



ORDINARY COUNCIL MEETING

MINUTES

Ordinary Meeting of the Council
held in the Council Chambers
2.45pm Tuesday 28 November 2006

Rob Stewart
CHIEF EXECUTIVE OFFICER

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1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

2.48pm 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 Rob 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 RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE (PREVIOUSLY APPROVED)

Present

Cr K Forbes	Shire President - Rocky Gully / West Ward
Cr D Williss	Deputy Shire President - East Ward
Cr J Cameron	Rocky Gully / West Ward
Cr J Moir	South Ward
Cr K Clements	Town Ward
Cr J Mark	Town Ward
Cr B Hollingworth	Town Ward
Cr M Skinner	East Ward
Mr R Stewart	Chief Executive Officer
Mr J Fathers	Deputy Chief Executive Officer
Mr I Bartlett	Manager Works and Services
Mr P Duncan	Manager Development Services
Ms N Selesnew	Manager Community Services
Mrs K Skinner	Executive Secretary

Miss C Delmage Administration Officer

Previously Approved Leave of Absence

Cr K Hart 15 November to 8 December 2006 inclusive

There were no members of the public present.

There were no members of the media present.

3 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil

4 PUBLIC QUESTION TIME

Nil

5 PETITIONS / DEPUTATIONS / PRESENTATIONS

Nil

6 APPLICATIONS FOR LEAVE OF ABSENCE

Nil

7 CONFIRMATION OF MINUTES

Moved Cr J Cameron, seconded Cr J Mark:

That the Minutes of the Ordinary Meeting of the Council held 14 November 2006 be confirmed subject to:

Item 12.1 Vote '(8/0)' being replaced with vote '(6/2)' for Resolution No. 405/06.

CARRIED (8/0)

No. 406/06

Moved Cr M Skinner, seconded Cr K Clements:

That the Minutes of the Special Meeting of the Council held 21 November 2006 be confirmed.

CARRIED (8/0)

No. 407/06

8 ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION

- 16.11.06 – Cr Kevin Forbes – Shire President and Mr Rob Stewart – Chief Executive Officer attended the opening of the new Frankland River Community Centre. Cr Forbes noted that it was a well built facility that will be utilised by many. The final cost of construction was approximately \$800,000.00 which was a big challenge for the Shire of Cranbrook. Community groups also assisted with fund raising.
- 20.11.06 – Cr Forbes, along with Mr Jonathon Hoskins – Principal - Mount Barker Senior High School, participated in a teleconference with Mr Gordon McPherson – Traffic Management Consultant for One Community One College. It was noted that the original figure-work and traffic management plans were considered unsatisfactory and required reassessment. Cr Forbes noted that the survey conducted of students travelling to the school by buses claimed a usage of 70% which in actual fact should be 40%. This will have a large impact on parking issues etc. Cr Forbes also noted that there are 300 town students alone from Year 4 on.
- 21.11.06 – A Special meeting of the Council was held to consider revised budget figures for the upcoming Special Meeting of the Mount Barker Tourist Bureau Inc.
- 27.11.06 – Cr Forbes, Cr D Williss – Deputy Shire President and Mr Stewart attended the Great Southern Zone meeting in Denmark. Cr Forbes noted that there was little on the agenda and nothing was raised from the recent Western Australian Local Government Association (WALGA) Agenda. The meeting was over by 12.00 noon and the following three (3) guest speakers addressed the group.
 - Mrs Marie Redman – Chairperson – Great Southern Regional Marketing.
 - Craig Brierty – Project Manager - Clontarf Foundation – Great Southern Football Academy spoke about their Football Coaching and Support Scheme . It was noted that the City of Albany support the Scheme. It was also noted that two (2) people from Mount Barker and one (1) from Frankland would be participating in the Scheme next year.
 - Mr Brad Williamson – Manager – Albany Port Authority spoke on the Port's direction and future development plans.
- 27.11.06 – Cr Forbes gave a short presentation at the Special Meeting of the Mount Barker Tourist Bureau Inc (Bureau) regarding the Council's resolution of 21 November 2006. Cr Forbes noted that the Council's decision appeared to be reasonably well received and accepted. A new Board of the Bureau has been formed and they seem positive and committed to making the Bureau successful.
- 05.12.06 – Cr Forbes, Cr Williss and Mr Stewart will be in attendance at the Mount Barker Senior High School Speech Night.
- 06.12.06 – Cr Forbes will attend the State meeting of WALGA in Perth.
- 08.12.06 – The Shire's 2006 Christmas Party will be held at the Mount Barker Swimming Pool. All staff, Councillors and partners are invited.
- 12.12.06 - The 2006 Christmas Dinner for Councillors and Senior Staff will be held at Fio's. All partners are invited.

9 REPORTS OF COMMITTEES AND OFFICERS

9.1 COMMUNITY SERVICES REPORTS

9.1.1 POLICY – LOWOOD ROAD - PROMOTION BANNERS

Location / Address:	N / A
Name of Applicant:	N / A
File Reference:	RO/120/14
Author:	Nicole Selesnew – Manager Community Services
Authorised By:	Rob Stewart – Chief Executive Officer
Date of Report:	20 November 2006

Purpose

The purpose of this report is to request the adoption of a new policy for promotion banners.

