



## **ORDINARY MEETING OF COUNCIL AGENDA**

**26 October 2017**

**14 White Street  
Brookton, WA 6306**

Dear Councillor, Resident or Ratepayer,

Notice is hereby given that the Ordinary Meeting of the Brookton Shire Council will be held on Thursday 26 October 2017 in the Council Chambers at the Shire Administration Centre commencing at 5.00 pm.

The business to be transacted is shown in the Agenda.

**Ian D'Arcy**  
**CHIEF EXECUTIVE OFFICER**  
20/10/2017

### **DISCLAIMER**

*The recommendations contained in the Agenda are subject to confirmation by Council. The Shire of Brookton warns that anyone who has any application lodged with Council must obtain and should only rely on written confirmation of the outcomes of the application following the Council meeting, and any conditions attaching to the decision made by the Council in respect of the application. No responsibility whatsoever is implied or accepted by the Shire of Brookton for any act, omission or statement or intimation occurring during a Council meeting*

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**1.10.17 DECLARATION OF OPENING/ATTENDANCE**

**2.10.17 ANNOUNCEMENT OF VISITORS**

**3.10.17 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE**

**4.10.17 PUBLIC QUESTION TIME**

**5.10.17 APPLICATIONS FOR LEAVE OF ABSENCE**

**6.10.17 PETITIONS/DEPUTATIONS/PRESENTATIONS**

**7.10.17 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS**

**7.10.17.01 BUSHFIRE ADVISORY COMMITTEE MEETING MINUTES – 14 SEPTEMBER 2017**

*That the minutes of the Bush Fire Advisory Committee held in the Shire of Brookton Council Chambers, on Thursday 14 September 2017, be received by Council.*

**7.10.17.02 ORDINARY COUNCIL MEETING MINUTES – 21 SEPTEMBER 2017**

*That the minutes of the Ordinary Council meeting held in the Shire of Brookton Council Chambers, on Thursday 21 September 2017, be confirmed as a true and correct record of the proceedings.*

**8.10.17 ANNOUNCEMENTS BY THE PRESIDING MEMBER WITHOUT DISCUSSION**

(Includes Condolences)

**9.10.17 DISCLOSURE OF INTERESTS**

*Members and Officers to declare Financial, Proximity or Impartiality Interests & submit forms to the Chief Executive Officer at the commencement of the meeting and also prior to the item.*

**Disclosure of Financial & Proximity Interests**

- a. Members must disclose the nature of their interest in matters to be considered at the meeting. (Sections 5.60B and 5.65 of the *Local Government Act 1995*).
- b. Employees must disclose the nature of their interest in reports or advice when giving the report or advice to the meeting. (Sections 5.70 and 5.71 of the *Local Government Act 1995*).

**Disclosure of Interest Affecting Impartiality**

- a. Members and staff must disclose their interest in matters to be considered at the meeting in respect of which the member or employee has given or will give advice.

**Financial, Proximity and Impartiality Interests**

Item no.	Members/Officers	Type of Interest	Nature of Interest

10.10.17.01 PROPOSED OUTBUILDING EXTENSION – EXCESS OF AGGREGATE FLOOR AREA

<b>File No:</b>	P2601
<b>Date of Meeting:</b>	26 October 2017
<b>Location/Address:</b>	Lot 307 Hn. 18 Gaynor Street, Brookton
<b>Name of Applicant:</b>	Ross McGrath
<b>Name of Owner:</b>	Ross McGrath
<b>Author/s:</b>	Kelly D’Arcy – Governance Officer
<b>Authorising Officer:</b>	Ian D’Arcy – Chief Executive Officer
<b>Declaration of Interest:</b>	Nil
<b>Voting Requirements:</b>	Simple Majority
<b>Previous Report:</b>	29 June 2009

**Summary of Item:**

An application for development approval has been received from Mr Ross McGrath requesting Council’s consideration for the approval of an extension to his exist outbuilding.

**Description of Proposal:**

The applicant proposes to construct a 4.0 metre wide open ended extension to his existing shed that is some located at Lot 307 Gaynor Street, Brookton.

**Figure 1** below details the property, including the house and existing shed location. The extension is to be utilised as a carport with the north western side enclosed. A site plan and elevations are provided at **Attachment 10.10.17.01 A** and **B** to this report.



**Figure 1** – Aerial Extracted from Landgate

**Background:**

Lot 307 is zoned 'Residential R10/25' and is 1906 m<sup>2</sup> in area. This property presents with an existing dwelling constructed in the front portion of the property, and an outbuilding some 16 metres towards the rear. The proposed extension to be positioned on the north-west side of the existing shed will achieve a setback distance of some 6.5 metres from side boundary.

Under the Shire's Outbuilding Policy the maximum floor area for a single outbuilding is 75 m<sup>2</sup> and the maximum total area of all outbuildings is 75m<sup>2</sup>. The existing outbuilding has a floor area of 64.4 m<sup>2</sup>, the proposed extension's floor area is 28 m<sup>2</sup> and the combined total floor area equates to 92.4 m<sup>2</sup>.

**Consultation:**

No consultation has occurred in relation to this proposal.

**Statutory Environment:**

This proposal needs to be considered under the Shire of Brookton Town Planning Scheme (TPS) 3, Residential Design Codes and Council's Outbuilding Policy 3.6.

Specifically, Council Policy 3.6 affords an aggregate outbuilding/shed size area of 75 m<sup>2</sup> with a maximum wall height 3.0 and roof height (measured to the apex) or 4.0 metres as reflected in the following table extracted from the policy.

Zone	Maximum Total area of All outbuildings on the lot (m <sup>2</sup> )	Maximum individual area of proposed outbuilding (m <sup>2</sup> )	Maximum Wall Height (m)	Maximum Roof height (m)
Residential R10 and above	75	75	3.0	4.0

However, notwithstanding the above, the Council is not bound by this policy and can exercise discretion should it be satisfied the proposal is warranted and accords with the fundamental principles of proper and orderly planning of the locality.

Further, the Council is empowered to determine Development Applications pursuant to Schedule 2, Clause 68 of the Planning and Development (Local Planning Schemes) Regulations, 2015.

**Relevant Plans and Policy:**

Council's Outbuilding Policy 3.6 applies to this matter – refer to commentary in Statutory Environment section, above.

**Financial Implications:**

A Planning Fee as per the Shire's Fees and Charges has been paid.

**Risk Assessment:**

The Council needs to be mindful that it does not set an undesirable precedent upon which others can argue for the same entitlement, with little or no relevant justification. On assessment of this application, it is viewed that the risk is low and can be entertain on merit.

**Community & Strategic Objectives:**

It is viewed this proposal does not implicate or compromise any community or strategic objectives for Brookton, including the development and release of land for future residential housing – see comment section below.

## **Comment**

Given the size of Lot 307 at 1906 m<sup>2</sup> (some 2.5 times the size of an average R10 residential allotment); the location of the existing outbuilding to the rear of the property; and the proposed carport extension being open ended and 6.5 metres from north western boundary, it is assessed the impact on adjoining neighbours to be legible from an amenity perspective.

Therefore, it is recommended the prescribed maximum floor area of 75m<sup>2</sup> under the Council's Outbuildings Policy 3.6 be relaxed in favour of granting development approval for the proposed carport extension to the existing shed, with a total aggregate outbuilding area of 92.4 m<sup>2</sup>.

## **OFFICER'S RECOMMENDATION**

***That Council grant planning approval for a carport extension to the existing outbuilding/shed on Lot 307 Gaynor Street, Brookton pursuant to Schedule 2 Cluse 68 of the Planning and Development (Local Planning Schemes) Regulations 2015 subject to the following:***

### **Conditions**

- 1. If the development, the subject of this approval, is not SUBSTANTIALLY COMMENCED within a period of two (2) years from the date of this approval being granted, the approval shall lapse and be of no further effect. Where an approval has lapsed, no development shall be carried out without the further approval of the responsible authority having first been sought and obtained.***
- 2. Development shall be carried out only in accordance with the terms of the application as approved herein and any approved plan.***
- 3. The approved carport structure shall be clad with consistent material to match the existing outbuilding/shed building.***
- 4. All stormwater runoff from the carport extension shall be retained onsite and disposed in a manner that does not cause erosion.***

### **ADVICE NOTES**

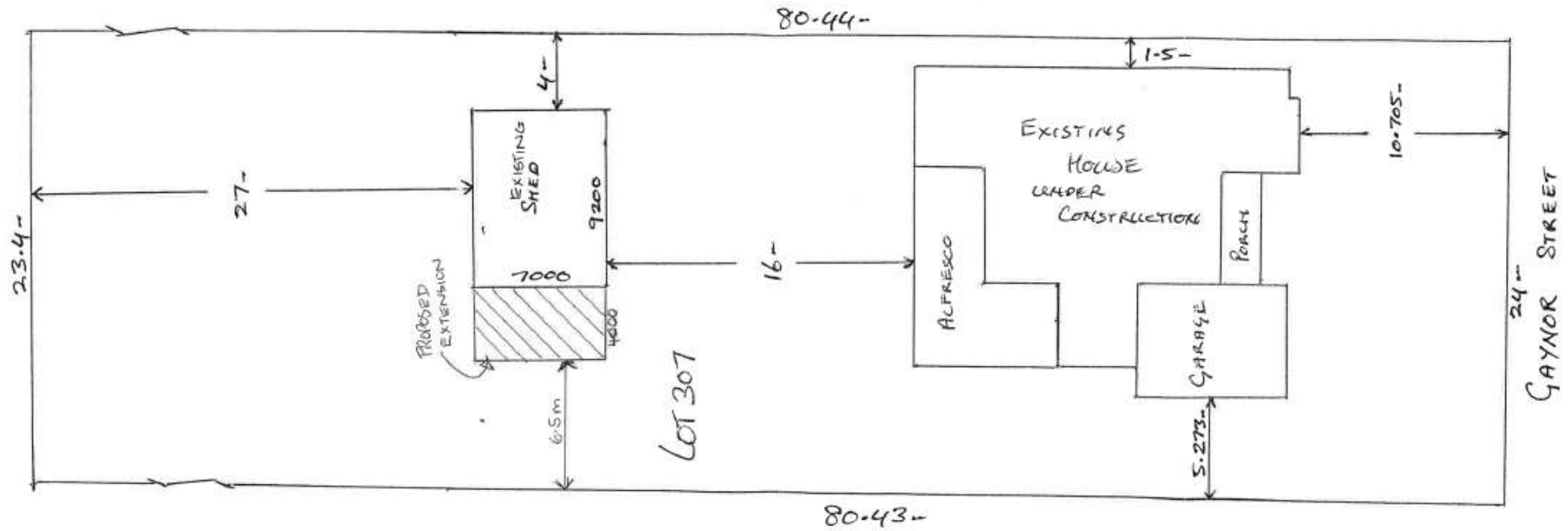
***The following advice notes are offered in addition to the notes provided in Form 4 of Clause 86 of the Deemed Provisions on the approval granted in condition(s) above:***

- a. This approval does not confer approval under other relevant legislation, including but not limited to, the Building Act 2011. It is the responsibility of the Applicant to determine any necessary approvals required and obtain such approvals prior to the commencement of development and use. However, to assist in understanding the necessary requirements and approvals, further information can be obtained by contacting the Shire's Building sections on (08) 9642 1106.***
- b. Nothing in the approval or these conditions shall excuse compliance with all relevant written laws in the commencement and carrying out of the development.***
- c. The applicant is advised a Building Permit is required prior to commencement of any building works.***
- d. Please be advised that you have a right of appeal to the State Administrative Tribunal (SAT) subject to Part 14 of the Planning and Development Act 2005. Appeals must be lodged to SAT within 28 days. Further information can be obtained from the SAT website – [www.sat.justice.wa.gov.au](http://www.sat.justice.wa.gov.au).***

### **Attachments**

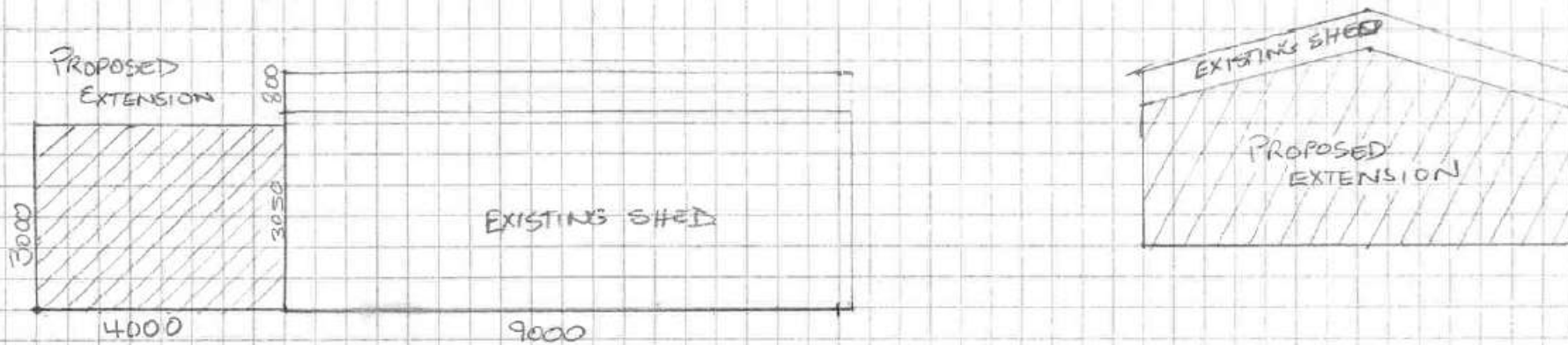
**Attachment 10.10.17.01A - Site Plan**

**Attachment 10.10.17.01B - Elevation**



A2601.  
CLIENT: ROSS McGRATH  
LOT 307 GAYNOR STREET  
BROOKTON

SCALE 1:250



A2601 PROPOSED SHED EXTENSION

ROSS MCGARTH

LOT 307 GAYNOR STREET

BROOKTON

SCALE 1m



**11.10.17 COMMUNITY SERVICES REPORTS**

Nil

**12.10.17 FINANCE & ADMINISTRATION REPORT****12.10.17.01 LIST OF ACCOUNTS FOR PAYMENT**

<b>File No:</b>	N/A
<b>Date of Meeting:</b>	26/10/17
<b>Location/Address:</b>	N/A
<b>Name of Applicant:</b>	N/A
<b>Name of Owner:</b>	N/A
<b>Author/s:</b>	Corinne Kemp – Finance Officer
<b>Authorising Officer:</b>	Ian D’Arcy– Chief Executive Officer
<b>Declaration of Interest:</b>	The author has no financial interest in this matter.
<b>Voting Requirements:</b>	Simple Majority
<b>Previous Report:</b>	21/09/17

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**Summary of Item:**

The list of accounts for payment to 30<sup>th</sup> September 2017 are presented to council for inspection.

**Description of Proposal:**

N/A

**Background:**

In accordance with *Local Government (Financial Management) Regulations 1996 Clause 13 (1)* schedules of all payments made through Council’s bank accounts are presented to the Committee and to Council for inspection. Please refer to the separate attachment.

**Consultation:**

N/A

**Statutory Environment:**

Local Government (Financial Management) Regulations 1996; Clause 13 – List of Accounts.

**Relevant Plans and Policy:**

Policy No.4.4 of the Council Policy Manual states that the Chief Executive Officer is authorized to arrange purchase of specific items in the budget, which do not require calling tenders, providing that it is within the approved budget.

**Financial Implications:**

There are no financial implications relevant to this report.

**Risk Assessment:**

No Risk Identified

**Community & Strategic Objectives:**

No Reference

**Comment**

Totals of all payments from each of Councils bank accounts are listed below and detailed within Attachment 12.10.01A.

To 30<sup>th</sup> September 2017

**Municipal Account**

Direct Debits	\$100,973.76
EFT	\$246,138.09
Cheques	\$54,342.30
<b>Trust Account</b>	<b>\$600.00</b>

**OFFICER'S RECOMMENDATION**

*That with respect to the list of accounts for payment, Council: note the payments authorized under delegated authority and detailed below and in the List of Accounts 30<sup>th</sup> September 2017, per the summaries included in Attachment 12.10.17.01.*

To 30<sup>th</sup> September 2017

**Municipal Account**

<b>Direct Debits –</b>	<b>\$100,973.76</b>
<b>EFT</b>	<b>\$246,138.09</b>
<b>Cheques</b>	<b>\$54,342.30</b>
<b>Trust Account</b>	<b>\$600.00</b>

**Attachments**

**Attachment 12.10.17.01**

SEPTEMBER 2017 LIST OF ACCOUNTS DUE & SUBMITTED TO COUNCIL 23 OCTOBER 2017  
ATTACHMENT 12.10.17.01A

Chq/EFT	Date	Name	Description	Amount
1078	05/09/2017	DIRT HIGH PROMOTIONS	BOND REFUND FOR HIRE OF PAVILION & OVAL	\$ 400.00
1079	27/09/2017	RB & AE STEMAN	RATES INCENTIVE PRIZE WINNER 2017/18	\$ 200.00
			<b>TOTAL TRUST</b>	<b>\$ 600.00</b>

Chq/EFT	Date	Name	Description	Amount
EFT8475	05/09/2017	AMAZING 50'S CATERING	CATERING FOR JULY COUNCIL MEETING	\$ 390.00
EFT8476	05/09/2017	AVON PAPER SHRED	REMOVE AND REPLACE TWO FULL SHREDDING BINS	\$ 160.00
EFT8477	05/09/2017	B & N EYRE BROOKTON NEWSAGENCY	STATIONARY & PAPERS AUGUST 2017	\$ 454.15
EFT8478	05/09/2017	BROOKTON DELI	LUNCH FOR COUNCIL MEETING 20 JULY 2017	\$ 162.50
EFT8479	05/09/2017	BROOKTON PLUMBING	REPLACE SEWERAGE PUMP WB EVA PAVILION	\$ 1,386.00
EFT8480	05/09/2017	BROOKTON TYRE SERVICE	PUNCTURE REPAIR PT13	\$ 38.50
EFT8481	05/09/2017	CHARLENE HAYDEN PHOTOGRAPHY	COUNCILLOR PHOTOS	\$ 65.00
EFT8482	05/09/2017	CHILD SUPPORT AGENCY EMPLOYER	PAYROLL DEDUCTIONS	\$ 519.42
EFT8483	05/09/2017	CIVIL CONTRACTORS FEDERATION WA	C DEVENISH CERT II CIVIL CONSTRUCTION TUITION & RESOURCE FEES	\$ 295.42
EFT8484	05/09/2017	COURIER AUSTRALIA	FREIGHT	\$ 22.80
EFT8485	05/09/2017	HANSON CONSTRUCTION MATERIALS PTY	32.24 TONNE OF 10MM WASHED GRANITE	\$ 1,127.75
EFT8486	05/09/2017	HOLDENS ELECTRICAL CONTRACTING	ELECTRICAL WORKS FOR INSTALLATION OF BACKUP POWER GENERATOR	\$ 25,681.00
EFT8487	05/09/2017	IXOM	SERVICE FEE CHLORINE GAS BOTTLES	\$ 84.57
EFT8488	05/09/2017	KYM TERENCE WILKINSON	REIMBURSEMENT FOR COUNCIL DINNER 17/08/17	\$ 78.77
EFT8489	05/09/2017	LAURIES MOWING	GARDENING AT KALKARNI RESIDENCY AUGUST 2017	\$ 660.00
EFT8490	05/09/2017	LGRCEU	PAYROLL DEDUCTION	\$ 102.50
EFT8491	05/09/2017	LYN KAY	CIRCUIT CLASSES & GYM INDUCTIONS AUGUST 2017	\$ 630.00
EFT8492	05/09/2017	NARROGIN TOYOTA	REPLACE BATTERY IN KEY	\$ 10.00
EFT8493	05/09/2017	QUALITY PRESS	RESPONSE VEHICLE IDENTIFIER STICKERS 2016/2018	\$ 41.25
EFT8494	05/09/2017	SHIRE OF BROOKTON SOCIAL CLUB	PAYROLL DEDUCTIONS	\$ 195.00
EFT8495	05/09/2017	SOUTH REGIONAL TAFE	Y058244 J ANDERSON & Y058271 T LUNN	\$ 747.32
EFT8496	05/09/2017	WA CONTRACT RANGER SERVICES	RANGER SERVICES 17/08/17 TO 25/08/17	\$ 467.50
EFT8497	05/09/2017	WA LOCAL GOVERNMENT ASSN	WA LOCAL GOVERNMENT WEEK CONVENTION REGISTRATONS	\$ 7,551.00
EFT8506	15/09/2017	SHIRE OF BROOKTON	MASTERCARD PURCHASES AUGUST 2017	\$ 271.10
EFT8507	15/09/2017	SHIRE OF BROOKTON	MASTERCARD PURCHASES AUGUST 2017	\$ 2,513.11
EFT8508	15/09/2017	SOLARGAIN PV PTY LTD	RELOCATION AND THEFT PREVENTION CAGE FOR SOLAR PANEL INVERTER UNIT.	\$ 2,860.00
EFT8509	19/09/2017	AFGRI EQUIPMENT	SERVICE REELS AND BLADES AS REQUIRED. CHECK CYLINDERS, SHARPEN BLADES, CUTTING BOTTOM PLATES	\$ 1,356.60
EFT8510	19/09/2017	AUSTRALIA POST	POSTAGE AUGUST 2017	\$ 767.18
EFT8511	19/09/2017	BAPTISTCARE	KALKARNI RESIDENCY OPERATING & MANAGMENT FEES SEPTEMBER 2017	\$ 105,168.90
EFT8512	19/09/2017	BOC GASES	OXYGEN, ACETYLENE & AGROSHIELD	\$ 173.32
EFT8513	19/09/2017	BROOKTON PLUMBING	FIT PUMP AT SEWERAGE PLANT	\$ 220.00
EFT8514	19/09/2017	BROOKTON RURAL TRADERS	HARDWARE & RURAL SUPPLIES AUGUST 2017	\$ 1,527.50
EFT8515	19/09/2017	BROOKTON SUPERMARKET	GAS BOTTLES FOR CARAVAN PARK, MILK, BISCUITS, TISSUES ETC	\$ 494.57
EFT8516	19/09/2017	BROOKTON TYRE SERVICE	4 KUMHO DRIVE TYRES INC FITTING AND DISPOSAL	\$ 1,738.00
EFT8517	19/09/2017	CJD EQUIPMENT	1500 HOUR SERVICE GRADER	\$ 5,333.17
EFT8518	19/09/2017	COUNTRY COPIERS	MONTHLY COPIER READING AUGUST 2017	\$ 1,567.62
EFT8519	19/09/2017	COURIER AUSTRALIA	FREIGHT	\$ 31.32
EFT8520	19/09/2017	COURTNEY FULWOOD	REIMBURSEMENT FOR LINEN & BIN FOR UNITS 5 & 6 / 28 WILLIAMS ST	\$ 288.00
EFT8521	19/09/2017	DATAMARS	DOG & CAT REGISTRATION TAGS	\$ 446.51
EFT8522	19/09/2017	DEPARTMENT OF PLANNING, LANDS AND HERITAGE	10% DEPOSIT FOR PURCHASE OF FREEHOLD LOT 511 ON DEPOSITED PLAN 406799	\$ 15,950.00

