause 1.6) include “to promote the sustainable management of natural resources including energy, water, land, minerals and basic raw materials by preventing land degradation and integrating land and catchment management with land use planning”.

Clause 4.2(b) sets out objectives for the General Agriculture Zone. The objectives include “To allow for the extraction of basic raw materials where it is environmentally and socially acceptable”.

### *Shire of Cuballing Local Planning Strategy*

The Local Planning Strategy provides no direct guidance relating to extractive industries. The Strategy does seek to protect prime agricultural land, prevent the intrusion of land uses not compatible with primary agricultural activities and promote best practice land management.



### *Bush Fire Prone Area*

The area proposed for the gravel pit is classified as a Bush Fire Prone Area as set out at <https://maps.slip.wa.gov.au/landgate/bushfireprone/>

### Comment

It is recommended that Council approve the Development Application subject to conditions. This follows assessment against TPS2, the Local Planning Strategy, relevant State Government documents and other available information. It is noted, for instance, that:

- there are suitable buffers to off-site dwellings;
- the area is and will remain rural for the long-term;
- no blasting is proposed;
- there is safe vehicular access;
- it is well set back from watercourses;
- the site is not located on a tourist route and the gravel pit will be effectively screened from public places; and
- appropriate gravel resources are critical to the district.

While noting the above, the key issues associated with the gravel pit are summarised below:

- clearing permit - the proposal will require the clearing of native vegetation. Should the Council grant development approval, there is a separate requirement to submit and gain a clearing permit from the Department of Environment Regulation;
- rehabilitation/revegetation – there is a requirement to revegetate the site and there are opportunities to undertake staged rehabilitation following the gravel being extracted;
- fire management - there is a need to identify ways to reduce fire risk of future operations;
- drainage and water quality - while the gravel pit is well setback from watercourses, there is a need to minimise or prevent environmental harm through ensuring drainage/run-off is appropriately designed and controlled. This can be achieved through various measures including drainage control. It is recommended, as a condition of the development approval, that an appropriate Drainage Management Plan is prepared and implemented;
- hours of operation - given site is located in a rural area with large landholdings, it is suggested that the Council does not impose a condition controlling hours of operation. Any work on the site is subject to ongoing compliance with the *Environmental Protection (Noise) Regulations 1997*; and
- on-going management and safety - the operator and any sub-contractors will need to address these matters including through restricting access to unauthorised persons through fencing, gates and signage.

### *Next steps*

Subject to the Council's decision on the Development Application, it is expected the applicant or the Shire will seek a clearing permit from the Department of Environment Regulation. Following this, it is expected the applicant will seek to subdivide Lot 12344 into two titles with the Shire purchasing a 19.5 hectare title containing the gravel pit and Mr Patten retaining a 47.65 hectare title as part of his farming operation. The proposed subdivision may be supported by the Western Australia Planning Commission if it sees the clear distinction between the farming operation and the gravel pit. Alternatively the applicant would apply to adjust the boundaries of two neighbouring locations to create a 19.5 hectare title containing the gravel pit and a larger title retained for Mr Patten's farming operation.



### Strategic Implications

Council has a shortage of established gravel pits in the north eastern section of the Shire of Cuballing. Continued access to this site is a strategic requirement for efficient future road construction and maintenance in the north east portion of the Shire of Cuballing.

### Statutory Environment

*Planning and Development Act, Environmental Protection Act* and TPS2.

There is no requirement for the proposed industry-extractive use to obtain registration of a licence for a Prescribed Premise under Part V of the *Environmental Protection Act 1986* (Environmental Protection Regulations, 1987, Schedule 1) given the scale falls below the threshold for the Department of Environment Regulation licensing.

### Policy Implications

There are no planning policy implications at this stage. In time, subject to required need, a Local Planning Policy could be prepared relating to industry extractive uses and accessing basic raw materials.

### Financial Implications

These were separately considered in the item to Council on 16<sup>th</sup> February 2017.

### Economic Implications

Well maintained local roads provide a key service to local farming operations. Gravel is a key component of road maintenance.

### Social Implications

No objections were received from adjoining/nearby landowners. Provided the gravel pit is effectively managed, the gravel pit should have manageable off-site impacts.

Well maintained local roads provide a key service to local residents. Gravel is a key component of road maintenance.

### Environmental Considerations

The site contains native vegetation and a clearing permit is required. There is a requirement to manage the retained native vegetation and reinstate the land after the gravel is extracted. There appears to be limited risks to the environment if the gravel pit complies on an on-going basis with the planning conditions and other legislation/regulations.

### Consultation

Adjoining/nearby landowners and relevant State Government agencies were invited to make comment on the Development Application.

