



**SPECIAL MEETING OF  
COUNCIL  
(BUDGET MEETING)**

**TUESDAY 9 JULY 2013**

**MINUTES**

**SHIRE OF WONGAN-BALLIDU**

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# **SHIRE OF WONGAN-BALLIDU**

## **SPECIAL MEETING OF COUNCIL**

### **(BUDGET MEETING)**

Held in the Council Chamber, Cnr Quinlan Street and Elphin  
Crescent, Wongan Hills  
on Tuesday 9 July 2013, commencing at 4.00pm

#### **1. OFFICIAL OPENING**

The Shire President Councillor Michael Brennan declared the meeting opened at 4.00pm

#### **2. ATTENDANCE, APOLOGIES, LEAVE OF ABSENCE PREVIOUSLY GRANTED**

Cr Michael Brennan  
Cr Hugh Barrett-Lennard  
Cr Tracey deGrussa  
Cr Alfreda Lyon  
Cr Peter Macnamara  
Cr Brad West

#### **STAFF:**

Mr Stuart Taylor	Chief Executive Officer
Mr Keith White	Acting Deputy Chief Executive Officer
Mr Len deGrussa	Manager Building Services
Mr Karl Mickle	Coordinator Works & Services
Ms Tanya Greenwood	Manager Community Services

#### **APOLOGIES:**

Cr David Armstrong  
Cr Michael Godfrey

#### **3. DECLARATION OF INTEREST**

Nil

#### **4. ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION**

Nil

## 5. 2013/14 ANNUAL BUDGET - ADOPTION

### 5.1 DISCUSSION REGARDING CUBBYHOUSE MANAGEMENT

Presentation by Cubbyhouse management on the running of the facility.

### 5.2 ANNUAL BUDGET – ADOPTION

FILE REFERENCE:	F1.2.1
REPORT DATE:	30 June 2012
APPLICANT/PROPONENT:	N/A
OFFICER DISCLOSURE OF INTEREST:	Nil
PREVIOUS MEETING REFERENCES:	Nil
AUTHOR:	Stuart Taylor – Chief Executive Officer
ATTACHMENTS:	Nil

#### PURPOSE OF REPORT:

To consider and adopt the 2013/2014 Annual Budget.

#### BACKGROUND:

A final draft of the 2013/14 Annual Budget has been prepared for consideration based on the discussions and comments raised at Committee Meetings during June. In particular, the budget has been prepared on the basis of:

- (i) A 5% increase in the total rate yield;
- (ii) The prescribed minimum sitting fees of \$44.00 and \$88.00 for Committee and Council meetings respectively;
- (iii) No change to the Councillor allowances and meeting fees.

#### COMMENT:

The Annual Budget has been prepared in accordance with the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996. It also complies with all of the relevant Australian Accounting Standards.

#### POLICY/LEGISLATIVE REQUIREMENTS:

Pursuant to Section 6.2 of the Local Government Act 1995, the Budget for the Municipal Fund must be prepared and adopted by an absolute majority of Council by the 31<sup>st</sup> August each year.

#### SUSTAINABILITY IMPLICATIONS:

##### Ø Environment

Many of the projects/activities contained in the Budget will have an environmental impact. The extent of any impact on the environment is assessed on an individual basis. The Shire does possess an environmental awareness and any adverse effect on the environment resulting from Shire activities is kept to a minimum.

##### Ø Economic

With an approximate budget of \$10m, the Shire is a significant contributor to the economic base of the district. In conjunction with the Plan for the Future, the Budget provides an annual financial framework for meeting the longer-term objectives of improving physical and social infrastructure in the Shire.

Ø **Social**

The Budget is consistent with the social objective of improving the “liveability” of the district by improving amenities, services and facilities.

**FINANCIAL IMPLICATIONS:**

The Annual Budget determines how funds will be allocated for the forthcoming financial year. The early adoption of the budget provides the following advantages:

- Improves cash flow by providing for the early issue of rate notices. This will avoid a drain on Shire funds during the first two months of the financial year.
- Allows the Shire to maximise the investment of surplus funds as rates income is received earlier rather than later.
- Allows the Shire to proceed with Capital Works earlier in the financial year, enabling a better clearance of capital projects by year-end.

