



# ORDINARY MINUTES

ORDINARY Meeting  
of the Council held:

**DATE:** Tuesday, 28 October 2008

**TIME:** 2.45pm

**VENUE:** Council Chambers

Rob Stewart  
CHIEF EXECUTIVE OFFICER

## **MEMBERSHIP – Quorum (5)**

### **Members:**

Cr K Forbes AM - Rocky Gully / West Ward - Shire President  
Cr B Hollingworth - Town Ward - Deputy Shire President  
Cr K Clements - Town Ward  
Cr J Mark - Town Ward  
Cr J Moir - South Ward  
Cr M Skinner - East Ward  
Cr D Nye-Chart - East Ward  
Cr S Grylls - Rocky Gully / West Ward  
Cr A Budrikis - Kendenup Ward

*Information and recommendations are included in the reports to assist the Council in the decision making process and may not constitute the Council's decision until considered by the Council.*

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## 1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

2.48 pm The Presiding Member declared the meeting open.

Working to Occupational Safety and Health Best Practices, Mr Rob Stewart – Chief Executive Officer, read aloud the emergency evacuation procedures for Councillors, staff and members of the public present in the Council Chambers

Mr Stewart then read aloud the following disclaimer:

'No responsibility whatsoever is implied or accepted by the Shire of Plantagenet for any act, omission or statement or intimation occurring during Council / Committee meetings or during formal / informal conversations with staff.

The Shire of Plantagenet disclaims any liability for any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission, or statement of intimation occurring during Council / Committee meetings or discussions. Any person or legal entity who acts or fails to act in reliance upon any statement does so at that person's or legal entity's own risk.

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

## 2 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil

## 3 RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE (PREVIOUSLY APPROVED)

Members Present:

Cr K Forbes AM

Cr A Budrikis

Cr K Clements

Cr S Grylls

Cr J Mark

Cr B Hollingworth

Cr J Moir

Cr D Nye-Chart

Cr M Skinner

In Attendance:

Mr R Stewart	Chief Executive Officer
Mr P Duncan	Manager Development Services
Mr I Bartlett	Manager Works and Services
Ms C Delmage	Accountant
Mrs Cobie MacLean	Administration Officer - Planning

There were four (4) member(s) of the public in attendance.

There were nil (0) member(s) of the media in attendance.

#### **4 PUBLIC QUESTION TIME**

Section 5.24 Local Government Act 1995

Porongurup Promotion Association / Roadside Conservation Group – Lee McInnes

Plantagenet Road Conservation Group – Stephen Jennings

Questions:

- a) Has the Council received a copy of a submission from the Plantagenet Roadside Conservation Group lodged with the Chief Executive Officer on 15 October 2008?
- b) What does it intend to do about the submissions?
- c) If it is to be referred for a report, to which officer or committee?
- d) What process does that entail?
- e) If to be presented to a future Council meeting, to which one?

Cr K Forbes AM confirmed that the submission had been received and that the Councillors received it today.

Mr McInnes was interested to know the process of how the submission would be dealt with.

Cr Forbes stated that the document had not yet been discussed with Councillors but the issue would be workshopped. Current roadside policies would need to be addressed as they are very broad.

Cr Forbes said that Councillors have only received the letter and document today and discussions would need to be held first.

#### **5 PETITIONS / DEPUTATIONS / PRESENTATIONS**

Presentation

I am Stephen Jennings and I live at 234 Woodlands Road in the East Ward. I am here to represent the Plantagenet Roadside Conservation Group (Group).

Thank you for enabling us to make this presentation. I appreciate the opportunity provided in your meeting procedure and respect your time constraints so intend to limit my presentation to around five minutes.

Three points that I would like to speak about. Who is the Group? What is in the submission made to Council, and what do we believe can be achieved out of today?

Who or what is the Group? Originally it was formed by landowners in the Millinup Road area who were concerned about the conservation of roadside vegetation and proposals to change the status of that road to a timber truck route. Since then, the Shire's approach to clearing on Mount Barker-Porongurup Road, Woodlands Road and Jones Road has generated more participation. It is open to all Shire residents and is inviting general membership in the current edition of the Plantagenet News. We understand that the 3 km scenic section of St Werburghs Road is on the Shire's clearing list. That will no doubt draw a further reaction. The Friends of the Porongurup Range Association (Friends) and the Porongurup Promotions Association (PPA) have resolved to support the Group, however we are formally independent of the Friends and the PPA.

Members of the Group include long-term residents as well as recent arrivals. All are amongst those who have chosen to move to the Shire because of their passion for this corner of the world – which is recognised internationally as a bio-diversity hotspot. These people may be farming, they may be running other businesses, they may be semi-retired. Like other stakeholders, they all have made major investments in the area and are serious about protecting what makes it a special place. As well as environmental enthusiasm these people bring skills and knowledge about policy, legalities and professional standards in the local government sphere.

As Councillors may be aware, the Group has made a written submission requesting a review of policy and an immediate halt to roadside vegetation clearing until the review has been reported. In investigating the current policy we tracked the process of designating roads for upgrading, sources of funds and the widths applied to types of road. We also checked the legislation established under the Environmental Protection Act for roadside clearing applications and the penalties for not adhering to these laws. These aspects are all covered in the submission.

What can we achieve out of today? We would like to work with Councillors to develop a review of policy and ask that a special meeting with Councillors be organised to discuss the requests in the submission – once they have received the material and had a chance to digest it.

Any meeting should be soon – preferably in early November as it seems to us important that action is taken swiftly to halt this approach to road widening. It is important, not just to achieve a policy that reflects the obvious and growing diversity of residents in the Shire, not just to strengthen the economic sectors dependent on visitors, but also to protect the status and reputation of the Council in a wider sense.

## **6 DISCLOSURE OF INTEREST**

Part 5 Division 6 Local Government Act 1995

Nil

## 7 APPLICATIONS FOR LEAVE OF ABSENCE

Section 5.25 Local Government Act 1995

### **APPLICANT: CR K FORBES AM**

Cr K Forbes AM requested Leave of Absence from 1 February to 25 February 2009 (inclusive).

**Moved Cr B Hollingworth, seconded Cr M Skinner**

**That Cr K Forbes AM be granted Leave of Absence from 1 to 25 February 2009 (inclusive).**

**CARRIED (9/0)**

**NO. 231/08**

## 8 CONFIRMATION OF MINUTES

*Moved Cr B Hollingworth, seconded Cr J Mark*

*That the Minutes of the Ordinary Meeting of the Shire of Plantagenet, held on 14 October 2008 as circulated, be confirmed subject to the following change:*

*Page 87: The word 'Skinner' be deleted and replaced with the word 'Clements'.*

**CARRIED (9/0)**

**NO. 232/08**

## 9 ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION

- 17 October 2008 – Mr J Fathers and I met with Mr Des Lehman and Mr Kieran Digney of Western Power to discuss customer service and power line maintenance in our district, in particular lighting on Albany Highway and who is responsible for this.
- 18 October 2008 – Mr J Fathers, Ms V Ward and I attended the auction of blocks with outstanding rates and succeeded, after some negotiations, to sell all lots in our catalogue. Only the property in Rocky Gully did not cover outstanding rate debt as Water Corporation gets the first payment of outstanding debts.
- 21 October 2008 – Timber Industry Roads Evaluation Study (TIRES) Great Southern met in Mount Barker to discuss Resource to Regions proposed funding and implications for TIRES. Great Southern Development Commission (GSDC) has employed Mr Sawyers to update the Plantation Timber Inventory and update the proposed roadworks plan as at 30 June 2008.
- 21 October 2008 – Western Australian Meat Industry Authority (WAMIA) Teleconference to discuss the further development of the State Saleyard



Strategy and the potential sale of our yards to the Government. Participants in the meeting were WAMIA, Pastoralists and Graziers (P&G), Western Australian Farmers Federation (WAFF), Livestock Transporters Association and the Shires of Katanning and Plantagenet. Mr J Fathers and I participated. Mr Fathers teleconferenced again on 24 October 2008. One party is outside the present recommendation to Minister Redman.

- 23 October 2008 – Mr R Stewart, Mr P Duncan and I met with Mr B Manning of GSDC to discuss matters relevant to both parties.
- 3 November 2008 – Regional Road Group meeting in Jerramungup. Cr B Hollingworth and Mr I Bartlett will be attending. Currently we only have one funded project in the proposed 2009 / 2010 funded projects. Woogenellup Road has been placed below the funding cut-off line. We as a Council have a challenge ahead.

## **10 ANNOUNCEMENTS BY COUNCILLORS WITHOUT DISCUSSION**

### Cr B Hollingworth

- 14 October to 24 October 2008 – Australian Forest Growers conference in Albury.
- 25 October 2008 – Greenskills Growers meeting.

