



2016-17 Community Strengthening Grants West Wimmera Shire

ROUND 2 APPLICATIONS

Community Projects		2016-17 Total \$10,000					Available \$10,000.00	
Applicant	Project	Recommendation	Grant Sought	Club \$ Contribution	Club In Kind	Total Project Value	Part Funding	Recfind Ref
Edenhope Apsley Football Netball Club	Installation of a fence around the playgrounds at Edenhope & Apsley football/netball grounds.	\$4,000.00	\$5,177.60		\$2,000	\$7,177.60	No	17/000554
Edenhope Golf Club	Upgrade of watering system	\$2,000.00	\$3,075.50		\$1,480	\$4,555.50	Yes	17/000693
Kaniva Community Tennis Centre Inc.	Purchase new nets for Kaniva Tennis Court	\$1,500.00	\$2,600.00			\$2,600	Yes	17/000694
Apsley Action Group	Youth request – Basketball half court at Apsley Lions Park		\$9,775.25	\$5,000.00	\$1,000	\$15,775.25	No	17/000704
Kaniva District Landcare	Purchase an industrial carrot chopper for the pest control program	\$2,500.00	\$3,465.00	\$5,600	\$9,700	\$18,765.00	Yes	17/000708
Total		\$10,000.00	\$24,096.35					

Community Events		2016-17 Total \$3,000.00					Available \$1,115.00	
Apsley & District War Memorial and Progress Association	Apsley Alive Golf Day and Movie Night		\$1,800.00		\$2,700	\$4,700.00	Yes	17/000697
Total			\$1,800.00					

Facilities Upgrades & Equipment		2016-17 Total \$30,000.00					Available \$8,780.00	
Harrow Golf Club Inc.	Decking Area Upgrade including installation of blinds to enable the area to be used in all weather		\$5,000.00	\$909.50	\$200	\$6,109.50	No	17/000586
Kaniva Bowling Club	Painting and refitting blinds at clubrooms	\$1,000.00	\$3,000.00	\$776	\$340	\$4,116.00	Yes	17/000610
Miga Lake Fire Brigade	Purchase a BBQ		\$1,094.45			\$1,094.45	Yes	17/000553
Apsley Alligators	Purchase of essential learning equipment.		\$2,600.00			\$2,600.00	Yes	17/000696
Kaniva Leeor United Football Club Inc.	Purchase a cooking bank canopy with lights for the Kaniva Community Hub.		\$17,820.00			\$17,820.00	Yes	17/000698

Apsley Pony Club	Upgrade of horse yards to ensure a safe facility for horses and riders	\$2,000.00	\$2,541.00	\$236.50	\$320	\$3,097.50	Yes	17/000699
Dergholm Soldiers Memorial Hall	Replace leaking roof on the hall. Stage 1 Supper Room	\$5,800.00	\$6,134.98		\$640	\$6,774.98	Yes	17/000707
Lake Bringalbert Foreshore Committee	Lawn Mower purchase to assist with maintaining the foreshore		\$7,700.00	\$1,000.00		\$8,700.00	No	17/000703
Serviceton Recreation & Sports Association	Serviceton recreation reserve community building passage upgrade and water storage	\$1,095.00	\$2,500.00	\$2,092.29	\$640	\$5,232.29	Yes	17/000709
Goroke Bowling Club	Purchase a ride on mower to assist to maintain the car park and surrounding area		\$2,899.00	\$1,000.00		\$3,899.00	No	17/000705
Total		\$9,895.00	\$50,889.43					

Ineligible applications

Applicant	Project	Comment	Grant Sought	Club \$ Contribution	Club In Kind	Other Funding	Part Funding	Recfind Ref
Edenhope & District Memorial Hospital – Lakes Hostel	Installing a roof over the courtyard.	Ineligible applicant and incomplete application – budget error and missing supporting documents	\$6,000.00		\$4,140	\$12,765.00	No	17/000554
Harrow Promotion & Development Group	Renewal/restoration of the Harrow Sound and Light Show costumes	Ineligible – received \$385.00 funding Round 1 2016-17	\$2,500.00	\$750	\$3,250	\$6,500	Yes	17/000695
Tour de Frances	Tour de Frances	Ineligible – application received after close at 11.24 25 February	\$2,500.00			\$2,500.00	Yes	17/000701
Total			\$11,000.00					
			\$19,895.00	\$87,782.78				



