



Shire of
Nannup
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Agenda

Council Meeting to be held
on Thursday 25 July 2013
Commencing at 4.15pm

Agenda

1. **DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS**
2. **RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE**
(previously approved)

Cr Dunnet- for the period; 8th July 2013 - 12th August 2013.

Cr Mellema- for the period; 7th July 2013 - 28th July 2013.

Cr Dean- for the period; 22nd July 2013 - 22nd August 2013.

3. **RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE**

Ms R Stallard

Q3. Is the Shire doing anything about securing a grant to clean up the block by Gussies Old Mill on Brockman Highway near Cockatoo Valley?

A3. The following options will be followed up to assist in the conservation of this area;

- Apply for a Lotterywest grant for conservation of the natural environment, particularly where it protects a wildlife corridor.
- Invite representatives from Geo Catch and the South West Catchment Council to have a look at the area.

Mr L Gilcrest

Q9. Do the Councillors realise that when a property is rezoned it must be compatible with surrounding properties and in the case of the Balingup Road Hospital why did they make such an obvious mistake?

A9: Councillors were aware of the potential for land use conflict. Council, the Western Australian Planning Commission and ultimately the Minister for Planning deemed that the proposed Day Hospital was suitable in this location. This included that the proposed development had appropriately addressed the potential for land use conflict.

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Q10. Why is that not one Councillor bothered to talk with the neighbours that were most affected by this rezoning?

A10. Council has exceeded it's statutory obligations for consulting with neighbours and stakeholders regarding the rezoning of Lot 3 Balingup Road. This included:

- A letter and a copy of the draft amendment for rezoning of this property was sent out to immediate neighbours in March 2009.
- A notice inviting comment for the proposed rezoning amendment was advertised in the Busselton-Dunsborough Times, on local notice boards and on the Shire website in May 2009. The details of the rezoning proposal were available at the Shire Office.
- In response to community interest, a public meeting was organised and this was advertised in May 2009. 33 people attended this public meeting in June 2009, including Shire Councillors and Shire Staff.
- Further to this meeting the consultation period was extended, allowing submissions for a further 30 days. This was advertised in the Busselton-Dunsborough Times, Donnybrook-Bridgetown Times, on the Shire's website and noticeboard and a notice was also erected on the front gate of the property concerned at Lot 3 Balingup Road.
- In total 58 submissions were received, a number of which were neighbours on Balingup Road.

Q11. Do the Councillors realise that there is not one benefit to Nannup with the building of this complex other than bringing people with major problems to the community of Nannup?

A11. Benefits of the project were outlined in the proponents original Scheme Amendment Proposal in June 2008, that were presented to Council.

Q12. Why do Councillors keep denying that this is a D class mental clinic for seriously depressed people from alcohol abuse, drug abuse and sex addiction?

A12. It will be a mental health day hospital which is licensed as a D Class Day Hospital by the Health Department of Western Australia. The facility will be called the Blackwood River Clinic which will provide treatment for people with depression, anxiety and trauma

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.

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 27 June 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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11.2	Review of Councillors Allowances	5
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11.4	Monthly Accounts for Payment – June 2013	13

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

15. CLOSURE OF MEETING

FINANCE & ADMINISTRATION

AGENDA NUMBER:	11.1
SUBJECT:	Review of Councillors Allowances
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	25 June 2013

Attachments: 1. Determination of the Salaries and Allowances Tribunal on Local Government Elected Council Members June
2. Amended Policy ADM10 Councillor Fees and Reimbursements

BACKGROUND:

The Local Government Amendment Bill 2011 empowered the Salaries and Allowances Tribunal (the Tribunal) to determine certain payments made or reimbursed to elected council members with effect from 1 July 2013.

Legislation confers entitlements to claim fees, expenses and allowances on individual council members and provides the Tribunal with the capacity to determine either particular amounts for these payments or to determine a range within which the relevant local governments set the amounts. Those fees, expenses and allowances which are legislated as entitlements of a council member cannot be taken away by any decision or action of the council.

Where the Tribunal has chosen to determine minimum and maximum amounts for fees, expenses or allowances, there is an obligation on local governments to set the amounts to be paid or reimbursed within the range determined.

The Salaries and Allowances Tribunal points out that the fees, expenses and allowances to which they refer are not intended to be full time salaries for council members. They recognise that there is an element of voluntary community service in the role of council members.

The full text of the determination by the Salaries and Allowances tribunal is set out in Attachment 1. For the purposes of the Determination the Shire of Nannup is classed as a Band 4 council.

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COMMENT:

Under existing legislation local governments have a choice of whether to pay a set annual fee to councillors or make payments based on meeting attendance. This council is typical of smaller councils in that it chooses to pay an attendance fee rather than an annual allowance. This flexibility is recognised by the Salaries and Allowances Tribunal and it has provided for both options in its determination.

The Tribunal has set ranges for attendance fees as follows:

Ordinary Council Members		Shire President	
Minimum	Maximum	Minimum	Maximum
\$88	\$225	\$88	\$463

The existing fee structure is \$80 for an Ordinary Member and \$150 for the Shire President.

Fees may also be paid for attendance at a committee meeting. The Tribunal has set ranges for attendance fees as follows:

All Council Members	
Minimum	Maximum
\$44	\$113

The existing fee structure is \$40 for each attendance at a committee meeting.

A local government may decide that, instead of paying council members an attendance fee, it will pay all council members who attend council or committee meetings an annual fee. The Tribunal has set ranges for annual fees as follows:

Ordinary Council Members		Shire President	
Minimum	Maximum	Minimum	Maximum
\$3,500	\$9,000	\$3,500	\$18,500

The Shire President is entitled, in addition to any fees or reimbursement of expenses payable as set out above, to be paid the annual allowance set by the local government within a prescribed range. The Tribunal has set ranges for attendance fees as follows:

Minimum	Maximum
\$500	\$19,000

The existing allowance for the Shire President is \$8,000.

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The Deputy Shire President is entitled, in addition to any fees or reimbursement of expenses payable as set out above, to an allowance based on a percentage of that paid to the Shire President. This percentage remains unchanged at 25%.

Regulation 31(1) of the Local Government Administration Regulations 1996 sets out those reimbursements that must be paid by a local government when claimed by a council member; these are:

- 1) Rental charges incurred by a council member in relation to one telephone and one facsimile machine;
- 2) Child care costs incurred by a council member because of the member's attendance at a council or committee meeting; and
- 3) Travel costs incurred by a council member because of the member's attendance at a council or committee meeting.

Alternatively, a local government may set an annual allowance for these expenses as permitted by Section 5.99A of the Local Government Act 1995.

The Tribunal has set the following rates of reimbursement where no annual allowance has been set:

- 1) The extent to which a council member can be reimbursed for rental charges in relation to one telephone and one facsimile machine is the actual expense incurred by the council member;
- 2) The extent to which a council member can be reimbursed for child care costs incurred because of attendance at a meeting is the actual cost per hour or \$25 per hour, whichever is the lesser amount;
- 3) The extent to which a council member of a local government can be reimbursed for travel costs is:
 - (a) if the person lives or works in the local government district or an adjoining local government district, the actual cost for the person to travel from the person's place of residence or work to the meeting and back; or
 - (b) if the person does not live or work in the local government district or an adjoining local government district, the actual cost, in relation to a journey from the person's place of residence or work and back:
 - (i) for the person to travel from the person's place of residence or work to the meeting and back; or
 - (ii) if the distance travelled referred to in subparagraph (i) is more than 100 kilometres, for the person to travel from the outer boundary of an adjoining local government district to the meeting and back to that boundary.

Travel costs incurred while driving a privately owned or leased vehicle (rather than a commercially hired vehicle) are to be calculated at the same rate applicable to the reimbursement of travel costs in the same or similar

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circumstances under the *Public Service Award 1992* issued by the Western Australian Industrial Relations Commission as at the date of this determination.

The extent to which a council member can be reimbursed for intrastate or interstate travel and accommodation costs incurred in any of the circumstances referred to in regulation 32(1) of the Local Government Administration Regulations is at the same rate applicable to the reimbursement of travel and accommodation costs in the same or similar circumstances under the *Public Service Award 1992* issued by the Western Australian Industrial Relations Commission as at the date of this determination.

The Tribunal has set the following rates of reimbursement where an annual allowance has been set:

ICT expenses means:

- (a) rental charges in relation to one telephone and one facsimile machine; or
- (b) any other expenses that relate to information and communications technology (for example, telephone call charges and internet service provider fees).

Travel and accommodation expenses means:

- (a) travel costs incurred by a council member because of the member's attendance at a council or committee meeting; or
- (b) an expense incurred by a council member in performing a function under the express authority of the local government; or
- (c) an expense incurred by a council member to whom paragraph (b) applies by reason of the council member being accompanied by not more than one other person while performing the function if, having regard to the nature of the function, the local government considers that it is appropriate for the council member to be accompanied by that other person; or
- (d) an expense incurred by a council member in performing a function in his or her capacity as a council member.

The Tribunal has determined that the minimum annual allowance for ICT expenses is \$500 and the maximum annual allowance is \$3,500. This council currently pays \$1300 to the Shire President and \$1100 to Ordinary Members.

The Tribunal has determined that the annual allowance for travel and accommodation expenses is \$50. This council bases its reimbursement on actual costs incurred.

Conclusion

The Determination recognises that there is a range of approaches allowed for in existing regulations and that local governments are constrained by their size and ability to pay. The Determination is therefore flexible enough to allow this council to maintain its current payment structure with very little modification.

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Whilst attendance fees can be retained as a basis for payment there would need to be an increase of 10% in the basic fee to comply with the regulations. This cost increase can be contained within the existing budget as it currently allows for all members to claim for 12 meetings per year. In reality not all members make claims and there are normally only 11 meetings per year.

The current policy on Members Allowances is set out in Policy ADM 10 and this has been modified to comply with the Determination of the Salaries and Allowances Tribunal while retaining the current payment structure as much as possible. This is consistent with the adopted budget.

STATUTORY ENVIRONMENT: Local Government Act 1995 Section 6.

POLICY IMPLICATIONS: None.

FINANCIAL IMPLICATIONS: Potential increased rate yield.

STRATEGIC IMPLICATIONS: None.

VOTING REQUIREMENTS: Absolute majority.

RECOMMENDATION:

That Council approve the revised Policy ADM 10 as set out in Attachment 2, effective from 1 August 2013.

WESTERN AUSTRALIA
SALARIES AND ALLOWANCES ACT 1975
DETERMINATION OF THE
SALARIES AND ALLOWANCES TRIBUNAL
ON LOCAL GOVERNMENT ELECTED COUNCIL MEMBERS

Pursuant to Sections 7(B)

June 2013

PREAMBLE

1. In accordance with Section 7B(2) of the *Salaries and Allowances Act 1975* ('the SA Act'), the Salaries and Allowances Tribunal is required to "inquire into and determine -
 - a. the amount of fees, or the minimum and maximum amounts of fees, to be paid under the *Local Government Act 1995* ['the LG Act'] to elected council members for attendance at meetings; and
 - b. the amount of expenses, or the minimum and maximum of expenses, to be reimbursed under the *Local Government Act 1995* to elected council members; and
 - c. the amount of allowances, or the minimum and maximum amounts of allowances, to be paid under the *Local Government Act 1995* to elected council members."

BACKGROUND

2. Following the proclamation of relevant sections of the Local Government Amendment Bill 2011 on 5 February 2013, the Salaries and Allowances Tribunal was empowered to determine certain payments that are to be made or reimbursed to elected council members with effect from 1 July 2013.
3. Sections 5.98 to 5.100 of the LG Act were also amended with effect from 1 July 2013 to complement the changes to the SA Act.
4. The legislation confers entitlements to claim fees, expenses and allowances on individual council members and provides the Tribunal with the capacity to determine either particular amounts for these payments or to determine a range within which the relevant local governments set the amounts. Those fees, expenses and allowances which are legislated as entitlements of a council member cannot be taken away by any decision or action of the council.

5. Where the Tribunal has chosen to determine minimum and maximum amounts for fees, expenses or allowances, there is an obligation on local governments to set the amounts to be paid or reimbursed within the range determined.
6. Fees, expenses and allowances for elected council members were set by regulation in 1996 following the introduction of the LG Act. Adjustments to fees, expenses and allowances have been made twice since then – in 1999 and most recently in 2005. In accordance with section 8(d) of the SA Act, not more than a year is to elapse between one determination and another under section 7B(2). Hence adjustments to the fees, expenses and allowances payable to council members will be made regularly under the new legislation. These adjustments will be published in determinations which must be in writing, signed by the members and come into operation on a date specified in the determination. The determinations will be published in the *Western Australian Government Gazette*.
7. It is clear from the relevant legislation and Parliamentary debates on the Local Government Amendment Bill 2011, that the fees, expenses and allowances to which they refer are not intended to be full time salaries for council members. There is a recognised element of voluntary community service in the role of council members.

CURRENT INQUIRY

8. In discharging the responsibilities given to it by the Parliament, the Tribunal has in the context of its current inquiry, adopted the following approach:
 - advertised for public submissions;
 - written to local governments and regional local governments requesting information on the fees, expenses and allowances currently paid to elected council members;
 - written to local governments and regional local governments providing them with the opportunity to raise any comments or issues relevant to the determination of fees, expenses and allowances which they would like the Tribunal to consider;
 - interviewed a number of mayors, presidents, councillors, chief executive officers (CEOs) and representatives of the Western Australian Local Government Association (WALGA);
 - collected a wide range of data on the role and time commitments of elected members;
 - considered relevant labour market and economic data; and
 - sought advice from its Statutory Adviser.

Public Submissions

9. An advertisement calling for public submissions to the Tribunal's inquiry was placed in *The West Australian* newspaper on Wednesday, 6 March 2013 with a closing date of Friday, 29 March 2013. The advertisement was also placed on the Tribunal's website at <http://www.sat.wa.gov.au/LatestNews/Pages/Default.aspx>
10. Advertisements were placed in 36 regional community newspapers throughout March and April 2013 calling for public submissions.

11. The Tribunal received three submissions from the public and one from WALGA.

Survey

12. On 18 February 2013 the Tribunal surveyed each local government regarding the actual amount of fees, expenses and allowances claimed by each elected member in the 2011/12 financial year. The Tribunal also sought information regarding policies that local governments had adopted in relation to the payment of fees, expenses and allowances.
13. The Tribunal received responses from 118 local governments, while 31 provided no response.