**STAFF RECOMMENDATION:**

That Council adopt the 2013/2014 Budget inclusive of the following rating and charging information:

1. Rates

The following Rates in the Dollar and Minimum Rates apply for the 2013/2014 financial year:

Land Category	Rate in the Dollar	Minimum Rate
Gross Rental Values (GRV) – Wongan Hills	9.6468	546.00
Gross Rental Values (GRV) – Ballidu & Cadoux	9.6468	262.50
Unimproved Values (UV) - Mining	1.2463	262.50
Unimproved Values (UV) - Rural	1.2463	262.50

2. Discounts and Concessions

A two (2) percent discount will be granted on rates if they are paid in full within 21 days from the issue of the rates notice.

3. Penalty Interest

Penalty interest of eleven (11) percent per annum, calculated daily by simple interest, will accrue on all rates that remain unpaid after they are due and payable.

4. Due Dates for Rates and Instalment Plans

The following payment option plan is prescribed:

- Option 1 – One Payment (with early payment discount) due by:  
21 days from issue of rates notice.
- Option 2 - One Payment due by:  
35 days from issue of rates notice.
- Option 3 - Four Payments (includes instalment interest and administration fee) due by:  
35 Days from issue of rates notice  
95 Days from issue of rates notice  
155 Days from issue of rates notice  
215 Days from issue of rates notice

An administration fee of \$10.00 per instalment applies. Instalment interest of 5.5% also applies. If an instalment option has been elected, penalty interest of 11% will apply from the due date of the instalment until the date the instalment is paid in full.

5. Alternative Methods of Payment

Ratepayers may elect to pay rates and charges by instalments other than those prescribed. Such an agreement will be subject to a \$20.00 administration fee. Outstanding rates will be subject to penalty interest.

6. Rubbish and Recycling Charges

In accordance with Sections 41 and 106 of the Health Act 1911, annual rubbish and recycling charge is imposed on the townsites of Ballidu and Wongan Hills as follows:

- Ø Once weekly removal of domestic rubbish and fortnightly removal of recyclables - \$228.00 per annum for 2 x 240 Lt Bin.
- Ø Once weekly removal of commercial rubbish and fortnightly removal of recyclables - \$228.90 per annum for 2 x 240 Lt bin.

7. TV and Radio Retransmission Service Charge in pursuant with Section 6.38 of the Local Government Act 1995 and Section 54 (a) of the Local Government (Financial Management) Regulations 1996 on the residents within the town site of Wongan Hills of \$60 per rateable property.

8. Pursuant to Section 6.16 of the Local Government Act 1995 (as amended) and Local Government (Financial Management) Regulations 1996 (as amended) Council resolves to adopt the fees and charges detailed in the 'Schedule of Fees and Charges' incorporated in the 2013/2014 Annual Budget.

ABSOLUTE MAJORITY REQUIRED

**MOTION: Moved Cr Barrett-Lennard/Cr West**

**That Council adopt the 2013/2014 Budget inclusive of the following rating and charging information:**

**1. Rates**

**The following Rates in the Dollar and Minimum Rates apply for the 2013/2014 financial year:**

<b>Land Category</b>	<b>Rate in the Dollar</b>	<b>Minimum Rate</b>
<b>Gross Rental Values (GRV) – Wongan Hills</b>	<b>9.6468</b>	<b>546.00</b>
<b>Gross Rental Values (GRV) – Ballidu &amp; Cadoux</b>	<b>9.6468</b>	<b>262.50</b>
<b>Unimproved Values (UV) - Mining</b>	<b>1.2463</b>	<b>262.50</b>
<b>Unimproved Values (UV) - Rural</b>	<b>1.2463</b>	<b>262.50</b>

**2. Discounts and Concessions**

**A two (2) percent discount will be granted on rates if they are paid in full within 21 days from the issue of the rates notice.**

**3. Penalty Interest**

**Penalty interest of eleven (11) percent per annum, calculated daily by simple interest, will accrue on all rates that remain unpaid after they are due and payable.**

**4. Due Dates for Rates and Instalment Plans**

**The following payment option plan is prescribed:**

**Option 1 – One Payment (with early payment discount) due by:**

**21 days from issue of rates notice.**

**Option 2 - One Payment due by:**

**35 days from issue of rates notice.**

**Option 3 - Four Payments (includes instalment interest and administration fee) due by:**

**35 Days from issue of rates notice**

**95 Days from issue of rates notice**

**155 Days from issue of rates notice**

### **215 Days from issue of rates notice**

An administration fee of \$10.00 per instalment applies. Instalment interest of 5.5% also applies. If an instalment option has been elected, penalty interest of 11% will apply from the due date of the instalment until the date the instalment is paid in full.