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COUNCIL POLICY			
ASSET CAPITALISATION POLICY		Policy No:	
		Adopted by Council:	31 Aug 2000
		Next review date:	15 Mar 2017
Senior Manager:	General Manager Corporate & Community Services		
Responsible Officer:	Finance Manager		
Functional Area:	Financial Services		
Introduction & Background	<p>The West Wimmera Shire Council <u>is committed</u> to ensuring that the value of its assets is reflected in a true and proper manner. To this end, this policy aims to ensure that assets created or purchased are capitalised to reflect the value that they have added and that these assets <u>are depreciated</u> at a rate consistent with accounting and industry standards.</p> <p><u>While most of the requirements which Council must meet are detailed in the Australian Accounting Standards, the Local Government (Reporting and Accounting) Planning and Reporting Regulations 2014 and the Local Government Act 1989, Council must also adopt various policies with respect to asset recognition and accounting in its annual financial statements.</u></p>		
Purpose & Objectives	<p>1. Text To ensure that assets created or purchased are capitalised to reflect the <u>fair</u> value added to Council's asset base.</p> <p>2. To ensure that the <u>fair</u> value of all assets (purchased or disposed of) <u>are reflected</u> in a true and fair manner in Council's annual financial statements.</p>		
Policy Details			
1.	Definitions		
	<ul style="list-style-type: none"><u>Assets</u> - Resources controlled by <u>Council</u> which are expected to provide future economic benefits or service potential.<u>Asset Class</u> - The level at which a group of assets with a similar function <u>are disclosed</u> in the Balance Sheet. (e.g. Roads Asset Class includes sealed roads, unsealed roads, car parks, etc.<u>Capitalisation Threshold</u> – Value of an asset below which the project cost is normally expensed and above which <u>is normally capitalised</u>.		



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	<ul style="list-style-type: none"> • <u>Recognition</u> - The decision to include an asset as capital expenditure • <u>Useful Life</u> - The period over which an asset is expected to be available for use. • <u>Asset Renewal – Expenditure on an asset which renews the service potential of that asset to its original potential</u> • <u>Asset Upgrade – Expenditure on an asset which upgrades the service potential of that asset to greater than its original potential</u> • <u>New Asset – Expenditure which creates an asset which did not previously exist, therefore providing a service potential that did not previously exist</u> • <u>Asset Expansion – Expenditure on an asset which expands its already existing service potential to other users.</u>
2.	<p>Capital vs Recurrent (Maintenance) Expenditure</p> <p>Accounting standards (in particular AASB 116 – Property, Plant and Equipment) require a distinction to be made between expenditure that is consumed immediately in operations (or within one financial year) and expenditure on physical assets that will provide services over more than one financial year.</p> <p>Maintenance costs will be recorded as an operating expense in the Council's annual operating statement. In <u>determining the nature of an expense -relation to differentiating between maintenance and capital expenditure (including transport and pedestrian infrastructure)</u>, the following are indicators that it is maintenance rather than capital:</p> <ul style="list-style-type: none"> • the item has an expected life of less than one year, or • it is <u>for-consumed in</u> sustaining the continued operation of an existing asset, and or • it will not significantly increase the design life or useful life of the asset (e.g. road, footpath, etc.) and or • it relates to repair of localised problems such as subsidence, breaking up of part of the asset (road or footpath) structure and or • the basic qualities of the asset are not being <u>renewed or</u> upgraded and or • Council does not have control of the asset. <p>Expenditure on an asset should be capitalised where:</p> <ul style="list-style-type: none"> • the asset has an expected life of more than one year; • Council either owns or has control of the asset; • <u>It-the expenditure</u> extends the asset's economic/useful life; • it is for the purchase or development of an asset; • <u>it</u> adds attributes which were not previously part of the asset. <p>Capital expenditure is transferred to various asset classes at the end of <u>, or during,</u> the financial year and recognised in the Balance Sheet. <u>-and A</u>all assets are recorded in Council's asset register. Capital expenditure is further categorised as either new, renewal or upgrade/expansion expenditure, to assist in determining whether council is maintaining its assets to a sustainable level of service.</p>