### Options

The Council can:

1. approve the Development Application with no conditions;
2. approve the Development Application with conditions;
3. refuse the Development Application; or
4. defer and request additional information.

**OFFICER'S RECOMMENDATION:**

**That Council approve the Development Application for an industry-extractive use (gravel pit) at Lot 12344 on Plan 146073 Shaddicks Road, East Popanyinning, subject to the following conditions:**

- 1. the development hereby approved must be carried out in accordance with the plans submitted with the application, addressing all conditions, or otherwise amended by the local government and shown on the approved plan and these shall not be altered and/or modified without the prior knowledge and written consent of the local government;**
- 2. no excavation slope, with the exception of the working face, is to exceed a ratio of 1 measure vertical to 3 horizontal;**
- 3. when not in use, the excavation face shall be graded to a maximum of 1 measure vertical to 3 horizontal;**
- 4. the vehicular crossover between the subject land and Shaddicks Road is to be designed, constructed, and drained to the satisfaction of the local government prior to the commencement of operations;**
- 5. the applicant shall install and maintain road signs along transport routes warning other road users of trucks entering and using the public road system. Signs are to be to specification of the local government in locations approved in writing by the local government;**
- 6. the site shall be fenced, gated and sign-posted against unauthorised entry, and such features shall thereafter be permanently maintained to the satisfaction of the local government;**
- 7. the applicant to submit a Works Safety Plan to the satisfaction of the local government prior to the commencement of operations. The safety of persons employed at or visiting the site is to be implemented in accordance with a Works Safety Plan to the satisfaction of the local government;**
- 8. no clearing of native vegetation is permitted or forms part of this development approval;**
- 9. measures shall be taken to minimise the amount of dust pollution associated with the operation, such as by watering and covering truck loads, and watering access roads and public roads where necessary to the specification and satisfaction of the local government;**
- 10. a Bushfire Management Plan to be prepared and implemented to the satisfaction of the local government prior to the commencement of operations. Thereafter, the approved Bushfire Management Plan shall be subsequently maintained to the satisfaction of the local government;**
- 11. the applicant shall prepare and submit a Drainage Management Plan prior to the commencement of operations to the specification and satisfaction of the local government which sets out, amongst matters:**
  - a proposed earthworks, attenuation measures and drains;**
  - b detention and sedimentation/settling basins and other measures to enhance water quality and limit off-site impacts;**

- c overland stormwater flows outside of the excavation area via adequate bypass drains/earth bunds around disturbed surfaces and stockpiled matter;
  - d proposed revegetation; and
  - e addressing erosion control;
12. the applicant shall prepare and submit a Rehabilitation Plan prior to the commencement of operations to the specification and satisfaction of the local government which sets out, amongst matters:
- a. the site subject to the extractive-industry use is to be graded to an even surface, with slopes/embankments not steeper than 1 measure vertical to 4 horizontal;
  - b. contour ripping on the bottom and sides of the pit area;
  - c. topsoil to be stockpiled;
  - d. spreading of stockpiled topsoil is to be replaced;
  - e. the site is to be stabilised (through tree planting etc.) to reduce soil erosion;
  - f. fencing to exclude grazing stock;
  - g. seeding to enable the re-vegetation of the land;
  - h. planting native species of trees, shrubs and ground covers;
  - i. staging of rehabilitation process; and
  - j. removal of equipment, waste and final site clean-up;
13. the applicant is to retain appropriate Public Liability Insurance to cover the entire area the subject of this approval to the satisfaction of the local government.