Invitations to Local Governments and Regional Local Governments

14. The Tribunal's correspondence of 18 February also provided local governments and regional local governments with the opportunity to inform the Tribunal of any comments or issues relevant to the determination of fees, expenses and allowances.
15. Seven local governments and four individual councillors provided written submissions to the Tribunal.

Regional and Metropolitan Meetings and Forums

16. Members of the Tribunal travelled to Dumbleyung, Kellerberrin, Mingenew, Mount Barker and Nannup to consult with local government representatives who were attending WALGA Zone meetings. Additional forums were convened for representatives of metropolitan local governments in Joondalup and Perth. Tribunal members also met with members of the Pilbara Regional Council in Perth. In total, Tribunal members met with more than 80 council members from 69 local governments during the course of the inquiry. The Tribunal was grateful to the individuals who made themselves available for meetings and appreciated the invaluable information and understanding of issues they provided.

Assistance from Statutory Advisor

17. The Tribunal sought assistance from Ms Jennifer Mathews, Director General, Department of Local Government (DLG), who has been appointed by the Premier in accordance with section 10(4)(c) of the SA Act to assist the Tribunal in its inquiries in so far as they relate to the fees, expenses and allowances of local government elected members. Ms Mathews attended several Tribunal meetings and provided advice and assistance.

Research undertaken by the Tribunal executive

18. The executive team of the Tribunal undertook a range of research including information related to:
- a. roles and responsibilities of mayors, presidents, chairpersons and council members;
 - b. fees and allowances paid to council members in other Australian jurisdictions;
 - c. economic and labour market indices;

- d. fees paid to chairpersons and members of State government boards and committees; and
- e. superannuation provisions that may be relevant to council members.

CONSIDERATIONS

- 19. In undertaking this determination, the Tribunal has been mindful of the magnitude and complexity of the local government sector. There are presently 138 local governments in Western Australia which in 2011/12 accounted for a total operating and capital expenditure of approximately \$4.25 billion.¹ There are approximately 15,000 full time equivalent employees in the local government sector and 1,245 elected councillors representing local governments which range in geographic area from 1.5 square kilometres to 371,696 square kilometres.² Under our system of government, councils are responsible at a strategic level for the planning and delivery of a broad range of services affecting the everyday lives of Western Australians in this diverse range of local governments.
- 20. This determination comes at a time when the constitutional recognition of local governments is on the national agenda. Presently, local governments are a creation of state governments and their roles are established in Western Australia by the LG Act. The governance structures applicable to the local government sector make it quite distinct in many respects from the state government sector although they share in common many of the compliance standards. At the forefront of the Tribunal's deliberations, has been the importance of a local government sector that attracts capable and committed councillors to provide leadership and good government at the community level.
- 21. The Tribunal is also mindful that this determination is being made at a time when the state government has an agenda to create fewer, more regionally focused local governments and to build a local government sector with the capacity to plan strategically. Accordingly, the Tribunal is intent on establishing a framework for this determination which will accommodate the prospect of structural change in the local government sector.
- 22. Sections 2.7 to 2.10 of the LG Act set out the role of local government councils, councillors, mayors, presidents and their deputies. In general terms the role of the council involves oversight and determination of policy as distinct from implementation and management of day to day operations.

Role of a Councillor

- 23. The role of councillors is described in section 2.10 of the LG Act and in summary it involves:
 - a. representing the interests of electors, ratepayers and residents of the district;
 - b. providing leadership and guidance of the community;
 - c. facilitating communication between the community and the council;
 - d. participating in the local government's decision-making processes; and

¹ Local Government Grants Commission data provided by the Department of Local Government, May 2013.

² WALGA, *Western Australian Local Government Directory 2013*, p.211

e. performing various other statutory functions.

24. At a practical level, councillors are required to attend and participate in meetings, read agenda papers and reports, and to liaise with residents in meeting their representational obligations. Councillors are legislators with powers under the LG Act to make local laws and regulations regarding such matters as construction and demolition of buildings, traffic management and environmental health. Another important statutory function is the town planning role of a local government as prescribed in the *Planning and Development Act 2005*. Important financial management responsibilities of councillors include strategic level budget planning and approval including approvals of significant infrastructure projects.
25. Local governments and their councillors are also subject to a range of State Government legislation including compliance with accountability and integrity obligations contained in legislation such as the *Corruption and Crime Commission Act 2003* and the *Freedom of Information Act 1992*.
26. In a submission from WALGA, councillors were represented as having dual roles – “board like” roles as the governing body which employs the CEO and “political” roles which no doubt include the work of representation, advocacy and legislation.³
27. The Tribunal sought information concerning any changes to the responsibilities of councillors which had occurred since 2005 when the LG Regulations setting fees, expenses and allowances were last adjusted. Key changes to local government responsibilities which have occurred since 2005 include the following.
 - a. Local governments were required to establish Audit Committees as a consequence of legislative change in 2004.
 - b. Local governments were required to develop Integrated Bushfire Risk Management Plans as a consequence of legislative change in 2005.
 - c. Local governments were designated permit authorities with responsibility for administering certain building approvals under the *Building Act 2011*.
 - d. As part of the Integrated Planning and Reporting Framework, Local governments were required to develop and adopt Strategic Community Plans and Corporate Business Plans by 30 June 2013 as a consequence of regulatory change in 2011.⁴
28. Some council members have a dual role as members of the councils of regional local governments. Part 3, Division 4 of the LG Act provides for the establishment of regional local governments. These regional local governments have establishment agreements which set out their purposes and these are related to cooperative arrangements as diverse as the management of waste, provision of certain services to constituent local governments and development of land. The members of the council of a regional local government are elected council members of one of the constituent local governments of the regional local government. The Tribunal is also charged with determining fees, expenses and allowances applicable to council members of regional local governments.

³ Submission from WALGA, 27 March 2013 p.5

⁴ Letter from Director General, Department of Local Government to Salaries and Allowances Tribunal, 3 May 2013.

29. In relation to the council members of regional local governments, the Tribunal took into account that council members were in many respects delegates of the constituent councils and much of the decision making in relation to regional local governments occurred in the constituent councils themselves. Nevertheless, the Tribunal took account the representation role and other statutory responsibilities incumbent upon council members in regional local governments.
30. The Tribunal heard during the course of its inquiry that many council members were also called upon to participate in a range of community groups and activities as representatives of and leaders in their communities.
31. All these factors related to the role of a councillor have been taken into account by the Tribunal in making this determination.

Role of a mayor, president and chairman

32. Additional to the responsibilities of a council member are those which are carried by mayors and presidents of local governments, chairpersons of regional local governments and their deputies.
33. Section 2.8 of the LG Act refers to a range of these responsibilities including:
- a. presiding at meetings;
 - b. providing leadership and guidance;
 - c. carrying out civic and ceremonial duties;
 - d. speaking on behalf of the local government; and
 - e. liaising with the chief executive officer (CEO).
34. Mayors and presidents also have a range of statutory responsibilities including those to be undertaken in the event of emergencies (e.g. bushfires, floods) and signing of documents and reports on behalf of the council. The Tribunal has heard in the course of its inquiry that this role is equivalent to full-time employment in larger local governments.
35. These factors have been taken into account by the Tribunal in differentiating amounts of fees, expenses and allowances payable to mayors, presidents, chairpersons and their deputies.

Role of the Lord Mayor

36. The Tribunal took into account that the role of Lord Mayor could be distinguished from that of other mayors. This distinction recognised the significant ceremonial and civic responsibilities associated with being a representative of the State's capital city, together with an involvement in state and national planning initiatives.

Submissions

37. Submissions from local governments and individuals provided a valuable source of information and a diversity of views to inform the Tribunal's deliberations. Matters raised or suggestions made in submissions are summarised briefly in this section.

- a. The contribution made by elected members to the social, environmental, economic and financial development of communities has been undervalued.
- b. A council member is required to have a good knowledge of a wide range of legislation, understand good governance, be approachable and accountable and be a strategic thinker who can plan for the community's future. Remuneration should reflect the level of expertise, knowledge and commitment required of a council member.
- c. The roles and responsibilities of council members are comparable to those of members of Parliament and members of a board of directors.
- d. The life of a council member can be stressful when there are fractured relationships within the council and the demands of the council conflict with a council member's personal life.
- e. An amount for fees and allowances should be determined for each council collectively rather than an amount for individual members. The collective amount should be divided between the council members. This would recognise that members of councils with fewer elected members shoulder a greater work load than those with less council members.
- f. Training and professional development should be encouraged with airfares and accommodation paid for by the council. Council members who work full-time find it difficult to take time off work to undertake training during week days.
- g. Council members should be able to "salary sacrifice" part or all of their fees and allowances into superannuation.

38. WALGA made a substantial submission to the Tribunal's inquiry making observations regarding the evolving role of council members, presenting comparisons with local governments in other Australian jurisdictions and recommending a framework for setting fees and allowances in Western Australia. The WALGA framework proposed:

- a. variable rates for fees and allowances based on allocating local governments to a greater number of bands than is the case with the Tribunal's determination for local government CEO remuneration;
- b. that fees and allowances should be increased and set as precise figures and not a range;
- c. that the increasing work load and time commitment of mayors and presidents should be recognised;
- d. that the importance of the capital city and the Lord Mayor's role should be recognised; and
- e. annual allowances in lieu of the reimbursement of expenses should be rolled into general allowances for simplicity and flexibility.

39. WALGA also noted that legislative change would be required to facilitate the framework it proposed.
40. The Tribunal took all the written submissions into account as well as comments made by local governments in the context of completing the Tribunal's survey of the current fees, expenses and allowances being paid or provided to council members.

Regional and metropolitan meetings and forums

41. At the meetings and forums with council members, there were many aspects of local government work brought to the Tribunal's attention including several issues of particular importance - the barriers to entry into the role of councillor, the case for variable rates of fees and allowances and issues associated with training for council members.
42. *Barriers to entry* – Many councillors commented that the present fees and allowances payable to council members tended to attract candidates who were financially independent and had time on their hands; in particular, retirees. There was a sense that low fees and allowances put the role of councillor out of the reach of most young people and could be considered elitist. The Tribunal heard that the age profile of councils did not reflect the demography of their constituents or rate payers. There was a common view expressed that if the fees and allowances were higher, a broader demographic might be attracted to stand for election to councils.
43. *Variable rates for fees and allowances* – The vast majority of councillors expressed the view that the fees and allowances payable to elected council members should vary according to the magnitude of the responsibilities which each council was required to manage. The Tribunal heard that councils with very large populations, budgets and infrastructure projects to manage at the strategic level, should be able to pay their elected members more than councils managing much smaller populations, budgets and infrastructure projects. Most councillors were disposed to the rates of fees and allowances being varied according to the Bands applicable to the Tribunal's determination on Local Government CEOs. The Tribunal was also told of the significant differences between the responsibilities residing with mayors, presidents and chairpersons of local governments and regional local governments relative to the responsibilities residing with deputies and council members. There was universal acknowledgement that mayors, presidents and chairpersons had a much more onerous role than their deputies and other council members. It was also agreed that these different levels of responsibilities should be reflected in the fees and allowances payable to them.
44. *Training* – The view was widely expressed that the responsibilities and complexity of the role of a councillor had grown over time and there was a need for training. The Tribunal heard that there was a significant variance in the professionalism and capacity of councillors with many councils having from time to time, one of their elected members either unable or unwilling to fully shoulder their responsibilities. While the vast majority of councillors were considered to be dedicated and competent, many councillors had experience of an elected member who rarely contributed to the committee and other work of councils and some of these were "one issue" councillors. Many council members expressed the view that an incentive would be beneficial to reward elected members who had undertaken accredited training. However, the Tribunal also heard that for some councils based in regional locations with small budgets, the cost of training together with related travel and accommodation expenses, was prohibitive.

Survey Results

45. The response rate to the Tribunal's survey of the current fees, expenses and allowances paid to council members was approximately 80 per cent, inclusive of both local governments and regional local governments. This gave the Tribunal a reasonably high level of confidence in the data provided with the *caveat* that the Tribunal's executive did not have the opportunity to cross check the responses to the survey from other sources to ensure that the survey instrument was effective in capturing all the relevant data.
46. The data was analysed with respect to a range of factors and it was noted that there were significant variances according to the band to which a local government was allocated for the purposes of the Tribunal's determination for the remuneration of local government CEOs.⁵
47. In relation to attendance fees, survey data showed that all councillors, mayors and presidents of local governments allocated to band 1 and band 2 (generally the local governments with the largest budgets and population), claimed an annual allowance for attendance at meetings in lieu of a meeting attendance fee. All these councillors claimed the maximum annual attendance allowance of \$7,000 and more than 85 per cent of the mayors and presidents of band 1 and band 2 local governments claimed the maximum attendance allowance of \$14,000. More than 80 per cent of councillors from local governments allocated to band 3 claimed annual attendance allowances instead of meeting attendance fees, but only one third of councillors from band 4 local governments claimed annual attendance allowances.
48. The proportion of local governments whose councillors claimed annual attendance allowances and the amount of those allowances was smaller for local governments allocated to band 3 and band 4. The smaller the budget of the local government as indicated by the band allocation, the less likely the council member was to receive an annual attendance allowance instead of a meeting fee. Similarly, the survey data showed that local governments with smaller budgets paid smaller attendance fees and allowances.
49. The high correlation between band allocation, the size of the local government budget and the size of the attendance fee or allowance, indicated to the Tribunal that the capacity of a local government to pay fees and allowances was an important factor. The Tribunal also considered that this high correlation between band allocation and whether a local government paid an annual attendance allowance was indicative of local governments taking into account their relative work load, weight of responsibilities and other factors in deciding whether to adopt the practice of paying annual attendance allowances in lieu of meeting attendance fees.
50. Mayors and presidents of local governments are entitled to an annual allowance in addition to attendance fees or an annual attendance allowance. The Tribunal took into account that the annual allowance for a mayor or president was formerly described in the LG Act as an "entertainment" allowance. The legislation was subsequently amended to make the nature of the allowance more general. The amounts currently prescribed in the LG Regulations for a mayoral or presidential allowance are a minimum of \$600 and a maximum of \$12,000 or 0.002 of revenue (whichever is the greater amount, but no more than \$60,000). The Tribunal's survey showed that 81 per cent of mayors in local governments allocated to band 1 received between \$58,000 and the maximum annual allowance of \$60,000. Approximately 23 per cent of mayors and presidents from local governments allocated to band 2 claimed the maximum amount and the average for all claims was \$33,400 per annum. Local governments

⁵ The band allocations to which this analysis refers are set out in Schedule 1 of this determination.