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3.	<p>Acquisition of Assets</p> <p>The purchase method of accounting will be used for the initial recording of all acquisitions of assets. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. Incidental costs are defined in AASB 116 "Property, Plant and Equipment" and include architects' fees, engineering design fees and all other costs incurred in getting the assets ready for use.</p> <p>Non-monetary assets received in the form of grants or donations are recognised as assets and revenues at their fair value at the date of receipt.</p> <p>Fair value means the <u>the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (AASB13 para 9) amount for which an asset could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction.</u></p> <p><u>Each asset shall be assigned to the fair value hierarchy as defined form paragraph 72 of AASB 13 Fair Value.</u></p>
4.	<p>Non Current Assets Constructed by the Council</p> <p>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.</p> <p>In cases where it is not possible to make the distinction between capital and recurrent, the item should be referred to the Finance Manager for decision.</p> <p>The classification as to capital or recurrent shall be made at the time the item is included in the budget.</p>
5.	<p>Works in Progress</p> <p>Works in progress as at 30 June, will be identified and recorded as a non-current asset in <u>the Council's Statement of Financial Position Balance Sheet</u></p>
6.	<p>Land Held for Resale</p> <p>Land held for development and/or resale will be valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development and interest incurred on financing of that land during its development. Interest and other holding charges incurred after development is complete, will be recognised immediately as expenses.</p> <p>Revenue arising from the sale of land will be recognised in the <u>Statement of Financial Performance Comprehensive Income Statement</u> on the signing of a valid unconditional contract of sale.</p>
7.	<p>Materiality</p> <p>Council recognises, in the <u>Statement of Financial Position Balance Sheet</u>, expenditure</p>



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on non-current assets for each class where expenditure on separate items is in excess of the following thresholds, unless otherwise determined by the Finance Manager.

<u>Asset Class</u>	\$
Land and Land Improvements	5,000
Roads	5,000
Buildings	5,000
Other Structures	5,000
Parks, Open Space and Streetscapes	5,000
Plant & Equipment	1,000
Furniture & Fittings	1,000
Bridges	5,000
Drainage	5,000
Footpaths and Kerb and Channel	5,000

These thresholds will also apply to smaller assets where there are numerous assets of similar characteristics e.g. and office chairs. These assets will be recorded as one asset in the asset register but will not have a value for capitalisation and depreciation purposes.

Where ~~the~~ estimated useful lives are clearly inappropriate, Council, by reference to appropriately qualified professionals, will determine the useful lives of assets. Determination of useful lives in this manner will be fully documented and provide compelling assessments as to appropriate useful lives.

8. Depreciation

All non-current assets having a limited useful life will be systematically depreciated over their useful lives in a manner which reflects the consumption of the service potential embodied in those assets. Land is not a depreciable asset.

Depreciation is recognised on a straight-line basis, using a range of rates which are reviewed annually.

Newly acquired assets will be depreciated from the date of acquisition and assets disposed of or scrapped are depreciated up to the date of disposal or scrapping.

9. Fixed Asset Register

All assets must be recorded in Council's Asset Register and must reflect the purchase/construction cost, along with the assets useful life, depreciation rate and accumulated depreciation.



