



Annual Report 2016/2017



shire of Ashburton
reef to range

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Shire President's Report

The Shire of Ashburton successfully completed, and celebrated, the construction of a number of key facilities this year, with the communities now enjoying these new amenities.

In Paraburdoo the new Childcare Centre now offers a greater number of childcare services to working parents, and in Onslow, the new Shire Administration Complex now provides the town with the RM Forrest Hall, Public Library, Customer Service and Council Chambers, along with a Wheatstone Information Centre.

We have also celebrated the opening of the new skatepark, multipurpose courts and the highly anticipated Aquatic Centre in Onslow.

Each of these new facilities provide valuable resources to our communities and ensure the sustainability of our towns as a great place to work and live.

Council are excited to see the Paraburdoo Community Hub continue to progress, with architects appointed and design plans well underway. Final completion of this project is expected mid-2018 and we look forward to delivering these highly anticipated amenities to the community.

The Shire once again participated in the 2017 Karijini Experience as a gold sponsor, providing financial and operational support to this iconic Pilbara event. Attendance continues to grow as Karijini Experience delivers a culturally significant event that showcases the beauty of both Karijini National Park and the Pilbara region.

We continue to work alongside both Rio Tinto and the Chevron-operated Wheatstone project to provide a full calendar of local events as well as improved community facilities. Our partnerships with the Pilbara Regional Council and Pilbara Development Commission remain focused on improving the sustainability and liveability of our region.

In October we welcomed two new Councillors, with Cr Matthew Lynch and Cr Doug Diver who were both elected to represent the Tom Price Ward. After many years in Tom Price, long term Councillors Tony Bloem and Cecilia Fernandez resigned from Council, leaving the Pilbara to be closer to family. We sincerely thank them both for their dedication and commitment to the Shire of Ashburton Council, and for the many achievements they championed during their tenure.

In March we farewelled CEO Neil Hartley, who returned to Perth, and welcomed Acting CEO Dale Stewart to the Shire. Mr Stewart has over 30 years' experience in Local Government and will remain in the role until January 2018, during which time Council will conclude the recruitment process.

Completion of Major Projects 2016/2017

Once again I would like to acknowledge the outstanding work of both Councillors and staff who have worked tirelessly to deliver some excellent results this year. It has been my privilege to lead the Council as Shire President, along with Deputy Cr Linton Rumble, and I look forward to the Shire's continuing achievements in the year ahead.



Kerry White
Shire President

Paraburdoo Childcare
Centre

Onslow Shire Complex

Onslow Multipurpose
Courts

Onslow Swimming Pool

Onslow Skate Park

Each of these new facilities provide valuable resources to our communities and ensure the sustainability of our towns as a great place to work and live.



Our Councillors



CR KERRY WHITE
Shire President Onslow Ward



CR LINTON RUMBLE
Deputy Shire President Paraburdoo Ward



CR GLEN DELLAR
Ashburton Ward



CR MELANIE GALLANAGH
Pannawonica Ward



CR DOUGLAS (IVAN) DIAS
Paraburdoo Ward



CR LORRAINE THOMAS
Tableland Ward



CR DOUG DIVER
Tom Price Ward



CR PETER FOSTER
Tom Price Ward



CR MATTHEW LYNCH
Tom Price Ward

Acting CEO's Report

It has undoubtedly been a busy year for the Shire of Ashburton, successfully completing numerous key infrastructure projects while continuing to develop others.

In March 2017 I stepped into the role of Acting Chief Executive Officer, tasked with ensuring the Shire continues to work towards achieving the Strategic Goals and Objectives as outlined in the Strategic Community Plan.

Staff have remained focused on developing strong policy and process for good governance, in line with achieving the projects, goals and objectives tasked to them.

A number of key construction projects have been completed and opened, with residents now enjoying these highly anticipated new facilities. As part of the Asset Management Plan, the Shire successfully completed a major overhaul of drainage and roadworks along Stadium Road, Tom Price, improving ageing infrastructure and safe road use for vehicles and pedestrians.

At the March Ordinary Meeting of Council, the Shire's new Strategic Community Plan was adopted, providing a clear direction for the future advancement of the Shire, its towns and communities over the next ten years. The plan was developed after a comprehensive consultation process with the local community and stakeholders, which sought input into the key areas of development, planning and sustainability to ensure the Shire continues to meet the needs of each town.

During the year we have welcomed Mr John Bingham as the Shire's new Director Financial Services, and farewelled Mr Frank Ludivico who relocated south to be closer to family. We thank Frank for his long tenure as Executive Manager Financial Services and acknowledge his role in ensuring the financial stability of the Shire under his leadership.

The Shire of Ashburton finishes the year in a strong financial position and is well placed to continue to positively develop, and sustain, our assets and communities.

Working closely with our partners remains a key focus and this ongoing support is vital to the delivery of positive outcomes, which improve the lifestyle of our residents. Renewed partnership agreements with both Rio Tinto and the Chevron-operated Wheatstone Project ensure the continuation of these benefits, including a high level of social engagement and service delivery.

It has been a pleasure to be a part of the Shire of Ashburton and I would like to acknowledge, and thank, the Councillors and staff who have worked diligently to deliver the best possible outcomes for each town and their communities.

Dale Stewart

Acting Chief Executive Officer

The Shire of Ashburton finishes the year in a strong financial position and is well placed to continue to positively develop, and sustain, our assets and communities.

Our Executive Team

Dale Stewart

Office of CEO

- Council Service
- Organisational Development
- Human Resources
- Staff Housing
- Workplace Health and Safety
- Media
- Communications
- Tourism
- Visitor Centre

Lee Reddell

Development & Regulatory Services

- Contract Management
- Design
- Project Management
- GIS
- Planning, Building and Health
- Ranger Services
- Emergency Services
- Traders Permits (food)

Anika Serer

Strategic & Economic Development

- Project Initiation and Coordination
- Economic Development
- Integrated Planning Framework
- Community Strategic Plan
- Land Development
- Commercial Leases
- Relationship Management

Lynnette O'Reilly

Community Development

- Liquor Permits
- Library and Cultural Events
- Early Childhood, Youth, Seniors
- Community Reference and Advisory Groups
- Support for Community Groups
- Pools, Halls and Facilities
- Community Volunteers
- Club Development
- Traders Permits (events)

Troy Davis

Infrastructure Services

- Airport
- Asset Management
- Building Maintenance (in-house works)
- Engineering
- Fleet
- Parks, Gardens and Infrastructure
- Private Works
- Roads
- Waste Management
- Depots
- Camps

John Bingham

Corporate Services

- Governance
- Financial Services and Reporting
- Budget Preparation, Dissemination and Training
- Administration
- IT, GIS and Knowledge Management
- Financial
- Grants

Strategic Community Plan



Following extensive community consultation, a Strategic Community plan was developed in 2012.

The Shire of Ashburton 10 Year Strategic Community Plan (2012-2022) provides focus, direction and represents the hopes and aspirations of the Shire.

A full review of the plan has been conducted this year, with a new ten year Strategic Community Plan, Living Life 2017–2027, to be implemented in 2017.

Our Vision

We will embrace our unique Pilbara environment and lifestyle through the development of vibrant, connected and active communities that have access to quality services, exceptional amenities and economic vitality.

Our Values

- Respect
- Openness
- Teamwork
- Leadership
- Excellence
- Health & Wellbeing

Future Focus

The Shire of Ashburton is committed to achieve its vision and will do this by courageously imagining the future, and partnering with the government, industry and the community to build strong communities and robust economies where we live life to the fullest.

The following goals form part of the strategic direction to deliver the Shire's vision.

1. Vibrant and Active Communities
2. Economic Prosperity
3. Unique Heritage and Environment
4. Quality Services and Infrastructure
5. Inspiring Governance

We will embrace our unique Pilbara environment and lifestyle through the development of vibrant, connected and active communities that have access to quality services, exceptional amenities and economic vitality.








Corporate Business Plan






















COMMUNITY GOAL 1 Community inclusion and participation

Objective/Aspirational Outcome

Developing the “whole of Shire” community in all its diversity – geographic, age, culture, employment arrangements etc. – in a challenging context of rapid and fluctuating growth, uncertainty and risk.






Strategic Initiative	Team & Status	Actions & Projects	2013/ 14	2014/ 15	2015/ 16	2016/ 17	Ongoing
Disability Access and Inclusion	Community Development	 DAIP reviewed and updated 2013-2017. DAIP has been approved by Council, registered with the Disability Services Commission and is available on our website. To be reviewed annually. Annual review completed 2015/2016. Update underway in 2017 to be completed by end of year.					
Multi-purpose community complex in Tom Price	Community Development	 Completed.					
Multi-purpose community complex in Paraburdoo	Community Development	 Funding secured and construction commenced November 2017 – due for completion end 2018.					
Multi-purpose community complex in Onslow	Community Development	 Completed.					
Leased premises for groups and clubs	Community Development	 COMPLETED (but ongoing). Updated Policy, Delegation, and Community Leases and Licenses. Funds being allocated annually to assist Clubs with compliance. Will be ongoing.					

-  Completed
-  Progressing
-  Commenced and ongoing
-  Delayed or deferred
-  Target for completion

Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
Events and cultural activities	Community Development	 Funding secured through Rio Tinto for Tom Price, Paraburdoo and Pannawonica until 2022 for a variety of programs. This includes Australia Day, Anzac Day, and Welcome to Town events, NAIDOC and Christmas celebrations. Similar funding has also been secured from Chevron for activities and programs in Onslow. Current planning and working with RIO Tinto and Chevron for ongoing agreements.					
Youth services and programs; family services and programs; general programs	Community Development	 Funding secured through Rio Tinto for Tom Price, Paraburdoo and Pannawonica until 2022 for a variety of programs - this includes school holiday programs. Similar funding also secured from Chevron for activities and programs in Onslow. Further funding and/or support for community groups to run program continues (eg Nameless Festival). Current planning and working with Rio Tinto and Chevron for ongoing agreements.					
Leaping Lizards (expanded to broader community participation)	Community Development	 Replaced by Onslow Kids Kitchen Garden. Funding secured to cover until Dec 2017 at which time it will be handed over to Dept of Education.					
Community Sustainability (new)	Community Development	 Community Development Sustainability roles in place and operating across Tom Price, Paraburdoo and Pannawonica. Ongoing. Minor changes to structure to cater for sustainability, changes to be factored into new agreement as required.					







Objective/Aspirational Outcome

Community capacity building (e.g. strengthening community groups and clubs).

Club development (new)	Community Development	 Club Development teams in place and operating across Tom Price, Paraburdoo with a Youth Recreation and Development role in Pannawonica. All roles funded by Rio Tinto. Positions in place and have recently been renewed in the 2017-2022 Partnership with a model looking toward Shire-focused sustainability.					
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Objective/Aspirational Outcome




Improved ways of engaging the community around meaningful options.

Community engagement in strategy development; integrated planning and reporting	Community Development Governance & Executive Service	 Community engagement practices already well in place across a variety of projects and programs. Will continue to progress this further in year 2-4 of the Corporate Business Plan, once community groups and organisations are well established and supported. Has been improved community engagement as a more focused approach to needs in current economic environment. Will be ongoing.					
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A number of key construction projects have been completed and opened, with residents now enjoying these highly anticipated new facilities.















-  Completed
-  Progressing
-  Commenced and ongoing
-  Delayed or deferred
-  Target for completion

Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
External communication and public relations (incl. social media strategy)	Governance & Executive Service	 The Shire's Strategic Media Policy (including social media) has been enhanced to include both printed and digital channels to facilitate communication about latest news and events, community engagement campaigns, tourism strategies and emergency information. Since its re-activation in 2014, the Media team have worked to maintain a planned program of communication and engagement using the Shire's Facebook page and in this time have more than doubled the number of active page followers. The social media process and procedure guideline has been reviewed, with the objective to have additional Facebook administrators within the Community Development team providing a more effective approach to promoting the various events in each town.					

Objective/Aspirational Outcome

Supporting volunteerism.

Volunteer Hubs in Paraburdoo, Onslow and Tom Price	Community Development	 Volunteer Hub in Tom Price established and operating (at Nintirri Health Centre). Paraburdoo and Onslow still in planning stages. Requires 2016/17 budget allocation to fund works. Needs increased focus.					
Club development	Community Development	 Monthly Club volunteer awards established and promoted through the Active Ashburton Newsletter (across Tom Price, Paraburdoo and Pannawonica via Rio Tinto funding). Planning in place for similar in Onslow. Grant funding gained to support volunteer week.					



















COMMUNITY GOAL 2 Provision of Infrastructure that enables economic and social vitality

Objective/Aspirational Outcome






Community assets (direct provision and/or facilitating provision by others):
































Sport and recreation Aged care and medical services






Childcare services











Swimming Pools Tom Price, Paraburdoo (+ new playground) and Onslow (proposed – active pursuit)	Community Development	 Completed.  Paraburdoo pool facility upgrade (change rooms etc.) part of the CHUB Scope, due for completion end 2018.					
Water spray park Paraburdoo (new)	Community Development	 Design has been drafted & costed (approx. \$600K). Requires budget allocation and future Council direction to fund works.					
Courts (netball, basketball, tennis) Tom Price, Paraburdoo and Onslow	Community Development	 New multipurpose courts in Onslow completed 2016; funding included in the Paraburdoo Community Hub to upgrade existing courts and construct new indoor multi-purpose sports hall, funding approved October 2017 to resurface Tom Price courts.					
Useable cricket pitch and nets in Paraburdoo (new)	Community Development	 Upgrade to pitch and nets commences November 2017 Works.					

Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
Outdoor basketball courts in Onslow (new)	Community Development	✓ Completed.			✓		
Skate Park Tom Price	Community Development	✓ Completed.	✓				
Skate Park Paraburdoo	Community Development	✓ Completed.			✓		
Skate Park Onslow	Community Development	✓ Completed.				✓	
Ovals in Paraburdoo (upgrade), Tom Price (upgrade) and Onslow	Community Development	⏸ Master Plan for Tom Price Area W finalised. <i>BBQ's and Change Room upgrade completed. Will need additional budget allocation 2018/19 to progress further.</i>			⊙	⏸	⏸
Playgrounds (progressive upgrades)	Community Development	↻ Replacement playground in Onslow budgeted for 2017/18, planning underway. Upgrade to Tom Price Lions Park is now complete. New playground at Clem Thompson (Tom Price) is now complete.		⊙	⊙	⊙	↻
Leased Premises	Community Development	✓ Completed (but ongoing). All commercial properties have current lease agreements.		⊙		✓	
Aged care services Onslow (expanded)	Strategic & Economic Development	➔ Further upgrades to current facilities have taken place in 2017.				⊙	➔
Childcare Paraburdoo (new)	Strategic & Economic Development	✓ Completed.			⊙	✓	
Tom Price (expanded)	Strategic & Economic Development	➔ Tom Price Child Care to be a focus in the 2017/18 financial year, working with Rio Tinto and Nintirri to develop scope, funding and designs.				➔	➔
Early Years Program Onslow (new)	Strategic & Economic Development	↻ V Swans delivering youth program including early years.				➔	↻
Objective/Aspirational Outcome Complete Town Centre Revitalisations.							
Paraburdoo, Onslow, Tom Price	Strategic & Economic Development	↻ Tom Price Town Centre – complete. Paraburdoo Town Centre – complete – but ongoing as budget finances permit. Additional car shade structure in progress. Onslow Town Centre – master plan consultancy awarded November 2017, design works and community engagement to be undertaken early part of 2018 to understand staging and construction opportunities subject to funding.		⊙	⊙	⊙	↻

-  Completed
-  Progressing
-  Commenced and ongoing
-  Delayed or deferred
-  Target for completion

Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
Objective/Aspirational Outcome							
Drainage investigations and upgrading drainage in Paraburdoo and Tom Price.							
Drainage Audit and Data Pick-up, type, depth and Condition/Capacity assessment, investigations on capacity. Tom price, Paraburdoo and Onslow	Infrastructure Services	 Drainage data collection and investigations ongoing. Drainage remedial works progressing as funding and design information becomes available. Programmed works in Paraburdoo have been completed. Onslow drainage improvements at Shanks Rd, First Street and Third Ave have been progressed through the design stage are now under construction. Phase 1 of Tom Price drainage renewals have been tendered and construction programmed for late 2017.					
Objective/Aspirational Outcome							
Implementing Bike Plan.							
Progressive implementation of bike path program	Infrastructure Services	 Footpath Asset Management Plan (FAMP) with renewals and improvements programs has been developed and will be rolled out in late 2017. Data from the Bike Plan has been incorporated into the FAMP.					
Objective/Aspirational Outcome							
Waste Site Closures of Existing Burdened Sites to meet Licensing Requirements.							
Closure and rehabilitation of the existing Onslow Landfill	Infrastructure Services	 Completed (but ongoing). Onslow Landfill Closure and Rehabilitation completed except for final revegetation works scheduled for 2017. Landfill gas and water monitoring is ongoing.					
Closure and rehabilitation of the existing Paraburdoo Landfill and development of a transfer station	Infrastructure Services	 Deferred. Site assessment has shown considerable life still available in the site and plans are underway to expand the site.					
Objective/Aspirational Outcome							
Road Upgrades for Improved Access, Safety and Recreational Opportunities.							
Complete Upgrade/Seal Banjima Drive	Infrastructure Services	 Completed.					
Upgrade of Panawonica-Millstream Road	Infrastructure Services	  Initial project completed.					
Unsealed Road Re-sheeting Shire's unsealed road network	Infrastructure Services	 Continuing program of works as budgeted funds permit.					

-  Completed
-  Progressing
-  Commenced and ongoing
-  Delayed or deferred
-  Target for completion

Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
4WD Video Condition & Data Pick-up of Unsealed Roads	Infrastructure Services	  Completed (but ongoing). Data collection completed and now data is being translated to Shire Asset Management System.					
Upgrade of Roebourne-Wittenoom Road	Infrastructure Services	  Ongoing re-sheeting program with minor upgrades to key areas is ongoing. Main Roads WA has taken over the upgrade project with funding from the WA State Government.					



Objective/Aspirational Outcome

Improved Waste Facilities.

Selection and development of a new waste management facility site (transfer station) for Onslow due to required closure of the existing facility	Infrastructure Services	 Grant from BRRF received and planning underway.					
Development of a Tom Price Landfill Management Plan.	Infrastructure Services	 Management Plan being finalised with additional site surveys and investigations underway in 2016.					
Boom Gates for Landfill sites - Tom Price and Paraburadoo	Infrastructure Services	 Completed.					
CCTV Cameras - Tom Price and Paraburadoo Landfills	Infrastructure Services	 Investigations into optimum solution is required.					
New Garden Shed at the Tom Price Landfill in recycling yard	Infrastructure Services	 Completed.					

