

2014/15

Annual Report



shire of Ashburton
reef to range

PHOTOGRAPHY CONTRIBUTORS

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Shire President's Report



The Shire has continued to make strong progress in key projects and delivering a stable organisation focused on good governance. Across 2014-2015 a number of major infrastructure projects have been advanced which will provide valuable resources to our communities.

Relationships with our stakeholders remain strong as we work together to deliver positive outcomes within each of our four towns.

The largest project ever undertaken by the Shire came to fruition, with construction of the Onslow Airport complete and ready for use by the general public. The community were given the opportunity to have a sneak peak into the new passenger terminal, with a behind-the-scenes tour of the facility in March 2015.

The airport will officially open to the public in August 2015.

Enhancing tourism within the Shire remained a focus of Council, with road sealing works into Karijini National Park completed as well as new entry signs installed on a number of key arterial roads.

Planning has also commenced on installing new signage to both the Onslow and Tom Price Visitor Centre's, while the Tom Price Visitor Centre is also set to receive an internal upgrade next year.

In partnership with the Pilbara Regional Council and Pilbara Development Commission, the WIFI facilities were installed in Paraburdoo and Tom Price, providing tourists and locals with free internet access. In Tom Price the WIFI was installed at the Visitor Centre and Library, while in Paraburdoo, the Library hosts the WIFI connection.

Together with Rio Tinto the Shire of Ashburton was proud to announce that a new modern childcare facility will be constructed in Paraburdoo, which will better meet the needs of the community. Construction will commence towards the end of 2015 with the new building expected to be open late 2016.

Shire Councillors voted to support a memorandum of understanding with the Pilbara Regional Council to manage the conservation works for the Old Onslow town site, which has been recognised as having exceptional heritage significance. The conservation works will be funded using \$1million from the Chevron-operated Wheatstone Project's Infrastructure package.

Onslow also hosted Premier Colin Barnett, who in December 2014 announced the timeline for 20 new social and infrastructure projects, including a new hospital, swimming pool, high school and upgrades to both power and water. We anticipate his return in August to officially open the new Onslow Airport.

Councillors and staff have been working with the community to develop a comprehensive Shire Directory to showcase the services and attractions of each town. The directory will be available both as a printed book and an online portal, providing residents and tourists with information and listings for community, tourism, sporting and business services. The Shire Directory will be distributed to residents in September 2015.

After three and a half years tirelessly serving the Shire of Ashburton, Councillor Ann Eyre retired on 15 March 2015. Mrs Eyre has been a valued resident of the Pilbara for decades, having spent 17 years in Tom Price before moving to Onslow approximately 12 years ago. The Shire of Ashburton graciously acknowledges Ann's unwavering dedication to our region and wishes the Eyre family all the very best for the future.

Once again I would like to acknowledge the great work of both councillors and staff who have worked hard to achieve some important milestones this year. It has been my privilege to once again lead the Council as Shire President, along with the Deputy, Cr Linton Rumble, and I look forward to the Shire's continuing progress in the year ahead.

Kerry White
Shire President

MAJOR PROJECTS 2014/2015

Completion of Onslow Airport

Paraburdoo Childcare

Onslow Shire Administration Complex

Onslow Basketball Courts

Onslow Skate Park

Paraburdoo Skate Park

Sealing Banjima Drive, Karijini National Park

Onslow Swimming Pool

Completion Tom Price Town Centre Revitalisation

**MAJOR INFRASTRUCTURE
PROJECTS HAVE BEEN
ADVANCED WHICH WILL
PROVIDE VALUABLE
RESOURCES TO OUR
COMMUNITIES.**

Our Councillors



CR MELANIE GALLANAGH
Pannawonica Ward



CR IVAN DIAS
Paraburdoo Ward



CR KERRY WHITE
Shire President Onslow Ward



CR LINTON RUMBLE
Deputy Shire President Paraburdoo Ward



CR LORRAINE THOMAS
Tableland Ward



CR TONY BLOEM
Tom Price Ward



CR GLEN DELLAR
Ashburton Ward



CR CECILIA FERNANDEZ
Tom Price Ward



CR PETER FOSTER
Tom Price Ward

CEO'S Report



During the year Council adopted the Long Term Financial Plan, which provides Council with the opportunity to make sure that the goals of the Corporate Business Plan are prioritised in line with the capacities of the Long Term Financial Plan. Our Finance team continues to make sure our budgets are well placed to achieve our goals as we work towards long term sustainability in each of our towns.

As part of our ongoing focus on strong governance and transparency, all of the Shire's policies and processes have been reviewed, resulting in a more clear and efficient mode of operation.

Staff and Councillors have continued to work hard to deliver improved services and facilities that provide a sustainable future to communities, with a number of key infrastructure projects successfully completed and significant progress achieved for many others. This year the construction of the Onslow Airport was completed, which has been a proud accomplishment for the Shire. Other major projects achieved substantial progression, including planning for the new Onslow Basketball courts, swimming pool and skate park as well as preparation for new skate park and childcare centre in Paraburdoo. The Tom Price town centre revitalisation program also reached final completion. A number of significant improvements to the Shire's pastoral road system were also undertaken.

Significant progress has been made in rebuilding the Onslow Shire Complex since the Shire office, hall and library were lost in a fire in 2013. Construction of the new building is set to commence in August 2015 and will be completed by mid-2016. This new facility will enable Shire staff in Onslow, who are currently working from 'temporary workplaces', to relocate to a single work location providing a better service for the community, and a more efficient office configuration for staff.

Our partnerships provide much needed support in being able to successfully deliver infrastructure and social engagement within our local communities. Council and staff continue to work closely with our partners and stakeholders to strengthen our relationships and enhance service outcomes. We would certainly not all be enjoying the good levels of community wellbeing that we do without the considerable contributions of our two key stakeholders, Rio Tinto and Chevron.

The Shire continues to work closely with the Pilbara Regional Council and the Pilbara Development Commission to unify the social and economic outcomes across the region and, for example, we are working with the PDC on the initiatives that were identified as part of the Pilbara Tourism Development Plan to enhance our tourist offerings.

The Shire's emergency management teams were put to the test on multiple occasions throughout the year with Tropical Cyclone Olwyn blowing through Onslow and major bushfires in Tom Price and Pannawonica. The teams put in an amazing effort on all occasions with only minor damage and no serious injury during any of the incidents.

Our Councillors make an important contribution to the achievements and strategic direction for the Shire and our staff work hard to bring each project to fruition. I thank them all for their hard work and dedication and look forward to the continued team effort as we navigate our way through the economic challenges our region will face in the coming year.

Neil Hartley
Chief Executive Officer



ALL OF THE SHIRE'S POLICIES AND PROCESSES HAVE BEEN REVIEWED, RESULTING IN A MORE CLEAR AND EFFICIENT MODE OF OPERATION.



Our Executive Team

NEIL HARTLEY 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

- GIS
- Planning, Building and Health
- Ranger Services
- Emergency Services
- Traders Permits (food)

FRANK LUDOVICO CORPORATE SERVICES

- Governance
- Financial Services and Reporting
- Budget Preparation, Dissemination and Training
- Administration
- IT, GIS and Knowledge Management
- Grants
- Integrated Planning Framework
- Risk Management
- Procurement

MIKE SULLY 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
- Event Management
- Traders Permits (events)

ANIKA SERER STRATEGIC & ECONOMIC DEVELOPMENT

- Project Initiation and Coordination
- Economic Development
- Land Development
- Commercial Leases
- Relationship Management

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

Strategic Community Plan

Following extensive community consultation, a Strategic Community plan was developed. The Shire of Ashburton 10 Year Community Strategic Plan (2012-2022) provides focus, direction and represents the hopes and aspirations of the Shire.

Our Vision

The Shire of Ashburton will be a vibrant and prosperous place for work, leisure and living.

Our Mission

Working together, enhancing lifestyle and economic vitality.

Future Focus

The next four years will see a strong focus on:

- 1 Community inclusion and participation
- 2 Provision of infrastructure that enables economic and social vitality
- 3 Economic strength
- 4 Organisation stability
- 5 Staying ahead of the game
- 6 Development of our governance



**THE TEN YEAR COMMUNITY
STRATEGIC PLAN PROVIDES
FOCUS AND DIRECTION**

Corporate Business Plan

- ✓ Completed
- Progressing
- ⚙️ Commenced and ongoing
- ⏸️ Delayed or deferred
- 🎯 Target for completion

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.	🎯				🎯
Multi purpose community complex in Tom Price	Community Development	→ Tom Price in final stages of completion with final reconciliation as part of mid year budget review.		🎯	🎯		
Multi purpose community complex in Paraburdoo	Community Development	⏸️ Paraburdoo CHub grant application required to be resubmitted (anticipated mid 2016).			🎯		
Multi purpose community complex in Onslow	Community Development	✓ Completed.	🎯				
Leased premises for groups and clubs	Community Development	→ Updated Policy, Delegation, and Community Leases and Licenses endorsed at December OMC. Lease site non-compliances currently being assessed for referral of Council endorsement of actions. Funds to be allocated in annual budget to assist Clubs with compliance.		🎯	🎯		
Events and cultural activities	Community Development	⚙️ Funding secured through RTIO for Tom Price, Paraburdoo and Pannawonica until 2017 for a variety of programs. This includes Australia Day, Anzac Day, Welcome to Town events, NAIDOC and Christmas celebrations. Similar funding is currently being sought through Chevron for activities and programs in Onslow. Further funding and/or support for community groups to run program continues (eg Nameless Festival)		🎯	🎯	🎯	🎯

Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
Youth services and programs; family services and programs; general programs	Community Development	⚙️ Funding secured through RTIO for Tom Price, Paraburdoo and Pannawonica until 2017 for a variety of programs - this includes school holiday programs. Similar funding is currently being sought through Chevron for activities and programs in Onslow. Further funding and/or support for community groups to run program continues (eg Nameless Festival).		🎯	🎯	🎯	🎯
Leaping Lizards (expanded to broader community participation)	Community Development	⚙️ Replaced by Onslow Kids Kitchen Garden. Funding secured through Chevron until 2015. Seeking additional grants for 2015/16 and 2016/17	🎯	🎯	🎯	🎯	
Community Sustainability (new)	Community Development	⚙️ Community Development Sustainability roles in place and operating across Tom Price, Paraburdoo and Pannawonica. Ongoing		🎯	🎯	🎯	🎯

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 RTIO		🎯	🎯	🎯	🎯
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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	⚙️ 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	🎯	🎯	🎯	🎯	🎯
External communication and public relations (incl. social media strategy)	Governance & executive service	⚙️ Since the Strategic Media Policy was adopted by Council in November 2014, the Shire's Facebook Page has been reactivated. In this time we have seen the 'likes' grow from 30 to 500. The Shire also launched an E-Marketing campaign which has seen 240 subscribers sign up to News Alerts and to receive the Inside Ashburton electronically. Communications Plans developed for RTIO and Chevron partnerships. Inside Ashburton, media releases and general Shire communications all actively engaging with the local communities		🎯	🎯	🎯	🎯

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 2015/16 budget allocation to fund works.	⊙	⊙	⊙	⊙	⊙
Club development	Community Development	Monthly Club volunteer awards established and promoted through the Active Ashburton Newsletter (across Tom Price, Paraburdoo and Pannawonica via RTIO funding). Planning in place for similar in Onslow	⊙	⊙	⊙	⊙	⊙

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

Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
Swimming Pools Tom Price, Paraburdoo (+ new playground) and Onslow (proposed – active pursuit)	Community Development	Tom Price & Paraburdoo have minor capital works projects scheduled for 2015/2016. Consultant is currently undertaking design & prepare a business case/feasibility for Onslow Pool being developed. Requires 2015/16 and 2016/17 budget allocation to fund housing for staff. Paraburdoo pool facility upgrade (change rooms etc) part of the CHUB Scope.	⊙	⊙	⊙	⊙	
Water spray park Paraburdoo (new)	Community Development	Design has been drafted & costed (approx. \$600K) need to wait for final CHUB design to understand location and connections. Requires budget allocation to fund works.			⊙		
Courts (netball, basketball, tennis) Tom Price, Paraburdoo and Onslow	Community Development	RFT for basketball courts in Onslow is currently being advertised for design and construction (closes August 2015)		⊙	⊙		
Useable cricket pitch and nets in Paraburdoo (new)	Community Development	Indoor cricket nets have been replaced.		⊙			

Outdoor basketball courts in Onslow (new)	Community Development	RFT for basketball courts in Onslow is currently being advertised for design and construction (closes August 2015)	⊙	⊙			
Skate Park Tom Price	Community Development	Tom Price Skate Park completed.	⊙				
Skate Park Paraburdoo	Community Development	Tender awarded at July Council Meeting to CONVIC, works expected to start October/November and completion by end of 2015.	⊙	⊙			
Skate Park Onslow	Community Development	Location endorsed at December OMC. Concept design being progressed for endorsement and then Tender for construction can be issued.	⊙	⊙			
Ovals in Paraburdoo (upgrade), Tom Price (upgrade) and Onslow	Community Development	Master Plan for Tom Price Area W finalised. Some works to proceed with available 2014/15 budget funds. Requires 2015/16 budget allocation to fund majority of Master Plan works.	⊙	⊙			
Playgrounds (progressive upgrades)	Community Development	Soft fall at Onslow Playground to be replaced 2016/2017. Upgrade to Tom Price Lions Park is now complete. New playground at Clem Thompson (Tom Price) is now complete.	⊙	⊙	⊙		
Leased Premises	Strategic & Economic Development	All commercial properties have current lease agreements	⊙				⊙
Aged care services Onslow (expanded)	Community Development	Undertaking upgrades to current facilities 2015/2016 and 2016/2017.	⊙	⊙	⊙		
Childcare Paraburdoo (new)	Community Development	Funding secured for Child Care Centre in Paraburdoo. Tender for design and construction closed 15 June, expected to be awarded at August Council Meeting for works to commence late 2015.	⊙	⊙			
Tom Price (expanded)	Community Development	Tom Price Child Care to be a focus in the 2015/16 financial year, work with Rio Tinto to provide support and assistance as required.				⊙	⊙
Early Years Program Onslow (new)	Community Development	No present budget allocation for this but Gumala are looking to bring a program to Bindi Bindi. Project given to V Swans					⊙

