



Shire of
Nannup
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Agenda

Council Meeting to be held
on Thursday 18 April 2013
Commencing at 4.15pm

Agenda

1. **DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS**
2. **RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE**
(previously approved)
3. **RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE**

Ms P Fraser

Q8. Why did a Councillor not declare an interest at the January meeting about native title?

A8. With respect to the report on Native Title, the decision sought to support the proposal and to safeguard an existing use of the land. A councillor would have a proximity interest if:

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

It is a matter for each councillor to determine whether or not they have an interest."

4. **PUBLIC QUESTION TIME**
5. **APPLICATIONS FOR LEAVE OF ABSENCE**
6. **PETITIONS/DEPUTATIONS/PRESENTATIONS**
7. **DECLARATIONS OF INTEREST**

The Shire President will read out any declarations received relating to financial, proximity or impartiality interests and ask for any further declarations to be made.

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

Members should make any declarations at the start of the meeting but may declare an interest before the resolution of any agenda item.

8. CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

That the Minutes of the Ordinary Council Meeting of the Shire of Nannup held in Council Chambers on 28 March 2013 be confirmed as a true and correct record.

9. ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION

10. REPORTS BY MEMBERS ATTENDING COMMITTEES

11. REPORTS OF OFFICERS

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CONFIDENTIAL ITEMS

Late item CEO Review

**12. NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY
DECISION OF MEETING**

(a) OFFICERS

(b) ELECTED MEMBERS

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

14. QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

Questions by Councillor Dean in regard to Rates:

1. What is the average size (hectares) of each lot in Nannup assessed for UV rates?

A1. Officers are not able at this point to produce any statistics on rates per hectare. Although land area data is stored on the rates system the small amount of investigation carried out last year when looking into some points raised by councillors gave a few odd results. If Council wishes this to be pursued it would be advisable to check our own data against the Landgate records to ensure that it is correct.

2. If properties with the minimum rate are removed from the above, what is the average size? (if possible)

A2. Refer to A1 above.

3. What is the average rate paid per UV assessment?

A3. \$1,527.50

4. What is the average rate paid per UV assessment if the minimum rate numbers are excluded, as per question 2?

A4. \$1,993.35

5. What is the average UV rate paid per UV rateable property in terms of dollars per hectare on non minimum properties?

A5. Refer to A1 above.

15. CLOSURE OF MEETING

COMMUNITY & DEVELOPMENT **SERVICES**

AGENDA NUMBER: 11.1
SUBJECT: Application for Planning Approval – Public Art Work
LOCATION/ADDRESS: Lot 37 Warren Road, Nannup
NAME OF APPLICANT: Uniting Church in Australia Property Trust (WA)
FILE REFERENCE: A1463
AUTHOR: Steve Thompson – Consultant Planner
REPORTING OFFICER: Robert Jennings – Chief Executive Officer
DISCLOSURE OF INTEREST: Edge Planning & Property receive planning fees for advice to the Shire therefore declare a Financial Interest – Section 5.70 of the Local Government Act 1995
DATE OF REPORT: 3 April 2013

Attachment: 1. Information provided by applicant
2. Location map

BACKGROUND:

The Council at its meeting on 24 January 2013 resolved:

“That Council:

- 1. Accepts the public comment for the Drift Public Artwork project; and*
- 2. Review the item as part of the Planning Approval and Cultural Plan processes.”*

Following on from the Council’s resolution, a Planning Application was lodged for the Drift public artwork with details outlined in Attachment 1. The artwork is proposed on Uniting Church land adjoining the “Grub Hub” commercial premise.

The Shire administration invited public comment on the Planning Application by writing to adjoining/nearby landowners. The Shire received no submissions on the Planning Application.

The church site is a Public Purpose Reserve in the *Shire of Nannup Local Planning Scheme No. 3 (LPS3)*. The use is not listed in the zoning table of LPS3. In determining planning applications on reserved land, the local government is to consider the ultimate purpose intended for the reserve along with usual planning considerations e.g. amenity, land use compatibility and safety. The site is also within the Heritage Area as set out in LPS3.

COMMENT:

It is recommended that Council approve the Planning Application given:

- the proposed public artwork will assist to activate the southern section of the main street, providing a further point of interest for visitors and locals alike;
- it has the potential to draw visitors to Nannup which supports local businesses; and
- the proposed artwork has been subject to public comment in November and December 2012 and more recently on the Planning Application in March 2013. No objections were raised through these consultations.

Considerations with the public artwork include:

- the compatibility with the heritage area and the character of Warren Road. While public art work is not mentioned in the *Nannup Main Street Heritage Precinct Guidelines* (Local Planning Policy No. 8), it is suggested the public artwork is not consistent with the guidelines. While noting this, the guidelines in part state "The development guidelines contained in this Policy are not intended to create a "time capsule" and stifle new development. Rather they set out to guide and encourage new contemporary development and redevelopment, and to ensure that the important heritage values, and unique town character of Nannup, will be preserved for the enjoyment of future generations";
- the matters raised by the applicant (Attachment 1) including the proposed Memorandum of Understanding (MOU) e.g. maintenance of the grounds near the public art work and ongoing up-keep costs associated with maintaining the public art work;
- ensuring that appropriate public liability insurance covers the public artwork. The MOU should clarify whether the applicant or the Shire meets public liability insurance. It is suggested the Shire should meet this cost in this instance; and
- ensuring that the public art work is structurally sound and appropriately constructed with details addressed through the Building Permit.

The completion of the Memorandum of Understanding (MOU) and the Planning Approval are two separate processes. The MOU negotiations on the access and Council maintenance will occur subsequent to this planning approval.

STATUTORY ENVIRONMENT: *Planning and Development Act 2005* and LPS3.

POLICY IMPLICATIONS: None.

FINANCIAL IMPLICATIONS:

Costs are met through the grant of \$2,500 and approximately \$7,500 from the budget for the Cultural Plan and Drift promotion. There will be ongoing up-keep costs associated with maintaining the public art work.

STRATEGIC IMPLICATIONS:

The public art work has the potential to draw visitors to Nannup which supports local businesses. It is consistent with the *Shire of Nannup Forward Plan 2011/12 – 2015/16*.

RECOMMENDATION:

That Council approve the Planning Application for the “Drift” Public Artwork on Lot 37 Warren Road, Nannup subject to the following condition:

1. The development hereby approved is to be carried out in accordance with the plans and specifications submitted with the application, addressing all conditions, or otherwise amended by the local government and shown on the approved plans and these shall not be altered and/or modified without the prior knowledge and written consent of the local government.

Advice

- A) The proponent is advised that this Planning Approval is not a Building Permit.
- B) The local government will separately consider a Memorandum of Understanding for the public art work. Amongst matters, this will ensure that adequate public liability insurance is maintained to the satisfaction of the local government.
- C) Part 14 of the *Planning and Development Act 2005* provides the right to apply to the State Administrative Tribunal for review of some planning decisions and you may wish to take professional advice to determine whether or not such a right exists in the present instance. The *State Administrative Tribunal Rules 2004* require that any such applications for review be lodged with the Tribunal within 28 days of the date on which notice of the decision is given.

<i>AGENDA NUMBER:</i>	<i>11.6</i>
<i>SUBJECT:</i>	<i>Drift Public Artwork</i>
<i>LOCATION/ADDRESS:</i>	<i>Nannup</i>
<i>NAME OF APPLICANT:</i>	<i>N/A</i>
<i>FILE REFERENCE:</i>	<i>ASS 17</i>
<i>AUTHOR:</i>	<i>Louise Stokes - Community Development Officer</i>
<i>REPORTING OFFICER:</i>	<i>Robert Jennings – Chief Executive Officer</i>
<i>DISCLOSURE OF INTEREST:</i>	<i>None</i>
<i>DATE OF REPORT</i>	<i>11 January 2013</i>

Attachment: Public Comment Received

BACKGROUND

In November and December 2012 the concept design for the proposed Drift sculpture was advertised for public comment. This was promoted in the Nannup Telegraph, on notices in the main street and by direct email correspondence.

As per the 14 November 2012 report to Council, there are a number of items for consideration:

- The Nannup townsite features heavily in the film and it is anticipated that with a world wide release that there are ongoing promotional opportunities for the film, along the lines of that realized from the film 'Red Dog'. Many Nannup residents are featured in the film as 'extras' and the installation of the public artwork is a celebration of the communities involvement in this film.*
- The existing character appeal of the main street was one of the reasons for the Drift Movie producers and new residents choosing Nannup. The Heritage Precinct Design Guidelines and general heritage character of the street will be impacted should the proposal be realised.*

- *The northern end of the commercial strip of the main street has a number of public artworks installed and this presents an opportunity to develop social and community spaces at the southern end of the commercial area of the main street.*
- *A Main Street Upgrade process is currently underway and this project needs to be integrated with the overall aims and outcome of the upgrade.*

COMMENT

One comment was formally made during the public consultation process. The respondent preferred the coloured version and was positive of the concept. Their concern was that the artwork should be located on public land or advertised for expression of interest from private land owners.

A meeting was held with the Nannup Uniting Church parish and consequently raised as an agenda item at the Busselton Uniting Church Parish Board meeting. Email correspondence from Yvonne Robinson, Chair of the Uniting Church Parish indicates that the Board has approved the siting of the public artwork on the Uniting Church land.

The public comment is acknowledged and a comprehensive analysis was undertaken for a site for the public artwork. As there is no vacant crown land, the Uniting Church land is deemed the next step possible to public/community land in the main street.

Funding approval of \$2,500 has been received from the South West Development Commission for this project.

Two expressions of interest were received from artists for this project, one advising that they were only interested if an original design was contemplated, the other is restricted to particular time frames to undertake the work. Due to budget constraints it is not anticipated to work with an original design for this project.

A planning application has been prepared for the following planning approval phase of this project.

STATUTORY ENVIRONMENT: *None.*

POLICY IMPLICATIONS: *None.*

FINANCIAL IMPLICATIONS:

Costs would be met through the grant of \$2,500 and approximately \$7,500 from the budgets for the Cultural Plan and the drift promotion. There would be ongoing upkeep costs associated with the maintenance of the project.

STRATEGIC IMPLICATIONS:

Shire of Nannup Forward Plan 2011/12-2015/16 Program 13.2E – Economic Services and Tourism. That Council implement the Cultural Plan as resources and funding become available.

VOTING REQUIREMENTS: *Simple Majority.*

RECOMMENDATIONS:

That Council:

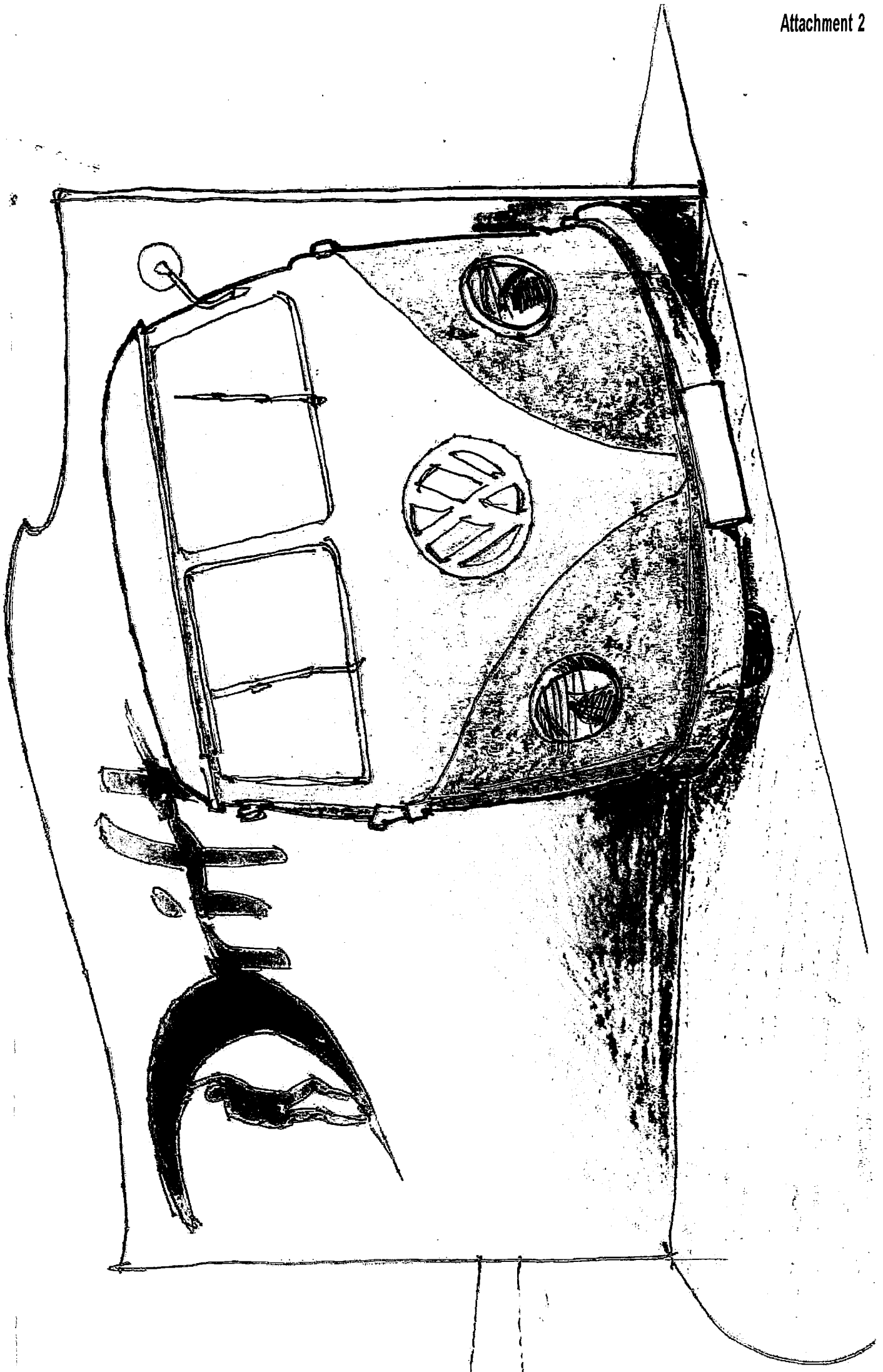
- 1. Accept the public comment for the Drift Public Artwork project and;*
- 2. Review the item as part of the Planning Approval and Cultural Plan processes.*

8901 DUNNET/LONGMORE

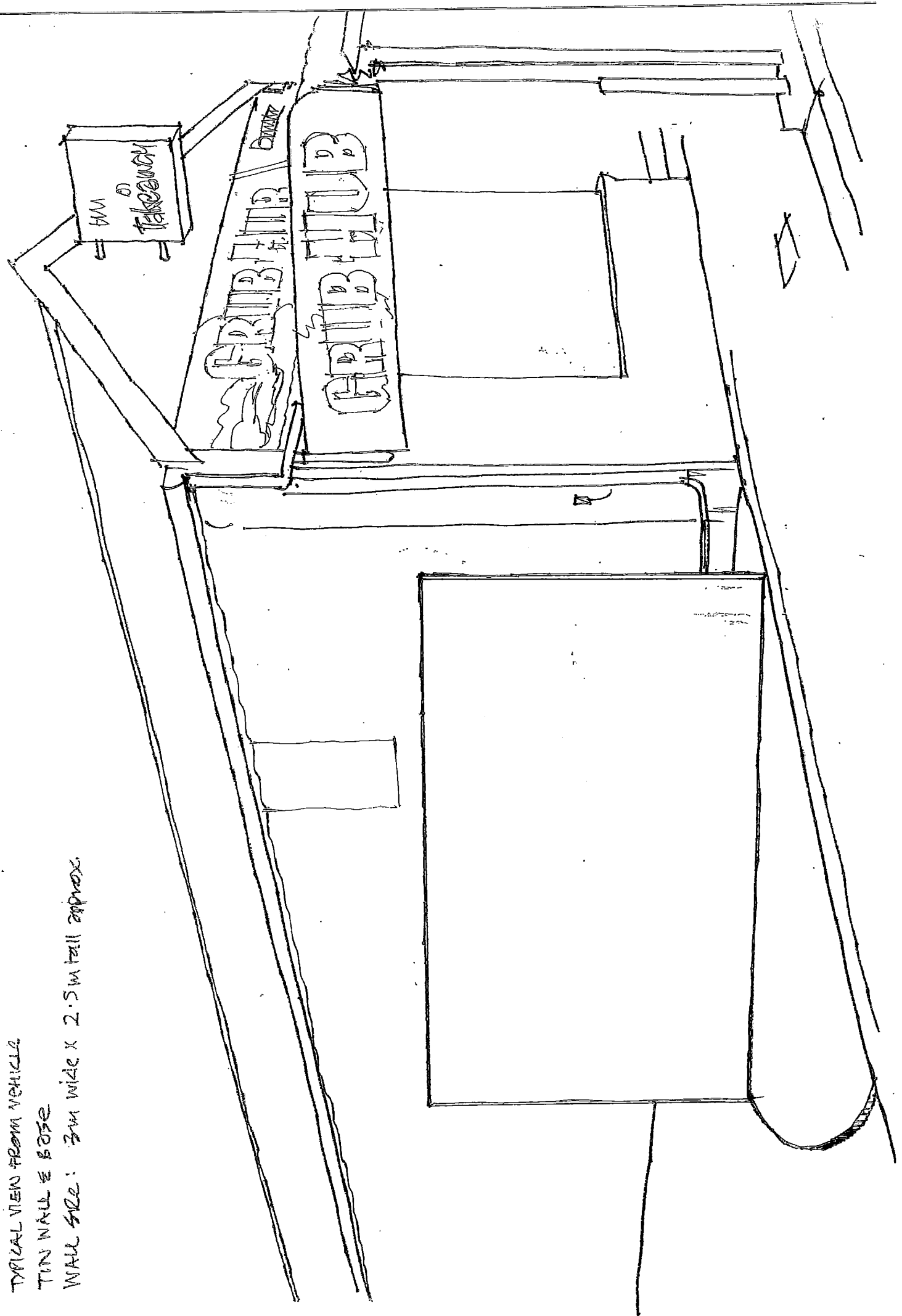
That Council:

- 1. Accept the public comment for the Drift Public Artwork project and;*
- 2. Review the item as part of the Planning Approval and Cultural Plan processes.*

CARRIED 5/0



TYPICAL VIEW FROM VEHICLE
TIN WALL & BOSE
WALL SIZE: 3m wide x 2.5m tall approx.