EFT8523	19/09/2017	DFES	2017/18 ESL	\$ 16,536.50
EFT8524	19/09/2017	GREAT SOUTHERN FUEL SUPPLIES	DIESEL & PETROL AUGUST 2017	\$ 6,116.28
EFT8525	19/09/2017	GREAT SOUTHERN WASTE DISPOSAL	RUBBISH BIN PICKUP & BROOKTON TIP SITE 25/07/17 TO 29/08/17	\$ 13,479.07
EFT8526	19/09/2017	H RUSHTON & CO	VEHICLE REPAIRS & MAINTENANCE AUGUST 2017	\$ 2,283.30
EFT8527	19/09/2017	HOLCIM (AUSTRALIA) PTY LTD	INTERLOCKING JOINT CLASS 2 PIPES INCLUDING DELIVERY	\$ 14,228.50
EFT8528	19/09/2017	JASON SIGNMAKERS	SIGNS	\$ 107.25
EFT8529	19/09/2017	LANDGATE (DOLA)	RURAL UV INTERIM VALUATION SHARED SCHEDULE R2017/18 24/06/17 TO 04/08/17	\$ 80.90
EFT8530	19/09/2017	LAURIES MOWING	GARDENING AT KALKARNI RESIDENCY	\$ 440.00
EFT8531	19/09/2017	LYN KAY	CIRCUIT CLASSES A BROOKTON ALL HOURS GYM	\$ 120.00
EFT8532	19/09/2017	SGS	WATER TESTING AT SEWERAGE POND	\$ 309.10
EFT8533	19/09/2017	SHIRE OF PINGELLY	VEHICLE MAINTENANCE & REPAIRS	\$ 6,227.27
EFT8534	19/09/2017	STUMPY'S GATEWAY ROADHOUSE	UNLEADED PETROL	\$ 53.65
EFT8535	19/09/2017	WA CONTRACT RANGER SERVICES	RANGER SERVICES 31/08/17 TO 15/09/17	\$ 958.37
EFT8536	19/09/2017	WA LOCAL GOVERNMENT ASSN	STAFF TRAINING COURSES GO, SFO & FO & COUNCIL CONNECT SUBSCRIPTION	\$ 3,213.00
EFT8537	19/09/2017	WESFARMERS KLEENHEAT GAS PTY LTD	CYLINDER SERVICE CHARGES WHITTINGTON ST HOUSES	\$ 151.80
EFT8538	19/09/2017	WINDSOR D & J	INSPECT FOR CAUSE OF MOISTURE IN ROOF AT UNIT 6/28 WILLIAMS ST	\$ 127.05
EFT8539	19/09/2017	ZIRCODATA (TOTALLY CONFIDENTIAL RECORDS)	STORAGE OF ARCHIVE BOXES AUGUST 2017	\$ 128.70
<b>TOTAL EFT</b>				<b>\$246,138.09</b>

Chq/EFT	Date	Name	Description	Amount
18146	05/09/2017	BROOKTON HISTORICAL SOCIETY	ANNUAL CONTRIBUTION 2017/2018	\$ 1,699.50
18147	05/09/2017	BUILDING & CONSTRUCTION INDUSTRY TRAINING FUND	BCITF LEVY AUGUST 2017	\$ 51.75
18148	05/09/2017	BUILDING COMMISSION	BUILDING SERVICES LEVY AUGUST 2017	\$ 56.65
18149	05/09/2017	DEPARTMENT OF TRANSPORT	LICENSING PF10	\$ 200.35
18150	05/09/2017	RAC BUSINESS WISE	ROAD SIDE ASSISTANCE FOR PAV1, PAV3 & PCB1	\$ 392.90
18151	05/09/2017	SHIRE OF BROOKTON	PAYROLL DEDUCTIONS	\$ 200.00
18152	05/09/2017	SHIRE OF BROOKTON	PAYROLL DEDUCTIONS	\$ 150.00
18153	05/09/2017	SHIRE OF BROOKTON	PAYROLL DEDUCTIONS	\$ 200.00
18154	05/09/2017	SHIRE OF BROOKTON	PAYROLL DEDUCTIONS	\$ 150.00
18155	05/09/2017	SHIRE OF BROOKTON	2017/18 RATES & SEWERAGE SHIRE OWNED PROPERTIES	\$ 21,679.02
18156	05/09/2017	SHIRE OF BROOKTON	PAYROLL DEDUCTIONS	\$ 200.00
18157	05/09/2017	SHIRE OF BROOKTON	PAYROLL DEDUCTIONS	\$ 216.43
18158	05/09/2017	SHIRE OF CORRIGIN	WBS RRG CHAIRPERSON HONORARIUM	\$ 100.00
18162	19/09/2017	BARRETT'S ARCHITECTURAL PRODUCTS AND URBAN LOCKSMITHING	REPLACE BENT PLAYGROUP STORE ROOM KEY	\$ 35.75
18163	19/09/2017	BROOKTON COUNTRY CLUB	ANNUAL SHIRE CONTRIBUTION 2017/18	\$ 11,000.00
18164	19/09/2017	COLIN YOUNG	RATES REFUND FOR ASSESSMENT A122 YOUNG ROAD BROOKTON 6306	\$ 725.90
18165	19/09/2017	RENAE CLARKE	REFUND OF HIRE FEE FOR MEMORIAL HALL 23/09/17 EVENT CANCELLED	\$ 154.00
18166	19/09/2017	SYNERGY	STREETLIGHT ELECTRICITY 01/08/17 TO 01/09/17	\$ 3,433.75
18167	19/09/2017	TELSTRA CORPORATION	MOBILE, ADMINISTRATION, SWIMMING POOL, DEPOT & IPAD ACCOUNTS	\$ 1,602.30
18168	20/09/2017	ATO	BAS TAX LIABILITY AUGUST 2017	\$ 12,094.00
<b>TOTAL CHEQUE</b>				<b>\$ 54,342.30</b>
<b>TOTAL MUNICIPAL</b>				<b>\$300,480.39</b>

DIRECT DEBITS FOR SEPTEMBER 2017	
SALARIES & WAGES	\$ 86,858.95
MERCHANT FEES	\$ 243.95
SUPERANNUATION	\$ 13,870.86
<b>TOTAL</b>	<b>\$ 100,973.76</b>

TERM DEPOSIT TRANSFERS FOR SEPTEMBER 2017	
RESERVES OPENING BALANCE	NIL
RESERVES TRANSFERS IN	NIL
RESERVES TRANSFERS OUT	NIL
RESERVES (INTEREST)	NIL
<b>TOTAL</b>	<b>\$ -</b>

SHIRE OF BROOKTON CREDIT CARD PURCHASES CEO		
DATE	DESCRIPTION	AMOUNT
3/08/17	WESTNET - DEPOT	\$ 49.95
3/8/17	WESTNET - ADMINISTRATION	\$ 139.95
6/8/17	MERCURE HOTEL - I D'ARCY	\$ 40.00
10/8/17	SAFETY CULTURE -IAUDITOR SUBSCRIPTION	\$ 13.20
10/8/17	PINGELLY HOTEL - WINE	\$ 24.00
30/8/17	CARD FEES	\$ 4.00
	<b>TOTAL</b>	<b>\$ 271.10</b>

SHIRE OF BROOKTON CREDIT CARD PURCHASES DCEO		
DATE	DESCRIPTION	AMOUNT
6/08/17	MERCURE HOTEL - LOCAL GOVERNMENT WEEK ACCOMODATION	\$ 455.85
6/08/17	MERCURE HOTEL - LOCAL GOVERNMENT WEEK ACCOMODATION	\$ 653.39
6/08/17	MERCURE HOTEL - LOCAL GOVERNMENT WEEK ACCOMODATION	\$ 582.48
6/08/17	MERCURE HOTEL - LOCAL GOVERNMENT WEEK ACCOMODATION	\$ 653.39
24/08/17	AVELING - WHITE CARD - D GOLMAN	\$ 65.00
26/08/17	ROYAL LIFESAVING - SUBSCRIPTION	\$ 99.00
30/08/17	CARD FEES	\$ 4.00
	<b>TOTAL</b>	<b>\$ 2,513.11</b>

**12.10.17.02 STATEMENT OF FINANCIAL ACTIVITY FOR THE PERIOD ENDED 30 SEPTEMBER 2017**

<b>File No:</b>	N/A
<b>Date of Meeting:</b>	26 October 2017
<b>Location/Address:</b>	N/A
<b>Name of Applicant:</b>	Shire of Brookton
<b>Name of Owner:</b>	Shire of Brookton
<b>Author/s:</b>	Deanne Sweeney – Senior Finance Officer
<b>Authorising Officer:</b>	Vicki Morris – Deputy Chief Executive Officer
<b>Declaration of Interest:</b>	The authors have no financial interest in this matter
<b>Voting Requirements:</b>	Simple Majority
<b>Previous Report:</b>	There is no previous meeting reference

**Summary of Item:**

The Statement of Financial Activity for the period ended 30 September 2017 is presented to council.

**Description of Proposal:**

That Council receive the Statement of Financial Activity for the period ended 30 September 2017.

**Background:**

In accordance with regulation 34 of the Local Government (Financial Management) Regulations 1996, the Shire is to prepare a monthly Statement of Financial Activity for approval by Council.

**Consultation:**

Reporting officers receive monthly updates as to tracking of expenditure and income.

**Statutory Environment:**

Section 6.4 of the Local Government Act 1995.

Regulation 34 of the Local Government (Financial Management) Regulations 1996.

**Relevant Plans and Policy:**

There is no Council Policy relative to this issue.

**Financial Implications:**

The Budget is regularly monitored on at least a monthly basis, by the CEO, Deputy CEO, Senior Finance Officer, with Responsible Officers also required to review their particular line items for anomalies each month, with a major review required by law, between 1 January and 31 March of each year pursuant to the Local Government (Financial Management) Regulations 1996 (Regulation 33A).

**Risk Assessment:**

No risk identified

**Community & Strategic Objectives:**

Responsible financial management is critical to deliver on the Strategic Community Plan.

The Corporate Business Plan determines the local government's resource allocations which form the construction of the Annual Budget. The financial statements thus measure performance against the Corporate Business Plan by providing comparatives against the Annual Budget.

**Comment**

The Monthly Financial Report has been prepared in accordance with statutory requirements.

*Shire of Brookton, Agenda Ordinary Meeting of Council, 26 October 2017.*

**OFFICER'S RECOMMENDATION**

*That Council receives the Statement of Financial Activity for the periods ending 30 September 2017.*

**Attachments**

**Attachment 12.10.17.02**

**Shire of Brookton**  
**MONTHLY FINANCIAL REPORT**  
**For the Period Ended 30 September 2017**

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**Shire of Brookton  
Monthly Reporting Model  
Base Input Data**

**General User Input**

Local Government Name  
Last Year (-2)  
Last Year (-1)  
Current Year  
  
Current Reporting Period  
Start of Current Financial Year  
End of Financial Year

**Data to appear in the Report**

<b>Shire of Brookton</b>	
	<b>2015-16</b>
	<b>2016-17</b>
	<b>2017-18</b>
<b>For the Period Ended 30 September 2017</b>	
	<b>01-Jul-17</b>
	<b>30-Jun-18</b>

**Material Threshold**

Material Amount Income  
Material Amount Expenditure  
Material Percentage Income  
Material Percentage Expenditure

	<b>\$10,000</b>
	<b>\$10,000</b>
	<b>10.00%</b>
	<b>10.00%</b>

**Material Variances Symbol**

Above Budget Expectations  
Below Budget Expectations

	▲
	▼

**Shire of Brookton  
Monthly Reporting Model  
Graph Input Data**

**Statement of Financial Activity**

Month	Operating Expenses		Operating Revenue		Capital Expenses		Capital Revenue	
	Budget 2017-18	Actual 2017-18	Budget 2017-18	Actual 2017-18	Budget 2017-18	Actual 2017-18	Budget 2017-18	Actual 2017-18
Jul	738,620	505,995	492,939	39,299	1,026,499	26,484	54,267	100
Aug	1,477,240	1,293,313	985,879	984,212	1,203,920	34,812	108,433	100
Sep	2,215,859	2,395,614	1,478,818	1,868,903	1,381,340	120,516	162,600	4,225
Oct								
Nov								
Dec								
Jan								
Feb								
Mar								
Apr								
May								
Jun								

**Shire of Brookton  
Monthly Reporting Model  
Graph Input Data (Cont.)**

**Note 3 - Net Funding Current Position**

<b>Month</b>	<b>Actual 2015-16 \$('000s)</b>	<b>Actual 2016-17 \$('000s)</b>	<b>Actual 2017-18 \$('000s)</b>
Jul	<b>959,987</b>	<b>267,469</b>	<b>907,333</b>
Aug	<b>3,210,319</b>	<b>2,326,820</b>	<b>3,295,912</b>
Sep	<b>2,749,446</b>	<b>3,435,041</b>	<b>3,450,791</b>
Oct			
Nov			
Dec			
Jan			
Feb			
Mar			
Apr			
May			
Jun			

**Shire of Brookton  
Monthly Reporting Model  
Graph Input Data (Cont.)**

**Note 4 - Rates and Rubbish Collection History**

<b>Month</b>	<b>Last Year 2016-17 %</b>	<b>This Year 2017-18 %</b>
Jul	<b>56</b>	<b>21</b>
Aug	<b>10</b>	<b>14</b>
Sep	<b>72</b>	<b>72</b>
Oct		
Nov		
Dec		
Jan		
Feb		
Mar		
Apr		
May		
Jun		

**Shire of Brookton**  
**STATEMENT OF FINANCIAL ACTIVITY**  
**(Statutory Reporting Program)**  
**For the Period Ended 30 September 2017**

Note	Adopted Annual Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a) 9	Var. % (b)-(a)/(b) 9	Var.
<b>Operating Revenues</b>						
	\$	\$	\$	\$	%	
Governance	18,190	4,542	6,548	2,006	44.16%	
General Purpose Funding	615,274	153,807	125,049	(28,758)	(18.70%)	▼
Law, Order and Public Safety	37,730	9,429	9,250	(179)	(1.89%)	
Health	2,200	546	909	363	66.48%	
Education and Welfare	4,058,507	1,014,624	1,189,667	175,043	17.25%	▲
Housing	92,300	23,070	22,834	(236)	(1.02%)	
Community Amenities	349,954	87,480	342,677	255,197	291.72%	▲
Recreation and Culture	79,992	19,983	9,743	(10,240)	(51.24%)	▼
Transport	572,849	143,212	128,546	(14,666)	(10.24%)	▼
Economic Services	54,440	13,602	16,699	3,097	22.77%	
Other Property and Services	34,100	8,523	16,981	8,458	99.24%	
<b>Total (Excluding Rates)</b>	<b>5,915,536</b>	<b>1,478,818</b>	<b>1,868,903</b>	<b>390,085</b>	<b>26.38%</b>	
<b>Operating Expense</b>						
Governance	(771,621)	(192,831)	(185,000)	7,831	(4.06%)	▲
General Purpose Funding	(257,789)	(64,437)	(44,297)	20,140	(31.26%)	
Law, Order and Public Safety	(117,754)	(29,438)	(37,194)	(7,756)	26.35%	
Health	(54,452)	(13,605)	(7,332)	6,273	(46.11%)	
Education and Welfare	(3,731,832)	(932,937)	(901,637)	31,300	(3.35%)	
Housing	(175,784)	(43,833)	(40,054)	3,779	(8.62%)	
Community Amenities	(438,065)	(109,458)	(66,717)	42,741	(39.05%)	
Recreation and Culture	(886,708)	(221,523)	(385,153)	(163,630)	73.87%	
Transport	(2,119,467)	(529,848)	(627,479)	(97,631)	18.43%	
Economic Services	(179,293)	(44,790)	(24,932)	19,858	(44.33%)	
Other Property and Services	(132,947)	(33,159)	(75,818)	(42,659)	128.65%	▼
<b>Total</b>	<b>(8,865,712)</b>	<b>(2,215,859)</b>	<b>(2,395,614)</b>	<b>(179,755)</b>	<b>(8.11%)</b>	
<b>Funding Balance Adjustment</b>						
Add back Depreciation	1,936,295	484,074	528,523	44,449	9.18%	
Adjust (Profit)/Loss on Asset Disposal	12,817	3,204	280,880	277,676	8665.89%	▲
Movement in Non Cash Provisions	0	0	0	0		
<b>Net Operating (Ex. Rates)</b>	<b>(1,001,064)</b>	<b>(249,763)</b>	<b>282,692</b>	<b>532,455</b>	<b>(213.18%)</b>	
<b>Capital Revenues</b>						
Proceeds from Disposal of Assets	48,978	100	100	0	0.00%	
Self-Supporting Loan Principal	0	0	4,125	4,125	0.00%	
Transfer from Reserves	650,000	162,500	0	(162,500)	0.00%	
<b>Total</b>	<b>698,978</b>	<b>162,600</b>	<b>4,225</b>	<b>(158,375)</b>		
<b>Capital Expenses</b>						
Land and Buildings	(709,000)	(177,250)	(40,446)	136,804	(77.18%)	
Plant and Equipment	(97,000)	(24,250)	0	24,250	(100.00%)	
Furniture and Equipment	(99,500)	(24,875)	0	24,875	(100.00%)	
Infrastructure Assets - Roads & Bridges	(1,028,414)	(257,104)	(52,668)	204,435	(79.51%)	
Infrastructure Assets - Sewerage	(65,000)	(16,250)	(1,915)	14,335	(88.21%)	
Infrastructure Assets - Parks	0	0	0	0	0.00%	
Repayment of Debentures	(130,130)	(32,533)	(25,486)	7,046	(21.66%)	
Transfer to Reserves	(849,079)	(849,079)	0	849,079	0.00%	
<b>Total</b>	<b>(2,978,123)</b>	<b>(1,381,340)</b>	<b>(120,516)</b>	<b>1,260,824</b>	<b>(91.28%)</b>	
<b>Net Capital</b>	<b>(2,279,145)</b>	<b>(1,218,740)</b>	<b>(116,291)</b>	<b>1,102,449</b>	<b>(90.46%)</b>	
<b>Total Net Operating + Capital</b>	<b>(3,280,209)</b>	<b>(1,468,503)</b>	<b>166,401</b>	<b>1,634,904</b>	<b>(111.33%)</b>	
Rate Revenue	2,037,402	2,037,402	2,062,184	24,782	1.22%	
Opening Funding Surplus(Deficit)	1,222,206	1,222,206	1,222,206	0	0.00%	
<b>Closing Funding Surplus(Deficit)</b>	<b>(20,601)</b>	<b>1,791,105</b>	<b>3,450,792</b>	<b>1,659,686</b>		

**Shire of Brookton  
STATEMENT OF FINANCIAL ACTIVITY  
Program by Nature and Type  
For the Period Ended 30 September 2017**

