

Notice of Meeting



17 Queen Street, Pingelly
Western Australia 6308
Telephone: 9887 1066
Facsimile: 9887 1453
admin@pingelly.wa.gov.au

Dear Elected Member

The next special meeting of the Shire of Pingelly will be held on 23 August 2017 in the Council Chambers, 17 Queen Street, Pingelly commencing at 5pm.

Schedule

5pm

Special Council Meeting



Gavin Pollock
Chief Executive Officer

21 August 2017

DISCLAIMER

No responsibility whatsoever is implied or accepted by the Shire of Pingelly for any act, omission or statement or intimation occurring during Council or Committee meetings or during formal/informal conversations with staff. The Shire of Pingelly disclaims any liability for any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission or statement or intimation occurring during Council or Committee meetings or discussions. Any person or legal entity that act or fails to act in reliance upon any statement does so at the person's or legal entity's own risk.

In particular and without derogating in any way from the broad disclaimer above, in any discussion regarding any planning application or application for a licence, any statement or limitation of approval made by a member or officer of the Shire of Pingelly during the course of any meeting is not intended to be and is not taken as notice of approval from the Shire of Pingelly. The Shire of Pingelly warns that anyone who has an application lodged with the Shire of Pingelly must obtain and only should rely on WRITTEN CONFIRMATION of the outcome of the application, and any conditions attaching to the decision made by the Shire of Pingelly in respect of the application.

AGENDA

Shire of Pingelly
Special Council Meeting
23 August 2017

MISSION STATEMENT

To enhance the quality of life for the people of Pingelly through the provision of leadership, services and infrastructure.

DISCLAIMER

INFORMATION FOR PUBLIC ATTENDING COUNCIL MEETINGS

PLEASE NOTE:

The recommendations contained in this agenda are officers' recommendations only and should not be acted upon until Council has resolved to adopt those recommendations.

The resolutions of Council should be confirmed by perusing the minutes of the Council meeting at which these recommendations were considered.

Members of the public should also note that they act at their own risk if they enact any resolution prior to receiving official written notification of Councils decision.

A handwritten signature in blue ink, appearing to be 'G. Pollock', written in a cursive style.

**GAVIN POLLOCK
CHIEF EXECUTIVE OFFICER**

COUNCIL MEETING INFORMATION NOTES

Your Council generally handles all business at Ordinary or Special Council Meetings.

From time to time Council may form a Committee to examine subjects and then report to Council.

Generally all meetings are open to the public; however, from time to time Council will be required to deal with personal, legal and other sensitive matters. On those occasions Council will generally close that part of the meeting to the public. Every endeavour will be made to do this as the last item of business of the meeting.

Public Question Time. It is a requirement of the Local Government Act 1995 to allow at least fifteen (15) minutes for public question time following the opening and announcements at the beginning of the meeting. Should there be a series of questions the period can be extended at the discretion of the Chairman.

Written notice of each question should be given to the Chief Executive Officer fifteen (15) minutes prior to the commencement of the meeting. A summary of each question and response is included in the Minutes.

When a question is not able to be answered at the Council Meeting a written answer will be provided after the necessary research has been carried out. Council staff will endeavour to provide the answers prior to the next meeting of Council.

Councillors may from time to time have a financial interest in a matter before Council. Councillors must declare an interest and the extent of the interest in the matter on the Agenda. However, the Councillor can request the meeting to declare the matter trivial, insignificant or in common with a significant number of electors or ratepayers. The Councillor must leave the meeting whilst the matter is discussed and cannot vote unless those present agree as above.

Members of staff, who have delegated authority from Council to act on certain matters, may from time to time have a financial interest in a matter on the Agenda. The member of staff must declare that interest and generally the Chairman of the meeting will advise the Officer if he/she is to leave the meeting.

Agendas, including an Information Bulletin, are delivered to Councillors within the requirements of the Local Government Act 1995, i.e. seventy-two (72) hours prior to the advertised commencement of the meeting. Whilst late items are generally not considered there is provision on the Agenda for items of an urgent nature to be considered.

Should an elector wish to have a matter placed on the Agenda the relevant information should be forwarded to the Chief Executive Officer in time to allow the matter to be fully researched by staff. An Agenda item, including a recommendation, will then be submitted to Council for consideration. The Agenda closes the Monday week prior to the Council Meeting (i.e. ten (10) days prior to the meeting).

The Information Bulletin produced as part of the Agenda includes items of interest and information, which does not require a decision of Council.

Agendas for Ordinary Meetings are available in the Shire of Pingelly Office, on the website and the Pingelly Library seventy-two (72) hours prior to the meeting and the public are invited to secure a copy.

Agenda items submitted to Council will include a recommendation for Council consideration. Electors should not interpret and/or act on the recommendations until after they have been considered by Council. Please note the Disclaimer in the Agenda (page 3).

Public Inspection of Unconfirmed Minutes (Reg 13)

A copy of the unconfirmed Minutes of Ordinary and Special Meetings will be available for public inspection from the Shire of Pingelly Office and the Shire of Pingelly website within ten (10) working days after the Meeting.

NOTE:

Unopposed Business

Upon a motion being moved and seconded, the person presiding may ask the meeting if any member opposes it.

If no member signifies opposition to the motion the person presiding may declare the motion in sub clause (1) carried without debate and without taking a vote on it.

A motion carried under sub clause (2) is to be recorded in the minutes as a unanimous decision of the Council or committee.

If a member signifies opposition to a motion the motion is to be dealt with according to this Part.

This clause does not apply to any motion or decision to revoke or change a decision which has been made at a Council or committee meeting.

Question Time

This Policy provides guidance to the Presiding Member (noting the provisions of the *Local Government (Administration) Regulation 7*).

Question time is for the asking of questions. General comments, issues for debate etc. are to be progressed through the normal procedure for submitting Agenda items for Council's consideration. Tabled correspondence will not be accepted.

Unless the person is known to all other persons in the Chamber, the Questioner is to state their name and address prior to asking the question.

The Questioner is to stand to address the Presiding Member, unless illness or a physical or other disability prevents him/her from doing so. All questions are to be addressed to the Presiding Member.

The question must be immediately put and may be followed by a brief statement related to the question.

The Presiding Member may respond to the question or may nominate a Councillor or an Officer to respond.

Debate between the Questioner or public and a Councillor or Officer is not permitted.

Questions may not be put by Councillors to the Questioner or other members of the public except for the purpose of clarification.

If the Presiding Member determines that a full and complete answer is unable to be given at that time, the question may be taken on notice. In that case, an answer will be given in writing to the Questioner within 7 days and the response tabled at the next Ordinary Council meeting.

A summary of the question and the response only is to be recorded in the minutes of the meeting.

QUESTION TIME FOR THE PUBLIC

(Please write clearly)

DATE: _____

NAME: _____

TELEPHONE : _____

ADDRESS: _____

QUESTIONS TO THE PRESIDENT:

GENERAL QUESTION / QUESTION RELATED TO THE AGENDA *(strike out which is not applicable)*

ITEM NO	PAGE NO	QUESTION

PLEASE PASS TO THE CHIEF EXECUTIVE OFFICER FOR REFERRAL TO THE PRESIDENT BY 5.00 PM AT THE MEETING, OR BY 4.45PM ON THE DAY OF THE MEETING AT THE SHIRE OF PINGELLY OFFICE, 17 QUEEN STREET, PINGELLY.

Public Question Time – Statutory Provisions – Local Government Act 1995

Time is to be allocated for questions to be raised by members of the public and responded to at: every ordinary meeting of a council; and

Such other meetings of councils or committees as may be prescribed.

Procedures and the minimum time to be allocated for the asking of and responding to questions raised by members of the public at council or committee meetings are to be in accordance with regulations.

9A. Question Time for the Public at Certain Meetings – s5.24 (1) (b) Local Government (Administration) Regulations 1996.

Reg 5 For the purpose of section 5.24(1)(b), the meetings at which time is to be allocated for questions to be raised by members of the public and responded to are:

every special meeting of a council; and

every meeting of a committee to which the local government has delegated a power or duty.

Minimum Question Time for the Public – s5.24 (2)

Reg 6 (1) The minimum time to be allocated for the asking of and responding to questions raised by members of the public at ordinary meetings of councils and meetings referred to in regulation 5 is fifteen (15) minutes.

(2) Once all the questions raised by members of the public have been asked and responded to at a meeting referred to in sub regulation (1), nothing in these regulations prevents the unused part of the minimum question time period from being used for other matters.

Procedures for Question Time for the Public – s5.24 (2)

Local Government (Administration) Regulations 1996

Reg 7 (1) Procedures for the asking of and responding to questions raised by members of the public at a meeting referred to in regulation 6 (1) are to be determined:

by the person presiding at the meeting; or

in the case where the majority of members of the council or committee present at the meeting disagree with the person presiding, by the majority of members, having regard to the requirements of sub regulations (2) and (3).