Uniting Church in Australia, Parish of Busselton
PO Box 315, Busselton, WA 6280
Office Phone: (08) 9752 3304
E-mail: bsnuca@westnet.com.au

Minster: Rev Brenton Prigge BA (Hons) BD (Hons)
Mobile 0458 747 255

SHIRE OF NANNUP RECEIVED			
Ref: A1463		No. 0018/98	
28 FEB 2013			
CEO	AO	LIB	FMO
MCS	EO	PUB	YO
VIM	GDO		RO
MDS	CR:		

The CEO
Shire of Nannup
PO Box 11
NANNUP WA 6275

Attention: Ms Louise Stokes

Dear Louise,

Re: Community art project - 'Drift'

I enclose the completed Application for Planning Approval for your attention.

Sincerely

Tom Moore – Parish Secretary
26 February 2013

Copy to: Yvonne Robinson – Parish Chair
Margaret Hunter – Elder for Nannup Congregation

Secretary: Tom Moore
T: 08 9752 3992
M: 0407 386 236
E: teemoore@compwest.net.au

Yvonne Robinson 0404 445 419



Uniting Church in Australia, Parish of Busselton
PO Box 315, Busselton, WA 6280
Office Phone: (08) 9752 3304
E-mail: bsnuca@westnet.com.au

SHIRE OF NANNUP
RECEIVED
Ref: 2013/78 No. Minister: Rev Brenton Prigge BA (Hons) BD (Hons)
21 FEB 2013
CEO MCS WVM MDS
AO
LIB FUR
FMO YO RO
CR

The CEO
Shire of Nannup
PO Box 11
NANNUP WA 6275

Attention: Ms Louise Stokes

Dear Louise,

Re: Community art project - 'Drift'

The Nannup Uniting Church Congregation members have reported on your very constructive meeting with them to brief the Congregation on the proposal to place the public art work associated with the film 'Drift' on the main street frontage of Uniting Church property in Nannup.

The Congregation members agreed in principle with the proposal to locate the artwork on the Uniting Church land adjacent to the Grub Hub.

As previously discussed, an MOU is to be drawn up to provide some guidelines that will ensure that both parties are in agreement about the way this will work and to ensure we have a method to resolve any issues or tensions as they arise.

The Congregation raised a number of matters which were important to them and The Uniting Church Parish Council, meeting in Busselton, considered this proposal at its last meeting and gave their approval subject to the same conditions requested by the Congregation which are:

- The Nannup Shire will ensure that the vehicular access to the Uniting Church site is maintained so direct access remains available to the transportable building for the purpose of loading and unloading goods and for disabled access.
- We request that the Shire assist the Nannup Uniting Church as a gesture of goodwill with the maintenance of the grounds in front of the NUCS shop and between the church and the Grub Hub, by slashing or mowing the grass at reasonably regular intervals as part of the Shire's regular outdoor works program. This would be of enormous assistance to the elderly congregation members who have supported this application from Shire.
- That the Shire maintain the art work in good condition by prompt attention to any damage whether due to weather or human interference.
- That the Shire agrees that, subject to reasonable notice, the Uniting Church may request the Shire to remove or relocate the artwork at no cost to the Uniting Church.

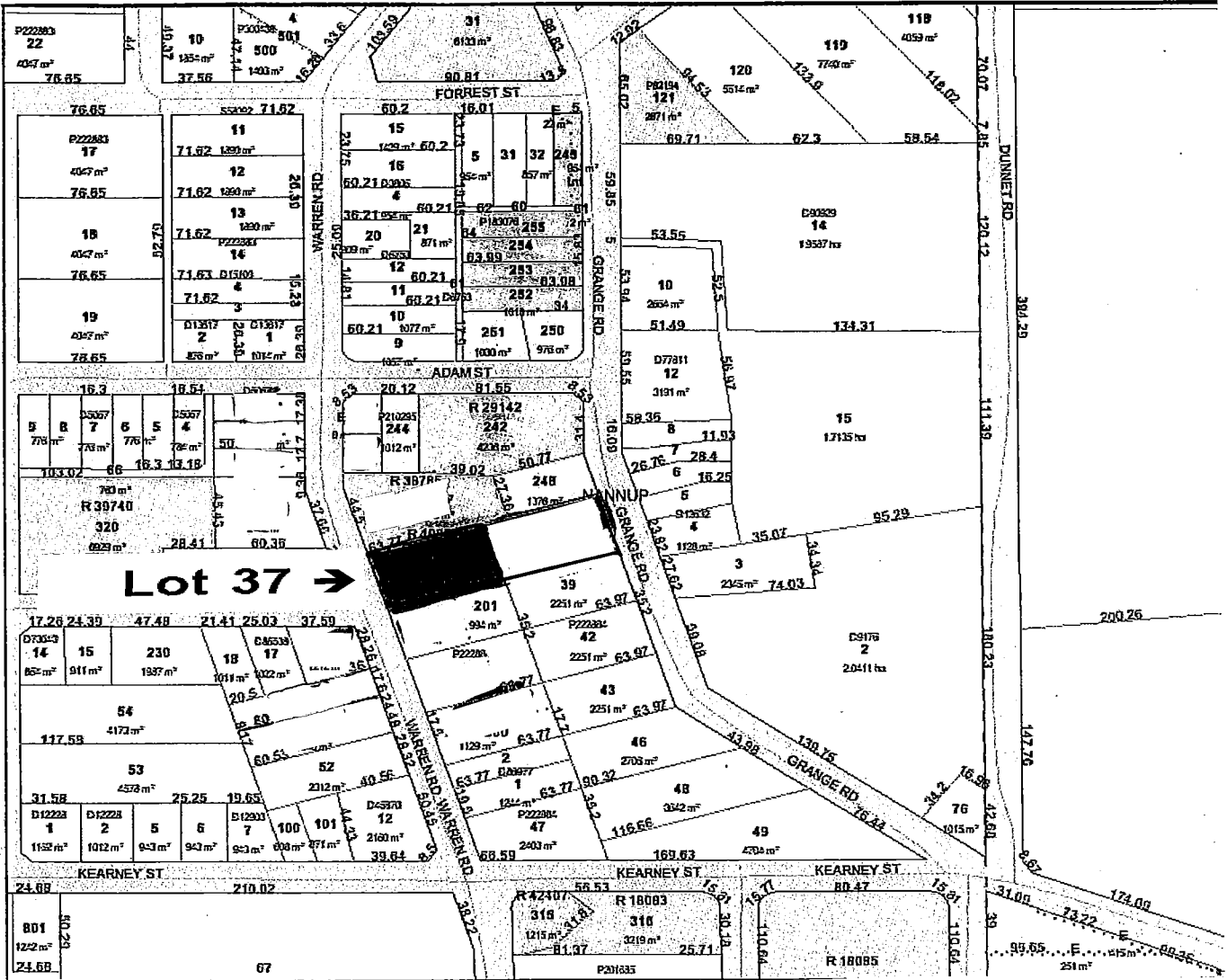
We suggest that a Memorandum of Understanding be drawn up to give effect to these matters.

Sincerely

Tom Moore – Parish Secretary
18 February 2013

Copy to: Yvonne Robinson – Parish Chair
Margaret Hunter – Elder for Nannup Congregation

Secretary: Tom Moore
T: 08 9752 3992
M: 0407 386 236
E: teemoore@compwest.net.au



**Shire of Nannup
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AGENDA NUMBER:	11.2
SUBJECT:	Council Support for Firebreak Fines Procedure
LOCATION/ADDRESS:	Nannup
NAME OF APPLICANT:	Shire of Nannup
FILE REFERENCE:	FRC 7
AUTHOR:	Terese Levick-Godwin CESM
REPORTING OFFICER:	Chris Wade Manager Infrastructure
DISCLOSURE OF INTEREST:	None
DATE OF REPORT	8 April 2013

BACKGROUND:

In the last two years Council has taken a more proactive approach to firebreak compliance and enforcement in the Shire of Nannup. The revised fire break notice and the engagement of a firebreak consultant have made significant inroads into the existing firebreak awareness and compliance.

There is a new Council procedure in place to deal with firebreak infringements whereby if the offender does not complete the work and pay Council the \$250 fine within 21 days, it will now be referred to the WA Government Fines Infringement Registry.

The Fines Infringement Registry will pursue the non compliant person, with the end result being that unless the fine is paid, it is possible that the offender will lose either his/her drivers license, his/her vehicle registration or both plus fines.

COMMENT:

The above procedure does not solve the problem of the actual firebreak becoming compliant. Under the Bushfires Act Local Government can engage contractors to do the works on these properties and then go through the legal system again to recover all costs, including any officer time. Obviously on larger lots this would be a considerable cost to Council until the expenditure is recovered. The Officers' recommendation is to pursue both the fine recovery and to carry out the compliance works.

At the last Bushfire Advisory Committee (BFAC) meeting on Monday, 5 March 2013, discussion was held regarding the outstanding firebreak infringements, the most important being the large series of lots in Folly Plantation that have yet to be paid and are not yet compliant.

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The following motion was put forward;

Comment – motion to Council that Council pursue all firebreak order infringements to the full extent of the law.

Moved M Scott

Seconded R Mellama

Carried

It is a requirement that any motions from the BFAC are presented to Council for endorsement. As the motion is consistent with Council's Fuel Reduction Notice and cost recovery philosophies, the motion has been supported by officers.

STATUTORY ENVIRONMENT: None.

POLICY IMPLICATIONS: None.

FINANCIAL IMPLICATIONS: There will be a cost to Council in the short term to proceed with engaging contractors to clear firebreaks, but all expenditure and time cost is anticipated be recovered.

STRATEGIC IMPLICATIONS: None.

VOTING REQUIREMENTS: Simple Majority.

RECOMMENDATION:

That Council support the Bushfire Advisory Committee's recommendation to pursue all firebreak infringements and compliance issues to the full extent of the law and Bushfires Act.

FINANCE & ADMINISTRATION

AGENDA NUMBER:	11.3
SUBJECT:	Rates Equalisation Options
LOCATION/ADDRESS:	Nannup
NAME OF APPLICANT:	Shire of Nannup
FILE REFERENCE:	RAT 9
AUTHOR:	Vic Smith – Manager Corporate Services
REPORTING OFFICER:	Vic Smith – Manager Corporate Services
DISCLOSURE OF INTEREST:	None
DATE OF REPORT	5 April 2013

Attachment 1: Council Policy FNC4

BACKGROUND:

A key consideration in preparing the annual budget is the balance to be struck between Gross Rental Valuation (GRV) and Unimproved Valuation (UV) properties in raising rates. A budget workshop held with councillors on 21 February 2013 identified the following alternative approaches:

1. Equalisation of minimum rates
2. Equalisation of yield
3. Equalisation by Grant Commission Assessment
4. Equalisation by ratepayer/assessment

Council considered a report on the issue at its meeting on 28 March 2013. It was resolved to lay the report on the table to allow councillors more time to digest the contents and for more information to be obtained. The meeting revoked resolution 8243 of 27 August 2009, which leaves a clean slate for a new policy to be determined on rate modelling.

The rate model for 2012/13 is:

	Rate in the Dollar	Minimum Rate	Yield	Minimums
GRV	0.091602	\$675	\$657,642	49.16%
UV	0.003280	\$885	\$578,549	49.60%
			\$1,236,191	

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The application of this model resulted in 1,092 rateable properties facing an increase in their rate bill for 2012/13, with 13 of these being more than 11%. In all of these cases this was the result of valuation changes during 2011/12 independent of the general UV revaluation.

The range of increases was broken down as follows:

0% - 5%	4
5% - 11%	1,072
11% - 15%	7
15% - 20%	1
20% - 25%	2
25% - 30%	1
30% - 50%	1
Over 50%	1

COMMENT:

Timing of the Decision

At the meeting on 28 March councillors expressed some concerns about considering this matter so early in the budget process and that making a decision in March would limit options for rate setting when the formal budget is considered.

The purpose of taking a report to the March meeting was twofold:

1. To revoke Resolution 8243
2. To replace Resolution 8243 with new guidance on rate modelling

As explained in the March report Resolution 8243 was proving ineffective as a Council policy to inform the rate making process because it was out of date and capable of differing interpretations. It needed to be replaced with clearer guidance.

Guidance on rate models is required to allow officers to present options to Council in developing the budget. This guidance will allow officers to develop rate setting options that will be broadly supported by Council, allowing the best use of officer resources by excluding work on options that are unlikely to receive sufficient support at Council.

The guidance does not limit Council's option when considering the budget, since Council does not have to follow it. Indeed, in setting the rate in the dollar for 2012/13 the officer recommendation, which was based on Resolution 8243, was overruled in favour of a different model.

This decision is also unaffected by other issues (e.g. whether or not additional funding is received from ex gratia rates or the size of the budget). Put simply, this decision seeks to define how the cake is divided and not the size of the cake.

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Equalisation Options

In order to evaluate the potential impact of the alternative equalisation options identified in the workshop the following assumptions have been made:

1. An increase of 5% is required in the rate yield for 2013/14 (i.e. an additional \$61,811)
2. Valuations used are those currently in force and take no account of any revisions from the Valuer General that will apply from 1 July 2013.

Equalisation of Minimum Rates Charge

Council could take the view that every ratepayer should pay a uniform minimum rate irrespective of the type of property. Currently there are two minimum rates based on property type; these are \$675 for GRV properties and \$885 for UV properties.

This objective can be achieved by either reducing the sum raised from UV minimum rated properties or by increasing the sums raised from GRV minimum rated properties, or by a combination of both.

The least complex alternative would be to freeze the UV minimum and raise any additional rates from non-minimum UV properties and all GRV properties. In this scenario the GRV minimum would increase to \$730 (+8.1%), other GRV rated properties would increase by 8.3% and non-minimum UV properties would increase by 3.3%. The model would be as follows:

	Rate in the Dollar	Minimum Rate	Yield	Minimums
GRV	0.099200	\$730	\$710,116	49.23%
UV	0.003315	\$885	\$587,912	49.74%
			\$1,298,027	

In this scenario it would take more than two years for the minimums to be equalised.

The alternative approach would be to reduce the minimum for UV properties and raise the required rates from non-minimum UV and all GRV properties. Under this scenario the UV minimum would reduce to \$710 (i.e. the GRV minimum +5%) and the GRV minimum would increase to the same figure. The rate in the dollar for the remaining properties would need to increase by 10.1% for non minimum GRV properties and 7.3% for non minimum UV properties to fund the reduction in the UV minimum. The model would be as follows:

	Rate in the Dollar	Minimum Rate	Yield	Minimums
GRV	0.100860	\$710	\$711,241	43.93%
UV	0.003520	\$710	\$586,784	34.55%
			\$1,298,025	

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In this scenario the number of UV minimums would reduce by 61 properties.

Between these two extremes there would be a range of other options.

Equalisation of Yield

To equalise the yield from UV and GRV properties it would be necessary to increase the rate for UV properties at a higher rate than GRV properties. At the extreme there would be a rate freeze for GRV properties, with the rate increase being funded entirely by UV properties.

In this scenario the UV minimum would increase to by 9.2% and for non-minimum UV properties would increase by 10.4%. The model would be as follows:

	Rate in the Dollar	Minimum Rate	Yield	Minimums
GRV	0.091602	\$675	\$656,048	49.23%
UV	0.003621	\$966	\$642,049	49.74%
			\$1,298,097	

This would fall short of the objective in the first year but could be equalised in the following year with minor differences between the two rate structures. A staged approach over two or more years would lessen the impact in any single year.