#### **5. Alternative Methods of Payment**

Ratepayers may elect to pay rates and charges by instalments other than those prescribed. Such an agreement will be subject to a \$20.00 administration fee. Outstanding rates will be subject to penalty interest.

#### **6. Rubbish and Recycling Charges**

In accordance with Sections 41 and 106 of the Health Act 1911, annual rubbish and recycling charge is imposed on the townsites of Ballidu and Wongan Hills as follows:

- Ø Once weekly removal of domestic rubbish and fortnightly removal of recyclables - \$228.00 per annum for 2 x 240 Lt Bin.
- Ø Once weekly removal of commercial rubbish and fortnightly removal of recyclables - \$228.90 per annum for 2 x 240 Lt bin.

#### **7. TV and Radio Retransmission Service Charge in pursuant with Section 6.38 of the Local Government Act 1995 and Section 54 (a) of the Local Government (Financial Management) Regulations 1996 on the residents within the town site of Wongan Hills of \$60 per rateable property.**

#### **8. Pursuant to Section 6.16 of the Local Government Act 1995 (as amended) and Local Government (Financial Management) Regulations 1996 (as amended) Council resolves to adopt the fees and charges detailed in the ;Schedule of Fees and Charges' incorporated in the 2013/2014 Annual Budget.**

**CARRIED BY ABSOLUTE MAJORITY 6/0**

### 5.3 ADOPTION OF MATERIAL VARIANCE ACCOUNTING REPORTING POLICY

FILE REFERENCE:	F 1.3
REPORT DATE:	24 June 2013
APPLICANT/PROPONENT:	
OFFICER DISCLOSURE OF INTEREST	Nil
PREVIOUS MEETING REFERENCES:	Nil
AUTHOR:	Stuart Taylor – Chief Executive Officer
ATTACHMENTS:	

#### **PURPOSE OF REPORT:**

To confirm the adoption of the material variance accounting reporting policy for the 2013/2014 financial year.

#### **BACKGROUND:**

Under the Local Government (Financial Management) Regulations (FMR) 1996 the Council is to prepare a number of different financial reports outlining the financial operations at the previous month end date.

Regulation 34(5) - each financial year a Local government is also to adopt a percentage or value, calculated in accordance with AAS5, to be used in reporting material variances. These variances will be applied at comparative COA (Chart of Accounts and or 'Job') level.

#### **COMMENT:**

Nil

#### **POLICY REQUIREMENTS:**

Accounting Policy

#### **LEGISLATIVE REQUIREMENTS:**

Regulation 34(5) - each financial year a Local government is also to adopt a percentage or value, calculated in accordance with AAS5, to be used in reporting material variances. These variances will be applied at comparative COA (Chart of Accounts and or 'Job') level.

#### **STRATEGIC IMPLICATIONS:**

There are no known strategic requirements in relation to this item.

#### **SUSTAINABILITY IMPLICATIONS:**

##### **Ø Environment**

There are no known environmental implications associated with this item.

##### **Ø Economic**

There are no known economic implications associated with this proposal.

##### **Ø Social**

There are no known social implications associated with this proposal.



**FINANCIAL IMPLICATIONS:**

There are financial implications in relation to this item.

**VOTING REQUIREMENTS:**

**ABSOLUTE MAJORITY REQUIRED: No**

**STAFF RECOMMENDATION:**

That Council, pursuant to Regulation 34 (5) of the Local Government (Financial Management) Regulations 1996, adopt the following material variance accounting reporting policy for 2013/2014 financial year;

That the material variance threshold be set at 10% as per FM 34(1)(d).

A comments column in the Councils monthly financial reports be included highlighting material variance as follows:

- i. Operating Income operating expenditure and capital income and capital expenditure less than or exceeds the budget YTD by  $\geq 10\%$ .