The time allocated to the asking and responding to questions raised by members of the public at a meeting referred to in regulation 6(1) is to precede the discussion of any matter that requires a decision to be made by the council or the committee, as the case may be.

Each member of the public who wishes to ask a question at a meeting referred to in regulation 6(1) is to be given an equal and fair opportunity to ask the question and receive a response.

Nothing in sub regulation (3) requires:

A council to answer a question that does not relate to a matter affecting the local government;

A council at a special meeting to answer a question that does not relate to the purpose of the meeting;

or

A committee to answer a question that does not relate to a function of the committee.

SHIRE OF PINGELLY

DISCLOSURE OF INTERESTS

TO THE CHIEF EXECUTIVE OFFICER:

Under the Provisions of Division 6 of Part 5 of the Local Government Act 1995, I hereby disclose a Financial Interest/s in the matter/s listed on this form, which is/are scheduled for consideration at the meeting of Council to be held on:

23 August 2017

(Print Name)

(Signature)

(Date)

NOTE: Members of Council are asked to deliver this completed form to the Chief Executive Officer on the day of the Council Meeting as required by the Act. Where this is not practicable the Disclosure/s may be telephoned to the Council Office on 9887 1066 and/or the form subsequently passed to the Chief Executive Officer prior to the meeting.

ITEM NO	PAGE NO	TYPE	REASON

DISCLOSURE OF FINANCIAL INTEREST, PROXIMITY INTEREST AND/OR INTEREST AFFECTING IMPARTIALITY

Chief Executive Officer, Shire of Pingelly

In accordance with Section 5.60-5.65 of the *Local Government Act* and Regulation 34(B) and 34(C) of the *Local Government (Administration) Regulations* and Regulation 11 of the *Local Government (Rules of Conduct) Regulations*, I advise you that I declare a (appropriate box):

financial interest (Section 5.60A)

A person has a financial interest in a matter if it is reasonable to expect that the matter will, if dealt with by the local government, or an employee or committee of the local government or member of the council of the local government, in a particular way, result in a financial gain, loss, benefit or detriment for the person.

proximity interest (Section 5.60B)

A person has a proximity interest in a matter if the matter concerns a proposed —

- (a) change to a planning scheme affecting land that adjoins the person's land;
- (b) change to the zoning or use of land that adjoins the person's land; or
- (c) development (as defined in section 5.63(5)) of land that adjoins the person's land.

interest affecting impartiality (Regulation 11). I disclose that I have an association with the applicant. As a consequence, there may be a perception that my impartiality on the matter may be affected. I declare that I will consider this matter on its merits and vote accordingly.

An interest that could, or could reasonably be perceived to, adversely affect the impartiality of the person having the interest and includes an interest arising from kinship, friendship or membership of an association but does not include a financial or proximity interest as referred to in section 5.60.

SHIRE OF PINGELLY

Agenda for the Special Meeting of Council to be held in the Council Chambers, 17 Queen Street, Pingelly on Wednesday 23 August 2017 – commencing at 5pm.

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1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

The Chairman to declare the meeting open.

2. ACKNOWLEDGEMENT OF COUNTRY

We acknowledge the Noongar people of this area and recognise their continuing connection to land, waters and community. We pay respect to both the Aboriginal and non-Aboriginal people and past and present.

3. ANNOUNCEMENTS BY THE PRESIDING MEMBER

3.1 Council Agenda Reports

Please note that all elected members have been provided with the relevant information pertaining to each Officers reports within today's Agenda and the Officer Recommendations are based on Council Policy and or State Acts and Legislation.

4. RECORD OF ATTENDANCE / APOLOGIES / APPROVED LEAVE OF ABSENCE

At the Ordinary Council Meeting held on 19 July 2017 the following resolution was made:

12228 Moved: Cr Mulroney Seconded: Cr Steel

- ***that Council approve Cr Hodges taking leave from the 19th August to 9th September 2017 inclusive.***
- ***that Council approve Cr Walton-Hassell taking leave from the 17th to 23rd August 2017 inclusive.***

Carried 6:0

5. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil

6. PUBLIC QUESTION TIME

7. APPLICATIONS FOR LEAVE OF ABSENCE

8. DISCLOSURES OF INTEREST

9. CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

Nil

10. OFFICE OF THE CHIEF EXECUTIVE OFFICER

Nil

11. DIRECTORATE OF CORPORATE AND COMMUNITY SERVICES

11.1 Adoption of 2017/18 Budget and Fees and Charges

File Reference: ADM0067
Location: Shire of Pingelly
Applicant: Shire of Pingelly
Author: Stuart Billingham, Director Corporate and Community Services
Date: 22 August 2016
Disclosure of Interest: Nil
Attachments: Statutory Budget and Program Schedules
(Attachment following)

Summary:

To adopt the 2017/18 Budget in accordance with the requirements of the *Local Government Act 1995* and other relevant legislation.

Background:

The *Local Government Act 1995* requires Councils by 31 August each financial year to prepare and adopt, in the form and manner prescribed a financial budget for its municipal fund for the financial year ending the next following June.

Comment:

The overall increase in rates raised for the year 2017/18 is 5.0% adjusted for the UV rates matter in 2016/17. This increase will enable the Shire of Pingelly to complete its works programs and provide services required by the community and meet the compliance requirements of various governing agencies.

A capital works program amounting over \$10.86 million dollars is included in the budget, including upgrades and replacement of assets as required under the Shire of Pingelly Asset Management Plans. The major projects being undertaken in the 2017/18 budget are the Pingelly Recreation and Cultural Centre (PRACC), Pingelly Age Appropriate Accommodation (PAAA) units and an extensive road construction program.

Consultation:

Executive Staff, Councillors

Statutory Environment:

Local Government Act 1995

Local Government (Financial Management) Regulations 1996

Waste Avoidance and Resource Recovery Act 2007

Policy Implications:

Nil

Financial Implications:

A balanced budget for the 2017/18 financial year.

Strategic Implications:

The budget documents Council's financial objectives for the next twelve months.

The draft 2017/18 budget has been developed based on the existing Community Strategic Plan and Integrated Planning documents prepared by the Shire of Pingelly.

Quadruple Bottom Line Assessment

A Healthy and Cohesive Community

- The draft 2017/18 budget delivers social outcomes identified in various planning and community supporting strategies that have previously been adopted by council. This includes support of medical services, aged care and primary health care services as well as community and sporting organisations and facilities. The draft budget makes provision for the development of the new Recreation and Cultural Centre (PRACC) and five (5) Age Appropriate Accommodation (PAAA) units. The youth program will also be included to address community concerns.
- There has been extensive consultation with the community over the last few years as to the expectations of the community with regard to their needs and future development. A community survey was completed in April 2015. The information obtained from the survey has been used to determine community needs and future planning.

Enhanced Natural and Built Environment

- The draft 2017/18 budget delivers this on a number of levels, including the Shire is working toward a regional waste management program with a regional refuse site. The Shire of Pingelly also provides support for the University of WA Future Farm and its activities.

Prosperous and Sustainable Community

- The draft 2017/18 budget provides support for the community through financial support of the:
 - Pingelly Development Association-\$2,500
 - Friends of Pingelly Railway Station-\$5,000
 - Pingelly Museum Group-\$2,000
 - Brookton Pingelly Football Club-\$1,320
 - Pingelly Men's Shed-\$4,000
 - Pingelly Tennis Club-\$200
 - Pingelly Bowling Club-\$200
 - Early Years Network Grant-\$1,600
 - Pingelly Golf Club-\$2,000
 - Pingelly Townscape Group-\$500
 - Pingelly Tourism Group-\$1,000

Additionally funds will be made available for developing aged care support jointly with the Shires of Brookton and Beverley and the continued improvement of road and transport networks, including Commodity Route improvements.

Effective Governance and Organisation

- Governance and compliance requirements continue to expand, with the Shire of Pingelly being subject to the same requirements as large metropolitan Councils. This represents a considerable impost on the Shire. The Shire of Pingelly will be revising the Integrated Planning documents including preparing a new Asset Management Strategic Plan. There is a requirement for continual revision of these plans in future years, with these plans being the basis of decisions made by Council. Council have also adopted a training policy for Councillors to assist with decision making and to provide an understanding of their roles and responsibilities.

- Staff training is also funded acknowledging that experienced staff are difficult to source in regional areas. The training allows staff to attain a level of competency in an office where multiple complex tasks are undertaken by a small workforce. Works staff will also undertake training to ensure compliance with Worksafe requirements and to ensure competency in work undertaken. In addition support services are sourced externally where expertise is not available locally.
- There are currently systems, policies and processes in place that are reviewed regularly to ensure the smooth and effective operation of the organisation.