Equalisation by Grant Commission Assessment

The WA Gants Commission assesses each local government's rate raising capacity using statistical techniques based on information at the State level and averaged over three years. The assessed capacity is used in the calculation of the General Purposes Grant. This is a notional calculation only and the actual decisions on rate levels do not affect the level of the grant awarded.

The presentation to Council by the Grants Commission on 14 February 2013 set out the assessed rate capacity as follows:

Sector	Actual \$	Assessed \$	Difference \$
Residential/Commercial/Industrial	464,234	460,228	-4,006
Agricultural	430,527	688,672	258,145
Mining	0	36,548	36,548
Total	894,761	1,185,448	290,687

As the actuals used by the Grants Commission are three year averages they do not represent the current position on rates raised. If the budgeted rate yields for 2012/13 were substituted for the three year averages the table would be represented as follows:

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Sector	Actual \$	Assessed \$	Difference \$
Residential/Commercial/Industrial	656,901	460,228	-196,673
Agricultural	567,953	688,672	120,719
Mining	11,335	36,548	25,213
Total	1,236,189	1,185,448	-50,741

The current rate yield is well in excess of the Grants Commission assessed capacity. If the assessed capacity were to be used as a benchmark then the budget would have to be reduced by \$50,741, so that rates raised was equal to the assessment.

To equalise the rates raised in line with the assessed capacity then the proportion raised from GRV would need to be decreased and the proportion raised from UV increased.

To achieve this in a single year would see a dramatic shift between rate levies for GRV and UV properties. This scenario would see a reduction in GRV rates of around 22% and increases in UV rates between 30% and 36%. The model would be as follows:

	Rate in the Dollar	Minimum Rate	Yield	Minimums
GRV	0.072378	\$528	\$516,503	48.26%
UV	0.004445	\$1150	\$781,497	47.38%
			\$1,298,000	

The equalisation could be achieved over a four year period by freezing the GRV rates and raising all of the additional requirement from UV properties. The impact in 2013/14 of this policy would be to raise UV rates between 8.5% and 10.5%. The model would be as follows:

	Rate in the Dollar	Minimum Rate	Yield	Minimums
GRV	0.091602	\$675	\$656,048	49.23%
UV	0.003629	\$960	\$641,927	49.48%
			\$1,297,976	

Equalisation by ratepayer/assessment

It is possible to calculate an average rate bill per assessment by dividing the rate yield for a class of property by the number of assessments. If this is done for GRV and UV properties the results are as follows:

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	Yield (\$)	Properties (No.)	Average (\$)
GRV	656,048	717	914.99
UV	583,504	382	1,527.50
Total	1,239,553	1,099	1,127.89

To achieve a consistent average levy across all classes of property in a single year would see a dramatic shift between rate levies for GRV and UV properties. The average levy would be \$1,181.07 and would require a reduction in UV rates of around 23% and an increase in GRV rates of approximately 29%. The model would be as follows:

	Rate in the Dollar	Minimum Rate	Yield	Minimums
GRV	0.118185	\$872	\$846,827	49.23%
UV	0.002544	\$679	\$451,144	49.74%
			\$1,297,971	

The equalisation could be achieved over an eleven year period by freezing the UV rates and raising all of the additional requirement from GRV properties. The impact in 2013/14 would be a rise in non minimum UV properties of around 1% (to account for minor changes in valuations since the budget was set) and an increase of just over 8% for GRV properties. The model would be as follows:

	Rate in the Dollar	Minimum Rate	Yield	Minimums
GRV	0.099202	\$730	\$710,125	49.23%
UV	0.003315	\$885	\$587,874	49.74%
			\$1,297,999	

Other Options Identified by Council on 28 March 2013

Three other issues connected with the equalisation options were put forward for debate on 28 March; these were:

1. Rate Capping
2. Moving all UV properties to GRV
3. Applying GRV rating to Special Rural properties

The last of these issues is the easiest to resolve since all Special Rural properties are already rated as GRV.

The application of UV or GRV to land is explained in *Local Government Guideline No2: Changing Methods of Valuation of Land*, recently provided to councillors. It states:

Under section 6.28 of the Local Government Act 1995 (the Act), the Minister for Local Government is responsible for determining the method of valuation of land to be used by a local government as the basis for a rate.

In determining the method of valuation, the Minister is to have regard to the general principle that the basis for a rate on any land is to be:

- *where the land is used predominantly for rural purposes, the UV of the land; and*
- *where the land is used predominantly for non-rural purposes, the GRV of the land.*

Each local government has a role in ensuring that the rating principles of the Act are correctly applied to rateable land within their district such that rural land is rated on its UV and non-rural land is rated on its GRV.

To this end, local governments should have systems and procedures in place to:

- *identify and record any changes in land use;*
- *review the predominant use of land affected by significant land use changes; and*
- *ensure timely applications for the Minister's approval.*

In other words, where a local government is satisfied that the predominant use of the land is non-rural then the GRV basis of valuation can be applied. Council policy FNC4 spells out the Council's policy with regard to rating land and is attached for information. There would appear to be no basis for changing the valuation of all properties from UV to GRV.

The question as to whether there exist powers to cap rates to ensure that all ratepayers receive the same increase has been referred to the Department of Local Government for advice. At the time of writing this report no response had been received; any response will be circulated at the meeting.

The officers' view is that Council is able to set a rate increase that is evenly spread for the vast majority of ratepayers under the existing arrangements. However, there will always be a small percentage which will vary because of changes to valuations and as a result of amalgamations or subdivisions that occur between one year and another.

Conclusions

The current rating structure can be viewed as inequitable by either GRV ratepayers or UV ratepayers. In models where the balance between the two classes of property is based on the yield generated or the assessed rating capacity, those ratepayers with GRV properties would see themselves as shouldering more of the rate burden than those with UV properties. Conversely, where the model is based on the minimum rate paid or the average rate paid per property those ratepayers with UV

properties would see themselves as shouldering more of the rate burden than those with GRV properties.

Changing the rating structure will mean that there will be one or more class of ratepayer that will face a disproportionate increase in their rates while others will benefit from a freeze or a reduction. If changes are introduced incrementally to reduce the impact then it will take a number of years to achieve the balance sought by Council (irrespective of the model of equalisation adopted).

Another option is to accept that whilst the current structure has its weaknesses that it continues to form the basis for determining rates into the future and that the impact of increased rates is spread as evenly as possible across all classes of ratepayer. This is the position outlined in the officer recommendation.

STATUTORY ENVIRONMENT: Local Government Act 1995 Section 6.

POLICY IMPLICATIONS: None.

FINANCIAL IMPLICATIONS: Potential increased rate yield.

STRATEGIC IMPLICATIONS: None.

VOTING REQUIREMENTS: Simple Majority.

RECOMMENDATION:

In preparing rate models for Council consideration officers should:

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

Policy Number:	FNC 4
Policy Type:	Finance
Policy Name:	Tourism Based Rural Properties – Rating Basis
Policy Owner:	Chief Executive Officer

Authority Shire of Nannup

OBJECTIVE

To provide guidelines to establish when the classification of a rural ratable location should change from traditional "rural", to "rural GRV" (i.e. its use is predominantly tourism based).

POLICY

In accordance with Section 6.28 of the Local Government Act 1995, where land is used predominantly for rural purposes, the property shall be valued based upon its unimproved value.

Where tourism development has occurred on a location to the extent that its use is predominantly non-rural, the location shall be valued based upon its Gross Rental Value.

The following should be taken into consideration when determining whether a location is being used for tourism related activities as opposed to predominantly rural activities:

1. When tourism related activity produces the majority of the income for a location, then this activity takes over as the "predominant use".
2. The predominant use must be definable within a rateable lot or location.
3. Tourism based activities include Chalets, Lodging Houses, Guest Houses, Wineries, door sales of produce (e.g. marron, wine, cheese, craft, woodwork, etc), Restaurants, etc., or a combination of these.
4. As a guide, five or more chalets on a property would indicate the predominant use has changed.

Related Policies	
Related Procedures/Documents	
Delegated Level	
Adopted	OM 25 February 1999
Reviewed	OM 17 December 2009

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

AGENDA NUMBER:	11.4
SUBJECT:	Lease Agreements
LOCATION/ADDRESS:	Nannup
NAME OF APPLICANT:	N/A
FILE REFERENCE:	ADM 36
AUTHOR:	Vic Smith – Manager Corporate Services
REPORTING OFFICER:	Vic Smith – Manager Corporate Services
DISCLOSURE OF INTEREST:	None
DATE OF REPORT	28 March 2013

BACKGROUND:

Council adopted a standard lease document at its meeting on 28 July 2011 that is to be used as the basis for all future leases of council property. It was noted in the Strategic Implications section of the report that:

Council's adopted Forward Plan contains targets which include the review of leases at 2 Brockman Street (Action Plan 9.2 (E)), Nannup Bowling Club (Action Plan 11.1 (C)), implementation of a lease for Recreation Centre premises (Action Plan 11.2 (E)) and the Visitor Centre (Action Plan 13.3 (C)).

Since the adoption of the standard lease document officers have been working to implement the document for new leases and to review its application to existing leases.

COMMENT:

The standard lease document has now been applied to the following leases:

- FROGS Early Learning Centre – Nannup Occasional Child Care Association (Inc)
- Supper Room – Nannup Music Festival (Inc)
- Community Centre – Nannup Sports and Recreation Association (Inc).

In addition to this, new tenancy agreements have been drawn up and signed by the Chief Executive Officer and Manager Corporate Services for the staff housing in Carey Street.

The need to implement a new lease agreement for the visitor centre proved unnecessary following the dissolution of the Nannup Tourism Association.

2 Brockman Street (Op Shop)

This tenancy commenced on 1 August 2001 with a rental of \$1 per calendar month, if demanded. The tenancy has no fixed term and can only be terminated if:

- (a) both parties agree in writing; or

- (b) in Council's opinion, the Tenant continually operates outside of this agreement, or continues with unacceptable behaviour whilst using the premises.

The agreement includes a clause allowing the rent to be varied but this is limited to an amount no greater than CPI or the average change in the local rental market, whichever is the greater.

The commercial rental for the premises is \$160 per week.

Council's options appear to be limited; in order to move this lease forward it would be necessary to reach agreement with the tenants to adopt the standard lease. They are unlikely to do this unless the lease is on substantially the same terms and conditions as the current lease.

Nannup Bowling Club

There appears to be no existing lease agreement with the Bowling Club. A draft agreement drawn up in May 2003 has been located but this does not appear to have ever been executed. A letter to the Secretary of the Bowling Club, written by the Manager Development Services in August 2009 about another matter, notes that the lease agreement had expired and the lease would be discussed "at a future date".

The water rates relating to the reserve, which also includes the Town Hall and Supper Room, are paid by the Council; the element allocated to the Bowling Club was \$1,612.80 in 2011/12.

The Bowling Club has been raising income by letting out the premises. The lack of a lease means that the legal basis for this is questionable, given that the Bowling Club does not own the premises.

The commercial rental of the building has been assessed at \$200 per week.

Old Roads Board Building

This tenancy commenced on 1 August 2002 with a rental of \$1 per annum, if demanded. The tenancy has no fixed term and can only be terminated if:

- (c) both parties agree in writing; or
(d) in Council's opinion, the Tenant continually operates outside of this agreement, or continues with unacceptable behaviour whilst using the premises.

The agreement includes a clause allowing the rent to be varied but this is limited to an amount no greater than CPI or the average change in the local rental market, whichever is the greater.

The commercial rental for the premises is \$150 per week.

As with the lease on 2 Brockman Street, Council's options appear to be limited; in order to move this lease forward it would be necessary to reach agreement with the tenants to adopt the standard lease. They are unlikely to do this unless the lease is on substantially the same terms and conditions as the current lease.

Community Kindergarten

The occupation of the Community Kindergarten is governed by a Memorandum of Understanding, which sets out the obligations of the Shire and Nannup Community Kindergarten Inc. The organisation is responsible for utility charges (except for water), internal fittings and the playground equipment. The Council is responsible for building maintenance, building insurance, water charges and grounds maintenance.

There is no rental or lease payment charged. Now that the FROGS Early Learning Centre is operating and paying a commercial lease there seems little justification for this to arrangement continue.

The Memorandum of Understanding is for a one year term and requires the terms to be reviewed each year on the anniversary of the agreement date (19 February). Where there are no changes proposed to the terms and conditions the Chief Executive Officer has delegated authority to extend the term of the agreement for another year. The last review was carried out in 2011 and the agreement has lapsed.

The commercial rental for the Community Kindergarten has been assessed at \$180 per week.

Community Storage Sheds

The Council owns four community storage sheds in Kearney Street; these buildings are used for storage by the Nannup Music Festival, the Arts Council, the Flower and Garden Committee and the Youth Advisory Council. The council bears the cost of utilities and maintains the buildings (e.g. gutter cleaning).

No agreement has ever been entered into concerning the terms and conditions to be applied to the use of these buildings and no rental is charged. No commercial rental information has previously been obtained for buildings.

Conclusions

The Council has adopted a general principle of "user contributes" but in terms of its arrangements for the lease of its buildings there is no common approach. New leases have been agreed on commercial terms but some agreements have no expiry date and limited options to achieve change.

The Memorandum of Understanding governing the occupation of the Community Kindergarten has expired and needs to be reviewed. This should now be offered on a commercial lease. In order to allow the lease to be agreed Council are recommended to extend the current Memorandum of Understanding to 30 June 2013.

No charges have been applied for the use of the Community Storage Sheds and Council is recommended to review this.

A lease needs to be developed for the Nannup Bowls Club. Given the current state of the club's membership it is unlikely that they would be able to afford a commercial lease on this building.

If the leases on the Old Roads Board building and 2 Brockman Street are to be reviewed it is unlikely that agreement could be reached to bring these onto a full commercial lease basis. However, there may be some benefits to be gained in bringing these leases onto the standard lease document on similar terms and conditions to the current tenancy agreements.

STATUTORY ENVIRONMENT: Residential Tenancies Act

POLICY IMPLICATIONS: Nil.

FINANCIAL IMPLICATIONS: If full commercial leases were applied to all Council owned buildings included in this report then an additional \$35,880 per annum in lease rental income would be generated.

STRATEGIC IMPLICATIONS:

VOTING REQUIREMENTS: Simple Majority.

RECOMMENDATIONS

1. The current Memorandum of Understanding with the Community Kindergarten be extended to 30 June 2013;
2. Council offer the Nannup Community Kindergarten a five year lease based on the commercial assessment of \$180 per week, commencing on 1 July 2013;
3. Council offer new leases to the Nannup Historical Society and Nannup Op Shop on the existing terms and conditions for a five year period commencing on 1 July 2013;
4. Nannup Bowling Club be offered a lease on the bowling club building at the commercial rental of \$200 per week for a five year period commencing on 1 July 2013; and
5. An annual rental be added to fees and charges for the rental of the community storage sheds.

Shire of Nannup
Ordinary Council Meeting Agenda: April 2013

AGENDA NUMBER: 11.5 SUBJECT: Asset Management Plan LOCATION/ADDRESS: Nannup NAME OF APPLICANT: Shire of Nannup FILE REFERENCE: ADM 29 AUTHOR: Vic Smith – Manager Corporate Services DISCLOSURE OF INTEREST: Nil. DATE OF REPORT: 9 April 2013

Attachment 1: Council Policy ADM 17
Attachment 2: Infrastructure Report April 2012
Attachment 3: Asset Management Plan Summary

BACKGROUND:

The Asset Management Plan is a second tier document that sits below the Strategic Community Plan, Corporate Plan and Annual Budget in the Integrated Planning Framework. The Asset Management Plan sets out the Council's overall approach to asset management and provides detailed information on:

1. Detailed descriptions of the assets held
2. The reason for holding the asset
3. The condition of those assets
4. The value of the assets
5. The running costs of assets
6. Investment requirements

The Council's approach to asset management is set out in Council Policy ADM 17. This policy has been reviewed (Attachment 1). A number of changes are recommended to bring the policy up-to-date; wording which is recommended for deletion is shown as crossed through and new wording as underlined.

Detailed information on the Council's buildings and infrastructure assets was compiled in January 2012 and this data has been reviewed, refined and cross checked against other property records to develop the draft Asset Management Plan. The findings from this exercise are set out in the following paragraphs.

COMMENT:

Freehold Land

The council owns 18 plots of freehold land, of which 14 are for investment purposes and four are held for service delivery. The four plots held for service delivery purposes include the land used for housing senior employees and the land in Grange Road used for the FROGS Early Learning Centre.

The 14 plots held for investment purposes have been valued at \$485,000 and comprise:

1. Lot 82 Wilson St - \$40,000
2. Lot 294 Carey St - \$95,000
3. Lots 202 – 213 Monaghan St - \$350,000

These last lots comprise undeveloped land to the rear of the Nannup Cemetery and would require the construction of infrastructure for the investment to be realised.