Objective/Aspirational Outcome






Paraburadoo Carpark Upgrade.
































Shade Structures and Ground Work Paraburadoo Car Park	Infrastructure Services	 Completed.					
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Staff have remained focused on developing strong policy and process for good governance.






Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
Objective/Aspirational Outcome							
Landscaping.							
New tree planting in Camp Road Paraburdoo	Infrastructure Services	✓ Completed.		✓			
Bin Surrounds for the Foreshore – Onslow	Infrastructure Services	✓ Completed.		✓			
Upgrade of backyard – Ashburton Hall Paraburdoo	Infrastructure Services	✓ Completed.		✓			
Objective/Aspirational Outcome							
Onslow Airport Upgrade.							
Improve/upgrade the drainage on taxiway Delta	Infrastructure Services	✓ Completed.		✓			
General Aviation Lease Area preparation	Infrastructure Services	✓ Completed.		✓			
COMMUNITY GOAL 3 Economic Strength and Development							
Objective/Aspirational Outcome							
Land development - industrial and residential.							
Land development plan (new) and identification of available land	Strategic & Economic Development	↻ Land identified for development is being investigated and de-constrained – ongoing project.					↻
De-constraining of available land	Strategic & Economic Development	↻ 'Golf Course Estate' in Tom Price – land purchase now complete and basic designs in place – subject to further demand and specific requirements.			◎	◎	↻
Onslow: Industrial Subdivision – 55 lots of serviced industrial land at Lot 16 Onslow Rd	Strategic & Economic Development	➔ Shire is continuing to work through the proposed sale of the land with appropriate buyers.	◎	◎	◎	◎	➔






























-  Completed
-  Progressing
-  Commenced and ongoing
-  Delayed or deferred
-  Target for completion






Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
Tom Price:Stage 2 Boonderoo Rd Industrial Subdivision – 10 lots of serviced industrial land at Southern end of Boonderoo Rd	Strategic & Economic Development	 Investigation into demand for land, development costs and appropriate design being undertaken however lack of general demand means this is not a high priority at this point.					
Further residential land development Tom Price and industrial land development Onslow and Tom Price – active pursuit	Strategic & Economic Development	 Ongoing research activities into land that may be appropriate for future development including liaising with relevant state agencies.					
Objective/Aspirational Outcome							
Accommodation/housing (visitor, service worker, and residential expansion).							
Affordable housing (active pursuit)	Strategic & Economic Development	 Working with Department of Housing and PDC to identify affordable housing and service worker accommodation strategies – this has not been a high priority due to drop in demand for housing.					
Caravan Park Onslow (improve)	Strategic & Economic Development	  Completed (but ongoing). <i>Stage 1 complete. Stage 2 subject to grant funding or budget allocation.</i>					
Objective/Aspirational Outcome							
Tourism development.							
Caravan Park Tom Price (improve)	Strategic & Economic Development	  Tom Price Caravan Park lease to be reviewed when it expires in 2032. Review opportunities with new lessee.					
Tom Price Visitor Centre	Governance & Executive Service	 Completed. “Mini-makeover” completed and officially opened in July 2016.					
Review and refresh a clear vision for Tourism (facilitation of enhanced tourism offering and promotion)	Strategic & Economic Development	 As a partner in the PDC/PRC Pilbara Tourism Product Development Plan, the Shire’s initiatives reflect the overall Pilbara aims of this plan. The Shire’s own tourism strategy is budgeted for review in 2017/18 (to be undertaken following the completion of the PDC funded Visitor and Business Stimulation Project being undertaken by the PRC – completion date yet unknown). New “i” signs (etc) being installed for 2016/17. Trialled caravan park signage in Tom Price over 2016 tourist season (via Variable Message Boards).					















The Shire proudly supported the 'My Pilbara Adventure' promotion to encourage Pilbara tourism.

-  Completed
-  Progressing
-  Commenced and ongoing
-  Delayed or deferred
-  Target for completion

Strategic Initiative	Team & Status	Actions & Projects	2013/ 14	2014/ 15	2015/ 16	2016/ 17	Ongoing
Facilitate partnerships with tourism industry and business professionals (more targeted approach)	Strategic & Economic Development	 Supported the last PDC's 'My Pilbara Adventure' promotion to encourage Pilbara tourism and tourism business engagement. Facilitated tourism and business links as a \$30,000 sponsor of the 'Karijini Experience' and re-established the Shire's Business and Community Directory, which will be reviewed for 2017 publication. Working with PRC & Pilbara LGA's to upgrade Warlu Way signage, entry signs to the Pilbara and interpretive signage.					
Heritage Tourism (enhance)	Strategic & Economic Development	 Old Onslow Project (\$1m Chevron funded) being progressed with upgraded signage, WIFI, conservation works to buildings. Further works to cemetery and tourism APP being developed. Working with Thalanyji to also develop interpretive signage for Boardwalk.					
Harness local and regional resources and opportunities to stimulate tourism activity	Strategic & Economic Development	 Ongoing funding support of Karijini Experience (Nintirri driven event). Passion of the Pilbara held in Onslow in 2017, ongoing permission and management of camping at 3 Mile Camp (Ashburton River) with Minderoo.					
Facilitate partnerships with tourism industry and business professionals	Strategic & Economic Development	 Engaged with local businesses to review Business Directory (due in 2017). Supporting the Karijini Experience (\$30,000 in 2016/17). In an effort to boost local tourism and business, upgraded tourist information bays have commenced with first one under construction in Paraburdo.					
Objective/Aspirational Outcome							
Improved support for local business community.							
Marketing strategy – place to live, work and do business; “buy local”	Strategic & Economic Development	  The Shire recently reviewed its 'Buy Local' policy, which is used in all procurement processes. The Shire also encourages residents to 'buy local' via the Business Community Directory which has been promoted in Shire communications such as <i>Inside Ashburton</i> . Review of Purchasing Policy also undertaken, which enhances local business opportunity with a link to an internet based Quotation system. New PDC initiative titled <i>Retail/Franchise Attraction Strategy</i> being progressed in 2016.					
Relationship building (improved understanding of business issues and needs)	Governance & Executive Service	 Development of Business Directory in consultation with CCI's. Preparation of “How to Tender” Presentation. Meetings/ Presentations with local businesses planned for November/ December 2017 in Tom Price and Onslow.					

-  Completed
-  Progressing
-  Commenced and ongoing
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-  Target for completion

Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
Business showcase (minimum of 2 forums/expos per year in Tom Price and Onslow and 1 per year in Paraburdoo)	Strategic & Economic Development	 Industry Forums in Onslow have been taken over by the Onslow Chamber of Commerce & Industry; recent Onslow Living events and Passion of the Pilbara have also provided opportunities. The Shire will continue to work with newly restored Pilbara Inland Chamber of Commerce to develop strategy for Tom Price/Paraburdoo Industry Forums.					
Support business sustainability (enhance support and advocacy to address issues)	Strategic & Community Development	 Economic Development Strategy to be planned and developed in 2018 with focus on small business sustainability and opportunities. Local owners/ operators encouraged to take up retail and office opportunities offered by the Shire in Onslow and Paraburdoo (lease space).					
Facilitate access to land (enhance support to navigate requirements)	Strategic & Community Development	 Officers provide support and information in response to public enquiries for land; ongoing investigations into potential land and release of airport land in Onslow. Stage 1 in Tom Price already complete.					
Business incubators (four factory units in Onslow as an initial priority) – active pursuit	Strategic & Community Development	 Small Business Centre (West Pilbara) has started a Business Hub in Onslow. Funding & operating models will need to be identified for construction and management of Business Incubators.					

COMMUNITY GOAL 4 Staying ahead of the Game






Objective/Aspirational Outcome











Quality of communication from Elected Members to the Community.

Community engagement in strategy development; integrated planning and reporting	Governance & Executive Service	 The Shire continues to actively seek ways to engage with all our communities. An Engagement Strategy has been developed to take into account the Community Consultation requirements in relation to Integrated Planning & Reporting. Strategic Community Plan 2007-2017 Adopted March 2017.					
Media, external communication and public relations (incl. social media strategy)	Governance & Executive Service	  The Shire's Strategic Media Policy (including social media) has been enhanced to include both printed and digital channels to facilitate communication about latest news and events, community engagement campaigns, tourism strategies and emergency information. Since its re-activation in 2014, the Media Team has worked to maintain a planned program of communication and engagement using the Shire's Facebook page and in this time have more than doubled the number of active page followers. The social media process and procedure guideline has been reviewed, with the objective to have additional Facebook administrators within the Community Development Team providing a more effective approach to promoting the various events in each town.					














The Shire continues to actively seek ways to engage with all our communities.

-  Completed
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-  Target for completion

Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
Integrated Planning and Reporting (Council on a continuous improvement path for high quality planning and reporting)	Governance & Executive Service	 A schedule has been developed to roll out the key elements of Integrated Planning to Council on an Annual Basis. Key elements are Risk Management, Workforce Management and Long Term Financial Planning & Asset Management. This has been scheduled to take place on Council Meeting dates.					
	Corporate Services	 Strategic Community Plan has been reviewed and a new plan released for the 2017-2027 period.					
Integrated Strategic Projects Reporting	Governance & Executive Service	 Completed (but ongoing). Internal reports (i.e. this one) have been developed to see updates provided to Council on a six monthly basis via EMACCESS.					

Objective/Aspirational Outcome




















Reflecting on regional issues and collaborating with our neighbouring Shires for the benefit of the regional community (PRC).

Economic Development Strategy	Strategic & Economic Development	 Economic Development Strategy to be formally planned and developed in 2018 – various state and regional strategies such as the PDC Blueprint already implemented where possible.					
Consideration of regional impact in decision-making criteria	Governance & Executive Service	 Attendance at all PRD and PDC Meetings. Regular contact maintained with Pilbara CEO's.					
Harness local and regional resources and opportunities to stimulate tourism activity	Strategic & Economic Development	 Coordinating Ashburton Tourism opportunities in alignment with PDC's Pilbara Tourism Strategy. Maintaining close contact with DPAW. The Visitor Centre staff in Tom Price are focusing on building positive relationships with Newman, Karratha etc to enable exchange of information and improved visitor experiences.					

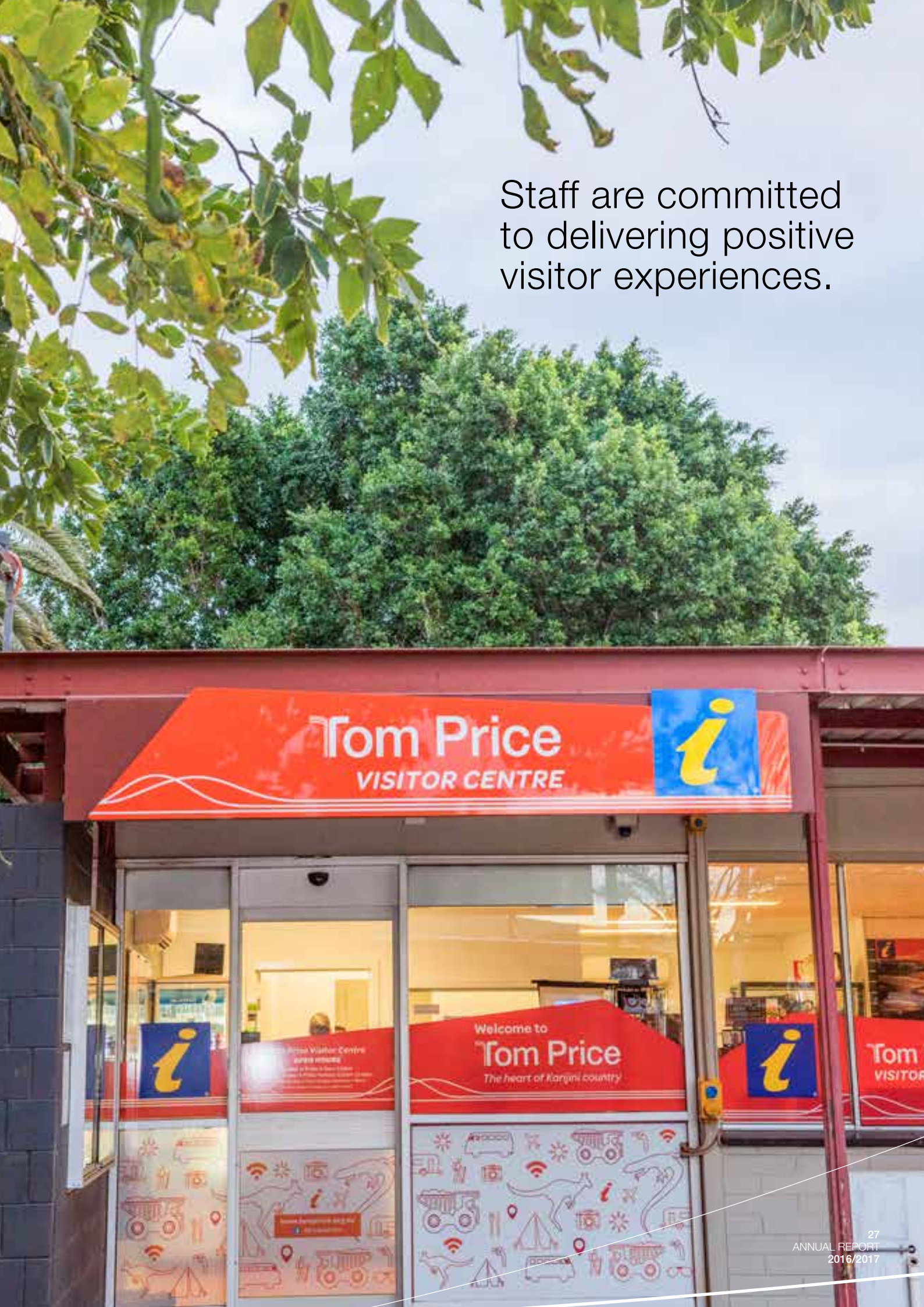
COMMUNITY GOAL 5 Governance

Objective/Aspirational Outcome

Governance.






Effective communication between CEO and Shire President and Councillors	Governance & Executive Service	 Internal practices and culture promoted and maintained to ensure positive working relationships maintained.					
Councillor Induction	Governance & Executive Service	 Completed (but ongoing). Induction Program completed for implementation at Councillor Elections (and updated as required).					
Councillor Professional Development	Governance & Executive Service	 Completed (but ongoing). Annual Budget Allocation is made to ensure Councillors are able to attend professional development sessions and WALGA Annual Conference.					
Councillor support	Governance & Executive Service	 Internal practices and culture promoted and maintained to ensure positive working relationships secured.					




































Staff are committed to delivering positive visitor experiences.










We continue to review our front line service delivery to ensure positive standards.

-  Completed
-  Progressing
-  Commenced and ongoing
-  Delayed or deferred
-  Target for completion

Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
Policies and procedures	Governance & Executive Service	 Completed (but ongoing). An automated electronic Policy register continues to be managed so that Officers can review and present to Council all Council Policies on the required timeframe. The formal process is in place and will be monitored to ensure internal compliance. Policies endorsed annually at November Meeting of Council.					
Objective/Aspirational Outcome Stakeholder relationships (government and business) and advocacy.							
Partnership development – resources sector	Governance & Executive Service	 Engagement with key resource stakeholders occurs on an ongoing and as required basis.					
Facilitate partnerships with tourism industry and business professionals	Governance & Executive Service	 Coordinating Ashburton Tourism opportunities with PDC Tourism Strategy. Also engaging with PDC and its tourism projects. Engage with CCI and individual businesses where relevant. Meetings with Tourism WA and Australia's North-West.					
Advocacy for strategic capital projects and to address barriers to land release	Governance & Executive Service	 Recent EOI advertised for a variety of opportunities at Onslow Airport for business, air transport etc. Tom Price ("Golf Course") precinct land partially de-constrained. Ongoing progressive de-constraining works at Boonderoo Industrial Subdivision.					
Objective/Aspirational Outcome Customer service.							
Customer service – reception, phone, bookings, enquiries etc	Corporate Services	 Ongoing review of ways to improve front line service delivery at Shire customer services centres continues.  Creation of the Complaints Management Policy and Procedures adopted by Council in 2017.					
Customer action requests	Infrastructure Services	 Completed (but ongoing). Use of ASSETIC (Asset Management Software) for management of Customer Action Requests and operational management provided by Infrastructure Services has seen improvement to the service. 					
Customer service charter (for investigation)	Corporate Services	 Completed.					






