



MINUTES

ORDINARY COUNCIL MEETING

25 MARCH 2014

COMMENCING AT 7:30 PM

**COUNCIL CHAMBERS
THE TOWN OF NARROGIN
89 EARL STREET
NARROGIN, WA 6312**

Meaning of and CAUTION concerning Council's "In Principle" support:

When Council uses this expression it means that: (a) Council is generally in favour of the proposal BUT is not yet willing to give its consent; and (b) Importantly, Council reserves the right to (and may well) either decide against the proposal or to formally support it but with restrictive conditions or modifications.

Therefore, whilst you can take some comfort from Council's "support" you are clearly at risk if you act upon it before Council makes its actual (and binding) decision and communicates that to you in writing.

Disclaimer:

"Warning - Verbal Information & Advice: Given the inherent unreliability and uncertainty that surrounds verbal communication, the Town strongly recommends that, if a matter is of importance to you, then you should NOT act upon or otherwise rely upon any VERBAL information or advice you receive from the Town unless it is first confirmed in writing."

These minutes were confirmed at the Ordinary Council meeting held on April 8th 2014.

Signed Date.....
(Presiding Member at the meeting at which minutes were confirmed)

ORDINARY COUNCIL MEETING MINUTES

25 March 2014

1. OFFICIAL OPENING/ANNOUNCEMENT OF VISITORS

The Mayor opened the meeting at 7:30pm.

2. RECORD OF ATTENDANCE/APOLOGIES/APPROVED LEAVE OF ABSENCE

Mayor Ballard

Cr Paternoster (Deputy Mayor)

Cr McKenzie

Cr Russell

Cr Schutz

Cr Bartron

Cr Ward

Mr Cook – Chief Executive Officer

Mr Bastow – Director of Corporate and Community Services

Mr Robinson – Director of Technical and Environmental Services

Ms French – Executive Assistant

Absent - Cr Kain

3. DECLARATION OF INTEREST BY ELECTED MEMBERS AND COUNCIL EMPLOYEES IN MATTERS INCLUDED IN THE MEETING AGENDA

Cr ward declared proximity interest 102.264

4. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil

5. PUBLIC QUESTION TIME

Nil

6. APPLICATIONS FOR LEAVE OF ABSENCE

Nil

7. CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

Council Resolution 0314.027

Moved: Cr Paternoster

Seconded: Cr Schutz

That Council:

Accept the minutes of the Ordinary Council Meeting held on 11 March 2014 and be confirmed as an accurate record of proceedings.

CARRIED 6/0

8. ANNOUNCEMENTS BY THE PERSON PRESIDING WITHOUT DISCUSSION

Nil

9. PETITIONS/DEPUTATIONS/PRESENTATIONS/SUBMISSIONS

NIL

10. MATTERS WHICH REQUIRE DECISIONS

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10.1 DEVELOPMENT AND TECHNICAL SERVICES

NIL

10.2 CORPORATE AND COMMUNITY SERVICE

10.2.262 NEXIS GALLERY COMMITTEE MEMORANDUM OF UNDERSTANDING

File Reference: 26.3.7
Disclosure of Interest: Member of Arts Narrogin Inc.
Applicant: NEXIS Gallery Management Committee
Previous Item Nos:
Date: 18 March 2014
Author: Susan Guy Manager of Leisure and Culture

Attachments:

- Letter from the Chairperson of NEXIS Gallery Committee requesting Council become a signatory to a Memorandum of Understanding (MOU)
- Draft MOU between the Town of Narrogin, the Nexis Gallery Committee, and Arts Narrogin

Summary:

Council is requested to:

- a) Review a draft Memorandum of Understanding (MOU) between the Town of Narrogin, the Nexis Gallery Committee, and Arts Narrogin; and
- b) Agree to the CEO signing this MOU, on behalf of the Town.

Background:

In July 2013 the Town of Narrogin CEO, Manager of Leisure and Culture and representatives of the NEXIS Gallery Committee met to discuss arrangements for the on-going management and use of the Narrogin Exhibition Space (NEXIS) and Lesser Hall for art exhibitions and installations. This meeting clarified a number of goals considered to be shared by the NEXIS Gallery Management Committee. It was resolved that the Committee draft in consultation with the Town, a MOU to provide a guiding framework for a partnership between the Town, the NEXIS Gallery Management Committee and Arts Narrogin Inc. to deliver gallery services to the Town , and ensure the effective use , and efficient management, of the Gallery space.

A request from the Chairperson of NEXIS Gallery has been made to Council to consider the now drafted MOU.

Comment:

For Councillors to appreciate the overall intent of the MOU, it is useful to review the Gallery's origins and the Town's history in working with the NEXIS Gallery Committee.

In 1953 the Town refurbished the Lesser Hall as a gallery to house its bequeathed Claude Hotchin's collection. A volunteer Gallery Committee formed at that time to manage the

gallery and its new collection, as well as to attract other exhibitions on behalf of the Town for the public's enjoyment. A Narrogin Art Collection grew through Council's support of a Narrogin Art Prize and through other gifts and purchases. Over the years a collaborative approach between the Town and the Committee saw grant funding received for touring exhibitions and annual arts programs.

The Town made provision in its annual budget for the cost of the Gallery's power and water utilities, insurance and maintenance and waived fees and charges on the premises. In turn, the Committee coordinated volunteers and contributed financially to the venue through fundraising activities. It purchased, upgraded and maintained equipment and facilities such as display boxes, lighting and a hanging system for the gallery, refurbished the gallery floorboards, periodically redecorated walls, installed new front doors and obtained a grant for a community arts project for the creation of decorative mosaics at the Gallery's entrance.

In 1999 the Gallery was awarded Regional B Class Gallery status allowing it to receive and exhibit many high quality shows and through the associated publicity and kudos, attract more patrons.

Notable in the Gallery's history is the following:

- The formation by the Town and surrounding Shire Councils of the Narrogin Arts Council Inc. to administer, manage and apply for funding for the various regional arts groups and organisations, including the Narrogin Gallery Committee.
- The appointment by the Town of a Community Arts Officer to work with the Arts Council and neighbouring Shires to facilitate arts events, including artists' residencies, community arts workshops and professional development for practising artists.
- The renaming of Narrogin Gallery as "NEXIS" (Narrogin Exhibition Space) as part of a move to inject new energy and create a contemporary image for the venue.
- The receipt of a grant by Town's Arts and Cultural Development Committee, which saw the engagement of a consultant to develop a Community Cultural Plan proposing a Regional Cultural Centre, incorporating the NEXIS Gallery, the Town Hall, the Regional Library and a new performing arts space.
- The Town Hall closure in 2009, requiring the suspension of exhibitions at NEXIS and the Committee going into recess.
- The cessation of the Town's Community Arts Officer position in 2010 which unwittingly weakened links between the Town and the Narrogin Arts Council Inc. so that the role of attracting to, and supporting arts and cultural activities in, Narrogin and its surrounds defaulted to volunteer organisations, including the Narrogin Arts Council Inc. (recently renamed as ARTS Narrogin Incorporated).
- The reopening of the NEXIS Gallery during the 2012 Spring Festival with the highly acclaimed WILD! Flowers from the Bush exhibition; presented by ARTS Narrogin and NEXIS volunteers. The exhibition was funded by a grant jointly written by the then Community Arts Officer and Chair of NEXIS and a local Volunteer Community Arts Coordinator in 2010 and was awarded in 2011.
- The reestablishment and reform of the NEXIS Gallery Management Committee in mid-2013 to formally address issues related to the NEXIS Gallery's management on behalf of the Town of Narrogin, including formalising the relationship and partnership with the Town and developing and managing an annual program of exhibitions and events at NEXIS.
- The presentation by the NEXIS Gallery Management Committee of a number of exhibitions for the Town including the Claude Hotchin Bequest and Town of Narrogin Art Prize Collection during the Arts Food and Wine Trail in May 2013.

With the signing of the MOU, the NEXIS Gallery Committee hopes to resume operating the NEXIS Gallery in partnership with the Town Council and with the support of Arts Narrogin Inc, so that this valuable cultural facility can be fully utilised for the benefit of the Narrogin and the region. The Committee is of the view it comprises capable and experienced volunteers, keen to present a full program of exhibitions to residents and visitors alike to enliven the artistic and creative life of Narrogin and its surrounds.

Consultation:

- Aaron Cook , CEO Town of Narrogin
- Karen Keeley, Chairperson on NEXIS Gallery Committee
- Deborah Hughes-Owen, Chairperson, ARtS Narrogin Inc.
- Ned Crossley, NEXIS Gallery Committee member

Statutory Environment: - Nil

Policy Implications: - Nil

Financial Implications: -Nil

Strategic Implications:

The Town of Narrogin's Corporate Business plan 2012/13 – 2016/17 includes a number of objectives, strategies and actions would be furthered by a collaborative partnership with the NEXIS Gallery Committee and Arts Narrogin Inc. aimed to effectively use and maintain the Town's B class regional gallery. These include:

- Strategy 1.5 - Support tourism, arts and sport initiatives, recognising the economic impact they provide to the businesses and general community;
- Key objective 2 - Community Development/Services. To promote, facilitate and partner with external organisations to ensure that Narrogin residents and community are engaged both mentally and physically through participation and involvement in a wide range of activities including Sports, Arts, Volunteering, Events and other social activities; and
- Strategy 2.6 - ... encourage and assist local arts groups to facilitate the development of Arts and Culture in Narrogin through the facilitation of events in the town .

Voting Requirements: Simple Majority

Council Resolution 0314.028

Moved: Cr Paternoster

Seconded: Cr McKenzie

That Council:

- a) Review a draft Memorandum of Understanding (MOU) between the Town of Narrogin, the Nexis Gallery Committee, and Arts Narrogin and:
- b) Agree to the CEO signing this MOU, on behalf of the Town

CARRIED 7/0

Secretary
NEXIS Committee
PO Box 1168
Narrogin WA
6312

To:
Aaron Cook
Chief Executive Officer
Town of Narrogin
PO Box 188
Narrogin WA
6312

Dear Aaron,

RE: Memorandum of Understanding (MOU) between the Town of Narrogin, the NEXIS Committee and ARTS Narrogin Committee

Please find attached an MOU between the Town of Narrogin, the NEXIS Committee and ARTS Narrogin regarding NEXIS (Narrogin Exhibition Space) to be presented to the next full Council meeting 25 March 2014.

The MOU sets out a framework for reciprocal arrangements between the Town of Narrogin, (**Owner** of the Narrogin Exhibition Space and Lesser Hall (also referred to as the Narrogin Reception Centre)), the NEXIS Committee (**Manager** of art exhibitions, installations and other interactive events in these venues) and ARTS Narrogin, (**Administrative support**) so that together, they may best serve the interests of residents of Narrogin and surrounding areas and promote the development and enjoyment of the arts in the region.

Could Council please consider the attached MOU to form an ongoing commitment and understanding between the three parties for the operation of NEXIS with the possibility of a review of the operation of the MOU at intervals of no more than two years, with a view to improving its operation and resolving any issues that arise?

Yours Sincerely,

Karen Keeley
Chairperson,
NEXIS Committee
18/3/2014

CC: Susan Guy Manager Leisure and Culture
Deborah Hughes-Owen Chairperson, ARTS Narrogin

DRAFT

NEXIS

NARROGIN EXHIBITION SPACE

Town Hall Cultural Centre, Narrogin

Memorandum of Understanding

A memorandum of Understanding between the

- Town of Narrogin,
- NEXIS Committee
- ARTS Narrogin

This memorandum of understanding sets out a framework for reciprocal arrangements between the Town of Narrogin, (**owner** of the Narrogin Exhibition Space and Lesser Hall (also referred to as the Narrogin Reception Centre)), the NEXIS Committee (**Manager** of art exhibitions, installations and other interactive events in these venues) and ARTS Narrogin, (**administrative support**) so that together, they may best serve the interests of residents of Narrogin and surrounding areas and promote the development and enjoyment of the arts in the region.

Memorandum of Understanding

NEXIS Narrogin Exhibition Space, (NEXIS) Town Hall Cultural Centre, Narrogin

Part 1 – Preliminaries

Impetus for this memorandum of understanding

In July 2013 representatives of the NEXIS Committee met with the Town of Narrogin CEO and the Manager of Leisure and Culture to discuss arrangements for the on-going management and use of the Narrogin Exhibition Space and Lesser Hall (NEXIS) for art exhibitions and installations. It was resolved that a Memorandum of Understanding be prepared as a guiding framework for the partnership between the NEXIS Committee and the Town of Narrogin to deliver gallery services and provide for the effective use and efficient management of the Gallery.

The meeting clarified a number of goals that are shared by the NEXIS Committee and The Town of Narrogin;

- To maintain the Town of Narrogin as a leader of arts and cultural development in the region.
- To enrich the cultural life of Narrogin and surrounds through the presentation of and support for the visual arts in all forms.
- To develop an enduring collaboration between the Town of Narrogin and the NEXIS Committee.
- To re-establish NEXIS as a venue to showcase the arts in our highly valued and recently refurbished exhibition space that has been maintained and added to over 50 years or more.
- To continue to improve facilities at NEXIS and maintain its status as a B class regional gallery.

PART 2 – OBJECTIVES

The object of this MOU is to set out a framework;

- for the ongoing operation and management of NEXIS so as to maintain the gallery's regional 'B' Class standing.
- for ongoing communication, cooperation and coordination between the parties so that, collectively and most effectively, each contributes to the presentation and enjoyment of visual arts through NEXIS. The parties to this understanding also recognise the need for ongoing communication, cooperation and coordination with one another to review and refine the terms and details of this understanding (refer to part 5).
- that sets out clearly the responsibilities of each party to the understanding, within each of their jurisdictions, to ensure effective and streamlined resource allocation for the effective management of the gallery into the future.

PART 3 – PARTIES TO THE UNDERSTANDING

The **Town of Narrogin** is responsible for providing facilities for the benefit of its ratepayers. Being a regional centre, Narrogin also provides services to the regional community and to visitors. The role of the Town of Narrogin is to support existing community involvement, encourage community leadership and promote self-reliance and initiative to achieve the objectives outlined in the Town of Narrogin Business plan.

The Town of Narrogin provides services to sport, arts and culture through such facilities as the Narrogin Leisure Centre, Narrogin Library and the Town Hall Cultural Complex. The Town is required to maintain adequate public liability insurance to cover instances of injury and illness to members of the public on council premises arising from negligent action by the Town of Narrogin.

NEXIS Committee is a volunteer, not-for-profit organisation and is responsible for organising, coordinating and curating an annual program of 8 – 10 exhibitions and fundraising events at the gallery each year. The committee solicits, processes and assesses applications to exhibit at NEXIS and arranges Gallery and exhibition bookings, curates shows and arranges gallery staff

ARtS Narrogin Inc. is a volunteer, not-for-profit organisation, which supports and facilitates innovative artistic and creative endeavour and promotes the production, performance and appreciation of various arts forms and culture in the Narrogin regional community. ARtS Narrogin produces a diverse and comprehensive annual events program, in association with various local and external arts presenters.

Through its efforts, ARtS Narrogin supports employment and wealth creation in the arts industry thereby contributing to local and regional economic growth.

PART 4 – ELEMENTS OF UNDERSTANDING

Element 1: Defining the Narrogin Exhibition Space (NEXIS)

NEXIS includes the entry foyer of the Lesser Hall and Gallery, the Gallery, the Lesser Hall and the Caretaker's room (now an art and equipment store room). All these spaces have been equipped by the NEXIS Committee to hang two dimensional works and to display sculptural and other three dimensional works.

The parties to this understanding acknowledge that the Lesser Hall has a dual function as a venue for community events and as a gallery space, however the Lesser Hall will generally be used by the NEXIS Committee only for occasional large shows during the year. Generally, the Gallery space and foyer will not be hired by Council for functions unrelated to exhibitions or other events managed by the NEXIS committee.

Element 2: Communication, cooperation and coordination

The Town of Narrogin and the NEXIS Committee agree to communicate, coordinate and cooperate with each other in regard to venue management, function bookings and gallery events in the Lesser Hall and gallery. A working group comprised of the Town of Narrogin Manager of Leisure and Culture, CEO and NEXIS Chair and secretary will oversee the communication, coordination and cooperation between the parties to this understanding to;

- develop an efficient system for scheduling functions and exhibitions to the satisfaction of all parties review and
- revise this MOU as required.

NEXIS Committee undertakes to inform Council of forthcoming exhibitions to ensure that the Gallery and, if necessary, the Lesser Hall may be booked to allow adequate time for set up prior to opening an exhibition and for pull down at its conclusion. So that arrangements can be made to safeguard works in exhibitions, NEXIS will inform Council of any exhibitions or installations that are likely to be incompatible with general use of the exhibition spaces so that necessary steps can be taken to prevent damage to works. Such steps could include restricting the hire of the hall to agreed functions only, function attendees are requested to respect the works and refrain from touching them and areas of the hall may be roped off to prevent access.

The NEXIS committee will maintain a record of minutes of meetings and report regularly to the ARTS Narrogin committee meetings and to the Manager of Leisure and Culture.

NEXIS Committee will provide annual reports to Council and ARTS Narrogin on the Gallery's income and expenditure, management and artistic programs.

NEXIS Committee will also maintain effective communication with ARTS Narrogin to coordinate its gallery program with ARTS Narrogin's broader program of arts and culture, to facilitate cross promotion, management of finances, and administrative support for the NEXIS Committee.

Element 3: Gallery management.

The Town of Narrogin remains responsible for the ongoing upkeep and maintenance of the building, including;

- structural improvements and building upgrades, including major redecoration
- cleaning of gallery spaces and toilets before and after NEXIS events
- provision of security arrangements

The Town of Narrogin will maintain building and contents insurance for gallery infrastructure and fittings.

The Town of Narrogin will maintain volunteer insurance to cover volunteers listed in the NEXIS volunteer register and working under the control and supervision of the Town's Manager of Leisure and Culture.

NEXIS Committee will assist this process by maintaining the Volunteer Register and Rosters and work closely with the Manager of Leisure and Culture to facilitate a safe working environment for volunteers.

NEXIS Committee undertakes to manage the gallery and oversee all the necessary arrangements to present continuous exhibitions, installations, and events in the Gallery and Lesser Hall with the exception of 4 weeks closure over the Christmas School Holiday period. In particular, NEXIS committee will;

- develop a program of 8 – 10 exhibitions and fundraising and social events each year
- negotiate and manage exhibition agreements with exhibiting artists and arts organisations
- coordinate and curate exhibitions
- liaise with the Manger of Leisure and Culture in regard to managing volunteer staff and gallery rosters

- market and promote NEXIS Events
- source funding and sponsorship to finance touring exhibitions, support the ongoing maintenance and improvement of gallery equipment and infrastructure
- collect commissions on sales and distribute earnings to artists
- arrange professional development for gallery volunteers, staff and curators and provide educational opportunities for local regional schools, tertiary institutions and the public.
- manage gallery infrastructure in the gallery and lesser hall
- maintain a clean and safe environment for public enjoyment of art

NEXIS may also

- market, promote and manage community arts projects and events in the gallery
- facilitate employment and local economic growth through professional development of local artists and arts workers in promotion, documentation, funding, and all aspects of curating and exhibiting art
- undertake fundraising events to maintain and upgrade NEXIS facilities, equipment and infrastructure
- raise funds and source sponsorship for prize money for exhibitions and art prize competitions.

Element 4: Financing the gallery.

The Town of Narrogin undertakes to provide the NEXIS Committee access to the gallery and lesser hall at no cost for the purpose of mounting exhibitions, installations, community arts workshops and fund raising events to develop the arts and their enjoyment in the region. To assist in this regard, the Town of Narrogin authorises the NEXIS committee to levy such charges and fees for the use of the gallery spaces that the committee considers reasonable. (Refer to Appendix 2)

The Town of Narrogin further undertakes to fund;

- utility costs associated with the running of the gallery (i.e. power and water)
- building maintenance
- relevant insurance cover (which may include public liability, building and contents and volunteer insurance)

The NEXIS committee will apply all income generated through gallery events to the presentation of future visual arts exhibitions. The NEXIS committee will apply for funding to support the presentation of visual arts exhibitions and installations in the gallery. Generally the NEXIS committee will apply for funding under the auspices of ARTS Narrogin, however from time to time may seek to apply under the auspices of the Town of Narrogin when that is deemed more appropriate.

Element 5: Public safety, liability for loss insurance and Governance.

The Town of Narrogin will

- invest in appropriate building security measures and an alarm system
- provide public liability insurance (NB artists remain responsible for insuring their own work.)

The NEXIS committee will report regularly to the ARTS Narrogin committee meetings and to the Manager of Leisure and Culture in regard to the status of its artistic program and financial position and gallery status.

ARTS Narrogin will provide administrative and managerial support by maintaining a separate ledger of accounts for the NEXIS Committee.

PART 5 – ADMINISTRATION ARRANGEMENTS

Commencement of this MOU

- This MOU will come into effect upon endorsement of the Narrogin Town Council at the Council meeting to be held on 25 March 2014.

Review and amendment of this MOU

- The parties will review the operation of this MOU at intervals of no more than two years, with a view to improving its operation and resolving any issues that arise.
- The NEXIS working group will review the MOU in December 2014 and amend it as required. The revised MOU will be presented for formal review by Council in December 2015, or earlier, if the parties to the agreement deem it necessary.