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Policy Adopted:	Ordinary Meeting 31/08/00	Minute Book Page 8048	RecFind
Policy Reviewed:	Ordinary Meeting 26/09/02	Minute Book Page 10410	RecFind
	Ordinary Meeting 06/04/06	Minute Book Page 13682	RecFind
	Ordinary Meeting 11/03/10	Minute Book Page 17759	RecFind
	Ordinary Meeting 19/04/12	Minute Book Page	RecFind 12/009466
	Ordinary Meeting 18/06/15	Minute Book Page	RecFind 15/002501
	Ordinary Meeting 15/03/17		



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COUNCIL POLICY	
BORROWINGS POLICY	Policy No:
	Adopted by Council: 16 Jun 2011
	Next review date: 15 Mar 2017
Senior Manager:	General Manager Corporate & Community Services
Responsible Officer:	Finance Manager
Functional Area:	Financial Services
Introduction & Background	<p>This policy outlines the West Wimmera Shire Council Borrowings strategy and provides an agreed framework or policy structure for the consideration of existing and future long term borrowings by Council.</p> <p>The West Wimmera Shire Council is required to comply with the provisions relating to borrowings as detailed within the <i>Local Government Act 1989</i>. Refer Schedule 1.</p>
Purpose & Objectives	<ol style="list-style-type: none"> 1. To communicate Councils planned financial management for existing and future long term debt. 2. To ensure long term debt or borrowings are the financial funding option of last resort. 3.2. The clear articulation that operational or recurrent works are not to be funded from long term debt. 4.3. To establish a policy or strategic framework that compliments and maximises the effectiveness of the Council long term investment in infrastructure and other capital assets. 5.4. To support the objective and strategic consideration of competing capital investment proposals and how these investment proposals may be financed. 6.5. To compliment a considered and agreed capital works evaluation framework on which future Council budgets can be premised and for various capital works proposals to be considered objectively. 7.6. To safeguard the long term financial viability of the West Wimmera Shire Council. <p>Council has a desire to maximise the use of loan funding in situations where the new capital asset has an income flow on which to compare the cost of loan finance, or where the capital asset is capable of being liquidated and the capacity for loan funding commitments to be reviewed accordingly. The life cycle nature of the new capital asset may be finite or short term prior to asset liquidation, and suited to shorter term loan</p>



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	funding.
Policy Details	
1.	<p>Background</p> <p>Council recognises the Local Government sustainability ratios that are issued on an annual basis by the <u>Victorian Auditor-General's Office</u> (VAGO). These ratios provide a set of interrelated indicators for Local Government to use to assess individual Council and sector financial performance and position.</p> <p>Financial sustainability trends in Victorian Local Government are being tracked and monitored by VAGO via a series of sustainability indicators. The indicators produced by VAGO are as follows:</p> <ul style="list-style-type: none"> • Underlying Result Indicator • Liquidity Indicator • Self Financing Indicator • Indebtedness Indicator • Capital Replacement Indicator • Renewal Gap Indicator <p>The Indebtedness Indicator has a formula being:</p> <p>Non Current Liabilities <i>divided by</i> Own – Sourced Revenue.</p> <p>Council is also regulated in relation to long term borrowings by indicative prudential limits set by <u>Local Government Victoria</u> (LGV). LGV survey Councils in relation to proposed long term borrowings on an annual basis, and maintain a watch over the levels of Council borrowings and other indicators applied against individual Councils and the Local Government sector.</p>
2.	<p>Policy Principles</p> <p>a) Council aims to finance new capital works and assets to the greatest extent possible from revenue, grants, subsidies or any specific cash backed reserves established to fund capital works.</p> <p>b) Long term borrowings for capital works and new capital assets will be for intergenerational assets that are expected to reduce expenditure or increase revenue to service finance costs with benefits exceeding the repayment period.</p> <p>c) Council will not enter into any financing arrangement which would involve the repayment of interest only unless that interest is at least matched by income generated from the asset financed.</p> <p>d) West Wimmera Shire will not use long term debt to finance operational or recurrent works.</p>