### Cr A Budrikis

- Left over pavers donated to the Kendenup Community Church have been laid. There was a dedication last Sunday (26 October 2008) for the new gazebo. Mr Bob Fergie thanked the Shire and was very pleased with the full allocation of pavers. Mr Fergie contributes the donation to the 'Hand of God'. The clay pavers present very well and still have a long serviceable life.

### Cr J Mark

- Attended the Visitors Centre meeting. Mrs Linda Harris is the new President and she is undertaking a broad review on how the Centre is presenting and working for the tourist industry.
- Pleased to present the Shire of Plantagenet trophy at the Wine Show in Perth.

### Cr D Nye-Chart

- Attended the Visitors Centre meeting.

## **11 REPORTS OF COMMITTEES AND OFFICERS**

### **11.1 DEVELOPMENT SERVICES REPORTS**

Nil.

### **11.2 WORKS AND SERVICES REPORTS**

Nil.

### **11.3 COMMUNITY SERVICES REPORTS**

Nil.

### **11.4 CORPORATE SERVICES REPORTS**

#### **11.4.1 FINANCIAL STATEMENTS SEPTEMBER 2008 - QUARTERLY**

<b>File No:</b>	<b>FM/65/1</b>
<b>Attachments:</b>	<b>Financial Statements – September 2008 (separate attachment)</b>
<b>Responsible Officer:</b>	<b>John Fathers Deputy Chief Executive Officer</b>
<b>Author:</b>	<b>Cherie Delmage Accountant</b>
<b>Proposed Meeting Date:</b>	<b>28 October 2008</b>

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#### **Purpose**

The purpose of this report is to present the financial position of the Shire of Plantagenet for the period ending 30 September 2008.

#### **Statutory Environment**

Regulation 34 of the Financial Management Regulations (1996) requires a Statement of Financial Activity to be prepared each month which is to contain the following details:

- (a) annual budget estimates;
- (b) budget estimates to the end of the month;
- (c) actual amount of expenditure and revenue;
- (d) material variances between comparable amounts in (b) and (c) above; and
- (e) the net current assets at the end of the month to which the statement relates (i.e.: surplus / (deficit) position)./

The Statement is to be accompanied by:

- (a) explanation of the composition of net current assets, less committed assets and restricted assets;
  - (b) explanation of the material variances; and
  - (c) such other information considered relevant by the local government.
-

**Policy Implications**

There are no policy implications for this report.

**Financial Implications**

There are no financial implications for this report.

**Strategic Implications**

There are no strategic implications for this report.

**Voting Requirements**

Simple Majority

**OFFICER RECOMMENDATION / COUNCIL DECISION**

**Moved Cr M Skinner, seconded Cr J Mark:**

**That the quarterly Financial Statements for period ending 30 September 2008 be received.**

**CARRIED (9/0)**

**NO. 233/08**

**11.4.2 LIST OF ACCOUNTS - SEPTEMBER 2008**

<b>Attachments:</b>	<b>List of Accounts – September 2008</b>
<b>File No:</b>	<b>FM/65/3</b>
<b>Responsible Officer:</b>	<b>John Fathers Deputy Chief Executive Officer</b>
<b>Author:</b>	<b>Donna Jo Fawcett Accounts Officer</b>
<b>Proposed Meeting Date:</b>	<b>28 October 2008</b>

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**Purpose**

The purpose of this report is to present the list of payments that were made during the month of September 2008.

**Statutory Environment**

Regulation 13 of the Local Government (Financial Management) Regulations 1996 defines the reporting requirements to the Council of the List of Accounts.

**Financial Implications**

There are no financial implications for this report.

**Policy Implications**

There are no policy implications for this report.

**Strategic Implications**

There are no strategic implications for this report.

**Voting Requirements**

Simple Majority

**OFFICER RECOMMENDATION / COUNCIL DECISION**

**Moved Cr J Mark, seconded Cr S Grylls:**

**That:**

- 1. The payment of accounts for the month of September 2008 covering the following:**
  - a. Electronic payments and direct debits totalling \$401,628.93;**
  - b. Municipal Cheques 39278 - 39280 and 39282 - 39370 totalling \$407,819.38; and**
  - c. Trust Cheques 247 – 249 totalling \$15,500.00.**

**be approved.**

**2. Municipal Cheques:**

- a. Cancelled – 39281**

**be noted.**

**CARRIED (9/0)**

**NO. 234/08**

### 11.4.3 FORMALISATION OF DEBENTURE – LOAN NO 92 – PLANTAGENET COMMUNITY FINANCIAL SERVICES LTD - MEDICAL CENTRE

An Interest pursuant to s5.70 of the Local Government Act (1995) has been declared by the Responsible Officer of this report.

Nature of Interest: Board Member of Plantagenet Community Financial Services Ltd.

**File No:** FM/96/9  
**Attachments:** [Debenture](#)  
**Responsible Officer:** John Fathers  
Deputy Chief Executive Officer  
**Author:** Cherie Delmage  
Accountant  
**Proposed Meeting Date:** 28 October 2008

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#### Purpose

The purpose of this report is to grant authorisation to the Shire President and the Chief Executive Officer to affix the Shire of Plantagenet's Common Seal to the Debenture for Loan 92 from Plantagenet Community Financial Services Ltd (Mount Barker Bendigo Community Bank).

#### Background

The Plantagenet Medical Group (PMG) approached the Council in 2003 to discuss the development of a new Medical Centre and following that, the Council supported the concept of constructing a new Medical Centre and leasing the building to a medical practicing group.

At its meeting held 9 September 2008, it was noted that *'An approach has been made to the Mount Barker Community Bank to source \$200,000.00 on a loan agreement which has received favourable support'*.

Further, at the Council meeting held on 23 September 2008, when the tender for construction of the centre was accepted, it was reported that *'Discussions have also been held with the Mount Barker Community Bank regarding a "community loan" of \$200,000, to be paid back over a ten year period at a discounted interest rate. These discussions are yet to be finalised, however recent investigations have found that a loan may be obtained from the Treasury for \$200,000 at 6.42% fixed interest over a ten year period.'*

#### Statutory Environment

Section 6.20 of the Local Government Act 1995 relates to borrowings by a local government.

#### Consultation

On 26 September 2008, Mr Rob Stewart – Chief Executive Officer, Mr John Fathers – Deputy Chief Executive Officer and Ms Nicole Selesnew – Manager Community Services, met with Mr Leigh Wallace – Manager – Bendigo Community Bank, Mr John Howard – Chairman – Bendigo Community Financial Services Pty Ltd and Ms

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Fay Francis – Secretary/Administrator to discuss the possibility of borrowing \$200,000.00 towards the construction of a new medical centre for Mount Barker.

### **Financial Implications**

The signing of this debenture will result in the Shire owing \$200,000.00 to Plantagenet Community Financial Services Ltd. The Council included the probable requirement to borrow a sum of \$200,000.00 within its 2008/09 budget. The lender has offered an interest free loan with repayments of \$5,000.00 per quarter over a period of 10 years.

The Plantagenet Medical Group will be entering into a lease over a period of 10 years of the premises.

### **Policy Implications**

There are no policy implications for this report.

### **Strategic Implications**

There are no strategic implications for this report.

### **Officer Comment**

An integral part of the philosophy of the Bendigo Community Bank franchise is to contribute to communities in which they operate. Plantagenet Community Financial Services Ltd sees the Mount Barker Medical Centre as an iconic project which is worthy of major support and has kindly offered an interest free loan as its contribution. Savings of approximately \$70,000 will be achieved due to savings in interest.

A date for the advance of the loan has been agreed at 31 March 2009, with repayments commencing on 1 July 2009.

Plantagenet Community Financial Services Ltd expects some publicity from this exercise and Councillors will have seen the photo in the most recent edition of the Plantagenet News. Discussions have also been held on building site signage and a permanent plaque within the centre acknowledging the support.

### **Voting Requirements**

Simple Majority

### **OFFICER RECOMMENDATION / COUNCIL DECISION**

**Moved Cr D Nye-Chart, seconded Cr B Hollingworth:**

**That authority be granted to the Shire President and the Chief Executive Officer to affix the Common Seal of the Council to the Debenture for Loan 92 from Plantagenet Community Services Ltd for the amount of \$200,000.00.**

**CARRIED (9/0)**

**NO. 235/08**

**11.4.4 POLICY REVIEW – ASSET REGISTER**

**File No:** FM/120/1  
**Responsible Officer:** John Fathers  
Deputy Chief Executive Officer  
**Author:** Cherie Delmage  
Accountant  
**Proposed Meeting Date:** 28 October 2008

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**Purpose**

The purpose of this report is to review Council Policy No. F/AMR/1 – Asset Register.