WORKING TOGETHER TO ENHANCE LIFESTYLE AND ECONOMIC VITALITY

OBJECTIVE / ASPIRATIONAL OUTCOME

Complete Town Centre Revitalisations

Paraburdoo, Onslow, Tom Price	Strategic & Economic Development	<p>Stage 1 of the Tom Price Town Centre complete – additional funds will be used to install CCTV, improve canopies, carpark lighting & shelter – expected completion is July 2015.</p> <p>Paraburdoo Town Centre – components of Masterplan being undertaken as funding is identified. Front and rear carparks, gazebo, toilet upgrade complete, Skate Park to start construction later in 2015.</p> <p>Onslow Town Centre will require public consultation and review of Charette, engagement of an appropriate consultant to develop a Masterplan.</p>	⊙	⊙	⊙
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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	<p>Paraburdoo and Tom Price drainage works ongoing as budget finances permit. HQ are in the process of drafting a tender and within late October, early November they will be visiting the area to gather relevant information for that.</p> <p>Drainage data collection and investigations ongoing. Drainage remedial works progressing as funding and design information becomes available.</p>	⊙	⊙	⊙
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OBJECTIVE / ASPIRATIONAL OUTCOME

Implementing Bike Plan

Progressive implementation of bike path program	Infrastructure Services	<p>Current footpath schedule completed with 2015-2020 Bike Plan being prepared based on community feedback process. Works progressed as 2015/16 budgeted funds allow.</p>	⊙	⊙	⊙	⊙
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OBJECTIVE / ASPIRATIONAL OUTCOME

Waste Site Closures of Existing Burdened Sites to meet Licensing Requirements

Closure and rehabilitation of the existing Onslow Landfill.	Infrastructure Services	<p>Onslow Landfill Closure and Rehabilitation plan is complete. Contractor will be engaged to undertake the rehabilitation works from May 2015. Completion by end of 2015. Contract for closure has been awarded with works scheduled for August-December 2015</p>	⊙	⊙	⊙
Closure and rehabilitation of the existing Paraburdoo Landfill and development of a transfer station	Infrastructure Services	<p>Talis Consultants are to complete a Waste Strategy Proposal for this site. Indications are that the Paraburdoo Landfill still has significant life left, therefore likely to be no need to close at this time.</p>	⊙		

OBJECTIVE / ASPIRATIONAL OUTCOME

Road Upgrades for Improved Access, Safety and Recreational Opportunities

Complete Upgrade/Seal Banjima Drive	Infrastructure Services	<p>COMPLETED</p>	⊙	⊙		
Upgrade of Panawonica-Millstream Road	Infrastructure Services	<p>COMPLETED</p>	⊙			
Unsealed Road Re-sheeting Shire's unsealed road network	Infrastructure Services	<p>Unsealed Road Resheeting Shire's unsealed road network Continuing program of works as budgeted funds permit.</p>	⊙	⊙	⊙	⊙
4WD Video Condition & Data Pick-up of Unsealed Roads	Infrastructure Services	<p>Data collection completed and now data is being translated to Shire Asset Management System.</p> <p>COMPLETED</p>	⊙			
Upgrade of Roebourne-Wittenoom Road	Infrastructure Services	<p>Council endorsed lobbying proposal for the Karratha-Tom Price Rd route in June 2015. Lobbying Plan being finalised for distribution to key stakeholders (August). Gravel resheeting completed March 2015 with further Regional Road Group funding allocated in 15/16 including an allocation to enable preconstruction activities to commence</p>	⊙	⊙	⊙	

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	<p>Waste Transfer Station to be opened 1 August 2015.</p>	⊙		
Development of a Tom Price Landfill Management Plan	Infrastructure Services	<p>Environmental MP and the Operational MP have been revised and completed. Talis Consultants are to complete a Waste Strategy Proposal for this site starting February 2015.</p> <p>Shire wide Waste Strategy nearing completion with first draft anticipated in August.</p>	⊙	⊙	
Boom Gates for Landfill sites - Tom Price and Paraburdoo	Infrastructure Services	<p>Boom gates have been procured however installation costs exceeded budget. A budget has been prepared for installation in 2015/16.</p>	⊙	⊙	
CCTV Cameras - Tom Price and Paraburdoo Landfills	Infrastructure Services	<p>Investigations into optimum solution is required.</p>	⊙		⊙
New Garden Shed at the Tom Price Landfill in recycling yard	Infrastructure Services	<p>COMPLETED</p>	⊙		

OBJECTIVE / ASPIRATIONAL OUTCOME

Paraburdoo Carpark Upgrade

Shade Structures and Ground Work Paraburdoo Car Park.	Infrastructure Services	COMPLETED	⊙
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OBJECTIVE / ASPIRATIONAL OUTCOME

Landscaping

New tree planting in Camp Road Paraburdoo	Infrastructure Services	COMPLETED	⊙
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Bin Surrounds for the Foreshore - Onslow	Infrastructure Services	Some bin surrounds installed in 2014/15, the remainder to be completed in August.	⊙
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Upgrade of backyard - Ashburton Hall Paraburdoo	Infrastructure Services	COMPLETED	⊙
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OBJECTIVE / ASPIRATIONAL OUTCOME

Onslow Airport Upgrade

Improve/upgrade the drainage on taxiway Delta	Infrastructure Services	Part of the airport civil construction contract and will be completed in August 2015.	⊙
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General Aviation Lease Area preparation	Infrastructure Services	Part of the airport civil construction contract and will be completed in August 2015.	⊙
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COMMUNITY GOAL 3 Economic Strength and Development

OBJECTIVE / ASPIRATIONAL OUTCOME

Land development - industrial and residential

Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
Land development plan (new) and identification of available land	Strategic & Economic Development	Land identified for development.					⊙
De-constraining of available land	Strategic & Economic Development	PRC project being progressed to de-constrain "Golf Course Estate" (Tom Price) and purchase price has been agreed. Industrial land disputes still to be settled before additional lands considered.			⊙	⊙	⊙
Onslow: Industrial Subdivision – 55 lots of serviced industrial land at lot 16 Onslow Rd	Strategic & Economic Development	Shire is continuing to communicate with LandCorp regarding potential development opportunities, in the meantime progressing a program to release unserviced lots for lease.	⊙	⊙			
Tom Price: Stage 2 Boonderoo Rd Industrial Subdivision – 10 lots of serviced industrial land at Southern end of Boonderoo Rd	Strategic & Economic Development	Project delayed by dispute arising with purchaser in Stage 1 (now resolved). New investigation into demand for land, development costs and appropriate design now required. Dispute with second owner now under negotiation.			⊙	⊙	
Further residential land development Tom Price and industrial land development Onslow and Tom Price – active pursuit	Strategic & Economic Development	"Golf Course Estate" in Tom Price identified as most appropriate for residential land, being progressed through PRC. Requires budget allocation to complete works. Stage 2 of Onslow Airport sub division - On hold until Stage 1 finalised and released.			⊙	⊙	⊙

OBJECTIVE / ASPIRATIONAL OUTCOME

"Accommodation/housing (visitor, service worker, and residential expansion)"

Affordable housing (active pursuit)	Strategic & Economic Development	Working with DoH and PDC to identify affordable housing and service worker accommodation strategies.					⊙	⊙
Caravan park Onslow (improve) and Tom Price	Strategic & Economic Development	Works program for Ocean View Caravan Park established but will require 2016/17 budget allocation to complete Stage 2 works.		⊙	⊙	⊙		

CREATING A VIBRANT AND PROSPEROUS PLACE FOR WORK, LEISURE AND LIVING

OBJECTIVE / ASPIRATIONAL OUTCOME

Tourism development

Caravan park Onslow (improve) and Tom Price	Governance & Executive Service Strategic & Economic Development	➔ Onslow's Ocean View Caravan Park upgrade details above Tom Price Caravan Park lease to be reviewed.	⊙	⊙	⊙	
Tom Price Visitor Centre	Governance & Executive Service	ⓘ Although upgrade works were not funded in the 2014/15 capital works budget, some improvements have been afforded within the operational budget towards implementation of the first stage initiatives within the Shire's Tourism Strategy. These projects include new tourism branding, external signage and internal fit-out of the TPVC.		⊙		⊙
Review and refresh a clear vision for Tourism (facilitation of enhanced tourism offering and promotion)	Governance & Executive Service	➔ 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 has been reviewed and assessed as still relevant for now.	⊙	⊙	⊙	⊙
Facilitate partnerships with tourism industry and business professionals (more targeted approach)	Governance & Executive Service	➔ Supported the PDC's successful 2015 'My Pilbara Adventure' promotion to encourage Pilbara tourism and tourism business engagement Facilitated tourism and business links as a silver sponsor of the 'Karijini Experience' and in re-establishing the Shire's Business and Community Directory, which will be distributed in September.				⊙
Heritage Tourism (enhance)	Governance & Executive Service	➔ Old Onslow Project (\$1m) being progressed with PRC & Chevron, first stage of conservation and identifying plan/strategy for future actions & tourism. Rest stop has been installed at Old Onslow	⊙	⊙		⊙
Harness local and regional resources and opportunities to stimulate tourism activity	Governance & Executive Service	➔ Working with PRC, PDC, Rio and Para Men's Shed, Shire was able to 'harness' local and regional resources which has resulted in 'free' Wi-Fi installed at Tom Price Visitor Centre/ Library and the Paraburdoo Library/Shire Office for the benefit of tourism and local communities.	⊙	⊙	⊙	⊙
Facilitate partnerships with tourism industry and business professionals	Governance & Executive Service	➔ Coordinating Ashburton Tourism opportunities with PDC Tourism Strategy. Engaged with CCI's of Tom Price and Onslow to develop Business Directory. Supported the Karijini Experience, which is a key initiative of the Pilbara Inland Chamber of Commerce. In an effort to boost local tourism and business, a grant application was made to Tourism WA towards upgrading the Karijini, Tom Price and Paraburdoo Tourism Information Bays.	⊙	⊙	⊙	⊙

OBJECTIVE / ASPIRATIONAL OUTCOME

Improved support for local business community

Marketing strategy – place to live, work and do business; “buy local”	Governance & Executive Service	➔ The Shire currently has a 'Buy Local' policy, which is used in all procurement processes. The Shire will also encourage residents to 'buy local' with the following 2014/15 project, namely, the Business Community Directory will be promoted in Shire communications such as Inside Ashburton. New Purchasing Policy under development with a link to an internet based Quotation system (August).	⊙	⊙	⊙	⊙
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 CCI's underway.	⊙	⊙	⊙	⊙
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. The Shire will continue to work with 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 & Economic Development	➔ Various projects underway – working with local businesses to improve their understanding of SoA's procurement processes etc; working with DoH & PRC to facilitate service workers accommodation.	⊙			
Facilitate access to land (enhance support to navigate requirements)	Strategic & Economic Development	➔ Releasing industrial land in Onslow to support local business. Discussions continuing with LandCorp to understand demand, in the short term plans are underway to facilitate release of unserviced lots for lease. Stage 1 in Tom Price already complete.	⊙			⊙
Business incubators (four factory units in Onslow as an initial priority) – active pursuit	Strategic & Economic 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

Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
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 will be developed to take into account the Community Consultation requirements in relation to Integrated Planning & Reporting.			⊙		⊙
Media, external communication and public relations (incl. social media strategy)	Governance & Executive Service	✓ The Shire's Strategic Media Policy (including social media) and corresponding operational 'directive' has been reviewed, the Policy adopted by Council in November 2014 and the Shire's Facebook reactivated. With the Shire's Media Officer becoming fulltime, this has enabled efficient updating of the Shire's website and Facebook posts.		⊙			⊙
Integrated Planning and Reporting (Council on a continuous improvement path for high quality planning and reporting)	Corporate Services	↻ 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, Long Term Financial Planning & Asset Management. This has been scheduled to take place on Council Meeting dates. A new schedule for 2015/16 will be developed plus an internal schedule for the informing and other internal documents.					⊙
Integrated Strategic Projects Reporting	Corporate Services	→ Internal reports have been developed to see updates provided to Council on a six monthly basis commencing by end 2014 via EMACCESS. Corporate Business Plan currently under review in consultation with Councillors.		⊙	⊙	⊙	⊙

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	↻ All PRC projects progressing. Involvement with PDC as a Board Member secured.		⊙	⊙	⊙	⊙
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	Governance & Executive Service	↻ Coordinating Ashburton Tourism opportunities with PDC Tourism Strategy. Maintaining close contact with DPAW. An agenda item to PRC was submitted to improve regional signage using Shire tourism signage branding as a starting point. Implemented Wi-Fi in Tom Price and Paraburdoo.		⊙	⊙	⊙	⊙