Dispute resolution

- Any party may give notice to one or all parties of a dispute concerning the operation of this MOU
- Where there is conflict or disagreement between any of the parties over any issue relating to or covered by this MOU, the parties will attempt to resolve the issue by negotiation in the first instance.
- If the dispute cannot be resolved between the parties, it will be referred to an independent arbitrator.

The parties have confirmed their commitment to this MOU as follows:

Signed for and on behalf of the **Town of Narrogin** by

.....

Aaron Cook
CEO, Town of Narrogin
Date:

Signed for and on behalf of **NEXIS Committee** by

.....

Karen Keeley
Chair, NEXIS Gallery Committee
Date:

Signed for and on behalf of **ARTS Narrogin** by

.....

Deborah Hughes-Owen
Chair, ARTS Narrogin
Date:

Appendices

Appendix 1

Town of Narrogin Business plan

In August 2013, the Narrogin Town Council adopted its Corporate Business plan 2012/13 – 2016/17. The Plan is based on a number of key guiding principles which include supporting existing Community involvement, encouraging community leadership and promoting self-reliance and initiative ¹. The plan includes a number of objectives, strategies and actions that the NEXIS Gallery Committee will contribute to by maintaining the Town's B class regional gallery including;

- Strategy 1.5 Support tourism, arts and sport initiatives, recognising the economic impact they provide to the businesses and general community ².
- Key objective 2 - Community Development/Services. To promote, facilitate and partner with external organisations to ensure that the Narrogin residents and community are engaged both mentally and physically through participation and involvement in a wide range of activities including Sports, Arts, Volunteering, Events and other social activities ³.
- Strategy 2.6 To encourage and assist local arts Groups to facilitate the development of Arts and Culture in Narrogin through the facilitation of events in the town ⁴.
- The Plan also aims to create opportunities to attract new residents, expand learning facilities, develop tourism and visitor opportunities ⁵.

¹ Town of Narrogin Corporate Business Plan 2013/14 – 2016/17 Key principles, p 4.

² Town of Narrogin Corporate Business Plan 2013/14 – 2016/17 Strategy 1.5, p 10.

³ Town of Narrogin Corporate Business Plan 2013/14 – 2016/17 Key Objective 2, p 14.

⁴ Town of Narrogin Corporate Business Plan 2013/14 – 2016/17 Strategy 2.6, p 17.

⁵ Town of Narrogin Corporate Business Plan 2013/14 – 2016/17 The Future Direction for Narrogin, p 5.

Appendix 2

Types of exhibitions and hire fees

NEXIS will facilitate and organise exhibitions which fall under 5 broad categories as outlined below.

TYPES OF EXHIBITIONS	EXAMPLES	COMMUNITY BENEFIT	REVENUE SOURCE	IN KIND CONTRIBUTION
'Survey' exhibitions and Art Prize Shows	Gathering Vision Narrogin Art Prize	Local Artist interest, Community exposure to contemporary art, sense of pride in local artists. Tourism/promotion of local region	Visitor donations Artist Entry Fees Sales commissions (25%)	Town of Narrogin – exhibition space hire, utilities and insurance NEXIS Volunteers (\$750/wk @\$25/h)
Curated Exhibitions, Solo and Group Exhibitions (Artist Initiated)	'Linked' by Kerrie Argent and Julia Sutton	Local Artist interest and exposure Opportunities to learn from artists in presentations and workshops. Tourism – visitors to town Reduced hire fees for local artist to stage an exhibition	Visitor donations Sales commissions Gallery usage fees	Town of Narrogin – exhibition space hire, utilities and insurance NEXIS Volunteers (\$750/wk @\$25/h)
Touring Exhibitions	Art on the Move	Local exposure to state wide thematic and curated exhibitions Educational Material and Schools Program Tourism + visitors to view exhibition	Requires fundraising (\$2000-\$3000 /show) to bring these exhibitions to Narrogin	Town of Narrogin – exhibition space hire, utilities and insurance NEXIS Volunteers (\$750/wk @\$25/h)
Student exhibitions	CY O'Connor Institute NSHS student exhibition Primary School Exhibitions		Visitor donations Some sales commissions	Town of Narrogin – exhibition space hire, utilities and insurance NEXIS Volunteers (\$750/wk @\$25/h) Free gallery hire for School and Tertiary Student Exhibitions
Museum and	World War I	Education, local	Visitor donations	Town of Narrogin –

State Reference Library Exhibitions	anniversary exhibition	exposure to state archives	May require fundraising (\$2000-\$3000/show) to bring these exhibitions to Narrogin.	exhibition space hire, utilities and insurance NEXIS Volunteers (\$750/wk @\$25/h)
Community art events and workshops	Craft group exhibitions	Encouragement for emerging artists Opportunity to celebrate our local emerging artists' talent. Tourism – regional students exhibiting brings families and friends to town	<ul style="list-style-type: none"> • Non-selling exhibitions - no charge; • Selling events - commission payable • Participant fees 	Town of Narrogin – exhibition space hire, utilities and insurance (4 h @\$25/h)
Skills training workshops	Art on the Move Gallery skills training workshop	Education, development the skills and professionalism of gallery staff	• NEXIS funded	Town of Narrogin – exhibition space hire, utilities and insurance (4 h @\$25/h)

CARRIED 6/0

10.2.263 Spectator Fee Basketball Grand Final

File Reference:

Disclosure of Interest: Nil
Applicant: Chief Executive Officer
Previous Item Nos: Nil
Date: 18th March 2014
Author: Mr Aaron Cook - Chief Executive Officer

Attachments: Nil

Summary:

It is presented for Council to waive the Spectator Fees for the Basketball Grand Final as a contribution to the employment of Security for the night.

Background:

Last year Council forego the Spectator Fee for the Grand Final Night due to the increased cost to the Basketball Club being required to engage Security Guards in relation to issues that have arisen in the past.

Comment:

As stated it is presented that Council forego, but allow the Basketball Association to collect the \$2 spectator fee and that this be recognised as a contribution to the cost of employing the security guards.

The requirement for security has been derived through previous anti-social behaviour and, as such, Council are required to protect its staff in these instances.

Through waiving the Spectator Fee (which is not normally collected other than for Senior Basketball) Council staff will be freed up to serve at the Kiosk, and perform other duties. As stated the Basketball Association will be required to collect the fee.

Consultation: - Nil

Statutory Environment: - Nil

Policy Implications: - Nil

Financial Implications:

Although Council will be foregoing this small fee for the evening the priority is the safety of staff and Council has issued the requirement of the Security on the association. It is estimated that \$200.00 would be lost for the evening.

Strategic Implications:

It is the intention of Officers and Council to keep as many of these event at the Leisure Centre and, as such, assistance from time to time is required to be provided. This sporting event, although is a draw card for the residents does not provide a lot of funds to Council but the overall season of Basketball does provide substantial funding to the Centre.

Voting Requirements: Absolute Majority

OFFICER'S RECOMMENDATION

That Council:

Approve the waiving of the Spectator Fees for the Senior Basketball Grand Final and allow the Basketball Association to collect the fee for this one event and utilise the funds to contribute to the cost of hiring accredited security for the evening.

Council Resolution 0314.029

Moved: Cr Schutz

Seconded: Cr Bartron

That Council:

Approve the waiving of the Spectator Fees for the Senior Basketball Grand Final and allow the Basketball Association to collect the fee. It is recommended to the Basketball Association that they engage security for the Grand Final due to issues that have occurred in the past. Please note that by allowing the Basketball Association to collect the fee does not constitute engaging the Basketball Association to provide security services on behalf of the Town of Narrogin.

CARRIED 5/1

Absolute Majority

Cr Ward left the room due to announcing a proximity interest at 7:54

10.2.264 Regional Refuse Site

File Reference: 31.3.3
Disclosure of Interest: Nil
Applicant: Chief Executive Officer
Previous Item Nos: Various
Date: 19th March 2014
Author: Mr Aaron Cook - Chief Executive Officer

Attachments: - Nil

Summary:

This report requests from the Wagin Group of Councils a commitment for ongoing funds to establish a regional refuse site to service those Local Governments that make up the group.

Background:

The following report has been prepared by Steve Friend, Project Manager – Strategic Waste, on behalf of the local governments participating in the “Wagin Group of Councils” investigating the option of a regional waste facility. It contains some minor modifications from the original report that was forwarded to the member local governments.

Comment:

A significant amount of work has been going invested to establish a regional refuse site. A lot of the work has been concentrated within the Shire of Wagin, which took on the mantle as the lead agency. The Shire of Wagin has also been the “treasurer” for the group and has collected and disbursed funds as necessary. In addition, the Shire of Wagin has investigated several sites within the Shire for potential use as the regional refuse site. For various reasons, none of the sites has proved viable.

Another site that showed some promise was in Tarwonga, in the Shire of Narrogin. This site had soil samples taken and analysed and showed promise.

About this time the group was beginning to formulate a management structure and discussed how the land might be purchased. However, the land owner pulled out of the deal and the group was again left looking for a suitable site for the regional refuse site.

A piece of land then became available within the Shire of Cuballing. This site has been drilled to establish the geotechnical and geological formation and water depth and type. More importantly, the owners are keen to sell the land for the use of a refuse site.

This has resulted in a Memorandum of Understanding being signed by the owners and the 9 local governments still in the group, to purchase the site being offered, for use as a regional refuse site to take “putrescible municipal solid waste”.

A Report on the site has been compiled and shows great promise. Essentially it shows the clay being 10^{-1} which is a minimum requirement for a refuse site. As important, the water table has been shown to be metres below the expected depth of any trench used for waste disposal.

A meeting has been held with the Department of Environment Regulation in Northam between the Manager of the Department and the Report's author (Landform Research) and members of the lead agency, the Shire of Wagin.

The result of the meeting indicated that the site in Cuballing appeared to tick all the boxes for suitability and as such a formal Works Approval application is being compiled for submission.

Separately, the Shire of Wagin has been producing some indicative figures of expected costs to establish the new site in Cuballing as a regional refuse site, costs to establish the current refuse sites as transfer stations and expected charges to get the waste to the regional site (freight).

A template has been produced in which each local government can input its own figures to establish what it will cost each Council to develop the new site and other inputs to operate a regional site as compared to individual refuse sites.

At this point in time, for the Group to progress, it requires a commitment of up to \$80,000 per local government. This money will be used for professional advice (e.g. Works Approval application, Town Planning advice), subdivision, purchase of the land and setting up the regional waste site.

There will be additional expenditure not included within the \$80,000 for such things as setting up transfer stations (there is a grant of \$20,000 available for each local government for this), freight of waste to the regional site and other contingencies not allowed for or unseen at this point in time.

Consultation:

- Landform Research
- Department of Environment Regulation
- Nine CEO's of participating Councils
- Councillors of participating Councils

Statutory Environment: - Nil

Policy Implications: - Nil

Financial Implications:

It is to be noted that the request is for \$80,000 to be allocated within the budget; however, not all of these funds may be utilised and, as such, the allocation will be “up to” \$80,000.

Please note that this allocation does not establish the Narrogin Transfer Station but establishes in main the Regional Waste Site as commented above.

Strategic Implications:

The amount of funds being asked for is significant and will show whether this local government is committed to the establishment of a regional waste site.

It can be seen that it is not a cheap exercise and there can be no doubt that it is more expensive than running the Shire refuse sites as they are.

What needs to be remembered is all of the 9 participating local governments have varying life expectancies of their refuse sites – some have quite a considerable life left and some very little. What cannot be disputed is that none of the local governments would be complying fully with Government legislation regarding refuse sites and each breach could incur a penalty of \$50,000, if the DER was to prosecute.

The group has established a site that has the potential to take all of the waste for 50+ years and if managed properly, will comply with DER requirements. This will also permit the transfer stations to be more cleanly run and acceptable to the community.

If a local government does not commit to continuing (does not commit the funding), it may well find itself having to go through the exercise itself later on as an individual or perhaps being able to use the regional site, but at a premium cost.

Voting Requirements: Simple Majority

Council Resolution 0314.030

Moved: Cr Russell

Seconded: Cr Bartron

That Council:

Include an allocation of \$80,000 in the 2014/15 Budget deliberation for the purchase of the land and establishment of a regional refuse site within the Cuballing Shire. That the Shire of Wagin be advised that the allocation will be made; however, cannot be confirmed until the budget is adopted.

CARRIED 6/0

Cr Ward re-entered at 7:56

10.2.265 Dryandra Country Visitors Centre Operational Funding

File Reference:

Disclosure of Interest: Nil
Applicant: Dryandra Country Visitors Centre
Previous Item Nos: Nil
Date: 20th March 2014
Author: Mr Aaron Cook - Chief Executive Officer

Attachments: Letter from the Dryandra Country Visitors Centre

Summary:

It is presented to Council to include within the Budget Deliberations the operational contribution to the Visitors Centre.

Background:

Each year Council has previously made a contribution to the Dryandra Country visitors Centre (DCVC).

Comment:

The DCVC is seeking some guidance as to its future as without the financial contributions of the Local Governments the Centre would not be able to open.

The contribution from each Council is \$5,500 per annum other than the Shire and Town of Narrogin who contribute \$14,500 with the Town also additionally contributing "In-Kind" with the building and other matters that total approximately \$30,000.

It is presented to Council that an allocation of \$14,500 be made within the draft budget for a contribution to the DCVC for operational expenses. This item will then be fully discussed within the budget deliberations; however, no formal commitment will be made until the budget is adopted.

Consultation: - Nil

Statutory Environment: - Nil

Policy Implications: - Nil

Financial Implications: - Nil

Strategic Implications: - Nil

Voting Requirements: Simple Majority

Council Resolution 0314.031

Moved: Cr Paternoster

Seconded: Cr Ward

That Council:

Endorse the request from the Dryandra Country Visitors Centre to include within the Draft Budget \$14,500 for operational expenses in facilitating the Centre. This will be in addition to the In-Kind assistance that the Town also provides. The DCVC will be advised that the amount has been included within the Draft Budget but confirmation can only be made once the Budget has been adopted.

CARRIED 7/0

10.2.266 AVON YOUTH - TOWN HALL USE

File Reference:

Disclosure of Interest: Nil

Applicant: Avon Youth

Previous Item Nos: Nil

Date: 21st March 2014

Author: Mr Aaron Cook - Chief Executive Officer

Attachments: Email request from Vanessa Miller Avon Youth CEO.

Summary:

It is proposed to Council to allow Avon Youth to run Martial Arts Activities from the main Town Hall on three afternoons per week.

Background:

Avon Youth were recently providing this service from the Scouts Hall. This has ceased due to the Scouts Hall not being available. It is requested of Council to use the Town Hall main facility to host the Martial Arts Sessions.

Please note that Avon Youths office is located at the front of the Town Hall next to the old road wise office.

Comment:

The Town Hall is not utilised for most of its life and running additional programs from this facility alerts Council to any issues or problems that may be occurring prior to them becoming expensive issues.

Avon Youth have been explained that the hall may not be available during certain periods due to other bookings and they accept that some classes may need to be cancelled. They are also acutely aware that the area must be kept clean and treated with care and respect as this is Councils premium facility. The author has raised that no punching bags or the like are to be erected under any circumstances and no items are to be left within the Hall. Cleaning must occur after every session.

Avon Youth are able to pay, as they were at the Scouts Hall \$100.00 per week to utilise the Hall for the Martial Arts Activities which equates to \$10.00 per hour.

Within the correspondence to Avon Youth it will be presented that should the activities within the Hall result in damage Avon Youth will be responsible and, although not expected, but should anti-social behaviour emanate from the activities or youths attending the Hall that the activity will be ceased immediately. It is encouraged that

Avon Youth instil into the Youths that it is a privilege to utilise this facility and should not be taken for granted.

Consultation: - Nil

Statutory Environment:

As there is no fee or charge in place for this facility and this activity it is requested that Council approve this fee being implemented for the activities over the three afternoons which equates to \$10.00 per hour.

Policy Implications:

Financial Implications:

It should be noted that Avon Youth in the main are trying to engage disenfranchised youth of Narrogin and have been successful in the past. The hourly rate is potentially discounted for this reason, however, it must be noted that the Hall is not being used for other activities.

Strategic Implications:

The engagement of youth in Narrogin is integral in the harmonisation of the community and this is another effort towards this end goal.

Voting Requirements:

Council Resolution 0314.032

Moved: Cr Bartron

Seconded: Cr Ward

That Council:

Approve the request form Avon Youth the utilise the Town Hall for Martial Arts Activities over three week day afternoons for a cost of \$100.00 per week or the equivalent of \$10.00 per hour. Within the correspondence it is to outline the requirements for cleaning the hall after each activity and that no materials are to be left within the hall and that activities may need to be cancelled due to other bookings.

These activities are proposed to commence on the week of the 1st April 2014.

CARRIED 7/0

Cr Bartron excused himself from the meeting 8:05pm.

10.2.267 MONTHLY FINANCIAL REPORTS – FEBRUARY 2014

File Reference: 12.8.1
Disclosure of Interest: Nil
Applicant: Nil
Previous Item Nos: Nil
Date: 20 March 2014
Author: Rhona Hawkins – Manager Finance

Attachments:

Monthly Financial Report for the period ended 28 February 2014.

Summary:

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

Comments:

There are a number of timing issues which will be noted in the variances however this will be addressed in the Budget Review which is currently underway.

Consultation:

Colin Bastow, Director of Corporate and Community Services .

Statutory Environment:

Local Government Financial Regulations (1996) (as amended) 22, 32, and 34 apply.

Policy Implications: Nil

Financial Implications:

All expenditure has been approved via adoption of the 2013/14 Annual Budget, or resulting from a Council Motion for a budget amendment.

Strategic Implications: Nil

Voting Requirements: Simple Majority

Council Resolution 0314.033

Moved: Cr Schutz

Seconded: Cr Ward

That Council: Receive the February 2014 Monthly Financial Reports as presented.

CARRIED 6/0

10.2.268 ACCOUNTS FOR AUTHORISATION – February 2014

File Reference: 12.1.1
Disclosure of Interest: Nil
Applicant: Nil
Previous Item Nos: Nil
Date: 20/03/2014
Author: Aimie Allinson – Finance Officer

Attachments:

Accounts for Authorisation – February 2014

Background:

Pursuant to Section 6.8 (2)(b) of the *Local Government Act 1995*, where expenditure has been incurred by a local government it is to be reported to the next Ordinary Meeting of Council.

Comment:

The attached “Accounts for Authorisation –February 2014” is presented to Council for approval. Below is a summary of activity.

Total Creditor Payments February 2014	\$469,954.15
Total Payroll Payments February 2014	\$221,161.97
Total Payments February 2014	\$691,116.12
Percentage paid by EFT February 2014	72 %
Percentage paid by Cheque February 2014	28%

Percentage of Local Suppliers February 2014	56%
Dollar Value spent with Local Suppliers February 2014	\$168,086.46

Please note ‘F’ is fully funded, ‘P’ is partially funded, ‘R’ is reimbursements and ‘I’ is insurance claims

Council Resolution 0314.034

Moved: Cr McKenzie

Seconded: Cr Ward

That Council: Approve the Accounts for Authorisation for the month of February 2014

For the Municipal Fund totalling \$691,116.12.