**Background**

At its meeting held 12 September 2006, the Council resolved:

*'That amended Policy F/AMR/1 – Asset Register:*

*'OBJECTIVE: To provide systematic guidelines for the maintenance of the Council's assets.*

*POLICY: The Council will not record assets with an acquisition value of less than one thousand dollars (\$1,000.00), excluding GST, on the Council's asset register.'*

*be endorsed.'*

**Statutory Environment**

Section 5 (1) (d) of the Local Government (Financial Management) Regulations (1996) which relates to Section 6.10 of the Local Government Act 1995 states:

*'5 (1) Efficient systems and procedures are to be established by the CEO of a local government -*

- (d) to ensure proper accounting for municipal or trust -*
  - (i) revenue received or receivable;*
  - (ii) expenses paid or payable; and*
  - (iii) assets and liabilities.'*

**Consultation**

Consultation has taken place with Mr John Fathers - Deputy Chief Executive Officer.

**Financial Implications**

There are no financial implications for this report.

**Policy Implications**

This Policy is presented to the Council as part of its ongoing policy review cycle.

**Strategic Implications**

There are no strategic implications for this report.

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**Officer Comment**

This policy is presented to the Council as part of its ongoing policy review cycle. This policy remains an acceptable accounting practice that will establish clear guidelines to ensure that all items purchased are correctly registered and accounted for. It is also the value recommended by the Australian Tax Office for small businesses under the simplified tax system.

**Voting Requirements**

Simple Majority

**OFFICER RECOMMENDATION / COUNCIL DECISION**

Moved Cr D Nye-Chart, seconded Cr J Mark:

That Council Policy No. F/AMR/1 as follows:

**'OBJECTIVE:** To provide systematic guidelines for the maintenance of the Council's assets.

**POLICY:** The Council will not record assets with an acquisition value of less than one thousand dollars (\$1,000.00), excluding GST, on the Council's asset register.'

be endorsed.

**CARRIED (9/0)**

**NO. 236/08**

**11.4.5 POLICY REVIEW - GROUP RATING**

**File No:** RV/120/5  
**Responsible Officer:** John Fathers  
Deputy Chief Executive Officer  
**Author:** Cherie Delmage  
Accountant  
**Proposed Meeting Date:** 28 October 2008

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**Purpose**

The purpose of this report is to review Council Policy No A/PA/13 – Group Rating.

**Background**

At its meeting held 24 October 2006, the Council resolved to adopt the following policy:

*‘OBJECTIVE:*

*To clarify the situations where group rating of separate lots can be applied.*

*POLICY:*

*That the Council will individually rate all separate lots unless the Valuer General's Office applies a group valuation in accordance with that Department's policy.*

**Statutory Environment**

Group rating of land parcels is covered by the Valuation of Land Act 1978 and is also subject to legal precedent as detailed in Valuer General's Office Policy 4.310.

**Consultation**

Consultation has taken place with Ms Cherie Delmage – Accountant.

**Financial Implications**

There are no financial implications for this report.

**Policy Implications**

This Policy is presented to the Council as part of its ongoing policy review cycle.

**Strategic Implications**

There are no strategic implications for this report.

**Officer Comment**

This policy is presented to the Council as part of its ongoing review cycle.

The Valuer General's Office (VGO) provides valuation details to local government for the purposes of applying property rates. The Council has no choice but to apply rates and charges on land parcels as valued by the VGO.

The VGO has a policy (4.310) of valuing adjoining rural lots as a single valuation entity where the land is 'contiguous rural land held in the same ownership and

occupied as one property and which would normally be expected to sell as one holding'. There are some conditions attached to this. It is understood that the VGO will often apply a wider interpretation as to ownership than the policy states, as long as the land is used as a single rural entity.

The vast majority of group rated lots are for farming properties, however any rural land can be subject to group rating. A significant proportion of lots in the Kendenup townsite are zoned Rural and there are some lots that have been group rated as they pass the conditions applied by the VGO policy.

Applications for group rating are made direct to the VGO by property owners and the Shire is bound to accept the ruling made by the VGO. The outcome of applications to the VGO to group rate lots are not pre-determinable by the Council.

It is considered appropriate for the Council to reaffirm this policy that reflects the current practice of applying single lot rating to all lots within the Shire, except for situations where the VGO applies a group valuation to them.

### **Voting Requirements**

Simple Majority

### **OFFICER RECOMMENDATION / COUNCIL DECISION**

**Moved Cr M Skinner, seconded Cr D Nye-Chart:**

**That Council Policy A/PA/13 – Group Rating:**

**‘OBJECTIVE: To clarify the situations where group rating of separate lots can be applied.**

**POLICY: That the Council will individually rate all separate lots unless the Valuer General’s Office applies a group valuation in accordance with that Department’s policy.’**

**be endorsed.**

**CARRIED (9/0)**

**NO. 237/08**

**11.4.6 POLICY REVIEW – F/FM/1 – SELF SUPPORTING LOANS**

**File No:** PS/120/1  
**Responsible Officer:** John Fathers  
Deputy Chief Executive Officer  
**Author:** Cherie Delmage  
Accountant  
**Proposed Meeting Date:** 28 October 2008

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**Purpose**

The purpose of this report is to review Council Policy No. F/FM/1 – Self Supporting Loans.

**Background**

At its meeting held on 26 September 2006 the Council resolved:

That amended Council Policy F/FM/1 – Self Supporting Loans:

**OBJECTIVE:** *To assist clubs and organisations in improving community based facilities.*

**POLICY:** *Eligible Organisations*

*Loans will only be considered for applicants that are incorporated bodies occupying land either owned by, or vested in the care, control and management of a community organisation.*

*Organisations are to provide:*

- *Three (3) years audited financial statements.*
- *A business plan for the proposed term of the loan that clearly demonstrates an ability to repay.*
- *Their constitution.*
- *Minute agreeing to borrow funds.*
- *Whatever security or guarantees that the Council considers appropriate to ensure that the loan is repaid.*
- *Any other information that the Council requires.*

**Funding Details**

*Funds will only be provided for capital works on the subject land when ownership of all infrastructure ultimately vests in the community (notwithstanding established leasehold arrangements).*

*Loans will be provided at the State Treasury interest rate when drawing the loan and will be fixed for the duration of the loan. The term of the loan is not to exceed ten (10) years. Loan repayments will be amortised and will generally be six (6) monthly unless the applicant organisation requests otherwise.*

**Approval Process**

*Council will consider the approval of the loan on the following basis:*

1. *Demonstrated ability to repay.*
-

2. *Maximum loan amount 50% project cost or 50% of value of completed structure (not to include land content).*
3. *Stability, sound management, membership base, community accessibility, and longevity of applicant organisation.*
4. *Capital improvements.*
5. *Debenture security over assets (including lease) of organisation if considered appropriate.*

*Organisations will be required to:*

- *Enter into a Deed of Agreement for the period of the loan repayments.*
- *Pay all costs associated with the preparation of documents concerning the raising of the loan.*
- *Insure and keep insured premises where the premises are security over repayment of a loan.*

*Any proposal to lend to a community organisation that has not been included in the Council's annual budget must be advertised for one month in accordance with Section 6.20 (2) of the Local Government Act 1995.*

*Other*

*Funds will only be released after documentary proof of significant expenditure (or committed expenditure) is submitted.*

*Council will seek any remedy available to it under law in terms of the recovery of delinquent instalments of loans.'*

### **Statutory Environment**

The Local Government Act, 1995 stipulates the requirements for a local authority when borrowing money. It does not differentiate between normal loans and self supporting loans.

### **Consultation**

Consultation has taken place with Mr John Fathers – Deputy Chief Executive Officer.

### **Financial Implications**

Although self supporting loans are taken out in the Council's name, the repayments relating to self supporting loans are met by the applicant, and therefore there is no cost to the Council.

The purpose of this policy is to minimise the Council's exposure to inheriting a self supporting loan, by ensuring that all applicants can financially meet the repayments of the loan.

### **Policy Implications**

There are no policy implications for this report

### **Strategic Implications**

There are no strategic implications for this report.

**Officer Comment**

This Policy is presented to the Council as part of its ongoing policy review cycle. A continuation of the policy, with minor wording changes to reflect the Council's style manual, is considered appropriate.

**Voting Requirements**

Simple Majority

**OFFICER RECOMMENDATION / COUNCIL DECISION**

Moved Cr J Mark, seconded Cr D Nye-Chart:

That amended Council Policy No. F/FM/1 – Self Supporting Loans:

**'OBJECTIVE:** To assist clubs and organisations in improving community based facilities.

**POLICY:** Eligible Organisations

Loans will only be considered for applicants that are incorporated bodies occupying land either owned by, or vested in the care, control and management of a community organisation.