COMMUNITY GOAL 5 Governance

OBJECTIVE / ASPIRATIONAL OUTCOME

Governance

Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
Effective communication between CEO and Shire President and Councillors	Governance & Executive Service	↻ Internal practices and culture promoted and maintained to ensure positive working relationships secured.		⊙	⊙	⊙	⊙
Councillor Induction	Governance & Executive Service	✓ Induction Program completed for implementation at next Councillor Election.	⊙		⊙		⊙
Councillor Professional Development		✓ Annual Budget Allocation is made to ensure Councillors are able to attend professional development sessions and LG Conferences.		⊙	⊙	⊙	⊙
Councillor support	Governance & Executive Service	↻ Internal practices and culture promoted and maintained to ensure positive working relationships secured.		⊙	⊙	⊙	⊙
Policies and procedures	Corporate Services	✓ An automated electronic register has been developed and implemented so that Officers can review and present to Council all Council Policies on the required 2 year timetable. The formal process is in place and will be monitored to ensure internal compliance. Policies endorsed at November Meeting of Council.	⊙	⊙	⊙	⊙	⊙

THE SHIRE CONTINUES TO ACTIVELY SEEK WAYS TO ENGAGE WITH ALL OUR COMMUNITIES

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. Engage with CCI and individual businesses.	⊙	⊙	⊙	⊙
Advocacy for strategic capital projects and to address barriers to land release	Governance & Executive Service	Liaising with Pilbara Regional Council (Lazy Lands Funds), Department of Housing, and Landcorp, to coordinate land development.	⊙	⊙	⊙	

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 centre's continues.	⊙	⊙	⊙	⊙
Customer action requests	Infrastructure Services	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	⊙			

COMMUNITY GOAL 6 Organisational Stability

OBJECTIVE / ASPIRATIONAL OUTCOME

Staff housing

Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
Staff housing (additional accommodation provided)	Governance & Executive Service/ Strategic & Economic Development	Plans and negotiations are underway for additional housing in Onslow, however currently this may only address as little as half of the forecasted staff housing requirements, with the remainder still having to be leased privately. More capital expenditure needs to be approved to avoid the necessity for private property leases. Alternatively, consideration may need to be given to transit housing and FIFO employees. Have also leased additional housing from Rio Tinto in Tom Price. Work shopped with Council in November but requires 2015/16 and ongoing budget allocation to undertake works.		⊙	⊙	⊙	⊙

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	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 and procedures, 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	Council awarded Tender to Woollam Constructions and work is scheduled to commence in August 2015 with completion by June 2016.		⊙	⊙		

THE AIMS SYSTEM ALLOWS GREATER FOCUS ON TRAINING OF STAFF AND COMPLIANCE MONITORING

Highlights

JULY 2014

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.

BANJIMA ROAD UPGRADE



UPGRADES AROUND ASHBURTON

Major upgrades were finalised with Paraburadoo receiving a \$1 million upgrade to the car park adjacent to the shopping centre and an extension of the bitumen works along Banjima Drive providing a sealed road into Karijini National Park. New entry signs were also installed on key roads including the North West Coastal Highway, Great Northern Highway, Pannawonica Road, Warlu Way and at the entrance to the Onslow town site.

AUGUST 2014

NAMELESS JARNDUNMUNHA FESTIVAL

There was plenty of 'wow' in Tom Price on the weekend 8 – 9 August for the 2014 Nameless Jarndunmunha Festival. Once again the town site came alive with stalls, food and rides, with Saturday morning's street parade bringing everyone together in a myriad of colours.

The community were entertained throughout the festival with performances from the Mik Maks, Polka Dot company, the Wolfe Brothers and headline act from The Potbelleez. The Festival is organised by a dedicated committee of volunteers and is funded by Rio Tinto, the Shire of Ashburton and community fundraising.

NEW CHILDCARE CENTRE ANNOUNCED FOR PARABURDOO

The Shire of Ashburton, in partnership with Rio Tinto, announced the construction of a modern, purpose-built childcare centre to meet the needs of the Paraburadoo community.



NAMELESS JARNDUNMUNHA FESTIVAL



NAMELESS JARNDUNMUNHA FESTIVAL

The \$4.66 million childcare centre is being funded by the State Government's Royalties for Regions Pilbara Cities program, Rio Tinto and the Shire of Ashburton. Construction of the new centre will be completed in July 2016.

SEPTEMBER 2014

BUSHFIRES SURROUND TOM PRICE

The fires in and around Tom Price, Marandoo and Pannawonica during September served as a timely reminder

to all our communities that we can't be complacent when it comes to bush fires and the need to be prepared.

Thanks to the tireless efforts of fire fighting crews no key assets or infrastructure were lost, and local communities rallied together to provide food to the volunteers working on the fire ground.

The fire that affected Marandoo and Tom Price burnt through 103,174 hectares.



AIRPORT INDUSTRY AWARDS

ONSLOW AIRPORT WON THE 'NON-RPT CERTIFIED AIRPORT OF THE YEAR' AT THE AIRPORT INDUSTRY AWARDS 2014

OCTOBER 2014

HAPPINESS SPREADS THROUGHOUT PANNAWONICA

As part of Mental Health Week the locals in Pannawonica put on their happy faces to create an amazing Happy Panna video. The whole town was involved in the making of the video, which the Shire of Ashburton helped facilitate.

The 'Happy Panna' video is available on YouTube and has proven very popular.

UPGRADE IN STORE FOR OLD ONSLOW

The historic ruins of Old Onslow town site have been recognised as having exceptional heritage significance, and after years of exposure to the harsh climate and vandalism, work commenced to help conserve the site and prepare for future tourism opportunities.

Shire of Ashburton Councillors voted to support a memorandum of understanding with the Pilbara Regional Council to manage the conservation works, using \$1 million in funding from the Chevron-operated Wheatstone Project's Onslow infrastructure package.



PREMIER COLIN BARNETT VISITS ONSLOW

NOVEMBER 2014

SHIRE WINS NATIONAL AWARD FOR ONSLOW AIRPORT

Onslow Airport won the 'Non-RPT Certified Airport of the Year' category at the Airport Industry Awards 2014.

Almost 700 people attended the annual awards gala night held on the Gold Coast to celebrate the achievements of individuals and airports, both big and small over the past year. The Shire's entry was for the first stage of the Onslow Airport redevelopment involving the construction of the new runway, taxiways and apron.

DECEMBER 2014

PREMIER VISITS ONSLOW

The Premier, Colin Barnett, visited Onslow to announce the timeline for 20 major social and community infrastructure projects, funded by Chevron and the State Government, including a new hospital, swimming pool, high school, power and water upgrades and the Onslow Ring Road. He also confirmed the government's support for \$13m to be funded from the Onslow Infrastructure Fund, to meet the finalisation costs of the Onslow Airport.

The Premier unveiled a sign detailing the projects, to be located opposite the Sun Chalets, which will show residents and visitors alike all that is going in Onslow.

RESILIENCE UNVEILING IN PARABURDOO

A unique public sculpture was unveiled in Paraburdoo, a compilation of over 18 months work undertaken by miners, community members and WA sculptor Alex Mickle.

The sculpture, titled RESILIENCE, is made from materials sourced from the local Rio Tinto mine site which were then cut and polished by dozens of community members working at the Paraburdoo Men's Shed for what amounted to thousands of hours.

Arts and health organisation DADAA and Rio Tinto collaborated on the project and the Shire of Ashburton provided in-kind sponsorship.



AUSTRALIA DAY 2015



THE NEW ONSLOW AIRPORT

JANUARY 2015

AUSTRALIA DAY CELEBRATIONS

Camaraderie and mateship were on full display across the Shire as each town hosted Australia Day festivities and award presentations. Community groups, families and friends competed in a range of traditional Australia Day games and applauded the winners of the Premier's Active Citizenship Awards.

CAMARADERIE AND MATESHIP WERE ON FULL DISPLAY ACROSS THE SHIRE

FEBRUARY 2015

BITUMEN ROAD RESEALING

The Shire's contractors, Boral Resources Pty Ltd, commenced the bitumen road resealing program, with works starting in Tom Price and then progressing to Paraburdoo and Onslow.

LOCAL CLUBS NETWORK WITH DEPARTMENT OF SPORT AND RECREATION

The Shire's Club Development team presented local sporting clubs with the opportunity to meet with the Department of Sport and Recreation's Pilbara Regional Manager, Brendan Cullinan, and his team. These workshops offered great advice on the range of grants, subsidies and funding that are available to help improve regional sports within the community.

MARCH 2015

TROPICAL CYCLONE OLWYN BLOWS THROUGH ONSLOW

Onslow bunkered down as Tropical Cyclone Olwyn passed along the coast on Thursday 12 March, bringing with her winds gusts of up to 119km/h. Onslow airport officially recorded 96mm of rain across the two days however local unofficial reports were 120mm and above.

Rated as a Category 3 Cyclone when Olwyn tracked down the coast, fortunately Onslow was left with only minor damage and no serious injury or accidents.

ONSLOW RESIDENTS GIVEN A SNEAK PEEK INTO THE NEW AIRPORT

Despite the tropical cyclone that bore down on Onslow a few days prior, the recently completed airport opened its doors to the community, offering an opportunity to have an early look at the brand new facility.

Having watched the airport come to life during each stage of the construction process, residents were invited to attend an Open Day, where they toured through the terminal prior to its official opening. Over 100 people took up the chance to have a first look inside the new facility and see firsthand how the airport will operate.

THOUSANDS OF RESIDENTS GATHERED TO COMMEMORATE AND HONOUR THE ANZACS



APRIL 2015

SILENT REFLECTION COMMEMORATES OUR ANZACS

As the sun's first rays spread across the Pilbara landscape thousands of residents gathered to commemorate and honour the ANZACs. Marking 100 years since the first major military action fought by Australian and New Zealand forces during the First World War, dawn services gave a poignant tribute to the sacrifices made throughout the last century.

As well as being a day of reflection and tribute, the ANZAC day activities held across the Pilbara generously raised thousands of dollars for Legacy.

COMMEMORATING COMMUNITY CHAMPIONS IN PARABURDOO

'Judy Woodvine Oval', 'Quentin Broad Swimming Pool' and 'Train Park' officially became part of the landscape in Paraburdoo, after naming ceremonies were held in each location. Extensive research was undertaken to ensure the proposed names were historically and socially relevant to the Paraburdoo community, in consultation with residents, Landgate and the Geographic Names Committee.

MAY 2015

KARIJINI EXPERIENCE

Those who attended the 2015 Karijini Experience were left with incredible memories of intimate performances from international stars, traditional owners and talented artists, all against the backdrop of Karijini National Park.



PASSION OF THE PILBARA



COMEDIAN MARY G



KARIJINI EXPERIENCE

Heavy rain from ex-Tropical Cyclone Quang altered proceedings slightly, but testament to the character of those in attendance, nothing dampened their spirits. With attendees hailing from surrounding towns, interstate and overseas, the event was a huge success with plans well underway for the 2016 event.

JUNE 2015

PASSION OF THE PILBARA

More than 1,000 people travelled from near and far to celebrate the biennial Passion

of the Pilbara festival in Onslow – for a fun-filled weekend of music, fishing, food and entertainment. With the support of our new festival partner, the Chevron-operated Wheatstone Project, the fourth Passion of the Pilbara has been the biggest and best yet.

Popular MC Mary G led the line-up with her usual style of mayhem and laughter while iconic Australian band Mental as Anything brought the crowd to their feet for the final act. There were also plenty of prizes to be won in the fishing, photography and film making competitions.

Statutory Reports

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.

During 2014/15, two FOI applications were received by the Shire of Ashburton. Two applications were successfully processed during the reporting period.

RECORD KEEPING PLAN AND SYSTEMS

The Shire of Ashburton submitted their amended Record Keeping Plan to the State Records Commission in November 2015. This amended plan includes all current record keeping responsibilities the Shire of Ashburton complies with including processes that have been implemented since the last approved Record Keeping Plan was submitted in 2009.

The increase in staffing levels within the Records Department has allowed the Shire to administer a more thorough approach to its record keeping compliance and regular internal record keeping training across the whole organisation.

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

STRATEGIC PLANNING

The Local Government (Administration) Regulations 1996 have been amended to require each local government to adopt an Integrated Strategic Plan by July 2013.

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

2014/15 PROGRESS UPDATE

The Shire of Ashburton Council reviewed and adopted the Strategic Community Plan mid-term review.

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 of Ashburton had 14 employees whose salary exceeded \$100,000.

Of these employees,

- 3 employees had a salary of between \$100,000 and \$110,000
- 4 employees had a salary of between \$110,000 and \$120,000
- 1 employee had a salary of between \$130,000 and \$140,000
- 2 employees had a salary of between \$140,000 and \$150,000
- 2 employees had a salary of between \$150,000 and \$160,000
- 1 employee had a salary of between \$170,000 and \$180,000
- 1 employee had a salary of between \$250,000 and \$260,000

DISABILITY ACCESS AND INCLUSION PLAN

The Disability Services Act 1993 was amended in November 2003, creating a requirement for public authorities to develop and implement Disability Access and Inclusion Plans (DAIP's).

The Disability Services Commission accepted the Shire of Ashburton's new DAIP (2013-2017) on 6 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

INCREASE IN STAFFING LEVELS HAS ALLOWED THE SHIRE TO ADMINISTER A MORE THOROUGH APPROACH

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 exiting 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.

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.