-  Completed
-  Progressing
-  Commenced and ongoing
-  Delayed or deferred
-  Target for completion

Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
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COMMUNITY GOAL 6 Organisational Stability
















Objective/Aspirational Outcome

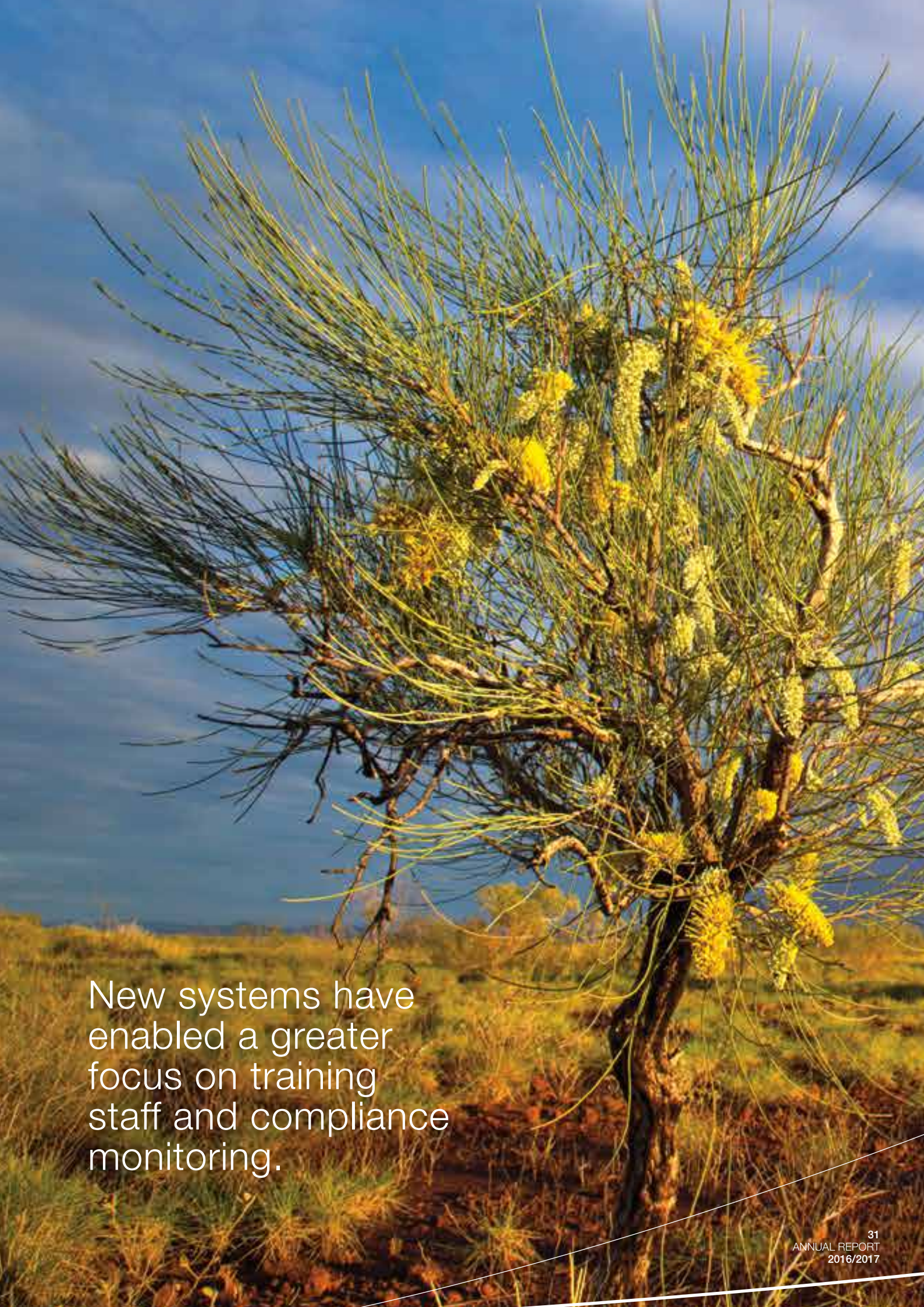
Staff housing.

Staff housing	Governance & Executive Service	 Two home units purchased in Onslow and three new houses constructed in Barrarda Estate in Onslow. Have also leased additional housing from Rio Tinto in Tom Price and are negotiating the potential of purchasing same. The Shire owns properties for about half of its forecasted staff housing requirements, with the remainder being leased privately. Ongoing budget allocations will be required if the goal is to avoid the necessity for private property leases.					
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Objective/Aspirational Outcome

Policies and procedures and records management.

Knowledge management (complete set up and maintain a fully integrated workflow and knowledge management system)	Corporate Services	 Completed (but ongoing). The AIMS system has been fully implemented and additional resources (staffing) have been secured for the Shire's Records Management Team. This has allowed a greater focus on training of new and existing staff and compliance monitoring. Ongoing and continuous improvements will continue to be required.					
Maintain accessible, up to date human resources and financial policies and procedures	Corporate Services	 AIMS Stages 1 and 2 are fully complete and the AIM's system is providing Shire staff with up to date policies, procedures and forms in a fully accessible format. All HR Policies are currently under review to ensure best practice approaches and competitiveness with neighbouring Local Governments.					
Replace Office/Hall & Library Complex in Onslow	Corporate Services	 Completed 2016/17.					



New systems have enabled a greater focus on training staff and compliance monitoring.

Highlights

JULY 2016

NAIDOC Week

Various activities were held across the Shire to celebrate NAIDOC Week and recognise the contributions and achievements of local Indigenous people. The NAIDOC activities in each town helped promote a sense of pride, celebration and connection to local Indigenous culture within the Shire of Ashburton community.

Tom Price Visitor Centre celebrates makeover

The Shire of Ashburton celebrated the makeover of the Tom Price Visitor Centre with light refreshments enjoyed by local tourism operators, Councillors and business representatives. As a gateway to the Pilbara, the Centre is a key contact point for visitors to the region who seek information on Karijini and Millstream-Chichester National Parks, the wider Pilbara area, plus local knowledge on Tom Price, Paraburdoo and our other Shire towns.

The Tom Price Visitor Centre makeover included new branding and external signage, as well as updated maps, brochures, historical memorabilia and an internal refurbishment.



NAIDOC WEEK



NAIDOC WEEK

AUGUST 2016

Nameless Jarndunmunha Festival

The festival was in full swing across the weekend of 7–8 August with an array of entertainment, fabulous food, rides and games. This year's festival showcased our local heroes and the annual street parade had Tom Price abuzz with floats, costumes and decorations all highlighting the 'hero' theme. An abundance of creative talent was on display at the Youth Art Exhibition where children of all ages enjoyed seeing their work on display.

The festival is organised by a dedicated committee of volunteers and is funded by Rio Tinto, the Shire of Ashburton and community fundraising.



YOUTH ART EXHIBITION

Tidy Town Finalists

Tom Price and Paraburdoo were selected as Tidy Town finalists across two different categories.

Tom Price was nominated as a finalist under the Heritage and Culture category which recognises an outstanding commitment to the conservation and celebration of a community's Indigenous and non-Indigenous heritage and culture.

The NAIDOC celebrations and Nameless Jarndunmunha Festival were presented to the judges as events that highlight the town's dedication to preserving such culture.

Paraburdoo was selected as a finalist for the Young Legends category which recognises achievement by young people under 25 who have contributed to the sustainability of their community. The Bike Rack Project and the up-cycling workshops were key projects that demonstrated positive youth engagement.



PARABURDOO'S CHILDCARE CENTRE OPENING DAY

Onslow celebrates new Multipurpose Courts

Onslow celebrated the opening of the new Multipurpose Courts with a family friendly night filled with basketball fun, delicious food, entertainment and a special performance by X-Factor favourite 'Big T'.

The impressive new Multipurpose Courts were built in conjunction with BHP Billiton and the Pilbara Development Commission, and provide the Onslow community with two undercover courts and one open air court, quality night lighting, car parks, spectator viewing, scoreboards, umpire and scoring facilities. The undercover area will also provide a facility for many events that are often compromised due to weather and heat.

The opening of the new facility coincided with the annual Onslow Basketball Carnival, where teams from all over the North West converged for a weekend of basketball fun.



ONSLOW MULTIPURPOSE COURTS

SEPTEMBER 2016

Exercise Beadon

Exercise Beadon came to Onslow in September, an oil-spill emergency training exercise led by the Department of Transport. Approximately 150 people from State and Local Government participated across WA (some remotely). Shire of Ashburton officers from emergency management, environmental health and communications participated in the two day practical exercise, with mock scenarios on how to deal with an oil spill emergency.



PARABURDOO'S CHILDCARE CENTRE

OCTOBER 2016

Paraburdoo's new Childcare Centre opens its doors

Paraburdoo celebrated the opening of their new state-of-the-art Childcare Centre, with families and children given a sneak peak of the centre before enjoying an afternoon of fun and festivity.

A community showcase formed part of the wider celebrations with a line-up of local entertainment, a variety of stallholders and an interactive wildlife display from Ranger Red.

The \$4.66 million childcare centre was been supported by Rio Tinto, the State Government's Royalties for Regions Pilbara Cities Initiative, administered by the Pilbara Development Commission, and the Shire of Ashburton.



The impressive new Multipurpose Courts were built in conjunction with BHP Billiton and the Pilbara Development Commission.



Living Life 2017 to 2027 is the Shire's new Strategic Community Plan and will provide a clear direction for the future advancement of the Shire, its towns and communities.



ONSLow SHIRE COMPLEX LUNCHEON

Onslow celebrates new Shire Complex

The highly anticipated opening of the Onslow Shire Complex was jointly officiated on 28 October by Shire President Kerry White and Chevron Australia Managing Director Nigel Hearne. The official opening comprised a luncheon attended by 50 guests, including members of the Onslow community, business and government representatives. In the evening, the community enjoyed a cocktail ball in the RM Forrest Hall.

Paraburdoo honoured with Tidy Town award

Paraburdoo was chosen as the 2016 Young Legends category winner at the recent WA Tidy Town Sustainable Communities awards. The Paraburdoo Bike Rack Project was the successful entry for the Young Legends category, which recognises achievement by young people under 25 who have contributed to the sustainability of their community.

NOVEMBER 2016

Strategic Community Plan

The Shire commenced a comprehensive consultation campaign seeking input from stakeholders, business and the local community in regards to the development of the new Strategic Community Plan.

The consultation process included community focus groups, interviews and a detailed community survey. The consultation reinforced the importance of a number of existing directions and identified others to be addressed in the coming years.

Living Life 2017 to 2027 is the Shire's new Strategic Community Plan and will provide a clear direction for the future advancement of the Shire, its towns and communities.

Local Sports Stars recognised

Outstanding contributions to sport within Tom Price and Paraburdoo were recognised at the Active Ashburton Sports Star Awards. Presented by the Shire of Ashburton and Rio Tinto through the Community Infrastructure and Services Partnership, the awards nights are a highlight of the sporting calendar and well attended by local clubs and their members.

The Active Ashburton Sports Star awards also highlight the tremendous effort given to nurture local talent, particularly youth, who have worked hard to compete at regional, state and national levels.



CHRISTMAS LIGHTS COMPETITION

DECEMBER 2016

The Festive Season

All four towns got into the holiday spirit and celebrated with carols by candlelight, Christmas Lights competitions, street parades and community Christmas parties.

Festivities and activities across the Shire were hosted in partnership with Rio Tinto and the Chevron-operated Wheatstone project.

JANUARY 2017

Aussie Pride throughout the Pilbara

Thanks to the Shire's partnerships with Rio Tinto and the Chevron-operated Wheatstone project, free community events were held in each town to celebrate Australia Day. The lineup of traditional games and fun activities kept everyone entertained and as is tradition, the winners of the 2017 Premier's Active Citizenship Awards were announced during a special ceremony.



AUSTRALIA DAY

The Onslow community celebrated their new skate park - the BHP Fishbowl.

FEBRUARY 2017

Onslow celebrates their new Skatepark

Onslow celebrated their new skate park, called the BHP Fishbowl, with a free community event that saw the town's local youth showcase many impressive tricks and skills.

Celebrations kicked off with workshops and demonstrations hosted by Freestyle Now, which saw kids of all ages riding their scooters, skateboards and BMX bikes in a mini jam session. The professional skaters from Freestyle Now mingled with local kids, providing a great opportunity for coaching and skill development.

The BHP Fishbowl was made possible through a partnership with the Shire of Ashburton and BHP.



ONSLow SKATE PARK



ONSLow SKATE PARK



Shire welcomes new Acting CEO

The Shire of Ashburton Council welcomed Mr Dale Stewart at March's Ordinary Meeting of Council to the position of Acting CEO. Council also took the opportunity to farewell Neil Hartley, who has resigned from the role to return to Perth.

Mr Stewart will fill the role until January 2018, during which time Council will conduct the recruitment process and formally appoint a new Chief Executive Officer.

Giving it a Go proves plenty of fun

Made possible through a partnership between the Shire of Ashburton and Rio Tinto, Give it a Go Day events in Tom Price and Paraburdoo raise awareness of, and encourage participation in, local sport and activity for people of all abilities.



ONSLOW AQUATIC CENTRE

Tom Price took to the streets as part of the Tour De Tom Price, following a map to complete challenges at various locations with activities set up by local groups. The trail ended at the Bowling Club with dinner, presentations and entertainment.

Paraburdoo residents enjoyed a range of fun activities in the Ashburton Hall, including CPR competitions and spot the hazard activities. The afternoon was topped off with a special performance by X Factor favourite Big T who entertained the crowd while also giving many of the challenges a go.

APRIL 2017

Onslow celebrates with a splash

An all-encompassing community pool party was enjoyed to officially open the new Onslow Aquatic Centre. Developed through a partnership with the Shire of Ashburton and the Chevron-operated Wheatstone Project, the Onslow Aquatic Centre features a 25 metre, six lane swimming pool with a shallow beach entry and free-form area, shade sails, kiosk, change rooms and a first aid room.



ANZAC DAWN SERVICE

Communities gather in remembrance of our ANZACs

Residents and tourists gathered across the Shire of Ashburton to commemorate and remember the ANZACs who fought and gave their lives for our freedom. A number of dawn services were held throughout the Shire, proudly supported by Rio Tinto and the Chevron-operated Wheatstone Project.

Wreaths were laid by dignitaries, ex-service personnel, military and community members in memory of all Australians and New Zealanders who have served in all wars, conflicts and peacekeeping operations. Past and present members of the armed forces and their descendants proudly participated in the ANZAC Day marches, which was followed by a traditional Gunfire breakfast in each town.



KARIJINI EXPERIENCE

Karijini Experience

The Shire of Ashburton once again sponsored the Karijini Experience, a week-long event aimed at showcasing the cultural and environmental beauty of the national park and the Pilbara region. With a line-up of music, entertainment, art, culture and cuisine, Karijini Experience has become a significant tourism event for the inland Pilbara.



KARIJINI EXPERIENCE

Jimeoin toured Ashburton performing to large crowds in Pannawonica, Onslow, Paraburdoo and Tom Price.



JIMEOIN ENTERTAINS ASHBURTON

MAY 2017

Jimeoin entertains Ashburton

A highly anticipated event on the social calendar saw hundreds of residents head out for a night with Jimeoin, and they were not disappointed.

Proudly presented by the Shire of Ashburton in partnership with Rio Tinto Iron Ore and the Chevron-operated Wheatstone Project, Jimeoin toured Ashburton performing to large crowds in Pannawonica, Onslow, Paraburdoo and Tom Price.

Pilbara Kimberley Forum

Shire Councillors attended the Pilbara Kimberley Local Government Forum, a two day event focused on raising the voice of northern Australia in state, territory and commonwealth politics. Held in Kununurra, the forum hosted a range of guest speakers including Senator Patrick Dodson and Melissa Price MP.

JUNE 2017

Partnerships set to continue

The Shire of Ashburton and Rio Tinto committed to another five year partnership which will continue to deliver projects that improve and sustain the liveability of Tom Price, Paraburdoo and Pannawonica.

The Shire and the Chevron-operated Wheatstone Project also committed to continue their successful 'Working Together for Onslow' partnership, promoting initiatives and events that encourage participation and a sense of involvement.



Statutory Reports

1. FREEDOM OF INFORMATION

In accordance with Section 96 and 97 of the Freedom of Information Act 1992, the Shire is required to publish an Information Statement which details the process of applying for information under the act as well as information that the Shire provides outside the Act. This FOI Statement was reviewed in September 2016 and is published on the Shire's website.

During 2016/2017, no FOI application's were received by the Shire.

2. RECORD KEEPING PLAN AND SYSTEMS

The Shire submitted their amended Record Keeping Plan to the State Records Commission in November 2015. This amended plan includes all the current record keeping responsibilities that the Shire complies with.

The Shires' Records Department continues to administer a thorough approach to its record keeping compliance.

A mandatory Record Keeping Induction is included within the Shire's Induction process followed by internal Record Keeping Training within the first week of employment. Internal training and upgrades are administered Shire wide when new information or processes are introduced. Refresher courses are held each year on the employee's anniversary date.

Records staff undertake formal training by external training providers and all staff have access to online Records Training.

The Shire has contracted the use of offsite storage facilities ensuring long term preservation of their Government Records.

3. STRATEGIC PLANNING

The Local Government (Administration) Regulations 1996 was amended in 2011 to require each local government to adopt an Integrated Strategic Plan.

In line with new legislation, our plan includes:

- The Strategic Community Plan; and
- A Corporate Business Plan

These plans are supported by:

- Asset Management Plan;
- Long Term Financial Plan; and
- Workforce Plan

2016/2017 Progress Update

The Shire of Ashburton conducted a full review of the existing Strategic Community Plan in late 2016. This involved community consultation along with the integration of the above informing strategies.

The new plan 'Living Life' 2017 – 2027 was reviewed and adopted at the Ordinary Meeting of Council held 14 March 2017 and is available on our website.

4. ANNUAL SALARIES

The Local Government Act 1995 requires Council to provide the number of employees who are entitled to an annual salary of \$100,000 or more and to break those employees into salary bands of \$10,000.

For the period under review, the Shire had 23 employees whose salary exceeded \$100,000.

Of these employees;

8 employees had a salary of between \$100,000 and \$110,000

6 employees had a salary of between \$110,000 and \$120,000

1 employee had a salary of between \$120,000 and \$130,000

0 employees had a salary of between \$130,000 and \$140,000

1 employee had a salary of between \$140,000 and \$150,000

0 employees had a salary of between \$150,000 and \$160,000

1 employee had a salary of between \$160,000 and \$170,000

4 employees had a salary of between \$170,000 and \$180,000

0 employees had a salary of between \$180,000 and \$190,000

1 employee had a salary of between \$190,000 and \$200,000

1 employee had a salary of between \$250,000 and \$260,000

5. DISABILITY ACCESS AND INCLUSION PLAN

The Disability Services Act 1993 was amended in December 2004, creating a requirement for public authorities to develop and implement Disability Access and Inclusion Plans (DAIP's).

The Disability Services Commission accepted the Shire's new DAIP (2013-2017) on 7 August 2014.

Council is required to report on the seven outcomes relating to DAIP's annually.

The Shire of Ashburton is committed to achieving the following outcomes:

Outcome 1. People with disability have the same opportunities as other people to access the services of, and any events organised by, a public authority.

- Ensure that the Shire's Policy on Disability Access, and other relevant policies, reflect current legislative requirements
- Support and/or develop services to meet the needs to people with disability, their families and carers
- Ensure that as far as possible and practicable, all events have access and provision for people with disability

Outcome 2. People to access the buildings and other facilities of a public authority.

- Continue to upgrade and redevelop existing facilities to better meet the needs of people with disability, including the provision of ramps, car parking, accessible bathrooms, and automatic doors
- Ensure adequate car parking for people with disability in all Shire car parks
- Ensure all new building plans include consultation with people with disability, disability service providers before finalisation
- Ensure that sporting and leisure facilities are accessible
- Ensure that parks and playgrounds are accessible
- Ensure all external contractors are aware of the DAIP
- Allow free entry for Companion Card holders to Shire Swimming Pools in Tom Price and Paraburdoo and the Shire run Onslow Gymnasium.

Outcome 3. People with disability receive information from a public authority in a format that will enable them to access the information as readily as other people are able to access it.