Organisations are to provide:

- Three (3) years audited financial statements.
- A business plan for the proposed term of the loan that clearly demonstrates an ability to repay.
- Their constitution.
- Minute agreeing to borrow funds.
- Whatever security or guarantees that the Council considers appropriate to ensure that the loan is repaid.
- Any other information that the Council requires.

Funding Details

Funds will only be provided for capital works on the subject land when ownership of all infrastructure ultimately vests in the community (notwithstanding established leasehold arrangements).

Loans will be provided at the State Treasury interest rate when drawing the loan and will be fixed for the duration of the loan. The term of the loan is not to exceed ten (10) years. Loan repayments will be amortised and will generally be six (6) monthly unless the applicant organisation requests otherwise.

Approval Process

The Council will consider the approval of the loan on the following basis:

1. Demonstrated ability to repay.
2. Maximum loan amount 50% project cost or 50% of value of completed structure (not to include land content).

3. **Stability, sound management, membership base, community accessibility and longevity of applicant organisation.**
4. **Funds being used for capital improvements.**
5. **Debenture security over assets (including lease) of organisation if considered appropriate.**

**Organisations will be required to:**

- A. **Enter into a Deed of Agreement for the period of the loan repayments.**
- B. **Pay all costs associated with the preparation of documents concerning the raising of the loan.**
- C. **Insure and keep insured premises where the premises are security over repayment of a loan.**

**Any proposal to lend to a community organisation that has not been included in the Council's annual budget must be advertised for one month in accordance with Section 6.20 (2) of the Local Government Act 1995.**

**Other**

**Funds will only be released after documentary proof of significant expenditure (or committed expenditure) is submitted.**

**The Council will seek any remedy available to it under law in terms of the recovery of delinquent instalments of loans.'**

**be endorsed.**

**CARRIED (9/0)**

**NO. 238/08**

**11.4.7 POLICY REVIEW – F/FM/2 - SIGNIFICANT ACCOUNTING POLICIES**

**File No:** FM/120/7 & FM/120/8  
**Responsible Officer:** John Fathers  
Deputy Chief Executive Officer  
**Author:** Cherie Delmage  
Accountant  
**Proposed Meeting Date:** 28 October 2008

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**Purpose**

The purpose of this report is to review Council Policy No. F/FM/2 – Significant Accounting Policies.

**Background**

At its meeting held on 28 November 2006, the Council resolved:

*‘That amended Council Policy No. F/FM/2 as follows:*

**OBJECTIVE:**

*To provide direction for the preparation of financial transactions and financial reporting.*

**POLICY:**

*The significant accounting policies used in the preparation of financial reports are as follows:*

**(a) *Basis of Preparation (Financial Statements)***

*The financial report is a general purpose financial report which has been prepared in accordance with applicable Australian Accounting Standards, the Local Government Act 1995 (as amended and accompanying regulations (as amended)). The report has also been prepared on the accrual basis under the convention of historical cost accounting.*

**Compliance with International Financial Reporting Standards**

*International Financial Reporting Standards (‘IFRS’) form the basis of Australian Accounting Standards adopted by the AASB, being AIFRS. The financial report of the Shire complies with IFRS and interpretations adopted by the International Accounting Standards Board except as follows:*

- *AIFRS include specific provisions relating to not-for-profit entities. These are not included in IFRS.*
- *Australian Accounting Standard AAS27 ‘Financial Reporting by Local Governments’ also applies and there is no equivalent standard in IFRS.*

*The principal areas of non-compliance with IFRS include:*

- *the recognition of non-reciprocal revenue;*
- *the definition of value in use for the purposes of estimating the recoverable amount of impaired assets; and*



- *the offsetting of asset revaluation increments and decrements on a class of asset basis rather than individual asset basis.*

#### Critical Accounting Estimates

*The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.*

*The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results of this experience and other factors combine to form the basis of making judgements about carrying values of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.*

#### *(b) Basis of Accounting (Budget)*

*The budget has been prepared in accordance with applicable Australian Accounting Standards, other mandatory professional reporting requirements and the Local Government Act 1995 (as amended) and accompanying regulations (as amended). The budget has also been prepared on the accrual basis under the convention of historical cost accounting.*

#### *(c) The Local Government Reporting Entity*

*All Funds through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this [financial report / budget].*

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

*All moneys held in the Trust Fund are excluded from the financial statements, but a separate statement of those monies appears at Note [Insert Note No.] to this [financial report / budget].*

#### *(d) [Insert previous financial year] Actual Balances (Budget)*

*Balances shown in this budget as [Insert previous financial year] Actual are as forecast at the time of budget preparation and are subject to final adjustments.*

#### *(e) Rounding Off Figures*

*All figures shown in this [financial report / budget], other than a rate in the dollar, are rounded to the nearest dollar.*

#### *(f) Rates, Grants, Donations and Other Contributions*

*Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates. (Financial Statements and Budget)*

*Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at*

*the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note [Insert Note No.]. That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operation for the current reporting period. (Financial Statements)*

*(g) Goods and Services Tax (GST)*

*In accordance with recommended practice, revenues, expenses and assets capitalised are stated net of any GST recoverable. Receivables and payables in the [Balance Sheet / Statement of Financial Position] are stated inclusive of applicable GST.*

*(h) Fixed Assets*

*Property, plant and equipment and infrastructure assets are brought to account at cost or at independent or management valuation less, where applicable, any accumulated depreciation, amortisation or impairment losses. (Financial Statements and Budget)*

*The value of all infrastructure assets (other than land under roads) has been recorded in the Balance Sheet. Land under roads is excluded from infrastructure in accordance with legislative requirements. (Financial Statements)*

*As of 1 July 2004, the Council has elected to revert to the cost basis for measuring land and buildings and all infrastructure assets that were being carried at a revalued amount at the immediately preceding reporting date being 30 June 2004. (Financial Statements)*

*This was achieved by deeming the carrying amount of the non-current assets comprising the particular class to be their cost and complied with the requirements on application of AASB 1 'First Time Adoption of Australian Equivalents to International Financial Reporting Standards'. (Financial Statements)*

*(i) Leases (Financial Statements)*

*Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the Shire (as lessee), are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are amortised over their estimated useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.*

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

*(j) Investments*

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

*(k) Impairment*

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

*Where such an indication exists, an estimate of the recoverable amount of the asset is made in accordance with AASB 136 'Impairment of Assets' and appropriate adjustments made.*

*An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Income Statement.*

*At the time of adopting the budget, it is not possible to estimate the amount of impairment losses (if any) as at 30 June [insert year]. (Budget)*

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

*(l) Depreciation of Non-Current Assets*

*All non-current assets having a limited useful life are separately and systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets.*

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

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

- *Buildings* 30 to 50 years
- *Furniture and Equipment* 4 to 10 years
- *Plant and Equipment* 5 to 15 years
- *Sealed roads and streets*
  - *clearing and earthworks* not depreciated
  - *construction/road base* 50 years
- *original surfacing and major re-surfacing*
  - *bituminous seals* 20 years
  - *asphalt surfaces* 25 years
- *Gravel roads*
  - *clearing and earthworks* not depreciated
  - *construction/road base* 50 years
  - *gravel sheet* 12 years
- *Formed roads (unsealed)*
  - *clearing and earthworks* not depreciated
  - *construction/road base* 50 years
- *Footpaths - slab* 40 years
- *Sewerage piping* 100 years
- *Water supply piping & drainage systems* 75 years

(m) *Inventories (Financial Statements)*

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

(n) *Land Held for Resale*

*Land purchased for development and / or resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development and interest incurred on the financing of that land during its development. Interest and holding charges incurred after development is complete are recognised as expenses.*

*Revenue arising from the sale of property is recognised in the operating statement as at the time of signing a binding contract of sale.*

(o) *Employee Benefits*

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

- *Wages, Salaries, Annual Leave and Long Service Leave (Short-term Benefits)*

*The provision for employees' benefits to wages, salaries, annual leave and long service leave expected to be settled within twelve months represents the amount the municipality has a present obligation to pay resulting from employees services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the Council expects to pay and includes related on-costs.*

- *Annual Leave and Long Service Leave (Long-term Benefits)*

*The provision for employees' benefits for annual leave and long service leave expected to be settled more than twelve months from the reporting date represents the present value of the estimated future cash outflows to be made by the employer resulting from the employees service to balance date.*

(p) *Superannuation*

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

(q) *Interest Rate Risk (Financial Statements)*

*The Shire's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates, is considered negligible for all financial instruments other than borrowings. Information on interest rate risk as it applies to borrowings is disclosed in Note [Insert note No.]*

(r) *Credit Risk (Financial Statements)*

*The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to and forming part of the financial report. The Shire does not*

*have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Shire.*

(s) *Fair Value (Financial Statements)*

*The fair value of assets and liabilities approximate their carrying values. No financial assets and financial liabilities are readily traded on organised markets in standardised form. Financial assets where the carrying amount exceeds fair value have not been written down as the Council intends to hold these assets to maturity.*

*The aggregate fair value and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to and forming part of the financial report.*

(t) *Comparative Figures (Financial Statements)*

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

*be endorsed.'*

### **Statutory Environment**

The annual budget and all financial reports are prepared in accordance with applicable Australian Accounting Standards, Local Government Act 1995 and Local Government (Financial Management) Regulations 1996.