CARRIED 6/0

ACCOUNTS FOR AUTHORISATION February 2014						
#	Chq/EFT	Date	Name	Description	Amount	Type
1	EFT1602	03/02/2014	Kinetic Super	Superannuation contributions	110.69	
2	EFT1603	03/02/2014	BT Super For Life	Superannuation contributions	475.76	
3	EFT1604	03/02/2014	WA Local Government Super Plan	Superannuation contributions	19,295.70	
4	EFT1605	03/02/2014	Department of Human Services	Payroll deductions	1,053.60	
5	EFT1606	03/02/2014	BT Lifetime Super	Superannuation for D Coates. Previous cheque refunded	1,174.50	
6	EFT1607	10/02/2014	Concept One the Industry Superannuation Fund	Superannuation contributions	624.99	
7	EFT1608	10/02/2014	Hesta Superannuation	Superannuation contributions	737.72	
8	EFT1609	10/02/2014	Rest Superannuation	Superannuation contributions	185.94	
9	EFT1610	10/02/2014	AustralianSuper	Superannuation contributions	475.69	
10	EFT1611	10/02/2014	Host Plus	Superannuation contributions	521.82	
11	EFT1612	10/02/2014	Prime Super	Superannuation contributions	250.22	
12	EFT1613	10/02/2014	Knightline Computers	ADMIN IT Support for emails, MCL PC and Repair Security Camera	272.00	
13	EFT1614	10/02/2014	Narrogin Earthmoving & Concrete	CEMETERY MATERIALS Bulk Yellow Sand	1,567.50	
14	EFT1615	10/02/2014	Trisley's Hydraulic Services Pty Ltd	NRLC POOL MAINTENANCE service and replace foot valve	2,454.87	
15	EFT1616	10/02/2014	Narrogin Newsagency	NHC STATIONERY West Australian and Observer plus delivery fee for 4/12/13 - 27/12/13	16.10	F

16	EFT1617	10/02/2014	Narrogin Electrical Services	SEWERAGE MAINTENANCE Clayton Rd	1,059.19	
17	EFT1618	10/02/2014	Thing-A-Me-Bobs	ADMIN EQUIPMENT Office Roller Tubs	49.98	
18	EFT1619	10/02/2014	S. Williams Plumbing	NRLC MAINTENANCE Indoor Pool Repair Lines , Reconnect Pump & Clean Pump Lines	5,425.00	
19	EFT1620	10/02/2014	MacDonald Johnston	1AEK763 HINO SWEEPER Truck Coupling Kit	1,475.83	
20	EFT1621	10/02/2014	MPL Laboratories	ENVIRONMENTAL HEALTH Laboratory Testing Asbestos	110.00	
21	EFT1622	10/02/2014	Dawsons Funeral Home	NHC UNIFORM Name Badges	30.00	F
22	EFT1623	10/02/2014	Fairway Carriers	NHC FREIGHT Peerless JAL 12/12/13	60.19	F
23	EFT1624	10/02/2014	Narrogin Agricultural College	AUSTRALIA DAY Ceremony Eggs x 10 Dozen	30.00	
24	EFT1625	10/02/2014	Ron Ringuet	REIMBURSEMENT NCP Rent 1 Week R Ringuet	130.00	
25	EFT1626	10/02/2014	PH & KE Gow Licensed Surveyors	FELSPAR STREET Boundary Redefinition	594.00	
26	EFT1627	10/02/2014	LIWA Aquatics	NRLC MEMBERSHIP LIWA 2013/2014 M Firman	110.00	
27	EFT1628	10/02/2014	Ron Ringuet	REIMBURSEMENT NCP Rent 1 week	130.00	
28	EFT1629	14/02/2014	Narrogin Hire & Reticulation	LIONS PARK & MACKIE PARK & THOMAS HOGG Reticulation parts	665.92	
29	EFT1630	14/02/2014	Great Southern Fuels	NGN219 TOYOTA CAMRY CATS FUEL January 2014	7,929.47	
30	EFT1631	14/02/2014	Narrogin Fruit Market	COUNCIL CATERING Joint Meeting 28/01/2014	273.25	
31	EFT1632	14/02/2014	Courier Australia	ADMIN FREIGHT	10.98	

				29/1/14		
32	EFT1633	14/02/2014	Narrogin Electrical Appliance Testing	NHC MAINTENANCE Electrical Testing & Vacuum Repairs	93.50	F
33	EFT1634	14/02/2014	Halanson Earthmoving	REFUSE SITE Establishment of new Effluent Pond	6,050.00	
34	EFT1635	14/02/2014	Narrogin Electrical Services	RAILWAY INSTITUTE HALL Remove Original Lights and Install Replacements	6,647.96	
35	EFT1636	14/02/2014	Liquor Barons	COUNCIL REFRESHMENT Meeting 11/02/2014	209.95	
36	EFT1637	14/02/2014	Duke of York Hotel	NRLC MAINTENANCE Works Refreshments	70.00	
37	EFT1638	14/02/2014	QUBE LOGISTICS	NRLC CHLORINE 920KG Cylinder x3 Rental	697.00	
38	EFT1639	14/02/2014	Edwards Motors Pty Ltd	NO592 HOLDEN COLORADO Service & Repairs 63577 km	656.00	
39	EFT1640	14/02/2014	Narrogin Sports and Camping	NHLP EQUIPMENT 10 x Aerobic Steps	2,109.25	F
40	EFT1641	14/02/2014	Great Southern Waste Disposal	REFUSE SITE Management Fees 30/12/13 - 27/1/14	30,619.80	
41	EFT1642	14/02/2014	RJ Smith Engineering	NRLC POOL Maintenance Grates	1,400.00	
42	EFT1643	14/02/2014	P & F Kulker Building Contractors	TOWN HALL Installation New locks on exit Doors	264.00	
43	EFT1644	14/02/2014	Country Paint Supplies	NRLC POOL MAINTENANCE Rust Remover	25.70	
44	EFT1645	14/02/2014	Narrogin Gasworx	AUSTRALIA DAY Decorations Weights	119.50	
45	EFT1646	14/02/2014	Narrogin Boilermakers	WORKS UNIFORMS PPE Dust Masks , Ear Plugs , Hats & Safety Glasses	644.40	
46	EFT1647	14/02/2014	J and S Kulker Painting	RAILWAY INSTITUTE Painting New Ceiling and Walls	7,304.00	
47	EFT1648	14/02/2014	Jennifer Bullock	GOVERNANCE	305.10	

				STATIONERY Christmas cards 2014		
48	EFT1649	14/02/2014	Geofabrics Australasia Pty Ltd	CLAYTON RD OVAL Drainage Equipment	1,650.00	
49	EFT1650	14/02/2014	Mary G Enterprises	NHLP GUEST Speakers Mary G & Band Performance	8,250.00	F
50	EFT1651	14/02/2014	Colette Francis George	NHC STAFF Pre Employment Medical	120.00	F
51	EFT1652	14/02/2014	Alison O'sullivan	NHC REIMBURSEMENT Medical , Police Clearance , Traffic Infringement o'sullivan	313.80	F
52	EFT1653	14/02/2014	Ballard Seeds	REFUND ELECTED MEMBER TABLETS X9	6,201.00	
53	EFT1654	19/02/2014	Australia Post	TOWN OF NARROGIN AUSTRLIA POST January 2014	632.75	
54	EFT1655	19/02/2014	MAKIT Narrogin Hardware	REFUSE SITE 3 x Padlocks Only - 6437	527.40	
55	EFT1656	19/02/2014	Narrogin Newsagency	TOWN OF NARROGIN NEWSAGENCY January 2014	182.68	
56	EFT1657	19/02/2014	QUBE LOGISTICS	TWIS CHEMICALS Bulk Chlorine 920 kg Drum 5/2/14	2,442.00	
57	EFT1658	19/02/2014	Wormald	JHCC FIRE SAFETY EQUIPMENT Service	2,862.20	
58	EFT1659	19/02/2014	West Australian Newspapers Limited	COUNCIL ADVERTISING Council Decisions December 5/12/13	288.86	
59	EFT1660	19/02/2014	Graham John Mundy	NHLP HARDWEAR Sack Trolley	66.00	F
60	EFT1661	21/02/2014	Best Office Systems	ADMIN PHOTOCPIER Colour Copies Reading 6168	1,397.44	
61	EFT1662	21/02/2014	Narrogin Dependant Persons bus Association	NHC SHOPPERS Bus for January 2014	228.25	F

62	EFT1663	21/02/2014	Courier Australia	FREIGHT PARKS & Gardens 22/1/14	771.52	
63	EFT1664	21/02/2014	Dynamic Print	LIBRARY Manager of Library Services x1000 Business Cards	199.00	
64	EFT1665	21/02/2014	Knightline Computers	ADMIN IT 23 Monitor"	413.95	
65	EFT1666	21/02/2014	MAKIT Narrogin Hardware	PUBLIC TOILETS MAINTENANCE Hardware Materials Locks	589.56	
66	EFT1667	21/02/2014	Landgate	RATES VALUATION Schedule G2013/1 7/12/13 - 3/1/14	60.85	
67	EFT1668	21/02/2014	Narrogin Agricultural Repairs	NHC SMALL PLANT Repairs & Materials	80.20	
68	EFT1669	21/02/2014	Thing-A-Me-Bobs	NRLC STORAGE Containers For PPE Equipment	49.94	
69	EFT1670	21/02/2014	P & F Kulker Building Contractors	TOWN HALL STAGE 3 Install Bar & Sink	14,463.60	
70	EFT1671	21/02/2014	Narrogin Toyota & Mazda	NGNG 847 TOYOTA NHC Headlight Covers	154.00	
71	EFT1672	21/02/2014	CY O'Connor Institute	NHC CERT III Training E Spouse	173.60	F
72	EFT1673	21/02/2014	Great Southern Slushies	NRLC KIOSK Stock for Resale Slushie Mix	1,012.00	
73	EFT1674	21/02/2014	Shire of Narrogin	DCCS RENT 11/1/14 -8/2/14	2,800.00	
74	EFT1675	21/02/2014	Nicholls Bus Service	NHC TRAINING Bus hire for lessons and drivers test Tim Shepherdson	320.00	F
75	EFT1676	21/02/2014	Jane Hollingshead	REIMBURSEMENT AUSTRALIA DAY Materials	371.46	
76	EFT1677	21/02/2014	Belvedere Nursery	CEMETERY MAINTENANCE Rose Food	97.65	
77	EFT1678	21/02/2014	Niel Mitchell	TOWN OF NARROGIN & Shire Of Narrogin Business Plan	14,373.04	

78	EFT1679	21/02/2014	WA TRAFFIC PLANS	FEDERAL STREET Traffic Management Plan for Kerb removal	715.00	
79	EFT1680	21/02/2014	Commercial Aquatics Australia	NRLC INDOOR POOL Replacement Claim 2	85,793.18	F
80	EFT1681	21/02/2014	Talia Haydock	REIMBURSEMENT NRLC Austswim Course T Haydock	319.00	
81	EFT1682	27/02/2014	Kinetic Super	Superannuation contributions	181.81	
82	EFT1683	27/02/2014	Concept One the Industry Superannuation Fund	Superannuation contributions	600.81	
83	EFT1684	27/02/2014	Hesta Superannuation	Superannuation contributions	623.16	
84	EFT1685	27/02/2014	Rest Superannuation	Superannuation contributions	73.79	
85	EFT1686	27/02/2014	WA Local Government Super Plan	Superannuation contributions	20,936.51	
86	EFT1687	27/02/2014	AustralianSuper	Superannuation contributions	715.68	
87	EFT1688	27/02/2014	Host Plus	Superannuation contributions	491.24	
88	EFT1689	27/02/2014	Prime Super	Superannuation contributions	304.10	
89	EFT1690	27/02/2014	Department of Human Services	Payroll deductions	656.34	
90	EFT1691	27/02/2014	BT Lifetime Super	Superannuation contributions	426.92	
91	44773	03/02/2014	Australian Ethical Superannuation	Superannuation contributions	569.24	
92	44774	03/02/2014	Commonwealth Bank	Superannuation contributions	526.54	
93	44775	03/02/2014	IOOF	Superannuation contributions	204.43	
94	44776	03/02/2014	Macquarie Investment Manager	Superannuation contributions	338.84	
95	44777	03/02/2014	MLC Nominees	Superannuation contributions	398.42	
96	44778	03/02/2014	QANTAS Staff Credit Union Limited	Superannuation contributions	253.26	
97	44779	03/02/2014	St Andrews Retirement Plan	Superannuation contributions	111.98	

98	44780	03/02/2014	Colonial First State Investments	Superannuation contributions	107.18	
99	44781	03/02/2014	AMP Life Limited	Superannuation contributions	115.97	
100	44782	03/02/2014	Australian Catholic Superannuation	Superannuation contributions	58.65	
102	44784	10/02/2014	Synergy	NCP ELECTRICITY 21/1/13 - 20/1/14	7,908.60	
103	44785	10/02/2014	Water Corporation	NRLC WATER 20/11/13 - 23/1/14	12,855.89	
104	44786	10/02/2014	Australian Taxation Office	PAYG TAX JAN 2014	76,461.00	
105	44787	10/02/2014	Narrogin Meals On Wheels	NHC MOW January 2014	1,003.98	F
106	44788	10/02/2014	RURALCO HOLDINGS LIMITED	FOXES LAIR MAINTENANCE Pine Logs	19.80	
107	44789	10/02/2014	Westfarmers Landmark	ANIMAL CONTROL Cornsacks	76.50	
108	44790	10/02/2014	Narrogin Bargain Barn	ADMIN OFFICE Furniture Mirror	15.00	
109	44791	14/02/2014	Synergy	STREETLIGHTS 25/12/13 - 24/1/14	17,908.30	
110	44792	14/02/2014	Narrogin Packaging	WORKS DEPOT Cleaning Chemicals	34.65	
111	44793	14/02/2014	Water Corporation	CLAYTON RD OVAL WATER 20/11/13 - 23/1/14	9,819.07	
112	44794	14/02/2014	Parrys Pty Ltd	BUILDING SURVEYOR UNIFORM Boots	135.96	
113	44795	14/02/2014	Allans Bobcat and Truck Hire	CEMETERY GRAVE DIGS December 2013	242.00	
114	44796	14/02/2014	Narrogin Toyota	SMALL PLANT Plant Parts & Repairs Chainsaw	349.71	
115	44797	14/02/2014	Tudor House	ADMIN FLAGS 2 Aboriginal and 1 Australian	366.00	
116	44798	14/02/2014	Narrogin Floral Studio	ADMIN FLOWERS Farewell Margaret	60.00	
117	44799	14/02/2014	Rodger Shuttlewood	Rates refund for assessment A206200 43 Garfield Street NARROGIN WA 6312	463.46	

118	44800	19/02/2014	TELSTRA	TOWN OF NARROGIN MOBILE JANUARY 2014	752.86	
119	44801	19/02/2014	Narrogin Packaging	PUBLIC TOILETS Toilet Paper, Gloves & Paper Towel	536.80	
120	44802	19/02/2014	Town of Narrogin - Petty Cash - Admin	NCP XMAS Staff Function 2013	210.75	
121	44803	19/02/2014	Signs Plus	LIBRARY name badge	57.00	
122	44804	19/02/2014	A & A Corasaniti Building Contractors Pty Ltd	LIBRARY RENOVATION Replace Tiles at Front Entrance	4,840.00	
123	44805	19/02/2014	Narrogin Bargain Barn	LIBRARY FURNITURE & FREIGHT 1x Bookcase	290.00	
124	44806	19/02/2014	Elizabeth Ann McLeish	Rates refund for assessment A103100 10 Argus Street NARROGIN WA 6312	206.00	
125	44807	19/02/2014	Castledex Pty Ltd	RECORDS EQUIPMENT Number Side Tab Roll, 0 x4	180.03	
126	44808	20/02/2014	Devon Settlements	Rates refund for assessment A294700 23 Roe Street NARROGIN WA 6312	1,239.55	
127	44809	21/02/2014	Narrogin Packaging	AUSTRALIA DAY Materials Disposable Items	350.14	
128	44810	21/02/2014	Australian Institute of Building Surveyors	BUILDING SURVEYOR Trainee Training 5/12/13	155.00	
129	44811	21/02/2014	Australian Taxation Office	PAYG TAX January 2014	50,178.00	
130	44812	27/02/2014	Australian Ethical Superannuation	Superannuation contributions	604.81	
131	44813	27/02/2014	Commonwealth Bank	Superannuation contributions	526.54	
132	44814	27/02/2014	Macquarie Investment Manager	Superannuation contributions	338.84	
133	44815	27/02/2014	MLC Nominees	Superannuation contributions	362.70	

134	44816	27/02/2014	QANTAS Staff Credit Union Limited	Superannuation contributions	253.26	
135	44817	27/02/2014	St Andrews Retirement Plan	Superannuation contributions	91.83	
136	44818	27/02/2014	Colonial First State Investments	Superannuation contributions	126.51	
137	44819	27/02/2014	AMP Life Limited	Superannuation contributions	113.08	
138	44820	27/02/2014	Telstra Super Pty Ltd	Superannuation contributions	376.50	
	PAYROLL SUMMARY			Cheque Total	192,506.79	
	February 2014 pay details			EFT Total	277,447.36	
	pay date	nett amount		Payroll Total	221,161.97	
	12/02/2014	\$ 110,885.06		TOTAL	691,116.12	
	26/02/2014	\$ 110,276.91				
	total	\$ 221,161.97	Eft Total Must be made up of PAYROLL AS WELL AS CREDITORS PAYMENT			
	F	Funded				
	P	Partially Funded				
	R	Reimbursement				
	I	Insurance				
	PRB	Partially reimbursement				

11. ELECTED MEMBER'S MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

NIL

12. NEW BUSINESS OF AN URGENT NATURE APPROVED BY THE PERSON PRESIDING OR BY DECISION OF THE MEETING

Moved: Cr Paternoster

Seconded: Cr Schutz

That Council:

1. Approve the 2012/13 Annual Report and the Annual General Meeting (AGM) of Electors be held on Wednesday 23 March 2014 at 7.00pm.
2. Acknowledges receipt of the Audit Certificate and Management Letter, and
3. Endorse the actions to be taken by The Town to resolve the matters raised in the Management Report
4. Appoints Bill Thomas of Anderson Munro and Wylie as Auditor for the 2013/14 and 2014/15 financial years.

This resolution was changed 10/2/2015 Council Meeting.

**CARRIED 6/0
BY ABSOLUTE MAJORITY**

13. CLOSURE OF MEETING

The Mayor closed the meeting at 8:12pm.



Town of Narrogin

AUDIT COMMITTEE MEETING

MINUTES

**Audit Committee Meeting
Minutes
25 March 2014**

1. OFFICIAL OPENING

Audit Meeting was opened by the Mayor at 6:56pm.

2. RECORD OF ATTENDANCE/APOLOGIES/APPROVED LEAVE OF ABSENCE

In attendance;

Mayor Leigh Ballard
Cr Arthur Paternoster
Cr Jan McKenzie
Cr Paul Schutz
Cr David Russell – Observer
Cr Colin Ward - Observer

Aaron Cook – CEO
Colin Bastow – Director of Corporate and Community Services

Apologies – Cr Clive Bartron

3. DECLARATIONS OF INTEREST BY ELECTED MEMBERS AND COUNCIL EMPLOYEES IN MATTERS INCLUDED IN THE MEETING AGENDA.

NIL

4. ANNOUNCEMENTS BY THE PERSON PRESIDING WITHOUT DISCUSSION

The Audit Committee had a Telephone Meeting with the Town's Auditor on Monday the 24 March 2014 at around 6.30pm to discuss the Management and Audit Reports.

5. CONFIRMATION OF MINUTES OF PREVIOUS MEETING

Moved: Cr Paternoster

Seconded: Cr Schutz

That the Committee:
Accepts the minutes of the Audit Committee Meeting held on the 25 February 2013
and confirmed as an accurate record of proceedings

CARRIED 4/0

6. MATTERS WHICH REQUIRE DECISION

6.0.06	Audit – Management Letter and Audit Report	Page	3
6.0.07	Auditor Appointment – CONFIDENTIAL	Page	10
6.0.08	Financial Report	Page	20

7. NEW BUSINESS OF AN URGENT NATURE APPROVED BY THE PERSON PRESIDING OR BY DECISION OF THE MEETING

COMMITTEE RESOLUTION

Moved: Cr McKenzie

Seconded: Cr Paternoster

That the Audit Committee recommends the acceptance of the Annual Compliance Return as presented to Council on the 25 February 2014.

CARRIED 4/0

COMMITTEE RESOLUTION

Moved: Cr Jan McKenzie

Seconded: Cr Schutz

That Council

Approved the 2012/13 Annual Report and the Annual General Meeting (AGM) of electors be held on Wednesday 23rd March 2014 at 7.00pm.

CARRIED 4/0

6.0.06 AUDITORS – MANAGEMENT LETTER & AUDIT REPORT

File Reference: 4.1.1
Disclosure of Interest: Nil
Applicant: N/A
Previous Item Nos: Nil
Date: 18 February 2013
Author: Colin Bastow – Director Corporate and Community Services

Attachments: Management Letter
Audit Report

Summary:

The Town's response to the Auditor's (Mr. Bill Thomas) Management Letter and Audit Report.

Background:

The Audit Committee is tasked with the responsibility of advising the Council on matters relating to financial management and the appointment of an Auditor/s. Therefore this report has been prepared to discuss the issues raised in the Auditors Management Letter and Audit Report.

Comment:

The Auditor has issued the Town with a non-qualified audit report for its 2012/2013 annual financial report. Which means the Auditor did not discover any significant issue during the he's audit of the Towns accounts and financial statements. Therefore no further comment is required with regards to the Audit Certificate.

Below is the response to the points raised in the Auditors Management Letter.

1. Bank Reconciliation

In discussion with the audit staff it was identified that this item is considered the most significant.

The recent change of accounting software, although has greatly improved the financial management systems of the Town, had an initial negative impact on the Town's ability to prepare regular bank reconciliations. This was not helped then the Accountant resigned and the current Manager of Finance was recruited. Once the Town was behind by a couple of months it was difficult to catch up on the outstanding bank reconciliations.

There were also outstanding issues with past bank reconciliations that was not properly resolved which had impacted on the Town ability to produce timely and accurate reconciliations.

The Town had continued to allocate resources to complete the bank reconciliations which included the matching of payments and receipts which covered the majority of transactions in the bank account. Unfortunately the Town had experienced difficulties when unknown transaction occurred and/or regularly receipting direct payments.

The receipting of all direct payments has now been assigned to the Customer Service Officers at the front counter which has resulted in this task being completed on a regular basis.

The Town has the Manager of Finance solely focusing on preparing bank reconciliations so they are brought up to date and can be prepared on a regular and timely basis in the future. The Manager of Finance had completed all outstanding reconciliations up until the June 2013 and then assigned this task to the Town's Finance Contractor. This finance professional has many years' experience in a rural local government. The Finance Contractor is being funded by not replacing the recently resigned Finance Officer position.

The Town had suffered from having a lack of experienced financial professionals in its finance team. With the inclusion of the Finance Contractor this issue has been greatly reduced.

The items listed in the table of reconciling entries have since been resolved but work still need to continue in this area.

2. Recording in the In-correct Period

The Town will monitor this area in the future and it's hoped as the finance team further develop their understand of their roles and responsibilities issue of this nature can be avoided in the future. The particular staff member has been spoken to and is now aware that they need to better monitor this issue in the future.

Also as the Town will be in a better position to close the pervious finance year earlier this too will also reduce the likelihood of this type of error occurring.