Buildings

The Council owns 53 buildings and other heritage assets (e.g. the war memorial) with an estimated replacement cost of \$17,378,000 and a current value of \$7,744,100. The valuation held in the council's balance sheet is \$3,630,127, representing the depreciated historical cost of the assets; a revaluation will be required in the 2012/13 financial statements to bring these assets up to the current value as set out in the Asset Management Plan.

Buildings have been divided into three classes:

1. Core – buildings required to provide statutory services (17)
2. Non-Core – buildings required to provide discretionary services (27)
3. Disposable – those buildings that will not be replaced at the end of their useful lives (9)

The annualised replacement cost of the assets is \$493,316; that is to say that if these assets were to be replaced at the end of their useful lives then an annual contribution of this amount would need to be made to the Asset Management Reserve. The current annual contribution to the Asset Management Reserve is \$180,000 (i.e. an additional \$300,000 per annum would be required).

However, not all of these buildings are currently assessed as needing to be replaced. If the disposable assets are not included the annualised replacement cost falls to \$462,070. Clearly, the fewer assets that are classed as core and non-core the lower the annualised replacement cost becomes.

The condition of the buildings has also been assessed and graded on a scale from 0 - 10, where 0 represents a new building and 10 represents a building at the end of its useful life. Works would normally be undertaken to improve a building when it reached a score of between 4 and 6. Scores have been given to each major component of the building; these are:

1. Building structure
2. Roof
3. Mechanical infrastructure
4. Internal structure and fittings

Some initial modelling has been carried out to determine the investment needs over the next 10 years to inform the Long Term Financial Plan. This has been based on works being undertaken once the score for an element reaches 10 and will need to be refined to provide more accurate information based on an agreed trigger score.

For example the trigger score to carry out works to a core building might be 4, whereas the score for a non-core building is 6. To provide some context the following buildings are shown with their condition score:

Shire Offices – 3

Town Hall – 6

Recreation Centre – 7

Cundinup Hall - 10

If all buildings, including those currently classed as disposable, are included in the model then over the next 10 years an investment of \$2,185,482 would be required. This represents an annual contribution to the Asset Management Reserve of \$218,550. However, almost half of this cost relates to assets currently classed as disposable and if these are omitted then the investment requirement over the next 10 years falls to \$1,355,882, representing an annual contribution to the Asset Management Reserve of \$135,600. Part of the reason for the dramatic drop is that the assets classed as disposable (such as Cundinup Hall) are the ones most in need of investment because they have condition scores close to 10.

Once the modelling has been refined to set earlier trigger points for investment to occur then these costs will rise because work will need to be carried out earlier.

Infrastructure Assets

An assessment of the council's infrastructure was carried out using data contained in the ROMAN asset management system; this covers road and drainage assets. A full copy of the report is shown at Attachment 2.

The report shows that the council has 130 roads comprising just over 607 kilometres and with a replacement cost of \$101,112,857 and written down value of \$66,490,551.

The overall condition of the roads is good with a score of 6 out of 10 (where 10 represents well maintained and 1 represents a road in poor condition). The main area for attention is shown to be the maintenance of drainage and shoulders and a small amount of isolated pavement cracking and associated subgrade failures.

The report concludes that the council should be allocating \$2,955,957 per annum to infrastructure preservation and improvement; this is just over 2½ times more than the current road maintenance and construction budget (ignoring the funds allocated to the construction of Mowen Road).

Conclusions

The total value of all the Council's land and property assets (including infrastructure) included in this report is \$118,975,857, with a current value of \$74,719,651.

To replace these assets would require an annual budget contribution of \$3,449,273, compared to an existing budget of \$1,318,000. To achieve this would require rates to increase almost 300%. To put this into context, this gap between the existing

budgetary provision and the required investment budget as assessed in the Asset Management Plan will be a common issue for most local governments.

Next Steps

Council will need to demonstrate that its adopted Asset Management Plan has been informed by community consultation. The key issues are:

1. Which buildings should be retained and which disposed of? This decision will inform the investment requirement that needs to be included in the annual budget.
2. At what point in their expected life should buildings be improved (i.e. when major investment should occur)? Whilst normal day-to-day maintenance will be funded for all core and non-core buildings, significant investment will be required to renew structural elements.
3. Is the community willing to fund the investment necessary to maintain the buildings that should be retained?
4. Should all of the council's road infrastructure be maintained?
5. For that infrastructure that should be maintained, what condition would be classed as acceptable?
6. Is the community willing to fund the investment required to maintain the road infrastructure to the desired level?

Further work will need to be undertaken on modelling to refine the investment requirements for building and infrastructure before the draft Asset Management Plan can be released.

The early timing of the April Council meeting means that the draft Asset Management Plan is not sufficiently developed to be presented to Council before it goes for public consultation. The draft will therefore be presented to the May budget workshops for endorsement.

Once consultation has been completed an Asset Management Strategy will need to be developed and adopted by Council.

STATUTORY ENVIRONMENT:

Local Government Act 1995.

POLICY IMPLICATIONS: None.

FINANCIAL IMPLICATIONS: None.

STRATEGIC IMPLICATIONS: None.

VOTING REQUIREMENTS: Simple Majority.

RECOMMENDATION:

1. Council note the current progress on developing the Asset Management Plan
2. Council approve the changes to the Asset Management Policy as set out in Attachment 1.

Policy Number:	ADM17
Policy Type:	Administration Policy
Policy Name:	Asset Management Policy
Policy Owner:	Chief Executive Officer

Authority: Shire of Nannup

Objective

The direction of this policy is to ensure that services delivered by the Shire of Nannup will continue to be sustainably delivered. This will be achieved by ensuring that Council assets are able to function at the level needed to support all service areas as determined by Council, with consultation from the community.

It will also provide clear direction to the administrative arm of Council as to how Council, as custodians of community assets, will manage those assets within an Asset Management Framework on a "whole of life basis".

Policy

To achieve the policy objective, the Shire of Nannup is committed to ensuring that Asset Management is recognised as a major corporate function within Council, and that staff are committed to supporting the function in line with this policy.

The Shire will make informed decisions in relation to its assets.

To achieve this, the Shire will prepare:

- An Asset Management Plan for the following classes of assets:
 - Roads
 - Footpaths
 - Drainage
 - Buildings and Freehold Land
 - Parks & Reserves
 - Bridges
 - Plant and Equipment
 - Furniture and Equipment
 - Playground Equipment
- The Asset Management Plan will guide the implementation of Asset Management practices within the resource constraints of the organisation and will set out:
 - Responsibilities
 - Timelines, and
 - Resources

The Asset Management Plan will form part of the Shire's strategic and day-to-day business practices and will be used to make decisions in relation to service delivery when it comes to considering the need to acquire new assets, renew existing assets, upgrade existing assets or dispose of existing assets to support service delivery.

The Asset Management Plan will be prepared in a format that will comply with the Department of Local Government's Integrated Planning Framework State Reform Package. This will include long term (210 year) financial modelling of the renewal profile of each asset class and will be underpinned by the Long Term Financial Plan.

In making informed decisions in relation to infrastructure assets, the Shire will address the following key principles:

- A philosophy of renewing assets before acquiring new assets and, where possible, rationalising assets that are no longer used or do not provide the necessary level of service required to sustainably deliver the service for which the asset was acquired.
- Prior to consideration of any major refurbishment or improvement to an asset, a critical review of the following shall occur as part of the evaluation process:
 - The need for the facility (short and long term)
 - Ensure that all projects will be prioritized within organisational goals identified by key stakeholders.
 - Legislative requirements
 - Opportunities for rationalisation and/or potential for multiple use of assets
 - Future liability, including ultimate retention/disposal versus budget.
- All capital projects will be evaluated in accordance with a Capital Evaluation model and take into account the capital cost, the ongoing cost of maintenance, refurbishment, replacement and operating cost ("whole of life" cost assessment). As part of this evaluation, Council will undertake the following:
 - Identification of suitable sites.
 - Preparation of a needs analysis.
 - Preparation of a feasibility study.
 - Preparation of concept plans and indicative costing.
 - Extensive community consultation to gauge the level of community support for the project.
 - A quantity surveyor's report on the proposed concept plans.
 - Funding sources to be identified and finalised.
- The management of assets utilising a team approach supported by the multi discipline cross-functional asset management working group.

- Developing and implementing a 10 year Long Term Financial Plan that incorporates infrastructure renewal requirements as identified within the Asset Management Plan.
- The commitment to involve and consult with the community and key stakeholders when determining service levels.

LINKAGE TO SHIRE OF NANNUP'S STRATEGIC COMMUNITY PLAN

This policy links to the Shire of Nannup's Strategic Plan as follows:

Council has identified the need to develop and maintain quality Asset Management plans and systems in its Forward Plan (2011/12-2015/16). Specific outcomes include the development and implementation of an Asset Management System for all Council assets and the widening of the scope of asset management plans to include whole of life costs.

This policy sets out the Council's overall approach to asset management. The Asset Management Plan, and the linked Asset Improvement Strategy, sit below the Community Strategic Plan and inform the Long Term Financial Plan. Together, these documents will inform the annual budget.

RESPONSIBILITY AND REPORTING

It is important that the roles and responsibilities of asset managers are well defined and understood. This is set out as follows:

Council - is responsible for approving (including amendments to) the following documents;

- Asset Management Policy
- Asset Management Improvement Strategy
- Asset Management Plan

Council is also responsible for ensuring (upon recommendation of the CEO) that resources are allocated to achieve the objectives of the above documents.

In adopting the Asset Management Plans, Council is also determining the Level of Service for each asset class.

Chief Executive Officer (CEO) - is responsible for ensuring that systems are in place to ensure that Council's Asset Management Policy, Asset Management Improvement Strategy and Asset Management Plan are prepared and kept up to date, reviewed at least annually and that recommendations are put to Council (at least annually) in relation to appropriate resource allocation to fulfil the objectives of the above documents. The CEO reports to Council on all matters relating to Asset Management.

Asset Management Team (AMT) – Consisting of the Chief Executive Officer (CEO), Manager Corporate Service (MCS), Works Manager Infrastructure (WIM), Manager Development Services (MDS), Administration Finance Officer (AFO) and the Community Development Officer (CDO) are responsible for ensuring that Council's Asset Management Improvement Strategy is

achieved and that the Asset Management Plan is prepared and maintained in line with Council's Policy on Asset Management.

Any changes, non compliances and proposed corrective actions with Council's Policy, Improvement Strategy or Plans will be addressed by the AMT.

Manager Corporate Services (MCS) – is responsible for resource allocation (from Council approved resources) associated with achieving Council's Asset Management Improvement Strategy. The MCS reports to the CEO in relation to Asset Management resource allocation.

~~**Manager Development Services** – is responsible for supporting and facilitation the AMT with all areas within his/her control and ensuring that resources are commissioned (where appropriate) to assist the AM Working Group achieve its objectives. The MDS reports to the CEO on all matters relating to Asset Management.~~

Works Manager Infrastructure (MI) – is responsible for supporting and facilitating the AMT with all areas within his/her control and ensuring that resources are commissioned (where appropriate) to assist the Asset Management Working Group Team achieve its objectives. The MI reports to the CEO on all matters relating to Asset Management.

All Managers – are responsible for ensuring that resources under their control are appropriately allocated to resource asset management and in particular the Asset Management Working Group Team. All Managers report to the CEO on all matters relating to Asset Management under their area of control.

CONSULTATION

The Shire of Nannup will engage the community and key stakeholders to determine the levels of service outcomes from infrastructure and assets. The budget will be the key driver of this process.

POLICY REVIEW

This policy is to be reviewed by the AMT on an annual basis in line with normal Council Policy review.

POLICY DEFINITIONS

"Asset" means a physical item that is owned or controlled by the Shire of Nannup, and provides or contributes to the provision of service to the community (in this context excluding financial, intellectual and intangible assets).

"Asset Management" means the processes applied to assets from their planning, acquisition, operation, maintenance, replacement and disposal, to ensure that the assets meet Council's priorities for service delivery.

"Asset Management Plan" means the plan developed for the management of infrastructure assets or asset categories that combines multi-disciplinary management techniques (including technical and financial) over the lifecycle of the asset.

"Council" means the elected council (comprising Councillors) of the Shire of Nannup.

“Infrastructure Assets” are fixed assets that support the delivery of services to the community. These include the broad asset classes of Roads, Drainage, Buildings, Parks and Bridges.

“Level of Service” means the combination of function, design and presentation of an asset. The higher the Level of Service, the greater the cost. The aim of asset management is to match the asset and level of service to the community expectation, need and level of affordability.

“Life Cycle” means the cycle of activities that an asset goes through while it retains an identity as a particular asset.

“Whole of life cost(s)” means the total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, and rehabilitation and disposal costs.

“Maintenance” means regular ongoing day-to-day work necessary to keep the asset operating and to achieve its optimum life expectancy.

“Operations” – means the regular activities to provide public health, safety and amenities and to enable the assets to function e.g. road sweeping, grass mowing, cleaning, street lighting and graffiti removal.

“New” means creation of a new asset to meet additional service level requirements.

“Resources” means the combination of plant, labour and materials, whether they be external (contractors/consultants) or internal (staff/day labour).

“Renewal” means the restoration, rehabilitation or replacement of an existing asset to its original capacity. This may include the fixture of new components necessary to meet new legislative requirements in order that the asset may achieve compliance and remain in use.

“Risk” means the probability and consequence of an event that could impact on the Council’s ability to meet its corporate objectives.

“Shire” means the collective Shire of Nannup organisation. The Chief Executive Officer of the Shire of Nannup is responsible for ensuring the Shire’s obligations and commitments are met.

“Stakeholders” are those people/sectors of the community that have an interest or reliance upon an asset and who may be affected by changes in the level of service of an asset.

“Upgrade” means the enhancement of an existing asset to provide a higher level of service.

Related Policies	ADM 4 – Purchasing FNC 1 – Capitalisation of Fixed Assets FNC 2 – Depreciation of Fixed Assets WRK 12 – Plant Replacement
Related Procedures/Documents	Forward Plan (2011/12-2015/16) <u>Strategic Community Plan</u>
Delegated Level	
Adopted	25 August 2011
Reviewed	9 April 2013

30th April 2012

Tracey Bishop
 Asset Management Officer
 Shire of Nannup
 PO Box 11
 NANNUP WA 6275

Infrastructure Asset Report – Shire of Nannup

Dear Tracey

I am please to provide a brief summary of the infrastructure budget requirements for the Shire of Nannup. Firstly there was a need to validate the current road and drainage network within the ROMAN system and then product the program data for inclusion in the Shire of Nannup's Asset Management Plan.

The ROMAN data has been reviewed and found to represent an accurate reflection of the Shire's road and drainage infrastructure. However the Shire's ROMAN database does not contain any footpath information, therefore the path network could not be modelled at this stage.

It is now recommended that your ROMAN database be regularly (annually) updated to maintain a good level of accuracy. The maintenance of your database can be carried out each pay period as works are complete, or on an annual basis using the annual works program and some field validation. I would recommend the latter your Shire.

The Network

The current Shire's inventory consists of the following:

Roads

Cross Section	Lengths (km)	Areas (sq.m)
Unformed	13.66	53955.00
Formed	83.93	379844.00
Paved	279.25	1513452.00
Seal width less than 4.00m	0.62	2117.00
Seal width 4.00-4.99m	13.10	53271.00
Seal width 5.00-5.99m	2.22	11826.00
Seal width 6.00-6.99m	155.39	949060.00
Seal width 7.00 or more	36.29	273706.00
Total sealed	207.62	1289980.00
Total built roads	584.46	3237231.00
Unbuilt roads (Xsect=0)	22.81	0.00
Total all roads	607.27	3396135.00

Total number of roads 130.00

Drainage

Type	Lengths (m)
300 dia, pipe	1,035.82
375 dia, pipe	6,387.06
450 dia, pipe	1,555.60
525 dia, pipe	199.20
600 dia, pipe	613.31
750 dia, pipe	147.38
900 dia, pipe	709.09
1050 dia, pipe	126.80
1200 dia, pipe	25.70
Other	172.59
Total	10,972.55

Asset Valuation Summary

Inventory: CURRENT

Year	Formation	Replace	W/down	Depreciation
2012	46,343,106	46,343,106	0	

Note: the cost of forming a road does not depreciate.

Year	Pavement	Replace	W/down	Depreciation
2012	50,361,272	18,724,046	31,637,226	



Year	Seal	Replace	W/down	Depreciation
2012	4,013,019	1,245,644	2,767,375	


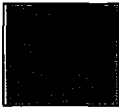

Year	Kerbing	Replace	W/down	Depreciation
2012	395,460	177,755	217,705	

Year	Total	Replace	W/down	Depreciation
2012	101,112,857	66,490,551	34,622,306	

From the condition of your road network, the Shire of Nannup's network procedures rate a score of 6.