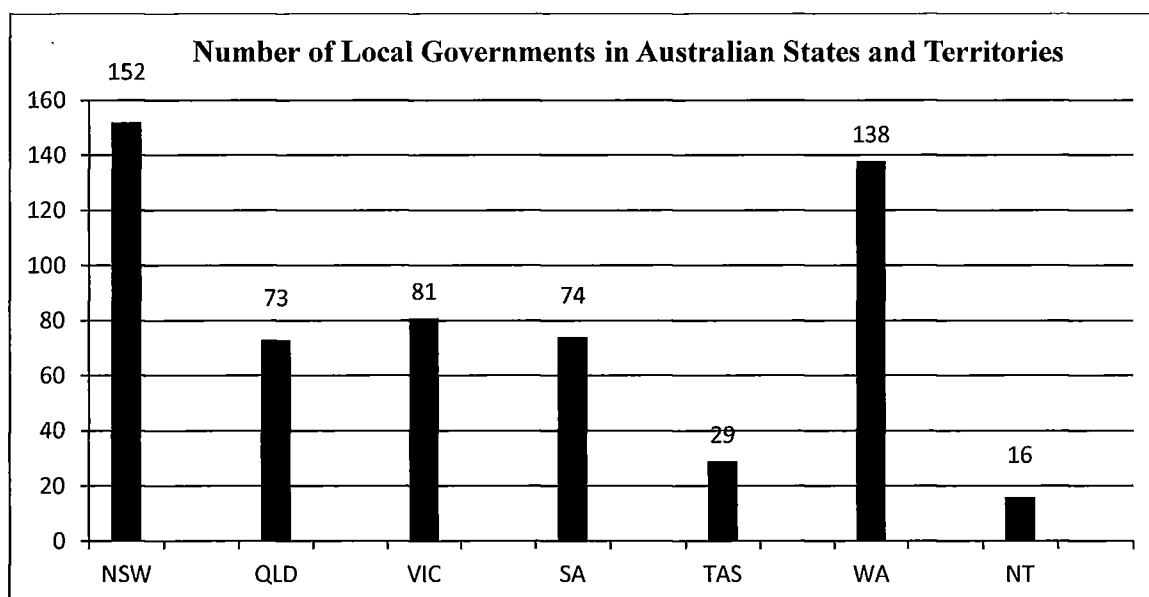
allocated to band 3 were found to have no mayors or presidents claiming the maximum amount. The average amount claimed by these mayors or presidents was \$10,315. There was a wide range in the amounts claimed by these mayors or presidents with the highest allowance being \$25,820 and the lowest \$960. In local governments allocated to band 4, no mayors or presidents claimed the maximum amount and the average amount claimed was \$5,597. The highest band 4 allowance was \$12,000 and the lowest was \$600. The broad range of annual allowances claimed by mayors and presidents in their respective local government bands was indicative of a significant range of factors being taken into account by local governments including the capacity to pay, work load and weight of responsibilities. The Tribunal considered the broad range of mayoral and presidential allowances may also have been reflective of culture and practice where individual local governments, mayors or presidents claiming relatively small allowances regarded their allowances as being tokens rather than substantial recognition for additional responsibilities.

51. In relation to the reimbursement of expenses, the survey data showed there was considerable variance in practice across local governments. While the reimbursement of certain expenses is prescribed in the LG Regulations, for example, travel costs and child care associated with attendance at council meetings, councils have considerable discretion to establish policies for the payment or reimbursement of other types of expenses.
52. The survey indicated that there were at least 29 different types of expenses being reimbursed to council members by local governments. These included grooming, clothing, dry cleaning, gym memberships, professional development (e.g. conference fees and university fees), parking fees and office equipment.
53. The Tribunal noted that there were some local governments whose council members typically did not claim their entitlement to travel expenses for attendance at meetings, while others did make claims. Furthermore, local governments allocated to band 1 and band 2 were more likely to pay higher travel expenses for councillors including travel to attend training, professional development courses and forums of local governments at state and national level.
54. Other types of expenses for which councils had established policies included clothing and grooming, stationery, university fees, brief cases, lap top computers, iPads, printers, motor vehicles, car parking and entertaining rate payers.

Interstate Comparisons

55. The Tribunal considered models for payment of elected council members adopted in other Australian states for comparative purposes.
56. The structure of local governments across Australia varies considerably with some states having fewer local governments than Western Australia. Queensland, for example, is a geographically vast state like Western Australia, but it has almost half the number of local governments and a much larger population – approximately 4.6 million population compared with Western Australia's 2.5 million population. The variances between local government structures should be borne in mind when making comparisons between jurisdictions. Table 1 below indicates the number of local governments in Australian States and Territories.

Table 1: Number of Local Governments in Australian States and Territories



Source: <http://australia.gov.au/directories/state-territory-and-local-government-directories/states-territories-and-local-government>

57. The Tribunal found that the range of annual fees for councillors and for mayors, presidents and chairpersons across Australia was considerable. Table 2 below, sets out the annual fees for councillors, mayors, presidents and chairpersons of local governments in selected Australian jurisdictions.

Table 2: Minimum and maximum annual fees for councillors, mayors, presidents and chairpersons of local governments in selected jurisdictions as at 30 June 2013

State	Councillor/ Member Annual Fee		Mayor / President / Chairperson Annual Fee	
	Min	Max	Min	Max
WA	\$2,400	\$7,000	\$600	\$60,000
SA	\$5,427	\$18,234	\$21,708	\$72,937
VIC	\$7,542	\$26,843	\$53,684	\$85,741
NSW	\$7,930	\$26,220	\$8,430	\$76,390
TAS	\$8,087	\$31,513	\$20,217	\$78,784
QLD	\$22,492	\$130,035	\$73,803	\$217,869

Source: SA: Determination 6 of 2010 - Members of Local Government Councils.

VIC: Victoria Government Gazette No. S 360 Friday 26 October 2012.

NSW: Report and Determination of the Local Government Remuneration Tribunal, 8 April 2013

TAS: Councillor Allowances Information Sheet, November 2012

QLD: Local Government Remuneration and Discipline Tribunal Report 2012

58. The Tribunal found that Western Australia had the lowest annual meeting attendance allowances for council members in Australia and there was a wide variety across the various jurisdictions. While this could be attributed in part to the structural differences between local governments in different jurisdictions, the Tribunal also considered that meeting attendance allowances had lagged behind in Western Australia.
59. The Tribunal also found there were a variety of models adopted in the various Australian states for compensating elected local government members. Although each state has adopted a different classification model, all display similarities with the Western Australian model adopted by the Tribunal for local government CEOs.
60. Common factors identified in various Australian models for determining the fees and allowances of local governments are listed below.
- a. Population (NSW, Qld, Vic, SA)
 - b. Revenue/budget (Vic, SA)
 - c. Geographic size (NSW, SA)
 - d. Development – economic, infrastructure, community (NSW, Qld, SA)
 - e. Regional significance (NSW)
 - f. Diversity of communities served/demographic (NSW, Qld, SA)
61. In Western Australia, the adopted model is based on the analysis of the following key features of local governments.
- a. Expenditure (Operating and Capital) where the capital expenditure is based on a three year rolling average;
 - b. Risk management;
 - c. Asset management and infrastructure planning;
 - d. Diversity of services and the types of services delivered;
 - e. Population of Community Serviced;
 - f. Staff Numbers;
 - g. Focus of the CEO Role and Council Profile; and
 - h. Distinguishing Features of local governments (e.g. major growth and development, significant social/economic issues management, environmental management issues, demand for services to non-residents).
62. Although this model was developed in the context of the remuneration of local government CEOs, the Tribunal considered the model to be relevant because of the high correlation between the magnitude of the responsibilities of the CEO and the magnitude of the

responsibilities of the council members to lead, govern and make strategic decisions for their local government areas.

Labour market and economic Indices

63. The Tribunal considered a range of labour market and economic indices to assist in making adjustments to the amounts of fees and allowances payable to council members. The increase in the Perth Consumer Price Index (CPI) and the Western Australian Wages Price Index (WPI) over the period from 2005 to 2013 were considered to be important indicators of the change in value of the fees and allowances set in 2005 for council members. The Perth CPI is a cost of living index while the WPI is an index of the cost of wages in Western Australia which is arguably more relevant to the purpose of attendance fees.
64. Table 3 below shows the extent to which the value of the annual attendance fees for council members has been eroded by inflationary factors since the fees were set at a maximum of \$7,000 in 2005. The Tribunal noted that these factors did not take into account the value of the additional responsibilities shouldered by council members since 2005.

Table 3: Maximum annual attendance fees for council members adjusted by Perth CPI and Western Australia's WPI for the period 2005 to 2013

Maximum Annual Attendance Fees		
Year	Adjusted by Perth CPI	Adjusted by WA WPI
2005	\$7,000	\$7,000
2006	\$7,294	\$7,322
2007	\$7,469	\$7,673
2008	\$7,790	\$8,126
2009	\$7,962	\$8,565
2010	\$8,232	\$8,822
2011	\$8,446	\$9,184
2012	\$8,607	\$9,597
2013	\$8,813	\$9,952

Source : CPI: ABS Cat. 6401.0; WPI: ABS Cat. 6345.0

65. For comparative purposes, annual attendance fees paid by the state government to members of boards and committees were also considered by the Tribunal to be relevant comparators in the "labour market" applicable to council member attendance fees. The Tribunal was advised that members (excluding the chairpersons) of governing boards were currently paid an annual fee in a range from approximately \$7,000 to \$33,000. The actual annual attendance fees varied according to a number of factors related to the type and impact of each board or committee.

Range of fees versus a set amount

66. Consideration was given to whether the Tribunal ought to determine specific amounts for fees, expenses and allowances or whether to exercise its statutory prerogative to determine maximum and minimum amounts, that is, a range. The submission from WALGA made the case for specific amounts to be determined. In relation to such payments as attendance fees and mayoral allowances, this might be considered to have the advantage of de-politicising the payments and preventing council members from being accused of self-interest. The views of

WALGA on this matter were taken into account along with the views of the many council members with whom it met.

67. The Tribunal was aware that a small differential in fees and allowances might have a significant impact on those local governments and regional local governments with small budgets. Individual local governments and regional local governments were considered to be best placed to assess their own financial capacity to pay their council members.

Training for elected council members

68. The Hon Tony Simpson, Minister for Local Government, and his predecessor asked the Tribunal to examine the issue of providing incentives for councils to be trained. The aim was to increase the capacity of council members both collectively and individually to acquit their responsibilities with a high degree of professionalism and acumen. This is an important element of the State Government's reform initiative to increase the capacity of local governments to undertake their critical role in the governance and delivery of services to the community.
69. The desire for well-trained council members was shared by WALGA and all those in the local government sector with whom the Tribunal consulted during the course of its inquiry. Some observations regarding the need for training and some of the barriers to accessing training have been discussed above.
70. There are currently gaps in the availability, scope and recognition of training packages for council members. The Tribunal considered that at this point it was not possible to provide incentives or rewards for completion of training in the absence of widely accessible and nationally recognised training packages. The Department of Local Government is currently exploring options with training providers for the delivery of council member training within the Australian Qualifications Framework including options for online training.
71. The Tribunal will continue to monitor the situation with a view to developing a means of rewarding training as part of the framework of fees, expenses and allowances in the next determination or sooner if the opportunity arises.

Superannuation

72. During the course of the inquiry a number of council members inquired as to whether the Tribunal could determine that meeting attendance fees and allowances could be paid into superannuation funds. The Tribunal found that there was already legislative provision for such arrangements to be made by local governments under the *Income Tax Assessment Act 1936* (Cwlth). In addition, the Tribunal found that there was an Australian Tax Office Interpretive Decision which allowed for council members and councils to agree for the whole or part of their attendance fees to be paid into a superannuation fund. References to the sources of this information have been included in explanatory notes attached to the end of the determination.

Annual Review Process and Provision of Data to the Tribunal

73. The Tribunal took into account that it is obliged under the SA Act to make annual inquiries and determinations in relation to the fees, expenses and allowances payable to local government council members. In undertaking regular annual reviews, the Tribunal will

require current and timely information regarding the amounts of council member fees, expenses and allowances that local governments pay or reimburse. In this regard, the Tribunal would highly recommend that local governments keep accurate records of such payments made in accordance with each particular section of this determination so that relevant data can be provided to the Tribunal each year when requested.

74. By establishing appropriate record keeping and reporting processes relevant to the various provisions of this determination at the outset, local governments will avoid time consuming processes to capture data after the event. Local governments may wish to consider recording payments and reimbursements to council members in the context of their annual reporting obligations to avoid double handling. While the Tribunal has considerable powers under the SA Act to subpoena information relevant to its inquiries, it would prefer to work cooperatively with local governments to inform its decision making and meet its statutory obligations.

General adjustment to salaries

75. The Tribunal is currently inquiring with respect to the determination of a general salary adjustment affecting almost all of the office holders within its jurisdiction as at 1 July 2013. Any general salary adjustment made will not have any effect on the payments and reimbursements in this determination.
76. Changes to the band allocations of local governments for the purposes of the remuneration of local government chief executive officers and the fees, expenses and allowances paid to council members will be considered each year in an inquiry separate from any inquiry into a general salary adjustment. Local governments will continue to have the opportunity to make submissions to the Tribunal regarding band allocations and the Tribunal will continue to review band allocations in the event of any local government amalgamations.

Declaration of interest

77. During the course of this inquiry, the spouse of one of the Tribunal members nominated for election to a position on the council of a local government. That Tribunal member declared the interest and withdrew from further participation in the determination of amounts payable to elected council members.

CONCLUSIONS

78. During the course of the inquiry, it became clear to the Tribunal that the fees and allowances payable to council members, mayors, presidents, chairmen and their deputies required a significant adjustment.
79. Meeting attendance fees were found to have lagged behind those paid to council members in other Australian jurisdictions. Indeed, council members in Western Australia were found to be the lowest paid of any of the Australian states. Council member meeting fees were also found to be capped at around the minimum of the annual attendance fees payable to Western Australian State government board and committee members.
80. The Tribunal concluded that the present framework of fees and allowances did not adequately take into account the significant weight of responsibilities shouldered by council members in the largest and most populace local governments. In establishing a new framework for the

payment of fees and allowances, the Tribunal therefore adopted a banding model with local government allocated to four bands like those used in determining the remuneration of local government chief executive officers. This approach enabled the Tribunal to properly differentiate between the weight of responsibilities carried by council members, mayors, presidents and chairmen in different sized local governments.