**MOTION: Moved Cr Barrett-Lennard/Cr West**

**That Council, pursuant to Regulation 34 (5) of the Local Government (Financial Management) Regulations 1996, adopt the following material variance accounting reporting policy for 2013/2014 financial year;**

**That the material variance threshold be set at 10% as per FM 34(1)(d).**

**A comments column in the Councils monthly financial reports be included highlighting material variance as follows:**

- i. Operating Income operating expenditure and capital income and capital expenditure less than or exceeds the budget YTD by  $\geq 10\%$ .**

**CARRIED 6/0**

## 5.4 RATE EXEMPTIONS YEAR ENDED 30<sup>TH</sup> JUNE 2014

FILE REFERENCE:	R3.7
REPORT DATE:	24 June 2013
APPLICANT/PROPONENT:	
OFFICER DISCLOSURE OF INTEREST	Nil
PREVIOUS MEETING REFERENCES:	Nil
AUTHOR:	Stuart Taylor – Chief Executive Officer
ATTACHMENTS:	

### **PURPOSE OF REPORT:**

To confirm the rating exemptions that will apply for the Financial Year ended 30<sup>th</sup> June 2014.

### **BACKGROUND:**

Council wishes to assist Not for Profit associations occupying Council land in meeting their objectives.

### **COMMENT:**

The Minister for Local Government approval will be necessary for exempting the Sports Council owned land.

The result will be that land is treated the same whether it be for charitable purposes or Not for Profit sporting and cultural purposes.

### **POLICY REQUIREMENTS:**

Recreational, Sporting and Not For Profit Associations – Rate Rebate.

### **LEGISLATIVE REQUIREMENTS:**

Section 6.26 of the Act stipulates that all land within a district is rateable land, except in certain circumstances, including:

*(2) (d) land used or held exclusively by a religious body as a place of public worship or in relation to that worship, a place of residence of a minister of religion, a convent, nunnery or monastery, or occupied exclusively by a religious brotherhood or sisterhood;*

*(e) land used exclusively by a religious body as a school for the religious instruction of children;*

*(g) land used exclusively for charitable purposes;*

*(6) Land does not cease to be used exclusively for a purpose mentioned in subsection (2) merely because it is used occasionally for another purpose which is of a charitable, benevolent, religious or public nature.*

### **STRATEGIC IMPLICATIONS:**

There are no known strategic requirements in relation to this item.

### **SUSTAINABILITY IMPLICATIONS:**

#### **Ø Environment**

There are no known environmental implications associated with this item.

#### **Ø Economic**

There are no known economic implications associated with this proposal.

Ø **Social**

There are no known social implications associated with this proposal.

**FINANCIAL IMPLICATIONS:**

The cost of the Rating Exemptions is approximately \$11,100.00.

This will impact upon the annual budget & financials for the financial year ended 30/06/14.

**VOTING REQUIREMENTS:**

**ABSOLUTE MAJORITY REQUIRED: No**

**STAFF RECOMMENDATION:**

That Council confirm the following rate exemptions will apply for the financial year ended 30<sup>th</sup> June 2014:

- A1134 Ballidu Contemporary Arts Society
- A1135 Ballidu Contemporary Arts Society Gallery
- A1140 Playgroup, Ballidu
- A1332 CWA Land, Kondut
- A266 Kondut Sports Council Hall
- A434 St Johns Ambulance
- A470 Wongan-Ballidu Aged Persons Homes – Units
- A440 Wongan-Ballidu Aged Persons Homes – Units
- A421 Wongan-Ballidu Aged Persons Homes – Units
- A409 Scout Association – former Scout Hall, Hospital Road vacant land
- Ballidu Sports Council buildings, recreation assets and farm land (on Council reserve)
- Kondut Sports Council cropping land (Rates pa Nil)
- A1359 Cadoux Sports Council farm land (Rates pa Nil)
- A1351 Cadoux Sports Council vacant land (Rates pa Nil)
- A1279 Wongan Hills Sports Council farm land (Rates pa Nil)
- A82 Wongan Hills Sports Council farm land (Rates pa Nil)
- A336 Wongan Hills Sports Council farm land (Rates pa Nil)
- A801 Kanyana – Shop (\$6.26 (g) LGA) (Rates pa Nil)
- Cadoux Sportsgrounds and facilities
- Wongan Hills Sportsgrounds and facilities
- A813 Cubby House Child Care Building, Stickland Street, Wongan Hills
- A713 Masonic Lodge