Score Criteria

Rating	Score
	1 to 2 <ul style="list-style-type: none"> • Poor network preservation practices are occurring • Works <u>need</u> to be carried out next financial year • Will require addition funding
	3 to 4 <ul style="list-style-type: none"> • Attention should be directed at network preservation practices • Start planning for works to be carried out next financial year • Will require addition funding

	5 to 6 <ul style="list-style-type: none"> • Attention should be paid to network preservation practices • Prepare 5 year plan for improvement within 12 months • May require addition funding, however work improvements should be addressed initially
	7 to 8 <ul style="list-style-type: none"> • Good network preservation practices • Prepare 5 year preservation plan to compliment current practices • Business as usual, however it is suggested investigating some work task improvement to add value to practices.
	9 to 10 <ul style="list-style-type: none"> • Sound network preservation practices • Plans are in place and supported by resources and funding • Business as usual





Specific Work Tasks

ROMAN produces a series of graphs which show a visual representation of the condition of the Shire's network. These graphs give a general indication of the types of works required for future budgets, and also any work techniques which can be addressed.

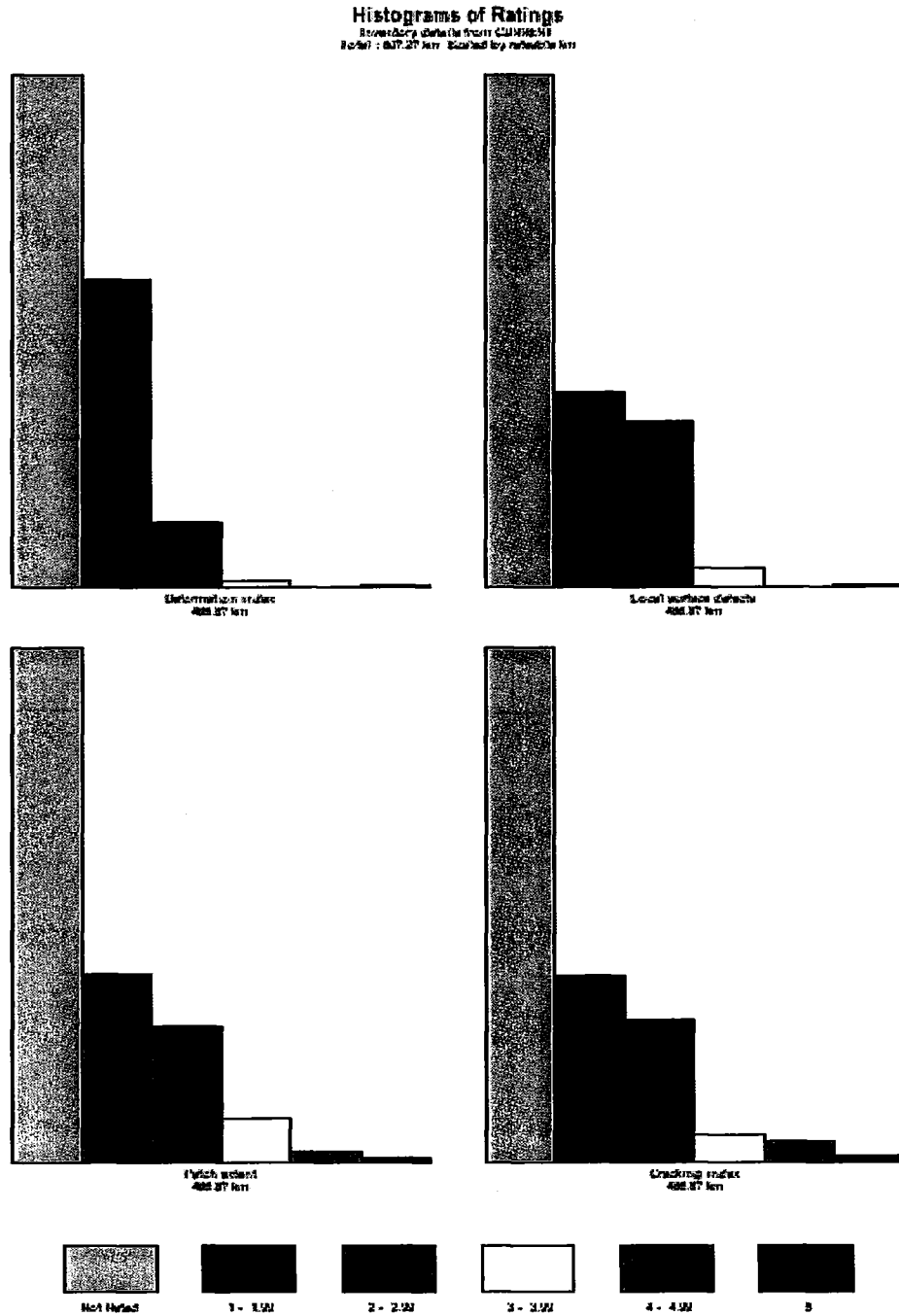
The graphs produces are for resealing, gravel resheeting, maintenance grading, reconstruction, and maintenance of edges, shoulder and drains.

The overall theme for Nannup Shire is "Business as Usual" with emphasis on improving the current type of works to increase specific preservation works for road reseals and shoulder and drain maintenance, and then a slight increase to routine grading, gravel resheeting and widening existing seals.

The ratings are shown in colours from 1 to 5. These colours represent the following priorities:

Rating	Priority
	5 (red) suggests that works need to be carried out in the next few years.
	4 (orange) suggests planning for works in within 2 to 5 years,
	3 (yellow) should be included for works within the next 5 to 10 years,
	1 & 2 (green) generally indicates there is no real problem and should be subject to normal routine maintenance procedures.

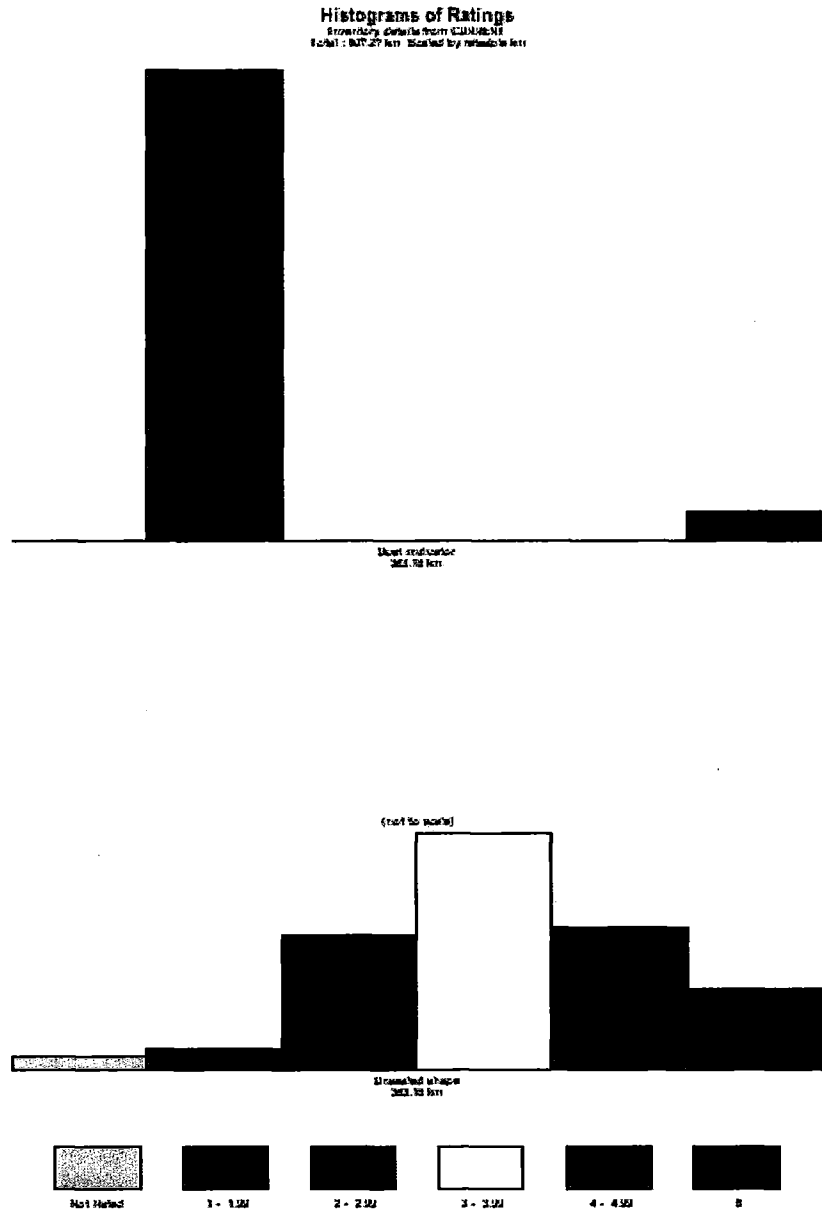
Graph A - Reconstruction



This graph indicates that your sealed road network is showing little signs of major failure with the next 5 years. However it does indicate the network contains small amount of isolated pavement cracking and associated subgrade failures. This could be attributed to a number of scenarios, but most likely the increase of heavy vehicles in combination with specific wet area of subgrade.

It is recommended that an annual program be developed to address localise cracking and pavement failures. The Shire may consider pavement stabilisation if these failures are only smaller, localised areas.

Graph B – Gravel Resheeting



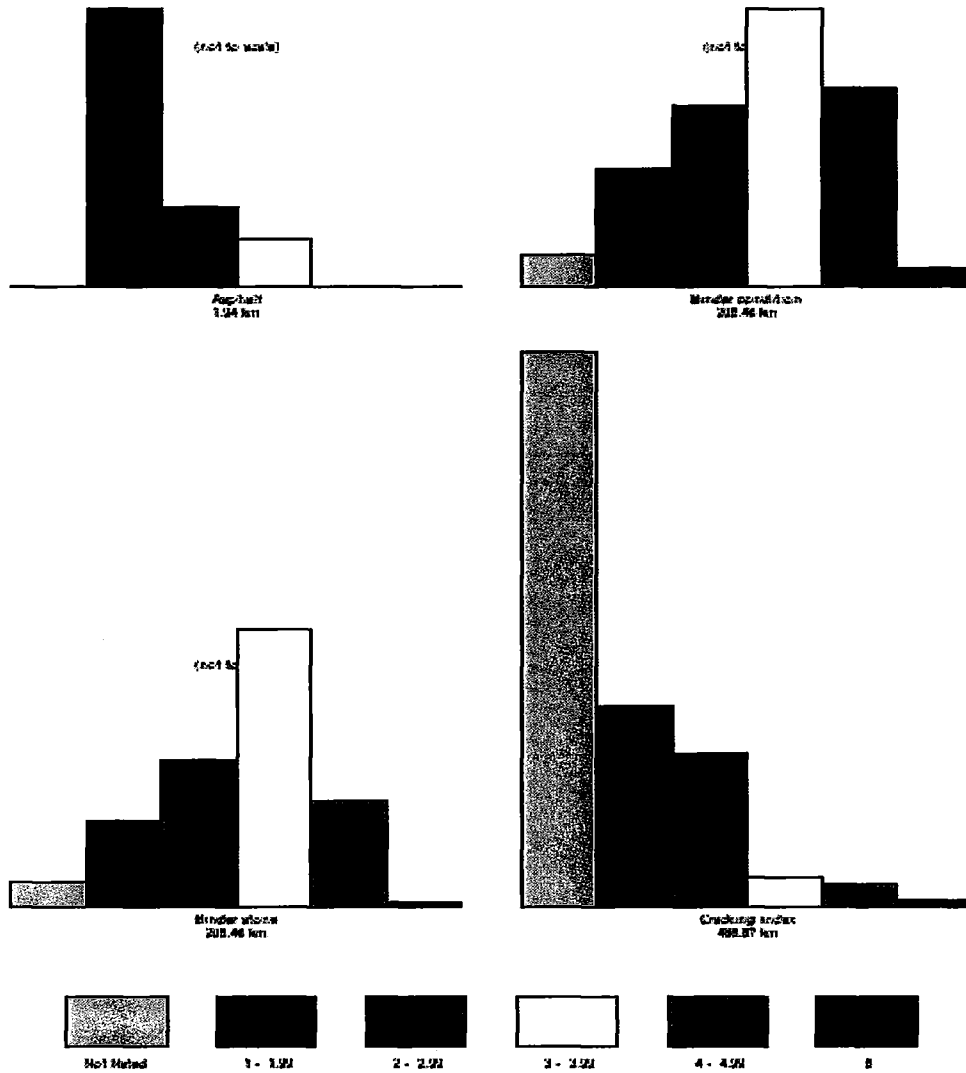
This graph indicates that your networks requires some gravel resheeting works, but mainly shows that resources should be directed to improving the maintenance grading procedure and techniques to reshape the road crown.

The ratings of 4 and 5 (orange & red) for the road shape indicate that the Shire should consider increasing the gravel resheeting program in conjunction with maintenance techniques to improve crown. A common reason for a high level of poor road shape is the lack of suitable material actually on the road for the maintenance grader operator to form a crown.

It is recommended that the Shire prepare a 5year gravel resheeting program to address the shape and depth of material. The Shire also should prepare a routine maintenance grading program to avoid long delays between routine grading of busy roads.

Graph C – Reseals

Histograms of Ratings
Inventory data for ROAD CLOSURES
Total : 637.27 km - Excludes top surface seal

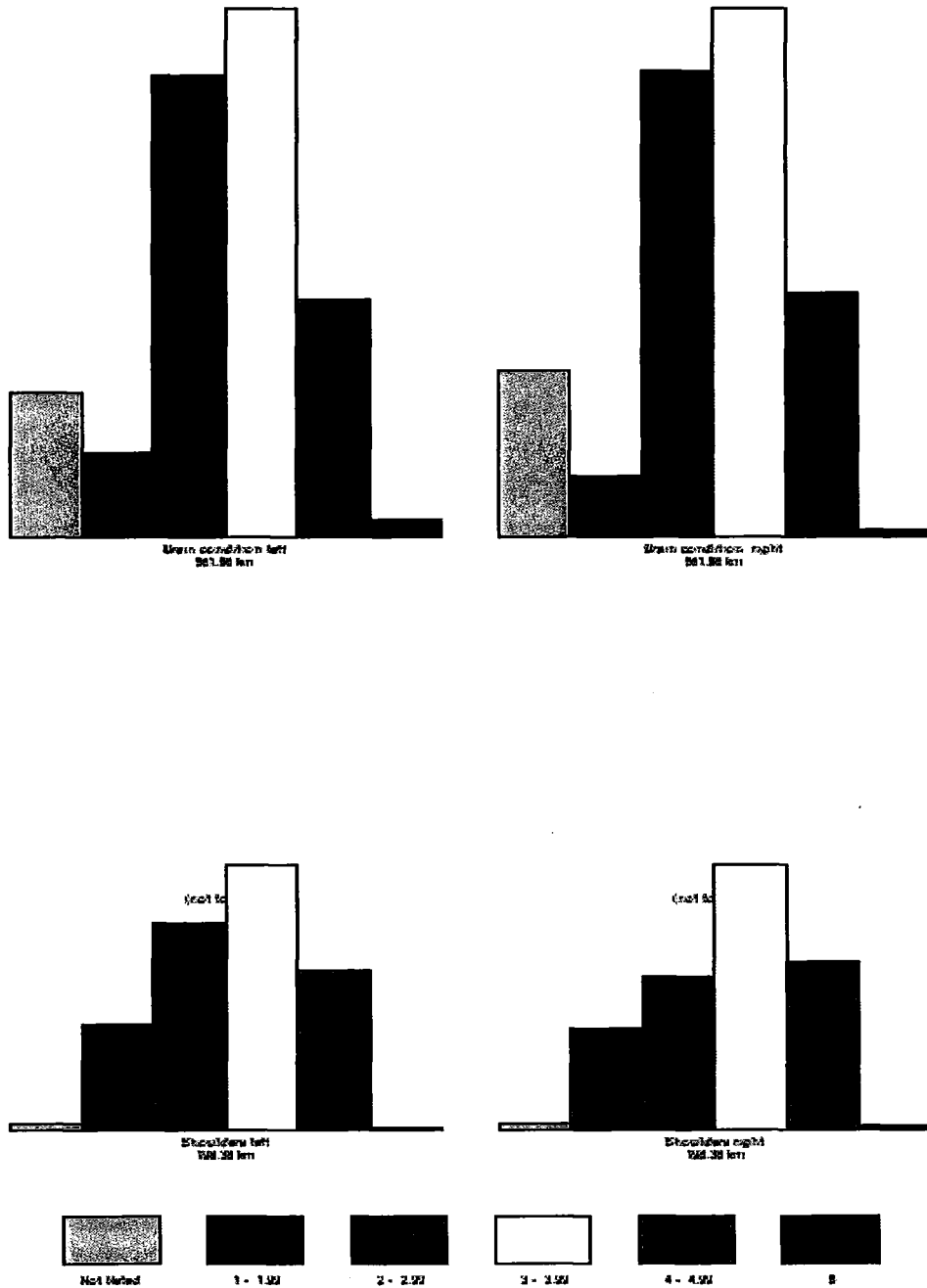


This graph indicates that your network contains some seal stripping which seems to be equally attributed to binder and stone application specification. It is recommended that the Shire review its binder and stone application specifications individually with each project. Attention should be paid to traffic type, seasonal influences and bitumen specification.