3. Non-Lodgement of BAS/IAS

The Town is up to date with its Business Activity Statement (BAS) returns and they are being submitted on a monthly basis. Although the Author had been preparing and submitting the BAS returns to assist with the finance team catching up on the back log of work. This duty has been assigned to the Finance Contractor who will be ensure BAS Returns are submitted in a timely manner. The Town has requested that any penalty interest associated with late BAS Return submissions be written off. The Town has been advised verbally by the ATO that they would support the Town's request.

4. Long Outstanding Rates

The audit staff had commented to the Author that the Town still has a good level of Rate Debt Collection but an increase of 51% would need to be reported in the Management Report.

Although point is no considered by the Author to be an area of concern at this time. The Town will be reviewing its debt collection policies and procedures which also include Sundry Debtors. To ensure moneys are collected on a regular basis and those outstanding debtors are properly managed.

Consultation:

Bill Thomas (Auditor)
Michael St John (Anderson Munro & Wylie – Audit Manager)
Rhona Hawkins – Manager of Finance
Aaron Cook - CEO

Statutory Environment:

Local Government Act 1995
Local Government (Audit) Regulations 1996

Policy Implications: Nil

Financial Implications: Nil

Strategic Implications: Nil

Voting Requirements: Simple Majority

Committee Resolution

Moved: Cr Jan McKenzie

Seconded: Cr Paternoster

That Council

1. acknowledges receipt of the Audit Certificate and Management Letter, and
2. endorse the actions to be taken by the Town to resolve the matters raised in the Management Report.

CARRIED 4/0



Anderson Munro & Wyllie

CHARTERED ACCOUNTANTS

Unit 8 / 7 Hector Street, Osborne Park WA 6017

PO Box 1357, Osborne Park WA 6916

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Liability limited by a scheme approved under Professional Standards Legislation

INDEPENDENT AUDIT REPORT TO THE ELECTORS OF THE TOWN OF NARROGIN

Scope

We have audited the financial report of Town of Narrogin for the year ended 30 June 2013. The financial report comprises the Statement by Chief Executive Officer, Statements of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, Rate Setting Statement and accompanying notes to the financial statements.

The Council is responsible for the preparation of a financial report which provides a true and fair view of the financial performance and position of the council in accordance with the Local Government Act 1995, and Regulations. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error and for accounting policies and estimates inherent to the financial report.

Audit Approach

We conducted an independent audit of the financial report in order to express an opinion on it to the electors of the Town of Narrogin. Our audit was conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control and the availability of persuasive rather than conclusive evidence. Therefore an audit cannot guarantee that all misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Local Government Act 1995, and Regulations, including compliance with Accounting Standards in Australia, and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Council's financial position, and of their performance which is represented by the results of operations and cash flows.

We formed our opinion on the basis of these procedures, which included:

- examining on a test basis, information to provide evidence, supporting the amounts and disclosures in the financial report.
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by the directors.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.



Independence

Anderson Munro & Wyllie are independent of the Town of Narrogin, and have met the independence requirements of Australian professional ethical pronouncements and the Local Government Act 1995.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial statements of the Town of Narrogin are properly drawn up:

- a) So as to give a true and fair view of the state of affairs of the Shire as at 30 June 2013 and the results of its operations and cash flows for the year then ended;
- b) In accordance with the requirements of the Local Government Act 1995; and
- c) In Accordance with Applicable Australian Accounting Standards.

Statutory Compliance

- a) We did not during the course of the audit, become aware of any other instances where the Council did not comply with the requirements of the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996.
- b) There were no material or significant adverse trends in financial position or financial management practices revealed during the course of our audit.
- c) We have obtained all necessary information and explanations in relation to our audit.
- d) Our audit procedures were all satisfactorily completed.
- e) In relation to the Supplementary Ration Information presented at page 58 of this report, we have reviewed the calculations as presented and in our opinion these are:
 - i) Based on verifiable information, and
 - ii) Reasonable assumptions.

Dated the 20th day of March 2014 in Perth, Western Australia

BILLY-JOE THOMAS
Director

ANDERSON MUNRO & WYLLIE
Chartered Accountants



Anderson Munro & Wyllie

CHARTERED ACCOUNTANTS

Unit 8 / 7 Hector Street, Osborne Park WA 6017

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21 March 2014

Mr Aaron Cook
Chief Executive Officer
Town of Narrogin
89 Earl Street
Narrogin WA 6312

Dear Mr Cook

MANAGEMENT LETTER

We have completed our final audit for the year ending 30 June 2013 and report on matters which came to our notice during the audit.

It must be appreciated that the matters dealt with in this letter came to our notice during the conduct of our normal audit procedures which are designed primarily with a view to the expression of our opinion on the accounts of the company. Our comments cannot be expected to include all possible improvements in internal control which a more extensive special examination might develop. Please note that improving practices, procedures and record keeping over the last two years have lead to more being achieved as a result of our audit visits.

During this audit, we noted the following matters which we believe need to be brought to your attention.

Bank Reconciliation

While reviewing the reconciliation of the Town's bank accounts at 30 June 2013 we noted that the reconciliation had only been prepared in January 2014 and was not being performed regularly as recommended in our interim management letter dated 5 August 2013.

As a result of not being regularly reconciled, and issues noted in the last reconciliation prepared not being adequately resolved, the true position of the Town's Cash at Bank is difficult to state with a high degree of certainty. The reconciliation as at 30 June 2013 contained numerous long outstanding reconciling entries which are of concern in regards to the management of one of the Town's most important assets. There appeared to be numerous items which should have been cleared such as errors and corrections, journals, transfers and EFT transactions, cash takings being held somewhere other than the bank and or not entered into the general ledger, restricted funds incorrectly maintained in muni or reserve, non-trust monies incorrectly maintained in the trust account, and entries to correct imbalances in the bank statement.

There is a real risk that information has now been lost and that errors may have been, or are likely to have been made which can not be easily corrected. The following reconciling entries, we



strongly believe, should be given urgent attention to ensure they are adequately resolved and cleared by the Town:

Type of Reconciling Entry	Date	Narration	Amount \$
Outstanding Deposits	20/01/2013	Development Reserve	\$374,614.00
Outstanding Deposits	2-4/04/2013	Unknown Kiosk Sales (x2)	\$3,283.40
Unpresented Cheques	30/11/2012	"blank – no narration given"	\$81,825.61
Unpresented Cheques	22/01/2013	Transfer from Reserve to Muni	\$341,678.00
Unpresented Cheques	22/05/2013	Credit Card purchases April 2013	\$2,851.53
Unpresented EFT's	28/02/2013	Dept Transport Takings 15/02/13	\$9,601.35
Unpresented EFT's	28/02/2013	Dept Transport Takings 18/02/13	\$11,403.55
Unpresented EFT's	30/04/2013	Correct Imbalance in bank statement	\$1,632.58
Unpresented EFT's	28/02/2013	Payroll repayments not receipted	\$11,803.66
Receipts not Posted to GL	27/05/2013	Transfer from Reserve	\$45,300.00
Receipts not Posted to GL	30/05/2013	Transfer from Reserve or Trust	\$14,053.60

In addition, the reconciliation reviewed was the Municipal fund bank account which was reconciled to the NAB Business Management Account number 50-835-8169. However, the balances of four other NAB bank accounts, a term deposit and Mastercard card account, did not appear to have been incorporated into the overall reconciliation. It was further noted that the reconciling entries in muni with the reserve and trust accounts did not appear to be reciprocated in their corresponding reconciliations as it appeared that they had not been prepared.

Whilst we accept the reconciled balances as at 30 June 2013 as being fairly stated in the financial report we strongly recommend that this issue be given the necessary resources to clear all outstanding items which should not be there and resolve any issues as early as possible. In future, we recommend that the bank be reconciled in a timely manner each month and that it should be reviewed by a senior employee.

Recording in the In-correct Period

We noted during our audit that in the Creditors Aged Trial Balance as at 30 June 2013 there appeared to be multiple line items which represented transactions occurring in the following financial year of 2013/2014. The total of these subsequent period transactions recorded in the current year amounted to \$114,186. This error was due two creditor batches being processed with the incorrect posting period. We advised management of the error and the appropriate adjustment to the accounts was made.

We recommend that in future greater care be taken to ensure transactions are posted in the correct period, particularly if the accounts have not been closed or rolled over in a timely manner.

Non-Lodgment of BAS/IAS

We noted during our audit that between the months of January 2013 to June 2013 inclusive the BAS/IAS had not been lodged and payments remitted to the Australian Taxation Office. By not



submitting the returns within the periods specified, the Town would be likely to incur interest and other penalties for non-lodgement creating unnecessary costs for Council.

Whilst we acknowledge that lodgement of the Town's BAS's is now up to date we recommend that in future you ensure each monthly statement is lodged by the due date in accordance with the requirements of the ATO.

Long Outstanding Rates

We noted during our audit that rates debtors had increased by \$58,455 or 51% since the prior year. Although the level of rates debtors is low with a rates outstanding ratio of 6.0% for 2013, increasing outstanding rates could have an impact on the cashflow of the Town, as well as impacting the budget.

We recommend that all long outstanding rates debtors be followed up in a timely manner. In addition, we recommend a review of debt collection procedures be undertaken to improve the collectability of long outstanding rates debtors.

If you have any queries regarding any of the above, please do not hesitate to contact our office.

Yours faithfully

ANDERSON MUNRO & WYLLIE

BILLY-JOE THOMAS
Director

6.0.07 AUDITOR APPOINTMENT - CONFIDENTIAL

File Reference: **22.7.3**
Disclosure of Interest: **Nil**
Applicant: **N/A**
Previous Item Nos: **Nil**
Date: **27 February 2014**
Author: **Colin Bastow – Director Corporate and Community**
Services

Please note that this item has been removed due to its confidential nature; however, a motion was passed appointing Anderson Munro & Wylie.

6.0.08 2012/13 FINANCIAL REPORT

File Reference: 4.1.1
Disclosure of Interest: Nil
Applicant: N/A
Previous Item Nos: Nil
Date: 18 February 2013
Author: Colin Bastow – Director Corporate and Community Services

Attachments: Financial Report for year ended 30TH June 2013

Summary:

To recommend to Council the endorsement of the Town's 2012/13 Financial (audited) Report.

Background:

The main function of an Audit Committee is to advise Council on financial management matters which includes the appointment of an Auditor/s.

Consultation:

Bill Thomas – Auditor

Michael St. John – Audit Manager

Rhona Hawkins – Manager of Finance

Statutory Environment:

Local Government Act 1995

Local Government (Financial Management) Regulations 1996

Local Government (Audit) Regulations 1996

Policy Implications: - Nil

Financial Implications: - Ni

Strategic Implications: - Nil

Voting Requirements: - Simple Majority

Committee Resolution

**Moved: Cr Paternoster
McKenzie**

Seconded: Cr

That Council:

Endorse the 2012/13 Financial Report (Audited) as presented.

CARRIED 4/0

TOWN OF NARROGIN
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

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TOWN OF NARROGIN
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Town of Narrogin being the annual financial report and other information for the financial year ended 30th June 2013 are in my opinion properly drawn up to present fairly the financial position of the Town of Narrogin at 30th June 2013 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed as authorisation of issue on the 6th day of March 2014



Aaron Cook
Chief Executive Officer

TOWN OF NARROGIN
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2013

	NOTE	2013 \$	2013 Budget \$	2012 \$
Revenue				
Rates	22	2,884,055	2,851,129	2,575,835
Operating Grants, Subsidies and Contributions	28	2,746,416	2,130,322	2,981,487
Fees and Charges	27	2,356,778	1,817,641	1,512,446
Service Charges	24	0	0	0
Interest Earnings	2(a)	58,236	60,750	61,128
Other Revenue		184,017	10,100	266,774
		<u>8,229,502</u>	<u>6,869,942</u>	<u>7,397,670</u>
Expenses				
Employee Costs		(3,633,610)	(4,079,964)	(4,020,707)
Materials and Contracts		(1,776,737)	(1,684,025)	(1,667,676)
Utility Charges		(596,466)	(519,173)	(401,136)
Depreciation on Non-Current Assets	2(a)	(990,611)	(968,400)	(934,518)
Interest Expenses	2(a)	(31,654)	(35,749)	(38,340)
Insurance Expenses		(251,696)	(155,557)	(150,350)
Other Expenditure		(176,661)	(269,324)	(251,892)
		<u>(7,457,435)</u>	<u>(7,712,192)</u>	<u>(7,464,619)</u>
		772,067	(842,250)	(66,949)
Non-Operating Grants, Subsidies and Contributions	28	1,882,941	1,674,479	100,000
Fair value adjustments to financial assets at fair value through profit or loss	2(a)	0	0	0
Profit on Asset Disposals	20	0	0	15,324
Loss on Asset Disposal	20	(40,941)	(25,240)	(9,707)
		<u>2,614,067</u>	<u>806,989</u>	<u>38,668</u>
Net Result				
Other Comprehensive Income				
Changes on revaluation of non-current assets	12	24,807,778	0	0
		<u>24,807,778</u>	<u>0</u>	<u>0</u>
Total Other Comprehensive Income		<u>24,807,778</u>	<u>0</u>	<u>0</u>
Total Comprehensive Income		<u><u>27,421,845</u></u>	<u><u>806,989</u></u>	<u><u>38,668</u></u>

This statement is to be read in conjunction with the accompanying notes.

TOWN OF NARROGIN
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2013

	NOTE	2013 \$	2013 Budget \$	2012 \$
Revenue				
Governance		44,643	5,150	60,918
General Purpose Funding		4,172,855	3,552,817	3,967,060
Law, Order, Public Safety		34,952	37,389	7,027
Health		4,653	6,432	3,924
Education and Welfare		1,363,732	1,269,570	1,218,926
Housing		4,527	50	0
Community Amenities		991,916	843,401	644,604
Recreation and Culture		920,620	735,413	1,003,859
Transport		24,476	26,924	130,845
Economic Services		507,159	355,196	332,180
Other Property and Services		159,969	37,600	28,327
	2(a)	<u>8,229,502</u>	<u>6,869,942</u>	<u>7,397,670</u>
Expenses				
Governance		(739,109)	(769,166)	(684,985)
General Purpose Funding		(134,196)	(145,004)	(101,373)
Law, Order, Public Safety		(213,698)	(277,662)	(193,579)
Health		(120,834)	(92,199)	(131,537)
Education and Welfare		(1,272,155)	(1,306,597)	(1,250,798)
Housing		(21,783)	(51)	0
Community Amenities		(800,644)	(820,009)	(699,439)
Recreation and Culture		(2,453,811)	(2,688,583)	(2,653,924)
Transport		(980,519)	(1,140,216)	(1,062,549)
Economic Services		(519,512)	(398,636)	(429,481)
Other Property and Services		(169,520)	(38,320)	(218,614)
	2(a)	<u>(7,425,781)</u>	<u>(7,676,443)</u>	<u>(7,426,279)</u>
Finance Costs				
General Purpose Funding		0	(500)	0
Recreation and Culture		(27,182)	(27,675)	(29,569)
Economic Services		(4,472)	(7,574)	(8,771)
	2(a)	<u>(31,654)</u>	<u>(35,749)</u>	<u>(38,340)</u>
Fair Value Adjustments to Financial Assets at Fair Value through Profit or Loss				
General Purpose Funding		0	0	0
Non-Operating Grants, Subsidies and Contributions				
General Purpose Funding		628,395	0	0
Law, Order, Public Safety		60,000	123,900	100,000
Recreation and Culture		1,194,546	1,342,046	0
Transport		0	208,533	0
		<u>1,882,941</u>	<u>1,674,479</u>	<u>100,000</u>
Profit/(Loss) on Disposal of Assets				
Governance		(12,289)	(1,950)	3,154
Law, Order, Public Safety		(192)	(3,810)	0
Education and Welfare		(880)	(4,810)	(5,206)
Recreation & Culture		(5,906)	0	0
Transport		(12,079)	(6,670)	11,969
Economic Services		(9,595)	(8,000)	(4,300)
		<u>(40,941)</u>	<u>(25,240)</u>	<u>5,617</u>
Net Result		<u>2,614,067</u>	<u>806,989</u>	<u>38,668</u>
Other Comprehensive Income				
Changes on revaluation of non-current assets	12	24,807,778	0	0
Total Other Comprehensive Income		<u>24,807,778</u>	<u>0</u>	<u>0</u>
Total Comprehensive Income		<u>27,421,845</u>	<u>806,989</u>	<u>38,668</u>

This statement is to be read in conjunction with the accompanying notes.

**TOWN OF NARROGIN
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2013**

	NOTE	2013 \$	2012 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	4,484,357	1,340,481
Trade and Other Receivables	4	951,182	793,471
Inventories	5	<u>0</u>	<u>0</u>
TOTAL CURRENT ASSETS		<u>5,435,539</u>	<u>2,133,952</u>
NON-CURRENT ASSETS			
Other Receivables	4	82,189	70,350
Inventories	5	177,273	0
Property, Plant and Equipment	6	37,196,554	11,717,520
Infrastructure	7	<u>6,956,814</u>	<u>7,040,543</u>
TOTAL NON-CURRENT ASSETS		<u>44,412,830</u>	<u>18,828,413</u>
TOTAL ASSETS		<u>49,848,369</u>	<u>20,962,365</u>
CURRENT LIABILITIES			
Trade and Other Payables	8	1,554,303	698,028
Long Term Borrowings	9	131,564	55,736
Provisions	10	<u>350,149</u>	<u>328,571</u>
TOTAL CURRENT LIABILITIES		<u>2,036,016</u>	<u>1,082,335</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	9	1,143,091	585,401
Provisions	10	<u>48,604</u>	<u>95,816</u>
TOTAL NON-CURRENT LIABILITIES		<u>1,191,695</u>	<u>681,217</u>
TOTAL LIABILITIES		<u>3,227,711</u>	<u>1,763,552</u>
NET ASSETS		<u>46,620,658</u>	<u>19,198,813</u>
EQUITY			
Retained Surplus		15,524,095	14,701,412
Reserves - Cash Backed	11	2,703,015	911,631
Revaluation Surplus	12	<u>28,393,548</u>	<u>3,585,770</u>
TOTAL EQUITY		<u>46,620,658</u>	<u>19,198,813</u>

This statement is to be read in conjunction with the accompanying notes.

**TOWN OF NARROGIN
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2013**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH/ INVESTMENT BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2011		14,950,995	623,380	3,585,770	19,160,145
Changes in Accounting Policy		0	0	0	0
Correction of Errors		0	0	0	0
Restated Balance		14,950,995	623,380	3,585,770	19,160,145
Comprehensive Income					
Net Result		38,668	0	0	38,668
Changes on Revaluation of Non-Current Assets	12	0	0	0	0
Total Comprehensive Income		<u>38,668</u>	<u>0</u>	<u>0</u>	<u>38,668</u>
Reserve Transfers		(288,251)	288,251	0	0
Balance as at 30 June 2012		14,701,412	911,631	3,585,770	19,198,813
Comprehensive Income					
Net Result		2,614,067	0	0	2,614,067
Changes on Revaluation of Non-Current Assets	12	0	0	24,807,778	24,807,778
Total Other Comprehensive Income		<u>2,614,067</u>	<u>0</u>	<u>24,807,778</u>	<u>27,421,845</u>
Reserve Transfers		(1,791,384)	1,791,384	0	0
Balance as at 30 June 2013		15,524,095	2,703,015	28,393,548	46,620,658

This statement is to be read in conjunction with the accompanying notes.

**TOWN OF NARROGIN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2013**

	NOTE	2013 \$	2013 Budget \$	2012 \$
Cash Flows From Operating Activities				
Receipts				
Rates		2,884,055	2,901,129	2,603,448
Operating Grants, Subsidies and Contributions		2,771,049	2,155,322	2,908,977
Fees and Charges		2,187,228	1,917,841	1,512,446
Service Charges		0	0	0
Interest Earnings		58,236	60,750	61,128
Goods and Services Tax		451,612	220,000	220,320
Other Revenue		184,019	12,100	266,774
		<u>8,536,199</u>	<u>7,266,942</u>	<u>7,573,093</u>
Payments				
Employee Costs		(3,662,620)	(4,079,964)	(4,128,866)
Materials and Contracts		(850,713)	(2,052,596)	(1,310,001)
Utility Charges		(504,606)	(514,173)	(401,136)
Insurance Expenses		(251,696)	(155,557)	(150,350)
Interest expenses		(31,654)	(35,749)	(38,340)
Goods and Services Tax		(560,016)	(115,000)	(275,320)
Other Expenditure		(226,499)	(244,324)	(267,872)
		<u>(6,087,804)</u>	<u>(7,197,363)</u>	<u>(6,571,885)</u>
Net Cash Provided By (Used In) Operating Activities	13(b)	<u>2,448,395</u>	<u>69,579</u>	<u>1,001,208</u>
Cash Flows from Investing Activities				
Payments for Development of Land Held for Resale		(177,273)	0	0
Payments for Purchase of Property, Plant & Equipment		(1,404,718)	(2,806,447)	(435,464)
Payments for Construction of Infrastructure		(404,844)	(405,093)	(201,862)
Advances to Community Groups		0	0	0
Payments for Purchase of Investments		0	0	0
Non-Operating Grants, Subsidies and Contributions		1,882,941	1,674,479	100,000
Proceeds from Sale of Plant & Equipment		165,858	116,700	85,270
Proceeds from Advances		0	0	0
Proceeds from Sale of Investments		0	0	0
Net Cash Provided By (Used In) Investing Activities		<u>61,964</u>	<u>(1,420,361)</u>	<u>(452,056)</u>
Cash Flows from Financing Activities				
Repayment of Debentures		(45,112)	(55,736)	(38,340)
Repayment of Finance Leases		0	0	0
Proceeds from Self Supporting Loans		0	0	0
Proceeds from New Debentures		678,629	851,386	0
Net Cash Provided By (Used In) Financing Activities		<u>633,517</u>	<u>795,650</u>	<u>(38,340)</u>
Net Increase (Decrease) in Cash Held		3,143,876	(555,132)	510,812
Cash at Beginning of Year		1,340,481	1,317,112	829,669
Cash and Cash Equivalents at the End of the Year	13(a)	<u>4,484,357</u>	<u>761,980</u>	<u>1,340,481</u>

This statement is to be read in conjunction with the accompanying notes.