### **Consultation**

Consultation has taken place with Mr John Fathers - Deputy Chief Executive Officer and the Shire's auditors, UHY Haines Norton.

### **Financial Implications**

There are no financial implications for this report.

### **Policy Implications**

This Policy is presented to the Council as part of its ongoing policy review cycle. The adoption of this recommendation will result in the creation of two (2) separate policies.

### **Strategic Implications**

There are no strategic implications for this report.

### **Officer Comment**

There have been several changes to accounting standards recently and it is considered prudent to use as a template, the significant accounting policies provided by our auditors, UHY Haines Norton.

The main changes are as follows:

- A new note has been added to provide information with respect to the recognition of financial assets and the estimation of their fair value as required by Australian Accounting Standards Board (AASB) 139.
- Some amendments to the notes relating to employee benefits have been made to reflect the change in treatment associated with liabilities where the Council

does not have the unconditional right to defer settlement beyond 12 months as per AASB 101.60.

- New notes have been added to provide information on recognition of provisions and to explain the classification of current and non-current.
- AASB 7 requires various disclosures in relation to financial instruments. Due to the complexity of the new requirements, more detailed disclosures have been made.
- AASB 108.30 requires disclosure where a local government has not applied a new Australian Accounting Standard that has been issued but is not yet effective. New notes have been included to cover this.

Although there is not a great deal of variation between the significant accounting policies for financial statements and the significant accounting policies for budgets, it is considered appropriate to have two (2) separate policies, one relating to each document.

### **Voting Requirements**

Simple Majority

### **OFFICER RECOMMENDATION / COUNCIL DECISION**

**Moved Cr J Mark, seconded Cr D Nye-Chart:**

**THAT:**

1. **Current Council Policy No. F/FM/2 – Significant Accounting Policies, be revoked.**
2. **New Council Policy No. F/FM/8 – Significant Accounting Policies – Financial Statements, as follows:**

**‘OBJECTIVE:** To provide direction for the preparation of financial transactions and financial reporting.

**POLICY:** The significant accounting policies used in the preparation of financial statements are as follows:

**a. Basis of Preparation**

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AAS) (as they apply to local governments and not-for-profit entities), other mandatory professional reporting requirements and the Local Government Act 1995 (as amended) and accompanying regulations (as amended).

The report has also been prepared on the accrual basis under the convention of historical cost accounting as modified by the accounting treatment relating to the revaluation of financial assets and liabilities at fair value through profit and loss and certain classes of non-current assets.

***Critical Accounting Estimates***

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements,

estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results of this experience and other factors combine to form the basis of making judgements about carrying values of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

**b. The Local Government Reporting Entity**

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

All monies held in the Trust Fund are excluded from the financial statements, but a separate statement of those monies appears at Note 19 to this financial report.

**c. Goods & Services Tax (GST)**

In accordance with recommended practice, revenues, expenses and assets capitalised are stated net of any GST recoverable. Receivables and payables in the balance sheet are stated inclusive of any GST recoverable. Receivables and payables in the balance sheet are stated inclusive of applicable GST.

**d. Cash & Cash Equivalents**

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included as short-term borrowings in current liabilities on the balance sheet.

**e. Trade & Other Receivables**

Trade receivables, which generally have thirty to ninety day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less any allowance for uncollectible amounts.

Collectibility of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

**f. Inventories**

***General***

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventories held from trading are classified as current even if not expected to be realised in the next twelve (12) months.

***Land Held for Resale***

Land purchased for development and / or resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development and interest incurred on the financing of that land during its development. Interest and holding charges incurred after development is complete are recognised as expenses.

Revenue arising from the sale of property is recognised in the income statement as at the time of signing a binding contract of sale.

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

**g. Fixed Assets**

***Initial Recognition***

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed includes the cost of all materials, direct labour and variable and fixed overheads.

***Revaluation***

Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on a basis to reflect the already consumed or expired future economic benefits.

Those assets carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses, are to be revalued with sufficient regularity to ensure the carrying amount does not differ significantly from that determined using fair value at reporting date.

***Land under Roads***

Land under roads is excluded from infrastructure in accordance with the transition arrangements available under AASB 1045 and in accordance with legislative requirements.

**h. Depreciation of Non-Current Assets**

All non-current assets having a limited useful life are separately and systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets.

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



Buildings	50 to 100 Years
Furniture & Fittings	10 Years
Plant & Equipment	5 to 15 Years
Sealed Roads & Streets	
- Clearing & Earthworks	Not Depreciated
- Construction / Road Base	50 Years
Original Surfacing & Major Re-Surfacing	
- Bituminous Seals	20 Years
Gravel Roads	
- Clearing & Earthworks	Not Depreciated
- Construction / Road Base	50 Years
- Gravel Sheet	12 Years
Formed Roads (Unsealed)	
- Clearing & Earthworks	Not Depreciated
- Construction / Road Base	50 Years
Footpaths - Slab	40 Years

i. **Investments & Other Financial Assets**

***Classification***

The Council classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

***(i) Financial Assets at Fair Value Through Profit & Loss***

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

***(ii) Loans & Receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than twelve (12) months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

***(iii) Held-To-Maturity Investments***

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity. If the Council were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than

twelve (12) months from the reporting date, which are classified as current assets.

*(iv) Available-For-Sale Financial Assets*

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within twelve (12) months of the balance sheet date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

*Recognition & Derecognition*

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Council commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

*Subsequent Measurement*

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the income statement within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the income statement as part of revenue from continuing operations when the Council's right to receive payments is established. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

*Impairment*

The Council assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition

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cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments classified as available-for-sale are not reversed through the income statement.

**j. Estimation of Fair Value**

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

**k. Impairment**

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

Where such an indication exists, an estimate of the recoverable amount of the asset is made in accordance with Australian Accounting Standards Board (AASB) 136 'Impairment of Assets' and appropriate adjustments made.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Income Statement.

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

**l. Trade & Other Payables**

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Municipality prior to the end of the financial year that are unpaid and arise when the Municipality becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within thirty days of recognition.

**m. Employee Benefits**

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

*(i) Wages, Salaries, Annual Leave and Long Service Leave (Short-term Benefits)*

The provision for employees' benefits to wages, salaries, annual leave and long service leave expected to be settled within twelve (12) months represents the amount the municipality has a present obligation to pay resulting from employees services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the Council expects to pay and includes related on-costs.

*(ii) Long Service Leave (Long-term Benefits)*

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where the Council does not have the unconditional right to defer settlement beyond twelve (12) months, the liability is recognised as a current liability.

**n. Interest-Bearing Loans & Borrowings**

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least twelve (12) months after the balance sheet date.

*Borrowing Costs*

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset.

**o. Provisions**

Provisions are recognised when: the Council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation;

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and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

**p. Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the company, are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are amortised over their estimated useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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

**q. Joint Venture**

The municipality's interest in a joint venture has been recognised in the financial statements by including its share of any assets, liabilities, revenues and expenses of the joint venture within the relevant items reported in the Balance Sheet and Income Statement. Information about the joint venture is set out in Note 16.

**r. Rates, Grants, Donations & Other Contributions**

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

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 2(c). That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operation for the current reporting period.

**s. Superannuation**

The Shire of Plantagenet contributes the 9% super guarantee to each employee's chosen fund as per the change in legislation that occurred on 1 July 2006. The only exception to this is state and federal funds which do not allow non-employees to contribute.

Any employees who take advantage of the Council's 3% co-contribution must have this portion of the funds contributed to the WA Local Government Superannuation Plan.

All funds that the Shire contributes to are defined contribution schemes.