Background

During the main street upgrade new light poles were installed along Lowood Road, of which six have provision for hanging promotion banners. The poles with provision for banners have been designed to accommodate two (2) banners, back to back.

Statutory Environment

There are no statutory implications for this report.

Consultation

Consultation has occurred with Mr Rob Stewart - Chief Executive Officer, Mr Ian Bartlett – Manager Works and Services, Mr Peter Duncan – Manager Development Services and representatives from the City of Albany, Shire of Denmark and Shire of Boyup Brook.

Policy Implications

This purpose of this report is to request the adoption of a new policy for the Council.

Financial Implications

Fees will need to be established to cover the erection and removal costs of promotion banners in the Annual Budget.

Strategic Implications

Key Result Area 3 – Community Services, Initiative 3.1 lists the following achievement:

‘Evaluate different options for providing community services and facilities.’

Officer Comment

The banner poles along Lowood Road provide the Council and community with a new opportunity for promoting events and activities. Prior to use the Council staff require a set of guidelines for promotion banners, therefore a policy needs to be considered.

Policy – Lowood Road – Promotion Banners (Cont.)

Three other Local Government authorities have been contacted regarding their requirements when displaying promotion banners: the City of Albany; Shire of Denmark; and Shire of Boyup Brook.

Some applicable guidelines from these authorities are:

- The applicant is responsible for providing their own banners (including artwork) on a suitable material, to suit the relevant dimensions and with the necessary attachment points;
- Only banners that promote events or activities that provide a community benefit are displayed. Commercial advertising is not allowed;
- Banners are displayed for an average two week period prior to the event. The City of Albany sets a timeline of Monday to Monday however the Shires of Boyup Brook and Denmark are more flexible on the erection and dismantling dates dependent on other bookings; and
- The applicant is responsible for paying a fee to have the banners erected (fees based on a cost recovery basis).

The following proposed Promotion Banners Policy has been prepared:

POLICY No. 1/R/17 LOWOOD ROAD PROMOTION BANNERS POLICY**OBJECTIVE:**

The objective of this Policy is to provide clear guidelines for the display of promotion banners along Lowood Road on the designated banner poles.

POLICY:

The display of promotion banners on the designated banner poles along Lowood Road be conditional upon the following:

1. The applicant is responsible for providing the banners (including artwork) on a suitable, durable material, with the relevant dimensions and with the necessary attachment points.
2. The banners will be erected and removed by Council staff or contractors that have been engaged by the Council.
3. Only banners that promote events or activities that provide a significant benefit to the Plantagenet community will be displayed.
4. Commercial advertising is not permitted.
5. Banners will be displayed for a minimum two week period and a maximum four week period, unless an extension of time is approved by the Chief Executive Officer.
6. The applicant is responsible for retrieving the banners from the Shire of Plantagenet once the banner has been taken down at the completion of the approved time period.
7. If a banner(s) is damaged or vandalised whilst on display, the applicant is responsible for repairing or replacing the banner(s), including the cost of recovering and re-erecting the banner.
8. The applicant is responsible for paying the adopted fee to have the banners erected, displayed and removed. Fees are set on a cost recovery basis and listed in the Council's Annual Budget.

Voting Requirements

Simple majority

OFFICER'S RECOMMENDATION

THAT:

- (1) Council Policy No. I/R/17 – 'Lowood Road - Promotion Banners' as detailed below:

OBJECTIVE:

The objective of this Policy is to provide clear guidelines for the display of promotion banners along Lowood Road on the designated banner poles.

POLICY: The display of promotion banners on the designated banner poles along Lowood Road be conditional upon the following:

- (i) The applicant is responsible for providing the banners (including artwork) on a suitable, durable material, with the relevant dimensions and with the necessary attachment points;
- (ii) The banners will be erected and removed by Council staff or contractors that have been engaged by the Council;
- (iii) Only banners that promote events or activities that provide a significant benefit to the Plantagenet community will be displayed;
- (iv) Commercial advertising is not permitted;
- (v) Banners will be displayed for a minimum two (2) week period and a maximum four week period, unless an extension of time is approved by the Chief Executive Officer;
- (vi) The applicant is responsible for retrieving the banners from the Shire of Plantagenet once the banner has been taken down at the completion of the approved time period;
- (vii) If a banner(s) is damaged or vandalised whilst on display, the applicant is responsible for repairing or replacing the banner(s), including the cost of recovering and re-erecting the banner; and
- (viii) The applicant is responsible for paying the adopted fee to have the banners erected, displayed and removed. Fees are set on a cost recovery basis and listed in the Council's Annual Budget .'

be endorsed.

- (2) The Chief Executive Officer be given delegated authority to approve Promotion Banner applications.

COUNCIL DECISION

Moved Cr J Cameron, seconded Cr M Skinner:

THAT:

- (1) Council Policy No. I/R/17 – ‘Lowood Road - Promotion Banners’ as detailed below:

‘OBJECTIVE:

The objective of this Policy is to provide clear guidelines for the display of promotion banners along Lowood Road on the designated banner poles.