**TOWN OF NARROGIN
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2013**

	NOTE	2013 Actual \$	2013 Budget \$	2012 Actual \$
Revenue				
Governance		44,643	5,150	64,072
General Purpose Funding		1,288,800	701,688	1,391,225
Law, Order, Public Safety		34,952	37,389	7,027
Health		4,653	6,432	3,924
Education and Welfare		1,363,732	1,269,570	1,219,127
Housing		4,527	50	0
Community Amenities		991,916	843,401	644,604
Recreation and Culture		920,620	735,413	1,003,859
Transport		24,476	26,924	142,814
Economic Services		507,159	355,196	332,180
Other Property and Services		159,989	37,600	28,327
		<u>5,345,447</u>	<u>4,018,813</u>	<u>4,837,159</u>
Expenses				
Governance		(751,398)	(771,116)	(684,985)
General Purpose Funding		(134,196)	(145,504)	(101,373)
Law, Order, Public Safety		(213,890)	(281,472)	(193,579)
Health		(120,834)	(92,199)	(131,537)
Education and Welfare		(1,273,035)	(1,311,407)	(1,256,205)
Housing		(21,783)	(51)	0
Community Amenities		(800,644)	(820,009)	(699,439)
Recreation and Culture		(2,486,899)	(2,716,258)	(2,683,493)
Transport		(992,598)	(1,146,886)	(1,062,549)
Economic Services		(533,579)	(414,210)	(442,552)
Other Property and Services		(169,520)	(38,319)	(218,614)
		<u>(7,498,376)</u>	<u>(7,737,431)</u>	<u>(7,474,326)</u>
Net Result Excluding Rates		(2,152,929)	(3,718,618)	(2,637,167)
Adjustments for Cash Budget Requirements:				
Non-Cash Expenditure and Revenue				
Initial Recognition of Assets Due to Change to Regulations				
(Profit)/Loss on Asset Disposals	20	40,941	25,240	(5,617)
Movement in Deferred Pensioner Rates (Non-Current)		(11,839)	0	1,842
Movement in Employee Benefit Provisions (Non-Current)		(25,634)	0	(108,159)
Movement in Accrued Expenses		(6,822)	0	(19,884)
Depreciation and Amortisation on Assets	2(a)	990,611	968,400	934,518
Movement in Employee Benefit Reserve (Added Back)		50,000	0	0
Loan Liability Adjustment		0	0	(15,976)
Asset Valuation Adjustments		24,625	0	(4)
Capital Expenditure and Revenue				
Purchase Land Held for Resale		(177,273)	0	0
Purchase Land and Buildings		(507,371)	(1,571,230)	(161,790)
Purchase Infrastructure Assets		(404,844)	(405,093)	(201,862)
Purchase Plant and Equipment		(645,522)	(746,015)	(227,471)
Purchase Furniture and Equipment		(251,825)	(489,202)	(46,203)
Proceeds from Disposal of Assets	20	165,858	116,700	85,270
Repayment of Debentures	21(a)	(45,112)	(55,736)	(38,340)
Proceeds from New Debentures	21	678,629	851,386	0
Proceeds from Non Operating Grants & Contributions		1,882,941	1,674,479	100,000
Adjustment to restricted Cash		13,000	0	(13,000)
Transfers to Reserves (Restricted Assets)	11	(2,140,548)	(173,382)	(322,005)
Transfers from Reserves (Restricted Assets)	11	349,164	534,164	33,754
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	22(b)	503,425	137,778	569,684
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	22(b)	1,213,530	0	503,425
Total Amount Raised from General Rate	22(a)	<u>(2,884,055)</u>	<u>(2,851,129)</u>	<u>(2,575,835)</u>

This statement is to be read in conjunction with the accompanying notes.

TOWN OF NARROGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of this financial report are presented below and have been consistently applied unless stated otherwise.

(a) Basis of Preparation

The financial report is a general purpose financial statement which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the local Government Act 1995 and accompanying regulations.

Except for cash flow and rate setting information, the report has also been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of the selected non-current assets, financial assets and liabilities.

Critical Accounting Estimates

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

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

(b) The Local Government Reporting Entity

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

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

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

(c) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to the ATO, is included with receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, are presented as operating cash flows.

**TOWN OF NARROGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

Bank overdrafts are shown as short term borrowings in current liabilities in the statement of financial position.

(e) Trade and Other Receivables

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

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

(f) Inventories

General

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

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Land Held for Resale

Land purchased for development and/or resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in the statement of comprehensive income at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point.

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

**TOWN OF NARROGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets

Each class of fixed assets is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation or impairment losses.

Mandatory Requirement to Revalue Non-Current Assets

Effective from 1 July 2012, the Local Government (Financial Management) Regulations were amended and the measurement of non-current assets at fair value became mandatory.

The amendments allow for a phasing in of fair value in relation to fixed assets over three years as follows:

(a) for the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and

(b) for the financial year ending on 30 June 2014, the fair value of all of the assets of the local government -

(i) that are plant and equipment; and

(ii) that are -

(I) land and buildings; or

(II) infrastructure;

and

(c) for a financial year ending on or after 30 June 2015, the fair value of all of the assets of the local government.

Thereafter, in accordance with the regulations, each asset class must be revalued at least every 3 years.

Council has commenced the process of adopting Fair Value in accordance with the Regulations.

Relevant disclosures, in accordance with the requirements of Australian Accounting Standards, have been made in the financial report as necessary.

Land Under Control

In accordance with local Government (Financial Management) Regulation 16 (a), the Council is required to include as an asset (by 30 June 2013), Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of State or regional significance.

Upon initial recognition, these assets were recorded at cost in accordance with AASB 116. They were then classified as Land and revalued along with other land in accordance with other policies detailed in this Note.

Whilst they were initially recorded at cost, fair value at the date of acquisition was deemed cost as per AASB 116.

Consequently, these assets were initially recognised at cost but revalued along with other items of Land and Buildings at 30 June 2013.

**TOWN OF NARROGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

Initial Recognition

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable future economic benefits associated with the item will flow to the Council and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in the statement of comprehensive income in the period in which they are incurred.

Revaluation

Revalued assets are carried at their fair value being the price that would be received to sell the asset, in an orderly transaction between market participants at the measurement date.

Revalued assets are carried at their fair value being the price that would be received to sell the asset, in an orderly transaction between market participants at the measurement date.

For land and buildings, fair value will be determined based on the nature of the asset class. For land and non-specialised buildings, fair value is determined on the basis of observable open market values of similar assets, adjusted for conditions and comparability at their highest and best use (Level 2 inputs in the fair value hierarchy).

With regards to specialised buildings, fair value is determined having regard for current replacement cost and both observable and unobservable costs. These include construction costs based on recent contract prices, current condition (observable Level 2 inputs in the fair value hierarchy), residual values and remaining useful life assessments (unobservable Level 3 inputs in the fair value hierarchy).

For infrastructure and other asset classes, fair value is determined to be the current replacement cost of an asset (Level 2 inputs in the fair value hierarchy) less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset (Level 3 inputs in the fair value hierarchy).

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases in the same asset are recognised against revaluation surplus directly in equity. All other decreases are recognised as profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

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

In addition, the amendments to the Financial Management Regulations mandating the use of Fair Value, imposes a further minimum of 3 years revaluation requirement. As a minimum, all assets carried at a revalued amount, will be revalued at least every 3 years.

TOWN OF NARROGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

Transitional Arrangement

During the time it takes to transition the carrying value of non-current assets from the cost approach to the fair value approach, the Council may still be utilising both methods across differing asset classes.

Those assets carried at cost will be carried in accordance with the policy detailed in the ***Initial Recognition*** section as detailed above.

Those assets carried at fair value will be carried in accordance with the ***Revaluation*** methodology section as detailed above.

Early Adoption of AASB 13 - Fair Value Measurement

Whilst the new accounting standard in relation to fair value, *AASB 13 - Fair Value Measurement* does not become applicable until the end of the year ended 30 June 2014 (in relation to Council), given the legislative need to commence using Fair Value methodology for this reporting period, the Council chose to early adopt AASB 13 (as allowed for in the standard).

As a consequence, the principles embodied in *AASB 13 - Fair Value Measurement* have been applied to this reporting period (year ended 30 June 2013).

Due to the nature and timing of the adoption (driven by legislation), the adoption of this standard has had no effect on previous reporting periods.

Land under Roads

In Western Australia, all land under roads is Crown Land, the responsibility for managing which, is vested in the local government.

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB1051 - Land Under Roads and the fact Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

Whilst such treatment is inconsistent with the requirements of AASB 1051, Local Government (Financial Management) Regulation 4(2) provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail.

Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the Council.

**TOWN OF NARROGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

Depreciation of Non-Current Assets

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

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

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

Buildings	50 to 100 years
Furniture and Equipment	10 years
Plant and Equipment	5 to 15 years
Sealed roads and streets clearing and earthworks construction/road base	not depreciated 50 years
original surfacing and major re-surfacing - bituminous seals	20 years
Gravel roads clearing and earthworks construction/road base	not depreciated 50 years
gravel sheet	12 years
Formed roads (unsealed) clearing and earthworks construction/road base	not depreciated 50 years
Footpaths - slab	40 years

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

Capitalisation Threshold

Plant, Property and Equipment (excluding Buildings) items to \$5,000 or greater, and Building and Infrastructure items to \$10,000 or greater.

(h) Intangible Assets

Easements

Due to legislative changes, Easements are required to be recognised as assets.

If significant, they are initially recognised at cost and have an indefinite useful life.

TOWN OF NARROGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Council becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Council commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method or at cost.

Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- (a) the amount in which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments;
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method; and
- (d) less any reduction for impairment.

The effective interest rate method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(i) Financial assets at fair value through profit and loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current. They are subsequently measured at fair value with changes to carrying amount being included in profit or loss.

TOWN OF NARROGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Financial Instruments (Continued)

Classification and Subsequent Measurement (Continued)

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Loans and receivables are included in current assets where they are expected to mature within 12 months after the end of the reporting period.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Held-to-maturity investments are included in current assets where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as non-current.

(iv) Available-for-sale financial assets

Available-for-sale financial assets, are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable.

They are subsequently measured at fair value with changes in such fair value (ie gains or losses) recognised in other comprehensive income (except for impairment losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to the asset previously recognised in other comprehensive income, is reclassified into profit or loss.

Available-for-sale financial assets are included in current assets where they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as non-current.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Impairment

At the end of each reporting period, the Council assesses whether there is objective evidence that a financial instrument has been impaired.

A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events having occurred, which will have an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial instruments, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

TOWN OF NARROGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Financial Instruments (Continued)

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the Council no longer has any significant continued involvement in the risks and benefits associated with the asset.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(j) Impairment

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

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another standard (eg AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other standard.

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

(k) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Council prior to the end of the financial year that are unpaid and arise when the Council becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

(l) Employee Benefits

Provision is made for the Council's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to the employee wage increases and the probability the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity matching the expected timing of cash flows.

(m) Borrowing Costs

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

TOWN OF NARROGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Provisions

Provisions are recognised when:

- a) the Council has a present legal or constructive obligation as a result of past events;
- b) for which it is probable that an outflow of economic benefits will result; and
- c) that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(o) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the Council, are classified as finance leases.

Finance leases are capitalised recording an asset and a liability at the lower amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

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

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

(p) Investments in Associates

Associates are entities in which the Council has significant influence through holding, directly or indirectly, 20% or more of the voting power of the Council. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Council's share of net assets of the associate entity. In addition, Council's share of the profit or loss of the associate entity is included in the Council's profit or loss.

The carrying amount of the investment includes goodwill relating to the associate. Any discount on acquisition, whereby the Council's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Council and the associate are eliminated to the extent of the Council's interest in the associate.

**TOWN OF NARROGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Joint Venture

The Council's interest in a joint venture has been recognised in the financial statements by including its share of any assets, liabilities, revenues and expenses of the joint venture within the appropriate line items of the financial statement. Information about the joint venture is set out in Note 16.

The Council's interest in joint venture entities are recorded using the equity method of accounting (refer to Note 1(p) for details) in the financial report.

When the Council contributes assets to the joint venture or if the Council purchases assets from the joint venture, only the portion of gain or loss not attributable to the Council's share of the joint venture shall be recognised. The Council recognises the full amount of any loss when the contribution results in a reduction in the net realisable value of current assets or an impairment loss.

(r) Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

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

(s) Superannuation

The Council contributes to a number of superannuation funds on behalf of employees. All funds to which the Council contributes are defined contribution plans.

(t) Current and Non-Current Classification

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

(u) Rounding Off Figures

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

**TOWN OF NARROGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Comparative Figures

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

When the Council applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statement, a statement of financial position as at the beginning of the earliest period will be disclosed.

(w) Budget Comparative Figures

Unless otherwise stated, the budget comparative figures shown in this annual financial report relate to the original budget estimate for the relevant item of disclosure.

TOWN OF NARROGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) New Accounting Standards and Interpretations for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Council.

Management's assessment of the new and amended pronouncement that are relevant to the Council, applicable to future reporting periods and which have not yet been adopted are set out as follows.

Title and Topic	Issued	Applicable (*)	Impact
(i) AASB 9 – Financial Instruments AASB 2012 – 6 Amendments to Australian Accounting Standards – Mandatory effective date of AASB 9 and Transition Disclosures	December 2009 September 2012	01 January 2013 Deferred AASB 9 until 1 January 2015	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the standard will have any material effect.
(ii) AASB 2009 – 11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12)	December 2009	01 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).

TOWN OF NARROGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) New Accounting Standards and Interpretations for Application in Future Periods (Continued)

Title and Topic	Issued	Applicable (*)	Impact
(iii) AASB 2010 – 7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	December 2010	01 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).
(iv) AASB 10 - Consolidated Financial Statements, AASB 11 - Joint Arrangements, AASB 12 - Disclosure of Interests in Other Entities, AASB 127 - Separate Financial Statements, AASB 128 - Investments in Associates and Joint Ventures, AASB 2011 - 7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]	August 2011	01 January 2013	Nil - None of these, except for AASB 128, are expected to have significant application to the operations of the Council. With respect to AASB 128, where the Council has an interest in a Joint Venture, the requirements of AASB 128 supercede those of the current Joint Venture Standard AASB 131. The new standard more clearly defines the accounting treatment and disclosure in relation to it. Due to the nature of the Joint Venture, it is not expected to have a significant impact on the Council.

TOWN OF NARROGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) New Accounting Standards and Interpretations for Application in Future Periods (Continued)

Title and Topic	Issued	Applicable (*)	Impact
(v) AASB 2011 - 9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]	September 2011	01 July 2013	The main change embodied in this standard is the requirement to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently. It effects presentation only and is not expected to significantly impact the Council.
(vi) AASB 119 - Employee Benefits, AASB 2011 - 10 Amendments to Australian Accounting Standards arising from AASB 119 [AASB 1, 8, 101, 124, 134, 1049 & 2012-8 and Interpretation 14]	September 2011	01 January 2013	The changes in relation to defined benefit plans contained in this standard are not expected to significantly impact the Council nor are the changes to AASBs in relation to termination benefits.
(vii) AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & 32]	June 2012	01 January 2013	Principally amends AASB 7: Financial Instruments. Disclosures to require entities to include information that will enable users of their financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. This Standard is not expected to significantly impact on the Council's financial statements.

TOWN OF NARROGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) New Accounting Standards and Interpretations for Application in Future Periods (Continued)

Title and Topic	Issued	Applicable (*)	Impact
(viii) AASB 2012-3: Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]	June 2012	01 January 2014	This Standard adds application guidance to AASB 132: <i>Financial Instruments: Presentation</i> to address potential inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement.
(ix) AASB 2012-5: Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle [AASB 1, 101, 116, 132, 134 and Interpretation 2]	June 2012	01 January 2013	This Standard is not expected to significantly impact on the Council's financial statements. Outlines changes to the various standards and interpretations as listed. These topics are not currently relevant to Council, nor are they expected to be in the future. As a consequence, this Standard is not expected to significantly impact on the Council's financial statements.
(x) AASB 2012-10: Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments. [AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049 & 2011-7 and Interpretation 12]	December 2012	01 January 2013	Mainly consequential changes relating to transition guidance. It is not expected to have a significant impact on Council.

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

**TOWN OF NARROGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(y) Adoption of New and Revised Accounting Standards

During the current year, the Council adopted all of the new and revised Australian Accounting Standards and Interpretations which became mandatory and which were applicable to its operations.

These new and revised standards were:

AASB 2010 - 8
AASB 2011 - 3
AASB 2011 - 13

The standards adopted had a minimal effect on the accounting and reporting practices of the Council as they were either largely editorial in nature, were revisions to help ensure consistency with presentation, recognition and measurement criteria of IFRSs or related to topics not relevant to operations.

The Council also chose to early adopt AASB 13 - *Fair Value Measurement* as allowed for in the standard. For further details with respect to this early adoption, refer to Note 1(g).

TOWN OF NARROGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

2. REVENUE AND EXPENSES	2013 \$	2012 \$
(a) Net Result		
The Net Result includes:		
(i) Charging as an Expense:		
Significant Expense		
General Purpose Funding	<u>0</u>	<u>0</u>
This significant expense in both years relates to		
Amortisation		
Capitalised Leased Assets	0	0
Auditors Remuneration		
- Audit of financial reports	24,137	22,339
- Other Audits	1,265	0
Depreciation		
Buildings	357,586	366,062
Plant and Equipment	108,677	106,363
Furniture and Equipment	35,775	32,119
Roads	342,313	288,487
Drainage	63,423	62,931
Footpaths	35,241	35,520
Parks & Ovals	29,674	28,828
Townscape	1,680	1,519
Other Infrastructure	16,242	12,689
	<u>990,611</u>	<u>934,518</u>
Interest Expenses (Finance Costs)		
Debentures (refer Note 21(a))	<u>31,654</u>	<u>38,340</u>
	<u>31,654</u>	<u>38,340</u>
Rental Charges		
- Operating Leases	<u>0</u>	<u>0</u>
(ii) Crediting as Revenue:		
Significant Revenue		
	Nil	Nil
	2013	2013
	\$	Budget
		\$
Interest Earnings		
Investments		
- Other Funds	28,468	33,750
Other Interest Revenue (refer note 26)	29,768	27,000
	<u>58,236</u>	<u>60,750</u>
		<u>61,128</u>

**TOWN OF NARROGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

The Town of Narrogin is dedicated to providing high quality services to the community through the various service orientated programs which it has established.

GOVERNANCE

Members of Council, Civic Functions, Executive Support, Human Resources & Payroll, Security Services, Administration Support, Records Management, Information Technology and Financial Control.

GENERAL PURPOSE FUNDING

All Rate Revenue and Penalties, General Purpose Grant, Pensioners Deferred Rates Grant and Interest Revenue.

LAW, ORDER, PUBLIC SAFETY

Fire Prevention, Animal Control, General Ranger Services, Emergency Services.

HEALTH

Maternal and Infant Health, Preventative Services (Immunisation), Inspections, Pest Control.

EDUCATION AND WELFARE

Pre-Schools and Other Education, Care of families and children, aged and disabled Senior Citizens, Meals on Wheels, Homeless Youth Shelter.

HOUSING

The Town does not have any staff or other residential housing.

COMMUNITY AMENITIES

Sanitation Household Refuse, Refuse Site, Sewerage, Protection of the Environment, Town Planning, Cemeteries, Bus Shelters.

RECREATION AND CULTURE

Public Halls and Civic Centres, Aquatic Centre, Beaches, Recreation Grounds (Active and Passive), Arts, Leisure Development, Libraries, Museum, Arts Centre.

TRANSPORT

Road Maintenance, Footpaths, Bridges, Street Trees, Street Lighting, Cycle ways, Vehicle Crossovers, Depots, Parking.

ECONOMIC SERVICES

Rural Services, Tourism, Building Control, Economic Development.

OTHER PROPERTY AND SERVICES

Private Works, Stocks and Miscellaneous Items.