**t. Rounding Off Figures**

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

**u. Comparative Figures**

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

**v. Current & Non-Current Classification**

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next twelve (12) months, being the Council's operational cycle. In the case of liabilities where the Council does not have the unconditional right to defer settlement beyond twelve (12) months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next twelve (12) months. Inventories held for trading are classified as current even if not expected to be realised in the next twelve (12) months except for land held for resale where it is held as non-current based on the Council's intentions to release for sale.

**w. New Accounting Standards and Interpretations**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Council for the annual reporting period ending 30 June 2008.

The Council's assessment of these new standards and interpretations is set out below:

No.	Title and Topic	Issued	Applicable (*)	Impact
(i)	AASB-I 12 Service Concession Arrangements, AASB 2007-1 Amendments to Australian Accounting Standards arising from AASB Interpretation 12, revised UIG 4 Determining whether an Arrangement contains a Lease and revised UIG 129 Service Concession	February 2007	1 January 2008	Nil – The Council is not party to any Service Concession Arrangements.
(ii)	AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8	February 2007	1 January 2009	Nil – The Standard is not applicable to not-for-profit entities.

(iii)	Revised AASB 123 Borrowing Costs and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]	June 2007	1 January 2009	Nil – The revised Standard has removed the option to expense all borrowing costs and, when adopted, will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. There will be no impact on the financial report of the Council as the Council already capitalises borrowing costs relating to qualifying assets.
(iv)	AASB-I 13 Customer Loyalty Programmes	August 2007	1 July 2008	Nil – The Council has no Customer Loyalty Programmes.
(v)	AASB-I 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	August 2007	1 January 2008	Nil – The Interpretation provides guidance on the maximum amount that may be recognised as an asset in defined benefit plans. The Council does not currently contribute to any defined benefit plans. Consequently, there is not expected to be any impact on the financial statements.
(vi)	Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 and AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB 101	September 2007 and December 2007	1 January 2009	Nil – The revised Standard requires the presentation of a Statement of comprehensive income and makes changes to the Statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. If the Council has made a prior period adjustment or has reclassified items in the financial statements, it is likely it will need to disclose a third balance sheet (Statement of financial position), being as at the beginning of the comparative period.
(vii)	AASB 1049 Whole of Government and General Government Sector Financial Reporting	October 2007	1 July 2008(+)	Nil – The Standard is not applicable to Local Governments.

(viii)	AASB 1050 Administered Items: AASB 1051 Land Under Roads, AASB 1052 Disaggregated Disclosures, revised AASB 1004 Contributions, AASB 2007-9 Amendments to Australian Accounting Standards arising from the review of AAS 27, AAS 29 and AAS 31 and revised interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities	December 2007	1 July 2008(+)	<ul style="list-style-type: none"> <li>• AASB 1050 is only applicable to Government departments and will have no impact on the Council.</li> <li>• AASB 1051 will allow the Council to recognise or not recognise land under roads acquired before 30 June 2008. Land under roads acquired after 30 June 2008 must be recognised.</li> <li>• AASB 1052 requires disclosure of financial information by function or activity. The Council already provides this information so there will be no additional impact on the financial statements.</li> <li>• This Standard will have a significant impact on the Council's financial statements.</li> <li>• AASB 1004 requires contributions made to the Council to be recognised at fair value when they are controlled and to be appropriately disclosed. The Council already accounts for contributions in this manner so there will be no additional impact on the financial statements.</li> </ul>
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**Notes:**

(\*) - Applicable to reporting periods commencing on or after the given date.

(+) - Applicable to not-for-profit and/or public sector entities only.'

be adopted.

**CARRIED (9/0)**

**NO. 239/08**



**COUNCIL DECISION**

Moved Cr B Hollingworth, seconded Cr J Mark:

That new Council Policy No. F/FM/9 – Significant Accounting Policies – Budgets, as follows:

**'OBJECTIVE:** To provide direction for the preparation of financial transactions and budgeting.

**POLICY:** The significant accounting policies used in the preparation of budgets are as follows:

a. **Basis of Preparation**

The budget has been prepared in accordance with applicable Australian Accounting Standards, other mandatory professional reporting requirements, the Local Government Act 1995 (as amended) and accompanying regulations (as amended). The budget has also been prepared on the accrual basis under the convention of historical cost accounting.

b. **The Local Government Reporting Entity**

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

In the process of reporting on the local government as a single unit, all transactions and balances between those funds (e.g.: loans and transfers between funds) have been eliminated.

All moneys held in the trust fund are excluded from the financial statements, but a separate statement of those moneys appears at Note 13.

c. **[Insert Year] Actual Figures**

Balances shown in this budget as 'Actual 30 June [Insert Year]' are as forecast at the time of budget preparation and are subject to final adjustments.

d. **Rounding Off Figures**

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

e. **Rates, Grants, Donations & Other Contributions**

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

f. **Goods & Services Tax (GST)**

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

**g. Superannuation**

The Shire of Plantagenet contributes the 9% super guarantee to each employee's chosen fund as per the change in legislation that occurred on 1 July 2006. The only exception to this is state and federal funds which do not allow non-employees to contribute.

Any employees who take advantage of the Council's 3% co-contribution must have this portion of the funds contributed to the WA Local Government Superannuation Plan.

All funds that the Shire contributes to are defined contribution schemes.

**h. Cash & Cash Equivalents**

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included as short-term borrowings in current liabilities.

**i. Trade & Other Receivables**

Trade receivables, which generally have thirty to ninety day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less any allowance for uncollectible amounts.

Recoverability of trade receivables is reviewed on an ongoing basis. Debts that are known to be unrecoverable are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be recoverable.

**j. Fixed Assets**

***Initial Recognition***

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed includes the cost of all materials, direct labour and variable and fixed overheads.

***Revaluation***

Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on a basis to reflect the already consumed or expired future economic benefits.

Those assets carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses, are to be revalued with sufficient

regularity to ensure the carrying amount does not differ significantly from that determined using fair value at reporting date.

**k. Depreciation of Non-Current Assets**

All non-current assets having a limited useful life are separately and systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets.

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

<b>Buildings</b>	<b>40 Years</b>
<b>Furniture &amp; Fittings</b>	<b>5 to 10 Years</b>
<b>Plant &amp; Equipment</b>	<b>5 to 10 Years</b>
<b>Sealed Roads &amp; Streets</b>	
- Clearing & Earthworks	Not Depreciated
- Construction / Road Base	50 Years
<b>Original Surfacing &amp; Major Re-Surfacing</b>	
- Bituminous Seals	20 Years
- Asphalt Surfaces	25 Years
<b>Gravel Roads</b>	
- Clearing & Earthworks	Not Depreciated
- Construction / Road Base	50 Years
- Gravel Sheet	12 Years
<b>Formed Roads (Unsealed)</b>	
- Clearing & Earthworks	Not Depreciated
- Construction / Road Base	50 Years
<b>Footpaths - Slab</b>	<b>40 Years</b>
<b>Sewerage Piping</b>	<b>Not Depreciated</b>
<b>Water Supply Piping &amp; Drainage Systems</b>	<b>75 Years</b>

**l. Investments & Other Financial Assets**

Financial assets in the scope of AASB139 'Financial Instruments: Recognition and Measurement' are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Council determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year end.

**m. Land Held For Resale**

Land purchased for development and / or resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development and interest incurred on the financing of that land during its development. Interest and holding charges incurred after development is complete are recognised as expenses.

Revenue arising from the sale of property is recognised in the operating statement as at the time of signing a binding contract of sale.

**n. Impairment**

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

Where such an indication exists, an estimate of the recoverable amount of the asset is made in accordance with AASB 136 'Impairment of Assets' and appropriate adjustments made.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Income Statement.

At the time of adopting the budget, it is not possible to estimate the amount of impairment losses (if any) as at 30 June [*Insert Year*].

**o. Trade & Other Payables**

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the municipality prior to the end of the financial year that are unpaid and arise when the municipality becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within thirty days of recognition.

**p. Employee Benefits**

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

*(i) Wages, Salaries, Annual Leave & Long Service Leave (Short-Term Benefits)*

The provision for employees' benefits to wages, salaries, annual leave and long service leave expected to be settled within twelve (12) months represents the amount the municipality has a present obligation to pay resulting from employees services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the Council expects to pay and includes related on-costs.

*(ii) Annual Leave & Long Service Leave (Long-term Benefits)*

The provision for employee benefits for annual leave and long service leave expected to be settled more than twelve (12) months from the reporting date represents the present value of the estimated future cash outflows to be made by the employer resulting from the employee's service to balance date.

**q. Interest-Bearing Loans & Borrowings**

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield

related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least twelve (12) months after the balance sheet date.

#### **Borrowing Costs**

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset.