These graphs also indicate that the Shire should prepare a 5year reseal program to address future failures.

Graph D – Maintenance – Drainage and Shoulders

Histograms of Ratings
Inventory data from 02/01/2011
 Total : 637.07 km Scaled by network km

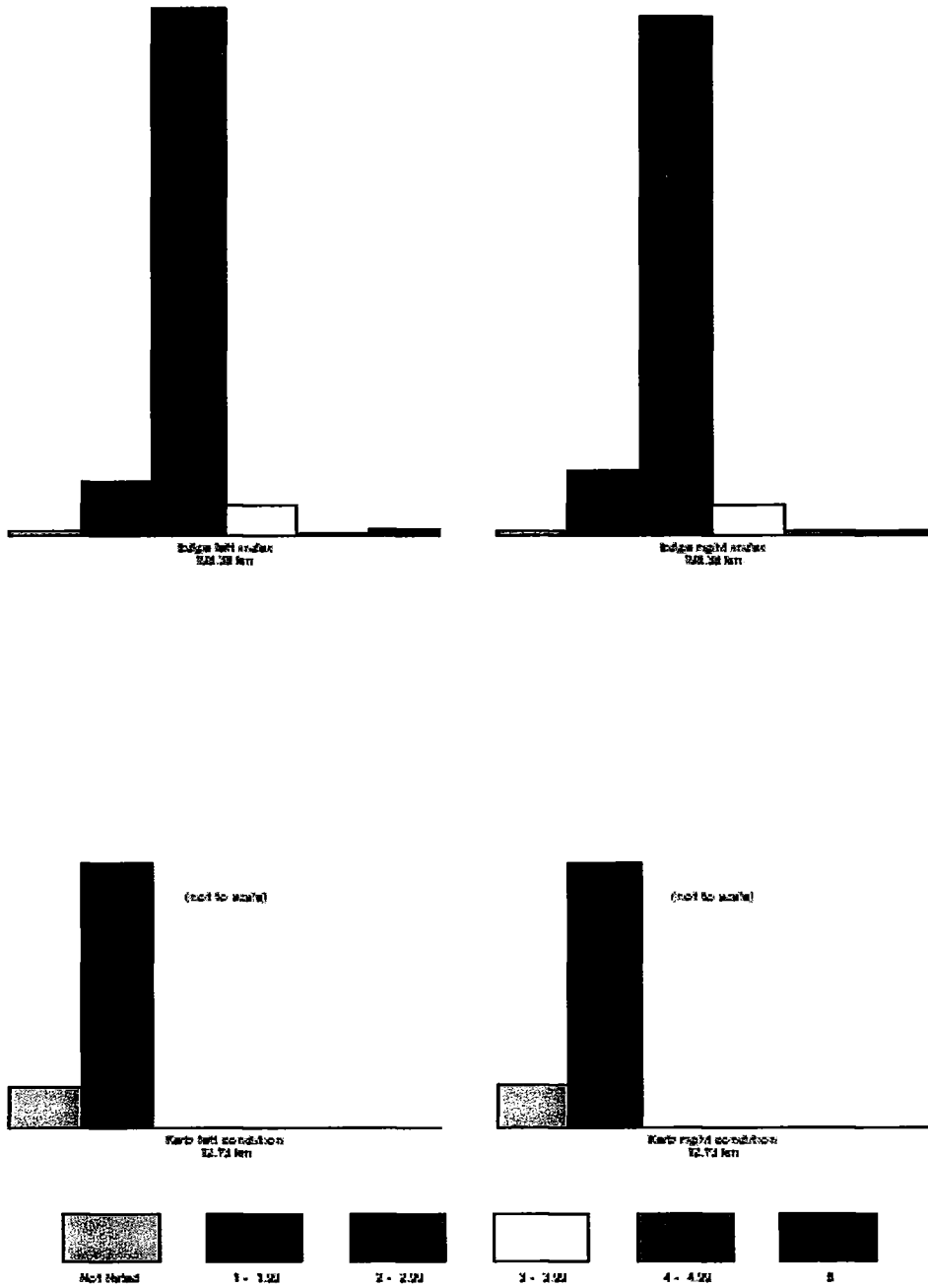


This graph indicates that your network requires some table drain maintenance in the next few years. The drainage maintenance program should be complimented by a shoulder grading program.

It is recommended that the Shire prepare a 5year shoulder and drainage program to address a poor shoulder and drain width and condition.

Graph D – Maintenance – Edges and Kerbing

Histograms of Ratings
 Summary details from CURMMS
 Total : 847.27 km Scaled by network km



This graph indicates that your network requires small amount of seal edge maintenance in the next few years. The seal edge maintenance program should be complimented by a shoulder grading program.

It is recommended that the Shire prepare a 5year seal edge maintenance program to address the future seal edge failures.

Recommendations

The overall depreciation values of the network show that the Shire should be allocating approximately \$ 2,955,957 annually for infrastructure preservation and improvement:

- \$ 1,874,835 per year to the capital maintenance and improvement of its road network.
 - Reconstruction of sealed roads – \$ 600,383
 - Reconstruction and seal of gravel roads - \$ 598,717
 - Widening – \$ 612,812
 - Reseal / surface correction – \$ 62,923
- \$ 7,000 per year to the maintenance of its pathway network. (repairs, not expansion)
- \$ 142,517 per year on roadside drainage maintenance (clearing table drains, culverts and offshoot drains)
- \$ 32,634 per year on specific maintenance (which is a maintenance program directly related to network preservation, such as crack sealing, edge repair).
- \$ 565,973 per year on a specific gravel resheeting
- \$ 259,150 per year on maintenance grading.
- \$ 48,848 per year on a specific shoulder maintenance program.
- \$ 25,000 per year for routine maintenance (which is day to day activities not planned)

The above figures generated by ROMAN are to control network depreciation and therefore should be considered more as “value” put into the road network rather than actual money to be spent. In some cases improved practices such as good road reconstruction and reseals design add more value to the network than what is actually spent, due to extending the life of the road.

A summary of road network considered to be below standard for traffic use:

- | | |
|---|-----------|
| • Length of unsealed road with inadequate depth of base | 399.65 km |
| • Length of road with inadequate kerbing | 10.94 km |
| • Length of road to be sealed due to adjoining land use | 20.52 km |

In respect to the Shire’s ROMAN database, it is recommended to:

- update the annual works program each year
- record all works with a start and end kilometres (or measurement from intersection or road feature)

I hope the works done, and this report, satisfies the Shire of Nannup’s requirements for the project. If you require any further assistance or advice please contact me on 0429 312264 or email: traffic@highway1.com.au.

ASSET MANAGEMENT PLAN SUMMARY OF INVESTMENT REQUIREMENT - LAND

Asset No.	Land ID	Certificate of Title	Area m2	Fair Value \$	Written Down Value \$	Purpose
Freehold Land						
L21	Lot 82 Wilson Street	82DP130080	2684/231	1012	40,000	110,000 Investment
L16	Lot 294 Carey Street	294DP1409787	1706/159	1009	95,000	18,000 Investment - corner of Struthers St
L1	Lot 202 Blythe Road	202DP1409787	1903/197	4021	27,500	4,250 Investment
L2	Lot 203 Blythe Road	203DP1409787	1903/197	4048	28,000	4,250 Investment
L3	Lot 204 Blythe Road	204DP1409787	1903/197	4048	28,000	4,250 Investment
L4	Lot 205 Blythe Road	205DP1409787	1903/197	4026	27,500	4,250 Investment
L5	Lot 206 Carey Street	206DP1409787	1903/197	4026	27,500	4,250 Investment
L6	Lot 207 Carey Street	207DP1409787	1903/197	4048	28,000	4,250 Investment
L7	Lot 208 Carey Street	208DP1409787	1903/197	4048	28,000	4,250 Investment
L8	Lot 209 Carey Street	209DP1409787	1903/197	4020	27,500	4,250 Investment
L9	Lot 210 Dunnet/Blythe Road	210DP1409787	1903/197	4625	32,000	4,250 Investment
L10	Lot 211 Dunnet/Blythe Road	211DP1409787	1903/197	4677	32,000	4,250 Investment
L11	Lot 212 Dunnet/Blythe Road	212DP1409787	1903/197	4682	32,000	4,250 Investment
L12	Lot 213 Dunnet/Blythe Road	213DP1409787	1903/197	4642	32,000	4,250 Investment
L13	Lot 233 Carey Street		2221/946	1012		19,000 Staff Housing
L15	Lot 234 Dunnet Road		2221/946	2023		28,750 Staff Housing
L18	Lot 248 Grange Road		1415/189	1376		20,000 FROGS Early Learning Centre
	Lot 1302 Carey Street		2163/925	1357		0 Staff Housing
				<u>485,000</u>	<u>246,750</u>	

ASSET MANAGEMENT PLAN SUMMARY OF INVESTMENT REQUIREMENT - BUILDINGS

Asset No.		Replacement Cost	Fair Value	Written Down Value	Remaining Life	Overall Condition	Classification	Annual Maint Budget	Annualised Capital Requirement	Capital Expenditure Total
		\$	\$	\$	Years	0-10		\$	\$	\$
Governance										
B10	Shire Offices	2,150,000	804,000	409,376	34	3	Core	2,200	64,052	0
		<u>2,150,000</u>	<u>804,000</u>	<u>409,376</u>				<u>2,200</u>	<u>64,052</u>	<u>0</u>
Law, Order & Public Safety										
B34	Darradup Fire Shed	400,000	250,000	12,785	57	3	Core	0	10,833	0
B37	Water Tank King Rd Darradup BFB			2,779			Core			0
B36	North Nannup Fire Station	115,000	67,000	11,387	56	2	Core	0	3,115	0
B39	Nannup Brook Fire Station	165,000	116,000	41,603	61	3	Core	0	4,469	0
B46	Scott River Fire Shed	115,000	90,000	38,404	70	3	Core	0	3,115	0
B47	Carlotta Fire Shed									0
B47	SES Fire Shed	325,000	206,000	41,921	57	2	Core	1,000	8,802	0
		<u>1,120,000</u>	<u>729,000</u>	<u>148,879</u>				<u>1,000</u>	<u>30,333</u>	<u>0</u>
Health										
		<u>0</u>	<u>0</u>	<u>0</u>				<u>0</u>	<u>0</u>	<u>0</u>
Education & Welfare										
B9	Nannup Kindergarten	440,000	174,000	54,568	39	3	Non Core	4,196	13,108	0
B24	FROGS	540,000	540,000	540,000	120	0	Non Core	0	16,088	0
		<u>980,000</u>	<u>714,000</u>	<u>594,568</u>				<u>4,196</u>	<u>29,196</u>	<u>0</u>
Housing										
B25	30 (Lot 234) Dunnet Road	415,000	125,000	114,838	50	4	Non Core	1,000	12,364	0
B33	28 Carey Street	355,000	105,000	112,641	55	3	Non Core	1,000	10,576	0
B41	29 Carey Street	315,000	90,000	134,093	49	3	Non Core	1,000	9,384	0
		<u>1,085,000</u>	<u>320,000</u>	<u>361,572</u>				<u>3,000</u>	<u>32,324</u>	<u>0</u>

Community Amenities										
B33	Nannup Cemetery	0	0				Non Core	2,012		0
B40	Waste Management Facility	320,000	179,000	133,009	53	2	Core	7,342	8,667	0
B11	Public Toilets - Shire Offices	45,000	12,000	4,000	29	6	Non Core	1,234	1,125	42,632
B35	Public Toilets - Town Hall	135,000	88,000	39,347	54	4	Non Core	1,234	4,022	6,750
B17	Public Toilets - Visitor Centre	125,000	64,000	24,700	44	5	Non Core	1,234	3,385	37,500
B2	Public Toilets - Old Roads Board			476				1,234		0
B31	Public Toilets - Town Oval			2,750			Disposable	1,234		0
B42	Public Toilets - Foreshore Park	210,000	210,000	156,735	67	6	Non Core	1,234	5,688	63,000
B45	Balingup Road Ablution Block (New)	265,000	213,000	156,735	67	3	Non Core	1,234	7,177	0
B44	Community Storage Sheds	165,000	125,000	20,956	55	2	Disposable	0	4,469	0
		<u>1,265,000</u>	<u>891,000</u>	<u>538,708</u>				<u>17,992</u>	<u>34,532</u>	<u>149,882</u>
Recreation & Culture										
B1	Old Roads Board Building	340,000	65,000	87,733	20	4	Non Core	3,500	9,208	85,000
B3	Town Hall	1,500,000	500,000	250,519	30	6	Non Core	4,965	44,688	75,000
B4	Lesser Hall (Supper Room)	430,000	100,000	31,048	20	4	Non Core	6,400	12,810	0
B12	Community Centre	1,370,000	557,000	75,064	35	5	Non Core	1,000	37,104	68,500
B13	Recreation Centre	2,300,000	1,091,000	279,224	43	7	Non Core	0	62,292	690,000
B14	Cundinup Community Hall	250,000	17,000	9,500	9	10	Disposable	0	7,448	331,250
B15	Carlotta Community Hall	200,000	74,000	10,500	34	9	Disposable	45	5,958	265,000
B23	Bowling Club	1,150,000	446,000	65,265	44	3	Non Core	0	34,260	0
B27	Community House - Brockman Street	275,000	75,000	42,500	24	5	Disposable	2,900	8,193	82,500
B38 & IA5	Skatepark, Sport Facilities & Toilets	325,000	101,000	85,133	59	6	Non Core	0	8,802	32,500
	Marinko Tomas Picnic Shelter & Facilities	140,000	48,000	0	69	2	Non Core		3,899	0
B30	Marinko Tomas Statue			24,750			Non Core	0		0
IA8	Marinko Tomas Playground							0		0
B32	War Memorial			2,000			Non Core	0		0
?	Foreshore Park Picnic Shelters	125,000	78,000		55	2	Non Core		3,481	0
?	Foreshore Park Amphitheatre	130,000	87,000	0	35	2	Non Core	0	3,250	0
		<u>8,535,000</u>	<u>3,239,000</u>	<u>963,236</u>				<u>18,810</u>	<u>241,394</u>	<u>1,629,750</u>
Transport										
?	Shire Depot Sign Shed	150,000	95,000		54	2	Core		4,063	0
B8	Shire Depot Tractor & Machinery Shed	115,000	63,000	59,967	49	1	Core		3,115	0
B7	Shire Depot Amenities & Crib Room	210,000	137,000	66,330	49	5	Core		5,688	63,000
?	Shire Depot Administration Office	32,000	22,000		49	3	Core	29,233	867	0
B6	Shire Depot Maintenance Shed	490,000	197,000	246,594	34	2	Core		13,271	0
?	Shire Depot Chemical Storage Shed	12,000	8,000		49	1	Core		325	0
?	Shire Depot Gardeners Shed & Office	60,000	60,000		49	2	Core		1,625	0
?	Shire Depot Fire Tank Store	20,000	16,000		58	2	Core		542	0
?	Shire Depot Truck Store	90,000	74,000		59	2	Core		2,438	0
		<u>1,179,000</u>	<u>672,000</u>	<u>372,891</u>				<u>29,233</u>	<u>31,931</u>	<u>63,000</u>

Economic Services										
B16	Visitor Centre	550,000	161,000	104,823	29	6	Non Core	313	16,385	165,000
B19	Caravan Park & Kitchen	50,000	17,000	2,850	44	4	Non Core	2,788	1,490	15,000
B18	Caravan Park Ablution Block	240,000	155,000	24,700	54	4	Non Core	2,788	6,500	12,000
B20	Caravan Park - Timber Toilets	32,000	9,000	1,000	24	4	Disposable	0	953	9,600
B22	Caravan Park - Garage & Storage Shed	10,000	3,000	0	24	7	Disposable	0	298	3,500
?	Playground - Brockman Street	27,000	21,000	0	18		Disposable	0		0
B21	Riversbend - Ablution Block (Old)	145,000	8,000	105,909	5	4	Disposable	0	3,927	137,750
B22	Rivers Bend - Other Infrastructure	10,000	1,100	1,615	9		Non Core	0		0
		<u>1,064,000</u>	<u>375,100</u>	<u>240,897</u>				<u>5,889</u>	<u>29,553</u>	<u>342,850</u>
Other Property Services										
		<u>0</u>	<u>0</u>	<u>0</u>				<u>0</u>	<u>0</u>	<u>0</u>
		<u>17,378,000</u>	<u>7,744,100</u>	<u>3,630,127</u>				<u>82,320</u>	<u>493,316</u>	<u>2,185,482</u>

ASSET MANAGEMENT PLAN SUMMARY OF INVESTMENT REQUIREMENT - INFRASTRUCTURE

Asset No.		Replacement Cost	Fair Value	Written Down Value	Life	Overall Condition	Classification	Annual Maint Budget	Annualised Capital Requirement
		\$	\$	\$	Years	0 -10		\$	\$
	Transport								
IA1	Clear & Earthworks	46,343,106	46,343,106	50,885,982				470,000	931,605
IA2	Pavement	50,361,272	18,724,046	28,852,939	50	4	Core	618,000	1,874,835
IA3	Seal	4,013,019	1,245,644	1,996,384	15	4	Core		
IA4	Kerbing	395,460	177,755	383,718	100	4	Core		
IA6	Drainage			2,144,415	50		Core		142,517
IA7	Footpaths			463,042	50			50,000	7,000
IA8	Parks & Gardens	1,421,699	826,436	794,570	50			81,502	
IA5	Skatepark			59,169	50	6			
		<u>102,534,556</u>	<u>67,316,987</u>	<u>85,580,219</u>				<u>1,219,502</u>	<u>2,955,957</u>

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

AGENDA NUMBER:	11.6
SUBJECT:	Budget Review – March 2013
LOCATION/ADDRESS:	Nannup Shire
NAME OF APPLICANT:	N/A
FILE REFERENCE:	FNC 8
AUTHOR:	Tracie Bishop – Finance Officer
REPORTING OFFICER:	Vic Smith – Manager Corporate Services
DISCLOSURE OF INTEREST:	None
DATE OF REPORT	9 April 2013

Attachment 1: Table Showing Detailed Variances for 2012/2013

Attachment 2: Monthly Financial Statements for the period ending 31 March 2013

BACKGROUND:

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

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

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

COMMENT:

The gross underspend anticipated for the end of this financial year is expected to be \$915,398. The vast majority of this relates to capital projects where expenditure lags the receipt of income to fund the project. For example, projects such as the recreation centre upgrade and the main street upgrade are dependent on income from Royalties for Regions; this income is only now being received. The expenditure relating to these types of projects will therefore be carried forward into 2013/14.