**Advice**

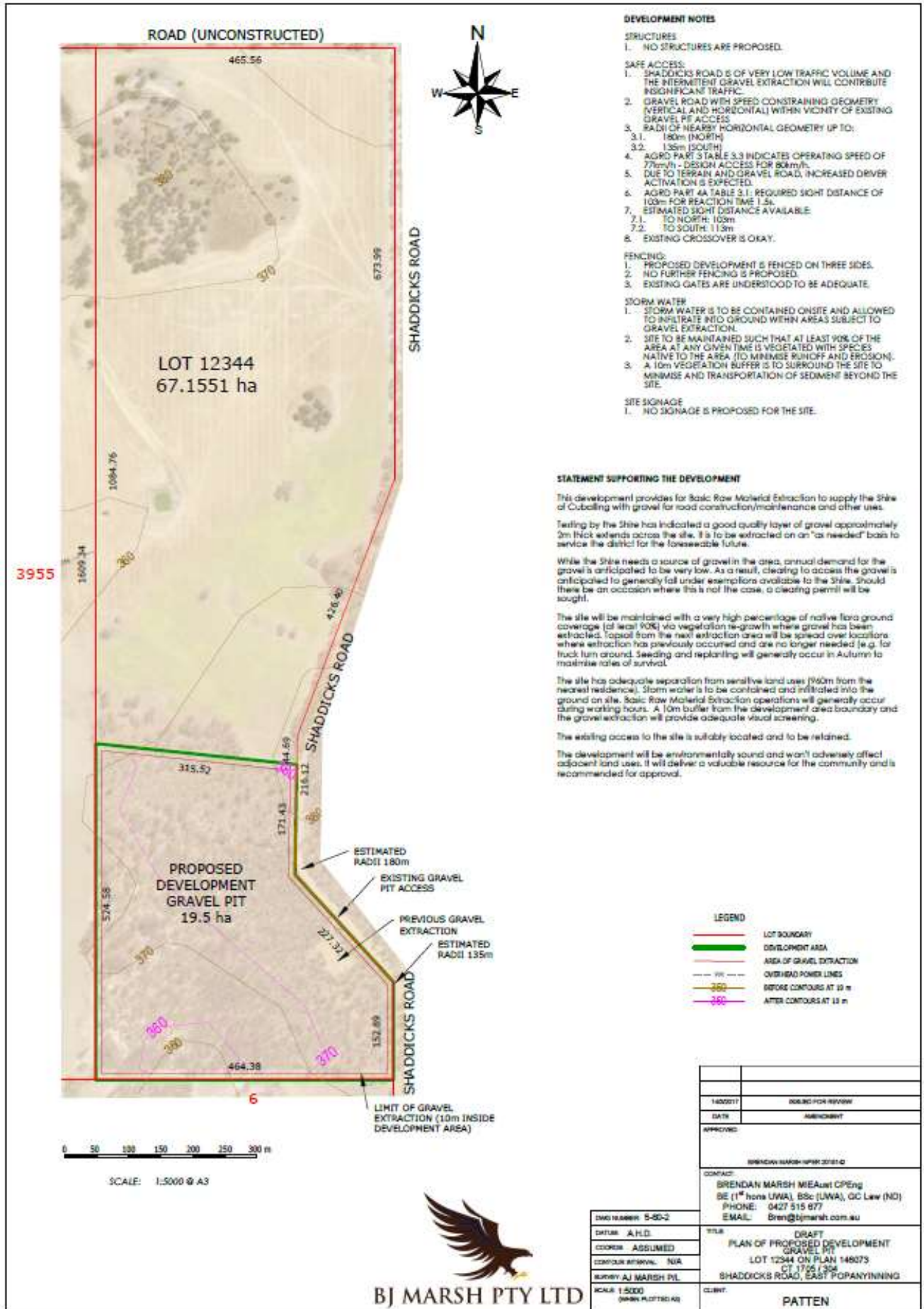
- A) The applicant/operator is required to also ensure that other legislative requirements are met.
- B) In relation to Condition 4, any gates should be off-set to ensure trucks are not blocking the road when entering the site.
- C) No native vegetation shall be removed as part of this extraction operation, unless permitted by a clearing permit issued by the Department of Environment Regulation.
- D) Weeds should be appropriately controlled in accordance with Department of Agriculture and Food guidelines. This in part should address the management of declared weeds under the *Biosecurity and Agriculture Management Act 2007* and the *Biosecurity and Agriculture Management Regulations 2013*.
- E) Measures should be taken to prevent spillage or disposal of machinery fuel, oil or grease products into the ground.
- F) If the applicant is aggrieved by this determination there is a right of review by the State Administrative Tribunal in accordance with the *Planning and Development Act 2005* Part 14. An application must be made within 28 days of the determination.

## APPLICATION FOR DEVELOPMENT APPROVAL

Owner Details		
Name: Duncan John Benjamin Patten and Lorrelle Joy Patten		
ABN (if applicable): 45 463 826 925		
Address: PO Box 42 Popanyinning ..... Postcode: 6309		
Phone: Work: ..08 9362 6811..... Mobile: 0429 875155.....	Fax: .....	Email: dunlop42@westnet.com.au..... .....
Contact person for correspondence: Duncan Patten		
Signature: 		Date: 21.02.17
Signature: 		Date: 21.02.17
<i>The signature of the owner(s) is required on all applications. This application will not proceed without that signature. For the purposes of signing this application an owner includes the persons referred to in the Planning and Development (Local Planning Schemes) Regulations 2015 Schedule 2 clause 62(2).</i>		
Applicant Details (if different from owner)		
Name:		
Address: ..... ..... Postcode: .....		
Phone: Work: ..... Home: ..... Mobile: .....	Fax: .....	Email: .....
Contact person for correspondence:		
The information and plans provided with this application may be made available by the local government for public viewing in connection with the application. <input type="checkbox"/> Yes <input type="checkbox"/> No		
Signature:		Date:

Property Details		
Lot No: PROPOSED LOT 32	House/Street No:	Location No: 12344
Diagram or Plan No: CT 1705/304	Certificate of Title Vol. No: LOT 12344	Folio: P146073
Title encumbrances (e.g. easements, restrictive covenants): NONE.....		
Street name: SHADDICKS ROAD	Suburb: CUBALLING	
Nearest street intersection: BUNMULLING ROAD		
Proposed Development		
Nature of development:	<input type="checkbox"/> Works <input type="checkbox"/> Use <input type="checkbox"/> Works and use	
Is an exemption from development claimed for part of the development? <input type="checkbox"/> Yes <input type="checkbox"/> No		
If yes, is the exemption for:	<input type="checkbox"/> Works <input type="checkbox"/> Use	
Description of proposed works and/or land use: Local shire gravel pit ..... .....		
Description of exemption claimed (if relevant): ..... .....		
Nature of any existing buildings and/or land use: No Buildings ..... .....		
Approximate cost of proposed development: No cost .....		
Estimated time of completion: N/A..... .....		
<i>OFFICE USE ONLY</i>		
Acceptance Officer's initials:	Date received:	
Local government reference No:		





**DEVELOPMENT NOTES**

- STRUCTURES**
- NO STRUCTURES ARE PROPOSED.
- SAFE ACCESS**
- SHADDICKS ROAD IS OF VERY LOW TRAFFIC VOLUME AND THE INTERMITTENT GRAVEL EXTRACTION WILL CONTRIBUTE INSIGNIFICANT TRAFFIC.
  - GRAVEL ROAD WITH SPEED CONSTRAINING GEOMETRY (VERTICAL AND HORIZONTAL) WITHIN VICINITY OF EXISTING GRAVEL PIT ACCESS.
  - RADI OF NEARBY HORIZONTAL GEOMETRY UP TO:
    - 180m (NORTH)
    - 135m (SOUTH)
  - AGRD PART 3 TABLE 3.3 INDICATES OPERATING SPEED OF 77km/h - DESIGN ACCESS FOR 80km/h.
  - DUE TO TERRAIN AND GRAVEL ROAD, INCREASED DRIVER ACTIVATION IS EXPECTED.
  - AGRD PART 4A TABLE 3.1. REQUIRED SIGHT DISTANCE OF 100m FOR REACTION TIME 1.5s.
    - TO NORTH: 103m
    - TO SOUTH: 113m
  - EXISTING CROSSOVER IS OKAY.
- FENCING**
- PROPOSED DEVELOPMENT IS FENCED ON THREE SIDES.
  - NO FURTHER FENCING IS PROPOSED.
  - EXISTING GATES ARE UNDERSTOOD TO BE ADEQUATE.
- STORM WATER**
- STORM WATER IS TO BE CONTAINED ONSITE AND ALLOWED TO INFILTRATE INTO GROUND WITHIN AREAS SUBJECT TO GRAVEL EXTRACTION.
  - SITE TO BE MAINTAINED SUCH THAT AT LEAST 90% OF THE AREA AT ANY GIVEN TIME IS VEGETATED WITH SPECIES NATIVE TO THE AREA (TO MINIMISE RUNOFF AND EROSION).
  - A 10m VEGETATION BUFFER IS TO SURROUND THE SITE TO MINIMISE AND TRANSPORTATION OF SEDIMENT BEYOND THE SITE.
- SITE SIGNAGE**
- NO SIGNAGE IS PROPOSED FOR THE SITE.

**STATEMENT SUPPORTING THE DEVELOPMENT**

This development provides for Basic Raw Material Extraction to supply the Shire of Cuballing with gravel for road construction/maintenance and other uses.

Testing by the Shire has indicated a good quality layer of gravel approximately 2m thick extends across the site. It is to be extracted on an "as needed" basis to service the district for the foreseeable future.

While the Shire needs a source of gravel in the area, annual demand for the gravel is anticipated to be very low. As a result, clearing to access the gravel is anticipated to generally fall under exemptions available to the Shire. Should there be an occasion where this is not the case, a clearing permit will be sought.

The site will be maintained with a very high percentage of native flora ground coverage (at least 90%) via vegetation re-growth where gravel has been extracted. Topsoil from the next extraction area will be spread over locations where extraction has previously occurred and are no longer needed (e.g. for truck turn around). Seeding and replanting will generally occur in Autumn to maximise rates of survival.