#### **r. Provisions**

Provisions are recognised when: The Council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

#### **s. Superannuation**

The Shire of Plantagenet contributes to the Local Government Superannuation Scheme and the Occupational Superannuation Fund. Both Funds are defined contribution schemes.

Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent a cash refund or a reduction in the future payments is available.

#### **t. Current and Non-Current Classification**

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where the Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months except for land held for resale where it is held as non-current based on the Council's intentions to release for sale.'

be adopted.

**CARRIED (9/0)**

**NO. 240/08**

**11.4.8 POLICY REVIEW - RATE INCENTIVE PRIZE**

An Interest pursuant to s5.70 of the Local Government Act (1995) has been declared by the Responsible Officer of this report.

Nature of Interest: Board Member of Plantagenet Community Financial Services Ltd.

**File No:** RV/120/4

**Responsible Officer:** John Fathers  
Deputy Chief Executive Officer

**Author:** Cherie Delmage  
Accountant

**Proposed Meeting Date:** 28 October 2008

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**Purpose**

The purpose of this report is to review Council Policy No A/PA/8 – Rate Incentive Prize.

**Background**

At its meeting held 24 October 2006, the Council resolved to adopt the following policy:

***OBJECTIVE:***

*To encourage ratepayers to pay the full amount of their assessed rates and charges by the due date.*

***POLICY:***

- (1) An annual Rate Incentive Prize will be offered by the Council.*
- (2) Prizes will be awarded to first and second entries drawn at random.*
- (3) Only ratepayers with their rate account paid in full by the due date will be eligible.*
- (4) One (1) entry per assessment notice (not per ratepayer) is to be entered into the draw.*
- (5) All Councillors and staff and their immediate families (i.e.: spouses and partners) are ineligible for the prizes.*
- (6) The Council will seek sponsorship from local organisations for the annual Rates Incentive Prize.”*

*be endorsed.’*

**Statutory Environment**

There are no statutory implications for this report.

**Consultation**

Consultation has taken place Ms Cherie Delmage – Accountant and Mr John Fathers – Deputy Chief Executive Officer.

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**Financial Implications**

There are no financial implications for this report.

**Policy Implications**

This Policy is presented to the Council as part of its ongoing policy review cycle.

**Strategic Implications**

There are no strategic implications for this report.

**Officer Comment**

This policy is presented to the Council as part of its ongoing review cycle. A continuation of the policy is considered appropriate, however, some amendments are suggested. Firstly, Plantagenet Community Financial Services Ltd (Bendigo Community Bank) has agreed to contribute a regular annual donation and the policy may be amended to reflect this.

It is suggested that an alternative 2nd prize may be accommodation in a Perth hotel. A Perth hotel is considered more appropriate than a local one as many local people would see more benefit in a stay away than one locally. Investigations reveal that there are many hotels that offer accommodation promotions to other local governments. If such sponsorship could be accessed, the traditional wine prize could be allocated to 3<sup>rd</sup> place. If the Council agrees with this, it is considered that part 6 of the policy could be amended accordingly.

**Voting Requirements**

Simple Majority

**OFFICER RECOMMENDATION**

**Moved Cr D Nye-Chart, seconded Cr S Grylls:**

**That amended Council Policy A/PA/8 – Rate Incentive Prize:**

**‘OBJECTIVE:** To encourage ratepayers to pay the full amount of their assessed rates and charges by the due date.

- POLICY:**
- (1) An annual Rate Incentive Prize will be offered by the Council.**
  - (2) Prizes will be awarded to first, second (and third if applicable) entries drawn at random.**
  - (3) Only ratepayers with their rate account paid in full by the due date will be eligible.**
  - (4) One (1) entry per assessment notice (not per ratepayer) is to be entered into the draw.**
  - (5) All Councillors and staff and their immediate families (i.e.: spouses and partners) are ineligible for the prizes.**

- (6) First prize will be a bank account / voucher with the Mount Barker Bendigo Community Bank. The Council will seek sponsorship from local organisations and a Perth hotel for the remaining Rates Incentive Prizes.'

be adopted.

**MOTION TO ADJOURN QUESTION**

Moved Cr J Moir, seconded Cr A Budrikis:

That the question be adjourned until further explanation on the definition of 'partner' is received.

**CARRIED (9/0)**

**NO. 241/08**



**11.4.9 TELECOMMUNICATIONS - COUNCILLORS AND STAFF POLICY**

**File No:** ET/120/3  
**Responsible Officer:** John Fathers  
Deputy Chief Executive Officer  
**Author:** Donna Stevens  
Senior Administration Human Resource Officer  
**Proposed Meeting Date:** 28 October 2008

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**Purpose**

The purpose of this report is to review Policy F/FM/4 Telecommunications – Councillors and Staff.

**Background**

At its meeting held on 23 January 2007 the Council resolved:

*‘THAT:*

*(A) Amended Council Policy No. F/FM/4 - Telecommunications – Councillors and Staff, as follows:*

*‘OBJECTIVE:*

*To ensure that councillors and staff who are required to be contactable twenty-four hours a day are reimbursed adequately for their availability.*

*POLICY:*

*Elected Members*

- (1) Elected members shall be paid an annual telecommunications allowance of \$750.00.*
- (2) The annual allowance is to be paid on the 1 March each year and relates to the period commencing 1 November and ending 31 October each year.*
- (3) Reimbursement of member expenses in excess of the annual allowance made under this policy are required to be substantiated by the claimant through the production of receipts.*
- (4) The Chief Executive Officer is authorised to reimburse member expenses in excess of the annual allowance in accordance with this policy.*
- (5) That a mobile telephone be supplied to the Shire President by the Council with all related costs to be borne by the Council.*

*Staff*

- (1) The Council will accept responsibility for the reimbursement of telephone costs as detailed below:*

<i>Works Supervisor</i>	<i>All Service and Equipment Rental Charges</i>
<i>Ranger</i>	<i>All Service and Equipment Rental Charges</i>
  - (2) Rental charges incurred by a designated staff member in relation to one (1) telephone at his or her place of residence shall be reimbursed on submission of receipts.*
-

(3) *The Chief Executive Officer may include telephone allowances and / or provision of mobile phones in employment contracts with senior staff.'*

*be endorsed.*

(B) *A half yearly allowance be paid on 1 September 2007 to cover the change to the election cycle dates.'*

Further, at its meeting held on 26 August 2008 the Council resolved:

*'That in accordance with the provisions of the Local Government Act 1995 (LGA) and Local Government (Administration) Regulations (Reg), elected member expenses and allowances for the 2008 / 2009 financial year be set as follows:'*

*'...5. Telecommunications Allowance \$1,000.00 – (Section 5.99A LGA)'*

### **Statutory Environment**

The elected member telecommunications allowance is subject to Section 5.99A of the Local Government Act 1995.

With regard to the kind of expenses to be reimbursed by all local governments, Local Government (Administration) Regulation 31 (1)(a), states:

'(a) rental charges incurred by a council member in relation to one telephone and one facsimile machine;' are to be reimbursed.

Under Section 5.99A:

'a local government may decide (absolute majority) that instead of reimbursing council members under Section 5.98 (2) for all of a particular type of expense it will instead pay all council members -

- (a) the prescribed minimum annual allowance for that type of expense; or
- (b) where the local government has set an allowance within the prescribed range for annual allowances for that type of expense, an allowance of that amount, and only reimburse the member for expenses of that type in excess of the amount of that allowance.

Section 34A of the Regulations provides that, 'for the purposes of Section 5.99A(b), the maximum total annual allowance for telephone and facsimile rental charges referred to in Regulation 31(1)(a) and any other telecommunications expenses that might have been approved for reimbursement under Regulation 32 is \$2,400.00.

### **Consultation**

Consultation has occurred with the Deputy Chief Executive Officer, John Fathers.

### **Financial Implications**

There are no financial implications for this report.

### **Policy Implications**

This Policy is presented to the Council as part of its ongoing policy review cycle.

### **Strategic Implications**

There are no strategic implications for this report.

**Officer Comment**

In view of the Council's decision at its meeting held on 26 August 2008, it is recommended that the policy be amended increase the annual telecommunications allowance for elected members to \$1,000.00. The remainder of the policy is considered appropriate.

**Voting Requirements**

Simple Majority

**OFFICER RECOMMENDATION / COUNCIL DECISION**

Moved Cr B Hollingworth, seconded Cr J Mark:

That amended Council Policy No. F/FM/4 - Telecommunications – Councillors and Staff, as follows:

**'OBJECTIVE:** To ensure that councillors and staff who are required to be contactable twenty-four hours a day are reimbursed adequately for their availability.