POLICY: The display of promotion banners on the designated banner poles along Lowood Road be conditional upon the following:

- (i) The applicant is responsible for providing the banners (including artwork) on a suitable, durable material, with the relevant dimensions and with the necessary attachment points;
- (ii) The banners will be erected and removed by Council staff or contractors that have been engaged by the Council;
- (iii) Only banners that promote events or activities that provide a significant benefit to the Plantagenet community will be displayed;
- (iv) Commercial advertising is not permitted;
- (v) Banners deemed offensive or insensitive will not be permitted;
- (vi) Banners will be displayed for a minimum two (2) week period and a maximum four week period, unless an extension of time is approved by the Chief Executive Officer;
- (vii) The applicant is responsible for retrieving the banners from the Shire of Plantagenet once the banner has been taken down at the completion of the approved time period;
- (viii) If a banner(s) is damaged or vandalised whilst on display, the applicant is responsible for repairing or replacing the banner(s), including the cost of recovering and re-erecting the banner; and
- (ix) The applicant is responsible for paying the adopted fee to have the banners erected, displayed and removed. Fees are set on a cost recovery basis and listed in the Council’s Annual Budget .’

be endorsed.

- (2) The Chief Executive Officer be given delegated authority to approve Promotion Banner applications.

CARRIED (8/0)

No. 408/06

Reason For Change

Councillors agreed it was important to state that offensive or insensitive material would not be permitted. See Part (v).

9.1.2 FEES AND CHARGES - SWIMMING POOL AND RECREATION CENTRE

Location / Address:	N / A
Name of Applicant:	N / A
File Reference:	FM/103/3
Author:	Nicole Selesnew – Manager Community Services
Authorised By:	Rob Stewart – Chief Executive Officer
Date of Report:	20 November 2006

Purpose

The purpose of this report is to adopt a new fee for a joint Swimming Pool / Recreation Centre membership pass.

Background

At the Mount Barker Recreation Centre Advisory Committee meeting held on Monday 23 October 2006, Committee delegates discussed the opportunity of introducing a combined Swimming Pool / Recreation Centre membership pass. The objective of the combined pass was to encourage usage of both Council facilities.

The Council's adopted 2006 / 2007 Annual Budget contains a Schedule of Fees and Charges.

Statutory Environment

To change the Schedule of Fees and Charges once the Annual Budget has been adopted the Council must follow the procedures and requirements of S 6.19 of the Local Government Act 1995 which requires the Council to give local public notice of its intention to introduce the new fees and the date from which the fees are to be imposed before introducing the fees.

Consultation

Consultation has occurred with Mr Rob Stewart - Chief Executive Officer, Mr John Fathers - Deputy Chief Executive Officer, Mark Bird – Swimming Pool Co-Ordinator, Zac Hambley – Recreation Centre Co-Ordinator and delegates of the Mount Barker Recreation Centre Advisory Committee.

Policy Implications

There are no policy implications for this report.

Financial Implications

This will involve an adjustment to the adopted Schedule of Fees and Charges.

Strategic Implications

Key Result Area 3 – Community Services, Initiative 3.1 lists the following achievement:

'Develop an appropriate and equitable pricing policy for community services and programmes.'

Fees & Charges – Swimming Pool & Recreation Centre (Cont.)**Officer Comment**

At present both the Swimming Pool and Recreation Centre provide season memberships for children under sixteen, adults and family. In both facilities, children under five years are admitted for free (with the exception of children under five years taking part in a structured activity at the Recreation Centre).

The Recreation Centre season memberships are provided on either a three, six or twelve month basis, however for ease of administration it is suggested that a combined Swimming Pool / Recreation Centre membership pass be offered for a twelve month period only.

The benefits of combining a Swimming Pool / Recreation Centre membership pass is the increased use of both facilities. Twenty one family membership passes have been sold at the Swimming Pool for the 2006 / 2007 season, of which two families also hold memberships at the Recreation Centre and six families are regular users of the Recreation Centre.

Of the seven Adult and Junior season memberships sold at the Swimming Pool for the 2006 / 2007 season, none held memberships at the Recreation Centre however all were regular users.

If a combined Swimming Pool / Recreation membership pass was offered at a slight discount rate, these users of both facilities may be encouraged to join thereby increasing the profitability and usage of both facilities.

The following table illustrates existing facility memberships and a proposed, combined membership with a ten percent discount.

Type of Membership	Recreation Centre Membership Fee (12 month period)	Swimming Pool Membership Fee (12 month period)	Combined Membership Fee (10% discount – 12 month period)
5 – 16 years	\$190-00	\$60-00	\$225-00
Adult (16 plus years)	\$355-00	\$60-00	\$373-50
Family	\$660-00	\$180-00	\$756-00

It is proposed that the membership pass would be offered for a twelve month period from the date of issue.

Delegates from the Mount Barker Recreation Centre Advisory Committee suggested that if endorsed, a combined membership for the Swimming Pool and Recreation Centre be called a 'Platinum Pass'.

Voting Requirements

Simple majority.