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	<p>e) Council will review annually the Indebtedness Indicator, together with other sustainability indicators, as issued by the Victorian Auditor-General and Local Government Victoria as applies to West Wimmera Shire, other small rural Councils and the Victorian Local Government sector as a whole.</p> <p>f) The repayment of new and existing long term borrowings will be set at between 20 – 25 years for major significant long life infrastructure. Capital works for Community and social infrastructure where no commercial revenue streams apply, shall generally be for a lesser period of no greater than 10 years. The above criteria will be assessed on case by case basis and will include consideration of prevailing circumstances and finance market conditions.</p> <p>g) Council will consider any borrowings proposal on merit based on the Council borrowings policy parameters that will maintain the Council position of not exceeding the parameter being the 'Low risk' category pertaining to the Indebtedness indicator as maintained by VAGO.</p> <p>h) This policy is premised on long term debt being a sound business practice when the long term debt is the appropriate form of finance, is used to finance capital assets / investments, and the debt servicing costs are within the capacity of Council to service effectively without placing Council under undue financial stress.</p> <p>i) The Finance Manager will be responsible for arranging loan funding that is appropriate for the requirements and situation at the time. Quotations are to be sourced from no less than three institutions and evaluated based on total finance costs and other relevant factors such as timing and restrictions.</p>
3.	<p><u>Borrowings in the Context of Rate Capping</u></p> <p><u>Council acknowledges that it must evaluate all other funding options when determining whether or not it would request a variation to any rate cap applied by the Minister for Local Government.</u></p> <p><u>Before making any request for a rate cap variation Council will evaluate the possibility of financing future capital works from borrowings rather than an increased rate cap. This shall be done in accordance with the Policy Principles as set out in part 2 of this policy. Such evaluation shall form part of any rate cap variation application and must form part of the public consultation process for any proposed rate cap variation.</u></p>
3.4.	<p>Schedule 1 – Local Government Act 1989 extract</p> <p>144. Power to borrow</p> <p>(1) <i>Subject to the principles of sound financial management, a Council may borrow money to enable the Council to perform the functions and exercise the powers conferred on the Council under this Act or any other Act.</i></p> <p>(2) <i>This section also applies to borrowings in the form of finance leases.</i></p> <p>(3) <i>The amount borrowed on the security of any special rates or special charges must not at any time exceed the estimated income from the special rates or special charges.</i></p>



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145. Circumstances in which power to borrow may be exercised

- (1) Without limiting the generality of section 144, the power to borrow conferred by section 144 may be exercised—
- (a) to repay the principal money owing under any previous borrowings; or
 - (b) to meet the consideration still outstanding under a contract which has been partly or wholly performed and in respect of which the power to borrow conferred by section 144 could have been exercised at the time the contract was made.
- (2) The power to borrow conferred by section 144 cannot be exercised to repay an advance by overdraft under section 150(1) or 150(3) unless—
- (a) the approval of the Minister has been obtained; and
 - (b) any conditions imposed by the Minister are complied with.

146. Budget or revised budget must include proposed borrowings

- (1) A Council cannot borrow money for ordinary purposes or the purposes of municipal enterprises unless the proposed borrowings were included in a budget or revised budget.
- (2) If the proposed borrowings are to re-finance existing loans, the Council is not required to include the proposed borrowings in a budget or revised budget.

147. Use of loan for different purpose

A Council may only apply unexpended money previously borrowed for a particular purpose for capital works included in the current budget or a revised budget.

148. Borrowings to be secured

- (1) Except in the case of a finance lease, money borrowed under section 144 is to be secured by entering into a security—
- (a) in the case of borrowings for ordinary purposes, over the general rates; or
 - (b) in the case of borrowings for the purposes of municipal enterprises, over the total value of the assets of the municipal enterprise and the income from the municipal enterprise; or
 - (c) in the case of borrowings under section 144(3), over the special rates and special charges.
- (2) Unless expressly forbidden by the Act or instrument under which a body corporate or company acts, a security under this section is a lawful investment for any money which a body corporate incorporated under an Act or any company is authorised to invest.

Policy Adopted:	Ordinary Meeting 16/06/11	Minute Book Page	RecFind 11/004558
Policy Reviewed:	Ordinary Meeting 18/06/15	Minute Book Page	RecFind 15/002501
	Ordinary Meeting 15/03/17		