81. While adjustments to fees and allowances generally aligned to CPI and WPI were considered to be appropriate for council members in local governments allocated to bands 3 and 4, the Tribunal concluded that they were inadequate for council members in local governments allocated to bands 1 and 2. The Tribunal decided that increases in the amount of fees and allowances payable to council members who shouldered higher levels of responsibility should be aligned more closely with the fees and allowances paid to Western Australian Government board and committee members and council members in other Australian states.
82. The Tribunal also concluded that there should be sufficient breadth in the range of amounts determined for local governments in each band to enable councils to exercise discretion to their own satisfaction. It was the Tribunal's intent that councils should be able to take into account all the factors which were particular and relevant to their local government area and community. This is reflected in the overlapping ranges of amounts for fees and allowances in the determination which follows.
83. In relation to the fees and allowances payable to council members of regional local governments, the Tribunal decided that one range was adequate and there was no need to determine ranges particular to the band allocation of the regional local government.
84. The determination of amounts for reimbursement of expenses for local government council members presented particular challenges for the Tribunal. Regulations provide significant discretion for local governments to approve expenses for reimbursement and the Tribunal found that there were at least 29 different types of approved expenses. The Tribunal considered that the fundamental principle for reimbursement of expenses was that council members should not be out of pocket for properly incurred expenses that enabled them to fulfil their duties as council members. Nevertheless, the Tribunal did not wish that reimbursement of expenses should be a means by which council members could profit from their office or top up fees and allowances already paid. Consequently, the Tribunal has determined wherever possible that actual amounts of expenses shall be reimbursed.
85. Where an annual allowance in lieu of reimbursement of expenses has been determined, the Tribunal decided that it should be a nominal amount of \$50 and any approved expense beyond this amount could be reimbursed up to the actual amount of the expense in accordance with the LG Regulations. If the Tribunal were to determine a higher amount for an annual expense allowance, it would be payable under the LG Regulations to all council members of any applicable local government regardless of the expenses incurred. The Tribunal did not consider that to be consistent with its fundamental principle for reimbursement of expenses.
86. In concluding this, the first determination of the Tribunal with respect to local government council members, the members of the Tribunal would like to acknowledge all those who generously shared their wealth of knowledge and experience, whether in person or by written submissions. During the course of the inquiry, the Tribunal became acutely aware of the great variety of experiences of council members and the huge impact that local governments have on the good governance of Western Australian communities. The Tribunal also wishes

to thank Ms Jenny Mathews, Director General of the Department of Local Government, for the invaluable advice and assistance provided in person and by her staff. Special thanks should also go to Mr Paul Evans, State Solicitor, and Mr Geoff Lawn, Senior Parliamentary Counsel, for their discerning advice and the astute insight which they provided to the Tribunal. The Tribunal also expresses its appreciation to the Executive Officer and his team for the research and dedication that has enabled the compilation of this determination.

87. The Tribunal will monitor the outcome of this determination closely and will make adjustments as necessary.

The determination will now issue.

Signed this 19th day of June 2013

W S Coleman AM
CHAIRMAN

C A Broadbent
MEMBER

SALARIES AND ALLOWANCES TRIBUNAL

**DETERMINATION FOR LOCAL GOVERNMENT ELECTED
COUNCIL MEMBERS PURSUANT TO SECTION 7B OF THE
*SALARIES AND ALLOWANCES ACT 1975***

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Explanatory Notes

PART 1: INTRODUCTORY MATTERS

This Part deals with some matters that are relevant to the determination generally.

1.1 SHORT TITLE

This determination may be cited as the *Local Government Elected Council Members Determination No. 1 of 2013*.

1.2 COMMENCEMENT

This determination comes into operation on 1 July 2013.

1.3 CONTENT AND INTENT

- (1) This determination provides for the amount of fees, expenses and allowances to be paid or reimbursed under the *Local Government Act 1995* ('the LG Act') Part 5 Division 8 to elected council members. The determination applies to elected council members who are members of the council of a local government. Under the LG Act section 3.66, it also applies to elected council members who are members of the council of a regional local government.
- (2) Where the Tribunal has determined a specific amount for a fee, expense or allowance for elected council members of a local government or regional local government, the amount determined by the Tribunal will be payable to an eligible elected council member.
- (3) Where the Tribunal has determined a minimum and maximum amount for a fee, expense or allowance for elected council members of a local government or regional local government, each local government or regional local government council will set an amount within the relevant range determined and the amount set will be payable to an eligible elected council member.
- (4) The fees, expenses and allowances determined are intended to recognise the responsibilities of elected council members, mayors and presidents of local governments and chairmen of regional local governments and to remunerate them for the performance of the duties associated with their office.

1.4 TERMS USED

In this determination, unless the contrary intention appears -

chairman means a person who is elected or appointed from among the members of a council of a regional local government as its chairman;

committee meeting means a meeting of a committee of a council where the committee comprises –

- (a) council members only; or
- (b) council members and employees of the local government or regional local government;

council –

- (a) in relation to a local government, means the council of the local government;
- (b) in relation to a regional local government, means the council of the regional local government;

council member –

- (a) in relation to a local government –
 - (i) means a person elected under the LG Act as a member of the council of the local government; and
 - (ii) includes the mayor or president of the local government;
- (b) in relation to a regional local government –
 - (i) means a person elected under the LG Act as a member of the council of a local government and who is a member of the council of the regional local government; and
 - (ii) includes the chairman of the regional local government;

LG Regulations means the *Local Government (Administration) Regulations 1996*;

mayor means a council member holding the office of mayor, whether elected by the council from amongst its members or elected by the electors;

operating revenue means revenue that is operating revenue for the purposes of the Australian Accounting Standards made and amended from time to time by the Australian Accounting Standards Board;

president means a council member holding the office of president, whether elected by the council from amongst its members or elected by the electors.

1.5 PRO RATA PAYMENTS

The amount of a person's entitlement to an annual attendance fee or annual allowance specified in this determination shall be apportioned on a pro rata basis according to the portion of a year that the person holds office as a council member and is eligible for the relevant annual attendance fee or annual allowance.

1.6 LOCAL GOVERNMENT BAND ALLOCATIONS

Unless the contrary intention appears, local governments are allocated in this determination to the bands set out in Schedule 1 of this determination. Regional local governments are not allocated to bands.

PART 2: MEETING ATTENDANCE FEES

This Part deals with fees payable to council members for attendance at council meetings and meetings as set out in section 5.98(1) and (2A) of the LG Act and regulation 30(3A) of the LG Regulations.

In particular it deals with fees for attendance at the following meetings –

- (a) council meetings;*
- (b) council committee meetings;*
- (c) Western Australian Local Government Association (WALGA) Zone meetings;*
- (d) Main Roads Western Australia Regional Road Group meetings*
- (e) regional local government meetings where an elected council member is deputising;*
- (f) meetings attended at the request of a Minister of the Crown;*
- (g) meetings where an elected council member is a delegate of the council.*

2.1 GENERAL

- (1) Pursuant to section 5.98(1)(b) of the LG Act, a council member who attends a council meeting is entitled to be paid the fee set by the local government or the regional local government within the range determined in section 2.2 of this Part for council meeting attendance fees.
- (2) Pursuant to section 5.98(1)(b) and (2A)(b) of the LG Act, a council member who attends a committee meeting or (at the request of the local government or regional local government) a meeting of a type prescribed in regulation 30(3A) of the LG Regulations is entitled to be paid the fee set by the local government or regional local government within the range determined in section 2.3 of this Part for attending committee meetings or, as the case requires, meetings of that type.
- (3) Each of the following meetings is a type of meeting prescribed in regulation 30(3A) of the LG Regulations -
 - (a) meeting of a WALGA Zone, where the council member is representing a local government as a delegate elected or appointed by the local government;
 - (b) meeting of a Regional Road Group established by Main Roads Western Australia, where the council member is representing a local government as a delegate elected or appointed by the local government;

- (c) council meeting of a regional local government where the council member is the deputy of a member of the regional local government and is attending in the place of the member of the regional local government;
 - (d) meeting other than a council or committee meeting where the council member is attending at the request of a Minister of the Crown who is attending the meeting;
 - (e) meeting other than a council meeting or committee meeting where the council member is representing a local government as a delegate elected or appointed by the local government.
- (4) Pursuant to section 5.99 of the LG Act, a local government or regional local government may decide by an absolute majority that instead of paying council members an attendance fee referred to in section 5.98(1) of the LG Act, it will pay all council members who attend council or committee meetings a fee set within the range for annual fees determined in section 2.4 of this Part.
- (5) Regulation 30(3C) of the LG Regulations prevents the payment of a fee to a council member for attending a meeting of a type prescribed in regulation 30(3A) of those regulations if –
 - (a) the person who organises the meeting pays the council member a fee for attending the meeting; or
 - (b) the council member is paid an annual fee in accordance with section 5.99 of the LG Act; or
 - (c) the council member is deputising for a council member at a meeting of a regional local government and the member of the regional local government is paid an annual fee in accordance with section 5.99 of the LG Act.
- (6) In determining the fees set out in this Part, the Tribunal has taken into account a range of factors including –
 - (a) the time required to prepare adequately for the meetings including consideration of agenda papers, site visits related to agenda items and consultation with council staff and community members;
 - (b) the role of the council member, mayor or president including, but not limited to, representation, advocacy, and oversight and determination of policy and local legislation;
 - (c) particular responsibilities associated with the types of meetings attended;
 - (d) responsibilities of a mayor, president or chairman to preside over meetings; and

- (e) the relative “size” of the local government as reflected in the Tribunal’s local government banding model.
- (7) The Tribunal has not determined a specific meeting attendance fee for the purposes of section 5.98(1)(a) or (2A)(a) of the LG Act.

2.2 COUNCIL MEETING ATTENDANCE FEES – PER MEETING

- (1) The ranges of fees in Table 1 and Table 2 apply where a local government or regional local government decides by an absolute majority to pay a council member a fee referred to in section 5.98(1)(b) of the LG Act for attendance at a council meeting.

Table 1: Council meeting fees per meeting – local governments

For a council member other than the mayor or president			For a council member who holds the office of mayor or president	
Band	Minimum	Maximum	Minimum	Maximum
1	\$600	\$750	\$600	\$1,125
2	\$363	\$550	\$363	\$738
3	\$188	\$388	\$188	\$600
4	\$88	\$225	\$88	\$463

Table 2: Council meeting fees per meeting – regional local governments

For a council member other than the chairman		For a council member who holds the office of chairman		
	Minimum	Maximum	Minimum	Maximum
All regional local governments	\$88	\$225	\$88	\$463

2.3 COMMITTEE MEETING AND PRESCRIBED MEETING ATTENDANCE FEES – PER MEETING

- (1) The ranges of fees in Table 3 and Table 4 apply where a local government or regional local government decides to pay a council member a fee referred to in –

- (a) section 5.98(1)(b) of the LG Act for attendance at a committee meeting; or
- (b) section 5.98(2A)(b) of the LG Act for attendance at a meeting of a type prescribed in regulation 30(3A) of the LG Regulations.

Table 3: Committee meeting and prescribed meeting fees per meeting – local governments

For a council member (including the mayor or president)		
Band	Minimum	Maximum
1	\$300	\$375
2	\$181	\$275
3	\$94	\$194
4	\$44	\$113

Table 4: Committee meeting and prescribed meeting fees per meeting – regional local governments

For a council member (including the chairman)		
	Minimum	Maximum
All regional local governments	\$44	\$113

2.4 ANNUAL ATTENDANCE FEES IN LIEU OF COUNCIL MEETING AND COMMITTEE MEETING ATTENDANCE FEES

- (1) The ranges of fees in Table 5 and Table 6 apply where a local government or regional local government decides by an absolute majority that, instead of paying council members an attendance fee referred to in section 5.98(1) of the LG Act, it will pay all council members who attend council or committee meetings an annual fee.

Table 5: Annual attendance fees in lieu of council meeting and committee meeting attendance fees – local governments

For a council member other than the mayor or president			For a council member who holds the office of mayor or president	
Band	Minimum	Maximum	Minimum	Maximum
1	\$24,000	\$30,000	\$24,000	\$45,000
2	\$14,500	\$22,000	\$14,500	\$29,500
3	\$7,500	\$15,500	\$7,500	\$24,000
4	\$3,500	\$9,000	\$3,500	\$18,500

Table 6: Annual attendance fees in lieu of council meeting and committee meeting attendance fees – regional local governments

For a council member other than the chairman			For a council member who holds the office of chairman	
	Minimum	Maximum	Minimum	Maximum
All regional local governments	\$1,750	\$10,000	\$1,750	\$15,000

PART 3: ANNUAL ALLOWANCE FOR A MAYOR, PRESIDENT, CHAIRMAN, DEPUTY MAYOR, DEPUTY PRESIDENT AND DEPUTY CHAIRMAN

This Part deals with annual allowances payable to mayors, presidents, chairmen and their deputies in addition to any entitlement to meeting attendance fees or the reimbursement of expenses pursuant to section 5.98 of the LG Act.

In particular, this Part deals with –

- (a) the entitlement of a mayor, president or chairman to an additional allowance; and*
- (b) the discretion of a local government or regional local government to pay an additional allowance to a deputy mayor or deputy president or deputy chairman.*

3.1 GENERAL

- (1) Pursuant to section 5.98(5) of the LG Act, the mayor or president of a local government and the chairman of a regional local government are entitled, in addition to any fees or reimbursement of expenses payable under section 5.98(1) or (2), to be paid the annual allowance set by the local government or regional local government within the range determined in section 3.2 of this Part.
- (2) Pursuant to section 5.98A(1) of the LG Act, a local government or regional local government may decide by an absolute majority to pay the deputy mayor or deputy president of the local government, or the deputy chairman of the regional local government, an allowance of up to the percentage that is determined by the Tribunal of the annual allowance to which the mayor or president of the local government, or the chairman of the regional local government, is entitled under section 5.98(5) of the LG Act. That percentage is determined in section 3.3 of this Part. This allowance is in addition to any fees or reimbursement of expenses payable to the deputy mayor, deputy president or deputy chairman under section 5.98 of the LG Act.
- (3) In determining the allowances set out in this Part, the Tribunal has taken into account a range of factors including the following –
 - (a) the leadership role of the mayor, president or chairman;
 - (b) the statutory functions for which the mayor, president or chairman is accountable;
 - (c) the ceremonial and civic duties required of the mayor, president or chairman, including local government business related entertainment;
 - (d) the responsibilities of the deputy mayor, deputy president or deputy chairman when deputising;

- (e) the relative “size” of the local government as reflected in the Tribunal’s local government banding model;
- (f) the civic, ceremonial and representation duties particular to the Lord Mayor of Western Australia’s capital city.