NOTE	2017/18 Adopted Budget \$	2017/18 Amended Budget	2017/18 YTD Budget \$	2017/18 YTD Actual \$	Variance YTD Budget vs YTD Actual \$
<b>REVENUES FROM ORDINARY ACTIVITIES</b>					
Rates	2,037,402	2,037,402	2,037,403	2,062,184	24,781
Operating Grants, Subsidies and Contributions	3,571,354	3,571,354	892,833	1,045,620	152,787
Fees and Charges	1,543,835	1,543,835	385,923	582,748	196,825
Interest Earnings	195,746	195,746	48,930	85,596	36,666
Other Revenue	117,169	117,169	29,274	26,556	(2,718)
	<b>7,465,506</b>	<b>7,465,506</b>	<b>3,394,363</b>	<b>3,802,704</b>	<b>408,341</b>
<b>EXPENSES FROM ORDINARY ACTIVITIES</b>					
Employee Costs	(1,514,122)	(1,514,122)	(378,279)	(405,904)	(27,625)
Materials and Contracts	(4,932,476)	(4,932,476)	(1,232,952)	(1,063,473)	169,479
Utilities	(149,894)	(149,894)	(37,395)	(21,178)	16,217
Depreciation	(1,936,295)	(1,936,295)	(645,432)	(528,523)	116,909
Interest Expenses	(113,800)	(113,800)	(37,933)	6,279	44,213
Insurance	(180,181)	(180,181)	(180,181)	(101,737)	78,443
Other Expenditure	(10,629)	(10,629)	(2,649)	(761)	1,888
	<b>(8,837,396)</b>	<b>(8,837,396)</b>	<b>(2,514,820.54)</b>	<b>(2,115,296)</b>	<b>399,525</b>
	<b>(1,371,889)</b>	<b>(1,371,889)</b>	<b>879,542</b>	<b>1,687,408</b>	<b>807,865</b>
Non-Operating Grants, Subsidies & Contributions	487,432	487,432	121,854	128,546	6,692
Profit on Asset Disposals	-	-	-	500	500
Loss on Asset Disposals	(12,817)	(12,817)	(3,201)	(280,980)	(277,779)
<b>NET RESULT</b>	<b>(897,274)</b>	<b>(897,274)</b>	<b>998,195</b>	<b>1,535,473</b>	<b>537,278</b>

**Shire of Brookton**  
**STATEMENT OF FINANCIAL ACTIVITY (Excluding Kalkarni Residential Facility)**  
**Program by Nature and Type**  
**For the Period Ended 30 September 2017**

	2016/17 Adopted Budget \$	2016/17 Amended Budget November OCM	2016/17 YTD Budget \$	2016/17 YTD Actual \$	Variance YTD Budget vs YTD Actual \$	Actuals as % of Total
<b>REVENUES FROM ORDINARY ACTIVITIES</b>						
Rates	2,037,402		2,037,403	2,062,184	24,781	77%
Operating Grants, Subsidies and Contributions	562,005		140,496	119,843	(20,653)	4%
Fees and Charges	798,775		199,658	396,484	196,826	15%
Interest Earnings	195,746		48,930	85,596	36,666	3%
Other Revenue	117,169		29,274	26,556	(2,718)	1%
	3,711,097		2,455,761	2,690,663	234,902	100%
<b>EXPENSES FROM ORDINARY ACTIVITIES</b>						
Employee Costs	(1,514,122)		(378,279)	(405,904)	(27,625)	33%
Materials and Contracts	(1,431,764)		(357,774)	(199,906)	157,868	16%
Utilities	(149,894)		(37,395)	(21,178)	16,217	2%
Depreciation	(1,776,428)		(552,176)	(504,427)	47,749	41%
Interest Expenses	(108,347)		(34,753)	6,705	41,458	-1%
Insurance	(165,681)		(151,181)	(94,511)	56,670	8%
Other Expenditure	(10,629)		(2,649)	(761)	1,888	0%
	(5,156,864)		(1,514,206)	(1,219,981)	294,225	100%
	(1,445,766)		941,555	1,470,682	529,127	
Non-Operating Grants, Subsidies & Contributions	487,432		121,854	128,546	6,692	
Profit on Asset Disposals	-		-	500	500	
Loss on Asset Disposals	(12,817)		(3,201)	(280,980)	(277,779)	
<b>NET RESULT</b>	(971,151)		1,060,208	1,318,747	258,540	

**Shire of Brookton**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 30 September 2017**

**Note 1: MAJOR VARIANCES**

---

**OPERATING REVENUE (EXCLUDING RATES)**

**Governance**

Within variance threshold of \$10,000 or 10%

**General Purpose Funding**

Interest on investment not yet received maturity date 02/10/17

**Law, Order and Public Safety**

Within variance threshold of \$10,000 or 10%

**Health**

Within variance threshold of \$10,000 or 10%

**Education and Welfare**

Kalkarni end of year adjustment income for 16/17 received in 17/18

**Housing**

Within variance threshold of \$10,000 or 10%

**Community Amenities**

Sewerage & Refuse Rates raised 17/18 Budget Profiling - spread over 12 months will self correct

**Recreation and Culture**

This variance relates to the Dept of Sport & Rec pool grant profiling. This grant will not be received in 17/18 and a budget variation is to be completed.

**Transport**

Grant Funding yet to be received.

**Economic Services**

Within variance threshold of \$10,000 or 10%

**Other Property and Services**

Within variance threshold of \$10,000 or 10%

**OPERATING EXPENSES**

**Governance**

There a number of factors that relate to this variance, but the main driver relates to employee salaries and wages for two vacant postions

**General Purpose Funding**

Within variance threshold of \$10,000 or 10%

**Law, Order and Public Safety**

Within variance threshold of \$10,000 or 10%

**Health**

Within variance threshold of \$10,000 or 10%

**Education and Welfare**

Within variance threshold of \$10,000 or 10%

**Housing**

Within variance threshold of \$10,000 or 10%

**Community Amenities**

Within variance threshold of \$10,000 or 10%

**Recreation and Culture**

Within variance threshold of \$10,000 or 10%

**Transport**

Within variance threshold of \$10,000 or 10%

**Economic Services**

Within variance threshold of \$10,000 or 10%

**Other Property and Services**

There a number of factors that relate to this variance, the main driver is the 17/18 insurance allocation 17/18 Budget Profiling - spread over 12 months will self correct

## **CAPITAL REVENUE**

### **Proceeds from Disposal of Assets**

Within variance threshold of \$10,000 or 10%

### **Self-Supporting Loan Principal**

Budget profile calculated over 12 month - Will self correct

### **Transfer from Reserves**

A portion of Reserve Transfers will be completed at maturity 02/10/17, the remainder will occur towards the end of the financial year.

## **CAPITAL EXPENSES**

### **Land and Buildings**

Underbudget as capital program yet to substantially commence.

### **Plant and Equipment**

No purchases to date.

### **Furniture and Equipment**

No purchases to date.

### **Infrastructure Assets - Roads & Bridges**

Underbudget as capital program yet to substantially commence.

### **Infrastructure Assets - Sewerage**

Underbudget as capital program yet to substantially commence.

### **Infrastructure Assets - Parks**

Within variance threshold of \$10,000 or 10%

### **Repayment of Debentures**

Budget profile calculated over 12 month - Will self correct

### **Transfer to Reserves**

A portion of Reserve Transfers will be completed at maturity 02/10/17, the remainder will occur towards the end of the financial year.

## **OTHER ITEMS**

### **Rate Revenue**

Ex gracia Rates for the 2017/18 rating year.

### **Opening Funding Surplus(Deficit)**

Within variance threshold of \$10,000 or 10%

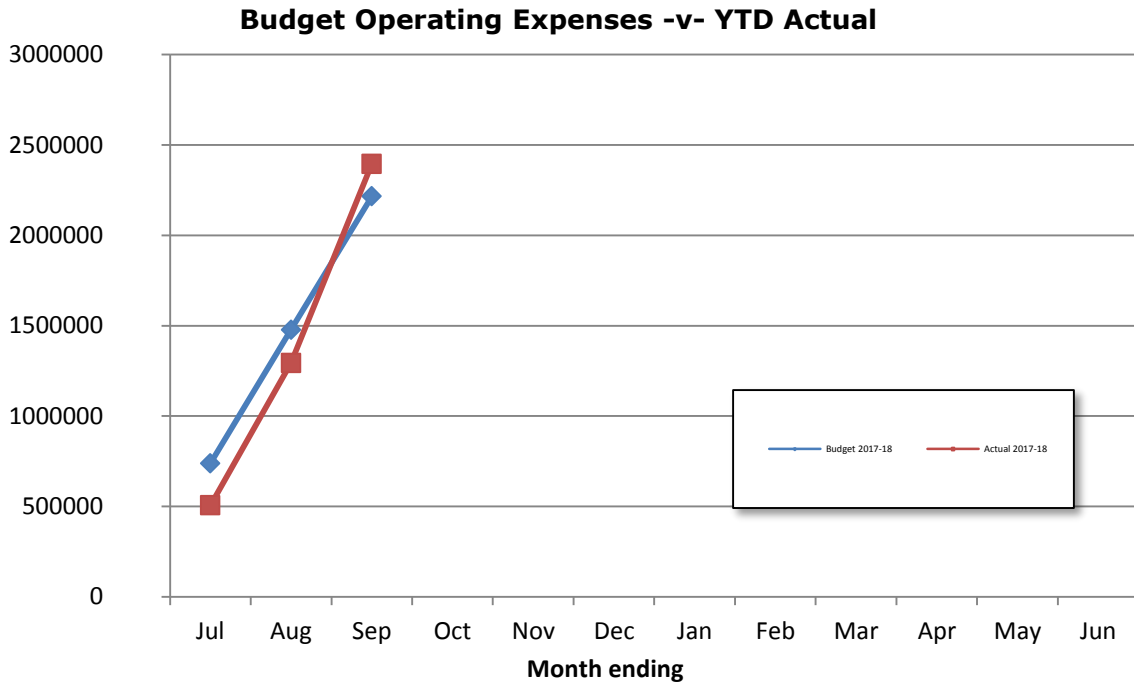
### **Closing Funding Surplus (Deficit)**

Within variance threshold of \$10,000 or 10%

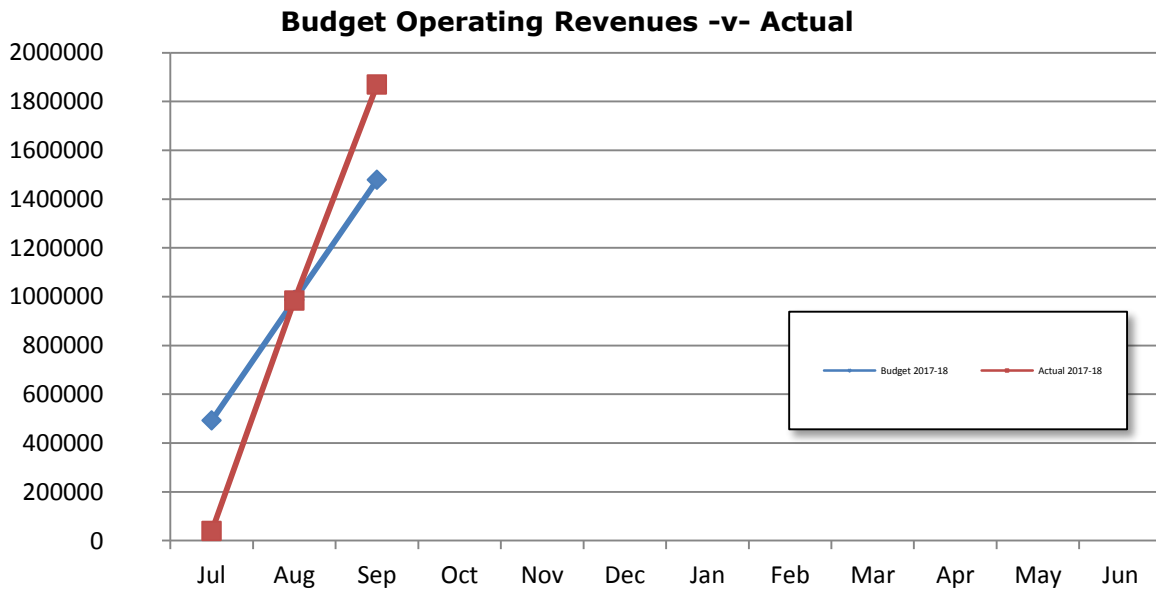


**Shire of Brookton**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 30 September 2017**

**Note 2 - Graphical Representation - Source Statement of Financial Activity**



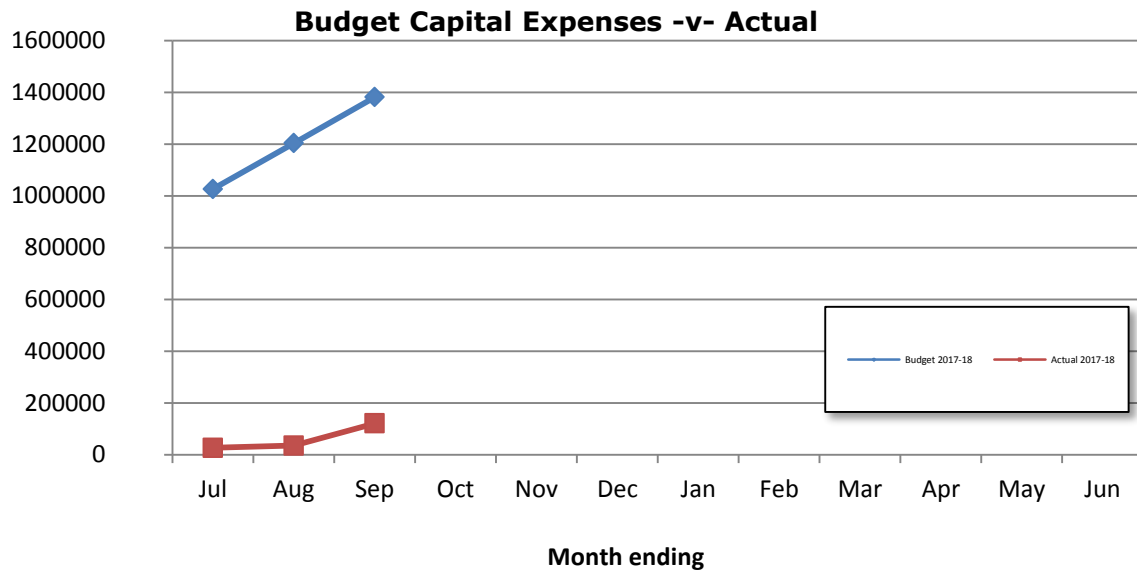
**Comments/Notes - Operating Expenses**



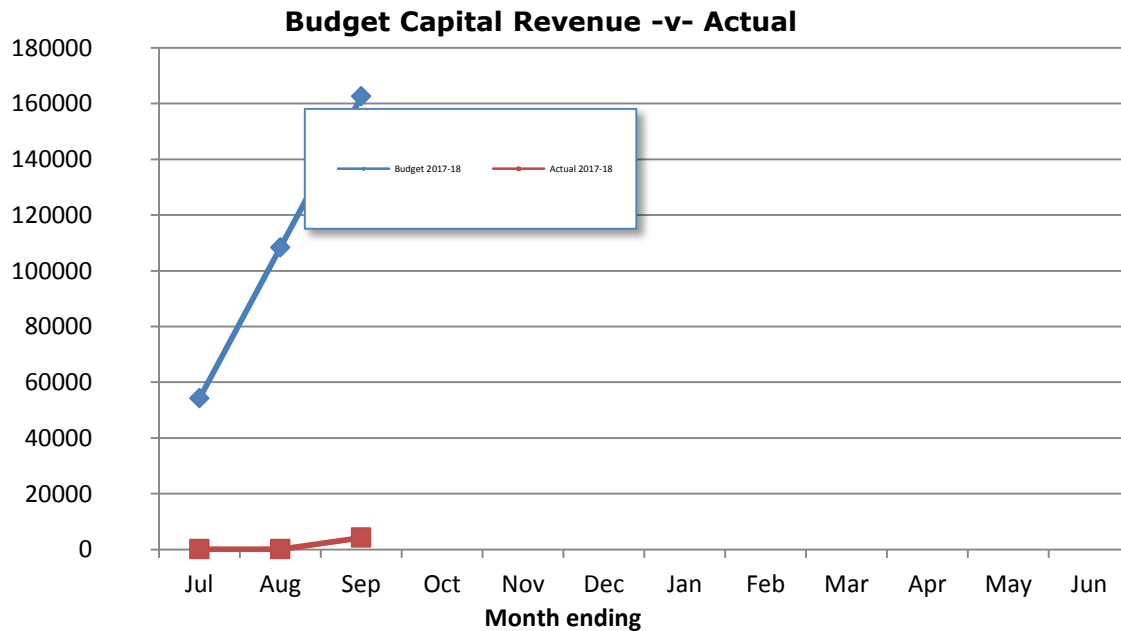
**Comments/Notes - Operating Revenues**

**Shire of Brookton**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 30 September 2017**

**Note 1 - Graphical Representation - Source Statement of Financial Activity**



**Comments/Notes - Capital Expenses**

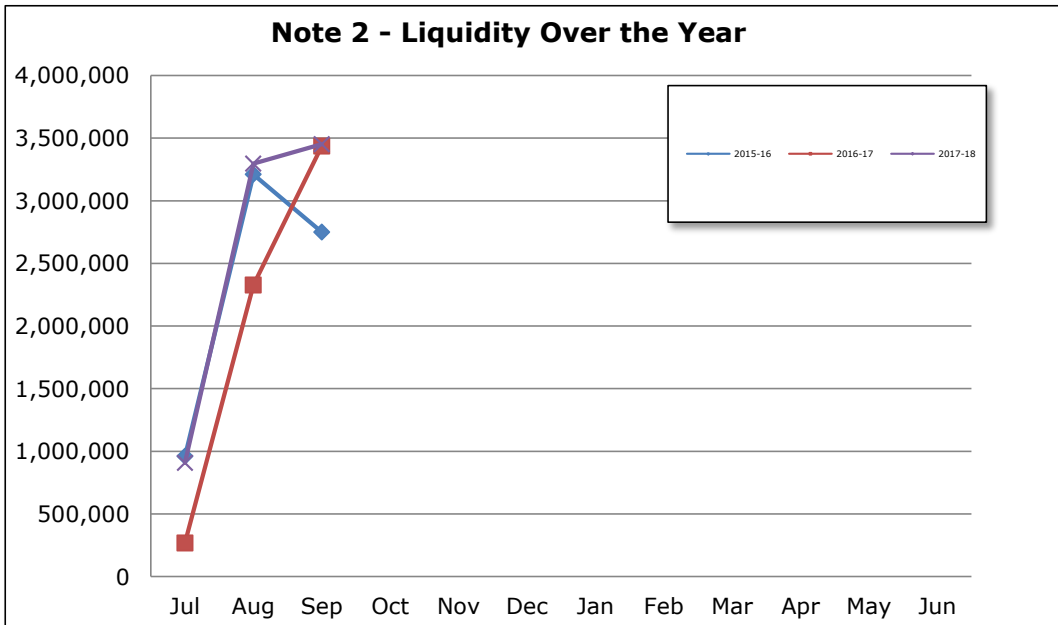


**Comments/Notes - Capital Revenues**

**Shire of Brookton**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 30 September 2017**

**Note 3: NET CURRENT FUNDING POSITION**

		Positive=Surplus (Negative=Deficit)		
		2017-18		
Note	This Period	Same Period 2016/17	Same Period 2015/16	Surplus C/F 1 July 2017
	\$	\$	\$	\$
<b>Current Assets</b>				
Cash Unrestricted	2,928,604	1,756,629	2,258,781	1,624,466
Cash Restricted	3,504,765	3,221,937	2,559,953	3,504,765
Receivables	3,998,833	3,679,656	1,566,502	3,731,222
Prepayments & Accruals	0	0	0	0
Inventories	14,341	13,851	11,409	15,421
	<b>10,446,544</b>	<b>8,672,072</b>	<b>6,396,645</b>	<b>8,875,874</b>
<b>Less: Current Liabilities</b>				
Payables and Provisions	<b>(3,490,987)</b>	<b>(2,015,094)</b>	<b>(1,087,246)</b>	<b>(4,148,903)</b>
	<b>(3,490,987)</b>	<b>(2,015,094)</b>	<b>(1,087,246)</b>	<b>(4,148,903)</b>
Less: Cash Restricted	<b>(3,504,765)</b>	<b>(3,221,937)</b>	<b>(2,559,953)</b>	<b>(3,504,765)</b>
<b>Net Current Funding Position</b>	<b>3,450,791</b>	<b>3,435,041</b>	<b>2,749,446</b>	<b>1,222,206</b>