- Work towards ensuring the Shire website meets best practice standards for people with disability

- Continue to provide accessible books and resources through the Shire Libraries
- Consider the needs of people with disability when producing advertising material for events and activities
- Ensure information on Council and Shire activities and functions is available in alternative formats, including Braille if requested (and able to be provided)
- Where possible, and where available, provide the use of an Auslan interpreter.

Outcome 4. People with disability receive the same level and quality of service from the staff of a public authority as other people receive from the staff of that public authority.

- Ensure staff are aware of disability and access issues, and are trained to respond appropriately when dealing with people with disability.

Outcome 5. People with disability have the same opportunities as other people to make complaints to a public authority.

- Ensure staff are aware of disability and access issues, and are trained to respond appropriately when dealing with people with disability
- Ensure alternative avenues are available for people with disability to register complaints, including verbally.

Outcome 6. People to participate in any public consultation by a public authority.

- Ensure consultation is conducted in venues that are accessible for people with disability
- Ensure consultation is advertised in a way that is relevant for people with disability, including by invitation for processes such as reviewing the DAIP, and by utilising existing disability services.

Outcome 7. People with disability have the same opportunities as other people to obtain and maintain employment within a public authority.

- Review all JDF's are inclusive for people with disability
- Ensure position advertisements are inclusive for people with disability

- Collect and collate statistics on how many people with disability are employed by the Shire
- Where possible and practicable make reasonable amendments to working conditions to accommodate people with disability.

6. NATIONAL COMPETITION POLICY

In respect to Council's responsibility in relation to the National Competition Policy, the Shire reports as follows:

- The Shire of Ashburton has assessed its operations and considers that it has no business activity that would be classed as significant under the current guidelines. Also, the Shire of Ashburton does not operate a business enterprise that has been classified by the Australian Bureau of Statistics as either a Public Trading Enterprise or Public Financial Enterprise
- The Shire of Ashburton is not classified as a natural monopoly, nor does it conduct any business activities that could be classified as public monopolies. Therefore, the principle of structural monopolies does not apply to the Shire of Ashburton.

A further requirement of the National Competition Policy is that all Council Local Laws are reviewed every 8 years to determine whether they are in conflict with competitive neutrality and comply with the Local Government Act 1995.

A full review of all the Shire of Ashburton Local Laws took place during 2012/13.

All Local Laws for the Shire of Ashburton were reviewed, approved by Council and gazetted during 2014/15. The next full review will be in 2022/2023.

7. REGISTER OF COMPLAINTS

The Local Government Act 1995 requires the Shire to report on the number of official conduct complaints recorded under section 5.121, about Elected Members, during a financial year. The Shire of Ashburton did not receive complaints of this nature that resulted in action under section 5.110 (6)(b) or (c) during the 2016/17 financial year.

Financials

SHIRE OF ASHBURTON
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

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Principal place of business:
Lot 246 Poinciana Street
Tom Price WA 6751

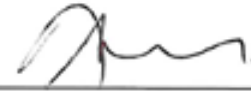
SHIRE OF ASHBURTON
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

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

STATEMENT BY ACTING CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire being the annual financial report and supporting notes and other information for the financial year ended 30 June 2017 are in my opinion properly drawn up to present fairly the financial position of the Shire at 30th June 2017 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 1st day of December 2017



Dale Stewart
Acting Chief Executive Officer

SHIRE OF ASHBURTON
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2017

	NOTE	2017 \$	2017 Budget \$	2016 \$
Revenue				
Rates	22	25,586,931	25,857,134	23,976,191
Operating grants, subsidies and contributions	29	10,806,886	7,257,094	6,496,383
Fees and charges	28	13,940,570	13,868,650	15,553,512
Interest earnings	2(a)	531,182	452,724	702,494
Other revenue	2(a)	407,946	464,417	737,162
		<u>51,273,515</u>	<u>47,900,019</u>	<u>47,465,742</u>
Expenses				
Employee costs		(17,416,207)	(18,283,757)	(15,653,564)
Materials and contracts		(13,893,475)	(20,304,515)	(20,782,840)
Utility charges		(763,526)	(1,216,529)	(866,520)
Depreciation on non-current assets	2(a)	(14,143,661)	(13,108,550)	(13,313,209)
Interest expenses	2(a)	(249,163)	(252,491)	(245,026)
Insurance expenses		(1,367,536)	(1,225,721)	(1,258,783)
Other expenditure		(1,148,649)	(590,685)	(814,516)
		<u>(48,982,217)</u>	<u>(54,982,248)</u>	<u>(52,934,458)</u>
		2,291,298	(7,082,229)	(5,468,716)
Non-operating grants, subsidies and contributions	29	12,905,832	21,840,817	20,526,836
Profit on asset disposals	20	70,730	9,200	1,009
(Loss) on asset disposals	20	(2,575,951)	(100,266)	(1,022,471)
Net result		<u>12,691,909</u>	<u>14,667,522</u>	<u>14,036,658</u>
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	12	(15,323,375)	0	(5,571,152)
Total other comprehensive income		<u>(15,323,375)</u>	<u>0</u>	<u>(5,571,152)</u>
Total comprehensive income		<u><u>(2,631,466)</u></u>	<u><u>14,667,522</u></u>	<u><u>8,465,506</u></u>

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

SHIRE OF ASHBURTON
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2017

	NOTE	2017 \$	2017 Budget \$	2016 \$
Revenue	2(a)			
Governance		460,486	879,448	1,207,183
General purpose funding		32,940,906	30,787,292	26,999,915
Law, order, public safety		129,454	123,219	118,855
Health		216,700	234,182	328,473
Education and welfare		206,563	139,050	145,577
Housing		395,093	468,622	424,767
Community amenities		3,242,367	4,038,355	4,504,143
Recreation and culture		1,560,472	1,215,897	1,268,620
Transport		9,515,177	7,620,580	10,064,397
Economic services		2,404,119	2,118,787	2,094,807
Other property and services		202,178	274,587	309,005
		<u>51,273,515</u>	<u>47,900,019</u>	<u>47,465,742</u>
Expenses	2(a)			
Governance		(7,051,729)	(7,162,044)	(6,044,929)
General purpose funding		(67,566)	(52,330)	(104,633)
Law, order, public safety		(792,918)	(1,035,639)	(873,292)
Health		(787,770)	(996,168)	(643,956)
Education and welfare		(368,969)	(443,553)	(342,942)
Housing		(1,260,477)	(937,440)	(707,262)
Community amenities		(7,593,620)	(8,985,204)	(13,002,260)
Recreation and culture		(9,211,297)	(10,902,707)	(8,632,440)
Transport		(15,248,179)	(15,140,962)	(15,681,029)
Economic services		(4,487,177)	(5,920,750)	(3,652,653)
Other property and services		(1,863,352)	(3,152,960)	(3,004,036)
		<u>(48,733,054)</u>	<u>(54,729,757)</u>	<u>(52,689,432)</u>
Finance costs	2(a)			
Governance		(2,548)	0	0
Housing		(117,071)	(120,677)	(120,990)
Community amenities		(104,949)	(107,297)	(95,294)
Recreation and culture		(7,975)	(7,339)	(9,006)
Transport		(16,620)	(17,178)	(19,736)
		<u>(249,163)</u>	<u>(252,491)</u>	<u>(245,026)</u>
		2,291,298	(7,082,229)	(5,468,716)
Non-operating grants, subsidies and contributions	29	12,905,832	21,840,817	20,526,836
Profit on disposal of assets	20	70,730	9,200	1,009
(Loss) on disposal of assets	20	(2,575,951)	(100,266)	(1,022,471)
Net result		<u>12,691,909</u>	<u>14,667,522</u>	<u>14,036,658</u>
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	12	(15,323,375)	0	(5,571,152)
Total other comprehensive income		<u>(15,323,375)</u>	<u>0</u>	<u>(5,571,152)</u>
Total comprehensive income		<u>(2,631,466)</u>	<u>14,667,522</u>	<u>8,465,506</u>

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

**SHIRE OF ASHBURTON
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2017**

	NOTE	2017 \$	2016 \$
CURRENT ASSETS			
Cash and cash equivalents	3	44,428,941	36,977,388
Trade and other receivables	4	7,051,798	5,799,022
Inventories	5	682,772	170,857
TOTAL CURRENT ASSETS		<u>52,163,511</u>	<u>42,947,267</u>
NON-CURRENT ASSETS			
Inventories	5	486,028	989,589
Property, plant and equipment	6	98,443,172	101,600,843
Infrastructure	7	546,704,479	557,117,245
TOTAL NON-CURRENT ASSETS		<u>645,633,679</u>	<u>659,707,677</u>
TOTAL ASSETS		<u>697,797,190</u>	<u>702,654,944</u>
CURRENT LIABILITIES			
Trade and other payables	8	3,871,021	6,286,360
Current portion of long term borrowings	9	719,190	708,807
Provisions	10	1,348,326	1,269,649
TOTAL CURRENT LIABILITIES		<u>5,938,537</u>	<u>8,264,816</u>
NON-CURRENT LIABILITIES			
Long term borrowings	9	4,566,078	4,515,268
Provisions	10	304,179	254,998
TOTAL NON-CURRENT LIABILITIES		<u>4,870,257</u>	<u>4,770,266</u>
TOTAL LIABILITIES		<u>10,808,794</u>	<u>13,035,082</u>
NET ASSETS		<u>686,988,396</u>	<u>689,619,862</u>
EQUITY			
Retained surplus		215,419,958	210,195,906
Reserves - cash backed	11	35,747,812	28,279,955
Revaluation surplus	12	435,820,626	451,144,001
TOTAL EQUITY		<u>686,988,396</u>	<u>689,619,862</u>

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

**SHIRE OF ASHBURTON
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2017**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2015		188,957,651	35,481,552	456,715,153	681,154,356
Comprehensive income					
Net result		14,036,658	0	0	14,036,658
Changes on revaluation of assets		0	0	(5,571,152)	(5,571,152)
Total comprehensive income	12	<u>14,036,658</u>	<u>0</u>	<u>(5,571,152)</u>	<u>8,465,506</u>
Transfers from/(to) reserves		7,201,597	(7,201,597)	0	0
Balance as at 30 June 2016		210,195,906	28,279,955	451,144,001	689,619,862
Comprehensive income					
Net result		12,691,909	0	0	12,691,909
Changes on revaluation of assets		0	0	(15,323,375)	(15,323,375)
Total comprehensive income	12	<u>12,691,909</u>	<u>0</u>	<u>(15,323,375)</u>	<u>(2,631,466)</u>
Transfers from/(to) reserves		(7,467,857)	7,467,857	0	0
Balance as at 30 June 2017		215,419,958	35,747,812	435,820,626	686,988,396

**SHIRE OF ASHBURTON
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2017**

	NOTE	2017 Actual \$	2017 Budget \$	2016 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		25,541,031	25,907,134	24,029,629
Operating grants, subsidies and contributions		10,275,320	8,257,094	7,041,798
Fees and charges		12,894,843	13,878,650	15,194,674
Interest earnings		531,182	452,724	699,702
Goods and services tax		4,017,228	550,000	5,497,758
Other revenue		407,946	464,417	685,927
		<u>53,667,550</u>	<u>49,510,019</u>	<u>53,149,488</u>
Payments				
Employee costs		(17,432,377)	(17,743,757)	(15,748,331)
Materials and contracts		(16,138,030)	(19,253,315)	(20,535,672)
Utility charges		(763,526)	(1,216,529)	(866,520)
Interest expenses		(251,798)	(252,491)	(250,474)
Insurance expenses		(1,367,536)	(1,225,721)	(1,258,783)
Goods and services tax		(3,636,054)	100,000	(5,199,364)
Other expenditure		(1,148,649)	(842,685)	(814,516)
		<u>(40,737,970)</u>	<u>(40,434,498)</u>	<u>(44,673,660)</u>
Net cash provided by (used in) operating activities	13(b)	12,929,580	9,075,521	8,475,828
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for development of Land held for resale		(43,232)	(540,000)	(73,367)
Payments for purchase of property, plant & equipment		(6,816,317)	(24,460,733)	(20,577,178)
Payments for construction of infrastructure		(12,417,937)	(23,802,644)	(14,106,315)
Non-operating grants, subsidies and contributions		12,905,832	21,840,817	18,803,194
Proceeds from sale of fixed assets		832,434	496,364	356,442
Net cash provided by (used in) investment activities		<u>(5,539,220)</u>	<u>(26,466,196)</u>	<u>(15,597,224)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of debentures		(708,807)	(708,807)	(1,258,461)
Proceeds from new debentures		770,000	1,850,000	0
Net cash provided by (used In) financing activities		<u>61,193</u>	<u>1,141,193</u>	<u>(1,258,461)</u>
Net increase (decrease) in cash held		7,451,553	(16,249,482)	(8,379,857)
Cash at beginning of year		36,977,388	40,960,423	45,357,245
Cash and cash equivalents at the end of the year	13(a)	<u><u>44,428,941</u></u>	<u><u>24,710,941</u></u>	<u><u>36,977,388</u></u>

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

**SHIRE OF ASHBURTON
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2017**

	NOTE	2017 Actual \$	2017 Budget \$	2016 Actual \$
Net current assets at July 1 b/fwd - surplus/(deficit)		8,380,952	8,784,297	7,882,603
		<u>8,380,952</u>	<u>8,784,297</u>	<u>7,882,603</u>
Revenue from operating activities (excluding rates)				
Governance		460,486	879,448	1,207,183
General purpose funding		7,269,873	4,922,458	2,998,895
Law, order, public safety		129,454	123,219	118,855
Health		216,700	234,182	328,473
Education and welfare		206,563	139,050	145,577
Housing		395,093	468,622	424,767
Community amenities		3,242,367	4,038,355	4,504,143
Recreation and culture		1,560,472	1,215,897	1,268,620
Transport		9,585,907	7,629,780	10,065,406
Economic services		2,404,119	2,118,787	2,094,807
Other property and services		202,178	274,587	309,005
		<u>25,673,212</u>	<u>22,044,385</u>	<u>23,465,731</u>
Expenditure from operating activities				
Governance		(7,141,640)	(7,162,044)	(6,046,203)
General purpose funding		(67,566)	(52,330)	(104,633)
Law, order, public safety		(797,895)	(1,035,639)	(898,015)
Health		(787,770)	(996,168)	(643,956)
Education and welfare		(368,969)	(443,553)	(342,942)
Housing		(1,504,084)	(1,058,117)	(932,093)
Community amenities		(7,854,860)	(9,092,501)	(13,156,993)
Recreation and culture		(9,396,706)	(10,910,046)	(8,736,832)
Transport		(16,047,367)	(15,258,406)	(16,438,573)
Economic services		(4,791,314)	(5,920,750)	(3,652,653)
Other property and services		(2,799,997)	(3,152,960)	(3,004,036)
		<u>(51,558,168)</u>	<u>(55,082,514)</u>	<u>(53,956,929)</u>
Operating activities excluded from budget				
(Profit) on disposal of assets	20	(70,730)	(9,200)	(1,009)
Loss on disposal of assets	20	2,575,951	100,266	1,022,471
Movement in deferred pensioner rates (non-current)		0	0	252,060
Movement in employee benefit provisions (non-current)		127,858	0	372,242
Depreciation and amortisation on assets	2(a)	14,143,661	13,108,550	13,313,209
Movement in land held for resale (current)		546,793	0	0
Amount attributable to operating activities		<u>(180,471)</u>	<u>(11,054,216)</u>	<u>(7,649,622)</u>
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		12,905,832	21,840,817	20,526,836
Proceeds from disposal of assets	20	832,434	496,364	316,442
Purchase of land held for resale		(43,232)	(540,000)	(73,367)
Purchase of property, plant and equipment	6(b)	(6,816,317)	(24,460,733)	(20,577,178)
Purchase and construction of infrastructure	7(b)	(12,417,937)	(23,802,644)	(14,106,315)
Amount attributable to investing activities		<u>(5,539,220)</u>	<u>(26,466,196)</u>	<u>(13,913,582)</u>
FINANCING ACTIVITIES				
Repayment of debentures	21(a)	(708,807)	(708,807)	(1,258,461)
Proceeds from new debentures	21(a)	770,000	1,850,000	0
Transfers to reserves (restricted assets)	11	(11,672,419)	(4,657,634)	(14,698,659)
Transfers from reserves (restricted assets)	11	4,204,562	15,172,019	21,900,256
Amount attributable to financing activities		<u>(7,406,664)</u>	<u>11,655,578</u>	<u>5,943,136</u>
Surplus(deficiency) before general rates		<u>(13,126,355)</u>	<u>(25,864,834)</u>	<u>(15,620,068)</u>
Total amount raised from general rates	22	<u>25,671,033</u>	<u>25,864,834</u>	<u>24,001,020</u>
Net current assets at June 30 c/fwd - surplus/(deficit)	23	<u><u>12,544,678</u></u>	<u><u>0</u></u>	<u><u>8,380,952</u></u>

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

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF PREPARATION

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

Except for cash flow and rate setting information, the report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of 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.

THE LOCAL GOVERNMENT REPORTING ENTITY

All Funds through which the Shire 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. A separate statement of those monies appears at Note 19 to these financial statements.

(b) 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.

(c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments 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 reported as short term borrowings in current liabilities in the statement of financial position.

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) 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.

Collectability 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.

(e) 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 sale

Land held for development and sale 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 profit or loss 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 sale is classified as current except where it is held as non-current based on the Council's intentions to release for sale.

(f) Fixed Assets

Each class of fixed assets within either property, plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and 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.

During the year ended 30 June 2013, the Shire commenced the process of adopting Fair Value in accordance with the Regulations.

Whilst the amendments initially allowed for a phasing in of fair value in relation to fixed assets over three years, as at 30 June 2015 all non-current assets were carried at Fair Value in accordance with the requirements.

Thereafter, each asset class must be revalued in accordance with the regulatory framework established and the Shire revalues its asset classes in accordance with this mandatory timetable.

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

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

Land under control

In accordance with Local Government (Financial Management) Regulation 16(a)(ii), the Shire was 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 the other policies detailed in this Note.

Initial recognition and measurement between mandatory revaluation dates

All assets are initially recognised at cost and subsequently revalued in accordance with the mandatory measurement framework detailed above.

In relation to this initial measurement, 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 Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework detailed above.

Revaluation

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

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 AASB 1051 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 Shire.