3.2 ANNUAL ALLOWANCE FOR A MAYOR, PRESIDENT OR CHAIRMAN

- (1) The ranges of allowances in Table 7 apply where a local government sets the amount of the annual local government allowance to which a mayor or president is entitled under section 5.98(5) of the LG Act, subject to subsections (3) and (4).
- (2) The range of allowances in Table 8 apply where a regional local government sets the amount of the annual local government allowance to which a chairman is entitled under section 5.98(5) of the LG Act, subject to subsection (5).
- (3) Despite the provisions of subsection (1), the Perth City Council is to set the amount of the annual local government allowance to which the Lord Mayor is entitled within the range of \$60,000 to \$130,000.
- (4) The maximum annual local government allowance for a mayor or president of a local government shall not exceed the maximum allowance applicable to that local government in Table 7 or 0.2 per cent of the local government’s operating revenue for the 2012-2013 financial year, whichever is the lesser.
- (5) The maximum annual local government allowance for a chairman of a regional local government shall not exceed the maximum allowance applicable to that regional local government in Table 8 or 0.2 per cent of the regional local government’s operating revenue for the 2012-2013 financial year, whichever is the lesser.

Table 7: Annual allowance for a mayor or president of a local government

For a mayor or president		
Band	Minimum	Maximum
1	\$50,000	\$85,000
2	\$15,000	\$60,000
3	\$1,000	\$35,000
4	\$500	\$19,000

Table 8: Annual allowance for a chairman of a regional local government

For a chairman		
	Minimum	Maximum
All regional local governments	\$500	\$19,000

3.3 ANNUAL ALLOWANCE FOR A DEPUTY MAYOR, DEPUTY PRESIDENT OR DEPUTY CHAIRMAN

- (1) The percentage determined for the purposes of section 5.98A(1) of the LG Act is 25 per cent.

PART 4: EXPENSES TO BE REIMBURSED

This Part deals with expenses for which council members are entitled to be reimbursed pursuant to section 5.98(2) of the LG Act.

In particular, this Part deals with –

- (a) expense reimbursements prescribed specifically in regulation 31(1) of the LG Regulations that must be paid by a local government or regional local government when claimed by a council member (i.e. telephone and facsimile rental, child care and travel); and*
- (b) expense reimbursements prescribed in general terms in regulation 32(1) of the LG Regulations that may be approved by a local government or regional local government and claimed by a council member.*

4.1 GENERAL

- (1) Pursuant to section 5.98(2)(a) and (3) of the LG Act, a council member who incurs an expense of a kind prescribed in regulation 31(1) of the LG Regulations is entitled to be reimbursed for the expense to the extent determined in section 4.2(1) to (5) of this Part.
- (2) Regulation 31(1) of the LG Regulations prescribes the following kinds of expenses that are to be reimbursed –
 - (a) rental charges incurred by a council member in relation to one telephone and one facsimile machine; and
 - (b) child care and travel costs incurred by a council member because of the member's attendance at a council meeting or a meeting of a committee of which he or she is also a member.
- (3) Pursuant to section 5.98(2)(a) and (3) of the LG Act, a council member who incurs an expense of a kind prescribed in regulation 32(1) of the LG Regulations is entitled to be reimbursed for the expense to the extent determined in section 4.2(6) and (7) of this Part.
- (4) Regulation 32(1) of the LG Regulations prescribes the following kinds of expenses that may be approved by a local government for reimbursement –
 - (a) an expense incurred by a council member in performing a function under the express authority of the local government;

- (b) an expense incurred by a council member to whom paragraph (a) applies by reason of the council member being accompanied by not more than one other person while performing the function if, having regard to the nature of the function, the local government considers that it is appropriate for the council member to be accompanied by that other person;
- (c) an expense incurred by a council member in performing a function in his or her capacity as a council member.

4.2 EXTENT OF EXPENSES TO BE REIMBURSED

- (1) The extent to which a council member can be reimbursed for rental charges in relation to one telephone and one facsimile machine is the actual expense incurred by the council member.
- (2) The extent to which a council member can be reimbursed for child care costs incurred because of attendance at a meeting referred to in regulation 31(1)(b) of the LG Regulations is the actual cost per hour or \$25 per hour, whichever is the lesser amount.
- (3) The extent to which a council member of a local government can be reimbursed for travel costs referred to in regulation 31(1)(b) of the LG Regulations is –
 - (a) if the person lives or works in the local government district or an adjoining local government district, the actual cost for the person to travel from the person's place of residence or work to the meeting and back; or
 - (b) if the person does not live or work in the local government district or an adjoining local government district, the actual cost, in relation to a journey from the person's place of residence or work and back —
 - (i) for the person to travel from the person's place of residence or work to the meeting and back; or
 - (ii) if the distance travelled referred to in subparagraph (i) is more than 100 kilometres, for the person to travel from the outer boundary of an adjoining local government district to the meeting and back to that boundary.
- (4) The extent to which a council member of a regional local government can be reimbursed for travel costs referred to in regulation 31(1)(b) of the LG Regulations is the actual cost for the person to travel from the person's place of residence or work to the meeting and back.
- (5) For the purposes of subsections (3) and (4), travel costs incurred while driving a privately owned or leased vehicle (rather than a commercially hired vehicle) are to be calculated at the same rate applicable to the reimbursement of travel costs in the same

or similar circumstances under the *Public Service Award 1992* issued by the Western Australian Industrial Relations Commission as at the date of this determination.

- (6) The extent to which a council member can be reimbursed for child care costs incurred in any of the circumstances referred to in regulation 32(1) of the LG Regulations is the actual cost per hour or \$25 per hour, whichever is the lesser amount.
- (7) The extent to which a council member can be reimbursed for intrastate or interstate travel and accommodation costs incurred in any of the circumstances referred to in regulation 32(1) of the LG Regulations is at the same rate applicable to the reimbursement of travel and accommodation costs in the same or similar circumstances under the *Public Service Award 1992* issued by the Western Australian Industrial Relations Commission as at the date of this determination.

PART 5: ANNUAL ALLOWANCES IN LIEU OF REIMBURSEMENT OF EXPENSES

This Part deals with annual allowances that a local government or regional local government may decide to pay, pursuant to section 5.99A of the LG Act, to all council members in lieu of the reimbursement of expenses of a particular type under section 5.98(2) of the LG Act.

In particular, this Part deals with allowances to be paid instead of—

- (a) expense reimbursements prescribed specifically in regulation 31(1) of the LG Regulations that must be paid by a local government or regional local government when claimed by a council member (i.e. telephone and facsimile rental, child care and travel); and*
- (b) expense reimbursements prescribed in general terms in regulation 32(1) of the LG Regulations that may be approved by a local government or regional local government and claimed by a council member.*

5.1 GENERAL

- (1) Pursuant to section 5.99A of the LG Act, a local government or regional local government may decide by absolute majority that instead of reimbursing council members under the LG Act section 5.98(2) for all of a particular type of expense, it will pay all council members, for that type of expense, the annual allowance determined in section 5.2 of this Part or, as the case requires, an annual allowance within the range determined in that section.
- (2) Where a local government or regional local government has decided to pay council members an annual allowance for an expense of a particular type instead of reimbursing expenses of that type under section 5.98(2) of the LG Act, section 5.99A of the LG Act provides for reimbursement of expenses of that type in excess of the amount of the allowance.
- (3) In determining the maximum annual allowance for expenses of a particular type, the Tribunal has taken into account a range of factors including the following:
 - (a) the intent of the allowance to reflect the extent and nature of the expenses incurred and not to result in a windfall gain for council members;
 - (b) the capacity of local governments to set allowances appropriate to their varying operational needs;
 - (c) the particular practices of local governments in the use of information and communication technology (e.g. laptop computers, iPads);

- (c) the varying travel requirements of council members in local governments associated with geography, isolation and other factors.

5.2 ANNUAL ALLOWANCES DETERMINED INSTEAD OF REIMBURSEMENT FOR PARTICULAR TYPES OF EXPENSES

- (1) In this section –

ICT expenses means –

- (a) rental charges in relation to one telephone and one facsimile machine, as prescribed by regulation 31(1)(a) of the LG Regulations; or
- (b) any other expenses that relate to information and communications technology (for example, telephone call charges and internet service provider fees) and that are a kind of expense prescribed by regulation 32(1) of the LG Regulations;

travel and accommodation expenses means –

- (a) travel costs, as prescribed by regulation 31(1)(b) of the LG Regulations; or
 - (b) any other expenses that relate to travel or accommodation and that are a kind of expense prescribed by regulation 32(1) of the LG Regulations.
- (2) For the purposes of section 5.99A(b) of the LG Act, the minimum annual allowance for ICT expenses is \$500 and the maximum annual allowance for ICT expenses is \$3,500.
 - (3) For the purposes of section 5.99A(a) of the LG Act, the annual allowance for travel and accommodation expenses is \$50.

SCHEDULE 1: LOCAL GOVERNMENT BAND ALLOCATIONS

LOCAL GOVERNMENT	BAND
Albany City	2
Armadale City	1
Ashburton Shire	2
Augusta-Margaret River Shire	2
Bassendean Town	3
Bayswater City	1
Belmont City	2
Beverley Shire	4
Boddington Shire	4
Boyup Brook Shire	4
Bridgetown-Greenbushes Shire	3
Brookton Shire	4
Broome Shire	2
Broomehill-Tambellup Shire	4
Bruce Rock Shire	4
Bunbury City	2
Busselton Shire	2
Cambridge Town	2
Canning City	1
Capel Shire	3
Carnamah Shire	4
Carnarvon Shire	2
Chapman Valley Shire	4
Chittering Shire	3
Claremont Town	3
Cockburn City	1
Collie Shire	3
Coolgardie Shire	3
Coorow Shire	4
Corrigin Shire	4
Cottesloe Town	3
Cranbrook Shire	4
Cuballing Shire	4
Cue Shire	4
Cunderdin Shire	4
Dalwallinu Shire	4
Dandaragan Shire	3
Dardanup Shire	3
Denmark Shire	3
Derby-West Kimberley Shire	2
Donnybrook Balingup Shire	3

LOCAL GOVERNMENT	BAND
Dowerin Shire	4
Dumbleyung Shire	4
Dundas Shire	4
East Fremantle Town	3
East Pilbara Shire	2
Esperance Shire	2
Exmouth Shire	3
Fremantle City	1
Gingin Shire	3
Gnowangerup Shire	4
Goomalling Shire	4
Gosnells City	1
Greater Geraldton City	1
Halls Creek Shire	3
Harvey Shire	2
Irwin Shire	3
Jerramungup Shire	4
Joondalup City	1
Kalamunda Shire	2
Kalgoorlie-Boulder City	1
Katanning Shire	3
Kellerberrin Shire	4
Kent Shire	4
Kojonup Shire	3
Kondinin Shire	4
Koorda Shire	4
Kulin Shire	4
Kwinana Town	2
Lake Grace Shire	4
Laverton Shire	3
Leonora Shire	3
Mandurah City	1
Manjimup Shire	3
Meekatharra Shire	3
Melville City	1
Menzies Shire	4
Merredin Shire	3
Mingenew Shire	4
Moora Shire	3
Morawa Shire	4
Mosman Park Town	3
Mount Magnet Shire	4
Mount Marshall Shire	4
Mukinbudin Shire	4
Mundaring Shire	2

LOCAL GOVERNMENT	BAND
Murchison Shire	4
Murray Shire	3
Nannup Shire	4
Narembeen Shire	4
Narrogin Shire	4
Narrogin Town	4
Nedlands City	2
Ngaanyatjarraku Shire	4
Northam Shire	2
Northampton Shire	4
Nungarin Shire	4
Peppermint Grove Shire	4
Perenjori Shire	4
Perth City	1
Pingelly Shire	4
Plantagenet Shire	3
Port Hedland Town	1
Quairading Shire	4
Ravensthorpe Shire	3
Rockingham City	1
Roebourne Shire	1
Sandstone Shire	4
Serpentine-Jarrahdale Shire	3
Shark Bay Shire	4
South Perth City	2
Stirling City	1
Subiaco City	2
Swan City	1
Tammin Shire	4
Three Springs Shire	4
Toodyay Shire	3
Trayning Shire	4
Upper Gascoyne Shire	4
Victoria Park Town	2
Victoria Plains Shire	4
Vincent Town	2
Wagin Shire	4
Wandering Shire	4
Wanneroo City	1
Waroon Shire	3
West Arthur Shire	4
Westonia Shire	4
Wickepin Shire	4
Williams Shire	4
Wiluna Shire	4

LOCAL GOVERNMENT		BAND
Wongan Ballidu Shire		4
Woodanilling Shire		4
Wyalkatchem Shire		4
Wyndham-East Kimberley Shire		2
Yalgoo Shire		4
Yilgarn Shire		3
York Shire		3

Signed this 19th day of June 2013

W S Coleman AM
CHAIRMAN

C A Broadbent
MEMBER

SALARIES AND ALLOWANCES TRIBUNAL

EXPLANATORY NOTES

This section does not form part of the determination

1. Entitlements

The entitlement of a council member to a fee, allowance or reimbursement of an expense established under the LG Act, the LG Regulations and this determination, cannot be proscribed, limited or waived by a local government. Any eligible claim against those entitlements is to be paid in accordance with the applicable financial procedures of the local government.

2. Local governments to set amounts within the range determined

Where the Tribunal has determined a minimum and maximum amount for a fee, expense or allowance for members of the council of a local government or a regional local government, each council is to set an amount within the relevant range determined and the amount set will be payable to an eligible elected council member.

3. Superannuation

Nothing in this determination establishes a liability for the payment of superannuation by local governments. Elected council members are eligible for superannuation payments if their council has resolved unanimously to become an Eligible Local Governing Body (ELGB) pursuant to section 221A and section 221B of the *Income Tax Assessment Act 1936* (Cwlth). Where the council is an ELGB, it is deemed to have an employer/employee relationship with its elected council members and this attracts the application of a number of statutory obligations. Alternative arrangements described in Australian Taxation Office (ATO) Interpretative Decision ATO ID 2007/205 allow for elected council members and councils to agree for whole or part of meeting attendance fees to be paid into a superannuation fund. This information is not published by way of legal or financial advice.