Recommendation:

That:

Part A – Municipal Fund Budget for 2017/18

Pursuant to the provisions of section 6.2 of the *Local Government Act 1995* and Part 3 of the *Local Government (Financial Management) Regulations 1996* the council adopt the Municipal Fund Budget as contained in the attachment to this agenda and the minutes for the Shire of Pingelly for the 2017/18 financial year which includes the following:

- **Statement of Comprehensive Income by Nature and Type on page 2 showing a net result for that year of -\$4,807,420.**
- **Statement of Comprehensive Income by Program on page 3 showing a net result for that year of -\$4,807,420.**
- **Statement of Cash Flows on Page 4.**
- **Rate Setting Statement on page 5 showing an amount required to be raised from rates of \$1,890,925.**
- **Notes to and Forming Part of the Budget on pages 6 to 33.**

Absolute Majority Required

Moved: _____ Seconded: _____

Part B – General and Minimum Rates, Instalment Payment Arrangements

1. For the purpose of yielding the deficiency disclosed by the Municipal Fund Budget adopted at Part A above, council pursuant to sections 6.32, 6.33, 6.34 and 6.35 of the *Local Government Act 1995* impose the following general rates and minimum rates on Gross Rental and Unimproved Values.

1.1 General Rates

Residential (GRV)	12.2533 cents in the dollar
Commercial (GRV)	12.2533 cents in the dollar
Industrial (GRV)	12.2533 cents in the dollar
Townsite (GRV)	12.2533 cents in the dollar
Broadacre Rural (UV)	1.10704 cents in the dollar

1.2 Minimum Payments

Residential (GRV)	\$898
Commercial (GRV)	\$898
Industrial (GRV)	\$898
Townsite (GRV)	\$898
Broadacre Rural (UV)	\$898

2. Pursuant to section 6.45 of the *Local Government Act 1995* and regulation 64(2) of the *Local Government (Financial Management) Regulations 1996*, council nominates the following due dates for the payment in full by instalments:

• Full payment and 1st instalment due date	5 October 2017
• 2nd half instalment due date	6 February 2018
• 1st quarterly instalment due date	5 October 2017
• 2nd quarterly instalment due date	5 December 2017
• 3rd quarterly instalment due date	6 February 2018
• 4th quarterly instalment due date	10 April 2018

3. Pursuant to section 6.45 of the *Local Government Act 1995* and regulation 67 of the *Local Government (Financial Management) regulations 1996*, council adopts an instalment administration charge where the owner has elected to pay rates (and service charges) through an instalment option of \$10 for each instalment after the initial instalment is paid.
4. Pursuant to section 6.45 of the *Local Government Act 1995* and regulation 68 of the *Local Government (Financial Management) Regulations 1996*, council adopts an interest rate of 5.5% where the owner has elected to pay rates and service charges through an instalment option.

5. Pursuant to section 6.51 (1) and subject to section 6.51 (4) of the *Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996*, council adopts an interest rate of 11% for rates (and service charges) and costs of proceedings to recover such charges that remains unpaid after becoming due and payable.

Absolute Majority Required

Moved: _____ Seconded: _____

Part C – General Fees and Charges for 2017/18

Pursuant to section 6.16 of the *Local Government Act 1995*, council adopts the Fees and charges included with the 2017/18 budget.

Absolute Majority Required

Moved: _____ Seconded: _____

Part D – Other Statutory Fees for 2017/18

1. Pursuant to section 53 of the *Cemeteries Act 1986* council adopts the fees and charges for the Pingelly and Moorumbine cemeteries the 2017/18 budget.
2. Pursuant to section 245A (8) of the *Local Government (Miscellaneous Provisions) Act 1960* the council adopts a swimming pool inspection fee of \$58.45.
3. Pursuant to section 67 of the *Waste Avoidance and Resources Recovery Act 2007*, council adopt the following charges for the removal of domestic and commercial waste:
 - 3.1 Residential Premises including recycling 240L Refuse Bin Collected Weekly and 240L Recycling Bin Collected Fortnightly \$290 pa
 - 3.2 Commercial and Industrial Premises including recycling 240L Refuse Bin Collected Weekly and 240L Recycling Bin Collected Fortnightly \$290 pa

Absolute Majority Required

Moved: _____ Seconded: _____

4. Pursuant to section 67 of the Waste avoidance and Resources Recovery Act 2007, and section 6.16 of the *Local Government Act 1995* council adopt the following charges for the deposit of domestic and commercial waste (inclusive of GST where applicable):

Refuse Site After Hours Access Fee	\$110.00
Burial of Hazardous Waste (per m ³)	\$154.00
Building Rubble (per m ³)	\$49.50
Green Waste – Non Residents (per m ³)	\$11.00
Septic Waste (per m ³) as per licence	\$22.00
Contaminated or unsorted mixed loads (per m ³)	\$77.00
Oil Disposal – Non-residential or commercial (per litre)	\$2.75

Absolute Majority Required

Moved: _____ Seconded: _____

Part E – Elected Members Fees and Charges

1. Pursuant to section 5.99 of the *Local Government Act 1995* and regulation 34 of the *Local Government (Administration) Regulations 1996*, council adopts the following annual fees for payment of elected members in lieu of individual meeting fees:

• President	\$10,000
• Deputy President	\$4,400
• Councillors	\$4,000

2. Pursuant to section 5.99A of the *Local Government Act 1995* and regulations 34A and 34AA of the *Local Government (Administration) Regulations 1996*, Council adopts the following annual allowances for elected members:

• Phone, fax, It & Telecommunications	\$1,000
• Childcare	actual cost of \$25 per hour or whichever is the lesser

3. Pursuant to section 5.98(5) of the *Local Government Act 1995* and regulation 33 of the *Local Government (Administration) Regulations 1996*, council adopts the following annual local government allowance to be paid in addition to the annual meeting allowance:

• President	\$1,200
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4. Pursuant to section 5.98A of the *Local Government Act 1995* and regulations 33A of the *Local Government (Administration) Regulations 1996*, council adopts the following annual local government allowance to be paid in addition to the annual meeting allowance:

• Deputy President	\$300
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Absolute Majority Required

Moved: _____ Seconded: _____

Part F – Material Variance Reporting for 2017/18

In accordance with regulation 34 (5) of the Local Government (Financial Management) Regulations 1996, and AASB 1031 Materiality, the level to be used in statements of financial activity in 2017/18 for reporting material variances shall be 10% and \$5,000, whichever is the greater.

Absolute Majority Required

Moved: _____ Seconded: _____

Part G – Rates Exemption

That pursuant to section 6.47 of the *Local Government Act*, and in keeping with past years, the 2017/18 rates on the following properties be waived to encourage these community organisations:

- Assessment A10364 – 13 Queen Street – Apex Club of Pingelly
 - Assessment A8015 – Moorumbine Rd – Church of England
 - Assessment A987 – 54 Shire Street – Pingelly Aged Persons Hostel
 - Assessment A11033 – 6 Somerset Street – Somerset House
 - Assessment A20103 – 34 Parade Street – Pingelly CRC
 - Assessment A20450 – Lot 14 Shire Street – Pingelly Cottage Homes
 - Assessment A6051 – 33 Somerset Street – Pingelly Cottage Homes
 - Assessment A1049 – 37-39 Brown Street – Pingelly Cottage Homes
 - Assessment A9390 – 24 Shire Street – Pingelly Cottage Homes
 - Assessment A6171 – 29 Review Street – Pingelly Golf Club
 - Assessment A22422 – 47 Stratford Street – Pingelly Masonic Lodge Inc
 - Assessment A8988 – 51-53 Stratford Street – St John Ambulance Association
- Subject to eligibility of exemption being reviewed.

Absolute Majority Required

Moved: _____ Seconded: _____

Part H – Early Payment Incentive Prize

That entry into the Early Payment of Rates competition be offered to ratepayers who have paid in full all rates and charges within 35 days of issue (5 October 2017) and that the draw be conducted at the October 2017 Ordinary Council meeting following the close of the competition.