Fees & Charges – Swimming Pool& Recreation Centre (Cont.)**OFFICER'S RECOMMENDATION / COUNCIL DECISION**

Moved Cr J Mark, seconded Cr K Clements:

THAT:

- (1) A combined membership fee for the Swimming Pool and Recreation Centre, called a Platinum Pass, be introduced from 18 December 2006.
- (2) The membership fees be:

Type of Membership	Platinum Pass Membership Fee (12 month period)
5 – 16 years	\$225-00
Adult (16 plus years)	\$373-50
Family	\$756-00

- (3) The amendments to the Council's schedule of fees and charges in Part (2) above be advertised in accordance with the provisions of Section 6.19 of the Local Government Act 1995.

CARRIED (8/0)

No. 409/06

9.2 EXECUTIVE SERVICES REPORTS

9.2.1 COMMITTEE AND REGIONAL COUNCIL MINUTES

Location / Address:	N / A
Attachments:	Minutes
Name of Applicant:	N / A
File Reference:	ES/103/6; ES/103/7; CA/103/1; ED/103/5; FM/103/1
Author:	Cherie Delmage - Administration Officer
Authorised By:	John Fathers - Deputy Chief Executive Officer
Date of Report:	22 November 2006

Purpose

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

- Bush Fire Advisory Committee - 1 November 2006
- Local Emergency Management Committee - 7 November 2006
- Great Southern Regional Cattle Saleyards Committee – 14 November 2006
- Audit Committee – 21 November 2006
- Rainbow Coast Regional Council - 9 November 2006

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.

Officer Comment

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

Voting Requirements

Simple Majority

OFFICER'S RECOMMENDATION / COUNCIL DECISION

Moved Cr D Williss, seconded Cr J Moir:

That the following Minutes be received:

- **Bush Fire Advisory Committee - 1 November 2006**
- **Local Emergency Management Committee - 7 November 2006**
- **Great Southern Regional Cattle Saleyards Committee - 14 November 2006**
- **Audit Committee – 21 November 2006**
- **Rainbow Coast Regional Council - 9 November 2006**

CARRIED (8/0)

No. 410/06

9.2.2 OYSTER HARBOUR CATCHMENT GROUP - ERECTION OF SHED ON COUNCIL PROPERTY

Location / Address:	N / A
Name of Applicant:	N / A
File Reference:	EM/125/7
Author:	Rob Stewart - Chief Executive Officer
Authorised By:	Rob Stewart - Chief Executive Officer
Date of Report:	22 November 2006

Purpose

The purpose of this report is to present a request from the Oyster Harbour Catchment Group to erect a shed on Council property for storage of group property.

Background

The Oyster Harbour Catchment Group is a land conservation group hosted by the Department of Agriculture and Food and has an office in the Mount Barker Railway Station.

The group is largely funded through South Coast Regional Initiative Project Team (SCRIPT).

Consultation

Consultation has occurred with the Chairman of the group Mr David Williamson.

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.

Officer Comment

The Oyster Harbour Catchment Group has requested permission to erect a shed on Council property (Council Depot) so that equipment owned by the group can be securely stored.

The request appears reasonable and can be considered positively. No cost would be incurred by the Council and the shed could be erected outside the Depot compound. Nevertheless, access to the shed should be restricted to business hours and access to the shed should always be by permission.

Voting Requirements

Simple Majority

OFFICER'S RECOMMENDATION

Moved Cr D Williss, seconded Cr M Skinner:

That the Chief Executive Officer be authorised to negotiate with the Oyster Harbour Catchment Group to finalise the placement of a storage shed on Council property at the Council depot for the storage of Oyster Harbour Catchment Group property subject to the signing of a suitable Memorandum of Understanding.

AMENDMENT

Moved Cr J Cameron, seconded Cr J Moir:

That the words 'incorporating satisfactory arrangements for insurance cover by the Oyster Harbour Catchment Group for the shed, contents and public liability' be added after the word 'Understanding'.

CARRIED (8/0)

No. 411/06

COUNCIL DECISION

That the Chief Executive Officer be authorised to negotiate with the Oyster Harbour Catchment Group to finalise the placement of a storage shed on Council property at the Council depot for the storage of Oyster Harbour Catchment Group property subject to the signing of a suitable Memorandum of Understanding incorporating satisfactory arrangements for insurance cover by the Oyster Harbour Catchment Group for the shed, contents and public liability.

CARRIED (8/0)

No. 412/06

9.3 CORPORATE SERVICES REPORTS

9.3.1 FINANCIAL STATEMENTS – OCTOBER 2006

Location / Address:	N / A
Attachments: (1)	Financial Statements – October 2006
Name of Applicant:	N / A
File Reference:	FM/65/1
Author:	Ross MacDonald - Accountant
Authorised By:	Rob Stewart – Chief Executive Officer
Date of Report:	21 November 2006

Purpose

The purpose of this report is to present the financial position of the Shire of Plantagenet for the period ending 31 October 2006.

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 amounts 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 (ie: 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'S RECOMMENDATION / COUNCIL DECISION

Moved Cr J Moir, seconded Cr J Mark:

That the financial statements for the month ending 31 October 2006 be received.

CARRIED (8/0)

No. 413/06

9.3.2 POLICY REVIEW – INVESTMENTS

Disclosure of Impartiality

Mr John Fathers disclosed his membership of the Bendigo Community Bank Board.

Location / Address:	N / A
Name of Applicant:	N / A
File Reference:	FM/120/6
Author:	Ross MacDonald – Accountant / Office Manager
Authorised By:	Rob Stewart - Chief Executive Officer
Date of Report:	17 November 2006

Purpose

The purpose of this report is to review Council Policy No. F/RI/1 – Investments.