Policy Number:	ADM 10
Policy Type:	Administration Policy
Policy Name:	Councillor Fees and Reimbursements
Policy Owner:	Manager Corporate Services

Authority Local Government Act Section 5.98

POLICY

Meeting Attendance Fees

The Shire President shall be entitled to \$150 for attendance at each Council meeting.

Councillors shall be entitled to \$88 for attendance at each Council meeting.

Councillors shall be entitled to \$44 for attendance at each Committee meeting.

Presidential Annual Allowance

The Presidential Annual Allowance shall be \$8,000 per annum.

Deputy Presidential Annual Allowance

The Annual Allowance payable to the Deputy Shire President shall be \$2,000, equivalent to 25% of the allowance payable to the Shire President.

Expenses for Reimbursement

That prescribed expenses shall be:

1. The reimbursement of all Council related phone calls for the Shire President from the Presidential Allowance.
2. An annual allocation of \$1,300 for the Shire President and \$1,100 to Councillors to offset the expenses associated with private ownership of a computer and associated peripherals, software and telecommunications costs.

Councillors' Mileage

A Council vehicle, if available, will be provided to transport members to meetings at which the Council is a delegate, provided that the car is driven by a Councillor or a staff member and that the use does not clash with other Council business.

A Council vehicle may be driven by a Councillor's partner while travelling to and from Nannup and while the Councillor is attending Council business provided that such use shall only be made if the vehicle is not required for the business of Council.

A mileage reimbursement will be made when Councillors use their private vehicles whilst on Council business at the same rate applicable to the reimbursement of travel and accommodation costs in the same or similar circumstances as apply under the *Public Service Award 1992* as amended from time to time.

Councillors shall check the availability of a Shire vehicle for use whilst on Council business prior to using their private vehicle.

Administration

The Councillor Fee and Reimbursement Claim Form shall be used when claiming fees and reimbursements. Claims should be submitted by Councillors on a quarterly basis. No claims made after 31 August that relate to the previous financial year will be deemed valid.

All claims for reimbursement of expenses such as childminding fees, accommodation costs etc must be supported by a copy of the paid account. This policy will be reviewed by Council following new determinations by the Salaries and Allowances Tribunal.

Related Policies	ADM 6
Related Procedures/Documents	
Delegated Level	
Adopted	OM 22 May 1997
Last Reviewed	OM 25 July 2013

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

AGENDA NUMBER:	11.2
SUBJECT:	Budget Review – June 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	15 July 2013

Attachments: 1. Table Showing Detailed Variances for 2012/13
 2. Monthly Financial Statements- period ending 30 June 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 that is anticipated for the end of this financial year is expected to be \$2,714,910. 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 has not been received within the 2012/13 financial year and so will be carried forward to 2013/14.. Additionally there is a Mowen Road carried forward to account for works

Shire of Nannup
Ordinary Council Meeting Agenda: July 2013

to be completed in future periods. The expenditure relating to these types of projects will therefore also be carried forward into 2013/14.

After removing these amounts from the overall variance, we anticipate that the actual carried forward figure for this year will be a \$2,613 underspend. This is shown in the table below.

	<i>Savings</i> \$
Gross saving expected for the year	
Income – over received	\$278,874
Expenditure – savings made	-\$2,436,036
Total Gross Saving	-\$2,714,910
Less: Savings to be carried forward income	\$734,189
Less: Savings to be carried forward expenditure	\$1,978,108
Net underspend at end of the year	-\$2,613

Full details of all variances, including all the savings which will be carried forward are contained within Attachment 1. There are significant savings found within Parks and Gardens and Insurances, however the previously reported savings in Fuels and Oils have now been revised to \$20,000. The savings within Parks and Gardens have been revised down from an anticipated saving of \$50,000 (as the result of efficiency savings) to \$19,000, while the savings returned on insurance is a result of anticipated increases within this industry not reaching levels expected.

Within our works program, there has been additional expenditure which relates to the rehabilitation of the gravel pits and a reserve contribution of \$8,000 will be made to partially offset this cost.

Income variances are primarily as a result of funding from grants being received later than expected and lower interest received on investments. In other areas transaction volumes have been lower than expected for example, commission received from Department of Transport, town planning income, venue hire. and reductions within this area from mobile bin fees. The mobile bin reduction is as a result of a bin audit conducted this year which revealed less bins in use than previously listed. Finally, as per last year, we have received the first instalment of our equalisation and local road grants as a prepayment. These payments need to be carried forward to support expenditure within the new year.

As reported earlier, the new addition of a caravan park has now been analysed up to the end of April 2013. As this project is only in its first year of operation, there were no historical figures on which to base our original estimations. The full cost of this project, at this point in time is under constant review as a result. It is anticipated that on an operational level there will be a loss of approximately

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

\$51,000. This comprises \$6,000 of increased expenses and \$45,000 of lost income as a result of the park not being in our control for a full twelve months. For the first three months of this financial year the park was under the control of the Nannup Tourist Association. Capital costs are \$80,000, which results in an overspend of \$10,000 in this area.

As a result of the lag in receipt of grant income we anticipate 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 has included all variances to date.

STATUTORY ENVIRONMENT:

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

POLICY IMPLICATIONS: None.

FINANCIAL IMPLICATIONS: None.

STRATEGIC IMPLICATIONS: None.

VOTING REQUIREMENTS: Simple Majority.

RECOMMENDATION:

It is recommended that the Monthly Financial Statement for the period ending 30 June 2013 be received.

SHIRE OF NANNUP

STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2012 TO 30 JUNE 2013

	2012/13 Y-T-D Actual \$	2012/13 Y-T-D Budget \$	2012/13 Budget \$	Variances Y-T-D Budget to Actual %
<u>Operating</u>				
Revenues/Sources				
Governance	1000	1,000	1,000	0%
General Purpose Funding	1893126	1,494,085	1,494,085	27%
Law, Order, Public Safety	265514	350,733	350,733	(24%)
Health	2900	4,818	4,818	(40%)
Education and Welfare	94336	41,230	41,230	129%
Housing	16796	16,796	16,796	0%
Community Amenities	103800	122,270	122,270	(15%)
Recreation and Culture	28960	29,054	29,054	(0%)
Transport	6888279	6,878,779	6,878,779	0%
Economic Services	117500	216,000	216,000	(46%)
Other Property and Services	40000	26,894	26,894	49%
	<u>9,452,211</u>	<u>9,181,659</u>	<u>9,181,659</u>	<u>3%</u>
(Expenses)/(Applications)				
Governance	(264,993)	(844,118)	(844,118)	(69%)
General Purpose Funding	(135,496)	(1,148,126)	(1,148,126)	(88%)
Law, Order, Public Safety	(338,403)	(331,371)	(331,371)	2%
Health	(65,876)	(36,420)	(36,420)	81%
Education and Welfare	(173,105)	(175,141)	(175,141)	(1%)
Housing	(51,241)	(28,096)	(28,096)	82%
Community Amenities	(421,885)	(380,051)	(380,051)	11%
Recreation & Culture	(434,855)	(404,272)	(404,272)	8%
Transport	(2,379,166)	(2,207,212)	(2,207,212)	8%
Economic Services	(208,274)	(340,937)	(340,937)	(39%)
Other Property and Services	(138,446)	28,496	28,496	(586%)
	<u>(4,611,740)</u>	<u>(5,867,248)</u>	<u>(5,867,248)</u>	<u>(21%)</u>
<u>Adjustments for Non-Cash (Revenue) and Expenditure</u>				
(Profit)/Loss on Asset Disposals	0	19,500	19,500	(100%)
Depreciation on Assets	1,959,019	1,818,318	1,818,318	8%
<u>Capital Revenue and (Expenditure)</u>				
Purchase Land and Buildings	(292,600)	(645,402)	(645,402)	(55%)
Purchase Infrastructure Assets - Roads	(6,628,473)	(7,261,114)	(7,261,114)	(9%)
Purchase of Infrastructure Assets - Parks				0%
Purchase Plant and Equipment	(394,683)	(414,000)	(414,000)	(5%)
Purchase Furniture and Equipment	0	(27,450)	(27,450)	(100%)
Proceeds from Disposal of Assets	0	140,000	140,000	(100%)
Repayment of Debentures	(64,981)	(64,982)	(64,982)	(0%)
Proceeds from New Debentures	0	0	0	0%
Leave Provisions	99,900	166,708	166,708	(40%)
Accruals	12,000	18,852	18,852	(36%)
Self Supporting Loan Principal Income	20,076	19,722	19,722	2%
Transfers (to)/from Reserves	(77,376)	(581,109)	(581,109)	(87%)
 ADD Net Current Assets July 1 B/Fwd	 1,593,984	 1,593,984	 1,593,984	
LESS Net Current Assets Year to Date	2,308,461	(666,373)	(666,373)	
 Amount Raised from Rates	 <u>(1,241,124)</u>	 <u>(1,236,189)</u>	 <u>(1,236,189)</u>	
	1,241,124	1,236,189	1,236,189	

SHIRE OF NANNUP

STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2012 TO 31 MAY 2013

	2012/13 Actual \$	Brought Forward 01-July-2012 \$
NET CURRENT ASSETS		
Composition of Estimated Net Current Asset Position		
CURRENT ASSETS		
Cash - Unrestricted	2,746,680	1,902,967
Cash - Restricted	73,525	94,107
Cash - Reserves	1,810,011	1,779,437
Receivables	351,253	553,247
Inventories	0	0
	<u>4,981,469</u>	<u>4,329,757</u>
LESS: CURRENT LIABILITIES		
Payables and Provisions	<u>(789,471)</u>	<u>(943,187)</u>
	4,191,998	3,386,570
Less: Cash - Reserves - Restricted	(1,883,536)	(1,873,543)
NET CURRENT ASSET POSITION	<u><u>2,308,462</u></u>	<u><u>1,513,026</u></u>

Summary

Jun-13	
Year End Anticipated Position	Year To Date Position
(Surplus)/Deficit	
\$	\$
Income	455,315
Expenditure	(457,928)
Total Overspend/(Underspend) Anticipated	(2,613)

Income - Gross - <i>over received</i>	-\$278,874.27
Less Reserve Contribution	\$95,000.00
Less carried fwd - prepayments	\$639,189.00
Expenses - Gross - <i>under spent</i>	-\$2,436,035.90
Plus R4R carried forward	\$1,058,108.00
Mowen Road carried forward	\$910,000.00
Firebreak carried forward	\$10,000.00
	<u>-\$2,613.17</u>

Gross Inc + Gross Exp	-\$2,714,910.17
-carried forwards and reserve transfers	<u>-\$2,712,297.00</u>
	<u>-\$2,613.17</u>

Based on projections from current data it is anticipated that we will have an underspend of \$12,613.

Governance Expenditure			Explanation		(Under Expended)/Over Expended	
	Budget	Actual			Current	Year End
0112	\$ -	\$ -	Election Expenses	balanced	0	0
0122	\$ 23,125.00	\$ 20,190.36	Strategic Planning		(2,935)	(2,900)
0142	\$ 15,400.00	\$ 14,640.85	Refreshments	invoices still be be paid	(759)	0
0162	\$ 37,550.00	\$ 37,845.00	Donations/contributions	slight over expense	295	300
0172	\$ 42,650.00	\$ 28,247.32	Councillor allowances	Once all reimbursements received, should be balanced.	(14,403)	0
0182	\$ 21,977.00	\$ 16,586.58	Subscriptions	lower than anticipated	(5,390)	(5,390)
0202	\$ 189,000.00	\$ 180,000.00	Insurance	overall a \$9K savings overall increases anticipated not achieved	(9,000)	(9,000)
0212	\$ -	\$ 2,000.00	CEO performance review	Should be balanced - IR expense account to be used.	2,000	0
0532	\$ 1,000.00	\$ 252.96	Gratuities	lower than anticipated	(747)	(700)
0572	\$ -	\$ -	Members consumables		0	0
	\$ 330,702.00	\$ 299,763.07			(30,939)	(17,690)
General Administration						
	Budget	Actual	Explanation		(Under Expended)/Over Expended	
					Current	Year End
0272	\$ 371,015.00	\$ 370,812.12	Admin Salaries	Additional workload attributed to strategic planning. Support also needed for finance area due to increased pressures from town planning/building/health areas.	(203)	2,000
0312	\$ 2,000.00	\$ 4,622.79	Minor furniture & equip	balanced position expected. Current position result of incorrect coding of exp.	2,623	0
0362	\$ 49,290.00	\$ 31,265.24	Building & Gardens maintenance	Less maintenance than budgeted for	(18,025)	(18,025)
0372	\$ 32,741.00	\$ 31,210.85	Computer maintenance	timing issues expected. Balanced at year end	(1,530)	0
0382	\$ 15,877.00	\$ 21,291.02	Printing & Stationery	additional administration costs	5,414	5,500
0392	\$ 11,178.00	\$ 12,546.07	Telephone Expenses	overall increase in office expenditure	1,368	2,000
0402	\$ 6,649.00	\$ 3,612.80	Office Equipment Maintenance	less maintenance than anticipated	(3,036)	(3,000)
0412	\$ 4,237.00	\$ 4,025.37	Postage	balanced position expected.	(212)	0
0432	\$ 9,000.00	\$ 6,542.01	Vehicle & Travel	Offset by staff training expenses	(2,458)	(640)
0442	\$ 5,156.00	\$ 6,124.37	Bank Charges	Fees higher than anticipated	968	968
0452	\$ 7,941.00	\$ 4,953.28	Advertising	Savings made	(2,988)	(1,500)
0462	\$ 11,617.00	\$ 12,480.00	Audit Fees	timing issues expected. Balanced at year end	863	863
0472	\$ 20,548.00	\$ 27,941.27	Rates Valuations	General reval for GRV higher than originally quoted	7,393	7,393
0482	\$ 5,000.00	\$ 160.20	Legal Fees	No major legal costs for this fin year	(4,840)	(4,800)
0492	\$ 13,600.00	\$ 15,417.54	Staff training expenses	Expenses higher than anticipated. Offset by vehicle & travel	1,818	0
0522	\$ 1,000.00	\$ 12.23	Uniforms	No claims received	(1,012)	(1,012)
0812	\$ -	\$ 2,020.00	Recruitment Expenses	Caravan Park recruitment process not included in initial budget. Offset against Works recruitment expense.	2,020	0
0502	\$ 800.00	\$ 262.28	Sundry expenses	timing issues expected. Balanced at year end	(538)	(500)
	\$ 567,649.00	\$ 555,274.98			(12,374)	(10,752)
General Purpose Revenue						
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)	(1,058,108)
0472	\$ 20,548.00	\$ 27,941.27	Rating Valuation Expenses	Revaluation of GRV properties higher than anticipated	7,393	7,400
4872	\$ 18,010.00	\$ 19,830.86	DOT Licensing Expenses	Expenses higher than anticipated	1,821	2,000
0422	\$ 50,000.00	\$ 14,815.47	Recoverable Expenses	Should be under \$ 20K - Changes in classification has seen expenses coded to correct area of occurrence.	(35,185)	(35,185)
	\$ 1,147,926.00	\$ 63,847.60			(1,084,078)	(1,083,893)