TOWN OF NARROGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

Grant/Contribution	Function/ Activity	Opening	Received (+)	Expended (#)	Closing	Received (+)	Expended (#)	Closing
		Balance (*) 1-Jul-11 \$	2011/12 \$	2011/12 \$	Balance (*) 30-Jun-12 \$	2012/13 \$	2012/13 \$	Balance (*) 30-Jun-13 \$
AEDI Seed (Holding - SW	Edu & Welf	2,727	0	0	2,727	0	(2,727)	0
Primary Health	Edu & Welf	30,000	0	0	30,000	0	0	30,000
WDC Grant for Regional Tafe	Rec & Cult	3,000	0	0	3,000	0	(3,000)	0
DJA RAP sponsorship grant	Rec & Cult	30,000	0	(18,636)	11,364	0	(11,364)	0
RCLIP Round 3	Law, Order	0	100,000	(16,080)	83,920	0	(83,920)	0
CCTV	Rec & Cult	0	30,000	(8,922)	21,078	0	(21,078)	0
Kids Sports	Rec & Cult	0	110,000	(58,549)	51,451	202,519	(51,451)	202,519
Healthy Lifestyles	Rec & Cult	0	5,500	0	5,500	0	(5,500)	0
Finding My Place	Rec & Cult	0	574	0	574	0	0	574
Finding My Careers	Rec & Cult	0	0	0	0	628,395	(143,459)	484,936
CLGF R4R (2010/11) Local	General Pur.	0	0	0	0	420,000	(209,742)	210,258
CLGF R4R Regional NLRC1	Rec & Cult	0	0	0	0	0	0	0
CLGF R4R Regional NLRC2	Rec & Cult	0	0	0	0	140,702	(91,803)	48,899
CLGF R4R Regional Town Hall	Rec & Cult	0	0	0	0	350,000	(10,696)	339,304
Aged Care Hino Bus	Edu & Welf	0	0	0	0	118,802	0	118,802
Roads to Recovery	Transport	0	106,052	0	106,052	0	0	106,052
Total		65,727	352,126	(102,187)	315,666	1,860,418	(634,740)	1,541,344

Notes:

(*) - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.

(+) - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.

(#) - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.

**TOWN OF NARROGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

	2013	2012
	\$	\$
3. CASH AND CASH EQUIVALENTS		
Unrestricted	1,766,651	401,160
Restricted	<u>2,717,706</u>	<u>939,321</u>
	<u>4,484,357</u>	<u>1,340,481</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:		
Promotion Reserve	0	17,200
Refuse Reserve	240,663	199,250
Hogg Memorial Reserve	80,530	80,530
Property Development Reserve	108,026	108,026
Emergency Services Reserve	12,590	12,590
Fleet Vehicle Reserve	0	3,450
Aged Care Development Reserve	571,670	219,371
Plant Reserve	0	59,600
Community Assisted Transport Building Reserve	8,615	2,000
Employee Entitlements Reserve	10,724	0
Vehicle Replacement Reserve	50,000	0
Unspent Grants & Contributions	78,854	0
Other Restricted Cash	1,541,344	209,614
Public Open Space	11,440	11,440
Museum Appeal	3,250	3,250
Other	0	13,000
	<u>2,717,706</u>	<u>939,321</u>
4. TRADE AND OTHER RECEIVABLES		
Current		
Rates Outstanding	173,252	114,797
Sundry Debtors	777,930	578,584
Provision for doubtful debts	0	(25,000)
Other Receivable	0	125,090
	<u>951,182</u>	<u>793,471</u>
Non-Current		
Rates Outstanding - Pensioners	82,189	70,350
Loans - Clubs/Institutions	0	0
	<u>82,189</u>	<u>70,350</u>
5. INVENTORIES		
Current		
	<u>0</u>	<u>0</u>
Non-Current		
Land Held for Resale - Cost		
Cost of Acquisition	177,273	0
	<u>177,273</u>	<u>0</u>

**TOWN OF NARROGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

	2013	2012
	\$	\$
6. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings		
Freehold Land at:		
- Independent Valuation 2013	2,200,000	0
- Management Valuation 2012	0	306,532
- Cost	<u>0</u>	<u>0</u>
	<u>2,200,000</u>	<u>306,532</u>
Land Under Control at:		
- Independent Valuation 2013	0	0
Total Land	<u>2,200,000</u>	<u>306,532</u>
Buildings at:		
- Independent Valuation 2013	33,634,500	0
- Management Valuation 2012	0	10,664,178
- Cost	0	11,468,945
Less Accumulated Depreciation	<u>0</u>	<u>(11,546,402)</u>
Total Buildings	<u>33,634,500</u>	<u>10,586,721</u>
Total Land and Buildings	<u>35,834,500</u>	<u>10,893,253</u>
Furniture and Equipment		
- Cost	911,523	659,698
Less Accumulated Depreciation	<u>(548,274)</u>	<u>(512,499)</u>
	<u>363,249</u>	<u>147,199</u>
Plant and Equipment		
- Management Valuation 2013	620,984	0
- Cost	378,489	1,299,701
Less Accumulated Depreciation	<u>(668)</u>	<u>(622,633)</u>
	<u>998,805</u>	<u>677,068</u>
	<u>37,196,554</u>	<u>11,717,520</u>

TOWN OF NARROGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

Movements in Carrying Amounts

Movement in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year.

	Land (Level 2)	Non- Specialised Buildings (Level 2)	Specialised Buildings (Level 3)	Total Buildings	Total Land and Buildings	Plant and Equipment (Level 2)	Furniture and Equipment (Level 3)	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Balance as at the beginning of the year	306,532	10,586,721	0	10,586,721	10,893,253	677,068	147,199	11,717,520
Additions	0	507,371	0	507,371	507,371	645,522	251,825	1,404,718
(Disposals)	0	0	0	0	0	(206,799)	0	(206,799)
Revaluation - Increments	1,935,676	22,962,717	0	22,962,717	24,898,393	110,478	0	25,008,871
- (Decrements)	(42,211)	(64,719)	0	(64,719)	(106,930)	(94,155)	0	(201,085)
Impairment - (Losses)	0	0	0	0	0	0	0	0
- Reversals	0	0	0	0	0	0	0	0
Initial Recognition of assets	0	0	0	0	0	0	0	0
Due to Changes to Regulations	0	0	0	0	0	0	0	0
Write Off / Rounding Adjustment	3	(4)	0	(4)	(1)	(24,632)	0	(24,633)
Depreciation (Expense)	0	(357,586)	0	(357,586)	(357,586)	(108,677)	(35,775)	(502,038)
Carrying amount at the end of year	2,200,000	33,634,500	0	33,634,500	35,834,500	998,805	363,249	37,196,554

TOWN OF NARROGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

	2013	2012
	\$	\$
7. INFRASTRUCTURE		
Roads - Management Valuations	11,287,000	11,287,000
Roads - Cost	3,273,894	2,958,553
Less Accumulated Depreciation	<u>(11,168,570)</u>	<u>(10,826,257)</u>
	3,392,324	3,419,296
Drainage - Management Valuations	2,613,310	2,613,310
Drainage - Cost	586,548	557,831
Less Accumulated Depreciation	<u>(2,332,355)</u>	<u>(2,268,932)</u>
	867,503	902,209
Footpaths - Management Valuations	605,020	605,020
Footpaths - Cost	1,204,115	1,157,032
Less Accumulated Depreciation	<u>(853,969)</u>	<u>(818,728)</u>
	955,166	943,324
Parks and Gardens - Management Valuation	1,201,900	1,201,900
Parks and Gardens - Cost	873,212	873,212
Less Accumulated Depreciation	<u>(917,854)</u>	<u>(888,180)</u>
	1,157,258	1,186,932
Townscape - Cost	84,007	84,007
Less Accumulated Depreciation	<u>(20,365)</u>	<u>(18,685)</u>
	63,642	65,322
Other - Cost	663,399	649,696
Less Accumulated Depreciation	<u>(142,478)</u>	<u>(126,236)</u>
	520,921	523,460
	<u>6,956,814</u>	<u>7,040,543</u>

TOWN OF NARROGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

7. INFRASTRUCTURE (Continued)

Movements in Carrying Amounts

Movement in the carrying amounts of each class of infrastructure between the beginning and the end of the current financial year.

	Roads \$	Drainage \$	Footpaths \$	Parks and Ovals \$	Townscape \$	Other \$	Total \$
Balance at the beginning of the year	3,419,296	902,209	943,324	1,186,932	65,322	523,460	7,040,543
Additions	315,341	28,717	47,083	0	0	13,703	404,844
(Disposals)	0	0	0	0	0	0	0
Revaluation - Increments - (Decrements)	0	0	0	0	0	0	0
Impairment - (Losses) - Reversals	0	0	0	0	0	0	0
Depreciation (Expense)	(342,313)	(63,423)	(35,241)	(29,674)	(1,680)	(16,242)	(488,573)
Carrying amount at the end of year	<u><u>3,392,324</u></u>	<u><u>867,503</u></u>	<u><u>955,166</u></u>	<u><u>1,157,258</u></u>	<u><u>63,642</u></u>	<u><u>520,921</u></u>	<u><u>6,956,814</u></u>

TOWN OF NARROGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

	2013	2012
	\$	\$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	945,212	449,504
Other Creditors	516,379	176,886
Retentions	39,319	64,816
Accrued Expenses	0	6,822
Accrued Salaries and Wages	53,393	0
	<u>1,554,303</u>	<u>698,028</u>
9. LONG-TERM BORROWINGS		
Current		
Secured by Floating Charge Debentures	<u>131,564</u>	<u>55,736</u>
	<u>131,564</u>	<u>55,736</u>
Non-Current		
Secured by Floating Charge Debentures	<u>1,143,091</u>	<u>585,401</u>
	<u>1,143,091</u>	<u>585,401</u>
Additional detail on borrowings is provided in Note 21.		
10. PROVISIONS		
Analysis of Total Provisions		
Current	350,149	328,571
Non-Current	48,604	95,816
	<u>398,753</u>	<u>424,387</u>
	Provision for Annual Leave	Provision for Long Service Leave
	\$	\$
Opening balance as at 1 July 2012	260,805	163,582
Additional provisions	0	5,378
Amounts used	(26,512)	(4,500)
Balance at 30 June 2013	<u>234,293</u>	<u>164,460</u>
	<u>398,753</u>	<u>424,387</u>

TOWN OF NARROGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

	2013 \$	2013 Budget \$	2012 \$
11. RESERVES - CASH BACKED			
(a) Narrogin Promotion			
Opening Balance	17,200	17,200	17,200
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	<u>(17,200)</u>	<u>(17,200)</u>	<u>0</u>
	<u>0</u>	<u>0</u>	<u>17,200</u>
(b) Plant and Depot Reserve			
Opening Balance	59,600	59,600	59,600
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	<u>(59,600)</u>	<u>(59,600)</u>	<u>0</u>
	<u>0</u>	<u>0</u>	<u>59,600</u>
(c) Refuse Reserve			
Opening Balance	199,250	199,250	199,250
Amount Set Aside / Transfer to Reserve	41,413	41,413	0
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>240,663</u>	<u>240,663</u>	<u>199,250</u>
(d) Fleet Replacement Reserve			
Opening Balance	3,450	3,450	3,450
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	<u>(3,450)</u>	<u>(3,450)</u>	<u>0</u>
	<u>0</u>	<u>0</u>	<u>3,450</u>
(e) Aged Care Development Reserve			
Opening Balance	219,371	384,384	108,980
Amount Set Aside / Transfer to Reserve	352,298	0	110,391
Amount Used / Transfer from Reserve	<u>0</u>	<u>(150,000)</u>	<u>0</u>
	<u>571,669</u>	<u>234,384</u>	<u>219,371</u>
(f) Property Development Reserve			
Opening Balance	108,026	141,780	141,780
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>(33,754)</u>
	<u>108,026</u>	<u>141,780</u>	<u>108,026</u>
(g) J Hogg Memorial Reserve			
Opening Balance	80,530	80,530	80,530
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	<u>0</u>	<u>(35,000)</u>	<u>0</u>
	<u>80,530</u>	<u>45,530</u>	<u>80,530</u>

TOWN OF NARROGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

	2013 \$	2013 Budget \$	2012 \$
11. RESERVES - CASH BACKED Continued			
(h) Emergency Services Reserve			
Opening Balance	12,590	12,590	12,590
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>12,590</u>	<u>12,590</u>	<u>12,590</u>
(i) Community Assisted Transport (CAT) Reserve			
Opening Balance	2,000	2,000	0
Amount Set Aside / Transfer to Reserve	20,615	20,615	2,000
Amount Used / Transfer from Reserve	(14,000)	(14,000)	0
	<u>8,615</u>	<u>8,615</u>	<u>2,000</u>
(j) Building Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	10,724	7,200	0
Amount Used / Transfer from Reserve	0	0	0
	<u>10,724</u>	<u>7,200</u>	<u>0</u>
(k) Employee Entitlement Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	70,000	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>70,000</u>	<u>0</u>	<u>0</u>
(l) Plant, Vehicle & Equipment Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	104,154	104,154	0
Amount Used / Transfer from Reserve	(45,300)	(45,300)	0
	<u>58,854</u>	<u>58,854</u>	<u>0</u>
(m) Unspent Grants & Contributions			
Opening Balance	209,614	221,978	0
Amount Set Aside / Transfer to Reserve	1,541,344	0	209,614
Amount Used / Transfer from Reserve	(209,614)	(209,614)	0
	<u>1,541,344</u>	<u>12,364</u>	<u>209,614</u>
TOTAL CASH BACKED RESERVES	<u>2,703,015</u>	<u>761,980</u>	<u>911,631</u>

All of the reserve accounts are supported by money held in financial institutions and match the amounts shown as restricted cash in this financial report.

**TOWN OF NARROGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

11. RESERVES - CASH BACKED Continued

In accordance with council resolutions in relation to each reserve account, the purpose for which the funds are set aside are as follows:

Narrogin Promotion

- to be used for the purchase of tourism assets

Plant and Depot Reserve

- to be used for the purchase of building infrastructures

Refuse Reserve

- to be used for the purchase of infrastructure assets

Fleet Replacement Reserve

- to be used for the purchase motor vehicles

Aged Care Development Reserve

- to be used for the purchase of aged care facilities

Property Development Reserve

- to be used for the purchase property assets

J Hogg Memorial Reserve

- to be used for the purchase of community assets

Emergency Services Reserve

- to be used for the purchase of essential service assets

Community Assisted Transport

- to be used for the replacement of the community assisted transport motor vehicle

Building Reserve

- for the purpose of funding the acquisition of new buildings and/or building upgrades of Town owned or operated buildings.

Employee Entitlements Reserve

- to fund current and former employees entitlements.

Plant, Vehicle & Equipment Reserve

- to fund the purchase of motor vehicles and heavy plant and equipment.

Unspent Grants & Contribution

- to place unspent grants and contributions. Funds are to be used for the purpose the funding was given to the Town.

**TOWN OF NARROGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

12. REVALUATION SURPLUS	2013	2012
	\$	\$
A Revaluation Surplus has arisen on revaluation of the following classes of non-current assets:		
(a) Land		
Opening balance	306,532	339,260
Revaluation Increment	1,946,676	0
Revaluation Decrement	(48,211)	(32,728)
	<u>2,204,997</u>	<u>306,532</u>
(b) Buildings		
Opening Balance	3,279,238	3,246,510
Revaluation Increment	22,957,717	32,728
Revaluation Decrement	(64,720)	0
Rounding Adjustment	(7)	0
	<u>26,172,228</u>	<u>3,279,238</u>
(c) Plant & Equipment		
Opening Balance	0	0
Revaluation Increment	110,478	0
Revaluation Decrement	(94,155)	0
	<u>16,323</u>	<u>0</u>
TOTAL REVALUATION SURPLUS	<u><u>28,393,548</u></u>	<u><u>3,585,770</u></u>

TOWN OF NARROGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

13. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the statement of financial position as follows:

	2013 \$	2013 Budget \$	2012 \$
Cash and Cash Equivalents	<u>4,484,357</u>	<u>761,980</u>	<u>1,340,481</u>

(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result

Net Result	2,614,067	806,989	38,668
Depreciation	990,611	968,400	934,518
Assets Written Off	24,633	0	0
Adjustment to Loans	0	0	(15,976)
Asset Rounding/Revaluation Reserve Adj.	(7)	0	(4)
(Profit)/Loss on Sale of Asset	40,941	25,240	(5,617)
(Increase)/Decrease in Receivables	(169,550)	819,491	(99,897)
Increase/(Decrease) in Payables	856,275	(876,062)	377,559
Increase/(Decrease) in Accrual Expenses	0	0	(19,884)
Increase/(Decrease) in Employee Provisions	(25,634)	0	(108,159)
Grants/Contributions for the Development of Assets	(1,882,941)	(1,674,479)	(100,000)
Non-Current Assets recognised due to changes in legislative requirements	0	0	0
Net Cash from Operating Activities	<u>2,448,395</u>	<u>69,579</u>	<u>1,001,208</u>

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements		
Bank Overdraft limit	400,000	400,000
Bank Overdraft at Balance Date	0	0
Credit Card limit	15,000	15,000
Credit Card Balance at Balance Date	0	0
Total Amount of Credit Unused	<u>415,000</u>	<u>415,000</u>

Loan Facilities		
Loan Facilities - Current	131,564	55,736
Loan Facilities - Non-Current	1,143,091	585,401
Total Facilities in Use at Balance Date	<u>1,274,655</u>	<u>641,137</u>
Unused Loan Facilities at Balance Date	<u>0</u>	<u>0</u>

**TOWN OF NARROGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

14. CONTINGENT LIABILITIES

The Town has no known contingent liabilities at 30 June 2013.

15. CAPITAL AND LEASING COMMITMENTS

The Town had no capital & leasing commitments at the 30 June 2013.

16. JOINT VENTURE

The Town has not entered into any Joint Venture arrangements as of 30 June 2013.

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

Governance	319,516	275,340
General Purpose Funding	842,896	182,085
Law, Order, Public Safety	180,339	61,721
Health	0	454
Education and Welfare	2,369,850	1,080,684
Community Amenities	845,636	1,571,107
Recreation and Culture	30,196,644	9,557,701
Transport	5,495,018	5,662,425
Economic Services	3,027,171	776,225
Other Property and Services	2,083,488	454,142
Unallocated	4,487,811	1,340,481
	<u>49,848,369</u>	<u>20,962,365</u>

**TOWN OF NARROGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

18. FINANCIAL RATIOS	2013	2012	2011
Current Ratio	1.29	1.08	1.12
Asset Sustainability Ratio	1.83	0.68	0.41
Debt Service Cover Ratio	22.84	9.92	4.36
Operating Surplus Ratio	0.15	(0.01)	(0.15)
Own Source Revenue Coverage Ratio	0.74	0.59	0.54

The above ratios are calculated as follows:

Current Ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset Sustainability Ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation expense}}$
Debt Service Cover Ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating Surplus Ratio	$\frac{\text{operating revenue minus operating expense}}{\text{own source operating revenue}}$
Own Source Revenue Coverage Ratio	$\frac{\text{own source operating revenue}}{\text{operating expense}}$

Notes:

Information relating to the **Asset Consumption Ratio** and the **Asset Renewal Funding Ratio** can be found at Supplementary Ratio Information on Page 57 of this document.

TOWN OF NARROGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

20. TRUST FUNDS

Funds held at balance date over which the Town has no control and which are not included in the financial statements are as follows:

	Balance 1-Jul-12	Amounts Received	Amounts Paid	Balance 30-Jun-13
	\$	\$	(\$)	\$
Musical Society	300	0	0	300
Narrogin Abattoir	480	0	0	480
Meat Inspection	1,990	0	0	1,990
Cultural Development	4,820	0	(500)	4,320
Public Open Space	49,560	0	0	49,560
Cross Over Bond	0	1,000	(1,000)	0
Other	250	0	0	250
	<u>57,400</u>			<u>56,900</u>

TOWN OF NARROGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

21. DISPOSALS OF ASSETS - 2012/13 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Governance						
- DCCS Vehicle	18,641	16,450	15,205	14500	(3,436)	(1,950)
- CEO Vehicle	50,669	0	41,818	0	(8,851)	0
Law, Order & Public Safety						
- Ranger Vehicle	17,010	17,810	16,818	14000	(192)	(3,810)
Education & Welfare						
- Homecare Vehicle	15,004	12,810	14,591	12000	(413)	(810)
- Homecare Vehicle	17,579	21,000	17,273	19000	(306)	(2,000)
- CAT (1) Vehicle	16,524	21,000	16,364	19000	(160)	(2,000)
Recreation & Culture						
- MLC Vehicle	11,373	0	5,467	0	(5,906)	0
Transports						
- DTES Vehicle	28,128	23,870	16,049	17200	(12,079)	(6,670)
Economic Services						
- Building Surveyor Vehicle	31,871	29,000	22,273	21,000	(9,598)	(8,000)
	206,799	141,940	165,858	116,700	(40,941)	(25,240)

TOWN OF NARROGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

21. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Principal 1-Jul-12	New Loans	Principal Repayments		Principal 30-Jun-13		Interest Repayments	
	\$	\$	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Governance								
125 Corporate Software & Server	0	220,000	0	0	220,000	220,000	0	0
Housing								
128 Executive Housing	0	0	0	0	0	350,000	0	0
Recreation & Culture								
121B NRLC (Sports Complex)	509,107	0	34,795	34,795	474,312	474,312	27,182	27,675
126 Town Hall Renovations	0	281,386	0	0	281,386	281,386	0	0
Economic Services								
124 Commercial Property	132,031	0	10,317	20,941	121,714	111,090	4,472	7,574
127 Industrial Land	0	177,243	0	0	177,243	0	0	0
	641,138	678,629	45,112	55,736	1,274,655	1,436,788	31,654	35,249

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

(b) New Debentures - 2012/13

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges \$	Interest Rate %	Amount Used		Balance Unspent \$
	Actual \$	Budget \$						Actual \$	Budget \$	
125 Corporate Software & Server	220,000	220,000	WATC	Debenture	5	241,265	3	220,000	220,000	0
126 Town Hall Renovations	281,386	281,386	WATC	Debenture	10	343,418	4	281,386	281,386	0
127 Industrial Land	177,243	0	WATC	Debenture	15	246,842	4	177,243	0	0
128 Executive Housing	0	350,000	N/A	N/A	N/A	0	0	0	350,000	0

**TOWN OF NARROGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

21. INFORMATION ON BORROWINGS (Continued)

(c) Unspent Debentures

The Town had no unspent Debentures as at the 30 June 2013.