The site has adequate separation from sensitive land uses (940m from the nearest residence). Storm water is to be contained and infiltrated into the ground on site. Basic Raw Material Extraction operations will generally occur during working hours. A 10m buffer from the development area boundary and the gravel extraction will provide adequate visual screening.

The existing access to the site is suitably located and to be retained.

The development will be environmentally sound and won't adversely affect adjacent land uses. It will deliver a valuable resource for the community and is recommended for approval.

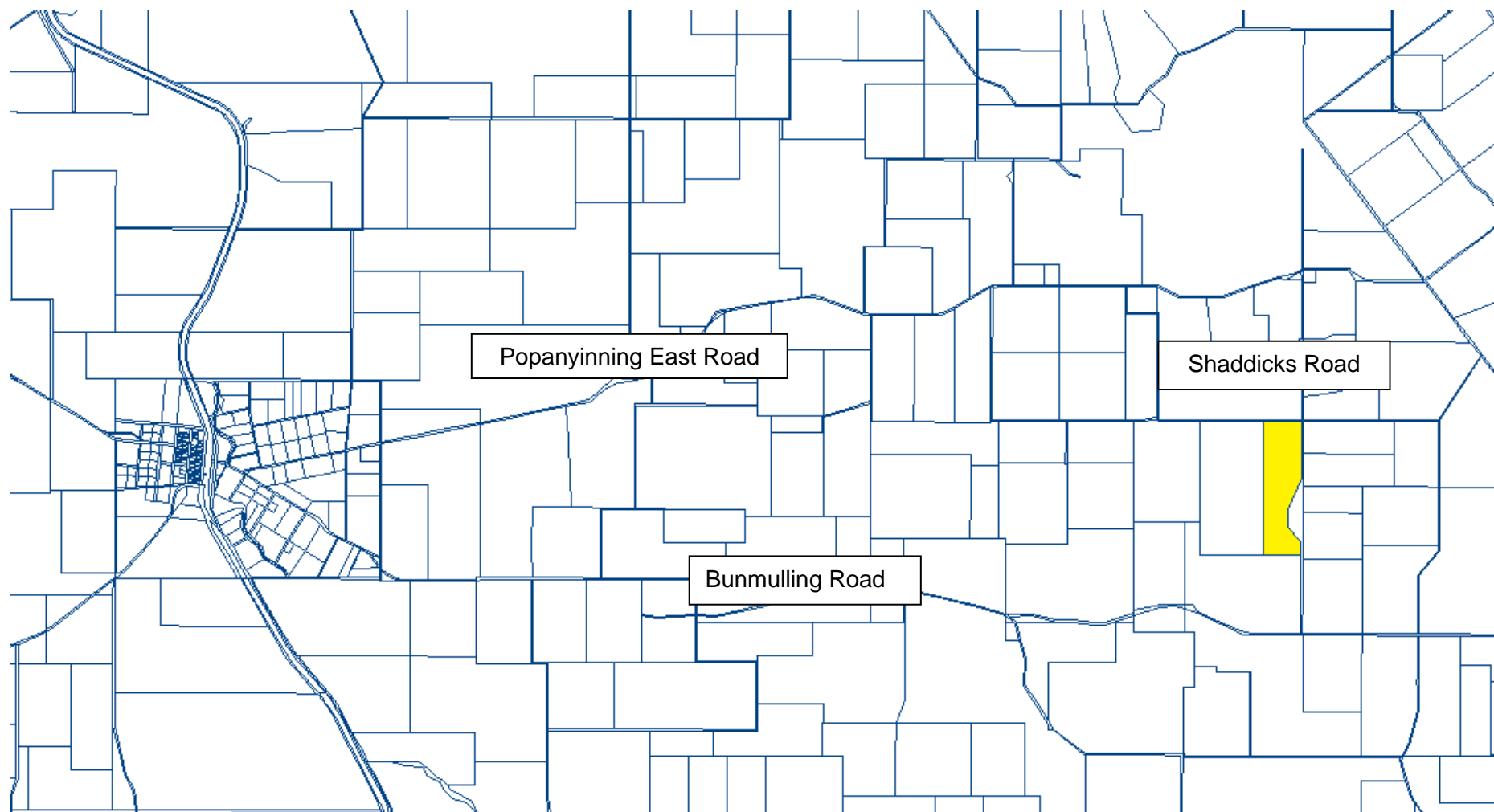
**LEGEND**

- LOT BOUNDARY
- DEVELOPMENT AREA
- AREA OF GRAVEL EXTRACTION
- OVERHEAD POWER LINES
- BEFORE CONTOURS AT 10 m
- AFTER CONTOURS AT 10 m