	Budget	Actual		Explanation		Current	Year End
Law & Public Order							
0652	\$ 20,000.00	\$ 15,180.13	Maintenance of Strategic Firebreaks	Expenses less than anticipated	*	(4,820)	0
712	\$ 29,985.00	\$ 13,446.49	Firebreak Inspections	Overall savings - Carry forward \$10K for software package		(16,539)	(16,539)
	\$ 49,985.00	\$ 28,626.62				(21,358)	(16,539)
Health							
1242	\$ 334.00	\$ 270.16	Insurance		*	(64)	0
1322	\$ 2,000.00	\$ 682.99	Admin Expenses	timing issues - expected to be balanced at year end		(1,317)	0
	\$ 2,334.00	\$ 953.15				(1,381)	0
Education & Welfare							
0992	\$ 9,911.00	\$ 3,971.41	Pre School maintenance	Expenses less than anticipated	*	(5,940)	(5,940)
	\$ 9,911.00	\$ 3,971.41				(5,940)	(5,940)
Housing							
1712	\$ 19,057.00	\$ 25,663.60	Build Maintenance	Over budget as a result of age of buildings and increased maintenance requirements.		6,607	6,607
	\$ 19,057.00	\$ 25,663.60				6,607	6,607
Community Amenities							
1762	\$ 75,000.00	\$ 37,069.31	Contract Collection - waste	Timing issues, expected to be balanced at year end	*	(37,931)	0
1772	\$ 114,474.00	\$ 100,573.51	Waste Mgmt Facility	Timing issues, expected to be overspent by \$2.5 due to fencing expenses		(13,900)	2,500
1824	\$ 8,228.00	\$ 10,476.35	Street Bin Pick up	Should be balanced by year end		2,248	2,248
2132	\$ 66,800.00	\$ 92,652.94	Town Planning Services	Additional work required expected to be over		25,853	29,000
2142	\$ 26,140.00	\$ 6,015.33	Admin Expenses	Offset against 121720	*	(20,125)	(10,000)
2212	\$ 6,200.00	\$ 1,247.50	LPS Amend Exp	Offset against 121720		(4,953)	(5,000)
2302	\$ 15,170.00	\$ 13,665.22	Cemetery Exp	Should be balanced at year end.		(1,505)	0
2322	\$ 34,406.00	\$ 27,533.71	Public Conveniences	Saving expected		(6,872)	(5,000)
	\$ 346,418.00	\$ 289,233.87				(57,184)	13,748
Rec & Culture							
2422	\$ 15,091.00	\$ 11,375.58	Town Hall	Offset against rec centre expenditure		(3,715)	(3,700)
2432	\$ 11,350.00	\$ 22,876.05	Rec Centre	Timing Issues show overspend larger than anticipated year end position. Will be offset against expenditure for town hall.	*	11,526	11,526
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)	(9,891)
2472	\$ 4,665.00	\$ 1,669.61	Old Roads Building	Maintenace not required as expected		(2,995)	(2,995)
2482	\$ 2,832.00	\$ 3,700.90	Bowling Club	Higher expenses than expected - New system for future periods whereby user pays for expenses.		869	869
2492	\$ 545.00	\$ 452.03	Cundinup Hall	Timing issues. Should be balanced at year end		(93)	0
2502	\$ 501.00	\$ 12,057.37	Carlotta Hall	Improvements and upkeep costs hire than anticipated		11,556	11,500
1732	\$ 7,632.00	\$ 1,005.56	Community House	Less maintenance than anticipated		(6,626)	(6,626)
2642	\$ 276,820.00	\$ 257,394.82	Public Parks	Savings expected		(19,425)	(19,000)
2842	\$ 5,000.00	\$ 6,262.78	Art Maintenance	Slight overspend		1,263	1,200
7432	\$ 10,758.00	\$ 13,805.36	Foreshore Park	Expenses higher than expected		3,047	3,000
2922	\$ 5,000.00	\$ 3,916.46	Office Expenses - Library	Timing issues. Should be balanced at year end		(1,084)	0
2923	\$ 200.00	\$ -	Write-Offs - Library	Timing issues. Should be balanced at year end		(200)	0
	\$ 355,499.00	\$ 338,731.41				(16,768)	(14,117)

	Budget	Actual		Explanation		Current	Year End
						Cost/(Saving)	
Transport							
3212	\$ 32,358.00	\$ 40,241.39	Depot Maintenance	Overspend anticipated		7,883	8,000
3130	\$ 5,436,114.00	\$ 4,054,776.62	Mowen Road	Overall savings. All savings transferred to plant reserve.		(1,381,337)	(1,381,337)
3240	\$ 5,000.00	\$ 7,495.17	Traffic Signs	Overspend anticipated		2,495	2,500
3160	\$ 32,000.00	\$ 40,325.75	Bridge Maintenance	Expenses higher than anticipated		8,326	8,326
3230	\$ 5,000.00	\$ 1,344.00	Crossovers	Less crossovers completed		(3,656)	(3,656)
3380	\$ 470,000.00	\$ 476,178.92	Local Road Maintenance	Expenses higher than anticipated		6,179	6,179
3410	\$ 50,000.00	\$ 55,623.78	Road Verge Maintenance	Expenses higher than anticipated		5,624	5,624
3450	\$ 5,000.00	\$ 6,525.30	Traffic Counter Maintenance	Overspend anticipated		1,525	1,525
3420	\$ 23,832.00	\$ 23,161.54	Street Lighting	Account for last period still outstanding		(670)	0
	\$ 6,059,304.00	\$ 4,705,672.47				(1,353,632)	(1,352,840)
Economic Services							
3862	\$ 7,784.00	\$ 1,375.07	Functions & Events	Infancy phase anticipated loss from concert \$10K	*	(6,409)	10,000
3923	\$ 140,000.00	\$ 6,086.70					
3932		\$ 50,457.01	Caravan Park & Camping		*		
3934		\$ 38,919.75				6,000	6,000
3912		\$ 41,808.53	Caravan Park & Camping Gardening				
3924		\$ 9,130.36		Five COA's as combined = 146402.			
3962		\$ 385.53	Regional Promotion			386	386
4024	\$ 70,000.00	\$ 79,222.47	Capital - Caravan Park	Due to Council agreement of a revised budget of \$70k it is expected that this item will have overspent by 10K.		9,222	10,000
4062	\$ 24,753.00	\$ 17,336.64	Salary - Bldg	Portion of Building Surveyor wage incorrectly allocated to Health.		(7,416)	0
	\$ 242,537.00	\$ 244,722.06				1,783	26,386
Other Property & Services							
4292	\$ 21,809.00	\$ 37,295.97	Private Works	Expenses higher than anticipated	*	15,487	15,500
4312	\$ 9,152.00	\$ 11,056.31	Training	Should be balanced at year end.	*	1,904	1,904
4452	\$ 9,163.00	\$ 10,051.83	Protective Clothing	Should be balanced at year end.	*	889	889
4462	\$ 3,201.00	\$ 8,747.84	Safety Meetings	Should be balanced at year end		5,547	5,547
4532	\$ 913.00	\$ -	Admin Expenses			(913)	(913)
7672	\$ 1,826.00	\$ -	Recruitment Exp	Offset against Gen Admin Recruitment expenses	*	(1,826)	0
4482	\$ 25,663.00	\$ 27,562.57	Tyres & Batteries	Overspend in this area	*	1,900	2,000
4492	\$ 24,513.00	\$ 32,142.30	Insurances & Licenses			7,629	7,500
4982	\$ 275,000.00	\$ 241,749.50	Fuel & Oil	Anticipated \$20K saving at year end	*	(33,251)	(20,000)
4992	\$ 3,663.00	\$ 4,291.45	Sundry Tools	Slight overspend		628	628
6802	\$ 50,413.00	\$ 47,648.08	Parts & External Work	Journals required - Should be balanced		(2,765)	0
	\$ 425,316.00	\$ 420,545.85				(4,770)	13,055
Total Expenditure Savings Anticipated for Year							
						(2,552,736)	(2,436,036)
				Less Mowen Road Carried Forward		(910,000)	(910,000)
				Less Firebreak Carried Forward		(10,000)	(10,000)
				Less Capital Carried Forward - R4R		(1,058,108)	(1,058,108)
						(574,628)	(457,928)

30/06/2013	Budget	Actual		Explanation	(Over received)/Under received	
					Current	Anticipated Year End
General Purpose Revenue						
0011	(1,236,189)	(1,240,913)	Rate Revenue	Anticipated surplus of \$5K	(4,724)	(4,724)
0041	(3,500)	(3,425)	Legal Fees	Last round of legal expenses outstanding	75	75
0061	(6,000)	(16,713)	Int on Overdue rates		(10,713)	(10,713)
0091	(345,537)	(771,976)	Equalisation Grant	Prepayment for 2013/14	(426,439)	(426,439)
0261	(3,000)	(4,179)	Interest on Instalments		(1,179)	(1,179)
0271	(500)	0	Int on deferred rates	should be balanced at year end	500	0
0291	(242,690)	(438,617)	Local Road Grant	Revision from Grants Commission will see decrease in revenue received, however also included is prepayment for 13/14	(195,927)	(143,927)
0553	(670,936)	(455,678)	R4R	Revenue still outstanding	215,258	215,258
0361	(3,500)	(3,730)	Admin Charges		(230)	(200)
0523	(25,000)	(23,872)	DOT Commission	Lower than anticipated usage	1,128	1,100
0533	(20,000)	(12,802)	Sundry Income	Lower than anticipated usage	7,198	7,200
0573	(50,000)	(9,450)	Expenses Recovered	Should be balanced to expenses recoverable at year end	40,550	35,000
4873	(80,000)	(53,950)	Interest on Investment - General	Lower interest rates have impacted overall income received	12,667	12,667
4883	(30,000)	(43,383)	Interest on Investment - R4R			
	(2,716,852)	(3,078,689)			(361,837)	(315,883)
General Administration						
7053	(1,000)	(1,658)	Shirley Humble room hire	Hall hire higher than expected	(658)	(658)
	(1,000)	(1,658)			(658)	(658)
Health						
1383	(2,618)	(1,787)	Gen License Fees	Surplus anticipated	2,014	2,014
1373	(2,200)	(1,017)				
	(4,818)	(2,804)			2,014	2,014
Education & Welfare						
0993	(6,670)	(6,370)		Payment plan commenced	300	300
	(6,670)	(6,370)			300	300
Housing						
1723	(16,796)	(18,008)	Rental Income	Initial budget did not include income from manager caravan park's accomodation	(1,212)	(1,212)
	(16,796)	(18,008)			(1,212)	(1,212)

30/06/2013	Budget	Actual		Explanation	(Over received)/Under received	
Community Amenities						
				Audit revealed incorrect number of bins used for calculation - account for current period outstanding	12,985	12,985
1803	(60,045)	(47,060)	Mobile Bin Charges			
1805	(36,225)	(34,571)	Recycling Fees	Timing issues	1,654	1,650
1813	(14,000)	(17,498)	Tip Fees	Tip pass impact seen	(3,498)	(3,498)
				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
2243	(3,000)		0 LPS Amend Contributions			
2253	(7,000)	(2,675)	Misc Fees & Charges	Lower than anticipated town planning income received	4,325	4,325
2373	(2,000)	(2,598)	Cemetery Fees	higher than anticipated - estimation only in first instance	(598)	(598)
	(122,270)	(104,402)			17,868	17,864
Recreation & Culture						
7043	(5,889)	(9,632)	Hire Fees - Rec Centre		(3,743)	(3,743)
7053	(5,531)	(12,336)	Hire Fees - Other Venues		(6,805)	(6,805)
3033	(3,000)	0	User Charges & Sundry Income	Hall hire higher than anticipated	3,000	3,000
	(14,420)	(21,968)			(7,548)	(7,548)
Transport						
	0	(8,000)	Gravel Pit Reserve	Transfer from Gravel Pit Reserve for Gravel Pit works.	(8,000)	(8,000)
3341	-5100000	(4,998,342)			101,658	100,000
3361	(140,000)	0	Mowen Road Supervision Fee	Supervision fee collected will be higher than anticipated	(140,000)	(95,000)
	(140,000)	0			(46,342)	(3,000)
Economic Services						
3933	(140,000)	(94,765)	Caravan Park Income		45,235	45,000
	(140,000)	(94,765)			45,235	45,000
Other Property & Services						
4323	(26,894)	(42,646)	Private Works	Timing issues higher income anticipated	(15,752)	(15,752)
	(26,894)	(42,646)			(15,752)	(15,752)
				Overall (Surplus)/deficit anticipated	(367,931)	(278,874)
	(3,189,720)	(3,371,309)	TOTAL INCOME	Less Capital Carried Forward - Mowen Road	95,000	95,000
				Grant income received as prepayment carried forward	639,189	639,189
				Net Deficit Anticipated:	366,258	455,315

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

AGENDA NUMBER:	11.3
SUBJECT:	Month Accounts for Payment – June 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	Date 15 July 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

	4960 - 50402	\$ 474,280.05
Accounts paid by EFT		
Accounts paid by cheque	19190 - 19218	\$254,439.22
Accounts paid by Direct Debit	99399 - 99408	38,615.02
Sub Total Municipal Account		<u>\$767,334.29</u>

Trust Account

Accounts Paid by cheque	Nil	0.00
Sub Total Trust Account		<u>\$0.00</u>
Total Payments		<u>\$767,334.29</u>

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 \$767,334.29 in the attached schedule be endorsed.