Background

This policy was adopted by the Council at its ordinary meeting held 17 November 1998. The current policy is a fairly large document which was prepared by Trustees of WA Limited, in response to an audit requirement that the Council adopt an investment policy.

Currently, the policy requires that the portfolio of investments must be diversified to ensure a spread of credit risk, whereas the practice in recent times has been to place surplus funds in term deposits with Bendigo Bank. This matter was raised at a meeting of the Audit Committee held on 10 October 2006, whereupon it was resolved that the Council's Investment Policy be reviewed with a view to permitting surplus funds being invested solely with Bendigo Bank.

Statutory Environment

The authority for a local government to invest surplus funds comes from Section 6.14 of the Local Government Act 1995. Section 18 of the Trustees Act 1962 also details investment powers of trustees.

Consultation

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

Policy Implications

The adoption of this recommendation will amend the Council's current policy.

Financial Implications

This policy has a direct impact on the security of the Council's surplus funds and the revenue to be made from investment of those funds. The security issues are discussed in the Officer Comment section of this report.

With regard to income, in the current financial year, the maximum amount that was available for investment purposes was approximately \$3.5 million (from municipal, reserve and loan funds). The Council's 2006 / 2007 budget provides for income from investment of \$131,000.00.

Policy Review – Investments (Cont.)

The interest rates on the Council's current term deposits range from 5.55% to 5.90%. due to the current relationship with Bendigo Bank, the Shire's investments attract current market rate plus 0.15%. This equates to a bonus of approximately \$3,000.00 per year.

If the Council chose to invest in other financial institutions and managed funds, as opposed to bank deposits, the return would currently be expected to be around 6.0% to 6.25% for lower risk options. This equates to an additional \$5,000.00 (approx) per year that the Council could earn in investment income (\$8,000.00 less \$3,000.00 bonus foregone).

There would be a cost associated with managing a more diversified investment strategy (in staff time or investment brokers), although this would be minimal if the Council chose to spread its investments around the banks with branches in Mount Barker. This option would provide only limited support to the community bank, however, there would be a safety net in place if any one of those banks went into financial difficulties.

Strategic Implications

There are no strategic implications for this report.

Officer Comment

In general terms, the role of the current investment policy is to document and provide the necessary information for the delegated officers to manage the Council's investment portfolio and invest in appropriate, approved investments, that maximise returns whilst not compromising the security of funds.

A standard feature of most investment policies is the desire to achieve an adequate level of diversification to spread risk. As an example of this, the Council's current Investment Policy requires that no more than 70% of funds be invested with one organisation.

As stated above, recent practice has been to place surplus funds in term deposits with Bendigo Bank and a special rate is applied by Bendigo Bank to all of the Council's funds on deposit. It has clearly been the intention to support the local community bank.

Bendigo's 'Community Bank' is a branch banking model which involves local people in solving their own banking needs. Community Bank branches provide communities with an opportunity to enhance control over their community's capital, ensuring more money stays in the district for local investment.

It is considered desirable to support the local community bank, provided that other fiduciary responsibilities are complied with, although the Council should be conscious of the risk and put adequate controls in place to mitigate that risk. One such control would be to define a bottom level credit rating and regularly monitor Bendigo Bank's credit rating.

Bendigo Bank publishes its Standard and Poor's short term credit rating, which is currently A-2. The size of the bank limits its ability to achieve the top short term rating (A-1).

A Standard & Poor's credit rating is defined as a current opinion of the creditworthiness of an obligor with respect to a specific financial obligation, a specific class of financial obligations, or a specific financial program (including ratings on

Policy Review – Investments (Cont.)

medium-term note programs and commercial paper programs). Issue credit ratings can be either long term or short term. Short-term ratings are generally less than 12 months, which is the category suitable to investments by the Shire.

A short-term obligation rated A-1 is rated in the highest category by Standard & Poor's. The obligor's capacity to meet its financial commitment on the obligation is strong. A short-term obligation rated A-2 is said to be somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rating categories. However, the obligor's capacity to meet its financial commitment on the obligation is satisfactory.

It is worth noting that in recent discussions with Bendigo Bank it was advised that the Bank is 148 years old and has never made a loss. It is a conservative organisation which is subject to very strong prudential requirements. Funds invested with Bendigo Bank are put into a pool to spread the risk.

The Shire's auditors have advised that the Council may choose to invest in one institution, subject to the recommended controls being in place.

Assuming the intention of the revised Investment Policy is to invest surplus funds with Bendigo Bank, the policy can be condensed. The sections of the policy relating to Risk Profile, Authorised Counterparties / Exposure Limits, Long term Investments and Diversification would be unnecessary due to the restrictive nature of the revised policy. The section on the Prudent Person rule is not so relevant, however it could be retained so that this background is retained on record.

The current policy states that at least 50% of total investment portfolio must be liquifiable within ten days. This would also not be required as the terms deposits with Bendigo Bank may be withdrawn prior to maturity within forty-eight hours.

A modified Policy has therefore been drawn up based on current practice and which takes all of the matters discussed above into consideration. It also retains the relevant aspects of the current policy.