REGISTER OF COMPLAINTS

One complaint was received and resolved by the Shire of Ashburton during the reporting period.

THE SHIRE IS COMMITTED TO ENSURING PEOPLE WITH DISABILITY HAVE THE SAME OPPORTUNITIES TO OBTAIN AND MAINTAIN EMPLOYMENT





Financial Reports



SHIRE OF ASHBURTON

FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2015

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SHIRE OF ASHBURTON

FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2015

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Ashburton being the annual financial report and supporting notes and other information for the financial year ended 30th June 2015 are in my opinion properly drawn up to present fairly the financial position of the Shire of Ashburton at 30th June 2015 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 April 2016.



Neil Hartley
Chief Executive Officer

SHIRE OF ASHBURTON
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2015

	NOTE	2015 \$	2015 Budget \$	2014 \$
Revenue				
Rates	22	24,432,503	19,903,683	24,577,156
Operating Grants, Subsidies and Contributions	28	10,159,670	7,061,228	4,231,252
Fees and Charges	27	14,337,181	14,096,120	19,425,281
Interest Earnings	2(a)	1,056,050	467,500	399,480
Other Revenue		478,081	402,419	5,298,649
		<u>50,463,485</u>	<u>41,930,950</u>	<u>53,931,818</u>
Expenses				
Employee Costs		(13,825,631)	(14,096,483)	(12,112,792)
Materials and Contracts		(15,079,945)	(15,416,252)	(13,702,942)
Utility Charges		(863,963)	(1,263,419)	(956,415)
Depreciation on Non-Current Assets	2(a)	(9,848,414)	(8,296,250)	(7,736,253)
Interest Expenses	2(a)	(192,457)	(177,658)	(198,759)
Insurance Expenses		(1,293,405)	(1,291,745)	(1,062,522)
Other Expenditure		(621,608)	(800,146)	(795,460)
		<u>(41,725,423)</u>	<u>(41,341,953)</u>	<u>(36,565,143)</u>
		8,738,062	588,997	17,366,675
Non-Operating Grants, Subsidies and Contributions				
	28	14,663,290	33,248,004	19,414,123
Loss on Revaluation of Non-Current Assets	2(a)	(1,183,448)	0	0
Profit on Asset Disposals	20	36,130	201,862	4,181,158
Loss on Asset Disposal	20	(3,685,912)	(1,099,132)	(542,676)
Net Result		18,568,122	32,939,731	40,419,280
Other Comprehensive Income				
Changes on Revaluation of Non-current Assets	12	409,861,825	0	45,839,548
Total Other Comprehensive Income		409,861,825	0	45,839,548
Total Comprehensive Income		428,429,947	32,939,731	86,258,828

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 2015**

	NOTE	2015 \$	2015 Budget \$	2014 \$
Revenue				
Governance		789,542	774,600	5,131,431
General Purpose Funding		32,658,940	25,097,378	27,247,554
Law, Order, Public Safety		128,900	114,030	116,347
Health		266,262	251,196	249,712
Education and Welfare		183,130	220,000	130,948
Housing		323,341	178,952	311,504
Community Amenities		4,296,025	4,620,491	3,985,583
Recreation and Culture		1,315,568	524,114	1,378,151
Transport		6,676,260	7,539,783	6,957,999
Economic Services		3,346,910	2,252,970	2,188,567
Other Property and Services		478,607	357,436	6,234,022
	2(a)	<u>50,463,485</u>	<u>41,930,950</u>	<u>53,931,818</u>
Expenses				
Governance		(5,249,804)	(5,133,964)	(4,723,244)
General Purpose Funding		(163,499)	(55,936)	(132,791)
Law, Order, Public Safety		(855,318)	(932,643)	(1,045,866)
Health		(652,100)	(734,023)	(779,625)
Education and Welfare		(365,777)	(487,568)	(401,333)
Housing		(879,278)	(724,027)	(537,557)
Community Amenities		(6,040,767)	(6,666,591)	(5,317,077)
Recreation and Culture		(7,859,368)	(8,455,143)	(5,871,197)
Transport		(10,916,253)	(11,045,762)	(8,288,226)
Economic Services		(6,019,286)	(4,720,405)	(3,530,679)
Other Property and Services		(2,531,516)	(2,208,233)	(5,738,789)
	2(a)	<u>(41,532,966)</u>	<u>(41,164,295)</u>	<u>(36,366,384)</u>
Finance Costs				
Law, Order, Public Safety		0	0	(614)
Housing		(140,728)	(141,700)	(156,358)
Community Amenities		(15,898)	0	0
Recreation & Culture		(11,212)	(11,222)	(12,907)
Transport		(24,619)	(24,736)	(28,880)
	2(a)	<u>(192,457)</u>	<u>(177,658)</u>	<u>(198,759)</u>
Non-Operating Grants, Subsidies and Contributions				
Governance		0	2,000,000	0
Law, Order, Public Safety		0	0	422,658
Education and Welfare		1,923,652	2,000,000	1,500,000
Community Amenities		1,074,568	300,000	323,105
Recreation & Culture		874,977	14,515,000	4,185,954
Transport		10,790,093	14,433,004	12,962,406
Economic Services		0	0	20,000
		<u>14,663,290</u>	<u>33,248,004</u>	<u>19,414,123</u>
Loss on Revaluation of Non-Current Assets				
General Purpose Funding		(1,183,448)	0	0
		<u>(1,183,448)</u>	<u>0</u>	<u>0</u>
Profit/(Loss) on Disposal of Assets				
Governance		(22,199)	0	(149,208)
Law, Order, Public Safety		(1,219,107)	0	(3,004)
Housing		0	200,000	0
Housing		0	0	(119,062)
Community Amenities		697	0	0
Community Amenities		(140,371)	0	(6,624)
Recreation & Culture		(530,649)	0	(120,441)
Transport		35,433	1,862	8,859
Transport		(150,583)	(99,132)	(67,495)
Economic Services		0	0	4,172,299
Economic Services		(1,623,003)	0	(10,592)
Other Property and Services		0	(1,000,000)	(66,250)
		<u>(3,649,782)</u>	<u>(897,270)</u>	<u>3,638,482</u>
Net Result		18,568,122	32,939,731	40,419,280

**SHIRE OF ASHBURTON
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2015**

	NOTE	2015 \$	2015 Budget \$	2014 \$
Other Comprehensive Income				
Changes on Revaluation of Non-current Assets	12	409,861,825	0	45,839,548
Total Other Comprehensive Income		<u>409,861,825</u>	<u>0</u>	<u>45,839,548</u>
Total Comprehensive Income		<u>428,429,947</u>	<u>32,939,731</u>	<u>86,258,828</u>

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

**SHIRE OF ASHBURTON
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2015**

	NOTE	2015 \$	2014 \$	2013 \$
CURRENT ASSETS				
Cash and Cash Equivalents	3	45,357,245	34,276,627	13,453,435
Trade and Other Receivables	4	4,557,206	3,752,070	9,360,773
Inventories	5	100,779	197,818	156,559
TOTAL CURRENT ASSETS		50,015,230	38,226,515	22,970,767
NON-CURRENT ASSETS				
Other Receivables	4	0	0	265
Inventories	5	515,333	405,656	232,513
Property, Plant and Equipment	6	89,790,419	89,580,863	45,533,017
Infrastructure	7	554,852,130	134,569,187	116,743,006
TOTAL NON-CURRENT ASSETS		645,157,882	224,555,706	162,508,801
TOTAL ASSETS		695,173,112	262,782,221	185,479,568
CURRENT LIABILITIES				
Trade and Other Payables	8	6,651,075	4,634,997	12,303,721
Current Portion of Long Term Borrowings	9	1,258,461	1,540,356	1,556,916
Provisions	10	1,098,506	875,693	825,318
TOTAL CURRENT LIABILITIES		9,008,042	7,051,046	14,685,955
NON-CURRENT LIABILITIES				
Long Term Borrowings	9	5,224,075	3,282,536	4,597,892
Provisions	10	174,081	111,672	117,582
TOTAL NON-CURRENT LIABILITIES		5,398,156	3,394,208	4,715,474
TOTAL LIABILITIES		14,406,198	10,445,254	19,401,429
NET ASSETS		680,766,914	252,336,967	166,078,139
EQUITY				
Retained Surplus		188,902,084	181,967,118	155,399,839
Reserves - Cash Backed	11	35,481,552	23,848,396	9,996,395
Revaluation Surplus	12	456,383,278	46,521,453	681,905
TOTAL EQUITY		680,766,914	252,336,967	166,078,139

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 2015**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2013		155,399,839	9,996,395	681,905	166,078,139
Comprehensive Income					
Net Result		40,419,280	0	0	40,419,280
Changes on Revaluation of Non-Current Assets	12	0	0	45,839,548	45,839,548
Total Comprehensive Income		40,419,280	0	45,839,548	86,258,828
Reserve Transfers		(13,852,001)	13,852,001	0	0
Balance as at 30 June 2014		181,967,118	23,848,396	46,521,453	252,336,967
Comprehensive Income					
Net Result		18,568,122	0	0	18,568,122
Changes on Revaluation of Non-Current Assets	12	0	0	409,861,825	409,861,825
Total Comprehensive Income		18,568,122	0	409,861,825	428,429,947
Reserve Transfers		(11,633,156)	11,633,156	0	0
Balance as at 30 June 2015		188,902,084	35,481,552	456,383,278	680,766,914

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

**SHIRE OF ASHBURTON
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2015**

**SHIRE OF ASHBURTON
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2015**

	NOTE	2015 \$	2015 Budget \$	2014 \$
Cash Flows From Operating Activities				
Receipts				
Rates		23,932,947	19,915,688	24,210,484
Operating Grants, Subsidies and Contributions		9,638,651	8,016,453	4,445,487
Fees and Charges		14,689,009	14,754,120	22,596,507
Interest Earnings		1,056,050	467,500	399,480
Goods and Services Tax		3,248,554	315,000	4,509,531
Other Revenue		532,921	402,419	5,265,456
		<u>53,098,132</u>	<u>43,871,180</u>	<u>61,426,945</u>
Payments				
Employee Costs		(13,387,414)	(14,131,293)	(12,067,786)
Materials and Contracts		(13,088,541)	(15,509,107)	(21,438,465)
Utility Charges		(863,963)	(1,304,624)	(956,415)
Insurance Expenses		(1,293,405)	(1,291,745)	(1,062,522)
Interest expenses		(190,087)	(177,858)	(179,735)
Goods and Services Tax		(3,859,146)	(275,000)	(3,729,509)
Other Expenditure		(621,608)	(800,146)	(795,460)
		<u>(33,304,164)</u>	<u>(33,489,773)</u>	<u>(40,229,892)</u>
Net Cash Provided By (Used In) Operating Activities	13(b)	<u>19,793,968</u>	<u>10,381,407</u>	<u>21,197,053</u>
Cash Flows from Investing Activities				
Payments for Development of Land Held for Resale		(109,677)	(1,075,000)	(173,143)
Payments for Purchase of Property, Plant & Equipment		(5,145,700)	(27,209,991)	(5,618,093)
Payments for Construction of Infrastructure		(20,813,851)	(39,958,383)	(12,855,916)
Payments for Works in Progress		0	0	(6,676,664)
Non-Operating Grants, Subsidies and Contributions		15,092,501	33,248,004	21,284,948
Proceeds from Sale of Plant & Equipment		603,733	5,265,000	4,996,923
Net Cash Provided By (Used In) Investing Activities		<u>(10,372,994)</u>	<u>(29,730,370)</u>	<u>958,055</u>
Cash Flows from Financing Activities				
Repayment of Debentures		(1,540,356)	(2,123,050)	(1,556,916)
Proceeds from New Debentures		3,200,000	3,200,000	225,000
Net Cash Provided By (Used In) Financing Activities		<u>1,659,644</u>	<u>1,076,950</u>	<u>(1,331,916)</u>
Net Increase (Decrease) in Cash Held		11,080,618	(18,272,013)	20,823,192
Cash at Beginning of Year		34,276,627	34,295,815	13,453,435
Cash and Cash Equivalents at the End of the Year	13(a)	<u>45,357,245</u>	<u>16,023,802</u>	<u>34,276,627</u>