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- a) Restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount; or
- b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Major depreciation periods used for each class of depreciable asset are:

Buildings	15 to 100 years	1-6.67%
Furniture and Equipment	4 to 10 years	10-25%
Computer Equipment	3 years	33.33%
Office Equipment	5 years	20%
Plant and Equipment	3 to 15 years	6.67-33.3%
Motor Vehicles	3 to 5 years	20-33.3%
Infrastructure Other	10 to 100 years	1-10%
Water Supply Piping & Drainage Systems	100 years	1%
Sewerage Piping	100 years	1%
Footpaths	35 to 50 years	2-2.85%
Gravel roads		
Construction/Road Base	80 years	1.25%
Gravel Sheet	12 years	8.33%
Formed Roads (unsealed)		
Construction/Road Base	80 years	1.25%
Sealed Roads and Streets		
Construction/Road Base	80 years	1.25%
Major re-surfacing Bituminous Seals	14 years	7.14%
Asphalt Surfaces	30 years	3.33%

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 the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fair Value of Assets and Liabilities

When performing a revaluation, the Shire uses a mix of both independent and management valuations using the following as a guide:

Fair Value is the price that the Shire would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Shire selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Shire are consistent with one or more of the following valuation approaches:

Market approach

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fair Value of Assets and Liabilities (Continued)

Income approach

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach

Valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Shire gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued in accordance with the regulatory framework.

(h) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Shire becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Shire commits itself to either the purchase or sale of the asset (i.e. 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.

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 and any reduction for impairment; and
- (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.

The effective interest 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.

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Classification and subsequent measurement (continued)

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

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss. Assets in this category are classified as current assets.

(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 that the Shire 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 payments.

They are subsequently measured at fair value with changes in such fair value (i.e. 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 that 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.

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Impairment

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 (a "loss event") 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 assets, 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 to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

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 Shire no longer has any significant continual involvement in the risks and benefits associated with the asset.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. 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.

(i) Impairment of Assets

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

Where such an indication exists, an 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 (e.g. AASB 116) whereby 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.

(j) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire 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.

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Employee Benefits

Short-term employee benefits

Provision is made for the Shire's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Shire's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(l) 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 until such time as the asset is substantially ready for its intended use or sale.

(m) Provisions

Provisions are recognised when the Shire has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and 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.

(n) Leases

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

Finance leases are capitalised recording an asset and a liability 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.

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Investment in Associates

An associate is an entity over which the Shire has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. 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 Shire's share of net assets of the associate. In addition, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss.

The carrying amount of the investment includes, where applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Shire'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 Shire and the associate are eliminated to the extent of the Shire's interest in the associate.

When the Shire's share of losses in an associate equals or exceeds its interest in the associate, the Shire discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Shire will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

(p) Interests in Joint Arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method. Refer to note 1(o) for a description of the equity method of accounting.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Shire's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 16.

(q) Rates, Grants, Donations and Other Contributions

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

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

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in 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 operations for the current reporting period.

(r) Superannuation

The Shire contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Shire contributes are defined contribution plans.

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) 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 Shire's operational cycle. In the case of liabilities where the Shire 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 sale where it is held as non-current based on the Shire's intentions to release for sale.

(t) Rounding Off Figures

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

(u) Comparative Figures

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

When the Shire applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statement, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

(v) 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.

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) 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 Shire.

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(i) AASB 9 Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)	December 2014	1 January 2018	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 Shire, it is not anticipated the Standard will have any material effect.
(ii) AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2019	This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The effect of this Standard will depend upon the nature of future transactions the Shire has with those third parties it has dealings with. It may or may not be significant.
(iii) AASB 16 Leases	February 2016	1 January 2019	Under AASB 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability onto their statement of financial position for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 117 Leases which currently do not impact the statement of financial position will be required to be capitalised on the statement of financial position once AASB 16 is adopted. Currently, operating lease payments are expensed as incurred. This will cease and will be replaced by both depreciation and interest charges. Based on the current number of operating leases held by the Shire, the impact is not expected to be significant.

Notes:

⁽¹⁾ Applicable to reporting periods commencing on or after the given date.

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(iv) AASB 1058 Income of Not-for-Profit Entities (incorporating AASB 2016-7 and AASB 2016-8)	December 2016	1 January 2019	These standards are likely to have a significant impact on the income recognition for NFP's. Key areas for consideration are: - Assets received below fair value; - Transfers received to acquire or construct non-financial assets; - Grants received; - Prepaid rates; - Leases entered into at below market rates; and - Volunteer services. Whilst it is not possible to quantify the financial impact (or if it is material) of these key areas until the details of future transactions are known, they will all have application to the Shire's operations.

Notes:

⁽¹⁾ Applicable to reporting periods commencing on or after the given date.

(x) Adoption of New and Revised Accounting Standards

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

Whilst many reflected consequential changes associate with the amendment of existing standards, the only new standard with material application is as follows:

- (i) AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities

[AASB 10, 124 & 1049]
- The objective of this Standard was to extend the scope of AASB 124 *Related Party Disclosures* to include not-for-profit sector entities.
- The Standard has had a significant disclosure impact on the financial report of the Shire as both Elected Members and Senior Management are deemed to be Key Management Personnel and resultant disclosures in accordance to AASB 124 have been necessary.

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

2. REVENUE AND EXPENSES	2017	2016
	\$	\$
(a) Net Result		
The Net result includes:		
(i) Charging as an expense:		
Significant expense		
General purpose funding	<u>1,222,528</u>	<u>5,574,636</u>
This significant expense in the 2016 year relates to the closure of the Onslow refuse site. This is not the sort of expense incurred during normal operations.		
This significant expense in the 2017 year relates to the demobilisation of the Onslow airport camp. This is not the sort of expense incurred during normal operations.		
Auditors remuneration		
During the year the following fees were paid or payable for services provided by the following auditors' of the Shire:		
Moore Stephens		
- Audit of the Annual Financial Report	39,648	57,825
- Other Services	11,600	16,565
Depreciation		
Buildings - non-specialised	288,635	223,445
Buildings - specialised	1,589,829	1,277,522
Furniture and equipment	113,198	204,988
Plant and equipment	1,017,054	1,038,119
Infrastructure - Roads	8,264,323	8,196,009
Infrastructure - Footpaths	156,274	169,837
Infrastructure - Drainage	260,676	258,125
Infrastructure - Airports	854,755	582,823
Infrastructure - Bridges	10,983	11,013
Infrastructure - Parks & Recreation	1,295,048	1,092,388
Infrastructure - Towns	139,625	132,084
Infrastructure - Waste	153,261	126,856
	<u>14,143,661</u>	<u>13,313,209</u>
Interest expenses (finance costs)		
Debentures (refer Note 21 (a))	249,163	245,026
	<u>249,163</u>	<u>245,026</u>
Rental charges		
- Operating leases	29,421	29,457
	<u>29,421</u>	<u>29,457</u>
(ii) Crediting as revenue:		
Other revenue		
Reimbursements and recoveries	123,352	218,163
Other	284,594	518,999
	<u>407,946</u>	<u>737,162</u>
	2017	2016
	Actual	Budget
	\$	\$
Interest earnings		
- Reserve funds	264,854	152,374
- Other funds	153,153	150,000
Other interest revenue (refer note 27)	113,175	175,277
	<u>531,182</u>	<u>452,724</u>
	<u>531,182</u>	<u>702,494</u>

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

In order to discharge its responsibilities to the community, the Shire has developed a set of operational and financial objectives. These objectives have been established both on an overall basis, reflected by the Shire's Community Vision, and for each of its broad activities/programs.

Shire operations as disclosed in these financial statements encompass the following service orientated activities/programs.

GOVERNANCE

Objective:

To provide a decision making process for the efficient allocation of resources.

Activities:

Administration and operation of facilities and services to members of Council;
Other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific Council services.

GENERAL PURPOSE FUNDING

Objective:

To collect revenue to allow for the provision of services.

Activities:

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

Objective:

To provide services to help ensure a safer community.

Activities:

Supervision of various by-laws, fire prevention, emergency services and animal control.

HEALTH

Objective:

To assess and manage risks to public health and create and maintain environments that promote good public health.

Activities:

Food safety, traders permits, septic approvals, analysis of drinking water, public pool safety, monitoring and control of mosquitoes, noise - dust or odour complaints, public building inspections, Environmental Health support to Aboriginal communities, provision of public information on issues such as asbestos, mosquitoes, food hygiene.

EDUCATION AND WELFARE

Objective:

To meet the needs of the community in these areas.

Activities:

Maintenance of pre-school facilities & donations to schools. Assistance to welfare groups and Youth Services.

HOUSING

Objective:

To manage housing.

Activities:

Maintenance of staff and rental housing.

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

COMMUNITY AMENITIES

Objective:

To provide services required by the community.

Activities:

Rubbish collections, refuse site operations, litter control, administration of the town planning scheme, cemetery operations, public toilet facilities and protection of the environment.

RECREATION AND CULTURE

Objective:

To establish and manage efficiently infrastructure and resources which will help the social well being of the community.

Activities:

Maintenance of Halls, swimming pools, sporting facilities, parks & associated facilities, provision of library services in Tom Price, Onslow, Pannawonica & Paraburdoo.

TRANSPORT

Objective:

To provide effective and efficient transport services to the community.

Activities:

Construction and maintenance of streets, roads, bridges, footpaths; street lighting, traffic management and airport. Purchase and disposal of Council's Road Plant.

ECONOMIC SERVICES

Objective:

To help promote the shire and improve its economic wellbeing.

Activities:

Building control, management of tourist bureau, tourism and area promotion and standpipes.

OTHER PROPERTY AND SERVICES

Objective:

To provide support services for works and plant operations.

Activities:

Private works operations, plant repairs and operation costs, stock and materials, salaries and wages of Council employees.

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

Grant/Contribution	Opening	Received ⁽²⁾	Expended ⁽³⁾	Closing	Received ⁽²⁾	Expended ⁽³⁾	Closing
	Balance ⁽¹⁾ 1/07/15	2015/16	2015/16	Balance ⁽¹⁾ 30/06/16	2016/17	2016/17	Balance 30/06/17
	\$	\$	\$	\$	\$	\$	\$
Governance							
Chevron - Destiny Onslow Project	0	35,000	(7,785)	27,215	650	0	27,865 (*)
Chevron - Onslow Administration Complex	0	0	0	0	1,000,000	(1,000,000)	0
Pilbara Iron - Partnership Agreement (Management)	450,000	1,068,053	(428,222)	1,089,831 (#)	367,691	(299,486)	1,158,036 (#)
Law, order, public safety							
Grants for Aboriginal Environmental Health	62,591	275,438	(201,282)	136,747 (*)	129,356	(222,307)	43,796 (*)
Education and welfare							
Chevron - Kids Kitchen Garden	108,689	50,297	(143,666)	15,320 (*)	80,000	(74,854)	20,466 (*)
Dept Child Protection - Grant Income	0	93,405	(72,838)	20,567 (*)	96,246	(49,556)	67,257 (*)
Dept Regional Development (CLGF) - Paraburdoo Child Care Centre	894,614	0	(894,614)	0	500,000	(500,000)	0
Rio Tinto - Paraburdoo Child Care Centre	1,860,000	500,000	(2,360,000)	0	0	0	0
Rio Tinto - Paraburdoo Child Care Centre	500,000	0	(500,000)	0	0	0	0
Community amenities							
Chevron - Onslow Goods Shed Museum	10,113	0	(2,705)	7,408 (*)	0	(3,217)	4,191 (*)
Chevron - Onslow Playgroup	985	0	(985)	0	0	0	0
Dept State Development - Onslow Waste Management Facility	36,367	53,305	(89,672)	0	9,197	(9,197)	0
Dept Transport - Coastal Infrastructure Beadon Creek Compost Facility	0	0	0	0	12,153	0	12,153 (*)
Dept Planning - Coastal Hazard Risk Management and Adaptation Plan	0	342,964	(165,269)	177,695 (*)	0	(177,695)	0
Dept Regional Development (CLGF) - Paraburdoo Stormwater Drainage	999,579	0	(685,773)	313,806 (*)	0	(313,806)	0
Recreation and culture							
BHP - Onslow Basketball Carnival	0	0	0	0	20,000	(20,000)	0
BHP - Onslow Basketball Courts	0	0	0	0	380,512	(380,512)	0
Chevron - Western Partnership	0	267,848	(177,704)	90,144 (*)	87,641	(177,785)	0
Dept Sport & Rec - Paraburdoo Pool Shade Structure	0	0	0	0	32,000	(32,000)	0
Dept Sport & Rec - Procul Dry Chlorine System	0	0	0	0	14,000	(14,000)	0
Dept Sport & Rec - TP Pool	0	0	0	0	18,000	(18,000)	0
Dept Sport & Recreation - Active Ashburton Program	1,926	0	(1,153)	773	0	0	773 (*)
Dept Sport & Recreation - Advanced Governance Training	2,500	0	0	2,500	0	0	2,500 (*)
Dept Sport & Recreation - Kidsport	23,409	0	(1,126)	22,283 (*)	0	(75)	22,208 (*)
Dept Sport & Recreation - Waterspray Park	0	0	0	0	10,000	(10,000)	0
Dept State Development - Onslow Aquatic Facility	40,735	2,301,953	(1,312,808)	1,029,880 (*)	4,067,267	(5,097,147)	0
Dept State Development - Onslow Skate Park	33,129	4,750	(9,373)	28,506 (*)	1,250,250	(1,254,392)	24,364 (*)
Dept Local Government & Communities - Youth Engagement Strategy	0	10,000	0	10,000 (*)	0	(7,636)	2,364 (*)
Dept Regional Development & Lands - Paraburdoo CHUBB	0	5,000,000	0	5,000,000 (*)	64,608	0	5,064,608 (*)
Dept Sport & Recreation - Miscellaneous or Various	0	75,000	(41,827)	33,173 (*)	0	(33,173)	0
Interest on Country Local Government Funding	704,925	8,100	(713,025)	0	0	0	0
Passion of the Pilbara - BHP & Chevron	0	0	0	0	206,500	(6,426)	200,074 (*)
Pilbara Development Commission - Onslow Aquatic Facility	148,892	150,000	(298,892)	0	0	0	0
Pilbara Development Commission - Onslow Ian Blair Boardwalk	0	0	0	0	184,445	(184,445)	0
Pilbara Iron - Paraburdoo Skate Park	348,181	0	(348,181)	0	0	0	0
Pilbara Iron - Partnership Agreement (Community Development & Support)	600,723	661,967	(519,855)	742,835 (#)	682,831	(474,575)	951,091 (#)
Pilbara Iron - Partnership Agreement (Community Events & Festivals)	92,024	326,405	(270,512)	147,917 (#)	217,000	(315,199)	49,718 (#)
Rio Tinto - Paraburdoo CHUB	120,204	0	0	120,204 (#)	3,000,000	(283,663)	2,836,541 (#)
Transport							
Dept Infrastructure - RTR Funding	0	1,775,616	(1,275,616)	500,000 (*)	723,509	(678,643)	544,866 (*)
MRWA - Black Spot Funding	0	66,666	(65,082)	1,584 (*)	0	0	1,584 (*)
MRWA - Regional Road Group Funding	0	277,300	(153,464)	123,836 (*)	366,644	(490,480)	0
Pilbara Development Commission - Road Signage / SAMS Messaging system	0	0	0	0	50,000	0	50,000 (*)
Other property and services							
Pilbara Development Commission - Karratha - Tom Price Rd Analysis	0	50,000	0	50,000 (*)	0	(50,000)	0
Total	7,039,586	13,394,067	(10,741,429)	9,692,224	13,570,500	(12,178,269)	11,084,455

Notes:

- (1) - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.
- (2) - 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.
- (3) - 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.
- (*) - Unspent contributions are held in a reserve fund called Unspent Grants and Contributions.
- (#) - These unspent contributions were held in a reserve fund called RTIO Partnership at the end of June 2016 and at the end of June 2017.

	2017	2016
	\$	\$
Unspent Grants not transferred to Reserve as at 30 June (See Note 3)	353,276	30,488
Unspent Grants in RTIO Partnership Reserve at 30 June	4,995,386	2,100,787
Unspent Grants in Unspent Grants & Contributions Reserve at 30 June	5,735,793	7,560,949
	<u>11,084,455</u>	<u>9,692,224</u>

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

	Note	2017 \$	2016 \$
3. CASH AND CASH EQUIVALENTS			
Unrestricted		8,327,853	8,666,945
Restricted		<u>36,101,088</u>	<u>28,310,443</u>
		<u><u>44,428,941</u></u>	<u><u>36,977,388</u></u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Employee Benefits Reserve	11	330,265	327,314
Plant Replacement Reserve	11	26,345	26,110
Infrastructure Reserve	11	5,010,869	5,019,130
Housing Reserve	11	910,789	901,919
Onslow Community Infrastructure Reserve	11	186,980	185,309
Property Development Reserve	11	2,647,269	2,739,447
Unspent Grants & Contributions Reserve	11	5,735,793	7,513,967
RTIO Partnership Reserve	11	4,995,386	2,135,883
Onslow Aerodrome Reserve	11	12,513,148	6,178,151
Future Projects Reserve	11	3,390,968	3,252,725
Unspent grants	2(c)	<u>353,276</u>	<u>30,488</u>
		<u><u>36,101,088</u></u>	<u><u>28,310,443</u></u>

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

	2017	2016
	\$	\$
4. TRADE AND OTHER RECEIVABLES		
Current		
Rates outstanding	912,829	866,929
Sundry debtors	6,127,308	5,479,411
GST receivable	0	267,120
Payments in advance	0	94,101
Accrued income	1,044,453	7,922
Provision for doubtful debts	<u>(1,032,792)</u>	<u>(916,461)</u>
	<u><u>7,051,798</u></u>	<u><u>5,799,022</u></u>
Information with respect to the impairment or otherwise of the totals of rates outstanding and sundry debtors is as follows:		
Rates outstanding	<u>912,829</u>	<u>866,929</u>
Includes:		
Past due and not impaired	124,216	287,993
Impaired	<u>788,613</u>	<u>578,936</u>
Sundry debtors	<u>6,127,308</u>	<u>5,479,411</u>
Includes:		
Past due and not impaired	797,463	265,210
Impaired	<u>244,179</u>	<u>337,525</u>
5. INVENTORIES		
Current		
Fuel and materials	1,210	72,203
Tourist Bureau stock	134,769	98,654
Land held for resale - cost		
Development costs	<u>546,793</u>	<u>0</u>
	<u>682,772</u>	<u>170,857</u>
Non-current		
Land held for resale - cost		
Cost of acquisition	423,859	423,859
Development costs	<u>62,169</u>	<u>565,730</u>
	<u>486,028</u>	<u>989,589</u>

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

	2017	2016
	\$	\$
6 (a). PROPERTY, PLANT AND EQUIPMENT		
Land and buildings		
Land - freehold at:		
- Independent valuation 2014 - level 2	0	20,555,000
Less: Impairment loss	0	(5,386,250)
- Independent valuation 2017 - level 2	16,537,000	0
- Additions after valuation - cost	0	390,176
	16,537,000	15,558,926
Land - vested in and under the control of Council at:		
- Management valuation 2014 - level 3	0	919,533
- Independent valuation 2017 - level 3	760,000	0
	760,000	919,533
Total land	17,297,000	16,478,459
Buildings - non-specialised at:		
- Independent valuation 2014 - level 2	0	12,920,000
- Management valuation 2014 - level 2	0	44,955
- Independent valuation 2017 - level 2	13,828,000	0
- Additions after valuation - cost	0	1,623,351
Less: accumulated depreciation	0	(423,101)
	13,828,000	14,165,205
Buildings - specialised at:		
- Independent valuation 2014 - level 3	0	41,586,157
- Management valuation 2014 - level 3	0	3,192,860
- Independent valuation 2017 - level 3	57,522,764	0
- Additions after valuation - cost	0	2,849,111
Less: accumulated depreciation	0	(2,497,661)
	57,522,764	45,130,467
Total buildings	71,350,764	59,295,672
Total land and buildings	88,647,764	75,774,131

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

6(a). PROPERTY, PLANT AND EQUIPMENT (continued)

	2017	2016
	\$	\$
Furniture and equipment at:		
- Management valuation 2016 - level 2	19,717	25,814
- Management valuation 2016 - level 3	233,714	322,776
- Additions after valuation - cost	828,211	0
Less: accumulated depreciation	<u>(102,376)</u>	<u>0</u>
	979,266	348,590
Plant and equipment at:		
- Independent valuation 2016 - level 2	1,948,997	2,282,150
- Management valuation 2016 - level 2	1,592,923	1,771,193
- Independent valuation 2016 - level 3	175,431	175,431
- Management valuation 2016 - level 3	3,389,091	3,866,753
- Additions after valuation - cost	1,751,104	0
Less: accumulated depreciation	<u>(916,290)</u>	<u>0</u>
	7,941,256	8,095,527
Works in progress	<u>874,886</u>	<u>17,382,595</u>
	874,886	17,382,595
Total Property, Plant and Equipment	<u><u>98,443,172</u></u>	<u><u>101,600,843</u></u>

The fair value of property, plant and equipment is determined at least every three years in accordance with the regulatory framework. Additions since the date of valuation are shown as cost, given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with Local Government (Financial Management) Regulation 17A (2) which requires property, plant and equipment to be shown at fair value.