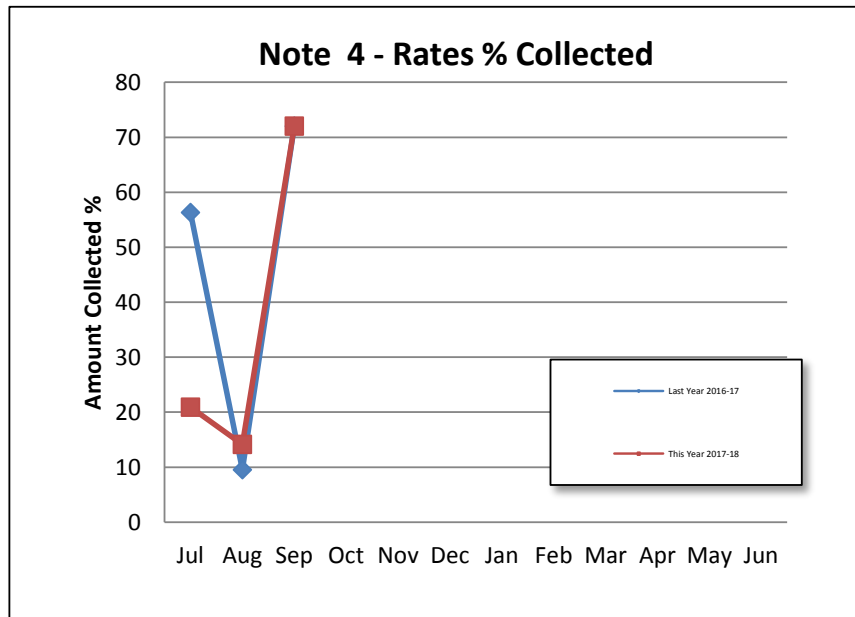
**Comments - Net Current Funding Position**

**Shire of Brookton**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 30 September 2017**

**Note 4: RECEIVABLES**

**Receivables - Rates, Sewerage and Rubbish**

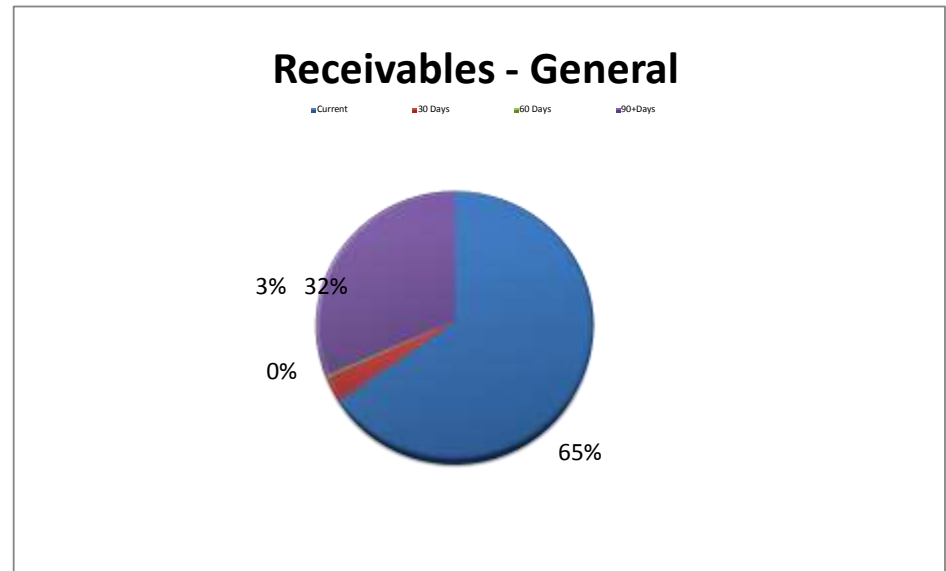
	Current 2017-18	Previous 2016-17
	\$	\$
Opening Arrears Previous Years	30,159	12,339
Rates, Sewerage & Rubbish Levied this year	2,403,762	2,240,640
<u>Less Collections to date</u>	(1,759,781)	(1,620,013)
<b>Equals Current Outstanding</b>	<b>674,141</b>	<b>632,966</b>
 <b>Net Rates Collectable</b>	 674,141	 632,966
% Collected	72.30%	71.91%



Comments/Notes - Receivables Rates, Sewerage and Rubbish

Receivables - General	Current	30 Days	60 Days	90+Days
	\$	\$	\$	\$
	19,968	885	84	9,703
<b>Total Outstanding</b>				<b>30,640</b>

Amounts shown above include GST (where applicable)



Comments/Notes - Receivables General

**Shire of Brookton**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 30 September 2017**

**Note 5: Cash Backed Reserves**

Name	Opening Balance	Budget Interest Earned	Actual Interest Earned	Adopted Budget Transfers In (+)	Actual Transfers In (+)	Adopted Budget Transfers Out (-)	Amended Budget Aug	Actual Transfers Out (-)	Adopted Budget Closing Balance	Actual YTD Closing Balance
							OCM Transfers Out (-)			
	\$	\$	\$	\$	\$	\$		\$	\$	\$
Aldersyde Hall Reserve (Not Shire Vested Property)	25,657	586	0	0	0	0	0	0	26,243	25,657
Bridge Construction Reserve	0	0	0	0	0	0	0	0	0	0
Brookton Heritage/Museum Reserve	37,773	862	0	3,200	0	0	0	0	41,835	37,773
Caravan Park Reserve	122,382	2,794	0	3,200	0	0	0	0	128,376	122,382
Cemetery Reserve	21,471	490	0	650	0	0	0	0	22,611	21,471
Community Bus Reserve	63,696	1,454	0	6,900	0	0	0	0	72,050	63,696
Drainage Reserve	0				0	0	0	0	0	0
Furniture and Equipment Reserve	64,855	1,480	0	12,000	0	0	0	0	78,336	64,855
Health & Aged Care Reserve	777,172	17,740	0	65,000	0	(180,000)	0	0	679,912	777,172
Housing Reserve	764,764	17,457	0	240,000	0	(450,000)	0	0	572,221	764,764
Kweda Hall Reserve	25,657	586	0	3,200	0	0	0	0	29,443	25,657
Land Development Reserve	129,369	2,953	0	4,000	0	0	0	0	136,322	129,369
Madison Square Units Reserve	17,689	404	0	600	0	0	0	0	18,693	17,689
Municipal Buildings & Facilities Reserve	201,167	4,592	0	36,500	0	0	(6,300)	0	235,959	201,167
Plant and Vehicle Reserve	540,015	12,326	0	110,000	0	0	0	0	662,341	540,015
Railway Station Reserve	25,657	586	0	3,200	0	0	0	0	29,443	25,657
Rehabilitation & Refuse Reserve	46,448	1,060	0	6,000	0	0	0	0	53,508	46,448
Road and Bridge Infrastructure Reserve	292,547	6,678	0	18,900	0	0	0	0	318,125	292,547
Saddleback Building Reserve	50,113	1,144	0	1,500	0	0	0	0	52,757	50,113
Saddleback Vehicle & Equipment Reserve	0	0	0	0	0	0	0	0	0	0
Sewerage & Drainage Infrastructure Reserve	194,032	4,429	0	65,000	0	(15,000)	0	0	248,461	194,032
Sport & Recreation Reserve	10,391	237	0	1,000	0	0	0	0	11,629	10,391
Staff Vehicle Reserve	0	0	0	0	0	0	0	0	0	0
Townscape and Footpath Reserve	49,063	1,120	0	1,500	0	0	0	0	51,683	49,063
Unspent Grants & Contributions	0	0	0	0	0	0	0	0	0	0
Developer Contribution - Roads	4,542	104	0	0	0	0	0	0	4,646	4,542
Water Harvesting Reserve	40,302	920	0	1,000	0	(5,000)	0	0	37,222	40,302
Brookton Aquatic Reserve	0	0	0	65,729	0	0	0	0	65,729	0
Cash Contingency Reserve	0	0	0	200,000	0	0	0	0	200,000	0
	<b>3,504,765</b>	<b>80,000</b>	<b>0</b>	<b>849,079</b>	<b>0</b>	<b>(650,000)</b>	<b>(6,300)</b>	<b>0</b>	<b>3,777,544</b>	<b>3,504,765</b>

Shire of Brookton, Agenda Ordinary Meeting of Council, 26 October 2017.

**Shire of Brookton**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 30 September 2017**

**Note 6: CAPITAL DISPOSALS AND ACQUISITIONS**

Original Budgeted Profit(Loss) of Asset Disposal			Disposals	Actual Profit(Loss) of Asset Disposal			
Net Book Value	Proceeds	Profit (Loss)		Net Book Value		Proceeds	Profit (Loss)
23,317	22,000	(1,317)	DCEO Vehicle	\$		\$	\$ 0
23,465	16,978	(6,487)	Works Supervisors Ute				0
15,013	10,000	(5,013)	Parks & Garden 4 x 2 - PU30				0
0	0	0	Sale of Suplus /Unwanted Equipment - Depot	0		100	100
0	0	0	16x Land & Building written out to Inventory List	0		0	0
0	0	0	F & F Asset # 7026 written out to Inventory List	27,331		0	(27,331)
0	0	0	Toilet Block Aldersyde Hall as per Council Reso	23,846		0	(23,846)
0	0	0	Water Tank Aldersyde Hall as per Council Reso	2,578		0	(2,578)
0	0	0	Aldersyde Hall	227,225		0	(227,225)
<b>61,795</b>	<b>48,978</b>	<b>(12,817)</b>	<b>Totals</b>	<b>280,980</b>		<b>100</b>	<b>(280,880)</b>

Comments - Capital Disposal

Summary Acquisitions				
	Budget	Amended Budget Nov OCM	Actual	Variance
	\$		\$	\$
<b>Property, Plant &amp; Equipment</b>				
Land and Buildings	709,000	709,000	40,446	668,554
Plant & Equipment	97,000	97,000	0	97,000
Furniture & Equipment	99,500	99,500	0	99,500
<b>Infrastructure</b>				
Roadworks & Bridge Works & Footpaths	1,028,414	1,028,414	52,668	975,746
Parks & Gardens	0	0	0	0
Sewerage & Drainage	65,000	65,000	1,915	63,085
<b>Totals</b>	<b>1,998,914</b>	<b>1,998,914</b>	<b>95,030</b>	<b>1,903,884</b>

Comments - Capital Acquisitions

**Shire of Brookton**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 30 September 2017**

**Note 7: INFORMATION ON BORROWINGS**

Particulars	Loan Purpose	Due Date	Term (yrs)	Rate (%)	Principal 1-Jul-17 \$	New Loans \$	Principal Repayments		Principal Outstanding		Interest Repayments	
							Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Self Supporting Loans</b>												
*Loan 78 Senior Citizen's Homes	Construction of Mokine Cottages	17/06/2024	15	6.74	117,669	-	-	13,659	117,669	104,010	(347)	8,504
*Loan 79 Multifunctional Family Centre	Purchase of the Building Extension and Refurbishment of the Club House	1/08/2020	15	5.82	31,525	-	4,125	8,371	27,400	23,154	157	1,929
*Loan 82 Country Club		15/11/2027	20	6.95	275,589	-	-	18,576	275,589	257,013	(2,446)	20,699
<b>Governance</b>												
Loan 75 Administration	Shire Office Renovations	3/08/2026	25	6.46	56,258	-	2,191	4,453	54,067	51,805	311	3,938
<b>Education &amp; Welfare</b>												
Loan 80 Kalkarni Residency	Kalkarni Residence	1/02/2026	25	5.63	88,287	-	3,834	7,776	84,453	80,511	426	5,452
<b>Housing</b>												
Loan 80 Staff Housing	Staff Housing	1/02/2026	25	5.63	145,673	-	6,326	12,830	139,347	132,843	702	8,996
<b>Community Amenities</b>												
Loan 80 Sewerage	Sewerage Extension	1/02/2026	25	5.63	61,801	-	2,684	5,443	59,117	56,358	298	3,817
<b>Transport</b>												
Loan 80 Grader	New Grader	1/02/2026	25	5.63	145,673	-	6,326	12,830	139,347	132,843	702	8,996
<b>Recreation and Culture</b>												
Loan 81 Sport & Recreation	Recreation Plan	1/11/2027	20	6.95	685,315	-	-	46,193	685,315	639,122	(6,083)	51,468
					1,607,790	-	25,486	130,130	1,582,304	1,477,660	(6,279)	113,800

(\*) Self supporting loan financed by payments from third parties.  
All other loan repayments were financed by general purpose revenue.

**Shire of Brookton**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 30 September 2017**

**Note 8: CASH AND INVESTMENTS**

	Interest Rate	Unrestricted \$	Restricted \$	Trust \$	Investments \$	Total Amount \$	Institution	Maturity Date
(a) <b>Cash Deposits</b>								
Municipal Cash at Bank - Operating Account	1.50%	596,467				596,467	Bendigo	
Municipal Cash at Bank - Cash Management Account	0.70%	2,332,138				2,332,138	Bendigo	
Trust Cash at Bank	1.50%			36,507		36,507	Bendigo	
(b) <b>Term Deposits</b>								
Reserves	2.30%		3,504,765			3,504,765	Bendigo	02/10/2017
Les McMullen Trust	2.40%			7,224		7,224	Bendigo	26/06/2018
(c) <b>Investments</b>								
Bendigo Bank Shares					5,000	5,000		
<b>Total</b>		2,928,604	3,504,765	43,731	5,000	6,482,100		

**Comments/Notes - Investments**

**Investment Management Strategy for Kalkarni Bonds**

The total bond/RAD amounts (\$3,263,170.98) as at 31/08/17 are invested by Baptistcare with Bankwest for a term of 120 days at the rate of 2.44% with a maturity date of 8th November 2017.



**Shire of Brookton**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 30 September 2017**

**Note 9: BUDGET AMENDMENTS**

Amendments to original budget since budget adoption. Surplus/(Deficit)

GL Account Code	Description	Council Resolution	Classification	No Change - (Non Cash Items) Adjust.	Increase in Available Cash	Decrease in Available Cash	Amended Budget Running Balance
	<b>Adopted Budget Net Asset Surplus 30 June 2017</b>			\$	\$	\$	\$
	Land & Building & Furntiure & Fitting Asset Disposal	AUG 17 OCM	Opening Surplus(Deficit) Non Cash Item	280,980			<b>1,222,206</b>
							<b>1,222,206</b>
							<b>1,222,206</b>
							<b>1,222,206</b>
							<b>1,222,206</b>
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							<b>1,222,206</b>
							<b>1,222,206</b>
							<b>1,222,206</b>
							<b>1,222,206</b>
<b>Closing Funding Surplus (Deficit)</b>				<b>280,980</b>	<b>0</b>	<b>0</b>	<b>1,222,206</b>

**Shire of Brookton**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 30 September 2017**

**Note 10: TRUST FUND**

Funds held at balance date over which the Shire has no control and which are not included in this statement are as follows:

Description	Opening Balance For the Period 1 July 2016	Amount Received	Amount Paid	Closing Balance For the Period Ended 30 September 2017
	\$	\$	\$	\$
Housing Bonds	0	0	0	0
Other Bonds	13,058	4,070	(2,978)	14,150
Rates Incentive Prize	200	0	(200)	0
Staff AFL Tipping	0	0	0	0
Les McMullen Sporting Grants	7,224	0	(3,000)	4,224
Gnulla Child Care Facility	3,073	0	0	3,073
Wildflower Show Funds	1,240	0	0	1,240
Kalkarni Resident's Accounts	0	0	0	0
Public Open Space Contributions	13,820	0	0	13,820
Developer Road Contributions	(1)	0	0	(1)
Unclaimed Money	0	0	0	0
	<b>38,615</b>	<b>4,070</b>	<b>(6,178)</b>	<b>36,507</b>

**1. Developer Road Contributions are:**

T129 Allington - Grosser Street -\$1.00 Rounding

Road Contributions are required to be transferred out of Trust into Reserve/Muni for designated purpose.

**2. Public Open Space Contribution:**

T148 - Paul Webb \$13,820

Contribution to be retained in Trust as required under the Planning and Development Act 2005.

It is to be investigated whether funds can be applied against POS projects such as the Robinson Street Development.

**3. Gnulla Child Care Facility**

This is an aged transaction. Consider transferring funds to Muni once a designated project has been identified.

**4. Housing Bond**

Bond is to either be refunded, expended or transferred to the Bonds Authority.

**Shire of Brookton**  
**STATEMENT OF FINANCIAL ACTIVITY**  
**Kalkarni Aged Care Facility**  
**For the Period Ended 30 September 2017**

**Note 11: Kalkarni Aged Care Facility**

	Adopted Annual Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a) 9	Var. % (b)-(a)/(b) 9	Var.
Note						
<b>Operating Revenue</b>	\$	\$	\$	\$	%	
Fees & Charges	745,060	186,265	186,264	(1)	(0.00%)	
Grants & Subsidies	3,009,349	752,337	925,777	173,440	23.05%	
<b>Total Revenue</b>	<b>3,754,409</b>	<b>938,602</b>	<b>1,112,041</b>	<b>173,439</b>	<b>18.48%</b>	
<b>Operating Expenses</b>						
Building Maintenance	0	0	0	0	0.00%	
Interest Expenses	(5,452)	(1,363)	(426)	937	(68.77%)	
Insurance Expenses	(14,500)	(14,500)	(7,227)	7,273	(50.16%)	
Building Maintenance	(24,830)	(6,208)	(2,238)	3,970	(63.95%)	
Loss on Sale of Asset	0	0	0	0	0.00%	
Depreciation	(159,868)	(39,967)	(24,096)	15,871	(39.71%)	▼
ABC Administration Expenses	(28,499)	(7,125)	(6,481)	643	(9.03%)	▼
Contract Expenses	(3,447,383)	(861,846)	(854,848)	6,998	(0.81%)	▼
<b>Total Expenses</b>	<b>(3,680,532)</b>	<b>(931,008)</b>	<b>(895,315)</b>	<b>35,693</b>	<b>3.83%</b>	
<b>Operating Surplus (Deficit)</b>	<b>73,877</b>	<b>7,594</b>	<b>216,726</b>	<b>209,132</b>	<b>-2754%</b>	▼
<b>Excluding Non Cash Adjustments</b>						
Add back Depreciation	159,868	39,967	24,096	(15,871)	(39.71%)	▼
Adjust (Profit)/Loss on Asset Disposal	0	0	0	0	0.00%	
<b>Net Operating Surplus (Deficit)</b>	<b>233,745</b>	<b>47,561</b>	<b>240,822</b>	<b>193,260</b>	<b>406.34%</b>	▲
<b>Capital Revenues</b>						
KBC Capital Income	304,098	76,025	76,026	2	0.00%	
Transfer from Reserves	450,000	0	0	0	0.00%	
<b>Total</b>	<b>754,098</b>	<b>76,025</b>	<b>76,026</b>	<b>2</b>	<b>0</b>	
<b>Capital Expenses</b>						
Land and Buildings	(259,000)	0	(37,846)	(37,846)	0.00%	
Plant and Equipment	0	0	0	0	0.00%	
Furniture and Equipment	(99,500)	0	0	0	0.00%	
Repayment of Debentures	(7,776)	(3,627)	(3,834)	(207)	0.00%	
Transfer to Reserves	(257,457)	0	0	0	0.00%	
<b>Total</b>	<b>(623,732)</b>	<b>(3,627)</b>	<b>(41,680)</b>	<b>(38,053)</b>		
<b>Net Capital</b>	<b>130,366</b>	<b>72,398</b>	<b>34,346</b>	<b>(38,052)</b>	<b>(52.56%)</b>	
<b>Closing Funding Surplus(Deficit)</b>	<b>364,110</b>	<b>119,959</b>	<b>275,167</b>	<b>155,209</b>		

**Shire of Brookton**  
**STATEMENT OF FINANCIAL ACTIVITY**  
**WB Eva Pavilion by Nature and Type**  
**For the Period Ended 30 September 2017**

**Note 12 WB Eva Pavilion Operating Statement**

NOTE	2017/18 Adopted Budget \$	2017/18 YTD Budget \$	2017/18 YTD Actual \$	Variance YTD Budget vs YTD Actual \$
<b>REVENUES FROM ORDINARY ACTIVITIES</b>				
Hire Fees - WB Eva Pavilion	3,180	3,180	213	(2,967)
Sporting Club Fees	4,770	4,770	675	(4,095)
Gymnasium Income	11,060	11,060	2,050	(9,010)
	<b>19,010</b>	<b>19,010</b>	<b>2,937</b>	<b>(16,073)</b>
<b>EXPENSES FROM ORDINARY ACTIVITIES</b>				
Employee Costs	(12,550)	(3,138)	(3,003)	135
Materials and Contracts	(8,445)	(2,111)	(10,858)	(8,747)
Utilities	(4,210)	(1,053)	(470)	582
Interest Expenses	(51,468)	(12,867)	6,083	18,950
Insurance	(4,785)	(1,196)	(1,871)	(675)
General Operating Expenses	(12,820)	(3,205)	(2,792)	413
Gymnasium Operating	(11,980)	(2,991)	(645)	2,346
	<b>(94,278)</b>	<b>(23,569)</b>	<b>(12,911)</b>	<b>10,659</b>
	<b>(75,268)</b>	<b>(4,559)</b>	<b>(9,974)</b>	<b>(5,414)</b>
<b>NET RESULT</b>	<b>(75,268)</b>	<b>(4,559)</b>	<b>(9,974)</b>	<b>(5,414)</b>

**Shire of Brookton**  
**STATEMENT OF FINANCIAL ACTIVITY**  
**Sewerage Programm by Nature and Type**  
**For the Period Ended 30 September 2017**

**Note 13 Sewerage Operating Statement**

NOTE	2017/18 Adopted Budget \$	2017/18 YTD Budget \$	2017/18 YTD Actual \$	Variance YTD Budget vs YTD Actual \$
<b>REVENUES FROM ORDINARY ACTIVITIES</b>				
Sewerage Connection Fees and Charges	1,590	1,590	-	(1,590)
Annual Sewerage Rates	160,990	160,990	162,804	1,814
	<u>162,580</u>	<u>162,580</u>	<u>162,804</u>	<u>224</u>
<b>EXPENSES FROM ORDINARY ACTIVITIES</b>				
Employee Costs	(1,200)	(300)	(234)	66
Materials and Contracts	(60,630)	(15,158)	(2,236)	12,922
Utilities	(5,950)	(1,488)	(908)	580
Depreciation	(45,146)	(11,287)	(13,864)	(2,578)
Interest Expenses	(3,817)	(954)	(298)	656
Insurance	(245)	(245)	(121)	124
General Operating Expenses	(1,330)	(333)	(333)	(0)
Allocation of Administration Expense	(16,485)	(10,990)	(2,629)	8,361
	<u>(134,802)</u>	<u>(40,753)</u>	<u>(20,623)</u>	<u>20,130</u>
	27,778	121,827	142,181	20,354
Add Back Depreciation	45,146	11,287	13,864	2,578
Non-Operating Grants, Subsidies & Contributions	-	-	-	-
Profit on Asset Disposals	-	-	-	-
Loss on Asset Disposals	-	-	-	-
Transfer to Sewerage and Drainage Reserve	(65,000)	-	-	-
Transfer from Sewerage and Drainage Reserve	15,000	-	-	-
<b>NET RESULT</b>	<u><b>22,924</b></u>	<u><b>133,114</b></u>	<u><b>156,045</b></u>	<u><b>22,931</b></u>

The Shire's Asset Management Plan (adopted at the 2016 August OCM) details required renewal expenditure of \$1.482m over the ten year period 2016 - 2027. The Shire's Long Term Financial Plan includes the following planned renewal expenditure:

2016/17 - 47,680  
2017/18 - 100,000  
2018/19 - 100,000  
2019/20 - 100,000  
2020/21 - 100,000  
2021/22 - 100,000  
2022/23 - 100,000  
2023/24 - 100,000  
2024/25 - 100,000  
2025/26 - 150,000  
2026/27 - 400,000

**Total - 1,397,680 or approx. \$140k per annum**

The Sewerage Scheme should be self funding, that is, the capital replacement cost should be amortised over the life of the infrastructure, and funded from the annual sewerage rates. Council should consider a charging model that provides for an annual transfer to the Sewer Reserve, which is equivalent to the required annual renewal expenditure i.e. \$148k per annum. As a minimum, revenue from the Scheme should cover all operating expenditure including depreciation, meaning a minimum transfer to Reserve of \$88k. At present, the budgeted surplus funds of \$23,924 being generated from the Scheme is being paid into the municipal fund.