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

	NOTE	2015 Actual \$	2015 Budget \$	2014 Actual \$
Revenue				
Governance		789,542	2,774,600	5,131,431
General Purpose Funding		8,226,437	5,193,695	2,670,398
Law, Order, Public Safety		128,900	114,030	539,005
Health		266,262	251,196	249,712
Education and Welfare		2,106,782	2,220,000	1,630,948
Housing		323,341	378,952	311,504
Community Amenities		5,371,290	4,920,491	4,308,688
Recreation and Culture		2,190,545	15,039,114	5,564,105
Transport		17,501,786	21,974,649	19,929,264
Economic Services		3,346,910	2,252,970	6,380,866
Other Property and Services		478,607	357,436	6,234,022
		<u>40,730,402</u>	<u>55,477,133</u>	<u>52,949,943</u>
Expenses				
Governance		(5,272,003)	(5,133,964)	(4,872,452)
General Purpose Funding		(1,346,947)	(55,936)	(132,791)
Law, Order, Public Safety		(2,074,425)	(932,643)	(1,049,484)
Health		(652,100)	(734,023)	(779,625)
Education and Welfare		(365,777)	(487,568)	(401,333)
Housing		(1,020,006)	(865,727)	(812,977)
Community Amenities		(6,197,036)	(6,666,591)	(5,323,701)
Recreation and Culture		(8,401,229)	(8,466,365)	(6,004,545)
Transport		(11,091,455)	(11,169,630)	(8,384,601)
Economic Services		(7,642,289)	(4,720,405)	(3,541,271)
Other Property and Services		(2,531,516)	(3,208,233)	(5,805,039)
		<u>(46,594,783)</u>	<u>(42,441,085)</u>	<u>(37,107,819)</u>
Net Result Excluding Rates		(5,864,381)	13,036,048	15,842,124
Adjustments for Cash Budget Requirements:				
Non-Cash Expenditure and Revenue				
Initial Recognition of Assets Due to Change to Regulations				
- Loss on Revaluation of Non-Current Assets		1,183,448	0	0
(Profit)/Loss on Asset Disposals	20	3,649,782	897,270	(3,638,482)
Movement in Deferred Pensioner Rates (Non-Current)		0	0	265
Movement in Employee Benefit Provisions		285,222	0	(5,910)
Movement in LSL Reserve (Added Back)		0	0	7,822
Depreciation and Amortisation on Assets	2(a)	9,848,414	8,296,250	7,736,253
Capital Expenditure and Revenue				
Purchase Land Held for Resale		(109,677)	(1,075,000)	(173,143)
Purchase Work in Progress		0	0	(6,676,664)
Purchase Land and Buildings		(2,702,536)	(24,352,730)	(4,065,117)
Purchase Plant and Equipment		(2,382,500)	(2,749,521)	(1,417,263)
Purchase Furniture and Equipment		(60,664)	(107,740)	(135,713)
Purchase Infrastructure Assets - Roads		(6,311,512)	(7,934,239)	(1,597,296)
Purchase Infrastructure Assets - Footpaths		(424,154)	(250,000)	0
Purchase Infrastructure Assets - Drainage		(1,319,158)	(1,369,000)	0
Purchase Infrastructure Assets - Parks & Ovals		(708,955)	(6,646,900)	(279,119)
Purchase Infrastructure Assets - Airports		(5,121,681)	(8,134,952)	(10,477,765)
Purchase Infrastructure Assets - Other		(6,928,391)	(15,623,292)	(501,736)
Proceeds from Disposal of Assets	20	647,233	5,265,000	5,018,423
Repayment of Debentures	21	(1,540,356)	(2,123,050)	(1,556,916)
Proceeds from New Debentures	21	3,200,000	3,200,000	225,000
Transfers to Reserves (Restricted Assets)	11	(17,270,245)	(8,354,886)	(16,788,214)
Transfers from Reserves (Restricted Assets)	11	5,637,089	17,094,459	2,936,213
ADD Surplus/(Deficit) July 1 B/Fwd	22(b)	9,743,122	11,028,600	153,995
LESS Surplus/(Deficit) June 30 C/Fwd	22(b)	7,882,603	0	9,183,913
Total Amount Raised from General Rate	22(a)	<u>(24,432,503)</u>	<u>(19,903,683)</u>	<u>(24,577,156)</u>

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

1. 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 also 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.

1. 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 Shire'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.

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

- (a) for the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and
- (b) for the financial year ending on 30 June 2014, the fair value of all of the assets of the local government -
 - (i) that are plant and equipment; and
 - (ii) that are -
 - (I) land and buildings; or-
 - (II) Infrastructure;

and

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

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

In 2013, the Shire commenced the process of adopting Fair Value in accordance with the Regulations.

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

Land Under Control

In accordance with Local Government (Financial Management) Regulation 16(a), 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, the 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.

1. 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	30 to 50 years
Furniture and Equipment	4 to 10 years
Plant and Equipment	5 to 15 years
Sealed roads and streets	
clearing and earthworks	not depreciated
construction/road base	50 years
original surfacing and	
major re-surfacing	
- bituminous seals	20 years
Gravel roads	
clearing and earthworks	not depreciated
construction/road base	50 years
gravel sheet	12 years
Formed roads (unsealed)	
clearing and earthworks	not depreciated
construction/road base	50 years
Bridges	
steel/concrete	80 years
Footpaths - slab	40 years

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

Capitalisation Threshold

Expenditure under the thresholds listed below is not capitalised. Rather, it is recorded on an asset inventory listing.

- Land	Nil (All Land Capitalised)
- Buildings	2,000
- Plant & Equipment	2,000
- Furniture & Equipment	2,000
- Infrastructure	5,000

1. 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. 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 (i.e. the market with the greatest volume and level of activity for the asset 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.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Valuation techniques (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 and 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 at least every 3 years.

(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.

1. 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 non-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.

1. 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.

1. 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 or 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.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

(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.

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

(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 2015**

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 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)	September 2012	1 January 2018	Nil - The revisions embodied in this Standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Shire (refer (i) above).
[AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]			
(iii) AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2017	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.

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 2013-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments [Operative date: Part C Financial Instruments - 1 January 2015]	December 2013	Refer title column	Part C of this Standard makes consequential amendments to AASB 9 and numerous other Standards and amends the permissions around certain applications relating to financial liabilities reissued at fair value. As the bulk of changes relate either to editorial or reference changes it is not expected to have a significant impact on the Shire.
(v) AASB 2014-3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]	August 2014	1 January 2016	This Standard amends AASB 11: <i>Joint Arrangements</i> to require the acquirer of an interest (both initial and additional) in a joint operation in which the activity constitutes a business, as defined in AASB 3: <i>Business Combinations</i> , to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations. Since adoption of this Standard would impact only acquisitions of interests in joint operations on or after 1 January 2016, management believes it is impracticable at this stage to provide a reasonable estimate of such impact on the Shire's financial statements.
(vi) AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138]	August 2014	1 January 2016	This Standard amends AASB 116 and AASB 138 to establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. It also clarifies the use of revenue-based methods to calculate the depreciation of an asset is not appropriate nor is revenue generally an appropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. Given the Shire currently uses the expected pattern of consumption of the future economic benefits of an asset as the basis of calculation of depreciation, it is not expected to have a significant impact.

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(vii) AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	December 2014	1 January 2017	Consequential changes to various Standards arising from the issuance of AASB 15. It will require changes to reflect the impact of AASB 15.
(viii) AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]	January 2015	1 January 2016	This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements. This Standard also makes editorial and consequential amendments as a result of amendments to the Standards listed in the title column. It is not anticipated it will have any significant impact on disclosures.
(ix) AASB 2015-3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality	January 2015	1 July 2015	This Standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing it to be completely withdrawn. It is not anticipated it will have a significant impact as the principles of materiality remain largely unchanged.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(x) AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]	March 2015	1 July 2016	The objective of this Standard is to extend the scope of AASB 124 <i>Related Party Disclosures</i> to include not-for-profit sector entities. The Standard is expected to have a significant disclosure impact on the financial report of the Shire as both Elected Members and Senior Management will be deemed to be Key Management Personnel and resultant disclosures will be necessary.

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.

These new and revised Standards were:

AASB 2011-7
AASB 2012-3
AASB 2013-3
AASB 2013-8
AASB 2013-9 Parts A & B

Most of the Standards adopted had a minimal effect on the accounting and reporting practices of the Shire as they did not have a significant impact on the accounting or reporting practices or were either not applicable, largely editorial in nature, were revisions to help ensure consistency with presentation, recognition and measurement criteria of IFRSs or related to topics not relevant to operations.

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

2. REVENUE AND EXPENSES	2015 \$	2014 \$
(a) Net Result		
The Net Result includes:		
(i) Charging as an Expense:		
Significant Expense		
General Purpose Funding	1,183,448	0
This significant expense in the 2015 year relates to the reduction in fair value of the Shire's Parks and Recreation, Town and Waste assets (refer Note 7b for further details)		
Auditors Remuneration		
During the year the following fees were paid or payable for services provided by the following auditors' of the Shire:		
<i>BDO Audit (WA) Pty Ltd</i>		
Audit and review of Financial Report	0	0
Acquittal Audit	0	811
<i>UHY Haines Norton/Moore Stephens</i>		
Audit and review of Financial Report	34,650	30,000
Other Services	15,645	25,115
Depreciation		
Non-specialised Buildings	211,407	287,810
Specialised Buildings	1,231,115	445,133
Furniture and Equipment	199,663	177,424
Plant and Equipment	1,106,338	894,584
Leasehold Improvements	10,609	0
Roads	5,138,334	5,058,469
Footpaths	74,104	74,104
Drainage	178,269	178,270
Parks & Ovals	208,489	112,663
Airports	879,400	56,609
Infrastructure - Other	610,686	451,187
	<u>9,848,414</u>	<u>7,736,253</u>
Interest Expenses (Finance Costs)		
Debentures (refer Note 21(a))	192,457	198,759
Rental Charges		
- Operating Leases	28,064	27,069

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

2. REVENUE AND EXPENSES (Continued)

2015 2014
\$ \$

(a) Net Result (Continued)

The Net Result includes:

(ii) Crediting as Revenue:

Significant Revenue

Governance	0	4,707,100
	0	4,707,100

This significant revenue in 2014 relates to the receipt of insurance claim funds received for the replacement of the Shire's administration building in Onslow. The revenue has been classified as as Other Revenue by Nature or Type.

Other Revenue

Reimbursements and Recoveries	107,679	4,790,836
Other	370,402	507,813
	478,081	5,298,649

	2015	2015	2014
	\$	Budget	\$
		\$	
Interest Earnings			
Investments			
- Reserve Funds	434,930	250,000	245,932
- Other Funds	409,838	150,000	81,159
Other Interest Revenue (refer note 26)	211,282	67,500	72,389
	1,056,050	467,500	399,480

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

In order to discharge its responsibility to the community, the shire has developed a set of operational and financial objectives. These objectives have been established both on an overall basis and for each of its broad activities/programs.

Council operations as disclosed in this financial report encompasses the following service orientated programs which it has established.

GOVERNANCE

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

Rates, general purpose grants and interest on investments.

LAW, ORDER, PUBLIC SAFETY

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

HEALTH

Food control, maintenance & contribution to health services & facilities, aboriginal health.

EDUCATION AND WELFARE

Maintenance of pre-school facilities & donations to schools. Maintenance of Senior Citizens Homes, Day Care Centre, assistance to welfare groups. Aged & Disabled services, Home and Community Care and Respite Care programs.

HOUSING

Maintenance of staff and rental housing.

COMMUNITY AMENITIES

Rubbish collection services, maintenance of refuse sites, control & co-ordination of cemeteries, administration of town planning schemes & other community/environmental services. Heritage issues relating to old Onslow.

RECREATION AND CULTURE

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

TRANSPORT

Construction and maintenance of roads, drainage, footpaths, parking facilities, traffic & street signs. Operation of Onslow airport.

ECONOMIC SERVICES

Noxious weeds & vermin control, tourism & area promotion including management of tourist bureau, building control.

OTHER PROPERTY & SERVICES

Public works overheads, plant operating costs & other unclassified works.

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

Grant/Contribution	Function/ Activity	Opening Balance ⁽¹⁾ 1-Jul-13 \$	Received ⁽²⁾ 2013/14 \$	Expended ⁽³⁾ 2013/14 \$	Closing Balance ⁽¹⁾ 30-Jun-14 \$	Received ⁽²⁾ 2014/15 \$	Expended ⁽³⁾ 2014/15 \$	Closing Balance 30-Jun-15 \$
Grants for Aboriginal Environmental Health	Law, Order & Public Safety	0	209,138	(200,114)	9,024	190,416	(136,849)	62,591
Country Local Government Fund - Tom Price Town Centre Revitalisation	Community Amenities	1,305,669	0	(257,204)	1,048,465 (*)	0	(1,048,465)	0
Interest on Country Local Government Funding	Recreation & Culture	1,075,289	69,747	(8,581)	1,136,455 (*)	50,871	(482,401)	704,925 (*)
Chevron - Onslow Community Garden	Community Amenities	3,028	0	(3,028)	0	0	0	0
MRWA - Regional Road Group Funding	Recreation & Culture	0	742,180	(49,086)	693,094	997,211	(1,690,305)	0
Pilbara Iron - Paraburdoo Junior Area	Transport	115,000	265,000	(260,170)	119,830	0	(119,830)	0
Pilbara Iron - Tom Price Sporting Precinct	Recreation & Culture	13,761	100,000	(13,761)	100,000	0	(100,000)	0
Pilbara Iron - Partnership Agreement (Management)	Governance	31,085	317,625	(348,710)	0	667,012	(217,012)	450,000 (#)
Dept. Of Transport - Onslow Coastal Protection	Community Amenities	33,316	0	(33,316)	0	0	0	0
Dept. Of Regional Development & Lands (CLGF) - Paraburdoo Revitalisation	Community Amenities	1,137,111	0	(305,172)	831,939	0	(831,939)	0
Dept. Of State Development - Four Mile Creek	Recreation & Culture	80,273	85,954	(166,227)	0	0	0	0
Dept. Of Health - Mosquito Control	Health	0	28,421	(20,426)	7,995	9,103	(17,098)	0
Dept. Of Regional Development & Lands (CLGF) - Paraburdoo Child Care Centre	Education & Welfare	0	1,000,000	(15,195)	984,805 (*)	0	(90,191)	894,614 (*)

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions (Continued)