**MOTION: Moved Cr Lyon/Cr deGrussa**

**That Council confirm the following rate exemptions will apply for the financial year ended 30<sup>th</sup> June 2014:**

- A1134 Ballidu Contemporary Arts Society**
- A1135 Ballidu Contemporary Arts Society Gallery**
- A1140 Playgroup, Ballidu**
- A1332 CWA Land, Kondut**
- A266 Kondut Sports Council Hall**
- A434 St Johns Ambulance**
- A470 Wongan-Ballidu Aged Persons Homes – Units**
- A440 Wongan-Ballidu Aged Persons Homes – Units**
- A421 Wongan-Ballidu Aged Persons Homes – Units**
- A409 Scout Association – former Scout Hall, Hospital Road vacant land**
- Ballidu Sports Council buildings, recreation assets and farm land (on Council reserve)**
- Kondut Sports Council cropping land (Rates pa Nil)**
- A1359 Cadoux Sports Council farm land (Rates pa Nil)**
- A1351 Cadoux Sports Council vacant land (Rates pa Nil)**

**A1279 Wongan Hills Sports Council farm land (Rates pa Nil)**  
**A82 Wongan Hills Sports Council farm land (Rates pa Nil)**  
**A336 Wongan Hills Sports Council farm land (Rates pa Nil)**  
**A801 Kanyana – Shop (S6.26 (g) LGA) (Rates pa Nil)**  
**Cadoux Sportsgrounds and facilities**  
**Wongan Hills Sportsgrounds and facilities**  
**A813 Cubby House Child Care Building, Stickland Street, Wongan Hills**  
**A713 Masonic Lodge**

**CARRIED 6/0**

## 5.5 POLICY REVIEW

FILE REFERENCE:	A2.20.4
REPORT DATE:	26 June 2013
APPLICANT/PROPONENT:	Shire of Wongan-Ballidu
OFFICER DISCLOSURE OF INTEREST:	Nil
PREVIOUS MEETING REFERENCES:	Nil
AUTHOR:	Stuart Taylor – Chief Executive Officer
ATTACHMENTS:	Copy of current policy

### **PURPOSE OF REPORT:**

The purpose of this report is to present sufficient information to Council to enable a detailed review of existing policies to be carried out.

### **BACKGROUND:**

The purpose of policy documents is to enable the effective and efficient management of Council resources and to assist staff and Council achieve an equitable decision making process. Written policies also enable the community to be aware of the reasoning behind administrative and Council decisions to be familiar with the philosophy behind individual decisions. Policy statements enable much of the day-to-day business of Council to be handled by the administration, freeing up the time of the Elected Members in determining major policy and strategic direction.

An up-to-date policy manual of any organisation proves to be a valuable tool in improving the decision making process. Policies contained within the manual are those that project a corporate image and are not controlled by individual directorates. The development of the policies involves input from staff across the organisation and elected members.

A policy statement is not binding on Council but provides a guideline for Elected Members and staff in determining individual applications or requests. Generally, policies evolve as issues come before Council and should continue to evolve through a process of review and refinement. For this reason, it is important that a review process is in place.

It is also possible for members of the community to seek an early review of a specific policy.

Each policy is developed in order to address specific matters. They relate to objectives to the Shire of Wongan-Ballidu, and, in some instances, as required by legislation. The principles behind the policies are directly related to the Shire's values as an organisation.

It is important to note that the manual should only contain the policy statement of the Council and should not refer to operational, staff or procedural matters.

In accordance with Council's Policy Review Process, the entire policy manual is to be reviewed at least bi-annually.

### **COMMENT:**

The Chief Executive Officer is responsible for the coordination of this review and has instructed staff to implement a sequenced review of all policies.

With those policies pertaining to Administration & Financial Services, a review of all policies will be conducted over a twelve (12) month period, which would involve addressing specific policies every month.

The policy selected for this review is:

- Accounting Policy

**POLICY REQUIREMENTS:**

The Policy Manual has been developed over time to enable the effective and efficient management of Council resources and to assist staff and Council achieve an equitable decision making process.