**Shire of Brookton**  
**STATEMENT OF FINANCIAL ACTIVITY**  
**Brookton Caravan Park and Brookton Acquatic Centre**  
**For the Period Ended 30 September 2017**

Note	Adopted Annual Budget 2017/18	Amended Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a) 9	Var. % (b)-(a)/(b) 9
	\$		\$	\$	\$	%
<b>Note 14 (a): Brookton Caravan Park</b>						
<b>Operating Revenue</b>						
Caravan Park Fees	40,000	40,000	10,000	11,801	1,801	18.01%
<b>Total Revenue</b>	<b>40,000</b>	<b>40,000</b>	<b>10,000</b>	<b>11,801</b>	<b>1,801</b>	<b>18.01%</b>
<b>Operating Expenses</b>						
Brookton Caravan Park	(54,914)	(54,914)	(13,729)	(9,909)	3,820	0.00%
Caravan Park Depreciation	(766)	(766)	(192)	(263)	(71)	37.29%
Caravan Park Abc Administration Expenses	(14,808)	(14,808)	(3,702)	(3,368)	334	0.00%
<b>Total</b>	<b>(70,488)</b>	<b>(70,488)</b>	<b>(17,622)</b>	<b>(13,540)</b>	<b>4,083</b>	<b>23.17%</b>
<b>Operating Surplus (Deficit)</b>	<b>(30,488)</b>	<b>(30,488)</b>	<b>(7,622)</b>	<b>(1,738)</b>	<b>5,884</b>	<b>77%</b>
<b>Excluding Non Cash Adjustments</b>						
Add back Depreciation	766	766	192	263	71	37.29%
<b>Net Operating Surplus (Deficit)</b>	<b>(29,722)</b>	<b>(29,722)</b>	<b>(7,431)</b>	<b>(1,475)</b>	<b>5,955</b>	<b>(80.15%)</b>
<b>Note 14 (b): Brookton Acquatic Centre</b>						
<b>Operating Revenue</b>						
POOL Fees & Charges	10,500	10,500	2,625	178	(2,447)	0.00%
POOL GRANTS & SUBSIDIES	32,000	32,000	8,000	0	(8,000)	0.00%
<b>Total Revenue</b>	<b>42,500</b>	<b>42,500</b>	<b>10,625</b>	<b>178</b>	<b>(10,447)</b>	<b>0</b>
<b>Operating Expenses</b>						
POOL Employee Costs	(515)	(515)	(129)	0	129	(100.00%)
POOL General Operating Expenses	(88,013)	(88,013)	(22,003)	(359)	21,644	(98.37%)
POOL Building Maintenance	(45,760)	(45,760)	(11,440)	(3,735)	7,705	(67.35%)
POOL Depreciation	(22,646)	(22,646)	(5,662)	(2,986)	2,676	(47.26%)
POOL Abc Administration Expenses	(44,704)	(44,704)	(11,176)	(10,167)	1,009	(9.03%)
<b>Total</b>	<b>(201,638)</b>	<b>(201,638)</b>	<b>(50,409)</b>	<b>(17,247)</b>	<b>33,162</b>	<b>65.79%</b>
<b>Operating Surplus (Deficit)</b>	<b>(159,138)</b>	<b>(159,138)</b>	<b>(39,784)</b>	<b>(17,069)</b>	<b>22,716</b>	<b>0%</b>
<b>Excluding Non Cash Adjustments</b>						
Add back Depreciation	22,646	22,646	5,662	2,986	(2,676)	0.00%
<b>Net Operating Surplus (Deficit)</b>	<b>(136,492)</b>	<b>(136,492)</b>	<b>(34,123)</b>	<b>(14,083)</b>	<b>20,040</b>	<b>0%</b>

**Shire of Brookton**  
**STATEMENT OF FINANCIAL ACTIVITY**  
**Road Program**  
**For the Period Ended 30 September 2017**

**Note 15**

Description	Adopted Annual Budget	Amended Budget	YTD Actual	% Completed	Federal Funding		State Funding				Own Source Funding		
					R2R	Other	RRG	RRG Carryover	Direct Grant	FAGS	Reserve	Contributions	Muni
	\$	\$	\$		\$	\$	\$	\$	\$	\$	\$	\$	\$
Town Street Maintenance	204,998	204,998	46,653	23%					79,057				125,941
Rural Road Maintenance	440,455	440,455	142,892	32%						325,234			115,221
Bridge Maintenance	65,670	65,670	13,178	20%									65,670
<b>R2R Work Schedule</b>													
Brookton - Kweda Road	180,019	180,019	828	0%			180,019						
<b>Other Construction</b>													
Brookton - Kweda Road	19,861	19,861	0	0%									19,861
King Street	103,814	103,814	0	0%									103,814
Reynolds Street	9,280	9,280	0	0%									9,280
Whittington Street	255,280	255,280	0	0%									255,280
Montgomery Street	0	0	81									81	-81
<b>RRG Approved Projects</b>													
York - Williams Road	460,160	460,160	51,530	11%	460,160								0
Aldersyde-Pingelly Road	0	0	116									116	-116
Corberding Road	0	0	114									114	-114
	<b>1,739,537</b>	<b>1,739,537</b>	<b>255,390</b>	<b>15%</b>	<b>460,160</b>	<b>0</b>	<b>180,019</b>	<b>0</b>	<b>79,057</b>	<b>325,234</b>	<b>0</b>	<b>311</b>	<b>694,756</b>

**Shire of Brookton  
STATEMENT OF FINANCIAL ACTIVITY  
Capital Works Program  
For the Period Ended 30 September 2017**

**Note 16**

Description	Adopted Annual Budget	Amended Budget	YTD Actual	% Completed	Capital Funding				
					Muni	Grants	Reserves	Sale of Assets	Total Funding
	\$	\$	\$		\$	\$	\$	\$	\$
DCEO Vehicle	39,000	39,000		0%	39,000			22,000	39,000
Kalkarni Residency Capital Provision	79,000	79,000	0	0%	79,000				79,000
Kalkarni Backup Power Supply	30,000	30,000	23,346	16%			30,000		30,000
Kalkarni Land Purchase	150,000	150,000	14,500	10%			150,000		150,000
Sewerage - Gravel Resheet Pond Batters	15,000	15,000	0	0%			15,000		15,000
Works Supervisor Vehicle	33,000	33,000		0%	33,000			17,000	33,000
Parks & Garden 4 x 2	25,000	25,000		0%	25,000			10,000	25,000
8 Avonbank Close Brookton - Residence	450,000	450,000	0	0%			450,000		450,000
Kalkarni Residency Furniture and Equipment	99,500	99,500	0	0%	99,500				99,500
Brookton-Kweda Road - Construct & Prime 1km and Reseal 2km	180,019	180,019	828	0%		180,019			180,019
York-Williams Road - Gravel Sheet & Prime Road North	460,160	460,160	51,530	11%		460,160			460,160
Corberding Road - Fix Road Failures	0	0	114	0%	114				114
Aldersyde-Pingelly Road -	0	0	116						
Brookton-Kweda Road - Shire Funded Construction	19,861	19,861	0	0%	19,861				19,861
Montgomery - Fix Road Failures	0	0	81	0%	72				72
King Street - Shire Funded Construction	103,814	103,814	0	0%	103,814				103,814
Reynolds Street - Shire Funded Construction	9,280	9,280	0	0%	9,280				9,280
Whittington Street - Shire Funded Construction	255,280	255,280	0	0%	255,280				255,280
Happy Valley Bore Field	50,000	50,000	1,915	4%	45,000		5,000		50,000
SOLAR PANELS - Admin Office	0	0	2,600	0%	2,600				2,600
	<b>1,998,914</b>	<b>1,998,914</b>	<b>95,030</b>	<b>5%</b>	<b>711,521</b>	<b>640,179</b>	<b>650,000</b>	<b>49,000</b>	<b>1,999,100</b>



**Shire of Brookton**  
**STATEMENT OF FINANCIAL ACTIVITY**  
**Grants, Subsidies and Contributions Register**  
**For the Period Ended 30 September 2017**

**Note 17**

Funding Provider	Project	Operating/Non-Operating	Adopted Annual Budget	Amended Budget OCM	Amount Applied For	Amount Approved	Amount Invoiced/Received	% Received
			\$	\$	\$	\$	\$	
Federal Government	KBC Grants & Subsidies	Subsidy	(3,009,349)	(3,009,349)	Recurrent	(3,009,349)	(925,777)	31%
Main Roads WA	Regional Road Group	Non Operating	(307,413)	(307,413)	(373,531)	(307,413)	(122,965)	40%
Federal Government	Roads to Recovery	Non Operating	(180,019)	(180,019)	(512,003)	(180,019)	(5,581)	3%
WA Grants Commission	GPG Grants Commission - General	Operating	(291,210)	(291,210)	Recurrent	(291,210)	(72,829)	25%
WA Grants Commission	GPG Grants Commission - Roads	Operating	(158,158)	(158,158)	Recurrent	(158,158)	(38,490)	24%
DFES	ESL Grant - Emergency Services Levy - Operating	Operating	(33,580)	(33,580)	Recurrent	(33,580)	(8,524)	25%
Main Roads WA	Direct Grant	Operating	(79,057)	(79,057)	Recurrent	(79,057)	-	0%
			<b>(4,058,786)</b>	<b>(4,058,786)</b>		<b>(4,058,786)</b>	<b>(1,174,166)</b>	<b>29%</b>

**12.10.17.03 BUDGET VARIATION - ASSET WRITE-OFF – FAIR VALUE**

<b>File No:</b>	N/A
<b>Date of Meeting:</b>	26/10/2017
<b>Location/Address:</b>	N/A
<b>Name of Applicant:</b>	Shire of Brookton
<b>Name of Owner:</b>	Shire of Brookton
<b>Author/s:</b>	Deanne Sweeney – Senior Finance Officer
<b>Authorising Officer:</b>	Vicki Morris – Deputy Chief Executive Officer
<b>Declaration of Interest:</b>	The author has no financial interest in this matter
<b>Voting Requirements:</b>	Simple Majority
<b>Previous Report:</b>	16/08/17

**Summary of Item:**

This item relates to a budget variation request of \$281,647.57 as detailed in a report previously presented to Council on 16 August 2017.

**Description of Proposal:**

Council approved the removal of 21 items of land and buildings with a total written down value of \$254,053.67 (asset # 6278, 6990 & 6679 – Aldersyde Hall, Toilet Block and Water Tank), along with 1 items of furniture and fittings with a written down value of \$27,593.90 (asset # 7026) from the Fixed Asset Register with 15 items recorded on Council's Asset Inventory Listing. The assets on Reserve number 16825 (#6278, #6990 and #6679) are not vested in the Shire of Brookton, and are therefore not the property of the Shire. It has been established that these assets are in fact the property of the Aldersyde Hall Committee. This has resulted in a loss on disposal of assets of \$281,647.57 which was omitted unintentionally from the Officer's Recommendation in the original report to Council.

**Background:**

In July 2012 the Local Government (Financial Management) Regulations 1996 were amended and the measurement of non-current assets at fair value became mandatory. This prompted a review of the accounting policy and capitalisation threshold surrounding the classification and depreciation of fixed assets.

**Consultation:**

Nil.

**Statutory Environment:**

*Regulation 17A of the Local Government (Financial Management) Regulations 1996.*

**Relevant Plans and Policy:**

Significant Accounting Policies.

**Financial Implications:**

As a result of asset numbers # 6278, #6990, #6679 & #7026 disposed of from the asset register, there will be an unbudgeted \$281,647.57 write off incurred in the financial statements.

This will not impact on the cash position of the Shire in any way as any profit (loss) on the sale/write off of assets are added back in the cash flow and rate setting statement. However, there will be a budget variation of \$281,647.57 required as a result of the write off of these assets in the financial statements.

**Risk Assessment:**

No risks identified

*Shire of Brookton, Agenda Ordinary Meeting of Council, 26 October 2017.*

**Community & Strategic Objectives Plan (2013 – 2023)**

Not applicable

**Comment**

The report has been prepared in accordance with statutory requirements and is to correct an anomaly in the asset write off for Fair Value.

**OFFICER'S RECOMMENDATION**

***That Council***

- 1. Approve the budget variation for the write off of 22 assets totaling \$281,647.57, with 15 items recorded on Council's Asset Inventory Listing.***

**Attachments**

**Nil**

## 13.10.17 GOVERNANCE

### 13.10.17.01 DRAFT POLICY 1.22 - AASB124 RELATED PARTY DISCLOSURE

<b>File No:</b>	N/A
<b>Date of Meeting:</b>	26 October 2017
<b>Location/Address:</b>	N/A
<b>Name of Applicant:</b>	Shire of Brookton
<b>Name of Owner:</b>	Shire of Brookton
<b>Author/s:</b>	Kelly D’Arcy – Governance Officer
<b>Authorising Officer:</b>	Vicki Morris - DCEO
<b>Declaration of Interest:</b>	The author has no interest in this matter
<b>Voting Requirements:</b>	Simple majority
<b>Previous Report:</b>	Nil

#### Summary of Item:

This report seeks Council’s consideration to adopt the draft Policy 1.22 - AASB124 Related Party Disclosure Policy in accordance with the Australian Accounting Standard AASB 124.

A copy of the draft Policy is provided at **Attachment 13.10.17.01A**.

#### Description of Proposal:

To implement a policy that guides the statutory compliance of Australian Accounting Standard Board’s requirements for declaration of related party interests to be disclosed, and ensure a level of transparency and understanding of Elected Member and Senior Employee relationships pertinent to the Local Government’s business interests and dealings.

#### Background:

The Australian Accounting Standards Board (AASB) released the new standard AASB 124 in March 2015. This new standard applies to the declaration of related party disclosures for not-for-profit entities, including local governments. The operative date that this standard came into effect for Local Governments on 1<sup>st</sup> July 2016, with the first reporting date for inclusion of AASB 124 being June 30<sup>th</sup> 2017. In the Annual Financial Statements contained within the Council Annual Report for consideration by ratepayers and residents, it is now a requirement for all Local Governments to disclose related party relationships, transactions and outstanding balances, including commitments in its Annual Report, applicable to senior employees and elected members. These disclosures are effectively subject to audit to ensure each Local Government is meeting this statutory obligation and providing a level of transparency.

In summary, the disclosure requirements apply to the existence of relationships regardless of whether a transaction has occurred or not. For each financial year, the Shire must make an informed judgement as to who is considered to be a related party and what transactions need to be considered, when determining if disclosure is required.

This change and the legislation encourages each Council to establish a policy to define the parameters for related party disclosures and the level of disclosure and reporting to comply with Accounting Standard AASB 124 – Related Party Disclosures. Key Management Personnel identified (as mentioned this includes Councillors and Senior Staff) are subject to Related Party Disclosures, which means that each person will need to declare their relationships, and Council will then be required to disclose this information together with related transactions of the Local Government for the public record.

However, it should be noted that the Annual Financial Report will only provide information at a summary level of the financial remuneration of related parties, Key Management Personnel, and the financial value of transactions with related parties such as goods or services purchased from businesses operated by related parties.

Individual financial details of related parties are not disclosed to the public during the reporting process, only the aggregated information is included in the financial reports. An example of how the information will appear is provided at **Figure 1** below.

#### EXAMPLE DISCLOSURE

##### Key Management Personnel Compensation Disclosure

The totals of remuneration paid to KMP of the City/Town/Shire during the year are as follows:

	2017	2016
	\$	\$
<i>AASB 124.17(a)</i> Short-term employee benefits	AAA	EEE
<i>AASB 124.17(b)</i> Post-employment benefits	BBB	FFF
<i>AASB 124.17(c)</i> Other long-term benefits	CCC	GGG
<i>AASB 124.17(d)</i> Termination benefits	DDD	HHH
Total KMP compensation	<u>ZZZ</u>	<u>XXX</u>

##### Short-term employee benefits

These amounts include all salary, paid leave benefits, fringe benefits and cash bonuses awarded to KMP.

Details in respect to fees and benefits paid to Councilors may be found at Note XX.

##### Post-employment benefits

These amounts are the current-year's estimated cost of providing for the City/Town/Shire's superannuation contributions made during the year.

##### Other long-term benefits

These amounts represent long service benefits accruing during the year.

##### Termination benefits

These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given year).

#### Figure 1 – Example Disclosure.

The information collated and aggregated for the Annual Financial Report is usually obtained from a number of sources, however, the most significant of these is the Related Party Declaration form. This is included as **Attachment 13.10.17.01 B** to this report, extracted from Guidance Note 31 as published by Moore Stephens (WA) Pty Ltd.

It should be noted that the draft Policy has been modelled on the Department of Local Government, Sports and Cultural Industries implementation guide. This guide details a recommended approach (including adoption of a dedicated Policy) and puts in context the objective, extent and level of involvement of KMPs and applicable exemptions, including Ordinary Citizen Transactions (OTC) from disclosure requirements.

Specifically, OTCs are those transactions provided on terms and conditions no different to those applying to the general public, and are unlikely to influence the decisions that users of the Shire's financial statements make. These Ordinary Citizen Transactions include the following:

- Paying rates; fines or penalties;
- Paying application fees for licences, approvals or permits;
- Using Shire owned and operated facilities such as halls, recreation centres, aquatic centres, libraries, parks, ovals, public open space, transfer stations and landfill sites (whether a fee is charged or not).
- Attending Shire functions that are open to the public.

The exclusion of the above from related party transactions effectively limits the related party transactions to be declared and disclosed to the following:

- purchases of sales or goods (finished or unfinished);
- purchases or sales of property or other assets;
- rendering or receiving services;
- leases;
- transfers of research and development;
- transfers under licence agreements;
- transfers under finance arrangements (including loans and equity contributions in cash or kind);
- provisions of guarantees or collateral;
- commitments to do something if a particular event occurs or does not occur in the future, including execution of contracts (recognised or unrecognised); and
- settlement of liabilities on behalf of Council or by Council on behalf of the related party.

**Consultation:**

Consultation has been undertaken with Council through its Corporate Briefing Forum to gain an understanding of Australian Accounting Standard AASB 124. Also further discussion has been occurred with CEO and the Deputy CEO in preparing this draft Policy.

**Statutory Environment:**

The *Local Government Act, 1995 (Act)* requires each Local Government to comply with the Australian Accounting Standards, and prepare policies in the interest of delivering good governance for the district.