Grant/Contribution	Function/ Activity	Opening Balance ⁽¹⁾ 1-Jul-13 \$	Received ⁽²⁾ 2013/14 \$	Expended ⁽³⁾ 2013/14 \$	Closing Balance ⁽¹⁾ 30-Jun-14 \$	Received ⁽²⁾ 2014/15 \$	Expended ⁽³⁾ 2014/15 \$	Closing Balance 30-Jun-15 \$
Rio Tinto - Paraburdoo Child Care Centre	Education & Welfare	0	0	0	0	1,860,000	0	1,860,000 (#)
Rio Tinto - Paraburdoo Child Care Centre	Education & Welfare	0	500,000	0	500,000 (*)	0	0	500,000 (*)
Pilbara Iron - Partnership Agreement (Community Development & Support)	Recreation & Culture	0	626,005	(141,773)	484,232 (*)	636,223	(519,732)	600,723 (#)
Water Corporation - Waterwise Demonstration Garden	Transport	0	10,000	0	10,000	0	(10,000)	0
Pilbara Iron - Tom Price Skate Park Lighting	Recreation & Culture	0	100,000	(79,128)	20,872	0	(20,872)	0
Hammersley Iron - Pannawonica Millstream Rd	Transport	0	2,258,689	0	2,258,689 (*)	0	(2,258,689)	0
Chevron - Kids Kitchen Garden	Education & Welfare	0	0	0	0	130,000	(21,311)	108,689
Dept of State Development - Onslow Waste Management Facility	Community Amenities	0	0	0	0	74,989	(38,622)	36,367
Dept. Of Regional Development & Lands (CLGF) - Paraburdoo Stormwater Drainage	Community Amenities	0	0	0	0	999,579	0	999,579 (*)
Chevron - Onslow Goods Shed Museum	Community Amenities	0	0	0	0	15,120	(5,007)	10,113
Chevron - Onslow Playgroup	Community Amenities	0	0	0	0	10,837	(9,852)	985
Dept of State Development - Onslow Aquatic Facility	Recreation & Culture	0	0	0	0	73,750	(33,015)	40,735
Rio Tinto - Paraburdoo CHUB	Recreation & Culture	0	0	0	0	140,000	(19,796)	120,204 (#)
Dept of State Development - Onslow Aquatic Facility	Recreation & Culture	0	0	0	0	45,000	(11,871)	33,129

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions (Continued)

Grant/Contribution	Function/ Activity	Opening Balance ⁽¹⁾ 1-Jul-13 \$	Received ⁽²⁾ 2013/14 \$	Expended ⁽³⁾ 2013/14 \$	Closing Balance ⁽¹⁾ 30-Jun-14 \$	Received ⁽²⁾ 2014/15 \$	Expended ⁽³⁾ 2014/15 \$	Closing Balance 30-Jun-15 \$
Pilbara Iron - Paraburdoo Skate Park	Recreation & Culture	0	0	0	0	350,000	(1,819)	348,181
Pilbara Development Commission - Onslow Basketball Courts	Recreation & Culture	0	0	0	0	150,000	(1,108)	148,892
Dept of Sport & Recreation - Active Ashburton Program	Recreation & Culture	0	0	0	0	6,000	(4,074)	1,926
Dept of Sport & Recreation - Advanced Governance Training	Recreation & Culture	0	0	0	0	2,500	0	2,500
Dept of Sport & Recreation - Kidsport	Recreation & Culture	0	0	0	0	25,000	(1,591)	23,409
Pilbara Iron - Partnership Agreement (Contributions Eastern Community Events & Festivals)	Recreation & Culture	0	0	0	0	317,000	(224,976)	92,024
Total		3,794,532	6,312,759	(1,901,891)	8,205,400	6,750,611	(7,916,425)	7,039,586

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.
(*) - These unspent contributions were held in a reserve fund called Unspent Grants and Contributions at the end of June 2014 and at the end of June 2015.
(#) - These unspent contributions were held in a reserve fund called RTIO Partnership at the end of June 2014 and at the end of June 2015.

	2015	2014
Unspent Grants not transferred to reserve as at 30 June (See Note 3)	909,541	1,792,754
Unspent Grants in RTIO Partnership Reserve at 30 June	3,030,927	0
Unspent Grants in Unspent Grants & Contributions Reserve at 30 June	<u>3,099,118</u>	<u>6,412,646</u>
	<u>7,039,586</u>	<u>8,205,400</u>

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

3. CASH AND CASH EQUIVALENTS

	2015 \$	2014 \$
Unrestricted	8,859,194	8,635,477
Restricted	<u>36,498,051</u>	<u>25,641,150</u>
	<u>45,357,245</u>	<u>34,276,627</u>

The following restrictions have been imposed by regulations or other externally imposed requirements:

Reserves

	2015	2014
Employee Benefits Reserve	323,042	316,484
Plant Replacement Reserve	25,769	25,246
Infrastructure Reserve	6,576,047	2,919,340
Housing Reserve	2,030,453	1,989,231
Onslow Community Infrastructure Reserve	183,442	37,216
Onslow Administration Building Reserve	5,567,821	4,381,085
Property Development Reserve	7,381,335	7,767,148
Unspent Grants and Contributions Reserve	3,109,676	6,412,646
RTIO Partnership Reserve	3,034,335	0
Onslow Aerodrome Reserve	3,000,000	0
Future Projects Reserve	<u>4,249,632</u>	<u>0</u>
	35,481,552	23,848,396
Plus		
Restricted Cash - Unspent Grants (refer note 2 (c))	909,541	1,792,754
Restricted Cash - Unspent Loans (refer note 21 (c))	<u>106,958</u>	<u>0</u>
	<u>36,498,051</u>	<u>25,641,150</u>

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

	2015 \$	2014 \$
4. TRADE AND OTHER RECEIVABLES		
Current		
Rates Outstanding	920,367	512,622
Sundry Debtors	3,672,763	3,469,158
GST Receivable	565,514	0
Prepayments	40,694	30,769
Accrued Income	12,072	177,394
Provision for Doubtful Debts	(654,204)	(437,873)
	<u>4,557,206</u>	<u>3,752,070</u>
5. INVENTORIES		
Current		
Fuel and Materials	60,214	58,714
Tourist Bureau Stock	40,565	139,104
	<u>100,779</u>	<u>197,818</u>
Non-Current		
Land Held for Resale - Cost		
Cost of Acquisition	22,970	22,970
Development Costs	492,363	382,686
	<u>515,333</u>	<u>405,656</u>

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

	2015 \$	2014 \$
6(a). PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings		
Freehold Land at:		
- Independent Valuation 2014 - Level 2	20,555,000	20,555,000
Land Vested in and under the control of Council at:		
- Management Valuation 2014 - Level 3	919,533	919,533
Total Land	<u>21,474,533</u>	<u>21,474,533</u>
Buildings at:		
- Independent Valuation 2014 - Level 2	13,030,000	13,030,000
- Independent Valuation 2014 - Level 3	41,633,837	43,002,613
- Management Valuation 2014 - Level 2	44,955	44,955
- Management Valuation 2014 - Level 3	3,192,860	3,192,860
- Additions after valuation - cost	2,051,795	0
Less Accumulated Depreciation	(1,438,308)	0
Total Buildings	58,515,139	59,270,428
Total Land and Buildings	<u>79,989,672</u>	<u>80,744,961</u>
Furniture & Equipment at:		
- Management Valuation 2013 - Level 2	181,230	181,230
- Management Valuation 2013 - Level 3	453,629	486,275
- Additions after valuation - cost	198,680	135,713
Less Accumulated Depreciation	(366,639)	(177,424)
	<u>466,900</u>	<u>625,794</u>
Plant & Equipment at:		
- Management Valuation 2013 - Level 2	3,134,625	3,366,297
- Management Valuation 2013 - Level 3	2,559,052	3,110,982
- Additions after valuation - cost	3,832,390	1,417,263
Less Accumulated Depreciation	(1,765,971)	(826,306)
	<u>7,760,096</u>	<u>7,068,236</u>
Leasehold Improvements - Cost	0	544,412
Less Accumulated Depreciation	0	(238,061)
	<u>0</u>	<u>306,351</u>
Work in Progress	1,573,751	835,521
	<u>89,790,419</u>	<u>89,580,863</u>

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

The fair value of property, plant and equipment is determined at least every three years in accordance with legislative requirements. 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 2015**

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) \$	Transfers Change of Input Levels \$	Transfers Between Asset Classes \$	Revaluation Increments/ (Decrements) \$	Depreciation (Expense) \$	Carrying Amount at the End of Year \$
Freehold Land	20,555,000	22,000	0	0	(22,000)	0	0	20,555,000
Land Vested In and Under the Control of Council	919,533	0	0	0	0	0	0	919,533
Total Land	21,474,533	22,000	0	0	(22,000)	0	0	21,474,533
Non-Specialised Buildings	13,074,955	586,497	0	0	(390,830)	0	(211,407)	13,059,215
Specialised Buildings	46,195,473	2,094,039	(1,364,562)	0	(237,911)	0	(1,231,115)	45,455,924
Total Buildings	59,270,428	2,680,536	(1,364,562)	0	(628,741)	0	(1,442,522)	58,515,139
Total Land and Buildings	80,744,961	2,702,536	(1,364,562)	0	(650,741)	0	(1,442,522)	79,989,672
Furniture and Equipment	625,794	60,664	(22,198)	0	2,303	0	(199,663)	466,900
Plant and Equipment	7,068,236	2,382,500	(616,929)	0	32,627	0	(1,106,338)	7,760,096
Leasehold Improvements	306,351	0	(295,742)	0	0	0	(10,609)	0
Work in Progress	835,521	0	0	0	738,230	0	0	1,573,751
Total Property, Plant and Equipment	89,580,863	5,145,700	(2,299,431)	0	122,419	0	(2,759,132)	89,790,419

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

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					
Freehold land	2	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2014	Price per hectare
Land vested in and under the control of Council	3	Improvements to land valued using cost approach using depreciated replacement cost	Management valuation	June 2014	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Non-specialised buildings	2	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2014	Price per square metre
Non-specialised buildings	3	Market approach using recent observable market data for similar properties	Management valuation	June 2014	Price per square metre
Specialised buildings	3	Improvements to land valued using cost approach using depreciated replacement cost	Independent & management valuation	June 2014	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Furniture and Equipment					
- Management valuation 2013	2	Market approach using recent observable market data for similar items	Management valuation	June 2013	Price per item
- Management valuation 2013	3	Cost approach using depreciated replacement cost	Management valuation	June 2013	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair Value Measurements (Continued)

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Plant and Equipment					
- Management valuation 2013	2	Market approach using recent observable market data for similar items	Management valuation	June 2013	Price per item
- Management valuation 2013	3	Cost approach using depreciated replacement cost	Management valuation	June 2013	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 2015

	2015	2014
	\$	\$
7(a). INFRASTRUCTURE		
Roads at:		
- Management Valuation 2015 - Level 3	490,599,948	0
- Cost	0	114,466,727
Less Accumulated Depreciation	<u>(41,293,689)</u>	<u>(59,405,854)</u>
	449,306,259	55,060,873
Footpaths at:		
- Management Valuation 2015 - Level 3	8,739,571	0
- Cost	0	2,964,175
Less Accumulated Depreciation	<u>(1,874,195)</u>	<u>(1,374,805)</u>
	6,865,376	1,589,370
Drainage at:		
- Management Valuation 2015 - Level 3	25,746,921	0
- Cost	0	13,090,035
Less Accumulated Depreciation	<u>(5,805,614)</u>	<u>(3,775,734)</u>
	19,941,307	9,314,301
Parks & Ovals at:		
- Cost	0	8,818,474
Less Accumulated Depreciation	<u>0</u>	<u>(2,508,165)</u>
	0	6,310,309
Airports at:		
- Management Valuation 2015 - Level 3	51,809,468	0
- Cost	0	33,998,604
Less Accumulated Depreciation	<u>(1,599,783)</u>	<u>(56,609)</u>
	50,209,685	33,941,995
Bridges at:		
- Management Valuation 2015 - Level 3	988,352	0
Less Accumulated Depreciation	<u>(442,420)</u>	<u>0</u>
	545,932	0
Parks & Recreation at:		
- Management Valuation 2015 - Level 3	22,885,842	0
Less Accumulated Depreciation	<u>(5,532,589)</u>	<u>0</u>
	17,353,253	0
Town at:		
- Management Valuation 2015 - Level 3	4,825,238	0
Less Accumulated Depreciation	<u>(472,726)</u>	<u>0</u>
	4,352,512	0

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

	2015	2014
	\$	\$
7(a). INFRASTRUCTURE (Continued)		
Waste at:		
- Management Valuation 2015 - Level 3	635,909	0
Less Accumulated Depreciation	<u>(171,015)</u>	<u>0</u>
	464,894	0
Infrastructure Other at:		
- Cost	0	23,048,615
Less Accumulated Depreciation	<u>0</u>	<u>(2,652,085)</u>
	0	20,396,530
Work in Progress	<u>5,812,912</u>	<u>7,955,809</u>
	<u>554,852,130</u>	<u>134,569,187</u>

The fair value of infrastructure is determined at least every three years in accordance with legislative requirements. 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 2015