SHIRE OF NANNUP ACCOUNTS FOR PAYMENT - JUNE 2013				Attachment 1
Chq/EFT	Name	Description	Amount	
EFT5027	TRACIE BISHOP	REIMBURESEMENT OF EXPENSES	\$ 578.58	
EFT5028	WARREN BLACKWOOD WASTE	WASTE CONTRACT	\$ 8,104.62	
EFT5029	WORTHY CONTRACTING	NANNUP WASTE FACILITY- APRIL 2013	\$ 19,726.66	
EFT5030	MYERS EQUESTRIAN AND AGRICULTURAL SERVICES	DIG POWER TRENCH FOR LIGHTING TOWER	\$ 510.00	
EFT5031	DEAN GUJA	PROFESSIONAL SERVICES	\$ 3,600.00	
EFT5032	STAPLES AUSTRALIA PTY LTD	STATIONARY ORDER	\$ 124.87	
EFT5033	LANDGATE	FESA VALUATION	\$ 102.54	
EFT5034	BARBARA DUNNET	REIMBURESEMENT OF EXPENSES	\$ 2,026.72	
EFT5035	CHARLES GILBERT	REIMBURESEMENT OF EXPENSES	\$ 1,980.00	
EFT5036	GUMPTION PTY LTD	PROGRESS PMT COMMUNITY STRATEGIC PLAN	\$ 1,040.00	
EFT5037	PRESTIGE PRODUCTS	CLEANING PRODUCTS	\$ 83.39	
EFT5038	IT VISION	SOFTWARE ADDITIONS	\$ 968.00	
EFT5039	WA LOCAL GOVERNMENT SUPERANNUATION PLAN	SUPERANNUATION CONTRIBUTIONS	\$ 20,871.45	
EFT5040	WA LOCAL GOVERNMENT SUPERANNUATION PLAN	SUPERANNUATION CONTRIBUTIONS	\$ 12,603.19	
Total EFT payments - Municipal Account for June 13			\$ 474,280.05	
19190	THE GOOD GUYS DISCOUNT WAREHOUSES PTY LTD	DYSON VACUUM CLEANER	\$ 548.00	
19191	DR CRAIG HENDRY	WORKERS COMPENSATION	\$ 76.25	
19192	MATTHEW HUMBLE	REIMBURESEMENT OF EXPENSES	\$ 656.11	
19193	BUNNINGS- BUSSELTON	PLANT SUPPLIES	\$ 565.47	
19194	IAN ENGLERT	ANNUAL PIANO TUNING	\$ 150.00	
19195	GRUB HUB	FUEL SUPPLIES	\$ 829.73	
19196	SENSIS PTY LTD	WHITE PAGES ADVERTISEMENT	\$ 56.90	
19197	BUSSELTON HOCKEY STADIUM CLUB INC	KIDSPORT	\$ 200.00	
19198	HARPERCOLLINS PUBLISHERS AUSTRALIA PTY LIMITED	LIBRARY SUPPLIES	\$ 289.22	
19199	SOUTHWEST HOSPITAL PHARMACY	WORKERS COMPENSATION	\$ 59.70	
19200	BOREHAM VALLEY NURSERY	PLANT SUPPLIES	\$ 79.20	
19201	MAIN ROADS WA	BRIDGE WORKS	\$ 244,888.60	
19202	SHIRE OF NANNUP	VEHICLE REGISTRATION	\$ 24.00	
19203	SMALL TREE FARM	SILVER BIRCH TREES	\$ 371.25	
19204	TONY DEAN	REIMBURESEMENT OF EXPENSES	\$ 150.00	
19205	SHIRE OF NANNUP	PETTY CASH REIMBURSEMENT	\$ 119.55	
19206	AMP LIFE LTD	SUPERANNUATION CONTRIBUTIONS	\$ 347.34	
19207	AUSTRALIAN SUPER	SUPERANNUATION CONTRIBUTIONS	\$ 963.24	
19208	IIML ACF IPS APPLICATION TRUST	SUPERANNUATION CONTRIBUTIONS	\$ 684.78	
19209	AMP SUPERLEADER	SUPERANNUATION CONTRIBUTIONS	\$ 166.53	
19210	CHALLENGER	SUPERANNUATION CONTRIBUTIONS	\$ 325.05	
19211	GENERATIONS PERSONAL SUPER	SUPERANNUATION CONTRIBUTIONS	\$ 471.42	
19212	AUSTRALIAN ETHICAL SUPERANNUATION PTY LTD	SUPERANNUATION CONTRIBUTIONS	\$ 367.27	
19213	AMP LIFE LTD	SUPERANNUATION CONTRIBUTIONS	\$ 256.18	
19214	AUSTRALIAN SUPER	SUPERANNUATION CONTRIBUTIONS	\$ 642.16	
19215	IIML ACF IPS APPLICATION TRUST	SUPERANNUATION CONTRIBUTIONS	\$ 456.52	
19216	CHALLENGER	SUPERANNUATION CONTRIBUTIONS	\$ 216.70	
19217	GENERATIONS PERSONAL SUPER	SUPERANNUATION CONTRIBUTIONS	\$ 314.28	
19218	AUSTRALIAN ETHICAL SUPERANNUATION PTY LTD	SUPERANNUATION CONTRIBUTIONS	\$ 163.77	
Total Cheque payments - Municipal Account for June 13			\$ 254,439.22	
99399	SG FLEET AUSTRALIA P/L	CESM LEASE VEHICLE	\$ 315.59	
99400	CORPORATE CREDIT CARD - SHIRE OF NANNUP	SUNDRY EXPENSES	\$ 1,653.45	
99401	RMS SOFTWARE AUST P/L ** DIRECT CREDIT***	RMS SOFTWARE LICENCE RENEWAL	\$ 82.50	
99402	IINET	BROADBAND EXPENSES	\$ 69.95	
99403	WESTERN AUSTRALIAN TREASURY CORPORATION	LOAN REPAYMENT	\$ 1,672.98	
99404	BP AUSTRALIA	FUEL EXPENSES	\$ 31,636.87	
99406	TELSTRA FINANCE OPERATIONAL SERVICES	TELSTRA USAGE	\$ 2,646.13	
99407	WESTNET	INTERNET EXPENSES	\$ 176.33	
99408	CALTEX AUSTRALIA	FUEL EXPENSES	\$ 361.22	
Total Direct Debit payments - Municipal Account for June 13			\$ 38,615.02	
TOTAL MUNICIPAL PAYMENTS FOR PERIOD			\$767,334.29	
TOTAL TRUST PAYMENTS FOR PERIOD			\$0.00	
TOTAL PAYMENTS FOR PERIOD:			\$767,334.29	

SHIRE OF NANNUP ACCOUNTS FOR PAYMENT - JUNE 2013			Attachment 1
Chq/EFT	Name	Description	Amount
EFT4960	JACKSONS DRAWING SUPPLIES PTY LTD	YAC DRAWING SUPPLIES	\$ 57.12
EFT4961	NANNUP SKIP BINS	SKIP BIN SERVICE	\$ 285.00
EFT4962	IMINI HOLDINGS PTY LTD	TRANSPORTABLE KITCHEN	\$ 374.00
EFT4963	BP NANNUP	MAY FUEL ACCOUNT	\$ 207.60
EFT4964	ROBERT JENNINGS	REIMBURESEMENT OF EXPENSES	\$ 834.00
EFT4965	A TASTE OF NANNUP	DRIFT DISPLAY	\$ 1,122.00
EFT4966	MADER RICKARD CIVIL PTY LTD	GRAVEL PIT WORKS	\$ 237,484.50
EFT4967	VIC SMITH	REIMBURESEMENT OF EXPENSES	\$ 1,178.35
EFT4968	CALTEX ENERGY WA	OIL SUPPLIES	\$ 990.00
EFT4969	DEAN GUJA	PROFESSIONAL SERVICES	\$ 2,400.00
EFT4970	MAMMOTH EQUIPMENT & EXHAUSTS	OIL SUPPLIES	\$ 1,914.00
EFT4971	STRATEGEN ENVIRONMENTAL CONSULTANTS PTY LTD	CADASTRE INFORMATION TO BUSH FIRE PRONE MAPS	\$ 1,372.26
EFT4972	MPM DEVELOPMENT CONSULTANTS	DESIGN & DOCUMENTATION MAINSTREET PROJECT	\$ 6,890.40
EFT4973	COVS PARTS	SUNDRY SUPPLIES	\$ 1,255.85
EFT4974	STAPLES AUSTRALIA PTY LTD	STATIONARY ORDER	\$ 100.30
EFT4975	MINING AND CIVIL PLANT HIRE PTY LTD	GRADER, MACHINERY HIRE	\$ 9,460.00
EFT4976	BJ & FH TOMAS	SUPPLY AND FABRICATE PLANTER BOX FRAMES	\$ 5,400.00
EFT4977	REDGATE HOLDINGS PTY LTD	12 TONNE AG LIME	\$ 240.00
EFT4978	CJD EQUIPMENT PTY. LTD.	MOTOR VEHICLE PARTS	\$ 1,071.43
EFT4979	HOLCIM AUSTRALIA PTY LTD	10MM SEALING AGG X7	\$ 24,884.20
EFT4980	CUTTS ENGINEERING PTY LTD	STRAIGHTEN GRAB FORK TYNE	\$ 277.20
EFT4981	DEPARTMENT OF FIRE AND EMERGENCY SERVICES	AREA MAPS	\$ 130.00
EFT4982	FTE ENGINEERING	HYDRAULIC HOSE ASSEMBLY	\$ 260.53
EFT4983	GREENWAY ENTERPRISES	SUNDRY SUPPLIES	\$ 370.06
EFT4984	TOLL IPEC ROAD EXPRESS PTY LTD	FREIGHT SUPPLIES	\$ 889.76
EFT4985	JASON SIGNSMAKERS	SIGNAGE	\$ 332.20
EFT4986	K & C HARPER	PLUMBING SERVICES	\$ 1,723.70
EFT4987	MCCAYS TOP GUN COMPUTERS	COMPUTER EQUIPMENT	\$ 46.45
EFT4988	NANNUP HARDWARE & AGENCIES	SUNDRY SUPPLIES	\$ 5,422.48
EFT4989	NANNUP EZIWAY SELF SERVICE STORE	REFRESHMENTS AND CLEANING GST	\$ 32.65
EFT4990	NANNUP COMMUNITY RESOURCE CENTRE	WEB HOSTING - FOODBOWL	\$ 234.40
EFT4991	SHIRE OF MANJIMUP	IT CONSULTANCY	\$ 487.50
EFT4992	WARREN BLACKWOOD WASTE	WASTE CONTRACT	\$ 1,925.00
EFT4993	JACKSONS DRAWING SUPPLIES PTY LTD	ART SUPPLIES	\$ 20.14
EFT4994	NANNUP SURVEYS	ROAD SURVEY	\$ 6,248.00
EFT4995	IMINI HOLDINGS PTY LTD	TRANSPORTABLE KITCHEN	\$ 946.00
EFT4996	NANNUP BRIDGE CAFE	MEAL FOR COUNCIL MEETING THURSDAY 23 MAY 2013	\$ 420.00
EFT4997	P.N. ATKINSON	YAC SCHOOL HOLIDAY PROGRAM	\$ 360.00
EFT4998	EDGE PLANNING & PROPERTY	PLANNING SERVICES	\$ 11,050.04
EFT4999	BUSSELTON PSI PTY LTD	DEBT COLLECTION	\$ 123.49
EFT5000	ROVERS JUNIOR FOOTBALL CLUB (BUSSELTON) INC	KIDS SPORT VOUCHERS	\$ 380.00
EFT5001	BOOEASY PTY LTD	BOOEASY BOOKING SYSTEM	\$ 1,320.00
EFT5002	GEOGRAPHE COMMUNITY LANDCARE NURSERY	NATIVE PLANTS SUPPLIES	\$ 412.00
EFT5003	AMD CHARTERED ACCOUNTANTS	INTRIM AUDIT FOR THE YEAR ENDING 30 JUNE 2013	\$ 3,300.00
EFT5004	BOYANUP BOTANICAL	ASSORTED PLANTS	\$ 193.17
EFT5005	BLACKWOOD CAFE - SUMART	REFRESHMENTS	\$ 30.00
EFT5006	CJD EQUIPMENT PTY. LTD.	SUNDRY SUPPLIES	\$ 257.31
EFT5007	HOLCIM AUSTRALIA PTY LTD	4 X 10MM SEALING AGG	\$ 8,995.80
EFT5008	LANDGATE	GENERAL REVAL - GRV	\$ 26,633.45
EFT5009	EVERYDAY POTTED PLANTS	PLANT SUPPLIES	\$ 1,143.12
EFT5010	GUMPTION PTY LTD	PRINTING COMMUNITY STRATEGIC PLAN	\$ 1,885.00
EFT5011	TOLL IPEC ROAD EXPRESS PTY LTD	FREIGHT SUPPLIES	\$ 479.50
EFT5012	INSIGHT CCS PTY LTD	AFTERHOURS CALL SERVICE	\$ 58.63
EFT5013	METAL ARTWORK CREATIONS	LARGE BRUSHED HOLD FRAME PLAQUE	\$ 50.60
EFT5014	MUIRS MANJIMUP	SUNDRY SUPPLIES	\$ 311.98
EFT5015	NANNUP HARDWARE & AGENCIES	SUNDRY SUPPLIES	\$ 7,433.20
EFT5016	NANNUP NEWSAGENCY	POSTAGE AND STATIONERY	\$ 498.52
EFT5017	NANNUP EZIWAY SELF SERVICE STORE	REFRESHMENTS AND CLEANING GST	\$ 135.79
EFT5018	NANNUP COMMUNITY RESOURCE CENTRE	NANNUP VISITORS CENTRE CONTRACT- 25%	\$ 7,942.00
EFT5019	NANNUP LIQUOR STORE	REFRESHMENTS	\$ 194.92
EFT5020	PRESTIGE PRODUCTS	CLEANING PRODUCTS	\$ 1,177.28
EFT5021	SW PRECISION PRINT	STATIONERY SUPPLIES	\$ 442.00
EFT5022	THE PAPER COMPANY OF AUSTRALIA PTY LTD	STATIONERY SUPPLIES	\$ 415.80
EFT5023	RICOH BUSINESS CENTRE	PHOTOCOPIER USAGE	\$ 881.69
EFT5024	SYNERGY	ELECTRICITY EXPENSES	\$ 6,762.40
EFT5025	TRADE HIRE	HIRE OF TURF CUTTER	\$ 52.96
EFT5026	TOTALLY SOUND	SUPPLY AND INSTALL SOUND CURTAINS	\$ 1,752.30