In this context this draft Policy has been prepared pursuant to Section 2.7 of the Act, and the Australian Accounting Standards Board - AASB 124 - Related Party Disclosures provisions.

**Relevant Plans and Policy:**

Nil

**Financial Implications:**

The introduction of the new Policy will have no direct financial impacts on the budget. Rather, the cost relates to the individual's time in completing a disclosure form.

**Risk Assessment:**

There is a notable risk that should Council as a whole, or individual Key Management Personnel (Elected Members and Senior Employees as nominated in the Policy) not fulfil its obligations in relation to the prescribed disclosures, it will be perceived that a breach of the legislation will have occurred.

**Community & Strategic Objectives:**

Broadly, the preparation of this Policy accords with the following outcome of the Council's Strategic Community Plan 2013 – 2023:

*Outcome 5.3: Effective and efficient corporate and administrative services.*

## **Comment**

As previously mentioned, not-for-profit organisations now need to include within their Annual Financial Statements reference to any related party transactions. This will result in the objective of the standard being met and ensure that an entity's financial statements contain disclosures necessary to draw attention to the possibility that its financial position may have been affected by influence of related parties and associated transactions.

This means that users of the Council's Annual Financial Report will become aware of any relationships that may affect the financial position of the Shire.

To this end, it is promoted that a Policy be adopted by Council to assist in providing a level of clarity around the stated requirements of Australian Accounting Standard AASB 124.

## **OFFICER'S RECOMMENDATION**

### ***That Council:***

- 1. Adopt the draft Policy 1.22 - AASB124 Related Parties Disclosure as provided in Attachment 13.10.17.01 A to this report.***
- 2. Endorse the requirement for the Related Parties Disclosure Return to be completed on a monthly basis for all Key Management Personnel as identified in Policy 1.22.***

## **Attachments**

**Attachment 13.10.17.01A - AASB 124 - Related Parties Disclosures Policy**

**Attachment 13.10.017.01B - Moore Stephens (WA) Pty Ltd - Guidance Note 31**

## DRAFT POLICY

**1.22 AASB124 - Related Parties Disclosures**

<b>Policy Owners:</b>	Chief Executive Officer		
<b>Policy Origin:</b>			
<b>Statutory Environment:</b>			
<b>Council Adoption:</b>	<b>Date:</b>		<b>Resolution #:</b>
<b>Last Amended:</b>	<b>Date:</b>		<b>Resolution #:</b>
<b>Review Date:</b>			

**Objective:**

The purpose of this policy is to define the parameters for Related Party Transactions and the level of disclosure and reporting required for the Shire of Brookton (the Shire) to achieve compliance with the Australian Accounting Standard AASB 124 - Related Party Disclosures.

**Definitions**

"AASB 124" - means the Australian Accounting Standards Board, Related Party Disclosures Standard.

"Act" - means the Local Government Act 1995.

"Arm's Length" - means terms between parties that are reasonable in the circumstances of the transaction that would result from:

- a) neither party bearing the other any special duty or obligation; and
- b) the parties being unrelated and uninfluenced by the other, and
- c) each party having acted in its own interest.

"Close members of the family of a person"- are those family members who may be expected to influence, or be influenced by, that person in their dealings with the Shire and include:

- a) that person's children and spouse or domestic partner;
- b) children of that person's spouse or domestic partner; and
- c) dependants of that person or that person's spouse or domestic partner.

"Entity" - can include a body corporate, a partnership or a trust, incorporated association, or unincorporated group or body.

"Key management personnel (KMP)" - those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

"KMP Compensation" - means all forms of consideration paid, payable, or provided in exchange for services provided, and may include:

- a) Short-term employee benefits, such as wages, salaries, paid annual leave, paid sick leave, bonuses, non-monetary benefits, such as use of motor vehicles and free and/or subsidised goods or services;
- b) Post-employment benefits such as pensions, other retirement benefits, postemployment;
- c) Other long-term employee benefits, including long-service leave or sabbatical leave; and
- d) Termination benefits.

"Materiality" - means the assessment of whether the transaction, either individually or in aggregate with other transactions, by omitting it or misstating it could influence decisions that users make on the basis an entity's financial statements.



*"Ordinary Citizen Transaction (OCT)"* - means a transaction that an ordinary citizen of the community would undertake in the ordinary course of business with the Shire.

*"Possible Close members of the family of a person"* - are those family members who could be expected to influence, or be influenced by, that person in their dealings with the Shire and include:

- a) that person's brothers and sisters;
- b) that person's aunts, uncles, and cousins;
- c) dependants of those persons or that person's spouse or domestic partner as stated in (b); and
- d) that person's or that person's spouse or domestic partners, parents and grandparents.

*"Related Party"* - is a person that is related to the entity (Shire) that is preparing its financial statements.

*"Related Party Transaction"* - is a transfer of resources, services or obligations between the Shire and a related party, regardless of whether a price is charged.

*"Regulation"* - means the Local Government (Financial Management Regulations) 1996.

*"Remuneration"* – mean remuneration package and includes any money, consideration or benefit received or receivable by the person but excludes reimbursement of out-of-pocket expenses, including any amount received or receivable from a related party transaction.

*"Significant"* - means likely to influence the decisions that users of the Shire's financial statements make having regard to both the extent (value and frequency) of the transactions, and that the transactions have occurred between the Shire and related party outside a public service provider/ taxpayer relationship.

### **Background:**

The Australian Accounting Standards Board (AASB) determined in AASB 124 that from 1 July 2016 related party disclosures will apply to government entities, including local governments.

AASB 124 provides that the Shire must disclose the following financial information in its financial statements for each financial year period:

- a) disclosure of any related party relationship;
  - o must disclose in its Annual Financial Statements its relationship with any related parties or subsidiaries (where applicable), whether or not there have been transactions within the relevant reporting period;
- b) Key Management Personnel (KMP) Compensation Disclosures;
  - o must disclose in its Annual Financial Statements details for each of the categories of KMP compensation, as stated in the definitions of this Policy, in total.

### **Policy:**

The Shire of Brookton is committed to producing Financial Information with high standards. In delivering high standard financial information the Shire is committed to comply with the principles of transparency and good governance and compliance with the Accounting Standards prescribed by the Australian Accounting Standards Board (AASB), *Local Government Act 1995*, and Local Government (Financial Management) Regulations 1996.

The Related Party Disclosure Policy aims to assist the Shire in complying with disclosure requirements concerning key management personnel (KMP), their close family members and entities controlled or jointly controlled by any of them stipulated under the Australian Accounting Standard AASB 124 Related Party Disclosures (AASB 124).

### Identifying related parties

The most common related parties of the Shire will be:

- a) an elected Council member (KMP);
- b) a person employed under section 5.36 of the Local Government Act 1995 in the capacity of Chief Executive Officer and other Executive Management staff (KMP);
- c) close family members of any person listed above (e.g. spouse/domestic partners, dependants and children of the Councillors, CEO and Executive Management staff);
- d) possible close family members of any person listed above;
- e) entities that are controlled or jointly controlled by KMP's or their close family members (entities include companies, trusts, joint ventures, partnerships and non-profit associations such as sporting clubs); and
- f) entities subject to significant influence by the Shire and Shire Joint Venture entities.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

In the context of AASB 124, following are not related parties:

- a) Two entities simply because they have a member of key management personnel in common or because a member of key management personnel of one entity has significant influence over the other entity.
- b) Two joint ventures simply because they share joint control over a joint venture.
  - i. providers of finance;
  - ii. trade unions;
  - iii. public utilities;
  - iv. departments and agencies of a government that does not control, jointly control or significantly influence the local government; and
  - v. simply by virtue of their normal dealings with the local government (even though they may affect the freedom of action of a local government or participate in its decision-making process).
- c) A customer, supplier, franchisor, distributor or general agent with whom the local government transacts a significant volume of business.

### Identifying related party transactions

A related party transaction is a transfer of resources, services or obligations between the Shire (reporting entity) and the related party, regardless of whether a price is charged. For the purposes of determining whether a related party transaction has occurred, the following common transactions or provision of services have been identified as meeting these criteria (this list is not exhaustive):

- a) paying rates;
- b) fines;
- c) use of Shire owned facilities such as Recreation Centre, Civic Centre, library, parks, ovals and other public open spaces (whether charged a fee or not);
- d) attending the Shire functions that are open to the public;
- e) employee compensation whether it is for KMP or close family members of KMP;
- f) application fees paid to the Shire for licences, approvals or permits;
- g) monetary and non-monetary transactions between the Shire and any business or associated entity owned or controlled by the related party (including family) in exchange for goods and/or services provided by/to the Shire (trading arrangement);
- h) sale or purchase of any property owned by the Shire, to a person identified above;

- i) sale or purchase of any property owned by a person identified above, to the Shire;
- j) contracts and agreements for construction, consultancy or services;
- k) loan arrangements;
- l) lease agreements for housing rental (whether for a Shire owned property or property sub-leased by the Shire through a Real Estate Agent); and
- m) lease agreements for commercial properties.

Identifying ordinary citizen transactions

Some of the transactions listed above, occur on terms and conditions no different to those applying to the general public and have been provided in the course of delivering public service objectives. Where the Shire can determine that an OCT was;

- provided at arm's length and,
- in similar terms and conditions to other members of the public; and
- that the nature of the transaction is immaterial.

No disclosure in the annual financial report will be required.

Identifying KMP, their close family members, possibly close family members and entities controlled or jointly controlled by any of them

- a) KMP: Close attention should be paid to the organisational structure of the Shire and Council itself to determine who has authority and responsibility for planning, directing and controlling the activities of the Shire, either directly or indirectly. KMP's of the Shire are considered to include:
  - i. Councillors;
  - ii. Chief Executive Officer;
  - iii. Deputy Chief Executive Officer;
  - iv. Community Services Manager; and
  - v. Principal Works Supervisor.
- b) Close family members and possibly close family members of KMP: These are family members who may be expected to influence, or be influenced by, that person in their dealings with the Shire and include but is not limited to:
  - i. that person's children and spouse or domestic partner;
  - ii. children of that person's spouse or domestic partner; and
  - iii. dependants of that person or that person's spouse or domestic partner.

The following table may assist in identifying close family members and possibly close family members.

Definitely a close family member	May be a close family member
Spouse/domestic partner	Brothers and sisters, if they could be expected to influence or be influenced by KMP in their dealings with the Shire.
Children	Aunts, uncles and cousins, if they could be expected to influence or be influenced by KMP in their dealings with the Shire.
Dependants	Parents and grandparents, if they could be expected to influence or be influenced by KMP in their dealings with the Shire.
Children of spouse/domestic partner	Nieces and nephews, if they could be expected to influence or be influenced by KMP in their dealings with the Shire.
Dependants of spouse/domestic partner	Any other member of KMP family if they

	could be expected to influence or be influenced by KMP in their dealings with the Shire.
--	--

- c) Entities controlled or jointly controlled by KMP, close family members and possibly close family members: Entities include companies, trusts, incorporated and unincorporated associations such as clubs and charities, joint ventures and partnerships. Control over an entity is;
- i. power over the entity;
  - ii. exposure, or rights, to variable returns from involvement with the entity; and
  - iii. the ability to use power over the entity to affect the amount of returns.

To jointly control an entity there must be contractually agreed sharing of control of the entity, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

#### Identifying information about the related parties and related party transactions

For the purposes of determining related parties and related party transactions as per above, elected Council members and KMP, will be required to complete Related Party Disclosure Declaration forms for submission to the Financial Services area. All information contained in a disclosure return, will be treated in confidence.

In all instances if any uncertainty exists regarding the status of a transaction or party it is advisable to make the requisite disclosure, the Financial Service area will be able to assess and confirm the nature of the transaction.

If a Councillor believes a transaction or relationship may constitute a related party transaction or relationship but is uncertain and is not comfortable with disclosure, the CEO can be notified. The CEO will be able to obtain resolution from the Deputy CEO regarding the status of the transaction or relationship.

If an Employee believes a transaction may constitute a related party transaction, they must notify the Deputy CEO who will discuss the matter with the CEO to confirm whether the transaction falls within the scope of this policy.

#### Establishing systems to capture and record the related party transactions and information about those transactions

The Related Party Disclosures - Declaration forms attached to the Related Party Information Collection Notice must be completed by all Council members, the CEO and all other KMP who were elected or employed at any time during the financial year.

Declarations will be required:

- a) quarterly and
- b) at points of resignation or appointment of KMP e.g. prior to any ordinary or extraordinary election.

The Executive Officer will be responsible for the maintenance of a register that captures all the related party transactions of KMP.

#### Identifying the circumstances in which disclosure is required

In assessing materiality (quantitative and qualitative), management will consider both the size and nature of the transaction, individually and collectively. Management will apply professional

judgement to assess the materiality of transactions disclosed by related parties for their subsequent inclusion in the financial statements.

It should be noted that the disclosure requirements apply to the existence of relationships regardless of whether a transaction has occurred or not. For each financial year, the Shire must make an informed judgement as to who is considered to be a related party and what transactions need to be considered, when determining if disclosure is required.

Determining the disclosures to be made about those items in the general purpose financial statements for the purpose of complying with the AASB 124

Generally, related party disclosures in the annual financial reports are reported in aggregate and as such, individuals are not specifically identified nor a specific transaction. Management is required to exercise judgement in determining the level of detail to be disclosed based on the nature of a transaction or collective transactions and materiality.

Individuals may be specifically identified and separate disclosure may be necessary for an understanding of the effects of related party transactions on the financial statements, if the disclosure requirements of AASB 124 so demands.

## SOMEWHERE

## AASB 124 – “RELATED PARTY DISCLOSURES”

## AASB 2015-6

This Standard was issued in March 2015 and extends the Scope of AASB 124 *Related Party Disclosures* to include application by not-for-profit entities.

Operative Date for Local Government: 1 July 2016 (effectively for the year ended 30 June 2017).

Comparatives: No comparatives will be required to be presented in the period of initial implementation.

## AASB 124

## SUMMARY

## APPLICATION AND SCOPE

## AASB 124.2

This standard is applied in:

- Identifying related party transactions and relationships;
- Identifying outstanding balances including commitments between an entity and its related parties;
- Identifying circumstances in which disclosure of the above items are required;
- Determining the disclosures to be made about those items.

## PURPOSE OF RELATED PARTY DISCLOSURES

## AASB 124.5 TO 124.8

Knowledge of related party transactions, outstanding balances and relationships is important to understanding and assessing an entity's operations.

## DEFINITIONS

## AASB 124.9 TO 124.12

Definitions include related party, compensation, control, key management personnel, director and remuneration as well as some explanations and clarifications.

## DISCLOSURE

## AASB 124.13 TO 124.27

Includes:

- Relationships between parents and subsidiaries of the entity, regardless of whether there have been any transactions between the related parties (may be applicable to local government under new legislation);
- Information about key management personnel compensation in total and for certain categories;
- Certain information about transactions between related parties and any outstanding balances at reporting date for each type of related party; and
- Information about government-related entities.

## ILLUSTRATIVE EXAMPLES

Includes illustrative examples – one specifically relating to a Councillor of a local government.



## KEY REQUIREMENTS OF AASB 124

### AASB 124.17

A local government shall disclose key management personnel compensation in total and for each of the following categories:

- a) Short-term employee benefits;
- b) Post-employment benefits;
- c) Other long-term benefits;
- d) Termination benefits; and
- e) Share-based payment.

### AASB 124.18

If the local government has had related party transactions during the periods covered by the financial statements, it shall disclose the nature of the related party relationship as well as information about those transactions and outstanding balances, including commitments, necessary for users to understand the potential effect of the relationship on the financial statements. These disclosure requirements are in addition to those in paragraph 17. At a minimum, disclosures shall include:

- a) The amount of the transactions;
- b) The amount of outstanding balances, including commitments, and
  - i. their terms and conditions, including whether they are secured, and the nature of the consideration to be provided in settlement; and
  - ii. details of any guarantees given or received;
- c) Provisions for doubtful debts related to the amount of outstanding balances; and
- d) The expense recognised during the period in respect of bad or doubtful debts due from related parties.

### AASB 124.18A

Amounts incurred by the local government for the provision of key management personnel services that are provided by a separate management entity shall be disclosed.

### AASB 124.19

The disclosures required by paragraph 18 should be made separately for each of the following categories:

- a) The parent;
- b) Entities with joint control or significant influence over the entity;
- c) Subsidiaries;
- d) Associates;
- e) Joint ventures in which the entity is a venturer;
- f) Key management personnel of the entity or its parent; and
- g) Other related parties.



## SOMEWHERE

### AASB 124 – “RELATED PARTY DISCLOSURES”

#### DISCLOSURES (CONTINUED)

##### AASB 124.21

The following are examples of transactions that are disclosed if they are with a related party:

- a) purchases or sales of goods (finished or unfinished);
- b) purchases or sales of property and other assets;
- c) rendering or receiving of services; and
- d) leases.

##### AASB 124.23

Disclosures that related party transactions were made on terms equivalent to those that prevail in arm's length transactions are made only if such terms can be substantiated.

##### AASB 124.24

Items of a similar nature may be disclosed in aggregate except when separate disclosure is necessary for an understanding of the effects of related party transactions on the financial statements of the local government.

#### RELEVANT DEFINITIONS

##### AASB 124.9

##### **Related Party:**

A person or entity that is related to the local government that is preparing its financial statements.

A person or a close member of that person's family is related if that person:

- i. (not applicable to local government);
- ii. Has significant influence over the reporting entity; or
- iii. Is a member of the key management personnel of the reporting entity.

An entity is related if any of the following conditions applies:

- i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others) - may be applicable; or
- ii. A person ..... is a member of the key management personnel of the entity.

**Note: Many of the other conditions listed in this paragraph do not apply and we have chosen, for the sake of clarity, not to list them here.**

##### **Related Party Transaction:**

A transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.





### AASB 124 – “RELATED PARTY DISCLOSURES”

#### RELEVANT DEFINITIONS (CONTINUED)

##### **Close Members of the Family of a Person:**

Those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- a) That person’s children and spouse or domestic partner;
- b) Children of that person’s spouse or domestic partner; and
- c) Dependants of that person or that person’s spouse or domestic partner.

##### **Compensation**

Includes all employee benefits – refer to content of AASA 124.9 for specific details.

##### **Key Management Personnel**

Those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

In the case of local government will include all Councillors and Senior Staff.

Senior Staff would include the CEO, deputy CEO and any staff member at a Director or Executive Manager level.

In the case of rural/regional local governments, there would also be the need to include the works supervisor, health inspector, planning officer where they have direct responsibility for an operational area of local government.

#### SUBSTANCE OVER FORM

##### AASB 124.10

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

#### CLARIFICATIONS

##### AASB 124.11

In the context of AASB 124, the following are not related parties:

- a) Two entities simply because they have a member of key management personnel in common or because a member of key management personnel of one entity has significant influence over the other entity.
- b) Two joint ventures simply because they share joint control over a joint venture.
  - i. providers of finance,
  - ii. trade unions,
  - iii. public utilities, and
  - iv. departments and agencies of a government that does not control, jointly control or significantly influence the local government.
  - v. simply by virtue of their normal dealings with the local government (even though they may affect the freedom of action of a local government or participate in its decision-making process).
- c) A customer, supplier, franchisor, distributor or general agent with whom the local government transacts a significant volume of business.



## SOMEWHERE

### AASB 124 – “RELATED PARTY DISCLOSURES”

#### EXAMPLE DISCLOSURE

**NOTE:** Such disclosure is not required until the year ended 30 June 2017. The City/Town/Shire of Somewhere model will be adjusted to incorporate the disclosure requirements of AASB 124 at that time.

The purpose of this example disclosure is to provide information and guidance with respect to upcoming requirements.

They are in addition to existing disclosure requirements which will be adjusted at the time.

For example, if material, certain disclosures relating to sales of goods, assets etc are already made elsewhere in the financial report and can easily be expanded to include a line item for related parties.

We have also only provided examples of those relating to local government with a comment on their likelihood.

Please see pages 6 and 7 for example disclosure.



## SOMEWHERE

## AASB 124 – “RELATED PARTY DISCLOSURES”

## EXAMPLE DISCLOSURE

**Key Management Personnel Compensation Disclosure**

The totals of remuneration paid to KMP of the City/Town/Shire during the year are as follows:

	2017	2016
	\$	\$
<i>AASB 124.17(a)</i> Short-term employee benefits	AAA	EEE
<i>AASB 124.17(b)</i> Post-employment benefits	BBB	FFF
<i>AASB 124.17(c)</i> Other long-term benefits	CCC	GGG
<i>AASB 124.17(d)</i> Termination benefits	DDD	HHH
Total KMP compensation	<u>ZZZ</u>	<u>XXX</u>

**Short-term employee benefits**

These amounts include all salary, paid leave benefits, fringe benefits and cash bonuses awarded to KMP.

Details in respect to fees and benefits paid to Councilors may be found at Note XX.

**Post-employment benefits**

These amounts are the current-year's estimated cost of providing for the City/Town/Shire's superannuation contributions made during the year.

**Other long-term benefits**

These amounts represent long service benefits accruing during the year.