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) 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.

	Balance at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) Transferred to Revaluation \$	Revaluation (Losses)/ Reversals Through Profit or Loss \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Transfers \$	Carrying Amount at the End of Year \$
Land - freehold land	15,558,926	0	0	518,074	0	0	0	460,000	16,537,000
Land - vested in and under the control of Council	919,533	0	0	(159,533)	0	0	0	0	760,000
Total land	16,478,459	0	0	358,541	0	0	0	460,000	17,297,000
Buildings - non-specialised	14,165,205	2,313,948	(104,359)	(1,476,934)	0	0	(288,635)	(781,225)	13,828,000
Buildings - specialised	45,130,467	2,117,036	(1,672,319)	(3,714,447)	0	0	(1,589,829)	17,251,856	57,522,764
Total buildings	59,295,672	4,430,984	(1,776,678)	(5,191,381)	0	0	(1,878,464)	16,470,631	71,350,764
Total land and buildings	75,774,131	4,430,984	(1,776,678)	(4,832,840)	0	0	(1,878,464)	16,930,631	88,647,764
Furniture and equipment	348,590	503,097	(95,160)	0	0	0	(113,198)	335,937	979,266
Plant and equipment	8,095,527	1,882,236	(989,085)	0	0	0	(1,017,054)	(30,368)	7,941,256
Works in Progress	17,382,595	0	0	0	0	0	0	(16,507,709)	874,886
Total property, plant and equipment	101,600,843	6,816,317	(2,860,923)	(4,832,840)	0	0	(3,008,716)	728,491	98,443,172

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017**

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Land and buildings					
Land - freehold land	2	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2017	Price per hectare
Land - vested in and under the control of Council	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2017	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Buildings - non-specialised	2	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2017	Price per square metre
Buildings - specialised	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2017	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Furniture and equipment					
- Management valuation	2	Market approach using recent observable market data for similar properties	Management valuation	June 2016	Price per item
- Management valuation	3	Cost approach using depreciated replacement cost	Management valuation	June 2016	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Plant and equipment					
- Independent valuation	2	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2016	Price per item
- Management valuation	2	Market approach using recent observable market data for similar properties	Management valuation	June 2016	Price per item
- Independent valuation	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2016	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
- Management valuation	3	Cost approach using depreciated replacement cost	Management valuation	June 2016	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

	2017	2016
	\$	\$
7 (a). INFRASTRUCTURE		
Infrastructure - Roads		
- Management valuation 2015 - level 3	490,599,948	490,599,948
Less: Impairment loss	(10,491,116)	0
- Additions after valuation - cost	4,259,962	1,688,460
Less: accumulated depreciation	<u>(57,551,112)</u>	<u>(49,347,096)</u>
	426,817,682	442,941,312
Infrastructure - Footpaths		
- Management valuation 2015 - level 3	8,739,571	8,739,571
- Additions after valuation - cost	1,125,939	702,957
Less: accumulated depreciation	<u>(1,903,120)</u>	<u>(1,772,921)</u>
	7,962,390	7,669,607
Infrastructure - Drainage		
- Management valuation 2015 - level 3	25,746,921	25,746,921
- Additions after valuation - cost	682,463	213,441
Less: accumulated depreciation	<u>(5,851,014)</u>	<u>(5,701,178)</u>
	20,578,370	20,259,184
Infrastructure - Airports		
- Management valuation 2015 - level 3	51,809,468	51,809,468
- Additions after valuation - cost	3,548,089	2,892,416
Less: accumulated depreciation	<u>(3,047,300)</u>	<u>(2,182,606)</u>
	52,310,257	52,519,278
Infrastructure - Bridges		
- Management valuation 2015 - level 3	988,352	988,352
Less: accumulated depreciation	<u>(464,416)</u>	<u>(453,433)</u>
	523,936	534,919
Infrastructure - Parks & Recreation		
- Management valuation 2015 - level 3	23,273,284	23,273,284
- Additions after valuation - cost	9,973,349	4,593,222
Less: accumulated depreciation	<u>(7,495,791)</u>	<u>(6,508,174)</u>
	25,750,842	21,358,332
Infrastructure - Towns		
- Management valuation 2015 - level 3	4,825,238	4,825,238
- Additions after valuation - cost	2,005,762	1,923,657
Less: accumulated depreciation	<u>(743,978)</u>	<u>(604,353)</u>
	6,087,022	6,144,542
Infrastructure - Waste		
- Management valuation 2015 - level 3	635,909	635,909
- Additions after valuation - cost	4,087,796	3,427,787
Less: accumulated depreciation	<u>(475,749)</u>	<u>(297,773)</u>
	4,247,956	3,765,923
Works in progress	<u>2,426,024</u>	<u>1,924,148</u>
	2,426,024	1,924,148
	<u><u>546,704,479</u></u>	<u><u>557,117,245</u></u>

The fair value of infrastructure is determined at least every three years in accordance with the regulatory framework. Additions since the date of valuation are shown as cost. Given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening period the valuation is reviewed and, where appropriate, the fair value is updated to reflect current market conditions. This process is considered to be in accordance with Local Government (Financial Management) Regulation 17A(2) which requires infrastructure to be shown at fair value.

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

7. INFRASTRUCTURE (Continued)

(b) 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.

	Balance as at the Beginning of the Year	Additions	(Disposals)	Revaluation Increments/ (Decrements) Transferred to Revaluation	Revaluation (Loss)/ Reversal Transferred to Profit or Loss	Impairment (Losses)/ Reversals	Depreciation (Expense)	Transfers	Carrying Amount at the End of the Year
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Infrastructure - Roads	442,941,312	1,788,502	(83,439)	0	0	(10,491,116)	(8,264,323)	926,746	426,817,682
Infrastructure - Footpaths	7,669,607	353,358	(181,402)	0	0	0	(156,274)	277,101	7,962,390
Infrastructure - Drainage	20,259,184	720,256	(83,120)	0	0	0	(260,676)	(57,274)	20,578,370
Infrastructure - Airports	52,519,278	586,286	0	581	0	0	(854,755)	58,867	52,310,257
Infrastructure - Bridges	534,919	0	0	0	0	0	(10,983)	0	523,936
Infrastructure - Parks & Recreation	21,358,332	7,722,416	(128,771)	0	0	0	(1,295,048)	(1,906,087)	25,750,842
Infrastructure - Towns	6,144,542	613,320	0	0	0	0	(139,625)	(531,215)	6,087,022
Infrastructure - Waste	3,765,923	633,799	0	0	0	0	(153,261)	1,495	4,247,956
Infrastructure - Works in Progress	1,924,148	0	0	0	0	0	0	501,876	2,426,024
Total infrastructure	557,117,245	12,417,937	(476,732)	581	0	(10,491,116)	(11,134,945)	(728,491)	546,704,479

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

7. INFRASTRUCTURE (Continued)

(c) Fair Value Measurements	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
	Infrastructure - Roads	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
	Infrastructure - Footpaths	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
	Infrastructure - Drainage	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
	Infrastructure - Airports	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
	Infrastructure - Bridges	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
	Infrastructure - Parks & Recreation	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
	Infrastructure - Towns	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
	Infrastructure - Waste	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used to determine the fair value of infrastructure using level 3 inputs.

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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	2017	2016
	\$	\$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry creditors	2,343,567	5,721,915
PAYG payable	0	260,254
Income received in advance	0	9,196
GST Payable	114,054	0
ESL liability	(283)	(3,923)
FBT liability	0	31,555
Accrued expenses	1,127,566	126,392
Accrued interest on debentures	29,523	32,158
Accrued salaries and wages	256,594	108,813
	<u>3,871,021</u>	<u>6,286,360</u>

9. LONG-TERM BORROWINGS

Current		
Secured by floating charge		
Debentures	719,190	708,807
	<u>719,190</u>	<u>708,807</u>
Non-current		
Secured by floating charge		
Debentures	4,566,078	4,515,268
	<u>4,566,078</u>	<u>4,515,268</u>

Additional detail on borrowings is provided in Note 21.

10. PROVISIONS

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2016			
Current provisions	839,061	430,588	1,269,649
Non-current provisions	0	254,998	254,998
	<u>839,061</u>	<u>685,586</u>	<u>1,524,647</u>
Additional provision	65,815	62,043	127,858
Balance at 30 June 2017	<u>904,876</u>	<u>747,629</u>	<u>1,652,505</u>
Comprises			
Current	904,876	443,450	1,348,326
Non-current	0	304,179	304,179
	<u>904,876</u>	<u>747,629</u>	<u>1,652,505</u>

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

11. RESERVES - CASH BACKED

	Actual 2017 Opening Balance \$	Actual 2017 Transfer to \$	Actual 2017 Transfer (from) \$	Actual 2017 Closing Balance \$	Budget 2017 Opening Balance \$	Budget 2017 Transfer to \$	Budget 2017 Transfer (from) \$	Budget 2017 Closing Balance \$	Actual 2016 Opening Balance \$	Actual 2016 Transfer to \$	Actual 2016 Transfer (from) \$	Actual 2016 Closing Balance \$
Employee Benefits Reserve	327,314	2,951	0	330,265	327,313	4,327	0	331,640	323,042	4,272	0	327,314
Plant Replacement Reserve	26,110	235	0	26,345	26,110	346	0	26,456	25,769	341	0	26,110
Infrastructure Reserve	5,019,130	32,652	(40,913)	5,010,869	5,019,130	55,780	(3,226,000)	1,848,910	6,576,047	73,083	(1,630,000)	5,019,130
Housing Reserve	901,919	8,870	0	910,789	903,444	0	(903,000)	444	2,030,453	26,846	(1,155,380)	901,919
Onslow Community Infrastructure Reserve	185,309	1,671	0	186,980	185,309	1,886	0	187,195	183,442	1,867	0	185,309
Onslow Administration Building Reserve	0	0	0	0	0	0	0	0	5,567,821	65,943	(5,633,764)	0
Property Development Reserve	2,739,447	27,699	(119,877)	2,647,269	2,739,446	37,006	(645,000)	2,131,452	7,381,335	99,712	(4,741,600)	2,739,447
Unspent Grants & Contributions Reserve	7,513,967	1,110,517	(2,888,691)	5,735,793	7,678,102	0	(7,578,019)	100,083	3,109,676	7,227,296	(2,823,005)	7,513,967
RTIO Partnership Reserve	2,135,883	3,200,465	(340,962)	4,995,386	2,155,193	184,496	(120,000)	2,219,689	3,034,335	2,012,271	(2,910,723)	2,135,883
Onslow Aerodrome Reserve	6,178,151	6,871,464	(536,467)	12,513,148	6,178,151	2,843,271	0	9,021,422	3,000,000	3,178,151	0	6,178,151
Future Projects Reserve	3,252,725	415,895	(277,652)	3,390,968	3,252,725	1,530,522	(2,700,000)	2,083,247	4,249,632	2,008,877	(3,005,784)	3,252,725
	28,279,955	11,672,419	(4,204,562)	35,747,812	28,464,923	4,657,634	(15,172,019)	17,950,538	35,481,552	14,698,659	(21,900,256)	28,279,955

All of the reserve accounts are supported by money held in financial institutions and match the amount shown as restricted cash in Note 3 to this financial report.

In accordance with Council resolutions in relation to each reserve account, the purpose for which the reserves are set aside and their anticipated date of use are as follows:

Name of Reserve	Anticipated date of use	Purpose of the reserve
Employee Benefits Reserve	Ongoing	- To contribute towards funding the Council's liability for payments of employee benefits owing to staff and taken either as leave or paid termination of their employment.
Plant Replacement Reserve	Ongoing	- To provide an optimum level of cash reserves for funding the Council heavy machinery replacement program on a five year rolling basis.
Infrastructure Reserve	Ongoing	- To provide funds for provision and maintenance of new and existing infrastructure assets (including Buildings) throughout the Shire.
Housing Reserve	Ongoing	- To provide funds to assist the Council to maintain and improve Council housing stock in accordance with the Housing Asset Management Plan.
Onslow Community Infrastructure Reserve	Ongoing	- To provide funds for the development of community facilities in Onslow.
Onslow Administration Building Reserve	June 2017	- To provide funds to assist the Council in building the new Onslow Administration building.
Property Development Reserve	Ongoing	- To provide funds to assist the Council in purchasing, developing and selling property to stimulate economic development.
Unspent Grants & Contributions Reserve	Ongoing	- To preserve unspent Grant and ongoing Capital Works Funds.
RTIO Partnership Reserve	Ongoing	- For the purpose of funding the projects and programs associated with partnership agreements between the Shire of Ashburton and Rio Tinto (RTIO)
Onslow Aerodrome Reserve	Ongoing	- To provide funds for the upgrading and modifications to the Onslow aerodrome.
Future Projects Reserve	Ongoing	- To provide funds for Future Capital Projects determined in the Long Term Financial Plan.

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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12. REVALUATION SURPLUS

	2017				2016					
	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Total Movement on Revaluation	Closing Balance	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Total Movement on Revaluation	Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land and buildings	40,453,298	0	(4,832,840)	(4,832,840)	35,620,458	45,839,548	0	(5,386,250) #	(5,386,250)	40,453,298
Revaluation surplus - Furniture and equipment	377,415	0	0	0	377,415	316,551	60,864	0	60,864	377,415
Revaluation surplus - Plant and equipment	434,114	0	0	0	434,114	365,354	68,760	0	68,760	434,114
Revaluation surplus - Infrastructure - Roads	391,703,141	0	(10,491,116) +	(10,491,116)	381,212,025	391,667,060	36,081 *	0	36,081	391,703,141
Revaluation surplus - Infrastructure - Footpaths	4,577,024	0	0	0	4,577,024	4,925,956	0	(348,932) *	(348,932)	4,577,024
Revaluation surplus - Infrastructure - Drainage	9,433,310	0	0	0	9,433,310	9,434,965	0	(1,675) *	(1,675)	9,433,310
Revaluation surplus - Infrastructure - Airports	3,826,017	581 *	0	581	3,826,598	3,826,017	0	0	0	3,826,017
Revaluation surplus - Infrastructure - Bridges	7,807	0	0	0	7,807	7,807	0	0	0	7,807
Revaluation surplus - Infrastructure - Parks & Recreation	331,875	0	0	0	331,875	331,875	0	0	0	331,875
	451,144,001	581	(15,323,956)	(15,323,375)	435,820,626	456,715,153	165,705	(5,736,857)	(5,571,152)	451,144,001

Movements on revaluation of fixed assets are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus. 40.1.

- The revaluation decrement in 2016 for land and buildings reflects an impairment loss on land within the Shire which was recognised in the accounts.

* - The revaluation increment and decrements in 2016 and 2017 under infrastructure assets reflects the recognition of changes in data relating to these asset classes being recognised in the accounts.

+ - The revaluation decrement in 2017 for Infrastructure - Roads reflects an impairment loss on roads within the Shire which has been recognised in the accounts.

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

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:

	2017	2017	2016
	\$	Budget	\$
		\$	
Cash and cash equivalents	<u>44,428,941</u>	<u>24,710,941</u>	<u>36,977,388</u>
(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	12,691,909	14,667,522	14,036,658
Non-cash flows in Net result:			
Depreciation	14,143,661	13,108,550	13,313,209
(Profit)/Loss on sale of asset	2,505,221	91,066	1,021,462
Asset adjustments through profit or loss	0	0	372,242
Changes in assets and liabilities:			
(Increase)/Decrease in receivables	(1,252,776)	1,398,000	(1,281,816)
(Increase)/Decrease in inventories	34,878	100,000	(70,078)
Increase/(Decrease) in payables	(2,415,339)	1,551,200	(364,715)
Increase/(Decrease) in provisions	127,858	0	252,060
Grants contributions for the development of assets	<u>(12,905,832)</u>	<u>(21,840,817)</u>	<u>(18,803,194)</u>
Net cash from operating activities	<u>12,929,580</u>	<u>9,075,521</u>	<u>8,475,828</u>
	2017		2016
	\$		\$
(c) Undrawn Borrowing Facilities			
Credit Standby Arrangements			
Bank overdraft limit	500,000		500,000
Bank overdraft at balance date	0		0
Credit card limit	56,000		65,000
Credit card balance at balance date	<u>(20,831)</u>		<u>(31,877)</u>
Total amount of credit unused	<u>535,169</u>		<u>533,123</u>
Loan facilities			
Loan facilities - current	719,190		708,807
Loan facilities - non-current	<u>4,566,078</u>		<u>4,515,268</u>
Total facilities in use at balance date	<u>5,285,268</u>		<u>5,224,075</u>
Unused loan facilities at balance date	<u>770,000</u>		<u>363,553</u>

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

14. CONTINGENT LIABILITIES

(a) Wittenoom Asbestos

Wittenoom asbestos claims are being made against a number of defendants including the Shire by former residents and visitors to Wittenoom for potential damages incurred as a result of suffering from asbestos related diseases.