(d) Overdraft

The Town has not utilised an overdraft during the 2012/13 financial year, although an overdraft facility of \$400,000 with the National Australia Bank does exist.

TOWN OF NARROGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

22. RATING INFORMATION - 2012/13 FINANCIAL YEAR

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
General Rate											
GRV	0.1056	1,835	24,465,990	2,583,609	60,403	0	2,644,012	2,583,609	25,000	0	2,608,609
UV	1.8516	1	1,307	2,420	(2,420)	0	0	2,420	0	0	2,420
Sub-Totals		1,836	24,467,297	2,586,029	57,983	0	2,644,012	2,586,029	25,000	0	2,611,029
Minimum Rates											
GRV	875	274	1,426,158	239,750	0	0	239,750	239,750	0	0	239,750
UV	875	0	0	0	0	0	0	0	0	0	0
Sub-Totals		274	1,426,158	239,750	0	0	239,750	239,750	0	0	239,750
Ex-Gratia Rates											
							2,883,762				2,850,779
Total Rates							293				350
							2,884,055				2,851,129

TOWN OF NARROGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

22. RATING INFORMATION - 2012/13 FINANCIAL YEAR (Continued)

(b) Information on Surplus/(Deficit) Brought Forward	2013 (30 June 2013 Carried Forward) \$	2013 (1 July 2012 Brought Forward) \$	2012 (30 June 2012 Carried Forward) \$
Surplus/(Deficit) - Rate Setting Statement	<u>1,104,569</u>	<u>503,425</u>	<u>503,425</u>
Comprises:			
Cash - Unrestricted	1,766,651	401,160	401,160
Cash - Restricted	2,717,706	939,321	939,321
Rates - Current	173,252	114,797	114,797
Sundry Debtors	777,930	553,584	553,584
Other Receivables	0	125,090	125,090
Less:			
Reserves - Restricted Cash	(2,667,706)	(939,321)	(939,321)
Sundry Creditors	(1,500,910)	(691,206)	(691,206)
Accrued Salaries and Wages	(53,393)	0	0
Surplus/(Deficit)	<u>1,213,530</u>	<u>503,425</u>	<u>503,425</u>

Difference:

There was no difference between the Surplus/(Deficit) 1 July 2012 Brought Forward position used in the 2013 audited financial report and the Surplus/(Deficit) Carried Forward position as disclosed in the 2012 audited financial report.

**TOWN OF NARROGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

23. SPECIFIED AREA RATE - 2012/13 FINANCIAL YEAR

The Town did not impose a special area rate during the 2012/13 financial year.

24. SERVICE CHARGES - 2012/13 FINANCIAL YEAR

The Town did not impose a service charge during the 2012/13 financial year.

**25. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2012/13 FINANCIAL YEAR**

The Town offered a rates incentive to encourage early rates payment to the value of \$2,500

26. INTEREST CHARGES AND INSTALMENTS - 2012/13 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%		19,336	20,000
Interest on Instalments Plan	5.50%		10,432	7,000
Charges on Instalment Plan		7,21	9,037	8,106
			38,805	35,106

Ratepayers had the option of paying rates in four equal instalments, due on 5th October 2012, 4th December 2012, 4th February 2013 and 5th April 2013. Administration charges and interest applied for the final three instalments.

27. FEES & CHARGES	2013 \$	2012 \$
Governance	0	16,495
General Purpose Funding	22,875	0
Law, Order, Public Safety	29,855	3,444
Health	5,987	3,924
Education and Welfare	97,449	94,519
Community Amenities	998,919	622,934
Recreation and Culture	551,550	437,734
Transport	0	2,778
Economic Services	650,141	330,516
Other Property and Services	2	102
	<u>2,356,778</u>	<u>1,512,446</u>

Council had amended some of its Narrogin Regional Leisure Centre and Narrogin Caravan Park fees and charges during the year to the amount of the fees or charges detailed in the original budget.

**TOWN OF NARROGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

28. GRANT REVENUE

Grants, subsidies and contributions are included as operating revenues in the Statement of Comprehensive Income:

	2013	2012
	\$	\$
By Nature and Type:		
Operating Grants, Subsidies and Contributions	2,746,416	2,981,487
Non-Operating Grants, Subsidies and Contributions	1,882,941	100,000
	<u>4,629,357</u>	<u>3,081,487</u>
By Program:		
General Purpose Funding	1,827,071	938,000
Law, Order, Public Safety	76,231	105,095
Education and Welfare	1,122,887	996,500
Community Amenities	0	35,248
Recreation and Culture	1,578,692	477,415
Transport	24,476	522,229
Other Property and Services	0	7,000
	<u>4,629,357</u>	<u>3,081,487</u>

29. ELECTED MEMBERS REMUNERATION

	2013	2013	2012
	\$	Budget	\$
		\$	

The following fees, expenses and allowances were paid to council members and/or the president.

Meeting Fees	69,690	77,000	88,134
Mayor's Allowance	13,250	12,000	18,618
Deputy Mayor's Allowance	2,250	3,000	3,000
Telecommunication Allowance	1,600	1,600	1,600
Travelling Expenses	2,506	8,000	2,184
	<u>89,296</u>	<u>101,600</u>	<u>113,536</u>

30. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

	2013	2012
	<u>56</u>	<u>58</u>

**TOWN OF NARROGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

31. MAJOR LAND TRANSACTIONS

The Town did not undertake any major land transactions during the 2012/13 financial year.

32. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Town did not participate in any trading undertakings or major trading undertakings during the 2012/13 financial year.

**TOWN OF NARROGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

33. FINANCIAL RISK MANAGEMENT

Council's activities expose it to a variety of financial risks including price risk, credit risk, liquidity risk and interest rate risk. The Council's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council.

Council does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by the finance area under policies approved by the Council.

The Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2013 \$	2012 \$	2013 \$	2012 \$
Financial Assets				
Cash and cash equivalents	4,484,357	1,340,481	4,484,357	1,340,481
Receivables	<u>1,033,371</u>	<u>863,821</u>	<u>1,033,371</u>	<u>863,821</u>
	<u>5,517,728</u>	<u>2,204,302</u>	<u>5,517,728</u>	<u>2,204,302</u>
Financial Liabilities				
Payables	1,663,264	698,028	1,663,264	698,028
Borrowings	<u>1,274,655</u>	<u>641,137</u>	<u>1,274,655</u>	<u>641,137</u>
	<u>2,937,919</u>	<u>1,339,165</u>	<u>2,937,919</u>	<u>1,339,165</u>

Fair value is determined as follows:

- Cash and Cash Equivalents, Receivables, Payables – estimated to the carrying value which approximates net market value.
- Investments – based on quoted market prices at the reporting date or at independent valuation.
- Borrowings – estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

**TOWN OF NARROGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

33. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash and investments portfolio with the assistance of independent advisers (where applicable). Council has an investment policy and the policy is subject to review by Council. An Investment Report is provided to Council on a monthly basis setting out the make-up and performance of the portfolio.

The major risk associated with investments is price risk – the risk that the capital value of investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments of their issuers or factors affecting similar instruments traded in a market.

Cash and investments are also subject to interest rate risk – the risk that movements in interest rates could affect returns.

Another risk associated with cash and investments is credit risk – the risk that a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to Council.

Council manages these risks by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees. Council also seeks advice from independent advisers (where applicable) before placing any cash and investments.

	2013 \$	2012 \$
Impact of a 10% (*) movement in interest rates on cash and investments:		
- Equity	182,551	209,128
- Statement of Comprehensive Income	182,551	209,128

Notes:

(*) Sensitivity percentages based on management's expectation of future possible market movements.

Recent market volatility has seen large market movements for certain types of investments.

Impact of a 1% (*) movement in interest rates on cash and investments:		
- Equity	18,255	20,910
- Statement of Comprehensive Income	18,255	20,910

**TOWN OF NARROGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013**

33. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

Council's major receivables comprise rates and annual charges and user charges and fees. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. Council manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of Council to recover these debts as a secured charge over the land – that is, the land can be sold to recover the debt. Council is also able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

Council makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

There are no material receivables that have been subject to a re-negotiation of repayment terms.

The profile of the Council's credit risk at balance date was:

	2013	2012
Percentage of Rates and Annual Charges		
- Current	32.18%	38.00%
- Overdue	67.82%	62.00%
Percentage of Other Receivables		
- Current	13.38%	17.52%
- Overdue	86.72%	82.48%

TOWN OF NARROGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

33. FINANCIAL RISK MANAGEMENT (Continued)

**(c) Payables
 Borrowings**

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. Council manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required.

The contractual undiscounted cash flows of Council's Payables and Borrowings are set out in the Liquidity Sensitivity Table below:

	<u>2013</u>	<u>2012</u>			
	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
Payables	1,663,264	0	0	1,663,264	1,663,264
Borrowings	131,564	440,671	369,617	941,852	1,264,031
	<u>1,794,828</u>	<u>440,671</u>	<u>369,617</u>	<u>2,605,116</u>	<u>2,927,295</u>
Payables	698,028	0	0	698,028	698,028
Borrowings	90,333	440,671	369,617	900,621	641,138
	<u>788,361</u>	<u>440,671</u>	<u>369,617</u>	<u>1,598,649</u>	<u>1,339,166</u>

TOWN OF NARROGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

33. FINANCIAL RISK MANAGEMENT (Continued)

**(c) Payables
 Borrowings (Continued)**

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs. Council manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation.

The following tables set out the carrying amount, by maturity, of the financial instruments exposed to interest rate risk:

	<1 year	>1<2 years	>2<3 years	>3<4 years	>4<5 years	>5 years	Total	Weighted Average Effective Interest Rate
	\$	\$	\$	\$	\$	\$	\$	%
Year Ended 30 June 2013								
Payables								
Borrowings								
Fixed Rate								
Debtentures	1,131,821	993,465	848,657	697,377	552,651	464,841	4,688,812	4.76%
Weighted Average Effective Interest Rate	4.71%	4.73%	4.75%	4.78%	4.85%	4.85%		
Year Ended 30 June 2012								
Payables								
Borrowings								
Fixed Rate								
Debtentures	585,401	526,393	463,921	397,782	327,759	267,884	2,569,140	5.65%
Weighted Average Effective Interest Rate	5.68%	5.67%	5.66%	5.65%	5.63%	5.61%		



Anderson Munro & Wyllie

CHARTERED ACCOUNTANTS

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Liability limited by a scheme approved under Professional Standards Legislation

INDEPENDENT AUDIT REPORT TO THE ELECTORS OF THE TOWN OF NARROGIN

Scope

We have audited the financial report of Town of Narrogin for the year ended 30 June 2013. The financial report comprises the Statement by Chief Executive Officer, Statements of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, Rate Setting Statement and accompanying notes to the financial statements.

The Council is responsible for the preparation of a financial report which provides a true and fair view of the financial performance and position of the council in accordance with the Local Government Act 1995, and Regulations. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error and for accounting policies and estimates inherent to the financial report.

Audit Approach

We conducted an independent audit of the financial report in order to express an opinion on it to the electors of the Town of Narrogin. Our audit was conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control and the availability of persuasive rather than conclusive evidence. Therefore an audit cannot guarantee that all misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Local Government Act 1995, and Regulations, including compliance with Accounting Standards in Australia, and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Council's financial position, and of their performance which is represented by the results of operations and cash flows.

We formed our opinion on the basis of these procedures, which included:

- examining on a test basis, information to provide evidence, supporting the amounts and disclosures in the financial report.
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by the directors.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.



Independence

Anderson Munro & Wyllie are independent of the Town of Narrogin, and have met the independence requirements of Australian professional ethical pronouncements and the Local Government Act 1995.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial statements of the Town of Narrogin are properly drawn up:

- a) So as to give a true and fair view of the state of affairs of the Shire as at 30 June 2013 and the results of its operations and cash flows for the year then ended;
- b) In accordance with the requirements of the Local Government Act 1995; and
- c) In Accordance with Applicable Australian Accounting Standards.

Statutory Compliance

- a) We did not during the course of the audit, become aware of any other instances where the Council did not comply with the requirements of the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996.
- b) There were no material or significant adverse trends in financial position or financial management practices revealed during the course of our audit.
- c) We have obtained all necessary information and explanations in relation to our audit.
- d) Our audit procedures were all satisfactorily completed.
- e) In relation to the Supplementary Ration Information presented at page 58 of this report, we have reviewed the calculations as presented and in our opinion these are:
 - i) Based on verifiable information, and
 - ii) Reasonable assumptions.

Dated the 20th day of March 2014 in Perth, Western Australia

BILLY-JOE THOMAS
Director

Anderson Munro & Wyllie
ANDERSON MUNRO & WYLLIE
Chartered Accountants

**TOWN OF NARROGIN
SUPPLEMENTARY RATIO INFORMATION
FOR THE YEAR ENDED 30TH JUNE 2013**

RATIO INFORMATION

The following information relates to these ratios which only require attestation they have been checked and are supported by verifiable information. It does not form part of the audited financial report.

	2013	2012	2011
Asset Consumption Ratio	0.70	NA	NA
Asset Renewal Funding Ratio	3.15	NA	NA

The above ratios are calculated as follows:

Asset Consumption Ratio	$\frac{\text{depreciated replacement cost of assets}}{\text{current replacement cost of depreciable assets}}$
Asset Renewal Funding Ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$

NA -In keeping with amendments to Local Government (Financial Management) Regulation 50, comparatives for the two preceding years (being 2012 and 2011) have not been reported as financial information is not available.

8. CLOSURE OF MEETING

The Mayor closed the meeting at 7:12pm

Annual Report



Town of **Narrogin**
love the life

2012 - 2013

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ABOUT THE TOWN OF NARROGIN

Narrogin is a progressing thriving rural community found in the Wheatbelt South Region of Western Australia, 192.30km (2 hrs) South East of Perth.

Narrogin has a high standard of infrastructure including rail, highway access, water supply, power and connection to the optical cable network as well as Community Services such as a highly recognised Regional Hospital and pro-active Aged Care Services, a fully equipped Recreation Complex with heated indoor pool, well maintained sports grounds and sports clubs, an active Regional Library and Heritage Museum, three Primary Schools, a Senior High School and Agricultural College, a Residential College, TAFE College, Child Care, Kindergartens, Bakeries, Fast Food Outlets, venues for hire, Supermarkets, Specialty Shops, Cafes, Pubs and Restaurants.

Town Statistics

Population	est. 4,219 - ABS Data
Distance from Perth (km)	193
Area (sq km)	12.6
Length of Sealed Roads (km)	61.3
Length of Unsealed Roads (km)	13.1
Number of Electors	2,660
Number of Dwellings	1,949 - ABS Data
Total Rates Levied	\$2,884,055
Total Revenue	\$10,112,443
Number of Employees	104 (32 FTE, 72 Part Time Casual)



Tourist Attractions

The Town of Narrogin heartily welcomes all tourists to the area. The Town has many interesting attractions that range from a wide variety of activities to scenic destinations. You can visit Gnarrojin Park, Railway Dam, Foxes Lair, Lions Lookout, Heritage Walk, Old Courthouse Museum, Skate Park, Narrogin Leisure Centre - 25m indoor heated Swimming Pool and a 50m outdoor swimming pool, Wet Synthetic Hockey Stadium, Three Basketball / Netball Stadiums, and many more. Perhaps you would prefer a leisurely stroll and take in the scenic beauty.

Significant Local Events

Significant local events include the Narrogin Show, Spring Festival and Open Gardens, Central South Eisteddfod, and the annual RevHeads Weekend.

Local Industries

Local Industry is based on Agricultural Services, Education, Health and Aged Care Services, Brick Making, Concrete, Light Engineering, Activ Industries, Cabinet Making and many more.



ELECTED MEMBERS

The Town of Narrogin is a corporate body consisting of nine Elected Members, and a publicly elected Mayor.

The Elected Members for the Town of Narrogin, during the period of this report being the Financial Year 2012/2013 are listed below along with the current Elected Members. Please be advised that should you require a comprehensive list of the Committees that each Elected Member is appointed to please contact the Administration Centre.

2012/13 Elected Members

Mayor Don Ennis
Deputy Mayor - Cr Rob Madson
Cr Arthur Paternoster
Cr David Russell
Cr Jan McKenzie
Cr Les Archibald
Cr John Muller
Cr Michael Kain

October 2013 Onwards Elected Members

Mayor Leigh Ballard
Deputy Mayor - Cr Arthur Paternoster
Cr Paul Schutz
Cr David Russell
Cr Jan McKenzie
Cr Colin Ward
Cr Clive Bartron
Cr Michael Kain

Meeting Dates: The Town of Narrogin has conducted two meetings a month, being the second Tuesday and fourth Tuesday of the month. This new format has been highly successful in ensuring that items raised with Council have progressed expediently and raised the productivity of Council and its officers.



MAYOR'S REPORT

The 2012/13 Financial year was a proactive and consolidating year for the Town of Narrogin.

During this period, the previous Mayor, Mr Ennis progressed Council to further continue advancing the proactivity of Council and the organisation. Congratulations to Mr Ennis and the Council for their work and commitment to the Narrogin Community.

Some of the strategic matters that were progressed during this period was the advancement of the amalgamation discussions with the Shire of Narrogin, the reopening of the Town Hall Facility, progression of the footpath construction program and many more items.

Council also worked through the progression of some complicated legal matters that required large amounts of consideration and I commend the Officers for their input to enable Council to work through and resolve these long term issues.

The Town of Narrogin has considerably changed from the October 2013 Election, a new outlook and direction is being implemented within the organisation that will achieve many of the same outcomes; however, improved communication and additional consultation is being progressed to enable the Narrogin Community to better understand and be informed as to the activities of Council

The Elected Members look forward to the following twelve months and the progression of several major projects through to completion. Within the 2013/14 Financial year, it is hoped will see the planning and negotiations of the merger of the Town and Shire of Narrogin be finalised and the capital upgrades at the Narrogin Regional Leisure Centre, Caravan Park, Railway Institute Hall and Town Hall Facility be completed along with many other important projects.

I would like to thank the Chief Executive Officer, Senior Staff and all Staff of the Town of Narrogin for their commitment to Council and the Ratepayers and Residents.

Leigh Ballard

Mayor

CHIEF EXECUTIVE OFFICER'S REPORT

I am pleased to present to elected members, residents and rate payers the 2012/13 annual report.

I would firstly like to thank the Ex-Mayor, Mr Don Ennis for his personal support and professional working relationship during this report period. I would also like to thank the Ex-Deputy Mayor and Elected Members Mr Madson, and Mr Muller and Mr Archibald for their support and commitment through the reporting period.

Council during this financial reporting period supported the Executive Team and all Staff to achieve many goals through the year both organisationally and budgeted projects. Several of the major items achieved are as follows:

CCTV Installation - "Total Project Cost \$150,000" This project was completed late in the period but has since provided valuable information to the Narrogin Police which has assisted them in making prosecutions.

Financial Operating System - "Total Project Cost \$250,000" Completed in December 2012 this has allowed the organisation to progress strongly within the financial reporting and has also greatly increased other facets of Councils operations in records management and customer complaints and works requests.

Bus Home Care - "Total Purchase Price \$150,000" Ordered in the final stages of the period this purchase is expected to greatly increase the ability of Narrogin Home Care to be able to transport client especially for social and group outings.

Executive Housing - This project was not completed during the period as another resolution to the issue was presented to Council and was accepted delaying Councils action in this matter.

Town Hall Stage 2 - "Total Project Cost \$450,000" was completed within the required time period and with minimal cost overruns. This project has enabled the Town Hall to be reopened with a far greater presentation with the Toilet Blocks, Walkway, Storage Rooms and utilities rooms having been replaced. The project had a strong focus on disabled access and within these areas full access is now available.

Healthy Lifestyles Grant - "Grant monies for the period \$250,000" - This grant has allowed the Narrogin Leisure Centre to greatly increase services to the community. The grant during this period has been a significant success and is expected to continue during the following period.

Clayton Road Resurfacing - "Total Expenditure \$312,000" - this project was initiated within the period and all primary works have been completed with only the resurfacing to be completed.

Solar Power and Heating - "Total Project Cost \$200,000" From Royalties to Regions Monies Council were able to introduce Solar Power and Solar Hot Water to the Indoor Pool to reduce ongoing

utilities expenses. The actual savings have not been identified at this time due to reporting periods.

Organisationally changes were made within the Leisure Centre and due to illness changes to the Management of the Library were required. The administration progressed through the upgrade of the Financial Operating System with some issues but has progressed well to now be able to accurately provide financial and records management throughout the organisation.

The Town is still progressing a potential merger with the Shire of Narrogin and negotiations commenced not long after the withdrawal of Cuballing from the process. Further advancements have been made in the following period to significantly progress the merger.