**Termination benefits**

These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given year).



## SOMEWHERE

## AASB 124 – “RELATED PARTY DISCLOSURES”

## EXAMPLE DISCLOSURE (CONTINUED)

**Related Party Transactions Detail Disclosure****Related Parties****The City/Town/Shire’s main related parties are as follows:**i. *Key management personnel:*

AASB 124.9, 18

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Councilor, are considered key management personnel.

ii. *Entities subject to significant influence by the City/Town/Shire*

AASB 124.9, 18

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

For details of interests held in associated entities, refer to Note X.

iii. *Joint venture entities accounted for under the equity method:*

AASB 124.9, 18

The Group has a 50% interest in Somewhere Regional Council. The interest in the joint venture entity is accounted for in these financial statements using the equity method of accounting. For details of interests held in joint venture entities, refer to Note YY.

**Transactions with related parties:**

AASB 124.23

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

2017

\$

**Associated companies/individuals:**

Sale of goods and services

Likely

Purchase of goods and services

Likely

**Joint venture entities:**AASB 124.18(a),  
19(e), 21(g)

Distributions received from joint venture entities

Possible

**Amounts outstanding from related parties:**

Trade and other receivables

Possible

AASB 124.19(d),  
21(g)

Loans to associated entities

Possible but highly unlikely

AASB 124.19(f)

Loans to key management personnel

Possible but highly unlikely

**Note: If loans of this nature are provided, then details relating to terms and conditions should be disclosed in narrative form.**

**Amounts payable to related parties:**

Trade and other payables:

AASB 124.19(d),  
21(g)

Loans from associated entities

Possible



## SOMEWHERE

### AASB 124 – “RELATED PARTY DISCLOSURES”

#### IMPLEMENTATION GUIDANCE

Implementation and guidance applying to public sector entities (ie local government) forms an integral part of AASB 124.

Some key paragraphs to assist with interpretation have been extended and are detailed (unaltered) as follows:

#### KEY MANAGEMENT PERSONNEL

##### AASB 2015-6. IG 3

Paragraph 9 of the Standard defines key management personnel as being those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the entity. In a public sector context, entities should consider the facts and circumstances in assessing whether a person is a member of the key management personnel, as defined, of the entity. For example, the facts and circumstances may reflect that not all persons described as ‘senior executive staff’ or ‘Secretary’ or ‘Minister’ may be key management personnel of the entity. Similarly, in relation to a not-for-profit public sector entity, the facts and circumstances may reflect that a person’s powers do not give rise to a capacity to direct or control the activities of an entity, where the powers are only ceremonial or procedural in substance.

#### RELATED PARTY TRANSACTIONS

##### AASB 2015-6. IG 9

Paragraph 18 of the Standard requires an entity to disclose information about transactions that have occurred between the entity and its related parties, including transactions between the entity and its key management personnel or key management personnel of the entity’s parent, that is necessary for users to understand the potential effect of the relationship on the financial statements.

##### AASB 2015-6. IG 10

Ministers, councillors and other senior public servants may qualify as a related party of a public sector entity under one or more of the criteria set down in paragraph 9(a) of the definition of ‘related party’ in AASB 124. For example, a Minister who is a member of the key management personnel of his government is, under the definition of ‘related party’, a related party not only of the government but also of each controlled entity of that government. In such instances, the Standard requires the controlled government entity to disclose related party transactions with that Minister, whether or not the Minister has responsibility for the entity.

##### AASB 2015-6. IG 11

A related party transaction is a transfer of resources, services or obligations between an entity and its related party, regardless of whether a price is charged. In the not-for-profit public sector, many entities are likely to engage frequently with persons who are a related party of that entity in the course of delivering the entity’s public service objectives, including the raising of funds (for example, rates and taxes) to meet those objectives. These related party transactions often occur on terms and conditions no different to those applying to the general public (for example, the Medicare rebate or public school fees). A not-for-profit public section entity may determine that information about related party transactions occurring during the course of delivering its public service objectives and which occur on no different terms to that of the general public is not material for disclosure in its general purpose financial statements is included in AASA 101 “Presentation of Financial



Statements and AASA 108 "Accounting Policies, Changes in Accounting Estimates and Errors. The factors described in paragraph 27 of the Standard may also assist an entity in making this determination.

## SOMEWHERE

### AASB 124 – "RELATED PARTY DISCLOSURES"

#### IMPLEMENTATION GUIDANCE (CONTINUED)

##### AASB 2015-6. IG 12

Examples 7-8 describe different types of related party transactions that may occur between not-for-profit public sector entities and their related parties.

##### Example 7

Councillor P is a member of the key management personnel of the LMN local government (the Council). The Council's functions include raising revenue to fund its functions and activities, and planning for and providing services and facilities (including infrastructure) for the local community. In carrying out its functions, the Council undertakes a wide range of activities including the imposition of rates and charges upon constituents, and the provision without charge of services such as parks and roads.

Councillor P is a ratepayer residing within the Council's constituency. As such, he takes advantage of the availability of free public access to local parks and libraries. Councillor P also used the swimming pool at the Council's Recreation Centre twice during the financial year, paying the casual entry fee applicable to the general public each time. The recreation centre has approximately 20,000 visitors each financial year.

All of the transactions described above between the Council and Councillor P are related party transactions of the Council and are considered for disclosure in the Council's general purpose financial statements. Based on the facts and circumstances described, the Council may determine that these transactions are unlikely to influence the decisions that users of the Council's financial statements make having regard to both the extent of the transactions, and that the transactions have occurred between the Council and Councillor P within a public service provider/taxpayer relationship.

**Note: Example 8 was not included as it does not relate to local government.**



## SOMEWHERE

### AASB 124 – “RELATED PARTY DISCLOSURES”

#### BASIS FOR CONCLUSIONS

Whilst not forming part of the standard, the AASB has provided explanations in respect to their conclusions. We have extracted (unaltered) some key bases (as they relate to local government).

#### DEFINITION OF KEY MANAGEMENT PERSONNEL

##### AASB 2015-6. BC 8

The Board considered whether an amendment of the definition of key management personnel for the not-for-profit public sector would be necessary to facilitate a decision to remove the not-for-profit public sector exemption from AASB 124, but decided that the present definition was suitable. The AASB noted that, in a public sector context, entities should consider the facts and circumstances in assessing whether a person is a member of the key management personnel, as defined, of the entity.

##### AASB 2015-6. BC 9

The Board considered that normally, the determination of key management personnel will be similar for entities in the public sector or the private sector. For example, a not-for-profit public sector entity will need to determine whether all, or only certain, of its senior executive service employees meet the definition of key management personnel. However, the Board acknowledged constituents' concerns that the determination of key management personnel may not be straightforward in the not-for-profit public sector given ministerial type roles. The Board noted that it does not regard a Minister to always be a member of the key management personnel of a not-for-profit public sector entity or of a for-profit public sector entity; rather, this is dependent on the particular circumstances of the jurisdiction and of the entity. Accordingly, the Board decided to add guidance to the Standard, in the absence of a private sector analogy, to assist public sector entities in applying the definition of key management personnel to Ministers, as ministerial-type roles do not usually arise in a private sector.

##### AASB 2015-6. BC 17

The Board noted that, as is often the case with related party transactions, judgement would be required as to when transactions are material, especially when qualitative assessments are made about the nature of transactions. The Board considered situations in which Ministers or local government councillors paid taxes, levies or other statutory charges or fees faced generally by citizens. The Board does not expect, absent unusual circumstances, that the application of materiality would result in disclosure in many of these situations. In contrast, a commercial contract entered into by a Minister or local government councillor with a related public sector entity may be relevant for disclosure, similar to a commercial contract between a member of the key management personnel of a for-profit entity and the reporting entity (for example, a contract to provide accountancy services between the entity and an entity controlled by a member of the key management personnel). Accordingly, the Board observed that a not-for-profit public sector entity would also need to apply judgement in determining the extent of information it needs to collect to meet the objective of AASB 124, as there is little value in an entity incurring significant costs to obtain data that is immaterial for disclosure. The Board noted that it would expect appropriate criteria to be identified so that information about transactions that are possible material (for example, transactions that have occurred at a different price or volume to that applying to the general public) is captured for assessment.



## SOMEWHERE

### AASB 124 – “RELATED PARTY DISCLOSURES”

#### DEFINITION OF KEY MANAGEMENT PERSONNEL (CONTINUED)

##### AASB 2015-6. BC 18

Having regard to the role of materiality, the Board decided that no specific exemption from disclosure of the related party transactions with key management personnel of a not-for-profit public sector entity, including any Ministers or local government councillors where so identified, was necessary. However, to respond to constituents’ requests for clarification on the extent of disclosures required of related party transactions that occur in the not-for-profit public sector, the Board decided to add implementation guidance to AASB 124 to assist not-for-profit public sector entities in this regard.

#### APPLICATION DATE AND TRANSITIONAL PROVISIONS

##### AASB 2015-6. BC 30

The Board considered the application date and transitional provisions of the amendments to extend the scope of AASB 124 to include not-for-profit public sector entities. The Board acknowledged constituent concerns about the ability of existing systems, processes and controls to capture the information required, and requests for a lengthy transition period prior to mandatory application of the amendments.

##### AASB 2015-6. BC 31

The Board was disinclined to unnecessarily further extend the period to which these amendments are on issue before mandatory application, having made its key decisions on the amendments in 2012, and as the finalised amendments are largely as were exposed. Further, the Board noted that Australian Implementation Guidance to AASB 10 Consolidated Financial Statements relating to the application of control by not-for-profit entities had been issued by the Board in October 2013. The Board also noted that the forthcoming issue of an amending standard extending the scope of AASB 124 to not-for-profit public sector entities has been signalled in its publicly available work program. Accordingly, the Board decided that the amendments should apply to annual reporting periods beginning on or after 1 July 2016.

##### AASB 2015-6. BC 32

However, having regard to constituent concerns, the Board decided not to require comparative related party disclosures to be presented in the period of initial application of the amendments.





## SOMEWHERE

## AASB 124 – “RELATED PARTY DISCLOSURES”

## BUSINESS OPERATING PROCEDURE

## Corporate Services/Governance &amp; Finance

## Procedure Number XXX

## PROCEDURE FOR RELATED PARTY DISCLOSURES

The scope of AASB 124 *Related Party Disclosures* was extended in July 2015 to include application by not-for-profit entities, including local governments. The operative date for Local Government is 1 July 2016, with the first disclosures to be made in the Financial Statements for year ended 30 June 2017. This procedure outlines required mechanisms to meet the disclosure requirements of AASB 124.

## BACKGROUND

The objective of the standard is to ensure that an entity's financial statements contain disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and transactions.

The disclosure requirements apply to the existence of relationships regardless of whether a transaction has occurred or not. For each financial year, the *Shire/Town/City* must make an informed judgement as to who is considered to be a related party and what transactions need to be considered, when determining if disclosure is required.

The purpose of this procedure is to stipulate the information to be requested from related parties to enable an informed judgement to be made.

## 1. Identification of Related Parties

AASB 124 provides that the *Shire/Town/City* will be required to disclose in its Annual Financial reports, related party relationships, transactions and outstanding balances.

Related parties includes a person who has significant influence over the reporting entity, a member of the key management personnel (KMP) of the entity, or a close family member of that person who may be expected to influence that person.

KMP are defined as persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

For the purposes of determining the application of the standard, the *Shire/Town/City* has identified the following persons as meeting the definition of *Related Party*:

- An elected Council member
- Key management personnel being a person employed under section 5.36 of the Local Government Act 1995 in the capacity of Chief Executive Officer or Director
- Close members of the family of any person listed above, including that person's child, spouse or domestic partner, children of a spouse or domestic partner, dependents of that person or person's spouse or domestic partner.
- Entities that are controlled or jointly controlled by a Council member, KMP or their close family members. (Entities include companies, trusts, joint ventures, partnerships and non-profit associations such as sporting clubs).

The *Shire/Town/City* will therefore be required to assess all transactions made with these persons or entities.



## SOMEWHERE

## AASB 124 – “RELATED PARTY DISCLOSURES”

## 2. Identification of related party transactions

A related party transaction is a transfer of resources, services or obligations between the **Shire/Town/City** (reporting entity) and the related party, regardless of whether a price is charged.

For the purposes of determining whether a related party transaction has occurred, the following transactions or provision of services have been identified as meeting this criteria:

- Paying rates
- Fines
- Use of **Shire/Town/City** owned facilities such as [Recreation Centre, Civic Centre, library, parks, ovals and other public open spaces (whether charged a fee or not)]
- Attending council functions that are open to the public
- Employee compensation whether it is for KMP or close family members of KMP
- Application fees paid to the **Shire/Town/City** for licences, approvals or permits
- Lease agreements for housing rental (whether for a **Shire/Town/City** owned property or property sub-leased by the **Shire/Town/City** through a Real Estate Agent)
- Lease agreements for commercial properties
- Monetary and non-monetary transactions between the **Shire/Town/City** and any business or associated entity owned or controlled by the related party (including family) in exchange for goods and/or services provided by/to the **Shire/Town/City** (trading arrangement)
- Sale or purchase of any property owned by the **Shire/Town/City**, to a person identified above.
- Sale or purchase of any property owned by a person identified above, to the **Shire/Town/City**
- Loan Arrangements
- Contracts and agreements for construction, consultancy or services

Some of the transactions listed above, occur on terms and conditions no different to those applying to the general public and have been provided in the course of delivering public service objectives. These transactions are those that an ordinary citizen would undertake with council and are referred to as an Ordinary Citizen Transaction (OCT). Where the **Shire/Town/City** can determine that an OCT was provided at arms length, and in similar terms and conditions to other members of the public and that the nature of the transaction is immaterial, no disclosure in the annual financial report will be required.

## 3. Disclosure Requirements

For the purposes of determining relevant transactions in point 2 above, elected Council members and key management personnel as identified above, will be required to complete a *Related Party Disclosures - Declaration* form for submission to financial services.

## Ordinary Citizen Transactions (OCTs)

Management will put forward a draft resolution to Council annually, declaring that in its opinion, based on the facts and circumstances, the following OCT that are provided on terms and conditions no different to those applying to the general public and which have been provided in the course of delivering public service objectives, are unlikely to influence the decisions that users of the Council's financial statements make. As such no disclosure in the quarterly *Related Party Disclosures - Declaration* form will be required.



## SOMEWHERE

### AASB 124 – “RELATED PARTY DISCLOSURES”

- Paying rates
- Fines
- Use of *Shire/Town/City* owned facilities such as Recreation Centre, Civic Centre, library, parks, ovals and other public open spaces (whether charged a fee or not)
- Attending council functions that are open to the public

Where these services were not provided at arms length and under the same terms and conditions applying to the general public, elected Council members and KMP will be required to make a declaration in the *Related Party Disclosures - Declaration* form about the nature of any discount or special terms received.

#### All other transactions

For all other transactions listed in point 2 above, elected Council members and KMP will be required to make a declaration in the *Related Party Disclosures - Declaration* form.

#### Frequency of disclosures

Elected Council members and KMP will be required to complete a *Related Party Disclosures - Declaration* form each quarter.

Disclosures must be made by all Councillors immediately prior to any ordinary or extraordinary election. Disclosures must be made immediately prior to the termination of employment of/by a KMP.

#### Confidentiality

All information contained in a disclosure return, will be treated in confidence. Generally, related party disclosures in the annual financial reports are reported in aggregate and as such, individuals are not specifically identified. Notwithstanding, management is required to exercise judgement in determining the level of detail to be disclosed based on the nature of a transaction or collective transactions and materiality. Individuals may be specifically identified, if the disclosure requirements of AASB 124 so demands.

#### 4. Materiality

Management will apply professional judgement to assess the materiality of transactions disclosed by related parties and their subsequent inclusion in the financial statements.

In assessing materiality, management will consider both the size and nature of the transaction, individually and collectively.

#### Associated Regulatory Framework

*AASB 124 Related Party Disclosures*

*Local Government Act 1995*

*Local Government (Financial Management) Regulations 1996*

#### Associated Policies

*Include if relevant*

#### Further Information

*Related Party Disclosures - Declaration form*



## SOMEWHERE

### AASB 124 – “RELATED PARTY DISCLOSURES”

**Review Responsibility**

*Coordinator Financial Services*

Date Adopted: XX

Review Required: As Required

Review Undertaken: XX

\_\_\_\_\_  
Chief Executive Officer                      Date                      Approved / Not Approved



## SOMEWHERE

### AASB 124 – “RELATED PARTY DISCLOSURES”

#### Close Family Members

Close family members include:

- a child, spouse or domestic partner;
- children of your spouse or domestic partner;
- dependents of you or your spouse or domestic partner;
- any other close family member;

who may be expected to influence, or be influenced by, your dealings with the council.

The following table may assist you in identifying your close family members:

Definitely a close family member	May be a close family member
Your spouse/domestic partner	Your brothers and sisters, if they could be expected to influence or be influenced by you in their dealings with council
Your children	Your aunts, uncles and cousins, if they could be expected to influence or be influenced by you in their dealings with council
Your dependants	Your parents and grandparents, if they could be expected to influence or be influenced by you in their dealings with council
Children of your spouse/domestic partner	Your nieces and nephews, if they could be expected to influence or be influenced by you in their dealings with council
Dependants of your spouse/domestic partner	Any other member of your family if they could be expected to influence or be influenced by you in their dealings with council

There may be relationships that a council has which are not identified in this appendix but still meet the definition of a related party.

#### Example: Cousin of Councillor

A Councillor for the *Shire/Town/City* has lived in the *Shire/Town/City* her whole life. In fact her family has been in the area for generations.

The Councillor’s cousin, owns and operates the local newsagent through a company ABC Pty Ltd, in which she owns 100% of the shares. The Councillor and her cousin have always been close and regularly socialise together.

From these facts it would appear that the Councillor’s cousin is a close family member of the Councillor because she would be expected to influence, or be influenced by, that person in her dealings with Council.

Both the cousin and the company she controls, ABC Pty Ltd would therefore be related parties of Council.

Any transactions that the Council makes with the newsagent would need to be separately identified and may need to be disclosed.



## SOMEWHERE

### AASB 124 – “RELATED PARTY DISCLOSURES”

#### Control in entities

What is an entity that I, or my close family member, control or jointly control?

Entities include companies, trusts, incorporated and unincorporated associations such as clubs and charities, joint ventures and partnerships.

You control an entity if you have

- a) power over the entity;
- b) exposure, or rights, to variable returns from involvement with the entity; and
- c) the ability to use your power over the entity to affect the amount of your returns.

To jointly control an entity there must be contractually agreed sharing of control of the entity, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

In some cases it will be obvious that you or a family member control or have joint control over an entity. In other cases it will be less clear.

In some cases it will be obvious that you or a family member control or have joint control over an entity. In other cases it will be less clear.

If you are unsure whether you, or a close family member, has control or joint control of an entity then you should contact the Manager Financial Services for a confidential discussion.

#### Example: Clubs or other incorporated bodies

(A *Shire/Town/City* Councillor is the President of a local football club)

A *Shire/Town/City* Councillor is the President of *Shire/Town/City* Football Club Inc, the local football club. This club is overseen by a committee which comprises the President and four other committee members. Each member has a single vote when making decisions at meetings. The committee members are not related and do not have agreements to vote with one another. The club has over 100 members that each have a vote in electing the committee members at the club’s annual general meeting.

From these facts it would appear that the Councillor does not control or jointly control the football club so it will not be a related party of Council just because the Councillor is the president of the club.



## SOMEWHERE

## AASB 124 – “RELATED PARTY DISCLOSURES”

## Other examples

**Example 1 (Audit committee member)**

*Shire/Town/City of Anywhere's* audit committee comprises two Councillors and a local retired accountant, Fred. Fred has no other connection with the council.

The audit committee attends to the functions as required under the *Audit Regulations*. It does not make any decisions on behalf of the council but simply provides reports, with recommendations, for the Mayor and councillors to consider.

Based on the facts outlined Fred would not be a KMP of council.

**Example 2 (Son of CFO employed by council)**

*Shire/Town/City of Anywhere* has recently employed Paul's son (George) in the Council's parks and garden's area. Paul is Council's Deputy Chief Executive Officer but was not involved in hiring George. This process was managed by the Director of Parks and Gardens and included an independent assessment process. Paul did not have any influence in George securing the job.

Paul has been identified as a KMP of council, which makes him a related party.

George will also be a related party of Council because he is a close family member of Paul. The recruitment process that was undertaken for George's position is irrelevant when assessing whether George is a related party.

**Example 3 (Cousin of Mayor - related party commonly known but omitted from declaration)**

Shelley, the Mayor of *Shire/Town/City of Nowhere* forgets to include her cousin Mavis, and Mavis' company, when she completes her KMP declaration.

It is commonly known in the community that Shelley and Mavis are close and that Shelley would be expected to influence, or be influenced by, Mavis in her dealings with Council and vice versa.

Mavis and her company are related parties of Council, even though Shelley omitted them from her declaration.

**Example 4 (Example of control)**

Fred is the Mayor of *Shire/Town/City of Nowhere* and owns 100% of the ordinary shares in *Shire/Town/City of Nowhere* Development Company Pty Ltd (the company). The ordinary shares are the only shares in the company that have voting rights.