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

After removing these amounts from the overall movement we anticipate that there will be an overspend for this year of \$24,602. This is shown in the table below.

	<i>Savings</i> \$
Gross saving expected for the year	
Income – under received	\$184,852
Expenditure – savings made	-\$1,100,250
Total Gross Saving	-\$915,398
Less: Savings to be carried forward income	-\$60,000
Add: Savings to be carried forward expenditure	\$1,000,000
Net overspend at end of the year	\$24,602

Full details of all variances, including all the savings which will be carried forward, are shown at Attachment 1. There are significant savings found within fuels and oils, parks and gardens and insurances. These are primarily the result of efficiency savings achieved during the year and the shorter distances travelled as a result of the construction of Mowen Road has saved on fuel expenditure. The savings returned on insurance is a result of anticipated increases within this industry not reaching the levels expected.

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

The final figure for the new addition of a caravan park is yet to be fully evaluated. As this service is only in its first year of operation projections were based on limited data. Income and expenditure on the caravan park will continue to be closely monitored and updated as the business plan is developed. It is anticipated that on an operational level there will be a loss of approximately \$19,000 in 2012/13.

As a result of the lag in receipt of grant income it is anticipated that capital expenditure will be lower than originally budgeted. Projects that will be carried forward and included in the 2013/14 budget include the Recreation Centre upgrade, and Heart of Nannup projects.

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

STATUTORY ENVIRONMENT:

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

POLICY IMPLICATIONS: None.

FINANCIAL IMPLICATIONS: A net overspend at the end of the year of \$24,602.

STRATEGIC IMPLICATIONS: None.

VOTING REQUIREMENTS: Simple Majority

RECOMMENDATION:

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

Summary

Mar-13	
Year End Anticipated Position	Year To Date Position
(Surplus)/Deficit	
\$	\$
Income	124,852
Expenditure	(100,250)
Total Overspend/(Underspend) Anticipated	24,602
	642,857
	(1,026,083)
	(383,226)

Income - Gross - <i>under received</i>	\$184,852.00
Less Reserve Contribution	-\$60,000.00
Expenses - Gross - <i>under spent</i>	-\$1,100,250.00
Plus R4R carried forward	\$1,000,000.00
	<u>\$24,602.00</u>

Gross Inc + Gross Exp	-\$915,398.00
-carried forwards and reserve transfers	-\$940,000.00
	<u>\$24,602.00</u>

Based on projections from current data it is anticipated that we will have an overspend of \$24602.

Governance Expenditure			Explanation	(Under Expended)/Over Expended		
Budget	Actual	Current		Year End		
0112	\$ -	\$ -	Election Expenses	balanced	* 0	0
0122	\$ 23,125.00	\$ 3,113.09	Strategic Planning	Currently not showing exp. Miscoding error suspected.	(20,012)	0
0142	\$ 15,400.00	\$ 11,249.09	Refreshments	for current month showing a \$3 difference. Balanced outcome	(4,151)	0
0162	\$ 37,550.00	\$ 37,845.00	Donations/contributions	timing issues. Expected to balance at year end	295	0
0172	\$ 42,650.00	\$ 22,696.66	Councillor allowances	timing issues expected. Balanced at year end	(19,953)	0
0182	\$ 21,977.00	\$ 16,586.58	Subscriptions	timing issues expected. Balanced at year end	(5,390)	0
0192	\$ 8,500.00	\$ 7,852.70	Conference expenses	timing issues expected. Balanced at year end	(647)	0
0202	\$ 189,000.00	\$ 7,992.69	Insurance	overall a \$9K savings overall increases anticipated not achieved	(181,007)	(9,000)
0212	\$ -	\$ -	CEO performance review	Should be balanced	0	0
0532	\$ 1,000.00	\$ 152.96	Gratuities	timing issues expected. Balanced at year end	(847)	0
0572	\$ -	\$ -	Members consumables	timing issues expected. Balanced at year end	0	0
	\$ 339,202.00	\$ 107,488.77			(231,713)	(9,000)
General Administration			Explanation	(Under Expended)/Over Expended		
Budget	Actual	Current		Year End		
0272	\$ 371,015.00	\$ 288,119.99	Admin Salaries	Additional workload attributed to strategic planning. Support also needed for finance area due to increased pressures from town planning/building/health areas.	(82,895)	10,000
0312	\$ 2,000.00	\$ 3,952.61	minor furniture & equip	balanced position expected. Ccurrent position result of incorrect coding of exp.	1,953	0
0362	\$ 49,290.00	\$ 22,073.48	Building & Gardens maintenance	timing issues expected. Balanced at year end	(27,217)	0
0372	\$ 32,741.00	\$ 28,284.03	Computer maintenance	timing issues expected. Balanced at year end	(4,457)	0
0382	\$ 15,877.00	\$ 18,190.93	Printing & Stationery	additional administration costs	2,314	7,000
0392	\$ 11,178.00	\$ 9,543.38	Telephone Expenses	overall increase in office expenditure	(1,635)	2,000
0402	\$ 6,649.00	\$ 1,231.45	Office Equipment Maintenance	less maintenance than anticipated	(5,418)	(2,000)
0412	\$ 4,237.00	\$ 3,169.46	Postage	balanced position expected.	(1,068)	0
0432	\$ 9,000.00	\$ 2,709.35	Vehicle & Travel	balanced position expected.	(6,291)	0
0442	\$ 5,156.00	\$ 4,831.42	Bank Charges	Fees less than anticipated	(325)	(950)
0452	\$ 7,941.00	\$ 3,832.66	Advertising	balanced position anticipated	(4,108)	0
0462	\$ 11,617.00	\$ 9,480.00	Audit Fees	timing issues expected. Balanced at year end	(2,137)	0
0482	\$ 5,000.00	\$ 150.20	Legal Fees	no major legal costs for this fin year	(4,840)	(4,800)
0492	\$ 13,600.00	\$ 10,031.20	staff training expenses	timing issues expected. Balanced at year end	(3,569)	0
0502	\$ 800.00	\$ 252.25	sundry expenses	timing issues expected. Balanced at year end	(548)	0
	\$ 546,101.00	\$ 405,862.41			(140,239)	11,250
General Purpose Revenue			Explanation	(Under Expended)/Over Expended		
Budget	Actual	Current		Year End		
4812	\$ 1,059,368.00	\$ 1,260.00	R4R Expenditure	Should carry forward \$1.0M Due to lag time between receiving funds and action.	(1,058,108)	(1,000,000)
0472	\$ 20,548.00	\$ 879.30	Rating Valuation Expenses	Annual charges outstanding. Should be balanced	(19,669)	0
4872	\$ 18,010.00	\$ 14,590.34	DOT Licensing Expenses	Expenses higher than anticipated	(3,420)	2,000
0422	\$ 50,000.00	\$ 13,591.94	Recoverable Expenses	should be under \$ 20K - Changes in classification has seen expenses coded to correct area of occurrence.	(36,408)	(20,000)
	\$ 1,147,926.00	\$ 30,321.58			(1,117,604)	(1,018,000)

	Budget	Actual	Explanation		Current	Year End	
Health							
1242	\$ 334.00	\$ 270.16	Insurance	*	(64)	0	
1322	\$ 2,000.00	\$ 408.01	Admin Expenses	timing issues - expected to be balanced at year end	(1,592)	0	
9142	\$ -	\$ 115.03	Deprcn Expense		115	0	
	\$ 2,334.00	\$ 793.20			(1,541)	0	
Housing							
1712	\$ 19,057.00	\$ 21,197.14	Build Maintenance	timing issues expected to be over \$3.5K as a result of age of buildings and increased maintenance requirements.	2,140	3,500	
	\$ 19,057.00	\$ 21,197.14			2,140	3,500	
Community Amenities							
1762	\$ 75,000.00	\$ 25,671.09	Contract Collection - waste	Timing issues, expected to be balanced at year end	*	(49,329)	0
1772	\$ 114,474.00	\$ 62,967.14	Waste Mgmt Facility	Timing issues, expected to be overspent by \$2.5 due to fencing expenses	(51,507)	2,500	
9000 5952 -4	\$ 8,228.00	\$ -	Street Bin Pick up	Should be balanced by year end	(8,228)	0	
2132	\$ 66,800.00	\$ 59,470.08	Town Planning Services	Additional work required expected to be over	(7,330)	15,000	
2142	\$ 26,140.00	\$ 7,448.68	Admin Expenses	Offset against 121720	*	(18,691)	(10,000)
2212	\$ 6,200.00	\$ -	LPS Amend Exp	Offset against 121720	(6,200)	(5,000)	
2302	\$ 15,170.00	\$ 11,990.36	Cemetery Exp	Should be balanced at year end.	(3,180)	0	
2322	\$ 34,406.00	\$ 19,846.50	Public Conveniences	Saving expected	(14,560)	(5,000)	
	\$ 346,418.00	\$ 187,393.85			(159,024)	(2,500)	
Rec & Culture							
2422	\$ 15,091.00	\$ 6,318.84	Town Hall	Offset against rec centre expenditure	(8,772)	(5,000)	
2432	\$ 11,350.00	\$ 16,867.71	Rec Centre	Timing Issues show overspend larger than anticipated year end position. Will be offset against expenditure for town hall.	*	5,518	5,000
2442	\$ 3,439.00	\$ 2,439.45	Comm Centre	Timing issues. Should be balanced at year end	(1,000)	0	
2462	\$ 11,666.00	\$ 1,775.44	Telecentre	Maintenace not required as expected	(9,891)	(6,000)	
2472	\$ 4,665.00	\$ 1,025.06	Old Roads Building	Maintenace not required as expected	(3,640)	(2,500)	
2482	\$ 2,832.00	\$ 2,789.90	Bowling Club	Timing issues. Should be balanced at year end	(42)	0	
2492	\$ 545.00	\$ 452.03	Cundinup Hall	Timing issues. Should be balanced at year end	(93)	0	
2502	\$ 501.00	\$ 2,591.92	Carlotta Hall	Improvements and upkeep costs hire than anticipated	2,091	10,000	
2642	\$ 276,820.00	\$ 113,206.10	Public Parks	Savings expected	(163,614)	(50,000)	
2842	\$ 5,000.00	\$ 3,838.01	Art Maintenance	Should be balanced at year end.	(1,162)	0	
7432	\$ 10,758.00	\$ 12,436.36	Foreshore Park	Expenses higher than expected	1,678	2,000	
2922	\$ 5,000.00	\$ 3,589.86	Office Expenses - Library	Timing issues. Should be balanced at year end	(1,410)	0	
2923	\$ 200.00	\$ -	Write-Offs - Library	Timing issues. Should be balanced at year end	(200)	0	
	\$ 347,867.00	\$ 167,330.68			(180,536)	(46,500)	

	Budget	Actual	Explanation		Current	Year End
Cost/(Saving)						
Transport						
3212	\$ 32,358.00	\$ 15,821.20	Depot Maintenance	Anticipated savings at year end	(16,537)	(5,000)
3240	\$ 5,000.00	\$ 7,495.17	Traffic Signs	Overspend anticipated	2,495	2,000
3420	\$ 23,832.00	\$ 16,121.46	Street Lighting	Overspend anticipated	(7,711)	2,000
	\$ 61,190.00	\$ 39,437.83			(21,752)	(1,000)
Economic Services						
3862	\$ 7,784.00	\$ 9,303.37	Functions & Events	Infancy phase anticipated loss from concert \$10K	(17,087)	10,000
3932	\$ 6,943.00	\$ 36,322.08	Caravan Park & Camping		29,379	35,000
3912	\$ 6,000.00	\$ 19,605.23	Caravan Park & Camping Gardening	Two COA's combined = 16382 B - 19942 = 3560 overspend.	13,605	12,000
3962		\$ 5,302.53	Regional Promotion		5,303	
4024	\$ 70,000.00	\$ 69,402.02	Capital - Caravan Park	Due to Council agreement of a revised budget of \$70k it is expected that this item will be balanced at year end.	(598)	0
4062	\$ 24,753.00	\$ 12,502.40	Salary - Bldng	Building Surveyor worked less than anticipated to date.	(12,251)	(4,000)
	\$ 115,480.00	\$ 133,830.89			18,351	53,000
Other Property & Services						
4292	\$ 21,809.00	\$ 28,810.09	Private Works	Anticipated that expenses will be \$4K over at year end.	7,001	4,000
4312	\$ 9,152.00	\$ 3,157.62	Training	Should be balanced at year end.	(5,994)	0
4452	\$ 9,163.00	\$ 7,629.22	Protective Clothing	Should be balanced at year end.	(1,534)	0
4462	\$ 3,201.00	\$ 1,534.85	Safety Meetings	Should be balanced at year end	(1,666)	0
4532	\$ 913.00	\$ -	Admin Expenses		(913)	0
6792	\$ 30,613.00	\$ 21,068.75	Public Hols		(9,544)	0
7672	\$ 1,826.00	\$ -	Recruitment Exp	Anticipated \$2K saving at year end.	(1,826)	(2,000)
4482	\$ 25,663.00	\$ 19,999.84	Tyres & Batteries	Anticipated \$3K saving at year end	(5,663)	(3,000)
4492	\$ 24,513.00	\$ 27,246.33	Insurances & Licenses		2,733	0
4982	\$ 275,000.00	\$ 111,017.00	Fuel & Oil	Anticipated \$60K saving at year end	(163,983)	(90,000)
4992	\$ 3,663.00	\$ 4,291.45	Sundry Tools	Should be balanced at year end	628	0
6802	\$ 50,413.00	\$ 37,009.54	Parts & External Work	Journals required - Should be balanced	(13,403)	0
9362	\$ -	\$ -			0	
	\$ 455,929.00	\$ 261,764.69			(194,164)	(91,000)
Total Expenditure Savings Anticipated for Year					(2,026,083)	(1,100,250)
Less Capital Carried Forward - R4R					(1,000,000)	(1,000,000)
					(1,026,083)	(100,250)

31/03/2013	Budget	Actual	Explanation	(Over received)/Under received		
				Current	Anticipated Year End	
General Purpose Revenue						
0011	(1,236,189)	(1,240,582)	Rate Revenue	Anticipated surplus of \$7.2K	(4,393)	(4,393)
0041	(3,500)	(3,660)	Legal Fees		(160)	(350)
0061	(6,000)	(12,026)	Int on Overdue rates	Anticipate that at year end will have surplus of \$7.5K	(6,026)	(7,500)
0091	(345,537)	(285,785)	Equalisation Grant	Revision from Grants Commission will see increase in revenue received	59,753	(35,500)
0261	(3,000)	(4,179)	Interest on Instalments		(1,179)	1,679
0271	(500)	0	Int on deferred rates	should be balanced at year end	500	0
0291	(242,690)	(142,769)	Local Road Grant	Revision from Grants Commission will see decrease in revenue received	99,922	52,000
0553	(670,936)	(455,678)	R4R	Should be balanced.	215,258	0
0361	(3,500)	(3,710)	Admin Charges		(210)	200
0523	(25,000)	(13,244)	DOT Commission	Lower than anticipated usage	11,756	10,000
0533	(20,000)	(11,643)	Sundry Income	Lower than anticipated usage	8,357	5,000
0573	(50,000)	(6,049)	Expenses Recovered	Should be balanced to expenses recoverable at year end	43,951	20,000
4873	(80,000)	(46,556)	Interest on Investment - General	Lower interest rates have impacted overall income received	32,357	5,000
4883	(30,000)	(31,087)	Interest on Investment - R4R			
	(2,716,852)	(2,256,967)			459,885	46,136
General Administration						
7053	(1,000)	(1,658)	Shirley Humble room hire	Hall hire higher than expected	(658)	(2,500)
	(1,000)	(1,658)			(658)	(2,500)
Health						
1383	(2,618)	(990)	Gen License Fees	Surplus anticipated	3,266	3,266
1373	(2,200)	(562)				
	(4,818)	(1,552)			3,266	3,266
Education & Welfare						
0993	(6,670)	0		Lease agreement to be finalised. Invoice to be sent	6,670	0
	(6,670)	0			6,670	0
Housing						
1723	(16,796)	(16,796)	Rental Income	balanced	0	0
	(16,796)	(16,796)			0	0