The Policy Manual should not relate to operational or staff related matters.

The Policy Manual is a fluid document and should be reviewed in it's entirety at least every 2 years.

**LEGISLATIVE REQUIREMENTS:**

The Local Government Act 1995 outlines the roles of Council and the CEO.

**STRATEGIC IMPLICATIONS:**

Ongoing review and refinement of the Policy Manual is in line with Council's strategic direction on Governance (Implement and develop policy based on economic, social, cultural, governance and environmental elements).

**SUSTAINABILITY IMPLICATIONS:**

- Ø **Environment**  
There are no significant environmental implications.
- Ø **Economic**  
There are no significant economic implications.
- Ø **Social**  
There are no significant social implications.

**FINANCIAL IMPLICATIONS:**

There are no financial implications associated with this agenda item.

**VOTING REQUIREMENTS:**

**ABSOLUTE MAJORITY REQUIRED: NO**

**STAFF RECOMMENDATION:**

That Council adopt the Accounting policy with amendments

**MOTION: Moved Cr Lyon/Cr Barrett-Lennard**

**That Council adopt the Accounting policy with amendments**

**CARRIED 6/0**

<b>Title:</b>	<b>ACCOUNTING POLICY</b>
<b>Policy Owner:</b>	<b>Administration &amp; Financial Services</b>
<b>File No:</b>	<b>F1.8</b>
<b>Resolution No:</b>	
<b>Date:</b>	<b>2 July 2012</b>
<b>Scheduled Review:</b>	<b>July 2014</b>

## **OBJECTIVE**

### **OBJECTIVE**

To ensure that all Financial Statements are prepared in accordance with the relevant statutory requirements.

### **POLICY**

The significant accounting policies are:

**(a) Basis of Accounting**

All Financial Reports will be prepared in accordance with the Local Government Act 1995 and accompanying regulations. The reports will also be prepared on an accrual basis under the convention of historical cost accounting.

**(b) The Local Government Reporting Entity**

All funds through which the Council controls resources to carry on its functions will be included in the financial statements.

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) will be eliminated.

All monies held in the Trust Fund are to be excluded from the Financial Statements, but a separate statement of those monies should appear as a Note to the Statements.

**(c) Actual Balances**

Balances are shown in the budget as previous years Actual are forecast at the time of budget preparation and are subject to final adjustments.

**(d) Rounding Off Figures**

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

**(e) Rates, Grants, Donations and Other Contributions**

Rates, grants, donations and other contributions are recognised as revenues when the Local Government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon the receipt of rates.

**(f) Superannuation**

The Shire of Wongan-Ballidu contributes to the Local Government Superannuation Scheme and the Occupational Superannuation Fund. Both funds are defined contribution schemes.

**(g) Investments**

All investments are valued at cost and interest on those investments is recognised when accrued.

**Infrastructure Assets**

Infrastructure (eg. Roads, drainage, parks and ovals etc) were valued and recorded in the Statement of Financial Position as at June 30, 1997. All infrastructure constructed or acquired during each year is capitalised and depreciated over its useful life.

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

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

<b>Asset</b>	<b>Depreciation Period Mid Point Useful Life</b>	<b>Depreciation Rate</b>	<b>Capitalisation Threshold</b>
Buildings	35 years	2.86%	\$1,000
Infrastructure	Varied Years		\$1,000
Infrastructure – Road Seals	20 Years	4.2%	\$1,000
Furniture and Equipment	7 Years	12%	\$ 500
Computer Equipment	3 Years	18%	\$1,000
Light Vehicles	3 Years	17%	\$1,000
Heavy Plant	10 Years	8%	\$1,000
Other Plant & Equipment	5 Years	15%	\$1,000

Capital Expenditure defined, the benefits of which will accrue to future years, is as follows:

- Ø Creates a new asset which will not be consumed by the council within 12 months;
- Ø Significantly lengthens the expected useful life of an existing asset and is not merely expenditure required to maintain the asset in normal efficient working order; and / or
- Ø Significantly increases the earning capacity of an existing asset.

**Land Under Roads**

In Western Australia, all land under roads is Crown Land, the responsibility for managing which is vested in the Local Government.