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 at the Beginning of the Year	Additions	(Disposals)	Transfers Change of Input Levels	Transfers Between Asset Classes	Revaluation Increments/ (Decrements)	Depreciation (Expense)	Carrying Amount at the End of Year
	\$	\$	\$	\$	\$	\$	\$	\$
Roads	55,060,873	6,311,512	0	0	1,405,148	391,667,060	(5,138,334)	449,306,259
Footpaths	1,589,370	424,154	0	0	0	4,925,956	(74,104)	6,865,376
Drainage	9,314,301	1,319,158	0	0	51,132	9,434,985	(178,269)	19,941,307
Parks & Ovals	6,310,309	708,955	(178,641)	0	(6,632,134)	0	(208,489)	0
Airports	33,941,995	5,121,681	0	0	8,199,392	3,826,017	(879,400)	50,209,685
Bridges	0	0	0	0	538,125	7,807	0	545,932
Parks & Recreation	0	0	(46,203)	0	17,455,023	(55,567)	0	17,353,253
Town	0	0	0	0	5,379,017	(1,026,505)	0	4,352,512
Waste	0	0	0	0	566,270	(101,376)	0	464,894
Other	20,396,530	6,928,391	(1,772,740)	0	(24,941,495)	0	(610,686)	0
Work in Progress	7,955,809	0	0	0	(2,142,897)	0	0	5,812,912
Total Infrastructure	134,569,187	20,813,851	(1,997,584)	0	(122,419)	408,678,377	(7,089,282)	554,852,130

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

7. INFRASTRUCTURE (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
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
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
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
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
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
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
Town	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

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

7. INFRASTRUCTURE (Continued)

(c) Fair Value Measurements (Continued)

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
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
FOR THE YEAR ENDED 30TH JUNE 2015

8. TRADE AND OTHER PAYABLES

Current

Sundry Creditors	5,583,796	3,781,976
PAYG Payable	226,135	208,546
Income Received in Advance	20,047	19,570
GST Payable	0	45,078
ESL Liability	1,265	241
FBT Liability	34,116	45,726
Accrued Expenses	260,912	178,611
Accrued Interest on Loans	37,606	25,311
Accrued Salaries and Wages	487,198	329,938
	<u>6,651,075</u>	<u>4,634,997</u>

9. LONG-TERM BORROWINGS

Current

Secured by Floating Charge Debentures	1,258,461	1,540,356
	<u>1,258,461</u>	<u>1,540,356</u>

Non-Current

Secured by Floating Charge Debentures	5,224,075	3,282,536
	<u>5,224,075</u>	<u>3,282,536</u>

Additional detail on borrowings is provided in Note 21.

10. PROVISIONS

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance as at 1 July 2014			
Current provisions	620,724	254,969	875,693
Non-current provisions	0	111,672	111,672
	<u>620,724</u>	<u>366,641</u>	<u>987,365</u>
Additional provision	100,939	101,254	202,193
Increase in the discounted amount arising because of time and the effect of any change in the discounted rate	2,439	80,590	83,029
Balance at 30 June 2015	<u>724,102</u>	<u>548,485</u>	<u>1,272,587</u>
Comprises			
Current	724,102	374,404	1,098,506
Non-current	0	174,081	174,081
	<u>724,102</u>	<u>548,485</u>	<u>1,272,587</u>

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

	2015 \$	2015 Budget \$	2014 \$
11. RESERVES - CASH BACKED			
(a) Employee Benefits Reserve			
Opening Balance	316,484	316,484	308,662
Amount Set Aside / Transfer to Reserve	6,558	3,310	7,822
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>323,042</u>	<u>319,794</u>	<u>316,484</u>
(b) Plant Replacement Reserve			
Opening Balance	25,246	25,246	24,622
Amount Set Aside / Transfer to Reserve	523	264	624
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>25,769</u>	<u>25,510</u>	<u>25,246</u>
(c) Infrastructure Reserve			
Opening Balance	2,919,340	2,919,340	1,725,137
Amount Set Aside / Transfer to Reserve	4,044,753	30,528	1,627,718
Amount Used / Transfer from Reserve	<u>(388,046)</u>	<u>(1,022,000)</u>	<u>(433,515)</u>
	<u>6,576,047</u>	<u>1,927,868</u>	<u>2,919,340</u>
(d) Housing Reserve			
Opening Balance	1,989,231	1,989,231	1,970,400
Amount Set Aside / Transfer to Reserve	41,222	638,802	1,518,831
Amount Used / Transfer from Reserve	<u>0</u>	<u>(1,500,000)</u>	<u>(1,500,000)</u>
	<u>2,030,453</u>	<u>1,128,033</u>	<u>1,989,231</u>
(e) Onslow Community Infrastructure Reserve			
Opening Balance	37,216	37,216	36,296
Amount Set Aside / Transfer to Reserve	146,226	389	920
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>183,442</u>	<u>37,605</u>	<u>37,216</u>
(f) Onslow Administration Building Reserve			
Opening Balance	4,381,085	4,361,177	0
Amount Set Aside / Transfer to Reserve	1,470,521	45,606	4,727,008
Amount Used / Transfer from Reserve	<u>(283,785)</u>	<u>(4,400,000)</u>	<u>(345,923)</u>
	<u>5,567,821</u>	<u>6,783</u>	<u>4,381,085</u>
(g) Property Development Reserve			
Opening Balance	7,767,148	7,792,033	3,550,320
Amount Set Aside / Transfer to Reserve	166,062	4,081,483	4,589,970
Amount Used / Transfer from Reserve	<u>(551,875)</u>	<u>(3,305,000)</u>	<u>(373,142)</u>
	<u>7,381,335</u>	<u>8,568,516</u>	<u>7,767,148</u>
(h) Unspent Grants and Contributions Reserve			
Opening Balance	6,412,646	6,466,294	2,380,958
Amount Set Aside / Transfer to Reserve	1,076,904	67,619	4,315,321
Amount Used / Transfer from Reserve	<u>(4,379,874)</u>	<u>(6,380,574)</u>	<u>(283,633)</u>
	<u>3,109,676</u>	<u>153,339</u>	<u>6,412,646</u>

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

	2015 \$	2015 Budget \$	2014 \$
11. RESERVES - CASH BACKED (Continued)			
(i) RTIO Partnership Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	3,067,844	486,885	0
Amount Used / Transfer from Reserve	<u>(33,509)</u>	<u>(486,885)</u>	<u>0</u>
	<u>3,034,335</u>	<u>0</u>	<u>0</u>
(j) Onslow Aerodrome Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	3,000,000	3,000,000	0
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>3,000,000</u>	<u>3,000,000</u>	<u>0</u>
(k) Future Projects Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	4,249,632	0	0
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>4,249,632</u>	<u>0</u>	<u>0</u>
TOTAL CASH BACKED RESERVES	<u>35,481,552</u>	<u>15,167,448</u>	<u>23,848,396</u>
Total Opening balance	23,848,396	23,907,021	9,996,395
Total Amount set aside / transfer to reserve	17,270,245	8,354,886	16,788,214
Total Amount used / transfer from reserve	<u>(5,637,089)</u>	<u>(17,094,459)</u>	<u>(2,936,213)</u>
TOTAL RESERVES	<u>35,481,552</u>	<u>15,167,448</u>	<u>23,848,396</u>

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

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

11. RESERVES - CASH BACKED (Continued)

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

Employee Benefits Reserve

- To contribute towards funding the Council's liability for payments of employee benefits owing to staff and taken either as leave or paid upon termination of their employment.

Plant Replacement Reserve

- To provide an optimum level of cash reserves for funding the Council heavy machinery replacement program on a five year rolling basis.

Infrastructure Reserve

- To provide funds for provision and maintenance of new and existing infrastructure assets throughout the Shire.

Housing Reserve

- 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

- To provide funds for the development of community facilities in Onslow.

Onslow Administration Building Reserve

- To provide funds to assist the Council in building the new Onslow Administration building.

Property Development Reserve

- To provide funds to assist the Council in purchasing, developing and selling property to stimulate economic development.

Unspent Grants and Contributions Reserve

- To preserve unspent Grant and ongoing Capital Works Funds.

RTIO Partnership Reserve

- 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

- To provide funds for the upgrading and modifications to the Onslow aerodrome.

Future Projects Reserve

- To provide funds for Future Capital Projects determined in the Long Term Financial Plan.

The reserves are not expected to be fully utilised within a set period as further transfers to the reserve accounts are expected as funds are utilised.

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

12. REVALUATION SURPLUS	2015	2014
	\$	\$
Revaluation surpluses have arisen on revaluation of the following classes of non-current assets:		
(a) Land and Buildings		
Opening balance	45,839,548	0
Revaluation Increment	0	45,839,548
Revaluation Decrement	0	0
	<u>45,839,548</u>	<u>45,839,548</u>
(b) Plant and Equipment		
Opening balance	365,354	365,354
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u>365,354</u>	<u>365,354</u>
(c) Furniture and Equipment		
Opening balance	316,551	316,551
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u>316,551</u>	<u>316,551</u>
(d) Infrastructure Roads		
Opening balance	0	0
Revaluation Increment	391,667,060	0
Revaluation Decrement	0	0
	<u>391,667,060</u>	<u>0</u>
(e) Infrastructure Footpaths		
Opening balance	0	0
Revaluation Increment	4,925,956	0
Revaluation Decrement	0	0
	<u>4,925,956</u>	<u>0</u>
(f) Infrastructure Drainage		
Opening balance	0	0
Revaluation Increment	9,434,985	0
Revaluation Decrement	0	0
	<u>9,434,985</u>	<u>0</u>
(g) Infrastructure Airports		
Opening balance	0	0
Revaluation Increment	3,826,017	0
Revaluation Decrement	0	0
	<u>3,826,017</u>	<u>0</u>
(h) Infrastructure Bridges		
Opening balance	0	0
Revaluation Increment	7,807	0
Revaluation Decrement	0	0
	<u>7,807</u>	<u>0</u>
TOTAL ASSET REVALUATION SURPLUS	<u>46,521,453</u>	<u>46,521,453</u>
Total Opening balance	46,521,453	681,905
Total Amount set aside / transfer to revaluation surplus	409,861,825	45,839,548
Total Amount used / transfer from revaluation surplus	0	0
TOTAL ASSET REVALUATION SURPLUS	<u>456,383,278</u>	<u>46,521,453</u>

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

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:

	2015 \$	2015 Budget \$	2014 \$
Cash and Cash Equivalents	<u>45,357,245</u>	<u>16,023,802</u>	<u>34,276,627</u>

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

Net Result	18,568,122	32,939,731	40,419,280
Depreciation	9,848,414	8,296,250	7,736,253
(Profit)/Loss on Sale of Asset	3,649,782	897,270	(3,638,482)
(Increase)/Decrease in Receivables	(761,636)	1,640,230	5,630,468
(Increase)/Decrease in Inventories	97,039	2,050	(41,259)
Increase/(Decrease) in Payables	2,016,078	(148,810)	(7,668,724)
Increase/(Decrease) in Employee Provisions	285,222	2,690	44,465
Grants/Contributions for the Development of Assets	(15,092,501)	(33,248,004)	(21,284,948)
Loss on Revaluation of Non-Current Assets	<u>1,183,448</u>	<u>0</u>	<u>0</u>
Net Cash from Operating Activities	<u>19,793,968</u>	<u>10,381,407</u>	<u>21,197,053</u>

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

Bank Overdraft limit	500,000	500,000
Bank Overdraft at Balance Date	0	0
Credit Card limit	65,000	65,000
Credit Card Balance at Balance Date	<u>(35,589)</u>	<u>(29,618)</u>
Total Amount of Credit Unused	<u>529,411</u>	<u>535,382</u>

Loan Facilities

Loan Facilities - Current	1,258,461	1,540,356
Loan Facilities - Non-Current	<u>5,224,075</u>	<u>3,282,536</u>
Total Facilities in Use at Balance Date	<u>6,482,536</u>	<u>4,822,892</u>

Unused Loan Facilities at Balance Date	<u>1,625,891</u>	<u>1,518,933</u>
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SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

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

15. CAPITAL AND LEASING COMMITMENTS

2015
\$ **2014**
\$

(a) Finance Lease Commitments

There are no finance lease commitments at 30 June 2015.

(b) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the accounts.

Payable:

- not later than one year	29,457	27,600
- later than one year but not later than five years	<u>34,831</u>	<u>56,793</u>
	<u>64,288</u>	<u>84,393</u>

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

15. CAPITAL AND LEASING COMMITMENTS (continued)	2015	2014
	\$	\$
(c) Capital Expenditure Commitments		
Contracted for:		
- Capital Expenditure Projects		
- Onslow Airport Terminal Construction	0	15,312
- Onslow Airport Screening Equipment & Baggage Conveyor System	0	708,108
	<u>0</u>	<u>723,420</u>
Payable:		
- not later than one year	<u>0</u>	<u>723,420</u>

16. JOINT VENTURE

The Shire was not involved in any joint ventures at 30 June 2014 and 30 June 2015.

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

Governance	11,343,633	9,675,103
General Purpose Funding	920,367	512,622
Law, Order, Public Safety	648,114	1,793,620
Health	82,460	42,011
Education and Welfare	3,913,271	2,019,530
Housing	30,983,852	30,582,643
Community Amenities	9,455,495	14,513,838
Recreation and Culture	47,307,858	44,110,614
Transport	554,955,946	128,914,520
Economic Services	7,935,639	3,743,970
Other Property and Services	14,736,630	14,629,117
Unallocated	<u>12,889,847</u>	<u>12,244,633</u>
	<u>695,173,112</u>	<u>262,782,221</u>

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

18. FINANCIAL RATIOS	2015	2014	2013
Current Ratio	1.56	1.87	0.80
Asset Sustainability Ratio	1.22	1.06	1.05
Debt Service Cover Ratio	8.05	16.48	13.47
Operating Surplus Ratio	0.10	0.39	0.21
Own Source Revenue Coverage Ratio	0.87	1.45	1.00

The above ratios are calculated as follows:

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

Notes:

(a) Information relating to the **Asset Consumption Ratio** and **Asset Renewal Funding Ratio** can be found at Supplementary Ratio Information on Page 73 of this document.