Fred controls the company because he has the power to affect the company's decisions and the return that he will get from the company.

Fred will need to include the company on his related party declaration.



## SOMEWHERE

### AASB 124 – “RELATED PARTY DISCLOSURES”

#### Example 5 (Example of joint control)

Fred is the Mayor of *Shire/Town/City of Nowhere* and owns 50% of the ordinary shares in *Shire/Town/City of Nowhere* Development Company Pty Ltd (the company). Fred's brother Stan owns the other 50% of ordinary shares. Fred and Stan are the only Directors of the company and have equal voting rights on the board.

Fred and Stan have joint control of the company because any decisions require the unanimous consent of them both.

Fred will need to include the company on his related party declaration.





**SOMEWHERE**

**AASB 124 – “RELATED PARTY DISCLOSURES”**

**RELATED PARTY DISCLOSURES - DECLARATION**

*As per requirements of AASB 124 Related Party Disclosures, and Business Operating Procedure – Related Party Disclosures. For additional information to assist you in making a declaration, please refer to the Appendices to this form.*

The following declaration must be completed by all Council members, the CEO and Directors of the **Shire/Town/City** who were elected or employed at any time during the financial year.

<b>Disclosure Period (Quarter Ended):</b>	
<b>Person making disclosure:</b>	
<b>Position held by person: e.g. Councillor, Director</b>	

<b>1. CLOSE MEMBERS OF THE FAMILY (See Appendix 1)</b>	
<b>Name of Family Member</b>	<b>Relationship to you</b>
<i>If there has been no change since your last declaration, please complete “No Change”</i>	





SOMEWHERE

**AASB 124 – “RELATED PARTY DISCLOSURES”**

**3. ORDINARY CITIZEN TRANSACTIONS – NOT PROVIDED AT ARMS LENGTH**

Did you or any member of your close family use facilities provided at Recreation Centre, attend any event at the Civic Centre, or use any other council provided facility AND you received a discount or special terms that would not otherwise be offered to any other member of the public?

Name of person using the facility	Service/Facility used	Nature of transaction	Nature of discount or special conditions received.

Note: Recreation Centre membership provided as part of employment has been provided under the same terms as those memberships provided to the public.

**4. LEASING AGREEMENTS - DOMESTIC RESIDENTIAL**

Did you, a close family member or related entity, enter into a lease agreement with the *Shire/Town/City* (either as lessee or lessor) for the provision of a domestic rental property (Includes properties owned by the *Shire/Town/City* and privately owned properties sub-leased through the *Shire/Town/City* from a real estate agent)? Did you receive or provide a discount or special terms that would not otherwise be offered to any other member of the public?

Name of Person party to the lease	Property Address	Term of Lease & Weekly rent	Detail of any non-arms length conditions



SOMEWHERE

**AASB 124 – “RELATED PARTY DISCLOSURES”**

**5. LEASING AGREEMENTS - COMMERCIAL**

Did you, a close family member or related entity, enter into a commercial leasing agreement with the **Shire/Town/City** for the provision of a commercial property? Did you receive a discount or special terms that would not otherwise be offered to any other member of the public?

Name of person party to the lease	Property Address	Term of Lease & Weekly rent	Detail of any non-arms length conditions

**6. TRADING ARRANGEMENTS**

Were you or a close family member (as defined above) the owner of any business (or in a position to substantially control the business) that provided goods or services to the **Shire/Town/City**? Were those goods or services provided on the same terms and conditions as those available to any other customer? If not, please provide details of the specific terms provided to the **Shire/Town/City**.

Business name	Goods or services provided	Approximate value for the reporting period	Terms & conditions



SOMEWHERE

**AASB 124 – “RELATED PARTY DISCLOSURES”**

**7. OTHER AGREEMENTS (Construction, Consultancy, Service Contracts)**

Did you, a close family member or related entity, enter into any other agreements/arrangements with the **Shire/Town/City** (whether or not a price was charged)?

This may include (but is not limited to): construction contracts, consultancy services, service contracts (such as cleaning, maintenance, security).

For e.g. a company that a close family member controls, was awarded a contract with the **Shire/Town/City** for building a new office facility.

Name of person or business/company	Nature of agreement	Value of agreement	Terms & conditions



SOMEWHERE

**AASB 124 – “RELATED PARTY DISCLOSURES”**

**8. PURCHASE OF PROPERTY**

Did you, a close family member or related entity, purchase any property or other assets from the **Shire/Town/City?** (This may include vehicles or other plant items, land or buildings).

Was the purchase made at arms length (for e.g. at public auction), and on terms and conditions available to any other member of the public? If not, please provide details of the specific terms provided to you.

Name of person or entity name	Property purchased	Value of the purchase	Terms & conditions

**9. SALE OF PROPERTY**

Did you, a close family member or related entity, sell any property or other assets to the **Shire/Town/City?** (This may include vehicles or other plant items, land or buildings).

Was the sale made at arms length, and on terms and conditions available to any other member of the public? If not, please provide details of the specific terms provided.

Name of person or entity name	Property Sold	Value of the Sale	Terms & conditions



SOMEWHERE

**AASB 124 – “RELATED PARTY DISCLOSURES”**

**10. FEES & CHARGES FOR APPLICATIONS**

Did you, a close family member or related entity, make an application to Council for a trading, building, planning or development application, licence or approval, or any other type of permit or licence?

Name of person or entity name	Application type	Application and/or receipt number

**11. SELF SUPPORTING LOANS**

Did you, a close family member or related entity, enter into a loan agreement with the **Shire/Town/City**?  
For e.g. a club for which you have control (See Appendix 2 for example)

Name of person or entity name	Loan details	Value of the loan	Terms & conditions

**12. OTHER AGREEMENTS**

Please list any other agreement or arrangement you believe is a related party transaction and should be declared.

Name of person or business/company	Nature of agreement	Value of agreement	Terms & conditions



## SOMEWHERE

### AASB 124 – “RELATED PARTY DISCLOSURES”

I declare that all information and details provided in this form are true and correct to the best of my knowledge and belief and that no known relevant information has been omitted.

I have made this declaration after reading the information supplied by Council which details the meaning of the definitions to which this declaration relates.

SELECT OPTION 1:  Handwritten Signature

Signed: \_\_\_\_\_ Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

Once signed please provide to the **Manager Financial Services**.

OR

SELECT OPTION 2:  Electronic Signature

This form can be sent by email to the **Manager Financial Services** provided the email is sent by the person making the disclosure from their work or personal (e.g. Councillors) email account.





## 13.10.17.02 ATTENDANCE AT THE NATIONAL LOCAL ROADS AND TRANSPORT CONGRESS 2017

<b>File No:</b>	ADM
<b>Date of Meeting:</b>	26 October 2017
<b>Location/Address:</b>	N/A
<b>Name of Applicant:</b>	Cr Crute
<b>Name of Owner:</b>	N/A
<b>Author/s:</b>	Ian D'Arcy - CEO
<b>Authorising Officer:</b>	Ian D'Arcy - CEO
<b>Declaration of Interest:</b>	The author has no interest in this item
<b>Voting Requirements:</b>	Simple Majority
<b>Previous Report:</b>	N/A

### Summary of Item:

The item relates to Council acknowledgement of attendance by Cr Crute at the National Local Roads and Transport Congress 2017, being conducted in Albany from Monday 6<sup>th</sup> November to Wednesday 8<sup>th</sup> November 2017.

### Description of Proposal:

The conference program is outlined in **Attachment 13.10.17.02**.

### Background:

With Australia's transport system presently lagging and also projected to change (ie, current trialling of electric and automated vehicles) there is an increasing need for local government to keep abreast of and adapt to change in the face of:

- Community and industry demands;
- Rapid advances in technology;
- Decreases in road funding sources and availability;
- Changes in community expectation and need ; and
- Competing priorities for funding across an array of municipal services.

Accordingly, this conference presents an opportunity for Council to build on its present awareness and knowledge of the current and projected transport and road infrastructure landscape that will ensure the Shire of Brookton is adequately informed of the challenges that lay ahead in maintaining and improving its local road network.

### Consultation:

There has been no consultation in relation to this matter.

### Statutory Environment:

There is no specific statutory environment to this request.

### Relevant Plans and Policy:

Pertinent to this matter is 'Council Policy 1.16 - Training Sessions Conferences Meeting Seminars – Elected Members'.

The objective of Policy 1.16 is:

*“To encourage Council members to attend appropriate training sessions, conferences, meetings or seminars to assist them in gaining knowledge to perform their duties and detail the entitlements and financial commitments in relation to the attendance.”*

*Shire of Brookton, Agenda Ordinary Meeting of Council, 26 October 2017.*

Further, this Policy also states:

1. *Proposed attendance at any training sessions, conferences, meetings or seminars by an Elected Member beyond a 500 kilometre radius of Brookton shall be subject to special request to Council for endorsement. Such request must include and outline course.*

Given Albany is less than 500 kms from Brookton, it should be noted that registration of this course has already been made prior to this matter being presented to Council for noting.

The Policy advocates:

- a) Council will pay for registration, travel and accommodation costs, as well as breakfasts, evening meals and non-alcoholic beverages for Councillors during attendance at a conference; and
- b) Each Elected Member is required to present to Council a summary of their experience and learnings at the next available Corporate Briefing Forum following attendance at the conference.

#### **Financial Implications:**

Council has discretionary funding under COA E041020 - Job 326 (Elected Member Conference Expenses) of \$12,500 that can accommodate the cost of attendance to this forum, which is approximately \$800 inclusive of registration, accommodation (for one night), meals and travel.

#### **Risk Assessment:**

On assessment there is negligible risk in relation to this matter.

#### **Community & Strategic Objectives:**

This proposal generally aligns with the Shire of Brookton Strategic Community Plan 2013 – 2023 under:

*Outcome 3.2: Safe and well maintained transport infrastructure.*

*Strategy 3.2.1: Lobby the State government and Commercial Enterprises for sealing of priority roads.*

*Strategy 3.2.2: Collaborate with neighboring Shires to advocate funding for the development of the regional road network.*

*Outcome 5.1: Effective leadership and governance.*

*Strategy 5.1.1: Represent and promote the Shire in Regional, State and National forums.*

*Strategy 5.1.4: Strengthen the governance role of Councillors by informing, resourcing, skilling and supporting their role.*

#### **Comment**

Given the importance of the local road network projecting forward, and the need to keep abreast of changes to political priorities and funding availability, it is considered appropriate for Cr Crute (as Council's current Regional Road Representative) attend this forum.

#### **OFFICER'S RECOMMENDATION**

***That Council note Cr Crute's attendance at the National Local Roads and Transport Congress 2017, being conducted in Albany from Monday 6<sup>th</sup> November to Wednesday 8<sup>th</sup> November 2017, with the payment for the conference, travel and meal expenses to be taken from Elected Member Conference Expenses (COA E041020 - Job 326) in the 2017/18 budget.***

#### **Attachments**

***Attachments 13.10.17.02***

## National Local Roads and Transport Congress 2017

### Program

Monday 6 November	
10:30am	REGISTRATION Albany Entertainment Centre
11:00am	Albany Showcase and Tour, departing from the Albany Entertainment Centre
5:00pm	Welcome Reception, National Anzac Centre
Tuesday 7 November	
8:00 am	REGISTRATION Albany Entertainment Centre
8:45 am	OPENING ADDRESS Mayor David O'Loughlin, ALGA President
9:00 am	GOVERNMENT ADDRESS The Hon Darren Chester MP (invited), Minister for Infrastructure and Transport
9:30 am	KEYNOTE ADDRESS: TRANSPORT CHALLENGES AND OPPORTUNITIES FOR TOMORROW Russell White, Associate Principal, SMART Mobility & Connected Infrastructure, ARUP
10:00 am	MORNING TEA
10:30 am	IMPROVING FREIGHT PRODUCTIVITY Rational Freight and Supply Chain Strategy Inquiry Nicole Lockwood, Inquiry member WA Wheelbelt Case Study Cr Rick Storer, Chair North Regional Road Group TRANSIT Tool Update and Local Government Engagement Andrew Higgins, CDIRO
11:45 am	LUNCH (including 12:00pm Melbourne Cup)
1:00 pm	KEYNOTE ADDRESS: ROAD REFORM AND CMO Adrian Kemp, Founding Partner HoustonKemp Economists
1:30 pm	LOCAL ROADS AND BRIDGES – FIT FOR PURPOSE Next Generation Asset Management and Innovation - Government Peter Damen, Australian Road Research Board and Adrian Kemp, HoustonKemp Economists
2:30 pm	AFTERNOON TEA
3:00pm	ALBANY CASE STUDY Chair: Andrew Shape, CEO Albany City Council Andrew Duffield, WA Main Roads Nicholas Fertes, Chief Executive Officer Southern Port Authority David Capper, General Manager Operations, Co-operative Bulk Handling Limited Albany
4:00 pm	INTELLIGENT TRANSPORT INFRASTRUCTURE Peter White, General Manager, Transport Technology, Citrus Beach, Queensland Infrastructure

**13.09.17.03 LES MCMULLEN MEMORIAL RECREATION GRANTS FUND**

<b>File No:</b>	ADM 0176
<b>Date of Meeting:</b>	26 October 2017
<b>Location/Address:</b>	N/A
<b>Name of Applicant:</b>	N/A
<b>Name of Owner:</b>	N/A
<b>Author/s:</b>	Ian D'Arcy - CEO
<b>Authorising Officer:</b>	Ian D'Arcy - CEO
<b>Declaration of Interest:</b>	The author has no interest in this item
<b>Voting Requirements:</b>	Officer Recommendation 1 - 1/3 Council vote Officer Recommendation 2 - Absolute majority vote Officer Recommendation 3 - Absolute majority vote
<b>Previous Report:</b>	Report to Les McMullen Memorial Recreation Grants Committee 11 August 2017

**Summary of Item:**

The item relates to the proposed 'winding-up' of Les McMullen Memorial Recreation Grants Fund that, notwithstanding its effectiveness in supporting the local Brookton sports community, but is now depleted with limited residual funds remaining.

**Description of Proposal:**

This proposal seeks to bring to conclusion the Les McMullen Memorial Grants Funding Program by allocating the remaining funds to Shire of Brookton Sport and Recreation Reserve where it can be utilised for future sport and recreation infrastructure.

**Background:**

Leslie McMullen was a local identity and keen sportsman who enjoyed playing tennis, association cricket and golf. On his passing, Les McMullen bequeathed an amount of \$43,000 to benefit all sporting bodies in Brookton through a dedicated Memorial Recreation Grants Fund, to be administered by a number of trustees and Council representatives. In response the Council initially entrusted responsibility to its Recreation and Building Committee to administer the grant funding program under delegated authority in 1995. This committee has since been named the Les McMullen Memorial Grants Committee.

Notably, applications were traditionally called from local recreation groups and organisations in the month of February of each year, and ordinarily, were referred to the Les McMullen Memorial Recreation Grants Committee for assessment based on a matching funding and other qualitative criteria. However, due to a poor response in recent years the Council in June of this year resolved to vary the submission period allowing applications to be lodged at any time. This resulted in a small number of funding applications being submitted and awarded over the past few months. Additionally, some of the grant funds has also been allocated to perpetual honor boards to be installed in the WB Eva Pavilion, and new signage recognizing the generosity of Les McMullen toward the Brookton Sporting Community to be installed at the new cricket practice nets.

Accordingly, the Balance 7,223.79 of the fund was reduced with the following allocations being approved by the Committee:

- Brookton County Club \$1000.00
- Brookton Cricket Club \$1000.00

- Seabrook Cricket Club \$1000.00
- Life Member Board \$1000.00
- Premiership Board \$1000.00
- Les McMullen signage \$1,000.00 (guesstimate – no quotes sought)

Residual amount <b>\$1,223.79</b>
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Additionally, the position of ‘winding up’ the funding program was presented as an officer recommendation to the Les McMullen Memorial Recreation Grants Committee at its 11<sup>th</sup> August 2017. Effectively, the recommendation sought to:

1. Endorse the transfer all remaining residual funds (\$1,223.79) to the Shire of Brookton Sport and Recreation Reserve where it could be utilised for future sport and recreation infrastructure; and
2. Wind-up/close the Les McMullen Memorial Recreation Grants Funding Program, with the minutes recognising the generous contribution by the late Les McMullen in funding improvement to sport and recreational facilities of the betterment of the Brookton community.

However, the Committee held a different position on this matter where it resolved at the meeting as follows:

**Moved: Laurie Lupton                      Seconded: Cr Louise Allington**

***That the fund continue until a balance of less than \$200 remains, after which the balance be transferred to the Shire of Brookton Sport and Recreation Reserve where it will be utilised for future sport and recreation infrastructure.***

**CARRIED 4-0**

**Moved: Laurie Lupton                      Seconded: Cliff Fishlock**

***That the next grant round be capped at \$500 per application.***

**CARRIED 4-0**

In response to the Committee’s decisions (as outlined above), the CEO and Shire President has subsequently discussed and agreed that this matter should be referred to Council for further consideration given the associated cost implications for the Shire in administering the remaining residual grant funds.

**Consultation:**

As reflected above.

**Statutory Environment:**

Should Council support the officer recommendation it will need to formally revoke the Les McMullen Memorial Recreation Grants Committee’s motions pursuant to Section 5.25(1)(e) of the *Local Government Act, 1995* and Regulation 10 of the Local Government (Administration) Regulations, 1996 which requires an absolute majority vote of Council.

In this regard the Council must:

1. Move to accept a rescission or change of motion with the support of at least 1/3 of the Council, inclusive of the mover (Reg.10(1)(b); then
2. Move to rescind or change the motion by an absolute majority of Council (Reg.10(2)(b); and finally
3. Move a new motion.

**Relevant Plans and Policy:**

There are no specific policies applicable to winding up the Les McMullen Memorial Recreation Grants Fund.

**Financial Implications:**

As already indicated, the residual grant funding presently sits at \$1,223.79 with the Les McMullen Memorial Recreation Grants Committee resolving to accept maximum grant applications of up to \$500 until the remaining balance is reduced to less than \$200, upon which the program is to be brought to a conclusion.

In consideration of this position it is viewed that the Committee decisions may prove to be a financial burden. This position is formed on the understanding that at least 3 separate funding applications will require 2 or 3 Committee meetings to be called. Should this be correct it is anticipated the cost to the Shire in conducting the required Committee meetings (inclusive of administrative time to undertake evaluations and agenda reports, recoding of minutes, payment of funds, etc and the payment of sitting fees to least two Elected Members) would likely exceed the value of the respective grant applications, and waste productive officer time for negligible reward to the applicant.

**Risk Assessment:**

On assessment there is minor risk that the Council could incur an unnecessary loss both financially and productively.

**Community & Strategic Objectives:**

This proposal generally aligns with the Shire of Brookton Strategic Community Plan 2013 – 2023 under:

*Outcome 5.3: Effective and efficient corporate and administrative services.*

**Comment**

While it is appreciated the decisions of the Les McMullen Memorial Recreation Grants Committee has been made in the broad interest of supporting the various local sporting clubs and groups, from an officer perspective there no value in the Council continuing to administer a grant funding program if the process effectively constitutes a burden.

Therefore, it is recommended the Council:

- a) Rescind Committee's motions to continue the grants funding program;
- b) Resolve to redirect the residual funds of \$1,223.79 from the grants fund to the Shire of Brookton Sport and Recreation Reserve; and
- c) Thank the Les McMullen Memorial Recreation Grants Committee Members for their contribution in determining the many and deserving grant funding applications.

**OFFICER'S RECOMMENDATION 1**

***That Council accept to revoke the motions passed by the Les McMullen Memorial Recreation Grants Committee at its meeting on the 11<sup>th</sup> August 2017, as outlined in Officer Recommendation 2 below.***

(Min. 1/3 Council vote required)

**OFFICER'S RECOMMENDATION 2**

***That Council revoke the following motions passed by the Les McMullen Memorial Recreation Grants Committee at its meeting on the 11<sup>th</sup> August 2017:***

- 1. That the fund continue until a balance of less than \$200 remains, after which the balance be transferred to the Shire of Brookton Sport and Recreation Reserve where it will be utilised for future sport and recreation infrastructure.***
- 2. That the next grant round be capped at \$500 per application.***

(Absolute majority vote required)

**OFFICER'S RECOMMENDATION 3**

***That Council:***

- 1. Wind-up the Les McMullen Memorial Recreation Grants Funding Program with the remaining residual funds (\$1,223.79) being transferred to the Shire of Brookton Sport and Recreation Reserve to be utilised for future sport and recreation infrastructure;***
- 2. Write a letter of appreciation to the external members of the Les McMullen Memorial Recreation Grants Committee for their contribution over the years in determining the allocation of grants funding; and***
- 3. Formally recognise through this motion the generous contribution made by the late Les McMullen in funding improvement to sport and recreational facilities for the betterment of the Brookton sporting community.***

**14.10.17 ELECTED MEMBERS MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**

**15.10.17 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF MEETING**

**16.10.17 CONFIDENTIAL REPORTS**

**17.10.17 NEXT MEETING & CLOSURE**