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB1051 - Land Under Roads and also Local Government (Financial Management) Regulation 16(a)(i), which prohibits Local Governments from recognising such land as an asset.

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

The Local Government (Financial Management) Regulation 4(2) provides that, in the event of an inconsistency between the accounting standards and the regulations, the Local Government (Financial Management) Regulations shall prevail.

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



**Employee Entitlements**

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

**Wages, Salaries and Annual Leave**

The provision for employees' entitlements to wages, salaries and annual leave represents the amount that the municipality has a present obligation to pay resulting from employees' services provided to balance date. The provision has been calculated at nominal amounts based on current wage and salary and includes related on-costs.

**Long Service Leave**

The provision for employees' entitlements for long service leave represents the present value of the estimated future cash outflows to be made by the employer resulting from the employees' service to balance date in accordance with AAS30.

**Goods and Services Tax**

In accordance with recommended practice, revenue expenses and assets capitalised are stated net of any GST recoverable. Receivables and payables in the Statement of Financial Position are stated inclusive of GST.

## 5.6 REVALUATION OF ASSETS POLICY

FILE REFERENCE:	A2.20.4
REPORT DATE:	27 June 2013
APPLICANT/PROPONENT:	Keith White - Acting Deputy Chief Executive Officer
OFFICER DISCLOSURE OF INTEREST	Nil
PREVIOUS MEETING REFERENCES:	Nil
AUTHOR:	Keith White - Acting Deputy Chief Executive Officer
ATTACHMENTS:	Nil

### **PURPOSE OF REPORT:**

The report seeks Councils adoption of an Asset Revaluation Policy needed to govern the manner in which asset revaluations are accounted for.

### **BACKGROUND:**

Presently fixed assets are recorded on the balance sheets of local governments in Western Australia at what are deemed to be 'cost' value. Clause 17a of the Local Government (Financial Management) Regulations now requires that varying classes of asset within a local governments asset register are to be progressively revalued at what is termed 'fair value'. A timetable has been set within the legislation for this purpose.

In bringing to book the results of a revaluation the Australian Accounting Standards provide two permissible methods. In brief one method clears the asset register valuation details entirely (both gross cost and accumulated provision for depreciation) and substitutes the new fair value. The other, more complex method requires the indication of carrying values (via accumulated provision for depreciation) such that the new, resultant difference is equal to the fair value on an asset. The Council's auditor now seeks the adoption of a formal policy on the matter.

### **COMMENT:**

The question of a suitable policy seems highly semantic and advice from the auditor is that the choice of a policy is purely about administrative efficiency. In regards to this contact has been made with ITVision, the Shire's software supplier, about uplifting the data.

### **POLICY REQUIREMENTS:**

There are no known policy requirements in relation to this item.

### **LEGISLATIVE REQUIREMENTS:**

The Local Government (Financial Management) Regulations 1996, Section 17a requires the use of fair values for asset valuations, using the Australian Accounting Standards (AAS) definitions of fair value. Section 5a of the Regulations mandates that 'financial reports of a local government must comply with the AAS'.

### **STRATEGIC IMPLICATIONS:**

There are no known strategic requirements in relation with the proposed new policy

### **SUSTAINABILITY IMPLICATIONS:**

#### **Ø Environment**

There are no known environmental implications associated with the proposed new policy.

#### **Ø Economic**

There are no known economic implications associated with the proposed new policy I.

Ø **Social**

There are no known social implications associated with the proposed new policy.

**FINANCIAL IMPLICATIONS:**

The compulsion to revalue the Shire's assets periodically is very costly, however the method chosen to account for new valuations will not have its own cost, nor will it change the organisations reported financial bottom line.. Staff time and computer data uplifting are 'hidden' costs involved with the new government imposed requirements.

**VOTING REQUIREMENTS:**

**ABSOLUTE MAJORITY REQUIRED: No**

**STAFF RECOMMENDATION:**

That Council adopt for budget and reporting purposes as policy the following:

Title:	ACCOUNTING FOR REVALUATIONS
Policy Responsibility:	Deputy Chief Executive Officer
File No:	A2.20.4
Resolution No:	
Date:	9 July 2013
Scheduled Review:	July 2015

**OBJECTIVE**

- To meet Audit requirements to have such a policy
- To limit potential undue administrative burden

**POLICY**

The Chief Executive Officer be required to use the AASB 116.35 (Option B) 'eliminating against the gross carrying amount of an asset' for bringing to book fixed asset revaluations ie: restating with a single fair value (equal to the supplied valuation) with no brought forward depreciation provision.