Simple Majority Required

Moved: _____ Seconded: _____

That entry into the Early Payment of Rates competition prizes offered be made up of:

- **First Prize**
A \$350 Savings Account from the Pingelly Brookton Community Bank

- **Second Prize**
\$200 cash from Matthews Realty Pty Ltd

Simple Majority Required

Moved: _____ Seconded: _____

12. DIRECTORATE OF TECHNICAL SERVICES

Nil

13. ELECTED MEMBERS MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

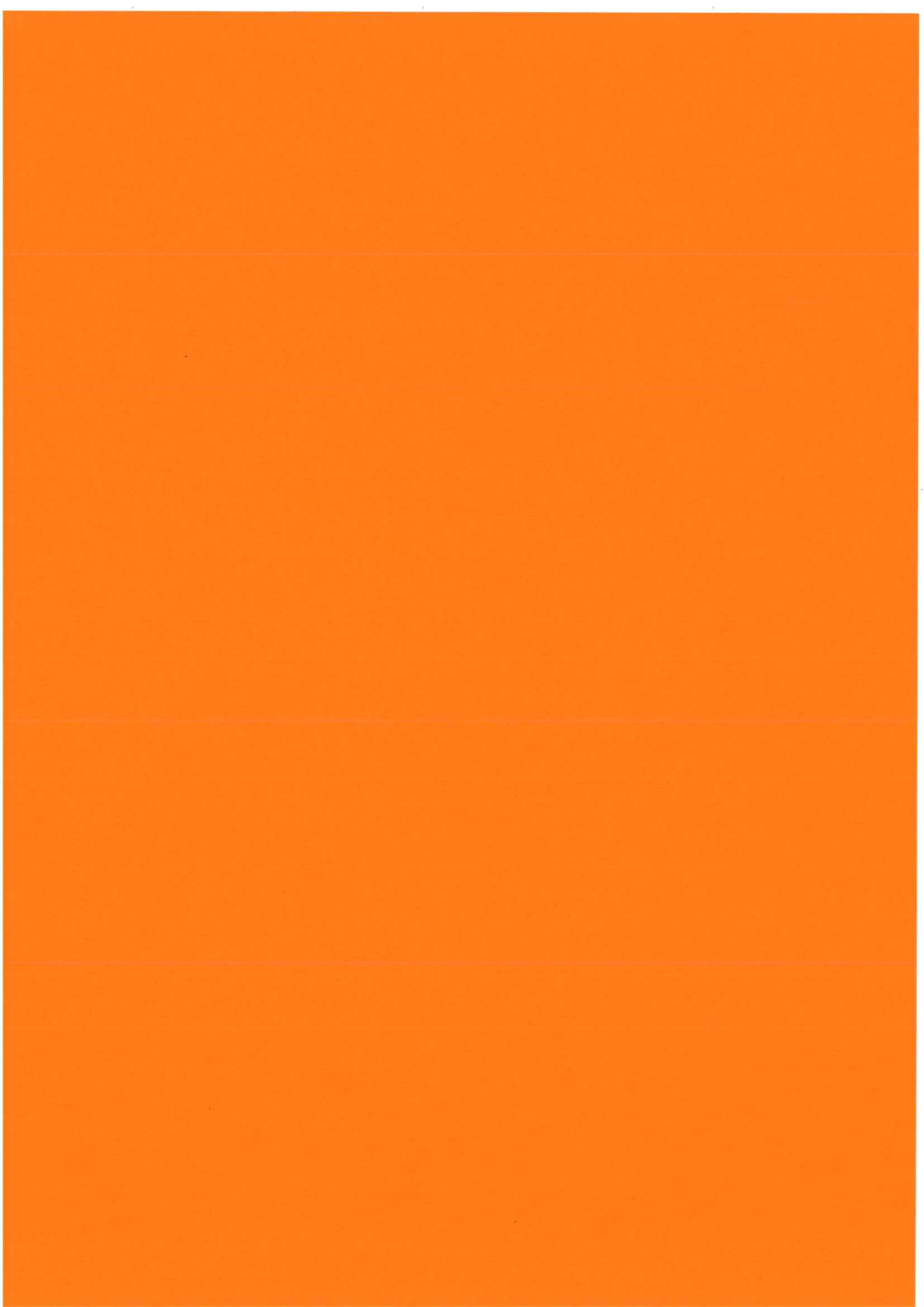
Nil

14. NEW BUSINESS OR URGENT BUSINESS INTRODUCED BY DECISION OF THE MEETING

New business of an urgent nature introduced by decision of the meeting. Best practice provides that Council should only consider items that have been included on the Agenda (to allow ample time for Councillors to research prior to the meeting) and which have an Officer Report (to provide the background to the issue and a recommended decision).

15. CLOSURE OF MEETING

The Chairman to declare the meeting closed.



SHIRE OF PINGELLY

BUDGET

FOR THE YEAR ENDED 30 JUNE 2018

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SHIRE OF PINGELLY
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2018

	NOTE	2017/18 Budget \$	2016/17 Actual \$	2016/17 Budget \$
Revenue				
Rates	8	1,890,925	1,870,046	1,864,908
Operating grants, subsidies and contributions	15	1,237,260	1,964,622	1,336,266
Fees and charges	14	280,218	284,771	317,450
Interest earnings	2(a)	109,865	136,752	101,855
Other revenue	2(a)	85,573	129,704	191,200
		<u>3,603,841</u>	<u>4,385,895</u>	<u>3,811,679</u>
Expenses				
Employee costs		(1,845,052)	(1,732,795)	(1,358,844)
Materials and contracts		(1,225,650)	(1,344,218)	(1,235,122)
Utility charges		(165,029)	(145,713)	(150,371)
Depreciation on non-current assets	2(a)	(1,532,000)	(1,466,111)	(2,110,000)
Interest expenses	2(a)	(84,614)	(154,812)	(134,660)
Insurance expenses		(157,695)	(170,161)	(166,361)
Other expenditure		(104,207)	(87,777)	(69,300)
		<u>(5,114,247)</u>	<u>(5,101,587)</u>	<u>(5,224,658)</u>
		(1,510,406)	(715,692)	(1,412,979)
Non-operating grants, subsidies and contributions	15	6,329,826	3,179,845	8,312,488
Profit on asset disposals	6	0	0	257,550
Loss on asset disposals	6	(12,000)	(706,484)	(55,350)
Loss on revaluation of non current assets		0	0	0
Net result		<u>4,807,420</u>	<u>1,757,669</u>	<u>7,101,709</u>
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		<u>0</u>	<u>0</u>	<u>0</u>
Total comprehensive income		<u><u>4,807,420</u></u>	<u><u>1,757,669</u></u>	<u><u>7,101,709</u></u>

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

SHIRE OF PINGELLY
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2018

	NOTE	2017/18 Budget	2016/17 Actual	2016/17 Budget
Revenue (refer notes 1,2,8,10 to 15)		\$	\$	\$
Governance		65,370	73,207	93,800
General purpose funding		2,559,639	3,742,376	3,150,445
Law, order, public safety		111,624	103,108	102,122
Health		11,908	11,983	11,700
Education and welfare		45,846	16,785	15,358
Community amenities		163,170	162,643	174,400
Recreation and culture		42,020	96,445	73,885
Transport		495,114	80,794	80,794
Economic services		50,150	35,980	50,675
Other property and services		59,000	62,574	58,500
		<u>3,603,841</u>	<u>4,385,895</u>	<u>3,811,679</u>
Expenses excluding finance costs (refer notes 1, 2 & 16)				
Governance		(577,754)	(584,066)	(630,066)
General purpose funding		(167,704)	(188,660)	(150,901)
Law, order, public safety		(252,396)	(209,005)	(237,309)
Health		(112,480)	(133,557)	(128,846)
Education and welfare		(35,779)	(36,543)	(35,776)
Community amenities		(391,955)	(443,691)	(422,643)
Recreation and culture		(926,665)	(1,106,541)	(930,175)
Transport		(2,254,150)	(1,917,853)	(2,272,333)
Economic services		(285,114)	(261,093)	(262,790)
Other property and services		(25,636)	(65,766)	(19,159)
		<u>(5,029,633)</u>	<u>(4,946,775)</u>	<u>(5,089,998)</u>
Finance costs (refer notes 2 & 7)				
Law, order, public safety		0	(40,550)	(20,382)
Education and welfare		(12,464)	(13,353)	(13,358)
Recreation and culture		(72,150)	(100,909)	(100,920)
		<u>(84,614)</u>	<u>(154,812)</u>	<u>(134,660)</u>
		<u>(1,510,406)</u>	<u>(715,692)</u>	<u>(1,412,979)</u>
Non-operating grants, subsidies and contributions	15	6,329,826	3,179,845	8,312,488
Profit on disposal of assets	6	0	0	257,550
(Loss) on disposal of assets	6	(12,000)	(706,484)	(55,350)
Loss on revaluation of non current assets		0	0	0
		<u>6,317,826</u>	<u>2,473,361</u>	<u>8,514,688</u>
Net result		4,807,420	1,757,669	7,101,709
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
Total other comprehensive income		0	0	0
Total comprehensive income		4,807,420	1,757,669	7,101,709