Voting Requirements

Simple Majority.

OFFICER'S RECOMMENDATION / COUNCIL DECISION

Moved Cr K Clements, seconded Cr D Williss:

That amended Council Policy No. F/RI/1 as follows:

OBJECTIVE:

To document and provide the necessary information for the delegated officers to invest surplus funds.

POLICY:**1.0 Purpose of Policy****1.1 The purpose of this policy is to ensure:**

- **That the Council conforms with its fiduciary responsibilities under Section 6.14 of the Local Government Act and Section 18 (1)(a) of the Trustees Act 1962 (the 'Prudent Person' rule);**

Policy Review – Investments (Cont.)

- That the Council at all times has in place a current set of policies and delegations for its Investments Officers; and
- Adherence to the guidelines by all officers with delegated authority to invest / control surplus funds.

1.2 This Policy is to be made available to all employees involved in daily investment decisions.

1.3 Notwithstanding the provisions of this Policy, the general financial management obligations imposed under the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996 should at all times be complied with.

2.0 Prudent Person Rule

2.1 The investment options available to local government authorities in Western Australia were altered in June 1997 with changes to the Trustees Act. With the passage of changes to the Trustees Act, the list of prescribed investments has been removed and replaced by the Prudent Person rule.

2.2 The main features of the prudent person rule include:

- Exercising the care, diligence and skill that a prudent person would exercise in managing the affairs of other persons; and
- A duty to invest funds in investments that are not speculative or hazardous.

2.3 In exercising powers of investment, there are important matters for consideration:

- The purpose of the investment and the needs and circumstances;
- The desirability of diversifying investments and the nature of and risk associated with existing investments;
- The need to maintain the real value of capital and income; The risk of capital or income loss or depreciation; The potential for capital appreciation;
- The likely income return and timing of the income return; The length of the term of the proposed investment;
- The liquidity and marketability of the proposed investment; The aggregate value of the investment;
- The effect of the proposed investment in relation to the tax liability (if any);
- The likelihood of inflation affecting the value of the proposed investment; and
- The costs of making the proposed investment; The results of a review of existing investments.

3.0 Investment Objectives

3.1 To add value through prudent investment of funds.

3.2 To support the local community bank without putting the Shire's surplus funds to any undue risk.

Policy Review – Investments (Cont.)

- 3.3 To have ready access to funds for day-to-day requirements, without penalty.
- 4.0 Authority to Invest
- 4.1 The Shire of Plantagenet's surplus funds are to be invested in term deposits with Bendigo Community Bank. Any proposal to invest funds in another institution, for whatever reason, is to be referred to the Council.
- 4.2 Investments from the municipal, loan, reserve and trust accounts are to be kept separate and distinct.
- 4.2 Funds may be invested for terms ranging from one (1) to six (6) months based on predicted cash flow requirements.
- 4.4 The Deputy Chief Executive Officer places, withdraws or re-invests sums up to \$500,000.00 jointly with the Accountant / Office Manager or Chief Executive Officer, in accordance with the Chief Executive Officer's delegation.
- 4.5 The Chief Executive Officer places, withdraws or re-invests sums over \$500,000.00 jointly with the Deputy Chief Executive Officer or Accountant / Office Manager in accordance with the Chief Executive Officer's delegation.
- 5.0 Review and Reporting
- 5.1 A cash flow report is to be monitored by the Accountant / Office Manager at least weekly to ensure cash funds are available to meet commitments.
- 5.2 Investments will be managed actively as they mature with reviews by the Deputy Chief Executive Officer on a monthly basis.
- 5.3 Bendigo Bank's short term credit rating as defined by Standard and Poor's is to be monitored on a monthly basis by the Deputy Chief Executive Officer. Any downgrading of the A-2 rating is to be reported to the Council.
- 5.4 This Policy will be reviewed once a year or as required in the event of legislative changes.
- 5.5 For audit purposes, certificates must be obtained from the bank confirming the amounts of investment held on the Council's behalf at 30 June each year.'

be endorsed.

CARRIED (8/0)

No. 414/06

9.3.3 POLICY REVIEW – SIGNIFICANT ACCOUNTING POLICIES

Location / Address:	N / A
Name of Applicant:	N / A
File Reference:	F/FM/2
Author:	Ross MacDonald – Accountant / Office Manager
Authorised By:	John Fathers – Deputy Chief Executive Officer
Date of Report:	22 November 2006

Purpose

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

Background

This policy was adopted by the Council at its ordinary meeting held 10 September 2002. The current policy wording is 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 Accounting

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

(b) The Local Government Reporting Entity

All Funds through which the Shire controls resources to carry on its functions are included in the financial statements forming part of the financial report.

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) are eliminated.

All monies held in the Trust Fund are excluded from the financial statements, but a separate statement of those monies appears as a note to the financial report.

(c) Goods and Services Tax

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.

(d) Fixed Assets

Property, plant and equipment and infrastructure assets are brought to account at cost or independent or management valuation less, where applicable, any accumulated depreciation or amortisation.

Policy Review – Significant Accounting Policies (Cont.)

The value of all infrastructure assets (other than bridges and land under roads) is recorded in the Statement of Financial Position. Bridges and land under roads is excluded from infrastructure in accordance with legislative requirements.