1400017	DOING FOR REVIEW
	AMENDMENT
APPROVED:	
BRENDA MARSH (P/PR) 2017-01-01	
CONTACT:	
BRENDA MARSH MIEAust CP/Eng	
BE (1 <sup>st</sup> honours UWA), BSc (UWA), GC Law (ND)	
PHONE: 0427 515 877	
EMAIL: Bren@bjmarsh.com.au	
DWG NUMBER: 5-80-2	TITLE: DRAFT PLAN OF PROPOSED DEVELOPMENT GRAVEL PIT
DRAWN: A.H.D.	LOT 12344 ON PLAN 148075
CHECKED: ASSUMED	SHADDICKS ROAD, EAST POPANYINNING
CONTOUR APPROVAL: N/A	
SUBMITTED BY: AJ MARSH P/L	SCALE: 1:5000 (MARK PLOTTING)
	CLIENT: PATTEN



**BJ MARSH PTY LTD**







**Gary Sherry**

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**From:** Shire of Cuballing Enquiries  
**Sent:** Wednesday, 22 March 2017 10:37 AM  
**To:** Gary Sherry  
**Subject:** FW: File Ref A2539

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**From:** Profile Technical Services [mailto:profilets@bigpond.com]  
**Sent:** Wednesday, 22 March 2017 9:44 AM  
**To:** Shire of Cuballing Enquiries <enquiries@cuballing.wa.gov.au>  
**Subject:** File Ref A2539

Dear Gary,

Thank you for your time this morning.

I am writing to advise that we have no objections or concerns with regards to the above mentioned Application by our neighbours at Lot 868 Shaddick Road.

Thank you for the opportunity to comment.

Regards,  
Carina Craine



8 Villiers Street East  
Bassendean Perth WA 6054  
Tel: + 61 (08) 9279 8339  
Mob: + 61 (0)400 533 677  
Email: [profilets@bigpond.com](mailto:profilets@bigpond.com)

*JOANNE FELL  
41 Geraldine Street  
BASSENDEAN WA 6054*

7 April 2017

11 APR 2017


Chief Executive Officer  
Shire of Cuballing  
PO Box 13  
Cuballing WA 6311

Dear Sir,

**RE: PLANNING APPLICATION: EXTRACTIVE INDUSTRY USE: LOCATION  
12344 SHADDICKS ROAD POPANYINNING**

Further to your letter of 20 January 2017 I write to inform that I have no objection to the proposed development by Mr Duncan Patton at Location 12344.

Yours faithfully  
Joanne Fell

A handwritten signature in blue ink that reads "Joanne Fell". The signature is written in a cursive style with a diagonal line above the first few letters.

(formerly Joanne Pinnington)

## 9.2.2 Sale of Shire of Cuballing Surplus or Obsolete Equipment

Applicant: N/A  
File Ref. No: ADM260  
Disclosure of Interest: Impartiality Interest in that the Author is the supervisor or employer of Mr Marwick  
Date: 11<sup>th</sup> May 2017  
Author: Gary Sherry  
Attachment: 9.2.2A Summary of Offers Received

### **Summary**

**Council is to consider the resale of surplus equipment following the backing out of the successful bidder from a previously approved sale.**

### **Background**

14 lots of surplus and obsolete equipment identified by staff were advertised for sale:

- On Council's website;
- On Council's Facebook page;
- In an edition of the Cuballing News local newsletter;
- On local noticeboards.

Council offered the following as conditions of sale:

1. Everything sold on "as is – where is" basis. No guarantees or warranty provided. Inspections of equipment is strongly encouraged.
2. All the obsolete or surplus equipment is located at the Shire of Cuballing Depot, Austral Street, Cuballing. All equipment sold must be collected from this site during normal business hours.
3. Used grader blades are offered on a first come, first served basis for \$5 per blade.
4. Written offers are required for all equipment with the exception of the used grader blades.
5. Offers for purchase are sought until 4pm, Wednesday 5th April.
6. Written offers can be made by stating your name and contact details and the amount of an offer for a piece or pieces of equipment by:
  - emailing enquiries@cuballing.wa.gov.au.
  - Mail to PO Box 13, Cuballing WA 6311; or
  - Dropping a written offer to the Shire of Cuballing Office, Campbell Street, Cuballing during office hours.
7. Further information and inspections can be arranged by contacting Manager Works and Services Bruce Brennan on 0427 836 061 during normal business hours or by email at supervisor@cuballing.wa.gov.au.