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

**SHIRE OF PINGELLY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018**

	NOTE	2017/18 Budget \$	2016/17 Actual \$	2016/17 Budget \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		1,890,925	1,821,279	1,874,908
Operating grants, subsidies and contributions		1,676,745	1,499,824	1,352,259
Fees and charges		280,218	284,771	317,450
Service charges		0	0	0
Interest earnings		109,865	136,752	101,855
Goods and services tax		359,558	334,785	122,000
Other revenue		85,573	129,704	191,200
		<u>4,402,884</u>	<u>4,207,115</u>	<u>3,959,672</u>
Payments				
Employee costs		(1,865,048)	(1,607,793)	(1,299,844)
Materials and contracts		(1,115,527)	(1,490,471)	(1,180,062)
Utility charges		(165,029)	(145,713)	(150,371)
Interest expenses		(84,614)	(158,426)	(134,660)
Insurance expenses		(157,695)	(170,161)	(166,361)
Goods and services tax		(359,558)	(359,558)	(112,000)
Other expenditure		(104,207)	(87,777)	(69,300)
		<u>(3,851,678)</u>	<u>(4,019,899)</u>	<u>(3,112,598)</u>
Net cash provided by (used in) operating activities	3(b)	<u>551,206</u>	<u>187,216</u>	<u>847,074</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for development of land held for resale	5	0	0	0
Payments for purchase of property, plant & equipment	5	(9,479,493)	(2,244,812)	(10,205,486)
Payments for construction of infrastructure	5	(1,387,460)	(1,514,492)	(1,781,004)
Non-operating grants, subsidies and contributions used for the development of assets		6,329,826	3,179,845	8,312,488
Proceeds from sale of plant & equipment	6	20,000	554,658	492,000
Net cash provided by (used in) investing activities		<u>(4,517,127)</u>	<u>(24,801)</u>	<u>(3,182,002)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	7	(78,674)	(553,666)	(173,181)
Advances to community groups		0	0	0
Proceeds from self supporting loans		14,489	468,425	87,940
Proceeds from new borrowings	7	1,200,000	0	0
Net cash provided by (used in) financing activities		<u>1,135,815</u>	<u>(85,241)</u>	<u>(85,241)</u>
Net increase (decrease) in cash held		(2,830,106)	77,174	(2,420,169)
Cash at beginning of year		<u>3,581,436</u>	<u>3,504,262</u>	<u>3,280,040</u>
Cash and cash equivalents at the end of the year	3(a)	<u><u>751,330</u></u>	<u><u>3,581,436</u></u>	<u><u>859,871</u></u>

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

**SHIRE OF PINGELLY
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2018**

	NOTE	2017/18 Budget \$	2016/17 Actual \$	2016/17 Budget \$
Net current assets at start of financial year - surplus/(deficit)	4	1,375,310	384,951	422,977
		<u>1,375,310</u>	<u>384,951</u>	<u>422,977</u>
Revenue from operating activities (excluding rates)				
Governance		65,370	73,207	93,800
General purpose funding		668,714	1,872,330	1,285,537
Law, order, public safety		111,624	103,108	102,122
Health		11,908	11,983	11,700
Education and welfare		45,846	16,785	15,358
Community amenities		163,170	162,643	174,400
Recreation and culture		42,020	96,445	88,435
Transport		495,114	80,794	80,794
Economic services		50,150	35,980	293,675
Other property and services		59,000	62,574	58,500
		<u>1,712,916</u>	<u>2,515,849</u>	<u>2,204,321</u>
Expenditure from operating activities				
Governance		(589,754)	(601,584)	(682,916)
General purpose funding		(167,704)	(188,660)	(150,901)
Law, order, public safety		(252,396)	(249,555)	(257,691)
Health		(112,480)	(137,690)	(128,846)
Education and welfare		(48,243)	(49,896)	(49,134)
Community amenities		(391,955)	(443,691)	(422,643)
Recreation and culture		(998,815)	(1,672,425)	(1,031,095)
Transport		(2,254,150)	(1,923,522)	(2,274,833)
Economic services		(285,114)	(475,282)	(262,790)
Other property and services		(25,636)	(65,766)	(19,159)
		<u>(5,126,247)</u>	<u>(5,808,071)</u>	<u>(5,280,008)</u>
Operating activities excluded from budget				
(Profit) on asset disposals	6	0	0	(257,550)
Loss on disposal of assets	6	12,000	706,484	55,350
Depreciation on assets	2(a)	1,532,000	1,466,111	2,110,000
Movement in Deferred Pensioner Rates/ESL		0	(13,149)	0
Movement in employee benefit provisions (non-current)		0	116,875	0
Amount attributable to operating activities		<u>(494,021)</u>	<u>(630,950)</u>	<u>(744,910)</u>
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	15	6,329,826	3,179,845	8,312,488
Purchase property, plant and equipment	5	(9,479,493)	(2,244,812)	(10,205,486)
Purchase and construction of infrastructure	5	(1,387,460)	(1,514,492)	(1,781,004)
Proceeds from disposal of assets	6	20,000	554,658	492,000
Amount attributable to investing activities		<u>(4,517,127)</u>	<u>(24,801)</u>	<u>(3,182,002)</u>
FINANCING ACTIVITIES				
Repayment of borrowings	7	(78,674)	(553,666)	(173,181)
Proceeds from new borrowings	7	1,200,000	0	0
Proceeds from self supporting loans		14,489	468,425	87,940
Unspent Loans going Forward		1,903,210	596,791	2,500,000
Transfers to Restricted Assets (Other)		(200,000)	0	0
Transfers to cash backed reserves (restricted assets)	9	(38,803)	(734,071)	(705,755)
Transfers from cash backed reserves (restricted assets)	9	320,000	383,536	353,000
Amount attributable to financing activities		<u>3,120,222</u>	<u>161,015</u>	<u>2,062,004</u>
Budgeted deficiency before general rates		<u>(1,890,925)</u>	<u>- 494,736.00</u>	<u>(1,864,908)</u>
Estimated amount to be raised from general rates	8	<u>1,890,925</u>	<u>1,870,046.00</u>	<u>1,864,908</u>
Net current assets at end of financial year - surplus/(deficit)	4	<u>0</u>	<u>1,375,310.00</u>	<u>0</u>

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

SHIRE OF PINGELLY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

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

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

Critical accounting estimates

The preparation of a budget 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.

The local government reporting eEntity

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 17 to the budget.

(b) 2016/17 actual balances

Balances shown in this budget as 2016/17 Actual are as forecast at the time of budget preparation and are subject to final adjustments.

(c) Rounding off figures

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

(d) Comparative figures

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

(e) Budget comparative figures

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

SHIRE OF PINGELLY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Forecast fair value adjustments

All fair value adjustments relating to remeasurement of financial assets at fair value through profit or loss (if any) and changes on revaluation of non-current assets are impacted upon by external forces and not able to be reliably estimated at the time of budget adoption.

Fair value adjustments relating to the re-measurement of financial assets at fair value through profit or loss will be assessed at the time they occur with compensating budget amendments made as necessary.

It is anticipated, in all instances, any changes upon revaluation of non-current assets will relate to non-cash transactions and as such, have no impact on this budget document.

(g) Rates, grants, donations and other contributions

Rates, grants, donations and other contributions are recognised as revenues when the Shire of Pingelly 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.

(h) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

(i) Superannuation

The Shire of Pingelly contributes to a number of superannuation funds on behalf of employees.

All funds to which the Shire of Pingelly contributes are defined contribution plans.

(j) Cash and cash equivalents

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

Bank overdrafts are shown as short term borrowings in current liabilities in Note 4 - Net Current Assets.

(k) 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.

SHIRE OF PINGELLY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Inventories

General

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Land held for resale

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

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

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

(m) Fixed assets

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

Mandatory requirement to revalue non-current assets

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

During the year ended 30 June 2013, the Shire of Pingelly commenced the process of adopting fair value in accordance with the Regulations.

Whilst the amendments initially allowed for a phasing in of fair value in relation to fixed assets over three years, as at 30 June 2015 all non-current assets were carried at fair value in accordance with the requirements.

Thereafter, each asset class must be revalued in accordance with the regulatory framework established and the Shire of Pingelly revalues its asset classes in accordance with this mandatory timetable.

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

Initial recognition and measurement between mandatory revaluation dates

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

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Shire of Pingelly includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation of the next anniversary date in accordance with the mandatory measurement framework detailed above.