The present outlook for the Shire in relation to Wittenoom litigation is being carefully monitored by the Council and the Executive on a monthly basis. The amount of potential claims and the Shire's potential contribution to the settlement of these has remained relatively steady over the current period.

Total future potential claims in respect of Wittenoom are not reliably quantifiable; however, the changing nature of damages claims and their defence means that individual cases could potentially place the Shire at a greater financial risk.

The Shire has a commitment from the State Government that it will support a financial contribution if the Wittenoom impost becomes too onerous for the Shire. All cases to date have been settled out of court with a number of parties contributing to the settlement process. Out of court settlements result in no judgement being reached by the court.

The amount of on-going claims and the manner in which they were concluded have not been disclosed as this may prejudice the Shire's position in an individual case.

In the event that a number of cases brought against the Shire and additional defendants are ruled in favour of the plaintiff, the financial impact on the Shire may result in significant losses being incurred which in turn may convert to higher rating levels, or a reduction in services provided to ratepayers.

(b) Land Purchase

As at 30 June 2017, there was a misrepresentation and breach of contract claim by a land purchaser against the Shire of Ashburton in relation to the sale of a parcel of land. This action against the Shire is listed for a mediation conference in the Supreme Court at the end of November 2017. The amount of the claim has not been disclosed as this may prejudice the Shire's position.

15. CAPITAL AND LEASING COMMITMENTS	2017	2016
	\$	\$
(a) Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	30,684	29,457
- later than one year but not later than five years	67,708	5,347
- later than five years	0	0
	98,392	34,804
(b) Capital Expenditure Commitments		
Contracted for:		
- Tom Price waste site weighbridge	163,213	0
- Stadium Road drainage improvements	640,758	0
- Tom Price administration building refurbishment	273,821	0
- Passion of the Pilbara event	220,000	0
- Housing refurbishment at Paraburdoo	72,550	0
- Paraburdoo childcare centre construction	0	225,275
- Ocean View caravan park project	0	316,134
- Onslow swimming pool construction	0	5,142,378
Payable:		
- not later than one year	1,370,342	5,683,787

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

16. JOINT VENTURE ARRANGEMENTS

Communities Housing (Homeswest):

Purpose:

The Shire of Ashburton in conjunction with Homeswest is providing rental accommodation for senior citizens who are eligible by virtue of their low personal income and their compliance with eligibility criteria adopted by Homewest from time to time to rent public housing from Homewest.

Address

46 Second Avenue, Onslow, Pilbara 6710 - Carinya Units 1-5

Number of dwellings:

Freehold

Certificate of Title Volume 3042 Folio 6

Drawing No. 190235

Legal Agreements:

Joint Venture Agreement dated 2nd August 1994 for fifty years from that date with an extension to be given upon request in writing for such further period of years as the Shire shall specify but not exceeding fifty years.

Equity:

Department of Housing capital contribution \$ 481,945

Shire of Ashburton capital contribution \$ 126,754

Department of Housing percentage interest 79.18%

Shire of Ashburton percentage interest 29.82%

	2017	2016
	\$	\$
Non-current assets		
Land and buildings	207,933	468,316
Less: accumulated depreciation	<u>0</u>	<u>(21,337)</u>
	<u><u>207,933</u></u>	<u><u>446,979</u></u>

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2017	2016
	\$	\$
Governance	10,993,478	13,750,213
General purpose funding	912,829	866,929
Law, order, public safety	905,819	1,010,128
Health	12,697	151,493
Education and welfare	4,326,329	4,598,839
Housing	25,646,276	26,486,766
Community amenities	34,810,459	18,538,225
Recreation and culture	54,901,988	52,556,810
Transport	510,386,864	548,826,026
Economic services	17,189,885	11,305,397
Other property and services	9,710,046	10,556,765
Unallocated	<u>28,000,520</u>	<u>14,007,353</u>
	<u><u>697,797,190</u></u>	<u><u>702,654,944</u></u>

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

	2017	2016	2015
18. FINANCIAL RATIOS			
Current ratio	2.86	1.84	1.56
Asset sustainability ratio	0.73	0.75	1.22
Debt service cover ratio	14.80	4.70	8.08
Operating surplus ratio	(0.01)	(0.16)	0.10
Own source revenue coverage ratio	0.79	0.76	0.87

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	$\frac{\text{capital renewal and replacement expenditure}}{\text{Depreciation expenses}}$
Debt service cover ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating surplus ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own source revenue coverage ratio	$\frac{\text{own source operating revenue}}{\text{operating expenses}}$

Notes:

Information relating to the **asset consumption ratio** and the **asset renewal funding ratio** can be found at Supplementary Ratio Information on Page 64 of this document.

(a) For 2017

(i) The Current, Debt Service Cover and the Operating Surplus ratios as disclosed above were distorted by the early receipt of half of the allocation of the 2017-2018 Financial Assistance Grant in June 2017. The early payment of the grant increased operating revenue in 2017 by \$2,350,280.

(ii) The Debt Service Cover, Operating Surplus and Own Source Revenue Coverage ratios as disclosed above were distorted by an item of significant expenditure totalling \$1,222,528 relating to the demobilisation of the Onslow Airport Camp. This event is infrequent and as such deemed to be 'one-off' in nature.

(b) For 2016

(i) the Debt Service Cover and the Operating Surplus ratios as disclosed above were distorted by the change to the payment of FAGs during the year ended 30 June 2016 which saw the advance payment of the first quarter of the following year cease. This created a timing difference which resulted in an amount of some \$2,413,892 less revenue for the year.

(ii) The Debt Service Cover, Operating Surplus and Own Source Revenue Coverage ratios as disclosed above were distorted by an item of significant expenditure totalling \$5,574,636 relating to the closure of the Onslow refuse site. This expenditure is required by legislation, imposed at the end of a refuse site's life. The event is infrequent and as such is deemed to be 'one-off' in nature.

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

18. FINANCIAL RATIOS (continued)

(c) For 2015

(i) the Current, Debt Service Cover and the Operating Surplus ratios as disclosed above were distorted by an item of revenue relating to the early payment of 2015/16 Financial Assistance Grants (FAG's) of \$2,413,892 which was received prior to year-end.

(ii) The Debt Service Cover, Operating Surplus and Own Source Revenue Coverage ratios as disclosed above were distorted by an item of significant expenditure totalling \$1,127,881 relating to the loss on revaluation of infrastructure assets.

(iii) The Debt Service Cover, Operating Surplus and Own Source Revenue Coverage ratios as disclosed above were distorted by an item of expenditure totalling \$2,315,524 relating to the loss on disposal of assets brought about by the Fair Value Valuation of assets.

Items (a) to (c) mentioned above are considered 'one-off' timing / non-cash in nature and, if they are ignored, the calculations disclosed in the columns above would be as follows:

	2017	2016	2015
Current ratio	2.45	as above	1.28
Debt service cover ratio	13.62	10.01	8.71
Operating surplus ratio	(0.03)	0.04	0.12
Own Source Revenue Coverage Ratio	0.81	0.85	0.94

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

19. TRUST FUNDS

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

	1 July 2016	Amounts Received	Amounts Paid	30 June 2017
	\$	\$	(\$)	\$
Public Open Space	236,655	0	0	236,655
Cleaning and Key Deposits	16,010	22,148	(16,893)	21,265
Other Trust Monies	22,756	5,049	(15,925)	11,880
Bonds and Guarantees	221,366	30,540	(134,492)	117,414
Nomination Deposit	80	240	(240)	80
Unclaimed Monies	8,085	0	0	8,085
BCITF Levy	20,940	21,738	(37,917)	4,761
BRB Levy	14,532		(11,024)	3,508
Consignment Stock	1,297	13,364	(11,460)	3,201
Tour Sales	17,854	131,943	(108,752)	41,045
	<u>559,575</u>			<u>447,894</u>

20. DISPOSALS OF ASSETS - 2016/17 FINANCIAL YEAR

The following assets were disposed of during the year.

	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss	Budget Net Book Value	Budget Sale Proceeds	Budget Profit	Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$
Plant and Equipment								
Governance								
Assets disposed producing a loss	87,363	0	0	(87,363)	0	0	0	0
Law, order, public safety								
Assets disposed producing a loss	4,977	0	0	(4,977)	0	0	0	0
Housing								
Assets disposed producing a loss	126,536	0	0	(126,536)	0	0	0	0
Community amenities								
Assets disposed producing a loss	156,291	0	0	(156,291)	0	0	0	0
Recreation and culture								
Assets disposed producing a loss	177,434	0	0	(177,434)	0	0	0	0
Transport								
Assets disposed producing a profit	348,258	418,988	70,730	0	75,345	84,545	9,200	0
Assets disposed producing a loss	1,196,014	413,446	0	(782,568)	512,085	411,819	0	(100,266)
Economic services								
Assets disposed producing a loss	304,137	0	0	(304,137)	0	0	0	0
Other property and services								
Assets disposed producing a loss	936,645	0	0	(936,645)	0	0	0	0
	<u>3,337,655</u>	<u>832,434</u>	<u>70,730</u>	<u>(2,575,951)</u>	<u>587,430</u>	<u>496,364</u>	<u>9,200</u>	<u>(100,266)</u>

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

21. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Principal 1 July 2016 \$	New Loans \$	Principal Repayments		Principal 30 June 2017		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Governance								
Loan 124 - Onslow Administration Building	0	770,000	0	0	770,000	850,000	2,548	0
Housing								
Loan 117 - Housing Manager	478,388	0	57,644	57,644	420,744	420,744	28,367	28,722
Loan 121 - New Staff Housing	1,432,518	0	253,824	253,824	1,178,694	1,178,694	88,704	91,954
Community amenities								
Loan 122 - Onslow Transfer Station	2,922,193	0	286,429	286,429	2,635,764	2,635,764	104,949	107,297
Recreation and culture								
Loan 118 - Community Rec Centre	134,925	0	35,827	35,827	99,098	99,098	7,975	7,339
Transport								
Loan 116 - Onslow Aerodrome	60,570	0	60,570	60,570	0	0	3,048	3,592
Loan 119 - Onslow Aerodrome Upgrade	195,481	0	14,513	14,513	180,968	180,968	13,572	13,587
	5,224,075	770,000	708,807	708,807	5,285,268	5,365,268	249,163	252,491

All other loan repayments were financed by general purpose revenue.

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

21. INFORMATION ON BORROWINGS (Continued)

(b) New Debentures - 2016/17

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges	Interest Rate %	Amount Used		Balance Unspent
	Actual \$	Budget \$						Actual \$	Budget \$	
Loan 123 - Onslow Underground Power	0	1,000,000	WATC	Debenture	10	0	n/a	0	1,000,000	0
Loan 124 - Onslow Administration Building	770,000	850,000	WATC	Debenture	15	2,089	3.31%	770,000	850,000	0
	<u>770,000</u>	<u>1,850,000</u>				<u>2,089</u>		<u>770,000</u>	<u>1,850,000</u>	<u>0</u>

(c) Unspent Debentures

Particulars	Date Borrowed	Balance 1 July 16 \$	Borrowed During Year		Balance 30 June 17 \$
			Borrowed \$	Expended \$	
Loan 121 - New Staff Housing	29/04/2011	363,553	0	(363,553)	0
Loan 124 - Onslow Administration Building	31/05/2017	0	770,000	(770,000)	0
		<u>363,553</u>	<u>770,000</u>	<u>(1,133,553)</u>	<u>0</u>

(d) Overdraft

Council has an overdraft facility of \$500,000 with Westpac bank to assist with short term liquidity requirements. The physical balance of the bank overdraft at the bank as at 1 July 2016 and 30 June 2017 was \$Nil.

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

22. RATING INFORMATION - 2016/17 FINANCIAL YEAR

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 \$	
Differential general rate												
Gross rental value valuations												
GRV - Residential/Community	5.0961	2,442	80,914,565	4,123,487	(40,957)	4,118	4,086,648	4,121,106	0	0	0	4,121,106
GRV - Commercial/Industrial/Tourism	5.1060	143	20,154,854	1,029,107	(49)	1,008	1,030,066	1,029,209	0	0	0	1,029,209
Unimproved value valuations												
UV - Rural/Pastoral	6.0154	32	6,254,804	376,251	0	57,899	434,150	376,251	0	0	0	376,251
UV - Mining/Industrial	38.2467	596	60,314,855	23,068,442	108,943	(286,254)	22,891,131	22,905,178	200,000	9,000	23,114,178	
UV - Tourism	16.2445	4	345,000	56,044	0	0	56,044	56,044	0	0	0	56,044
UV - Residential	5.0961	6	2,900,000	147,787	0	0	147,787	114,662	0	0	0	114,662
Non Rateable	0.0000	293	1,773,650	0	0	(16,444)	(16,444)	0	0	0	0	0
Sub-Total		3,516	172,657,728	28,801,118	67,937	(239,673)	28,629,382	28,602,450	200,000	9,000	28,811,450	
Minimum payment												
Gross rental value valuations												
GRV - Residential/Community (General)	740	151	956,590	111,740	0	0	111,740	115,440	0	0	0	115,440
GRV - Residential/Community (Lesser)	555	17	20,004	9,435	(1,110)	0	8,325	9,435	0	0	0	9,435
GRV - Commercial/Industrial/Tourism	925	47	386,215	43,475	0	0	43,475	43,475	0	0	0	43,475
Unimproved value valuations												
UV - Rural/Pastoral	925	9	61,343	8,325	0	0	8,325	8,325	0	0	0	8,325
UV - Mining/Industrial	925	416	411,253	384,800	0	0	384,800	402,375	0	0	0	402,375
UV - Residential	740	0	0	0	0	0	0	0	0	0	0	0
Sub-Total		640	1,835,405	557,775	(1,110)	0	556,665	579,050	0	0	0	579,050
Discounts/concessions (refer note 26)												
Total amount raised from general rate		4,156	174,493,133	29,358,893	66,827	(239,673)	29,186,047	29,181,500	200,000	9,000	29,390,500	
							(3,515,014)					(3,525,666)
Ex-gratia rates							25,671,033					25,864,834
Movement in Excess Rates							8,325					7,300
Rates Written Off							(10,982)					5,000
							(81,445)					(20,000)
Totals							<u>25,586,931</u>					<u>25,857,134</u>

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

23. NET CURRENT ASSETS

Composition of net current assets

	2017	2017	2016
	(30 June 2017 Carried Forward) \$	(1 July 2016 Brought Forward) \$	(30 June 2016 Carried Forward) \$
Surplus/(Deficit)	<u>12,544,678</u>	<u>8,380,952</u>	<u>8,380,952</u>
CURRENT ASSETS			
Cash and cash equivalents			
Unrestricted	8,327,853	8,666,945	8,666,945
Restricted	36,101,088	28,310,443	28,310,443
Receivables			
Rates outstanding	912,829	866,929	866,929
Sundry debtors	6,127,308	5,479,411	5,479,411
GST receivable	0	267,120	267,120
Payments in advance	0	94,101	94,101
Accrued income	1,044,453	7,922	7,922
Provision for doubtful debts	(1,032,792)	(916,461)	(916,461)
Inventories			
Fuel and materials	1,210	72,203	72,203
Tourist Bureau stock	134,769	98,654	98,654
Land held for resale - cost	546,793	0	0
LESS: CURRENT LIABILITIES			
Trade and other payables			
Sundry creditors	(2,343,567)	(5,721,915)	(5,721,915)
PAYG payable	0	(260,254)	(260,254)
Income received in advance	0	(9,196)	(9,196)
GST Payable	(114,054)	0	0
ESL liability	283	3,923	3,923
FBT liability	0	(31,555)	(31,555)
Accrued expenses	(1,127,566)	(126,392)	(126,392)
Accrued interest on debentures	(29,523)	(32,158)	(32,158)
Accrued salaries and wages	(256,594)	(108,813)	(108,813)
Current portion of long term borrowings			
Secured by floating charge	(719,190)	(708,807)	(708,807)
Provisions			
Provision for annual leave	(904,876)	(839,061)	(839,061)
Provision for long service leave	(443,450)	(430,588)	(430,588)
Unadjusted net current assets	46,224,974	34,682,451	34,682,451
Adjustments			
Less: Reserves - restricted cash	(35,747,812)	(28,279,955)	(28,279,955)
Add: Current portion of long term borrowings secured by a floating charge	719,190	708,807	708,807
Add: Current employee benefits provision	1,348,326	1,269,649	1,269,649
Adjusted net current assets - surplus/(deficit)	<u>12,544,678</u>	<u>8,380,952</u>	<u>8,380,952</u>

Difference

There was no difference between the surplus/(deficit) 1 July 2016 brought forward position used in the 2017 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2016 audited financial report.

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

24. SPECIFIED AREA RATE - 2016/17 FINANCIAL YEAR

No specified area rates were imposed by the Shire during the year ended 2017.

25. SERVICE CHARGES - 2016/17 FINANCIAL YEAR

No service charges were imposed by the Shire during the year ended 2017.

26. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2016/17 FINANCIAL YEAR

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount %	Discount \$	Actual \$	Budget \$
Rate assessment	Concession		0	3,515,014	3,525,666
Rate assessment	Write-off		0	81,445	20,000
Venue Hire Charges	Discount	50%		0	0
Refuse Collection Charge	Discount	50%		0	0
				<u>3,596,459</u>	<u>3,545,666</u>

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017**

**26. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS (Continued)
- 2016/17 FINANCIAL YEAR**

Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available	Objects of the Waiver or Concession	Reasons for the Waiver or Concession
GRV Residential/Community	The concession was the difference payable between 2014/15 valuations and the proposed 2015/16 GRV Residential/Community properties rate in the dollar (i.e. 0.050961), and 2015/16 valuations and the proposed 2016/17 rate in the dollar. The dollar value of the concession was \$261,495.	To ameliorate the effect of this significant increase in valuations.	The concession was the difference payable between 2014/15 valuations and the proposed 2015/16 GRV Residential/Community properties rate in the dollar (i.e. 0.050961), and 2015/16 valuations and the proposed 2016/17 rate in the dollar. The dollar value of the concession was \$261,495.
UV Industrial/Mining	The concession to Assessment A51050 of \$3,253,519 for 2016/17. That is, the equivalent to setting the valuation for the 2016/17 budget at \$7,953,333 (i.e. a one third phased in increase on the 2015/16 valuation, with a change to the rates yield to only result if the valuation increase is reduced upon appeal by more than 66.66%.)	To ameliorate the effect of this significant increase in valuations.	As a result of the significant increase in UV valuation for assessment A51050 Council has offered a concession to ameliorate the effect of the increase.
Venue Hire Charges	Junior organisation/Youth	Promote Youth Activity in the Shire.	Council support Youth Activity
Refuse Collection Charge	Community Groups as defined in Policy REC05	Support Community Groups	Council support Community Groups

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

27. INTEREST CHARGES AND INSTALMENTS - 2016/17 FINANCIAL YEAR

	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Instalment Options				
Option One				
Single full payment	16-Sep-16			11.00%
Option Two				
First Instalment	16-Sep-16			11.00%
Second Instalment	16-Jan-17	14	5.50%	11.00%
Option Three				
First Instalment	16-Sep-16			11.00%
Second Instalment	16-Nov-16	14	5.50%	11.00%
Third Instalment	16-Jan-17	14	5.50%	11.00%
Fourth Instalment	20-Mar-17	14	5.50%	11.00%

	Revenue \$	Budgeted Revenue \$
Interest on unpaid rates	82,557	135,350
Interest on instalment plan	21,433	10,500
Interest on ESL	2,269	2,000
Interest on sundry debtors	6,916	2,500
Charges on instalment plan	9,336	8,520
	122,511	158,870

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

28. FEES & CHARGES	2017	2016
	\$	\$
Governance	1,262	20,658
General purpose funding	12,016	11,026
Law, order, public safety	60,903	59,966
Health	64,445	75,719
Education and welfare	29,318	0
Housing	350,467	383,198
Community amenities	2,914,380	3,595,154
Recreation and culture	414,980	370,335
Transport	8,770,640	9,067,334
Economic services	1,313,344	1,933,547
Other property and services	8,815	36,575
	<u>13,940,570</u>	<u>15,553,512</u>

Included in the Fees and Charges for 2016/17 but not budgeted were: (i) Hire fees for the RM Forrest Memorial Hall and Onslow Council Chambers (both adopted at the October 2016 Ordinary Council Meeting); and (ii) Season passes for the Onslow Swimming pool (adopted at the December 2016 Ordinary Council Meeting).

29. GRANT REVENUE

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

By Nature or Type:	2017	2016
	\$	\$
Operating grants, subsidies and contributions		
Governance	423,633	1,103,053
General purpose funding	6,813,122	2,267,344
Law, order, public safety	68,551	53,776
Health	152,255	246,500
Education and welfare	152,184	145,577
Housing	14,066	0
Community amenities	327,988	877,346
Recreation and culture	1,113,692	770,903
Transport	972,059	0
Economic services	731,776	997,063
Other property and services	37,560	34,821
	<u>10,806,886</u>	<u>6,496,383</u>
Non-operating grants, subsidies and contributions		
Governance	1,000,000	1,000,000
General purpose funding	0	363,001
Education and welfare	500,000	500,000
Community amenities	85,543	974,322
Recreation and culture	8,762,029	11,078,003
Transport	2,558,260	6,041,310
Other property and services	0	570,200
	<u>12,905,832</u>	<u>20,526,836</u>

30. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

155	154
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SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

31. ELECTED MEMBERS REMUNERATION	2017	2017 Budget	2016
	\$	\$	\$
The following fees, expenses and allowances were paid to council members and/or the president.			
Meeting Fees	171,624	184,000	175,990
President's Attendance Fee	30,385	30,850	30,385
President's Allowance	61,800	62,400	61,800
Deputy President's Allowance	15,450	16,000	15,450
Travelling Expenses	57,357	74,000	76,675
Child Care Allowance	0	0	275
Telecommunications allowance	4,749	4,600	4,000
	<u>341,365</u>	<u>371,850</u>	<u>364,575</u>

32. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

	2017
	\$
The total of remuneration paid to KMP of the Shire during the year are as follows:	
Short-term employee benefits	1,234,639
Post-employment benefits	59,846
Other long-term benefits	29,407
Termination benefits	222,510
	<u>1,546,402</u>

Short-term employee benefits

These amounts include all salary, paid leave, fringe benefits and cash bonuses awarded to KMP except for details in respect to fees and benefits paid to elected members which may be found at Note 31.

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

Termination benefits

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

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Entities subject to significant influence by the Shire

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

iii. Joint venture entities accounted for under the equity method

The Shire has an interest in a joint venture with Homeswest. The interest in the joint venture entity is accounted for in these financial statements using the equity method of accounting. For details of interests held in joint venture entities, refer to Note 16.

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017**

32. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

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

The following transactions occurred with related parties:

	2017
	\$
Associated companies/individuals:	
Sale of goods and services	0
Purchase of goods and services	58,658
Amounts outstanding from related parties:	0
Amounts payable to related parties:	0

Note: Transitional provisions contained within AASB 2015-6 do not require comparative related party disclosures to be presented in the period of initial application. As a consequence, only disclosures in relation to the current year have been presented.

33. MAJOR LAND TRANSACTIONS

The Shire did not participate in any major land transactions during the 2016/2017 financial year.

34. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Councils objective is to maintain a safe landing airstrip and functional airport amenities conducive to the promotion of the district as a tourist and business destination.

Operating costs are met by landing fees charged. Annual surpluses as determined by Council are transferred to a cash reserve to finance future upgrades and modifications to the facility.

	2017	2017	2016
(a) Operating Statement	2017	Budget	2016
	\$	\$	\$
Operating Income			
Landing Fees	83,887	45,000	41,194
Passenger Tax	6,758,705	5,569,200	7,115,073
Property Rental	157,152	133,800	147,043
Security Screening Charges	1,765,495	1,457,300	1,750,169
Sundry Income	5,094	5,000	7,230
	8,770,333	7,210,300	9,060,709

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

34. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS (Continued)

	2017	2017	2016
	\$	Budget	\$
	\$	\$	\$
Operating Expenditure			
Employee Expenses	(407,623)	(534,229)	(426,075)
Operational Expenses	(1,500,423)	(1,535,638)	(1,344,644)
Grounds & Strip Maintenance	(162,483)	(165,709)	(154,270)
Marketing	(1,644)	(12,200)	(19,107)
Other Sundry Expenses	(16,621)	(17,178)	(19,736)
Administration Expenses	(37,171)	(76,100)	(164,008)
Administration Overheads	(170,584)	(182,296)	(158,774)
Depreciation	(1,445,658)	(1,202,270)	(1,204,478)
	(3,742,207)	(3,725,620)	(3,491,092)
Operating Result	5,028,126	3,484,680	5,569,617
(b) Non-Operating Income & Expenditure			
Capital Revenue			
Transfer from Cash Reserve	536,467	0	0
Contributions	1,579,736	1,497,556	2,678,336
Government Grants	0	0	0
	2,116,203	1,497,556	2,678,336
Capital Expenditure			
Transfer to Cash Reserve	(6,815,110)	(4,343,271)	(3,150,000)
Infrastructure	(440,377)	(720,000)	(2,665,579)
Buildings	(135,579)	(10,000)	(221,686)
Airport Equipment Purchase	(20,170)	0	(16,723)
Financing Expenses	(75,082)	(75,082)	(70,234)
	(7,486,318)	(5,148,353)	(6,124,222)
TOTAL NET TRADING UNDERTAKING	(341,989)	(166,117)	2,123,731

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

35. FINANCIAL RISK MANAGEMENT

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

The Shire 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 Shire held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2017	2016	2017	2016
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	44,428,941	36,977,388	44,428,941	36,977,388
Receivables	7,051,798	5,799,022	7,051,798	5,799,022
	<u>51,480,739</u>	<u>42,776,410</u>	<u>51,480,739</u>	<u>42,776,410</u>
Financial liabilities				
Payables	3,871,021	6,286,360	3,871,021	6,286,360
Borrowings	5,285,268	5,224,075	5,483,714	4,834,270
	<u>9,156,289</u>	<u>11,510,435</u>	<u>9,354,735</u>	<u>11,120,630</u>

Fair value is determined as follows:

- Cash and cash equivalents, receivables, payables - estimated to the carrying value which approximates net market value.
- Borrowings - estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

35. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

The Shire's objective is to maximise its return on cash whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash portfolio with the assistance of independent advisers (where applicable). The Shire 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.

Cash is subject to interest rate risk - the risk that movements in interest rates could affect returns.

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

The Shire manages these risks by diversifying its portfolio and only investing in investments authorised by *Local Government (Financial Management) Regulation 19C*. Council also seeks advice from independent advisers (where considered necessary) before placing any cash and investments.

	2017	2016
	\$	\$
Impact of a 1% ⁽¹⁾ movement in interest rates on cash		
- Equity	444,289	439,676
- Statement of Comprehensive Income	444,289	439,676

Notes:

⁽¹⁾ Sensitivity percentages based on management's expectation of future possible market movements.

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

35. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

The Shire'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. The Shire 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 the Shire to recover these debts as a secured charge over the land – that is, the land can be sold to recover the debt. The Shire 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.

The Shire 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 Shire's credit risk at balance date was:

	2017	2016
Percentage of rates and annual charges		
- Current	0%	0%
- Overdue	100%	100%
Percentage of other receivables		
- Current	83%	89%
- Overdue	17%	11%

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

35. 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. The Shire 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 the Shire's Payables and Borrowings are set out in the Liquidity Sensitivity Table below:

	<u>2017</u>	<u>2016</u>			
	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
Payables	3,871,021	0	0	3,871,021	4,313,135
Borrowings	928,283	3,270,256	1,968,371	6,166,910	5,285,268
	<u>4,799,304</u>	<u>3,270,256</u>	<u>1,968,371</u>	<u>10,037,931</u>	<u>9,598,403</u>
Payables	6,286,360	0	0	6,286,360	6,286,360
Borrowings	930,495	3,401,985	1,805,345	6,137,825	5,224,075
	<u>7,216,855</u>	<u>3,401,985</u>	<u>1,805,345</u>	<u>12,424,185</u>	<u>11,510,435</u>

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

35. 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. The Shire 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 2017								
Borrowings								
Fixed rate								
Debtentures	0	0	99,098	1,178,694	0	4,007,476	5,285,268	4.12%
Weighted average Effective interest rate			5.82%	5.97%		3.53%		
Year ended 30 June 2016								
Borrowings								
Fixed rate								
Debtentures	60,569	0	0	134,926	1,432,518	3,596,062	5,224,075	4.34%
Weighted average Effective interest rate	6.89%			5.82%	5.97%	3.59%		

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

36. PRIOR PERIOD CORRECTIONS

The following adjustment has been made to comparative amounts in the 30 June 2016 Financial Report to bring to account financial activities that were incorrectly stated in 2015/16. Details of this activity is below:-

In the 2015/16 Financial Report the Property, Plant & Equipment was overstated by \$921,089. Work in Progress held two transactions that were incorrectly reported.

Firstly the cost of acquisition of Lot 314 Poinsettia Street, Tom Price was recorded in Work in Progress but more accurately should be reported at Inventory as Land Held for Resale, with a value of \$400,889.

The payment of \$520,200 for the installation of the electrical substation on the land needed to be expensed as funding for this project was provided by Pilbara Regional Council.

	Financial Report 2016 \$	Corrected Comparative 2016 \$	Adjustment \$
STATEMENT OF COMPREHENSIVE INCOME			
<i>BY NATURE OR TYPE:-</i>			
Expenses - Materials and Contracts	(20,262,640)	(20,782,840)	(520,200)
<i>BY PROGRAM:-</i>			
Expenses - Other Property and Services	(2,483,836)	(3,004,036)	(520,200)
Net Result	14,556,858	14,036,658	(520,200)
Total Comprehensive Income	8,985,706	8,465,506	(520,200)
STATEMENT OF FINANCIAL POSITION			
Inventories	588,700	989,589	400,889
Property, Plant and Equipment	102,521,932	101,600,843	921,089
TOTAL NON-CURRENT ASSETS	660,227,877	659,707,677	520,200
TOTAL ASSETS	703,175,144	702,654,944	520,200
NET ASSETS	690,140,062	689,619,862	520,200
Retained Surplus	210,716,106	210,195,906	520,200
TOTAL EQUITY	690,140,062	689,619,862	520,200
STATEMENT OF CHANGES IN EQUITY			
<i>Retained Surplus:-</i>			
Comprehensive Income - Net Result	14,556,858	14,036,658	(520,200)
Balance at 30 June 2016	210,716,106	210,195,906	(520,200)
<i>Total Equity:-</i>			
Total Comprehensive Income	8,985,706	8,465,506	(520,200)
Balance at 30 June 2016	690,140,062	689,619,862	(520,200)
STATEMENT OF CASHFLOWS			
Expenses - Materials and Contracts	(20,015,472)	(20,535,672)	(520,200)
Net cash provided by (used in) operating activities	8,996,028	8,475,828	(520,200)
Payments for purchase of property, plant & equipment	(21,097,378)	(20,577,178)	520,200
Net cash provided by (used in) investment activities	(16,117,424)	(15,597,224)	520,200
RATE SETTING STATEMENT			
Expenses - Other Property and Services	(2,483,836)	(3,004,036)	(520,200)
Amount attributable to operating activities	(7,129,422)	(7,649,622)	(520,200)
Purchase of property, plant & equipment	(21,097,378)	(20,577,378)	520,000
Amount attributable to investing activities	(14,433,782)	(13,913,782)	520,000

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017**

36. PRIOR PERIOD CORRECTIONS (Continued)

	Financial Report 2016 \$	Corrected Comparative 2016 \$	Adjustment \$
NOTE 5 - INVENTORIES			
Non-current			
Land held for re-sale - cost			
Cost of acquisition	22,970	423,859	400,889
Development costs	565,730	565,730	0
	588,700	989,589	400,889
NOTE 6 - PROPERTY, PLANT AND EQUIPMENT			
Work in Progress	18,303,684	17,382,595	(921,089)
	102,521,932	101,600,843	(921,089)
NOTE 13 - NOTES TO THE STATEMENT OF CASH FLOWS			
(b) - Reconciliation of Net Cash Provided By			
Operating Activities to Net Result			
- Net Result	14,556,858	14,036,658	(520,200)
Net Cash from Operating Activities	8,996,028	8,475,828	(520,200)
NOTE 17 - TOTAL ASSETS			
Other Property and Services	11,076,965	10,556,765	520,200

NOTE 18 - FINANCIAL RATIOS

Restatement of the numbers above affected the 2016 comparative ratios as follows:

Unadjusted Ratios

Debt Service Cover Ratio decreased from 5.05 to 4.70

Operating Surplus Ratio decreased from (0.15) to (0.16)

Own Source Revenue Coverage Ratio decreased from 0.77 to 0.76

Adjusted Ratios

Debt Service Cover Ratio decreased from 10.36 to 10.01

Operating Surplus Ratio decreased from 0.05 to 0.04

Own Source Revenue Coverage Ratio decreased from 0.86 to 0.85

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INDEPENDENT AUDITOR'S REPORT TO THE ELECTORS OF THE SHIRE OF ASHBURTON

Opinion on the Audit of the Financial Report

We have audited the accompanying financial report of the Shire of Ashburton (the Shire), which comprises the statement of financial position as at 30 June 2017, statement of comprehensive income by nature or type, statement of comprehensive income by program, statement of changes in equity, statement of cash flows and the rate setting statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by Chief Executive Officer.

In our opinion, the financial report of the Shire of Ashburton is in accordance with the *Local Government Act 1995 (as amended)* and the *Local Government (Financial Management) Regulations 1996 (as amended)*, including:

- a) giving a true and fair view of the Shire's financial position as at 30 June 2017 and of its financial performance and its cash flows for the year ended on that date; and
- b) complying with Australian Accounting Standards (including Australian Accounting Interpretations).

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Shire in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on Other Legal and Regulatory Requirements

In accordance with the *Local Government (Audit) Regulations 1996*, we also report that:

- a) There are no matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- b) No matters indicating non-compliance with Part 6 of the *Local Government Act 1995 (as amended)*, the *Local Government (Financial Management) Regulations 1996 (as amended)* or applicable financial controls of any other written law were noted during the course of our audit.
- c) In relation to the Supplementary Ratio Information presented at page 64 of this report, we have reviewed the calculations as presented and nothing has come to our attention to suggest it is not supported by:
 - i. verifiable information; and
 - ii. reasonable assumptions.
- d) All necessary information and explanations were obtained by us.
- e) All audit procedures were satisfactorily completed in conducting our audit.

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**INDEPENDENT AUDITOR'S REPORT
TO THE ELECTORS OF THE SHIRE OF ASHBURTON (CONTINUED)*****Other Information***

Management is responsible for the other information. The other information comprises the information included in the Shire's annual report for the year ended 30 June 2017 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

Responsibilities of Management and Council for the Financial Report

Management is responsible for the preparation of this financial report that gives a true and fair view in accordance with Australian Accounting Standards, *the Local Government Act 1995 (as amended)* and the *Local Government (Financial Management) Regulations 1996* (as amended) and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Shire's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

The Council is responsible for overseeing the Shire's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_files/ar3.pdf. This description forms part of our auditor's report.

MOORE STEPHENS
CHARTERED ACCOUNTANTS



WEN-SHIEN CHAI
PARTNER

Date: 1 December 2017
Perth, WA

**SHIRE OF ASHBURTON
SUPPLEMENTARY RATIO INFORMATION
FOR THE YEAR ENDED 30TH JUNE 2017**

RATIO INFORMATION

The following information relates to those 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.

	2017	2016	2015
Asset consumption ratio	0.88	0.85	0.86
Asset renewal funding ratio	0.80	0.82	0.83

The above ratios are calculated as follows:

Asset consumption ratio	$\frac{\text{depreciated replacement costs of assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planning capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$



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