(e) 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 is recognised as an expense.

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

(f) Depreciation of Non-Current Assets

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

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

Buildings	50 to 100 years
Furniture and Equipment	10 years
Plant and Equipment	5 to 15 years
Sealed roads and streets	
- clearing and earthworks	not depreciated
- construction/road base	50 years
- bituminous seals	20 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	40 years

(g) Leases

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

Policy Review – Significant Accounting Policies (Cont.)

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.

(h) Investments

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

(i) 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 Statement of Financial Position and Operating Statement.

Information regarding any joint ventures is set out as a note in the financial reports.

(j) Employee Entitlements

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

(1) Wages, Salaries and Annual Leave

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

(2) Long Service Leave

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

(k) 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.

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 a note to the financial reports. This note will also disclose the amount of contributions recognised as revenues in a previous reporting period which are obtained in respect of the local government's operation for the current reporting period.

(l) Superannuation

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

(m) Interest Rate Risk

Policy Review – Significant Accounting Policies (Cont.)

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 a note to the financial statements.

(n) Credit Risk

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 statement of financial position 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.

(o) Net Fair Values

The net 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 net fair values, are not written down as the Shire intends to hold these assets to maturity.

The aggregate net fair value and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to and forming part of the financial report.

(p) Rounding Off Figures

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

(q) Comparative Figures

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

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 the Deputy Chief Executive Officer, John Fathers. The Council's auditing firm, Haines Norton Chartered Accountants, have produced a model set of significant accounting policies from which the new policy was formulated.

Policy Implications

The adoption of this recommendation will amend the Council's current policy.

Financial Implications

There are no financial implications for this report.

Strategic Implications

There are no strategic implications for this report.

Policy Review – Significant Accounting Policies (Cont.)**Officer Comment**

The Shire's auditors have provided a revised set of Significant Accounting Policies for adoption by the Council. Whilst most of the policies are relevant to both the production of financial statements and budgets, some of the statements are specific to only one or the other of those documents. This has been noted in the revised policy.

The new Significant Accounting Policies have been revised largely in accordance with the requirements of the Australian Equivalent International Financial Reporting Standard (AIFRS). In July 2002, the Financial Reporting Council (FRC), the body that oversees the Australian Accounting Standards Board (AASB), announced that Australian financial reporting entities will apply AASB converged International Financial Reporting Standards from reporting periods beginning on or after 1 January 2005.

The introduction of IFRS represents a significant change in generally accepted accounting principles and practices. The AASB has issued a strategy for the convergence between Australian and International Accounting Standards (IAS). The AASB's overall approach will be to issue one set of standards that will apply to both profit and not-for-profit entities, including public sector entities.

The 2005 / 2006 financial statements will include an additional point suggested in the model provided by the auditors, relating to the 'First AIFRSs Financial Report'. There is no need to include this in the new policy as it applies to this financial year only.

Voting Requirements

Simple Majority

OFFICER'S RECOMMENDATION / COUNCIL DECISION

Moved Cr J Moir, seconded Cr M Skinner:

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)

Policy Review – Significant Accounting Policies (Cont.)

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

 Policy Review – Significant Accounting Policies (Cont.)

- 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.

CARRIED (8/0)

No. 415/06

9.3.4 LIST OF PAYMENTS - OCTOBER 2006

Location / Address: N / A
Attachments: List of Payments - October 2006
Name of Applicant: N / A
File Reference: FM/65/3
Author: Rayona Evans - Accounts Officer
Authorised By: John Fathers – Deputy Chief Executive Officer
Date of Report: 21 November 2006

Purpose

The purpose of this report is to present the list of payments that were made during the month of October 2006.

Statutory Environment

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

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'S RECOMMENDATION / COUNCIL DECISION

Moved Cr J Moir, seconded Cr D Williss:

That the payment of accounts for the month of October 2006 covering electronic payments, cheques 36038 to 36171, totalling \$385,787.24, be noted.

CARRIED (8/0)

No. 416/06

9.4 TECHNICAL SERVICES REPORTS

9.4.1 TENDER C06-0607 CONSTRUCTION OF MULTI CELL CULVERT, SPENCER ROAD

Location / Address:	N / A
Name of Applicant:	N / A
File Reference:	RO/165/1
Author:	Ian Bartlett - Manager Works and Services
Authorised By:	Rob Stewart - Chief Executive Officer
Date of Report:	16 November 2006

Purpose

The purpose of this report is to consider the outcome of the tender process for the construction of a multi cell culvert over the Hay River, Spencer Road, Narrikup.

Background

The construction of the multi cell culvert over the Hay River is part of the overall Spencer Road redevelopment. Spencer Road was recognised as a major haulage route for the Timber industry. The size of the culvert is being increased to cater for the 1/100 flood.

Statutory Environment

Part 4 of the Local Government (Functions and General) Regulations 1996 requires that Tenders be publicly invited for the supply of goods or services if the consideration under the contract is, or is expected to be, more than \$50,000.00.

The Tendering process for goods and services must be in accordance with Sections 11, 18, and 19 of the Local Government (Functions and General) Regulations 1996.