31/03/2013	Budget	Actual		Explanation	(Over received)/Under received	
Community Amenities						
1803	(60,045)	(47,060)	Mobile Bin Charges	Audit revealed incorrect number of bins used for calculation - account for current period outstanding	12,985	13,000
	(36,225)	(34,571)	Recycling Fees	Timing issues	1,654	1,650
1813	(14,000)	(12,832)	Tip Fees	Tip pass impact seen	1,168	2,000
2243	(3,000)	0	LPS Amend Contributions	Surplus expected. Less amendments to LPS. O/S amends not likely to be ready in time. Fees and charges vary year to year	3,000	3,000
2253	(7,000)	(1,866)	Misc Fees & Charges	Lower than anticipated town planning income received	5,134	6,500
2373	(2,000)	(2,598)	Cemetery Fees	higher than anticipated - estimation only in first instance	(598)	(700)
	(122,270)	(98,927)			23,343	25,450
Recreation & Culture						
7043	(5,889)	(4,826)	Hire Fees - Rec Centre		1,063	1,500
7053	(5,531)	(1,658)	Hire Fees - Other Venues		3,873	2,000
3033	(3,000)	0	User Charges & Sundry Income		3,000	3,000
	(14,420)	(6,484)			7,936	6,500
Transport						
3361	(140,000)	(93,333)	Mowen Road Supervision Fee	Supervision fee collected will be higher than anticipated	46,667	60,000
	(140,000)	(93,333)			46,667	60,000
Economic Services						
3923	(140,000)	(61,715)	Caravan Park Income		78,285	42,000
	(140,000)	(61,715)			78,285	42,000
Other Property & Services						
4323	(26,894)	(9,431)	Private Works	Timing issues higher income anticipated	17,463	4,000
	(26,894)	(9,431)			17,463	4,000
				Overall (Surplus)/deficit anticipated	642,857	184,852
	(3,189,720)	(2,546,863)	TOTAL INCOME	Less Capital Carried Forward - Mowen Road		(60,000)
				Net Deficit Anticipated:	642,857	124,852

SHIRE OF NANNUP

STATEMENT OF FINANCIAL ACTIVITY

For The Period 1 July 2012 TO 31 March 2013

<u>Operating</u>	2012/13 Y-T-D Actual \$	2012/13 Y-T-D Budget \$	2012/13 Budget \$	Variances Y-T-D Budget to Actual %
Revenues/Sources				
Governance	0	750	1,000	(100%)
General Purpose Funding	1,016,385	1,120,564	1,494,085	(9%)
Law, Order, Public Safety	57,886	263,050	350,733	(78%)
Health	2,007	3,614	4,818	(44%)
Education and Welfare	82,448	30,923	41,230	167%
Housing	12,786	12,597	16,796	1%
Community Amenities	99,825	91,703	122,270	9%
Recreation and Culture	12,491	21,791	29,054	(43%)
Transport	5,772,202	5,159,084	6,878,779	12%
Economic Services	84,024	162,000	216,000	(48%)
Other Property and Services	35,807	20,171	26,894	78%
	7,175,861	6,886,244	9,181,659	4%
(Expenses)/(Applications)				
Governance	(222,609)	(633,089)	(844,118)	(65%)
General Purpose Funding	(90,547)	(861,095)	(1,148,126)	(89%)
Law, Order, Public Safety	(271,972)	(248,528)	(331,371)	9%
Health	(38,113)	(27,315)	(36,420)	40%
Education and Welfare	(107,447)	(131,356)	(175,141)	(18%)
Housing	(33,102)	(21,072)	(28,096)	57%
Community Amenities	(260,207)	(285,038)	(380,051)	(9%)
Recreation & Culture	(262,282)	(303,204)	(404,272)	(13%)
Transport	(1,331,616)	(1,655,409)	(2,207,212)	(20%)
Economic Services	(201,896)	(255,703)	(340,937)	(21%)
Other Property and Services	122,401	21,372	28,496	473%
	(2,697,390)	(4,400,436)	(5,867,248)	(39%)
Adjustments for Non-Cash (Revenue) and Expenditure				
(Profit)/Loss on Asset Disposals	(0)	14,625	19,500	(100%)
Depreciation on Assets	932,430	1,363,739	1,818,318	(32%)
Capital Revenue and (Expenditure)				
Purchase Land and Buildings	(168,298)	(424,127)	(565,502)	(60%)
Purchase Infrastructure Assets - Roads	(3,780,653)	(5,445,836)	(7,261,114)	(31%)
Purchase of Infrastructure Assets - Parks				0%
Purchase Plant and Equipment	(396,963)	(370,425)	(493,900)	7%
Purchase Furniture and Equipment	(12,167)	(20,588)	(27,450)	(41%)
Proceeds from Disposal of Assets	0	105,000	140,000	(100%)
Repayment of Debentures	(35,004)	(48,737)	(64,982)	(28%)
Proceeds from New Debentures	0		0	0%
Leave Provisions	(6,775)	125,031	166,708	(105%)
Accruals	(1,103)	14,139	18,852	(108%)
Self Supporting Loan Principal Income	15,057	14,792	19,722	2%
Transfers (to)/from Reserves	(481)	63,948	85,264	(101%)
ADD Net Current Assets July 1 B/Fwd	\$1,593,984	1,195,488	1,593,984	
LESS Net Current Assets Year to Date	\$3,859,623	0	0	
Amount Raised from Rates	-\$1,241,124	(927,142)	(1,236,189)	
	\$1,241,124	1,236,189	1,236,189	

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SHIRE OF NANNUP

STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2012 TO 31 MARCH 2013

	2012/13 Actual \$	Brought Forward 01-July-2012 \$
NET CURRENT ASSETS		
Composition of Estimated Net Current Asset Position		
CURRENT ASSETS		
Cash - Unrestricted	2,579,912	1,902,967
Cash - Restricted	277,944	94,107
Cash - Reserves	1,798,496	1,779,437
Receivables	1,691,437	553,247
Inventories	0	0
	<u>6,347,790</u>	<u>4,329,757</u>
LESS: CURRENT LIABILITIES		
Payables and Provisions	<u>(411,727)</u>	<u>(862,229)</u>
	5,936,063	3,467,528
Less: Cash - Reserves - Restricted	(2,076,440)	(1,873,543)
NET CURRENT ASSET POSITION	<u><u>3,859,623</u></u>	<u><u>1,593,984</u></u>

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

AGENDA NUMBER:	11.7
SUBJECT:	March 2013 Accounts for Payment
LOCATION/ADDRESS:	Nannup Shire
NAME OF APPLICANT:	N/A
FILE REFERENCE:	FNC 8
AUTHOR:	Tracie Bishop – Finance Officer
REPORTING OFFICER:	Vic Smith – Manager Corporate Services
DISCLOSURE OF INTEREST:	None
DATE OF REPORT	Date 9 April 2013

Attachment 1: Schedule of Accounts for Payment

BACKGROUND:

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

COMMENT:

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

Municipal Account

Accounts paid by EFT	4679 - 4726	\$ 365,327.59
Accounts paid by cheque	19123 - 19137	\$ 6,621.74
Accounts paid by direct debit	99375 - 99381	\$82,080.92

Trust Account

Accounts Paid by Cheque	Nil	\$0.00
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STATUTORY ENVIRONMENT: LG (Financial Management) Regulation 13

POLICY IMPLICATIONS: None.

FINANCIAL IMPLICATIONS: As indicated in Schedule of Accounts for Payment.

STRATEGIC IMPLICATIONS: None.

VOTING REQUIREMENTS: Simple majority

RECOMMENDATION:

That the List of Accounts for Payment for the Nannup Shire Municipal Account fund totalling \$454,030.25 in the attached schedule be endorsed.

SHIRE OF NANNUP
ACCOUNTS FOR PAYMENT -APRIL 2013

Chq/EFT	Name	Description	Amount
EFT4679	WA LOCAL GOVERNMENT SUPERANNUATION PLAN	SUPERANNUATION CONTRIBUTIONS	\$16,402.15
EFT4680	JACKSONS DRAWING SUPPLIES PTY LTD	YAC YOUTH WEEK	\$218.42
EFT4681	NANNUP SURVEYS	SURVEYING SERVICES RENDERED	\$7,832.00
EFT4682	B & B STREET SWEEPING PTY LTD	HIRE STREET SWEEPER	\$3,146.00
EFT4683	NANNUP SKIP BINS	SKIP BIN SERVICE	\$550.00
EFT4684	FLEURS OF BUNBURY	GIFT	\$120.00
EFT4685	IMINI HOLDINGS PTY LTD	TRANSPORTABLE HIRE	\$704.00
EFT4686	ARBOR GUY	TREE WORKS COMPLETED	\$275.00
EFT4687	SETTLERS ROOFING AND GRADING	WATER CARTING - MOWEN ROAD	\$12,584.00
EFT4688	PM TREASURE - EARTHMOVING CONTRACTOR	GRADER HIRE - MOWEN ROAD	\$24,090.00
EFT4689	PETER TILLEY	WATER CARTING - MOWEN ROAD	\$12,584.00
EFT4690	THE PENINSULA	STAFF ACCOMODATION	\$490.00
EFT4691	MADER RICKARD CIVIL PTY LTD	MOWEN ROAD PROJECT	\$101,222.00
EFT4692	MINING AND CIVIL PLANT HIRE PTY LTD	MACHINE HIRE, 140H CAT GRADER	\$11,352.00
EFT4693	CHRIS TATE	PHOTOGRAPHY FOR NANNUP MUSIC FESTIVAL	\$200.00
EFT4694	HOLCIM AUSTRALIA PTY LTD	BUSSELTON WA CONCRETE	\$2,090.00
EFT4695	D & J MILLER (DO YOUR BLOCK CONTRACTING)	WATER CARTING - MOWEN ROAD	\$11,495.00
EFT4696	GEOFABRICS AUSTRALASIA PTY LTD	35 ROLLS FILTERWRAP - MOWEN ROAD	\$4,042.50
EFT4697	TOLL IPEC ROAD EXPRESS PTY LTD	GEOFABRICS	\$537.67
EFT4698	K & C HARPER	CONNECT SERVICES TO NEW TRANSPORTABLE COTTAGE	\$1,550.00
EFT4699	KLEENHEAT GAS PTY. LTD.	GAS SUPPLIES	\$60.50
EFT4700	MALATESTA ROAD PAVING	BITUMEN PRODUCTS,	\$72,929.97
EFT4701	MANJIMUP MOTORS PTY LTD	450 COMBI BLADE	\$682.99
EFT4702	MUIRS MANJIMUP	NISSAN NAVARA, DUAL CAB - MOEWN ROAD	\$32,232.78
EFT4703	NANNUP HARDWARE & AGENCIES	EAST NANNUP VFBF FIRE GEAR	\$576.85
EFT4704	NANNUP NEWSAGENCY	STATIONERY & POSTAGE SUPPLIES	\$742.89
EFT4705	NANNUP EZIWAY SELF SERVICE STORE	CARAVAN PARK SUPPLIES	\$470.98
EFT4706	NANNUP LIQUOR STORE	REFRESHMENTS	\$302.88
EFT4707	PRESTIGE PRODUCTS	CLEANING PRODUCTS	\$66.00
EFT4708	THE PAPER COMPANY OF AUSTRALIA PTY LTD	PAPER SUPPLIES	\$209.83
EFT4709	RENTAL CHOICE	CHEST FREEZER	\$599.00
EFT4710	SCOTTIES EXCAVATIONS	HIRE EXCAVATOR AND TRUCK, VOLVO WHEELED LOADER	\$20,724.00
EFT4711	JP REPAIRS	TYRES FOR FORD RANGER DUEL CAB	\$920.00
EFT4712	SPLIT TEAM	SUPPLY AND INSTALL SCOTT RIVER FIRE SHED	\$2,000.00
EFT4713	EDGE PLANNING & PROPERTY	PROFESSIONAL FEES	\$7,733.08
EFT4714	DEAN GUJA	EH WORK AND TRAVEL 32 HOURS	\$2,400.00
EFT4715	MPM DEVELOPMENT CONSULTANTS	NANNUP MAINSTREET PROJECT	\$6,915.70
EFT4716	BUSSELTON PSI PTY LTD	DEBT COLLECTION	\$76.01
EFT4717	DANIEL EDDY	DRYER AND FRONT LOADER WASHING MACHINE	\$945.00
EFT4718	COCA-COLA AMATIL (AUST) PTY LTD	SUPPLIES	\$98.20
EFT4719	COMFORT HOTEL PERTH CITY	STAFF ACCOMODATION & EXPENSES	\$1,105.00
EFT4720	BLACKWOOD CAFE - SUMART	YAC REFRESHMENTS	\$15.20
EFT4721	INSIGHT CCS PTY LTD	AFTER HOURS CALL SERVICE	\$136.91
EFT4722	METAL ARTWORK CREATIONS	BRUSHED GOLD ALUMINIUM DESK NAME PLAQUES	\$138.60
EFT4723	NANNUP EZIWAY SELF SERVICE STORE	REFRESHMENTS	\$212.69
EFT4724	RICOH BUSINESS CENTRE	PHOTOCOPIER CHARGES	\$51.70
EFT4725	SHIRE OF MANJIMUP	IT CONSULTANCY	\$862.50
EFT4726	WALGA	TRAINING COURSE , INTRO LOCAL GOVERNMENT	\$633.59
<i>Total Municipal EFT Payments</i>			\$365,327.59
19123	AMP LIFE LTD	SUPERANNUATION CONTRIBUTIONS	\$1,518.13
19124	AUSTRALIAN SUPER	SUPERANNUATION CONTRIBUTIONS	\$642.16
19125	IIML ACF IPS APPLICATION TRUST	SUPERANNUATION CONTRIBUTIONS	\$456.52
19126	AMP SUPERLEADER	SUPERANNUATION CONTRIBUTIONS	\$330.36
19127	CHALLENGER	SUPERANNUATION CONTRIBUTIONS	\$216.70
19128	GENERATIONS PERSONAL SUPER	SUPERANNUATION CONTRIBUTIONS	\$314.28
19129	AUSTRALIAN ETHICAL SUPERANNUATION PTY LTD	SUPERANNUATION CONTRIBUTIONS	\$328.02
19130	NUMERO PTY LTD	4 DAY VAN HIRE - YAC	\$669.25
19131	MARGARET RIVER BAKERY	DECORATED MUD CAKE	\$45.00
19132	APRA AMCOS	LICENCE FEES	\$145.17
19133	BUNNINGS- BUSSELTON	PINE SUPPLIES	\$189.33
19135	SHIRE OF NANNUP	BUILDING SERVICE FEE- CARAVAN PARK MANAGERS	\$244.32
19136	SHIRE OF NANNUP	AUSTRALIA DAY PLAQUE & SUPPLIES	\$92.50
19137	AGILETECH	PREP PAPERWORK ROADS	\$1,430.00
<i>Total Municipal Cheque Payments</i>			\$6,621.74

**SHIRE OF NANNUP
ACCOUNTS FOR PAYMENT -APRIL 2013**

Chq/EFT	Name	Description	Amount
99375	SG FLEET AUSTRALIA P/L	CESM LEASE VEHICLE	\$542.82
99376	CORPORATE CREDIT CARD - SHIRE OF NANNUP	SUNDRY SUPPLIES	\$2,195.11
99377	RMS SOFTWARE AUST P/L ** DIRECT CREDIT***	SOFTWARE LICENCE	\$82.50
99378	WESTERN AUSTRALIAN TREASURY CORPORATION	LOAN 37 REPAYMENT	\$1,672.98
99379	CALTEX AUSTRALIA	FUEL EXPENSES - MOBILE TANK	\$74,579.91
99380	TELSTRA	TELEPHONE EXPENSES	\$2,796.32
99381	WESTNET	INTERNET EXPENSES	\$211.28
		<i>Total Municipal Direct Debits</i>	<u>\$82,080.92</u>
		TOTAL MUNICIPAL PAYMENTS FOR PERIOD	\$454,030.25
		TOTAL TRUST PAYMENTS FOR PERIOD	\$0.00
		TOTAL PAYMENTS FOR PERIOD:	<u>\$454,030.25</u>