At their April 2017 Ordinary Meeting Council considered all offers, shown at Attachment 9.2.2A, and resolved the following:

#### **COUNCIL DECISION – 2017-27:**

That Council:

1. Accept the following offers of purchase:

Wayne Parker	Howard PTO mower/slasher	\$500
Wayne Parker	Three rims and tyres – 14.00R24	\$50
Jason Hall	LTY 1842 Husqvarna Ride on mower with catcher	\$500
Steve Bilston	Ute mounted sprayer	\$400
Darrel Marwick	Dura Poly Tank	\$150
Dianne Ferguson	8 Planter boxes	\$20
2. Select the offer of Wayne Parker to purchase the Set Of Steps for \$100; and

3. Offer the following materials for the following amounts on a publicly advertised first come, first served basis:
- Robin 5KVA generator for \$100
  - Concrete cut off saw for \$30
  - Six 14.00R24 tyres for \$750 each
  - Two 11R22.5 Rims for \$50
  - 3 metal spreaders for \$50
  - Fuel Tank for \$100
  - Metal Cupboard for \$2
- Moved: Cr Haslam      Seconded: Cr Dowling

Carried 6/0

The Shire administration advised all who submitted offers of Council's decision and provided successful bidders with Shire of Cuballing invoices to complete the sale.

#### Comment

Mr Steve Bilston has now advised that he no longer wishes to purchase the Ute Mounted Sprayer, shown below, for \$450.



Mr Darrel Marwick also lodged an offer for purchase of the Ute Mounted Sprayer for \$250. Mr Marwick has indicated that he is still willing to purchase the sprayer for this amount.

Strategic Implications - Nil

### Statutory Environment -

Council has delegated the following authority in relation to the Sale of Surplus Equipment, Materials and Scrap.

This delegation has not been used in this matter because Shire staff and close relations to Shire staff submitted offers. The Officer has declared an Impartiality Interest in this matter.

#### W7: Sale of Surplus Equipment, Materials and Scrap

The Chief Executive Officer is delegated the authority to sell by the holding of a surplus goods sale at Council's Depot or any other fair means, items of surplus equipment, materials, tools, etc which are no longer required, are outmoded, or are no longer serviceable.

#### Guidelines

This delegation applies only to items with a sale value less than \$2,000.

### Policy Implications

Council Policy F1:Outstanding Debtors has application to this matter.

The Chief Executive Officer is delegated the authority to write off uncollectable, economically uncollectable or erroneously created debts, in the following manner:

1. Where a Sundry Debtor invoice has:
  - a. a value of less than two hundred and fifty dollars;
  - b. has been outstanding for at least 90 days; and
  - c. in the Chief Executive Officer's opinion, will not be economically practical to pursue payment of the account through the court system;the Chief Executive Officer may approve that the invoice be written off.
2. Where a Sundry Debtor invoice, less than two hundred and fifty dollars in value, has been raised in error, the Chief Executive Officer may approve that the invoice be written off.
3. Where Rates Debtor accounts have a balance less than ten dollars and, in the Chief Executive Officer's opinion, it will not be economically practical to pursue payment of the account through the court system, the Chief Executive Officer may approve that the amount be written off.
4. Where a Rates debtor amount, less than ten dollars, was raised in error, the Chief Executive Officer may approve that the amount be written off.

### Financial Implications

Council has not budgeted for income from the sale of these surplus items. Mr Marwick's offer is considered reasonable by staff.

### Economic Implications - Nil

### Social Implications

Local people may be interested in purchasing surplus items.

### Environmental Considerations

The sale of surplus or obsolete Shire equipment is a method of recycling and maximising the life of this equipment. Surplus materials not sold, will be placed in landfill or recycling at a Shire of Cuballing Waste Disposal Site.

### Consultation

Mr Bilston  
Mr Marwick

### Options

The Council can resolve:

1. the Officer's Recommendation;
2. an amended Officer's Recommendation; or
3. to set another price for the sprayer and sell the sprayer on a first come basis with other surplus equipment.

Voting Requirements – Simple Majority

### **OFFICER'S RECOMMENDATION:**

**That Council:**

1. **cancel Shire of Cuballing invoice 3810 for the sale of the Ute Mounted Sprayer for \$400; and**
2. **accept the offer of purchase from Mr Darrel Marwick for the Ute Mounted Sprayer for \$250.**

Offerors	Wayne Parker	Bruce Brennan	Jason Hall	Darrel Marwick	Steve Bilston	Dennis Jones
Item	Cuballing	Cuballing	Cuballing	Popanyinning	Cuballing	East Popanyinning
Howard PTO mower/slasher	500.00					
LTY 1842 Husqvarna Ride on mower with catcher			500.00			
Ute mounted sprayer – only suitable for poison spraying				250.00	400.00	
Robin 5KVA generator						
Concrete cut off saw						
Dura Poly Tank – 2000 litre		101.00		150.00	50.00	
Three rims and tyres – 14.00R24. Suit Caterpillar grader	50.00					
Six 14.00R24 tyres						
Two 11R22.5 Rims						
3 metal spreaders						
Set of steps	100.00					100.00
Fuel Tank						
Metal Cupboard						
8 Planter boxes						