In particular, Regulation 18 outlines a number of requirements relating to the choice of Tender. Council is to decide which of the tenders is most advantageous and may decline to accept any or all of the tenders received.

Regulation 19 requires the Council to advise each tenderer in writing the results of Council's decision.

Consultation

Mr Ian Bartlett - Manager of Works and Services working with consultants from Opus International Consultants Pty Ltd prepared the tender document and specifications.

Mr Ian Bartlett participated in the tender evaluation.

Policy Implications

There are no policy implications for this report.

Financial Implications

The combined budget allocation for the 2006 / 2007 Road Construction and Maintenance Program is \$5,834,757. Incorporated in this amount is the allocation for the construction of Spencer Road, incorporating the Hay River crossing.

Tender C06-0607 – Construction Of Multi Cell Culvert – Spencer Road (Cont.)**Strategic Implications**

The Shire of Plantagenet's Strategic Plan, Key Result Area 2 – Infrastructure incorporates the following:

'Infrastructure aims to:

- Maximise the benefit to the community, in an equitable manner, by effectively and efficiently developing and maintaining the road network and building infrastructure within the financial resources of the Shire.'

Officer Comment

The request for tender was advertised in the West Australian and Albany Advertiser during the month of October 2006. In addition, a tender notice was placed on the Shire of Plantagenet website and also on the notice board in the Administration Office, to inform prospective Tenderers. The closing date for the receipt of tenders was Thursday 9 November 2006, with delivery of submissions to the tender box.

One tender was received from Jonor Construction Pty Ltd. An outline of prices is shown tabulated below:

Construction of Multi Cell Culvert over Hay River				
	ITEM (<i>All costs are to exclude GST</i>)	Unit	Qty	PRICE (\$)
1.	Mobilisation, Site Establishment, Demobilisation.			
1.1	Establishment on Site	Item		60,008.00
1.2	Traffic Control	Item	1	11,819.00
2.	Survey, Control And Testing.			
2.1	Survey set out and Control	Item	1	2,609.00
2.3	Compliance Testing	Item	1	3,248.00
2.4	Provide As Constructed Drawings	Item	1	1,675.00
3.	Clearing & Demolition			
3.1	Removal and disposal of existing culverts.	Item	1	3,248.00
3.2	Clearing and Disposal of Vegetation	m ²	1200	6,000.00
3.3	Removal of Stumps, Silt and Debris	m ²	1200	6,000.00
3.4	Removal of Existing Road Embankment	Item	1	10,514.00
4	Drainage			
4.1	Supply , install and backfill 375 dia RCP (Class 3)	m	31.7	9,890.00
4.2	Supply install and backfill 450 dia RCP (Class 3)	m	29.3	12,628.00
4.3	Supply and install precast headwall to suit	ea	1	583.00
4.4	Supply and install precast headwall to suit	ea	1	583.00
5	Dewatering			
5.1	Dewater construction zone.	Item	1	8,635.00

Tender C06-0607 – Construction Of Multi Cell Culvert – Spencer Road (Cont.)

Construction of Multi Cell Culvert over Hay River				
	ITEM (<i>All costs are to exclude GST</i>)	Unit	Qty	PRICE (\$)
6.	Concrete Works			
6.1	Base Slab			
6.1.1	Formwork	Item	1	16,206.00
6.1.2	Supply, place and fix steel reinforcement	Item	1	54,575.00
6.1.3	Supply, Place, Finish and Cure 32 Mpa Concrete	m ³	112	91,280.00
6.2	Wingwalls & Headwalls			
6.2.1	Formwork	Item	1	49,104.00
6.2.2	Supply, Place and fix steel Reinforcement	Item	1	27,104.00
6.2.3	Fix and cast in 34 Guard Rail Brackets (Principle Supplied)	ea	34	1,020.00
6.2.4	Supply, Place, Finish and Cure Class 32 Mpa Concrete	m ³	72	42,840.00
7	Reinforced Concrete Box Culverts And Link Slabs			
7.1	Supply and Install Pre Cast Concrete Box Culvert Units	ea	63	218,358.00
7.2	Supply and Install Pre Cast Concrete Link Slabs	ea	54	78,408.00
8.0	Provisional Quantities			
8.1	Sand Bedding	m ³	140	14,840.00
8.2	Rock Pitching	m ²	1250	28,750.00
8.3	Removal of Rock	m ³	1	799.00
	Total Lump Sum (including provisional items)			\$760,725.00

It is the opinion of the Manager Works and Services that this tender submission from Jonor Construction Pty Ltd should not be accepted due to being 50% above budget estimation.

Voting Requirements

Simple Majority

OFFICER'S RECOMMENDATION / COUNCIL DECISION

Moved Cr J Mark, seconded Cr B Hollingworth:

THAT:

- (1) The tender received from Jonor Construction Pty Ltd for the construction of a Multi Cell culvert over the Hay River, Spencer Road be declined.
- (2) The tender for the construction of a Multi Cell Culvert over the Hay River, Spencer Road be re-advertised.

CARRIED (8/0)

No. 417/06

10 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

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

Nil

12 CONFIDENTIAL

Nil

13 CLOSURE OF MEETING

3.58pm The Presiding Member declared the meeting closed.

CONFIRMED: CHAIRPERSON _____ **DATE: .../.../....**