The 2013/14 financial year offers further opportunities to advance the Narrogin Community with more projects being funded at the Narrogin Regional Leisure Centre, the completion of sealing works on Clayton Road and Federal St, Railway Institute Hall and several others.

I am pleased to advise that the Town of Narrogin completed the 12/13 financial year with an operating uncommitted surplus of \$XXX<XXX that is a significant step forward on previous years.

I look forward to working with Council to continue to progress the Organisation and the Community Assets, Facilities and Services in the following period. Thank you must be provided to the Elected Members and current Mayor for their ongoing support and to the Executive Team and all staff for their ongoing commitment and energy to strive forward for the benefit of the Narrogin Ratepayers and Residents.

Aaron Cook
Chief Executive Officer

COMMUNITY STRATEGIC PLAN / CORPORATE BUSINESS PLAN OVERVIEW

Section 5.53 (e) of the Local Government Act (1995) states that in relation to the Annual Report “an overview of the Plan for the Future of the district made in accordance with section 5.56, including major initiatives that are proposed to commence or continue in the next financial year.”

Achievement Score Table

1	No Action taken.
2	Further investigation some work undertaken.
3	Ongoing action and communication with relevant parties.
4	Item has progressed substantially
5	Item has progressed to completion or no further action required.

Economic Development

	Strategy	Task Allocation	Timeline	Achievement Score
1.1	Further develop the Narrogin Business Prospectus to provide a comprehensive and informative tool that will assist in the attraction and promotion of Narrogin to new Industry and Business.	CEO	2013	5
<p><i>The first production of the Narrogin Business Prospectus was prepared internally and printed for use. This was provided to several prospective businesses. Since this time it has been reproduced professionally within the following reporting period.</i></p>				
1.2	Investigate developing major events for the Town.	CEO	2014	2
<p><i>The matter of developing further major events for Narrogin has been progressed with several meetings; however, at this time no Community Groups have approached Council to initiate</i></p>				

additional large scale events.

1.3	Lobby the State Government and private enterprise to utilise and potentially expand the Research Power Generation Plant.	CEO	2018	3
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Several meetings have been held with interested parties and the State Government. It is hoped that within the following several years that an outcome may be progressed in this area.

1.4	Promote Narrogin to the Business Community, State Government and the general public as a strong and positive economic entity.	CEO	Ongoing	3
-----	---	-----	---------	---

The Town continues to promote itself within Government Departments and the Private Sector to raise the awareness of Narrogin and the positive potential of business in this area.

1.5	Support Tourism, Arts and sport initiatives, recognising the economic impact that they provide to the businesses and general community.	DCCS/MLC	Ongoing	4
-----	---	----------	---------	---

The Town has continued to support Tourism, Arts and Sport Initiatives through assistance with auspicing grants and the reduction of fees and charges with the hiring of Council facilities. Further assistance will continue to be provided.

1.6	Investigate the refurbishment of the Narrogin Railway Station and the development of a short stay parking site for self-contained RV's.	DCCS/DTES	2017	4
-----	---	-----------	------	---

This item in terms of the Railway Station is hindered with the issues that are within this property and the liabilities of public access on the site. A RV site has been established at the Narrogin Caravan Park and discussions are being held regarding a more formal permanent site.

1.7	Investigate the refurbishment and long term development of long and short term accommodation through the development of the Narrogin Caravan Park.	DCCS/CEO	2015	4
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The redevelopment of the Narrogin Caravan Park has progressed strongly with the essential items concerning safety having been addressed and general improvements being made during this period.

1.8	Further investigate the development of a Crematorium based in Narrogin.	CEO	2015	5
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This item was investigated during this period. To obtain funding would be difficult for Council and the ongoing expenses will inhibit Council in other areas. It was assessed that this item, as commercial in nature should be advanced by the private sector with Council assisting where possible. As such this item is considered closed.

1.9	Further investigate the development potential of the Industrial Area	CEO	2015	4
-----	--	-----	------	---

The industrial area development is being progressed through the positive promotion of Narrogin within this greater business community. This will be hampered until the next release of land is completed by Landcorp; however, Council can and are entertaining larger businesses within the new parcel of land that Council have purchased with the Shire of Narrogin.

Average Score for Economic Development

$$= \underline{3.7 / 5} \text{ or } 74\%$$

Community Development Services

	Strategy	Task Allocation	Timeline	Achievement Score
2.1	Continue to expand the Town's capacity and reputation as a venue for events, sports and seminars of local and regional significance.	DCCS	2015	4
<p><i>The Town has been supportive of all events and activities and through this has created a positive image. Promotion will continue to occur within the State Government and private sector to increase the awareness of Narrogin and the opportunities that exist.</i></p>				
2.2	Continue to develop and facilitate	MLC	Ongoing	4

	activities, engaging all age demographics, at the Narrogin Regional Leisure Centre that are sustainable and beneficial to the Community and the Centre.			
<p><i>The Narrogin Healthy Lifestyles Project has greatly assisted in achieving this goal for the duration of the Grant which concludes in June 2014. After this time the Council need to assess the feasibility in continuing the programs and activities that have been commenced on an economic basis.</i></p>				
2.3	Continue to support the development of the Aged Care industry, services and support in Narrogin to assist in retaining aged residents within the community.	DCCS	Ongoing	4
<p><i>The further development of the Aged Care industry has been advanced through the involvement of the Town is a Regional Report prepared by the WDC and changes have been made to the proposed Town Planning Scheme 3 and Strategy update. The Town is also continuing to deliver services through Narrogin Home Care and provide support to Narrogin Cottage Homes when required.</i></p>				
2.4	Provide ongoing proactive support, where possible, to the Local Indigenous Noongar Community towards positive actions within the community.	MLC	Ongoing	3
<p><i>The continued support provided to the Local Indigenous Noongar Community has continued with Council supporting actions and programs where require; however, no further action has been taken at this time due to the impact of other matters on staff time and availability.</i></p>				
2.5	Further develop and encourage and support youth activities and initiatives within Narrogin.	MLC	Ongoing	3
<p><i>During this period continued support has been provided to Youth Activities; however, due to the lack of available staff this item has not been further progressed.</i></p>				
2.6	Encourage and assist local Arts Groups to facilitate the development of the arts culture in Narrogin.	MLC	Ongoing	4

During the period Council entered into a lease arrangement with Arts Narrogin for the Council owned shop front on Federal St. Since that Time Arts Narrogin have greatly increased their presence in the Community and have been proactive in increasing Arts and Cultural shows and exhibits.

2.7	Assist the local sporting groups to strategically develop their clubs and facilities within Narrogin.	DCCS	Ongoing	4
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Administratively the request for a Club Development Officer to be funded from the Department of Sport and Recreation has been pursued with the Department and Minister. Although this has not come to fruition a grant round is available in the next period.

2.8	Support the expansion of Educational Facilities to enhance opportunities for value adding to industry, employment and health care within the region.	Council	Ongoing	4
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The Town has been proactive in advancing the Narrogin TAFE Facility relocation and development on the Reserve located within the Educational Precinct. This project has advanced during the period with a portion of the funding having been secured.

2.9	Council will continue to support and develop the services and facilities provided at the Narrogin Regional Library to support community literacy and learning strategies for people of all ages; encourage community engagement, facilitate opportunities for lifelong learning, and support literacy initiatives in the Narrogin Community and the wider regional community.	MLS	Ongoing	4
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The Narrogin Library is an important service provided by the Town and will continue to be supported financially and also administratively.

2.10	Provide support and encouragement for volunteers and local service groups.	MLC	Ongoing	4
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Volunteers are a very important resource within the Narrogin Community. The Town will

continue to facilitate funding through FESA and politically work towards promoting and recognising the efforts of all volunteers, especially the emergency services volunteers.

Average Score for Community Development Services

= 3.8 / 5 or 76%

Parks Gardens and Natural Environment

	Strategy	Task Allocation	Timeline	Achievement Score
3.1	Develop a Water Management Strategy for Narrogin that includes the reuse of harvested/reclaimed water and drainage flows.	DTES	2014	4
Potential sites have been discussed and identified and the plan has been commenced internally "Water Management Plan"				
3.2	Investigate options to enhance and redevelop the Railway dam precinct for recreation and tourism.	DTES	2015	3
This matter has not been progressed; however, the diversion to the Railway dam has been re-established to increase water volume and quality in the Dam.				
3.3	Consolidate and identify purposes for all of Councils Reserves and properties for ongoing and future use.	DTES	2016	3
No specific action has taken place other than requesting to the State to transfer to Council the freehold of several reserves as part of the previous amalgamation process.				
3.4	Investigate options for Council to reduce its environmental impact within its operations and facilities where economical to do so.	CEO	Ongoing	5
Council has progressed this matter through installing solar power on the Council				

administration building and the Leisure Centre which has greatly reduced the number of electricity units used. Solar water heating has also been installed at the Leisure Centre to reduce the gas consumption. Both projects have effectively reduced the utilities consumption decreasing Councils environmental impact and saving Council considerable expenses.

3.5	Develop management plans for Council's reserves identifying their future and long term use and management.	DTES	2015	4
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Foxes Lair Management Plan has been drafted and is planned to be advertised for comment. Once completed additional works will commence on other reserves. As this is a timely exercise preparing the plans it is expected that this objective will take several years.

Average Score for Parks Gardens and Natural Environment

= 3.8 / 5 or 76%

Governance and Corporate Services

	Strategy	Task Allocation	Timeline	Achievement Score
4.1	Ensure that the Local Laws are reviewed on a regular basis as per the requirements and that the Laws are relevant to the Narrogin community.	CEO	2013/ Ongoing	4
Council have reviewed the Local Laws and determined the action to be taken. Progression on several Local Laws will be completed in 2014; however, additional Local Laws will be investigated once Council is resolved in the amalgamation process with the Shire of Narrogin.				
4.2	Ensure that the Town is proactive in the seeking of grant funding from external sources to reduce the requirement of the Town and community seeking funding from within.	CEO/DCCS	Ongoing	4
Council has applied for many grants during the reporting period with some being successful;				

however, no major grants were obtained other than Royalties to Regions individual and regional funding projects. Council will continue to prepare grants and auspice grants for external agencies that require assistance.

4.3	Ensure that all Town Planning and Building applications are dealt with in a timely and appropriate manner and that the strategic direction of the Town Planning Scheme is prominent and under review.	DTES	Ongoing	4
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Currently Council is addressing the Town Planning and Building applications within a timely manner as per this objective.

4.4	The Strategic Community Plan and Council's other strategic integrated corporate documents are to be reviewed on a biennial basis.	CEO	2014/16/ 18/20/22	4
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Council are reviewing each of its strategic document on a yearly basis and performing a full review every two years as per the objective.

4.5	Develop a survey that is to be conducted at a minimum of every two years to gauge the Narrogin Ratepayers and Residents identified strategic direction and the level of service provision being made by the Town of Narrogin.	CEO	2013	3
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A survey has not been prepared at this time; however, investigative work has been performed to prepare a survey in the near future. It is hoped that a survey will be conducted in 2014.

4.6	Prepare a marketing plan for the Town of Narrogin to increase the exposure and perception of Narrogin to the greater community, State Government and Local Councils.	CEO	2014	2
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A plan has not been prepared at this time due to constraints in other areas; however, it is still the aim to prepare this plan to drive the promotion of Council.

Average Score for Governance and Corporate Services

= 3.5 / 5 or 70%

Waste Management

	Strategy	Task Allocation	Timeline	Achievement Score
5.1	Investigate and developing, in partnership with neighbouring Councils, a regional waste facility.	CEO/DTES	2018	4
<p>The Regional Waste group has progressed strongly within this period having located a suitable site and is progressing through the land feasibility testing and has the seller committed to the sale at this point. It is expected that this will further advance during the next period.</p>				
5.2	Investigate, develop a viable waste recycling program for the Town.	CEO/DTES	2015	4
<p>The Town implemented a recycling program at the Narrogin refuse site through installing 5 meter bins at the front gate. This has been utilised well but a full blown pickup program is to be presented to Council in the following period.</p>				
5.3	Redevelop the Waste Management Plan for the White Rd Refuse Site and investigate better methods of handling the current waste to maximise the life span and reduce the ongoing cost of facilitation of the Refuse site.	DTES	2014	4
<p>Council officers have commenced works on a Waste Management Plan; however, this has not been completed at this time. Improvements to the operating hours of the site and the handling of the waste has resulted in increased efficiencies at the refuse site in both waste handling and cost savings.</p>				
5.4	Investigate the potential reuse of refuse to generate power and other uses.	CEO/DTES	2018	3
<p>This potential has been investigated through the Regional Refuse Site Committee and it is not feasible to progress this matter any further.</p>				

5.5	Investigate the future conversion of the White Road refuse site to a transfer station.	CEO/DTES	2015	4
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This matter is directly related to point 5.1 in the establishment of the Regional Waste Site. Once completed the existing site will be converted to a Transfer Station style facility.

Average Score for Waste Management

$$= \underline{3.8 / 5 \text{ or } 76\%}$$

Infrastructure and Asset Management

	Strategy	Task Allocation	Timeline	Achievement Score
6.1	Create a facility and development plan for the Narrogin Cemetery and Crematorium.	DTES	2015	4

No Development plan however preliminary investigations have been conducted and areas identified.

6.2	Investigate the potential development of Water Harvesting Holding Dams to reduce the impact of heavy rains and provide a source of water for sporting groups and or potential industry.	DTES	2016	4
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Potential sites have been discussed and identified and the plan has been commenced internally "Water Management Plan"

6.3	Redevelop and identify the Town's Footpath Program.	DTES and Council	2014	4
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Council have adopted a three to five year footpath program that is dependent on funding and resources.

6.4	Continue to lobby State Government for the completion of the Narrogin Heavy Haulage Bypass Link Road and the construction of the East/West Bypass Road in its entirety.	CEO and Mayor	Ongoing	4
Currently working on a new street scape design for Fortune St which will form the basis a CBD planning.				
6.5	Develop a Town Site revitalisation plan focusing on the central business district and additional generic street scape design for residential areas.	DTES/CEO	2018	3
Currently working on a new street scape design for Fortune St which will form the basis a CBD planning.				
6.6	Create a development plan for Council to meet its ongoing future infrastructure requirements regarding all road and associated infrastructure.	DTES/MWS	2015	4
Council have implemented a Five year Significant and Local Road Capitalisation Program				
6.7	Create a development, heritage and maintenance plan for all of Councils current and future building asset requirements.	DTES/CEO	2016	4
Council has received the Building and Asset Management Plan from Consultants that have identified Councils asset requirements for the next 20 year.				
6.8	Develop the Towns Building infrastructure to ensure that they are economically and sustainably viable into the future and provide for the needs of the Community.	DTES	2016	4

6.9	To investigate the construction or acquisition of Executive Housing within Narrogin.	CEO	2015	4
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Average Score for Infrastructure and Asset Management

= 3.8 / 5 or 76%

Longer Term Strategies

	Strategy	Task Allocation	Timeline	Achievement Score
7.1	Continue to lobby for the development of a University Campus in Narrogin.	CEO / Mayor	2022	4

Council have proactively lobbied for the development of a Narrogin University. CY Oconor TAFE currently offer some university courses in Narrogin and it is hoped that this will be greatly expanded in the near future. Council will continue to lobby for this outcome.

7.2	Development of a Tourism icon within Narrogin that will assist in drawing additional tourists into Narrogin and distinguish Narrogin from surrounding Councils.	CEO	2022	1
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Currently Council is unable to afford to spend time developing this objective. It has been commented that focus would be provided if an external group provided the impetus and drive

to see the project through.

7.3 Continue to support and investigate development options for the Narrogin Airport and facilities.

CEO

2022

3

The Town have worked in partnership with the Shire of Narrogin regarding the development of the Narrogin Airstrip and facilities. Negotiations have occurred to purchase an additional portion of land to enable to facilities to expand. The actual purchase has not occurred at this time.

7.4 Support the regional development of a Agri Business Precinct

Council

Ongoing

4

Council have identified that this is a future development potential for the Narrogin Area and focus has been placed on this potential development. Meetings have been held with various Departmental representatives and

7.5 Promote Narrogin as a potential location for large to major Industry to establish or relocate and develop their business.

Council

Ongoing

4

The Town and Shire have both been actively promoting the remaining industrial blocks and the Landcorp expansion area that will be due for release in 2014. The future Industrial area was jointly purchased by both Councils to ensure that the future industrial expansion is protected and provide an area for larger industry.

7.6 Promote the long term development of existing and future businesses within the CBD.

Council

Ongoing

4

The Town of Narrogin has limited ability to support existing and future businesses within the CBD due to the commercial nature of the industry. However, changes to the Town Planning Scheme and Strategy have been implemented to try to assist further development. Council have also taken a stance on Home based businesses and Council are also seeking to actively promote the development industrial area. With the Industrial development brings more employment, more housing requirements and more economic generation through local businesses.

Average Score for Longer Term Strategies

= 3.3/ 5 or 66%

Total Average Score for the Town of Narrogin overall Strategic Key Performance Indicators:

= 3.67/ 5 or 73.5%

STATUTORY STATEMENTS

National Competition Policy

Local Governments are required to report their progress in implementing National competition Policy in their annual report. There are a number of specific requirements placed on local government in the areas of competitive neutrality, legislation review and structural reform.

Competitive Neutrality

The principle of competitive neutrality is that government businesses should not enjoy a competitive advantage or disadvantage, simply as a result of their public sector ownership.

Competitive Neutrality should apply to all significant business activities which generate a user-pays income of over \$200,000 per annum unless it can be shown it is in the public interest.

A public benefit test is used to determine if competitive neutrality is in the public interest. This involves assessing the benefits of implementing competitive neutrality against the costs. If the benefits exceed the costs, competitive neutrality should be implemented.

There were no significant changes to business operations or additional services in 2012/13, operated by the Town of Narrogin that would fall into the above categories.

Legislative Review

All Local Governments are required to assess which of their local laws might impact on competition and conduct a review of each to determine how any restrictive practices might be overcome. The annual report is to include a statement of which local laws have been reviewed the conclusions of those reviews and a forward strategy for all local laws still to be reviewed.

All of the Town Local Laws were reviewed within this period and Council adopted an action plan on progressing these matters.



Structural Reform

The Town of Narrogin during this reporting period have continued to progress the potential merger of the Town of Narrogin and the Shire of Narrogin. This was progressed after the failed amalgamation attempt that included the Shire of Cuballing, where the Shire of Cuballing residents called a poll that was untimely successful.

Late in the period contact was made with the Department of Local Government to recommence the discussions between the Town and Shire.

Disability Services Report

Section 29(2) of the Disabilities Services Act 1993 requires Local Governments to report on the implementation of its Disability Services Plan.

The Town of Narrogin's Disability Services Plan has five outcomes in its approach to improve disabled access with the Town.

Outcome 1: People with disabilities have the same opportunities as other people to access Council services and any events organised or sponsored by Council.

Council have implemented adapted programs at the Narrogin Leisure Centre, installation of ACROD parking at the Leisure Centre, accessible walkway to Narrogin Creek

Outcome 2: People with disabilities have the same opportunities as other people to access Council buildings and any other Council facilities.

In addition to the last Annual Reports Comments the Town Hall upgrade Stage 2 will greatly improve the access to the ablution facilities for persons with disabilities.

Outcome 3: People with disabilities receive information from Council in a format that will enable them to access the information, as readily as other people are able to access it.

Council has the ability to provide access to information in differing formats if requested to ensure that persons with disabilities have the ability to access information that they require or request.

Outcome 4: People with disabilities receive the same level and quality of service from the staff of the Council as other people receive from the staff of Council.

Disability awareness training has been implemented to staff at the Leisure Centre and Home Care and Administrative Customer Service Staff.

Outcome 5: People with disabilities have the same opportunities as other people to make complaints to Council.

Council currently have several options available to the community to make complaints and these options accommodate persons with disabilities. For example a person can phone in a complaint, email, write in, present at the front counter or have another person present their complaint on their behalf.

Outcome 6: People with disabilities have the same opportunities as other people to participate in any public consultation held by Council.

Better methods of public consultation are being considered by Council to ensure that people with disabilities are being catered for.

State Records Act 2000

The State Records Act 2000 requires that the Town maintains and disposes all records in the prescribed manner. The State Records Act 2000 also required all local authorities to produce a Recordkeeping Plan to be endorsed by the State Records Commission.

Principle 6 - Compliance of the State Records Commission Standard 2 requires that government organisations ensure their employees comply with the Recordkeeping Plan and include within its Annual Report a section that addresses points 1-4 of the Principle.

Specifically the Recordkeeping Plan is to provide evidence to adduce that:

1. The efficiency and effectiveness of the organisation's recordkeeping systems is evaluated not less than once in every 5 years.
2. The organisation conducts a recordkeeping training program.
3. The efficiency and effectiveness of the recordkeeping training program is reviewed from time to time.
4. The organisation's induction program addresses employee roles and responsibilities in regard to their compliance with the organisation's recordkeeping plan.

Employees of Remuneration

Set out below, in bands of \$10,000, is the number of employees of the Town entitled to an annual salary of \$100,000 or more,

Salary Range	2012/13	2011/12
\$125,000 - \$135,000	2	2
\$160,000 - \$170,000	1	1

Register of Complaints

There were no complaints that resulted in action against Councillors under section 5.121 of the Local Government Act 1995.