### 9.2.3 Special Meeting of Council – Consider Draft Budget

Applicant: N/A  
File Ref. No: ADM239  
Disclosure of Interest: Nil  
Date: 12<sup>th</sup> May 2017  
Author: Gary Sherry  
Attachment: Nil

#### **Summary**

**Council is to consider setting a date for a Special Council Meeting to consider a draft 2017/18 Council Budget.**

#### **Background**

It is a legislative requirement for the public in general to be advised in advance of all meeting dates, place and starting times to facilitate attendance or participation in Council Meetings. Unforeseen circumstances may dictate a change to this schedule and local advertising will inform Electors accordingly.

At the December 2017 Ordinary Meeting the following meeting schedule for 2017 was adopted by Council.

Thursday 16 February 2017	Ordinary Meeting	2:00 PM	Council Chambers
Thursday 16 March 2017	Ordinary Meeting	2:00 PM	Council Chambers
Thursday 20 April 2017	Ordinary Meeting	3:00 PM	Council Chambers
Thursday 18 May 2017	Ordinary Meeting	3:00 PM	Council Chambers
Thursday 15 June 2017	Ordinary Meeting	3:00 PM	Council Chambers
Thursday 20 July 201	Ordinary Meeting	3:00 PM	Council Chambers
Thursday 17 August 2017	Ordinary Meeting	3:00 PM	Council Chambers
Thursday 21 September 2017	Ordinary Meeting	3:00 PM	Council Chambers
Thursday 19 October 2017	Ordinary Meeting	3:00 PM	Council Chambers
Thursday 16 November 2017	Ordinary Meeting	3:00 PM	Council Chambers
Thursday 21 December 2017	Ordinary Meeting	3:00 PM	Council Chambers

This schedule has been amended to commence all Ordinary Meetings at 2pm.

#### **Comment**

In the recent past, Council has held a Special Meeting in June to consider a draft budget for the following year. Council has used this meeting to review the financial operations of Council and to establish a priority for discretionary expenditure to be included in the draft Budget. The priority for discretionary expenditure set by Council is then used by staff to prepare a draft budget that is presented to Council at the July Ordinary Meeting for consideration and adoption.

It is proposed to hold a Special Meeting of Council to consider the 2017/18 draft Budget at 12.30pm on Wednesday 28<sup>th</sup> June 2017.

#### **Strategic Implications** - Nil

#### **Statutory Environment**

Local Government (Administration) Regulations 1996

12. Public notice of council or committee meetings — s. 5.25(1)(g)

- (1) At least once each year a local government is to give local public notice of the dates on which and the time and place at which —
  - (a) the ordinary council meetings; and
  - (b) the committee meetings that are required under the Act to be open to members of the public or that are proposed to be open to members of the public, are to be held in the next 12 months.
- (3) Subject to subregulation (4), if a special meeting of a council is to be open to members of the public then the local government is to give local public notice of the date, time, place and purpose of the special meeting.
- (4) If a special meeting of a council is to be open to members of the public but, in the CEO's opinion, it is not practicable to give local public notice of the matters referred to in subregulation (3), then the local government is to give public notice of the date, time, place and purpose of the special meeting in the manner and to the extent that, in the CEO's opinion, is practicable.

Policy Implications – Nil

Financial Implications

Local advertising in the Narrogin Observer will occur a relatively small charge that can be met with Council's budget allocation.

Economic Implications - Nil

Social Implications

Council has had a number of local residents and interested people attend Council's meetings. Council should encourage this to occur in 2017 by advertising Special Meetings in the local community.

Environmental Considerations – Nil at this time

Consultation - Nil

Options

The Council can resolve:

4. the Officer's Recommendation;
5. an amended Officer's Recommendation;
6. to not hold a Special Meeting to discuss the 2017/18 Draft Budget.

Voting Requirements – Simple Majority

**OFFICER'S RECOMMENDATION:**

**That Council conduct a Special Meeting of Council to be held in the Shire of Cuballing Council Chambers at 12.30pm on Wednesday 28<sup>th</sup> June 2017 to consider a Draft 2017/18 Council Budget.**

**9.3 MANAGER OF WORKS & SERVICES:**

Nil

**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 at this time

**12. NEXT MEETING**

2pm, Thursday 15<sup>th</sup> June 2017 at the Shire of Cuballing Council Chambers, Campbell Street, Cuballing.

**13. CLOSURE OF MEETING:**