SHIRE OF PINGELLY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Fixed assets (continued)

Revaluation

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

Land under roads

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

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

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

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

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

SHIRE OF PINGELLY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Fixed assets (continued)

Depreciation

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

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

Land	Not Depreciated
Buildings	up to 50 years
Furniture and Equipment	up to 10 years
Computer & Electronic Equipment	up to 3 years
Plant and Equipment	
-earthmoving plant	up to 15 years
-heavy trucks	up to 10 years
-light and medium trucks	up to 8 years
-sedans and utilites	up to 5 years
-minor miscellaneous	up to 3 years
Sealed roads and streets	
-clearing and earthworks	not depreciated
-construction/road base seal	up to 40 years
-original surfacing and major resurfacing	up to 50 years
- bituminous seals	up to 40 years
- asphalt surfaces	up to 40 years
Gravel roads	
-clearing and earthworks	not depreciated
-construction/road base gravel sheet	up to 20 years
Formed roads (unsealed)	
-clearing and earthworks	not depreciated
-construction/road base	up to 50 years
Footpaths - slab	20 years

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss in the period which they arise.

SHIRE OF PINGELLY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Fair value of assets and liabilities

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

Fair value is the price that the Shire of Pingelly would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset (i.e. the market with the greatest volume and level of activity for the asset or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Shire of Pingelly selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Shire of Pingelly are consistent with one or more of the following valuation approaches:

SHIRE OF PINGELLY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Fair value of assets and liabilities (continued)

Market approach

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach

Valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Shire of Pingelly gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability and considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The mandatory measurement framework imposed by the *Local Government (Financial Management) Regulations* requires, as a minimum, all assets to be revalued at least every 3 years. Relevant disclosures, in accordance with the requirements of Australian Accounting Standards have been made in the budget as necessary.

(o) Financial instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

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

Amortised cost is calculated as:

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

SHIRE OF PINGELLY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Financial instruments (continued)

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

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

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

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

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

SHIRE OF PINGELLY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Financial instruments (continued)

Impairment

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

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

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

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

Derecognition

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

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

(p) Impairment of assets

In accordance with Australian Accounting Standards the Shire of Pingelly assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another standard (e.g. AASB 116) whereby any impairment loss of a revaluation decrease in accordance with that other standard.

SHIRE OF PINGELLY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Impairment of assets (continued)

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

At the time of adopting this budget, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2018.

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

(q) Trade and other payables

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

(r) Employee benefits

Short-term employee benefits

Provision is made for the Shire of Pingelly's obligations for short-term employee benefits. Short term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Shire of Pingelly's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Shire of Pingelly's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations or service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Shire of Pingelly's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire of Pingelly does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

SHIRE OF PINGELLY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Borrowing costs

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

(t) Provisions

Provisions are recognised when the Shire of Pingelly has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(u) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the Shire of Pingelly, are classified as finance leases.

Finance leases are capitalised recording an asset and a liability at the lower amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

(v) Investment in associates

An associate is an entity over which the Shire of Pingelly has significant influence.

Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Shire of Pingelly's share of net assets of the associate. In addition, the Shire of Pingelly's share of the profit or loss of the associate is included in the

The carrying amount of the investment includes, where applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Shire of Pingelly's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

SHIRE OF PINGELLY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) Investment in associates (continued)

Profits and losses resulting from transactions between the Shire of Pingelly and the associate are eliminated to the extent of the Shire of Pingelly's interest in the associate.

When the Shire of Pingelly's share of losses in an associate equals or exceeds its interest in the associate, the Shire of Pingelly discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Shire of Pingelly will resume recognising its share of these profits once its share of the profits equals the share of the losses not recognised.

(x) Interests in joint arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method. Refer to note 1(o) for a description of the equity method of accounting.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Shire of Pingelly's interests, in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 20.

(y) 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 Shire of Pingelly's operational cycle. In the case of liabilities where the Shire of Pingelly 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 sale where it is held as non-current based on the Shire of Pingelly's intentions to

SHIRE OF PINGELLY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

2. REVENUES AND EXPENSES	2017/18 Budget \$	2016/17 Actual \$	2016/17 Budget \$
Net result			
The net result includes:			
Charging as an expense:			
Auditors remuneration			
Audit services	30,000	17,320	30,000
Other services	14,000	0	0
Depreciation by program			
Governance	97,000	96,196	131,000
General purpose funding	0	0	0
Law, order, public safety	22,000	21,387	37,000
Health	3,000	2,869	10,000
Education and welfare	9,000	7,220	15,000
Community amenities	20,000	18,824	25,000
Recreation and culture	195,000	190,289	182,000
Transport	1,031,000	978,579	1,511,000
Economic services	40,000	36,712	39,000
Other property and services	115,000	114,035	160,000
	<u>1,532,000</u>	<u>1,466,111</u>	<u>2,110,000</u>
Depreciation by asset class			
Land and buildings	145,000	143,538	162,000
Furniture and equipment	28,000	27,093	43,000
Plant and equipment	175,000	173,993	246,000
Roads	860,000	804,954	1,245,000
Footpaths	26,000	25,380	24,000
Drainage	28,000	27,478	125,000
Bridges	110,000	108,059	105,000
Infrastructure Other	160,000	155,616	160,000
	<u>1,532,000</u>	<u>1,466,111</u>	<u>2,110,000</u>
Interest expenses (finance costs)			
- Borrowings (refer note 7(a))	84,614	154,812	134,660
	<u>84,614</u>	<u>154,812</u>	<u>134,660</u>
Crediting as revenues:			
Interest earnings			
Investments			
- Reserve funds	18,801	17,957	12,755
- Other funds	60,000	59,355	70,000
- Other interest	14,064	55,568	2,100
Other interest revenue (refer note 12)	17,000	3,872	17,000
	<u>109,865</u>	<u>136,752</u>	<u>101,855</u>
Other revenue			
Reimbursements and recoveries	85,573	129,705	139,800
Other	0	0	51,400
	<u>85,573</u>	<u>129,705</u>	<u>191,200</u>

**SHIRE OF PINGELLY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

2. REVENUES AND EXPENSES (Continued)

(b) Statement of objective

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

COMMUNITY VISION

Pingelly, a sustainable community, where natural beauty and economic diversity provide opportunities for all

GOVERNANCE

Objective:

Effective leadership and governance

Activities:

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

GENERAL PURPOSE FUNDING

Objective:

A financially sustainable Shire

Activities:

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

Objective:

A safe community

Activities:

Fire prevention, animal control and assistance to emergency services.

HEALTH

Objective:

Health and family support services that are accessible and meet the needs of the community

Activities:

Food quality control, provision of doctor services and maintenance of dental equipment.

EDUCATION AND WELFARE

Objective:

Quality of life for the aged and disabled. Development and participation of young people

Activities:

Maintenance of a daycare centre and assistance to the provision of aged care accommodation.

**SHIRE OF PINGELLY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

2. REVENUES AND EXPENSES (Continued)

(b) Statement of objective (Continued)

COMMUNITY AMENITIES

Objective:

Appropriate development which is diverse in nature and protects local heritage

Activities:

Rubbish and recyclables collection and disposal services, operation of the refuse site, administration of the town planning scheme, maintenance of the cemetery, maintenance of public toilets and maintenance of storm water drainage.

RECREATION AND CULTURE

Objective:

Access to recreation, sporting and leisure opportunities

Activities:

Maintenance of the Town Hall, Pavilion, Community Centre, recreation ground, swimming pool complex, reserves, operation of the library together with support of cultural events.

TRANSPORT

Objective:

Safe and reliable transport infrastructure

Activities:

Construction and maintenance of streets, roads, bridges, cleaning and lighting of streets and depot maintenance.

ECONOMIC SERVICES

Objective:

Support the promotion and marketing of local businesses and tourism initiatives

Activities:

The regulation and provision of building control, control of noxious weeds and vermin, standpipe water supplies and area promotion

OTHER PROPERTY & SERVICES

Objective:

Provide support services for works and plant operations

Activities:

Private works operations, plant repairs and operation costs.