**POLICY:** Elected Members

1. Elected members shall be paid an annual telecommunications allowance of \$1,000.00.
2. The annual allowance is to be paid on 1 March each year and relates to the period commencing 1 November and ending 31 October each year.
3. Reimbursement of member expenses in excess of the annual allowance made under this policy are required to be substantiated by the claimant through the production of receipts.
4. The Chief Executive Officer is authorised to reimburse member expenses in excess of the annual allowance in accordance with this policy.
5. That a mobile telephone be supplied to the Shire President by the Council with all related costs to be borne by the Council.

Staff

1. The Council will accept responsibility for the reimbursement of telephone costs as detailed below:  

Works Supervisor:	All Service and Equipment Rental Charges
Ranger:	All Service and Equipment Rental Charges
2. Rental charges incurred by a designated staff member in relation to one (1) telephone at his or her place of residence shall be reimbursed on submission of receipts.

3. The Chief Executive Officer may include telephone allowances and / or provision of mobile phones in employment contracts with senior staff.'

be endorsed.

CARRIED (9/0)

NO. 242/08

**11.4.10 POLICY REVIEW – VEHICLE REGISTRATION PLATES PL.1 AND PL.2 ISSUE**

**File No:** PS/120/1  
**Responsible Officer:** John Fathers  
Deputy Chief Executive Officer  
**Author:** Cherie Delmage  
Accountant  
**Proposed Meeting Date:** 28 October 2008

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**Purpose**

The purpose of this report is to review Council Policy No. A/PA/11 - Vehicle Registration Plates PL.1 and PL.2 Issue.

**Background**

At its meeting held on 24 July 2007, the Council resolved:

*'That it be a Policy of the Council:*

*The Council will:*

- (1) Issue to the Shire President of the day whilst that person occupies the office of Shire President Vehicle Registration Plate PL1; and*
- (2) Issue to the Chief Executive Officer of the day whilst that person occupies the office of Chief Executive Officer Vehicle Registration Plate PL2.'*

**Statutory Environment**

There are no statutory implications for this report.

**Consultation**

Consultation has taken place with Mr John Fathers - Deputy Chief Executive Officer.

**Financial Implications**

There are no financial implications for this report.

**Policy Implications**

This Policy is presented to the Council as part of its ongoing policy review cycle.

**Strategic Implications**

There are no strategic implications for this report.

**Officer Comment**

This Policy is presented to the Council as part of its ongoing policy review cycle. An objective has been added to the policy. No other changes are recommended.

**Voting Requirements**

Simple Majority

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**OFFICER RECOMMENDATION / COUNCIL DECISION**

**Moved Cr J Mark, seconded D Nye-Chart:**

**That amended Council Policy No. A/PA/11 – Vehicle Registration Plates PL.1 and PL.2 Issue, as follows:**

**'OBJECTIVE: To determine the allocation of Vehicle Registration Plates PL.1 and PL.2.**

**POLICY: That the Council will:**

- (1) Issue to the Shire President of the day whilst that person occupies the office of Shire President Vehicle Registration Plate PL.1; and**
- (2) Issue to the Chief Executive Officer of the day whilst that person occupies the office of Chief Executive Officer Vehicle Registration Plate PL.2.'**

**be endorsed.**

**CARRIED (9/0)**

**NO. 243/08**

**11.4.11 POLICY REVIEW – VEHICLE REGISTRATION PLATES**

**File No:** PS/120/1  
**Responsible Officer:** John Fathers  
Deputy Chief Executive Officer  
**Author:** Cherie Delmage  
Accountant  
**Proposed Meeting Date:** 28 October 2008

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**Purpose**

The purpose of this report is to review Council Policy No. A/PA/12 - Vehicle Registration Plates.

**Background**

At its meeting held on 22 August 2006, the Council resolved:

*‘That Council Policy A/PA/12 – Vehicle Registration Plates:*

*That with respect to the issue of Vehicle Registration Plates PL.Number or Number.PL Council maintains a policy NOT to issue plates with a zero prefix.’*

*be endorsed.’*

**Statutory Environment**

There are no statutory implications for this report.

**Consultation**

Consultation has taken place with Mr John Fathers - Deputy Chief Executive Officer.

**Financial Implications**

There are no financial implications for this report.

**Policy Implications**

This Policy is presented to the Council as part of its ongoing policy review cycle.

**Strategic Implications**

There are no strategic implications for this report.

**Officer Comment**

This policy is presented to the Council as part of its ongoing policy review cycle.

Historically, it has been Council Policy not to issue the number plate PL.0 or any plate with PL.0 as a prefix. At the time of Mr Harvey Arnold retiring from the Presidency of the Council, and from Council entirely, it was agreed that an appropriate memento for him would be a special number plate, this being PL.01. It is understood that he still holds this number plate.

The policy relating to not issuing PL.0 was applied to the new range of number plates which were auctioned some years later (approximately 11 years ago), resulting in 0

PL not being available, nor any others in a 0 prefix PL range. There have been no further plates issued other than PL.01 with the '0' either prior to, or following the 'PL'.

At the time of that auction, members of the public believed that these were the only numbers being released and bid for low numbered plates accordingly. It is considered that to later release lower plates would not be fair to those who originally purchased the plates they believed to be the lowest numbers.

It is considered undesirable to allow any additional PL.Number plates with a zero prefix. Adopting such a policy could result in a proliferation of PL.0 plates and possibly lead to potential confusion with standard plates. Accordingly, it is recommended that the current policy be endorsed, subject to the addition of an objective.

### **Voting Requirements**

Simple Majority

### **OFFICER RECOMMENDATION**

Moved Cr B Hollingworth, seconded Cr D Nye-Chart:

That amended Council Policy No. A/PA/12 – Vehicle Registration Plates, as follows:

**'OBJECTIVE:** To apply restrictions to the allocation of Shire of Plantagenet (PL) vehicle registration plates.

**POLICY:** That with respect to the issue of vehicle registration plates PL.Number or Number.PL, the Council maintains a policy NOT to issue plates with a zero prefix.'

be endorsed.

### **AMENDMENT**

Moved Cr K Clements, seconded Cr A Budrikis:

That the words 'PL.Number or' be deleted from the motion.

**CARRIED (9/0)**

**NO. 244/08**

### **COUNCIL DECISION**

That amended Council Policy No. A/PA/12 – Vehicle Registration Plates, as follows:

**'OBJECTIVE:** To apply restrictions to the allocation of Shire of Plantagenet (PL) vehicle registration plates.

**POLICY:** That with respect to the issue of vehicle registration plates Number.PL, the Council maintains a policy NOT to issue plates with a zero prefix.'

be endorsed.

**CARRIED (9/0)**

**NO. 245/08**



## 11.5 EXECUTIVE SERVICES REPORTS

### 11.5.1 COMMITTEE MINUTES

<b>File No:</b>	CA/103/1, FM/103/1
<b>Attachments:</b>	<a href="#">Great Southern Regional Cattle Saleyards Advisory Committee Meeting - 9 September 2008</a> <a href="#">Audit Committee Meeting - 10 September 2008</a> <a href="#">Townscape Review Steering Committee Meeting - 8 October 2008</a>
<b>Responsible Officer:</b>	Rob Stewart Chief Executive Officer
<b>Author:</b>	Cobie MacLean Administration Officer Planning
<b>Proposed Meeting Date:</b>	28 October 2008

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#### **Purpose**

The purpose of this report is to receive the following Committee Minutes:

- Great Southern Regional Cattle Saleyards Advisory Committee Meeting – 9 September 2008.
- Audit Committee Meeting – 10 September 2008.
- Townscape Review Steering Committee Meeting – 8 October 2008.

#### **Financial Implications**

There are no financial implications for this report.

#### **Policy Implications**

There are no policy implications for this report.

#### **Strategic Implications**

There are no strategic implications for this report.

#### **Officer Comment**

Any further issues or recommendations arising from these Minutes will be the subject of a separate report to the Council.

#### **Voting Requirements**

Simple Majority

#### **OFFICER RECOMMENDATION / COUNCIL DECISION**

Moved Cr B Hollingworth, seconded Cr J Mark:

That the Minutes of:

- Great Southern Regional Cattle Saleyards Advisory Committee Meeting – 9 September 2008.
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- **Audit Committee Meeting – 10 September 2008.**
- **Townscape Review Steering Committee Meeting – 8 October 2008.**

**be received.**

**CARRIED (9/0)**

**NO. 246/08**

**12 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**

Nil.

**13 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF THE MEETING**

Nil.

**14 CONFIDENTIAL**

Nil.

**15 CLOSURE OF MEETING**

4:00 PM The Presiding Member declared the meeting closed.

**CONFIRMED: CHAIRPERSON \_\_\_\_\_ DATE: \_\_\_\_ / \_\_\_\_ / \_\_\_\_**