**RESPONSIBILITY FOR IMPLEMENTATION**

The Chief Executive Officer has delegated responsibility for administration of this policy to the Deputy Chief Executive Officer.

**MOTION: Moved Cr Macnamara/Cr Lyon**

**That Council adopt for budget and reporting purposes as policy the following:**

<b>Title:</b>	<b>ACCOUNTING FOR REVALUATIONS</b>
<b>Policy Responsibility:</b>	<b>Deputy Chief Executive Officer</b>
<b>File No:</b>	<b>A2.20.4</b>
<b>Item No:</b>	<b>5.5</b>

**Date:** 9 July 2013

**Scheduled Review:** July 2015

### **OBJECTIVE**

- To meet Audit requirements to have such a policy
- To limit potential undue administrative burden

### **POLICY**

The Chief Executive Officer be required to use the AASB 116.35 (Option B) 'eliminating against the gross carrying amount of an asset' for bringing to book fixed asset revaluations ie: restating with a single fair value (equal to the supplied valuation) with no brought forward depreciation provision.

### **RESPONSIBILITY FOR IMPLEMENTATION**

The Chief Executive Officer has delegated responsibility for administration of this policy to the Deputy Chief Executive Officer.

**CARRIED6/0**

## **5.7 ABORIGINAL FLAG TO BE FLOWN AT FRONT OF WONGAN-BALLIDU SHIRE ADMINISTRATION BUILDING ALONG SIDE OF AUSTRALIAN FLAG.**

### **FILE REFERENCE:**

REPORT DATE:

9 July 2013

APPLICANT/PROPONENT:

Cr Tracey de Grussa

OFFICER DISCLOSURE OF INTEREST

Nil

PREVIOUS MEETING REFERENCES:

Nil

AUTHOR:

Cr Tracey de Grussa

ATTACHMENTS:

Nil

### **PURPOSE OF REPORT:**

To seek approval to have Aboriginal flag flown at front of Wongan-Ballidu Shire administration building along side of Australian flag.

### **BACKGROUND:**

This request was made in late 2011 and was put off being discussed until June budget time in 2012 and again was put off until April 2013 and again put off until June budget 2013.

### **COMMENT:**

On the 14th July 1995 The Australian Government proclaimed the Aboriginal Flag as a 'Flag of Australia' by the then Governor General of Australia William Hayden.

As part of reconciliation the Aboriginal Flag should be flown along side of Australian Flag out of recognition and respect to the past, present and future 'First Nations people'.

### **POLICY REQUIREMENTS:**

There are no known policy issues

### **LEGISLATIVE REQUIREMENTS:**

There are no legislative requirements relating to this item

### **STRATEGIC IMPLICATIONS:**

There are no strategic implications in relation to this item.

### **SUSTAINABILITY IMPLICATIONS:**

- Ø **Environment**  
There are no significant environmental implications.
- Ø **Economic**  
There are no significant economic implications.
- Ø **Social**  
There are no significant social implications.

### **FINANCIAL IMPLICATIONS:**

Provision has been made in the budget papers for this to be included in the draft budget.

As part of the Western Australian Government native title process funds will be made available for reconciliation and community development projects, it is thought that this project could be funded at no cost to the Shire through this fund.

**VOTING REQUIREMENTS:**

**ABSOLUTE MAJORITY REQUIRED: No**

**STAFF RECOMMENDATION:**

That Council agree to install a second flag pole and fly the Aboriginal Flag subject to the receipt of grant funds for this project.

**MOTION: Moved Cr deGrussa/Cr Barrett-Lennard**

**That Council agree to install a second flag pole and fly the Aboriginal Flag subject to the receipt of grant funds for this project.**

**CARRIED: 5/1**

**6. MEETING CLOSURE**

There being no further business, the Shire President declared the meeting closed at 6.00pm.

These minutes were confirmed at a meeting on 24 July 2013.

Signed

President