SHIRE OF PINGELLY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

3. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of cash

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

	2017/18 Budget \$	2016/17 Actual \$	2016/17 Budget \$
Cash - unrestricted	5,139	(76,095)	30,263
Cash - restricted	746,191	3,657,531	829,608
	<u>751,330</u>	<u>3,581,436</u>	<u>859,871</u>

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

Leave Reserve	112,553	169,097	170,454
Plant Reserve	245,304	240,391	268,045
Building Reserve	54,033	284,266	256,626
Electronic Equipment Reserve	6,135	6,130	6,041
Community Bus Reserve	11,162	11,147	10,935
Swimming Pool Reserve	50,179	49,878	49,067
Joint Venture Housing Reserve	51,611	51,293	53,440
Refuse Rehab Reserve	15,214	15,186	15,000
	<u>546,191</u>	<u>827,388</u>	<u>829,608</u>

(b) Reconciliation of net cash provided by operating activities to net result

Net result	4,807,420	1,757,669	7,101,709
Depreciation	1,532,000	1,466,111	2,110,000
(Profit)/loss on sale of asset	12,000	706,484	(202,200)
Loss on revaluation of non current assets	0	0	0
(Increase)/decrease in receivables	439,485	(538,338)	35,993
(Increase)/decrease in inventories	1,000	(1,326)	(3,940)
Increase/(decrease) in payables	109,123	(140,412)	118,000
Increase/(decrease) in employee provisions	(19,996)	116,873	0
Grants/contributions for the development of assets	(6,329,826)	(3,179,845)	(8,312,488)
Net cash from operating activities	<u>551,206</u>	<u>187,216</u>	<u>847,074</u>

SHIRE OF PINGELLY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

3. NOTES TO THE STATEMENT OF CASH FLOWS (Continued)

	2017/18 Budget \$	2016/17 Actual \$	2016/17 Budget \$
(c) Undrawn borrowing facilities			
credit standby arrangements			
Bank overdraft limit	500,000	500,000	200,000
Bank overdraft at balance date	0	0	0
Credit card limit	10,000	10,000	10,000
Credit card balance at balance date	0	6,864	0
Total amount of credit unused	<u>510,000</u>	<u>516,864</u>	<u>210,000</u>
Loan facilities			
Loan facilities in use at balance date	<u>3,650,529</u>	<u>2,529,203</u>	<u>2,909,688</u>
Unused loan facilities at balance date	<u>200,000</u>	<u>1,903,210</u>	<u>0</u>
	Note	2017/18 Budget \$	2016/17 Actual \$

4. NET CURRENT ASSETS

Composition of estimated net current assets

Current assets

Cash - unrestricted	3(a)	5,138	(76,096)
Cash - restricted grants		0	926,933
Cash - restricted reserves	3(a)	546,191	827,388
Unspent Loans		200,000	1,903,210
Receivables		386,296	804,828
Investments		5,000	5,000
Inventories		1,474	2,474
		<u>1,144,099</u>	<u>4,393,737</u>

Less: current liabilities

Trade and other payables		(377,466)	(268,343)
Long term borrowings		(187,360)	(58,460)
Provisions		(204,672)	(259,672)
		<u>(769,498)</u>	<u>(586,475)</u>

Unadjusted net current assets

		374,601	3,807,262
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Differences between the net current assets at the end of each financial year in the rate setting statement and net current assets detailed above arise from amounts which have been excluded when calculating the budget deficiency in accordance with *Local Government (Financial Management) Regulation 32* as movements for these items have been funded within the budget estimates. These differences are disclosed as adjustments below.

Adjustments

Less: Cash - restricted reserves	3(a)	(546,191)	(827,388)
Less: Cash - Unspent Loans		(200,000)	(1,903,210)
Less: Current loans - clubs / institutions		(15,442)	(14,489)
Less: Investments		(5,000)	(5,000)
Add: Current portion of borrowings		187,360	58,460
Add Back : Component of Leave Liability not Required to be Funded		204,672	259,672
Add: Current liabilities not expected to be cleared at end of year		0	0
Adjusted net current assets - surplus/(deficit)		<u>0</u>	<u>1,375,310</u>

SHIRE OF PINGELLY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

5. ACQUISITION OF ASSETS

The following assets are budgeted to be acquired during the year.

Asset class	Reporting program										2017/18 Budget total \$	2016/17 Actual total \$	
	Governance \$	General purpose funding \$	Law, order, public safety \$	Health \$	Education and welfare \$	Housing \$	Community amenities \$	Recreation and culture \$	Transport \$	Economic services \$			Other property and services \$
<u>Property, Plant and Equipment</u>													
Land and buildings													79,943
Furniture and equipment													7,597
Plant and equipment													359,122
Works In Progress PAAA					1,698,348							1,698,348	203,863
Works In Progress PRACC								7,781,145				7,781,145	1,594,287
	0	0	0	0	1,698,348	0	0	7,781,145	0	0	0	9,479,493	2,244,812
<u>Infrastructure</u>													
Roads									1,387,460			1,387,460	1,514,492
<u>Land Held for Resale</u>													
Land held for resale									1,387,460			1,387,460	1,514,492
	0	0	0	0	0	0	0	0	1,387,460	0	0	1,387,460	1,514,492
Total acquisitions	0	0	0	0	1,698,348	0	0	7,781,145	1,387,460	0	0	10,866,953	3,759,304

A detailed breakdown of acquisitions on an individual asset basis can be found in the supplementary information attached to this budget document as follows:
- plant replacement programme
- road replacement programme

SHIRE OF PINGELLY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

6. DISPOSALS OF ASSETS

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

<u>By Program</u>	Net book value	Sale proceeds	2017/18 Budget Profit	2017/18 Budget Loss	2016/17 Actual Profit	2016/17 Actual Loss	2016/17 Budget Profit	2016/17 Budget Loss
<u>Governance</u>	\$ 32,000	\$ 20,000	\$ 0	\$ (12,000)	\$ 0	\$ (17,518)	\$ 0	\$ (52,850)
<u>Health</u>	0	0	0	0	0	(4,133)	0	0
<u>Recreation and Culture</u>	0	0	0	0	0	(464,975)	14,550	0
<u>Transport</u>	0	0	0	0	0	(5,669)	0	(2,500)
<u>Economic Services</u>	0	0	0	0	0	(214,189)	243,000	0
	32,000	20,000	0	(12,000)	0	(706,484)	257,550	(55,350)

<u>By Class</u>	Net book value	Sale proceeds	2017/18 Budget Profit	2017/18 Budget Loss	2016/17 Actual Profit	2016/17 Actual Loss	2016/17 Budget Profit	2016/17 Budget Loss
Land and buildings	\$ 32,000	\$ 20,000	\$ 0	\$ (12,000)	\$ 0	\$ (687,596)	\$ 243,000	\$ (39,850)
Plant and equipment	0	0	0	0	0	(18,887)	14,550	(15,500)
	32,000	20,000	0	(12,000)	0	(706,483)	257,550	(55,350)

A detailed breakdown of disposals on an individual asset basis can be found in the supplementary information attached to this budget document as follows:
 - plant replacement programme

SHIRE OF PINGELLY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

7. INFORMATION ON BORROWINGS

(a) Borrowing repayments

Movement in borrowings and interest between the beginning and the end of the current financial year.

Purpose	Principal 1-Jul-17	New loans	Principal repayments		Principal outstanding		Interest repayments	
			2017/18 Budget \$	2016/17 Actual \$	2017/18 Budget \$	2016/17 Actual \$	2017/18 Budget \$	2016/17 Actual \$
Recreation and culture								
Loan 123 Rec & Cultural Centre	2,332,996	0	43,971	85,241	2,289,025	2,332,996	49,110	100,909
Loan 124 Rec & Cultural Centre	0	600,000	10,107	0	589,893	0	11,520	0
Loan 125 Rec & Cultural Centre	0	600,000	10,107	0	589,893	0	11,520	0
	2,332,996	1,200,000	64,185	85,241	3,468,811	2,332,996	72,150	100,909
Self Supporting Loans								
Law, order, public safety								
Loan 122 DFES	0	0	0	454,830	0	0	0	40,550
Education and welfare								
Loan 120 Cottage Homes	196,207	0	14,489	13,595	181,718	196,207	12,464	13,353
	196,207	0	14,489	468,425	181,718	196,207	12,464	53,903
	2,529,203	1,200,000	78,674	553,666	3,650,529	2,529,203	84,614	154,812

Self supporting loans financed by payments from third party

All other borrowing repayments will be financed by general purpose revenue.

SHIRE OF PINGELLY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

7. INFORMATION ON BORROWINGS (Continued)

(b) New borrowings - 2017/18

Particulars/Purpose	Institution	Loan type	Term (years)	Interest rate %	Amount borrowed budget \$	Total interest & charges \$	Amount used budget \$	Balance unspent \$
Loan 124 Rec & Cultural Centre	WATC	Deb	20	3.84	600,000	265,075	600,000	0
Loan 125 Rec & Cultural Centre	WATC	Deb	20	3.84	600,000	265,075	400,000	200,000
					<u>1,200,000</u>	<u>530,150</u>	<u>1,000,000</u>	<u>200,000</u>

(c) Unspent borrowings

The Shire has unspent borrowing funds of \$1,903,210 as at 30th June 2017 and it is expected to have \$200,000 unspent borrowing funds as at 30th June 2018.

These funds are to be restricted cash for the 2018/19 Budget for the construction of a Lawn bowls green at the new PRACC.

(d) Overdraft

The Shire has not utilised an overdraft facility during the financial year although an overdraft facility of \$500,000 with the Bendigo Bank does exist. It is not anticipated that this facility may be required to be utilised during 2017/18.

SHIRE OF PINGELLY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

8. RATING INFORMATION

RATE TYPE	Rate in \$	Number of properties	Rateable value \$	2017/18 Budgeted rate revenue \$	2017/18 Budgeted interim rates \$	2017/18 Budgeted back rates \$	2017/18 Budgeted total revenue \$	2016/17 Actual \$
Differential general rate or general rate								
GRV - Residential	0.122533	315	3,087,332	378,300	0	0	378,300	340,194
GRV - Rural Residential	0.122533	68	712,052	87,250	0	0	87,250	79,823
GRV - Commercial/Industrial	0.122533	31	448,114	54,909	0	0	54,909	50,092
GRV - Townsites	0.122533	12	128,439	15,738	0	0	15,738	14,875
UV - Broadacre Rural	0.010704	250	114,379,498	1,224,318	0	0	1,224,318	1,236,255
Sub-Totals		676	118,755,435	1,760,515	0	0	1,760,515	1,721,239
Minimum payment \$								
GRV - Residential	898	63	144,961	56,574	0	0	56,574	74,534
GRV - Rural Residential	898	21	76,672	18,858	0	0	18,858	21,552
GRV - Commercial/Industrial	898	10	43,695	8,980	0	0	8,980	8,980
GRV - Townsites	898	7	20,271	6,286	0	0	6,286	6,286
UV - Broadacre Rural	898	44	2,493,240	39,512	0	0	39,512	33,226
Sub-Totals		145	2,778,839	130,210	0	0	130,210	144,578
Ex Gratia Rates								
Discounts/concessions (Refer note 13)								
Total amount raised from general rates		821	121,534,274	1,890,725	0	0	1,890,725	1,865,817
Movement in excess rates							200	0
Specified area rates (Refer note 10)								4,229
Total rates								1,870,046

**SHIRE OF PINGELLY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

8(a). RATING INFORMATION

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

The general rates detailed above for the 2017/18 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

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

SHIRE OF PINGELLY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

9. CASH BACKED RESERVES

	2017/18	2017/18	2017/18	2017/18	2016/17	2016/17	2016/17	2016/17	2016/17	2016/17	2016/17	2016/17	2016/17
	Budget	Budget	Budget	Actual	Actual	Actual	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	Opening	Transfer	Closing	Opening	Transfer	Actual	Opening	Transfer	Transfer	Transfer	Opening	Transfer	Closing
	balance	to	balance	balance	(from)	balance	balance	(from)	to	(from)	balance	(from)	balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Leave Reserve	169,097	3,456	112,553	164,761	4,336	0	164,761	0	5,693	0	164,761	5,693	170,454
Plant Reserve	240,391	4,913	245,304	163,399	255,528	(178,536)	163,399	(178,536)	255,646	(151,000)	163,399	(151,000)	268,045
Building Reserve	284,266	29,767	54,033	48,140	436,126	(200,000)	48,140	(200,000)	408,486	(200,000)	48,140	(200,000)	256,626
Electronic Equipment Reserve	6,130	5	6,135	1,041	5,089	0	1,041	0	5,000	0	1,041	5,000	6,041
Community Bus Reserve	11,147	15	11,162	5,929	5,218	0	5,929	0	5,007	0	5,928	5,007	10,935
Swimming Pool Reserve	49,878	301	50,179	43,666	6,212	0	43,666	0	5,400	0	43,667	5,400	49,067
Joint Venture Housing Reserve	51,293	318	51,611	49,917	6,376	(5,000)	49,917	(5,000)	5,523	(2,000)	49,917	(2,000)	53,440
Refuse Rehab Reserve	15,186	28	15,214	0	15,186	0	0	0	15,000	0	0	15,000	15,000
	827,388	38,803	546,191	476,853	734,071	(383,536)	476,853	(383,536)	705,755	(353,000)	476,853	(353,000)	829,608

SHIRE OF PINGELLY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

9. CASH BACKED RESERVES (Continued)

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

Reserve name	Anticipated date of use	Purpose of the reserve
Leave Reserve	Ongoing	- to be used to fund annual and long service leave requirements.
Plant Reserve	Ongoing	- to be used for the purchase of major plant.
Building Reserve	Ongoing	- to be used to fund the renovation/purchase of Shire of Pingelly buildings and Recreation Infrastructure.
Electronic Equipment Reserve	Ongoing	- to be used to fund the purchase of administration computer system equipment.
Community Bus Reserve	Ongoing	- to be used to fund the change-over of the community bus.
Swimming Pool Reserve	Ongoing	- to be used to fund the upgrading of the swimming pool complex
Joint Venture Housing Reserve	Ongoing	- to be used for the future maintenance of the Joint Venture units
Refuse Rehab Reserve	Ongoing	- to be used to facilitate the rehabilitation/closure of the town refuse site.

**SHIRE OF PINGELLY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

10. SPECIFIED AREA RATE

No Specified Area rates are levied by the Shire of Pingelly.

11. SERVICE CHARGES

The Shire has no service charges in operation.

12. INTEREST CHARGES AND INSTALMENTS - RATES AND SERVICE CHARGES

The following instalment options are available to ratepayers for the payment of rates and service charges.

Instalment options	Date due	Instalment plan admin charge \$	Instalment plan interest rate %	Unpaid rates interest rates %	2017/18 Budget revenue \$	2016/17 Actual revenue \$	2016/17 Budget revenue \$
Option one							
Full payment	5/10/2017			11.00%			
Option two							
First Instalment	5/10/2017			11.00%			
Second Instalment	6/02/2018	10	5.50%	11.00%			
Option three							
First Instalment	5/10/2017			11.00%			
Second Instalment	5/12/2017	10	5.50%	11.00%			
Third Instalment	6/02/2018	10	5.50%	11.00%			
Fourth Instalment	10/04/2018	10	5.50%	11.00%			
Instalment plan admin charge revenue					5,000	1,800	5,000
Instalment plan interest earned					6,000	2,390	6,000
Unpaid rates interest earned					11,000	1,482	11,000
					<u>22,000</u>	<u>5,672</u>	<u>22,000</u>

13. PAYMENT DISCOUNTS, WAIVERS AND CONCESSIONS

Rates discounts

There will be no discount offered in the 2017/18 financial year.

SHIRE OF PINGELLY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018

	2017/18	2016/17
	Budget	Actual
	\$	\$
14. FEES & CHARGES REVENUE		
Governance	32,660	33,297
General purpose funding	9,500	6,171
Law, order, public safety	5,160	6,450
Health	1,908	1,997
Education and welfare	2,000	2,000
Community amenities	163,170	162,643
Recreation and culture	8,670	7,989
Transport	30,150	0
Economic services	0	35,980
Other property and services	27,000	28,244
	<u>280,218</u>	<u>284,771</u>
15. GRANT REVENUE		
Grants, subsidies and contributions are included as operating revenues in the Statement of Comprehensive Income:		
By Program:		
Operating grants, subsidies and contributions		
Governance	0	10
General purpose funding	549,632	1,781,330
Law, order, public safety	106,464	52,913
Education and welfare	30,000	0
Recreation and culture	32,950	46,344
Transport	495,114	80,794
Economic services	20,000	0
Other property and services	3,100	3,231
	<u>1,237,260</u>	<u>1,964,622</u>
Non-operating grants, subsidies and contributions		
Education and welfare	585,544	777,273
Recreation and culture	4,493,376	935,219
Transport	1,250,906	1,467,353
	<u>6,329,826</u>	<u>3,179,845</u>

**SHIRE OF PINGELLY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

	2017/18 Budget \$	2016/17 Actual \$
16. ELECTED MEMBERS REMUNERATION		
The following fees, expenses and allowances were paid to council members and the President.		
Meeting fees	38,400	38,067
President's allowance	1,200	1,200
Deputy President's allowance	300	300
Travelling expenses	0	0
Telecommunications allowance	1,000	549
	40,900	40,116

17. TRUST FUNDS

Funds held at balance date over which the local government has no control and which are not included in the financial statements are as follows:

Detail	Balance 1-Jul-17 \$	Estimated amounts received \$	Estimated amounts paid (\$)	Estimated balance 30-Jun-18 \$
Transport Licensing	0	470,000	(470,000)	0
Funds Held on Behalf of Groups	40			40
Unclaimed Monies	100			100
Nomination Deposits	0	800	(800)	0
Bond Monies (Including Key Deposits)	3,921	7,500	(6,800)	4,621
	4,061	478,300	(477,600)	4,761

**SHIRE OF PINGELLY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2018**

18. MAJOR LAND TRANSACTIONS

It is not anticipated any major land transactions will occur in 2017/18

19. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

It is not anticipated any trading undertakings or major trading undertakings will occur in 2017/18.

20. INTERESTS IN JOINT ARRANGEMENTS

It is anticipated the Shire will continue to be party to Department of Housing joint venture housing arrangements during 2017/18.