(b) 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 \$1,183,448 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.

(c) For 2014,

(i) the Current, Debt Service Cover and Operating Surplus ratios disclosed above were distorted by the change to the payment of FAGs during the year ended 30 June 2014 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 \$2,390,387 less revenue for the year.

(ii) the Debt Service Cover, Operating Surplus and the Own Source Revenue ratios as disclosed above were distorted by an item of revenue relating to an insurance refund of \$4,707,100 which was received prior to year-end but not spent.

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

18. FINANCIAL RATIOS (Continued)

Notes (Continued):

(d) For 2013,

(i) the effect of the FAGs advance payment in 2013 was negligible as it had also occurred in the previous year. In effect, four quarterly payments were received in both years so it was not considered necessary to calculate and disclose the effect of any distortion as it was not considered significant.

(ii) the Debt Service Cover and the Operating Surplus ratios as disclosed above were distorted by an item of revenue totalling \$1,811,477 relating to the initial recognition of Land and Structures under the Shire's control in accordance with amendments to the Financial Management Regulations (refer Notes 1(g) for further details).

Items (b) to (d) 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:

	2015	2014	2013
Current Ratio	1.28	1.87	0.80
Debt Service Cover Ratio	8.67	15.16	11.93
Operating Surplus Ratio	0.12	0.38	0.16
Own Source Revenue Coverage Ratio	0.94	1.33	1.00

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

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:

	Balance 1-Jul-14	Amounts Received	Amounts Paid	Balance 30-Jun-15
	\$	\$	(\$)	\$
Public Open Space	225,500	105,000	0	330,500
Cleaning and Key Deposits	13,340	18,323	(18,253)	13,410
Other Trust Monies	142,114	10,623	(124,333)	28,404
Bonds and Guarantees	33,072	23,412	(11,300)	45,184
Nomination Deposit	80	0	0	80
Unclaimed Monies	6,691	980	0	7,671
BCITF Levy	20,729	158,739	(156,444)	23,024
BRB Levy	17,904	0	(6,722)	11,182
Consignment Stock	630	8,912	(9,287)	255
Tour Sales	50,766	158,736	(185,275)	24,227
	<u>510,826</u>			<u>483,937</u>

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

20. DISPOSALS OF ASSETS - 2014/15 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Governance						
Assets Disposed Producing a Loss	22,199	0	0	0	(22,199)	0
Law, Order & Public Safety						
Assets Disposed Producing a Loss	1,364,562	0	145,455	0	(1,219,107)	0
Housing						
Assets Disposed Producing a Profit	0	350,000	0	550,000	0	200,000
Community Amenities						
Assets Disposed Producing a Profit	(697)	0	0	0	697	0
Assets Disposed Producing a Loss	140,371	0	0	0	(140,371)	0
Recreation & Culture						
Assets Disposed Producing a Loss	530,649	0	0	0	(530,649)	0
Transport						
Assets Disposed Producing a Profit	124,840	112,138	160,273	114,000	35,433	1,862
Assets Disposed Producing a Loss	492,088	700,132	341,505	601,000	(150,583)	(99,132)
Economic Services						
Assets Disposed Producing a Loss	1,623,003	0	0	0	(1,623,003)	0
Other Property & Services						
Assets Disposed Producing a Loss	0	5,000,000	0	4,000,000	0	(1,000,000)
	4,297,015	6,162,270	647,233	5,265,000	(3,649,782)	(897,270)

Summary

Profit on Asset Disposals	36,130	201,862
Loss on Asset Disposals	(3,685,912)	(1,099,132)
	(3,649,782)	(897,270)

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

21. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Principal 1-Jul-14		New Loans		Principal Repayments		Principal 30-Jun-15		Interest Repayments	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Housing										
Loan 117 - Housing Manager	584,627	0	0	0	51,666	51,666	532,961	532,961	16,725	31,739
Loan 121 New Staff Housing	1,897,492	0	0	0	225,651	225,651	1,671,841	1,671,841	124,003	109,961
Community Amenities										
Loan 122 Onslow Transfer Station	0	3,200,000	3,200,000	3,200,000	0	0	3,200,000	3,200,000	15,898	0
Recreation & Culture										
Loan 118 - Community Rec Centre	200,698	0	0	0	31,943	31,943	168,755	168,755	11,212	11,222
Transport										
Loan 116 - Onslow Aerodrome	170,067	0	0	0	52,895	52,895	117,172	117,172	10,523	10,822
Loan 119 - Onslow Aerodrome	221,918	0	0	0	12,805	12,805	209,113	209,113	14,096	13,914
Other Property & Services										
DSD Loan - Onslow Aerodrome	1,748,090	0	0	0	1,165,396	1,748,090	582,694	0	0	0
Temporary Camp										
	4,822,892	3,200,000	3,200,000	3,200,000	1,540,356	2,123,050	6,482,536	5,899,842	192,457	177,658

All debenture repayments are to be financed by general purpose revenue.
The interest component of Loan 112 is reimbursable by FESA.

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

21. INFORMATION ON BORROWINGS (Continued)

(b) New Debentures - 2014/15

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges \$	Interest Rate %	Amount Used		Balance Unspent \$
	Actual \$	Budget \$						Actual \$	Budget \$	
Loan 122 Onslow Transfer Station	3,200,000	3,200,000	WATC	Debenture	10	560,054	3.08%	3,093,042	3,200,000	106,958

(c) Unspent Debentures

Particulars	Date Borrowed	Balance 1-Jul-14 \$	Borrowed During Year \$	Expended During Year \$	Balance 30-Jun-15 \$	#
Loan 121 New Staff Housing	29/04/2011	1,518,933	0	0	1,518,933	
Loan 122 Onslow Transfer Station	30/04/2015	0	3,200,000	3,093,042	106,958	
		1,518,933	3,200,000	3,093,042	1,625,891	

- The unspent loan funds have been transferred to the Shire's Housing Reserve as at 30 June 2013 and is still being held in this reserve as at 30 June 2015.

(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 2014 and 30 June 2015 was \$Nil.

22. RATING INFORMATION - 2014/15 FINANCIAL YEAR

(a) Rates

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

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											
GRV - Residential	3.7736	2,357	96,812,604	3,653,319	64,526	13,001	3,730,846	3,634,697	400,000	(1,240,000)	2,794,697
GRV - Commercial Civic	4.7162	67	16,534,045	779,779	40,181	0	819,960	779,755	0	0	779,755
GRV - Tourism	4.7162	5	901,600	42,521	0	0	42,521	42,521	0	0	42,521
GRV - Community	3.7736	17	594,361	22,429	0	0	22,429	22,429	0	0	22,429
GRV - Industrial	4.7162	81	4,933,030	232,652	912	0	233,564	232,652	0	0	232,652
UV - Rural/Pastoral	3.1575	32	7,212,024	227,720	443	0	228,163	227,720	0	0	227,720
UV - Rural/Industrial	34.770	49	22,243,608	7,734,036	541,689	(977,836)	7,297,889	4,743,842	0	0	4,743,842
UV - Mining Leases	34.770	769	31,885,577	11,086,519	565,270	67,984	11,719,773	10,698,157	0	0	10,698,157
UV - Tourism	15.313	4	345,000	52,830	0	0	52,830	52,830	0	0	52,830
Non Rateable		252	1,851,100	0	12	(7,291)	(7,279)	0	0	0	0
Sub-Totals		3,633	183,312,949	23,831,805	1,213,033	(904,142)	24,140,696	20,434,603	400,000	(1,240,000)	19,594,603
Minimum Rates											
GRV - Residential	560	118	575,060	66,080	0	0	66,080	66,640	0	0	66,640
GRV - Commercial Civic	560	10	20,149	5,600	0	0	5,600	5,600	0	0	5,600
GRV - Tourism	560	0	0	0	0	0	0	0	0	0	0
GRV - Community	560	5	46,999	2,800	0	0	2,800	2,800	0	0	2,800
GRV - Industrial	560	24	104,995	13,440	0	0	13,440	14,000	0	0	14,000
UV - Rural/Pastoral	560	9	58,751	5,040	0	0	5,040	5,040	0	0	5,040
UV - Rural/Industrial	560	27	6,420	15,120	0	0	15,120	15,120	0	0	15,120
UV - Mining Lease	560	346	253,495	193,760	0	0	193,760	194,880	0	0	194,880
Sub-Totals		539	1,065,869	301,840	0	0	301,840	304,080	0	0	304,080
Ex-Gratia Rates							24,442,536				19,898,683
Rates Written Off							5,040				5,000
Movement in Excess Rates							(6,544)				(5,000)
Total Amount Raised from General Rate/ Total Rates							24,432,503				19,903,683

22. RATING INFORMATION - 2014/15 FINANCIAL YEAR (Continued)

(b) Information on Surplus/(Deficit) Brought Forward	2015 (30 June 2016 Carried Forward) \$	2015 (1 July 2014 Brought Forward) \$	2014 (30 June 2014 Carried Forward) \$
Surplus/(Deficit) - Rate Setting Statement	<u>7,882,603</u>	<u>9,743,122</u>	<u>9,183,913</u>
Comprises:			
Cash - Unrestricted	8,859,194	8,635,477	8,635,477
Cash - Restricted Unspent Grants	909,541	1,792,754	1,792,754
Cash - Restricted Unspent Loans	106,958	0	0
Cash - Restricted Reserves	35,481,552	23,848,396	23,848,396
Rates Outstanding	920,367	512,622	512,622
Sundry Debtors	3,672,763	3,469,158	3,469,158
GST Receivable	565,514	0	0
Prepayments	40,694	30,769	30,769
Accrued Income	12,072	177,394	177,394
Less: Provision for Doubtful Debts	(654,204)	(437,873)	(437,873)
Inventories			
- Fuel and Materials	60,214	58,714	58,714
- Tourist Bureau Stock	40,565	139,104	139,104
Less:			
Reserves - Restricted Cash			
- Employee Benefit Reserve	(323,042)	(316,484)	(316,484)
- Plant Replacement Reserve	(25,769)	(25,246)	(25,246)
- Infrastructure Reserve	(6,576,047)	(2,919,340)	(2,919,340)
- Housing Reserve	(2,030,453)	(1,989,231)	(1,989,231)
- Onslow Community Infrastructure Reserve	(183,442)	(37,216)	(37,216)
- Onslow Administration Building Reserve	(5,567,821)	(4,381,085)	(4,381,085)
- Property Development Reserve	(7,381,335)	(7,767,148)	(7,767,148)
- Unspent Grants and Contributions Reserve	(3,109,676)	(6,412,646)	(6,412,646)
- RTIO Partnership Reserve	(3,034,335)	0	0
- Onslow Aerodrome Reserve	(3,000,000)	0	0
- Future Projects Reserve	(4,249,632)	0	0
Sundry Creditors	(5,583,796)	(3,781,976)	(3,781,976)
PAYG Payable	(226,135)	(208,546)	(208,546)
Income Received in Advance	(20,047)	(19,570)	(19,570)
GST Payable	0	(45,078)	(45,078)
ESL Liability	(1,265)	(241)	(241)
FBT Liability	(34,116)	(45,726)	(45,726)
Accrued Expenses	(260,912)	(178,611)	(178,611)
Accrued Interest on Loans	(37,606)	(25,311)	(25,311)
Accrued Salaries and Wages	(487,198)	(329,938)	(329,938)
Current Employee Benefits Provision	(1,098,506)	(875,693)	(875,693)
Current Loan Liability	(1,258,461)	(1,540,356)	(1,540,356)
Add Back : Component of Leave Liability not Required to be Funded	1,098,506	875,693	316,484 *
Add Back : Current Loan Liability	1,258,461	1,540,356	1,540,356
Surplus/(Deficit)	<u>7,882,603</u>	<u>9,743,122</u>	<u>9,183,913</u>

Difference:

There is difference between the Surplus/(Deficit) 1 July 2014 Brought Forward position used in the 2015 audited financial report and the Surplus/(Deficit) Carried Forward position as disclosed in the 2014 audited financial report.

This difference is due to a change in methodology for the calculation of Surplus/(Deficit) position. An * has been placed adjacent to the items that have changed due to the change in methodology.

23. SPECIFIED AREA RATE - 2014/15 FINANCIAL YEAR

No specified area rates were levied in the 2014/15 financial year.

24. SERVICE CHARGES - 2014/15 FINANCIAL YEAR

No Service Charges were imposed in the 2014/15 financial year.

25. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2014/15 FINANCIAL YEAR

No discount for early payment applied to rates in the 2014/15 year.

26. INTEREST CHARGES AND INSTALMENTS - 2014/15 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%	N/A	199,729	50,000
Interest on Instalments Plan	5.50%	N/A	8,370	15,500
Interest on ESL	11.00%	N/A	3,183	2,000
Charges on Instalment Plan	N/A	10	4,800	5,050
			<u>216,082</u>	<u>72,550</u>

Ratepayers had the option of paying rates in four equal instalments, due on 15th September 2014, 19th November 2014, 21st January 2015 and 25th March 2015. Administration charges and interest applied for the final three instalments.

27. FEES & CHARGES

	2015 \$	2014 \$
Governance	59,400	62,496
General Purpose Funding	7,658	8,107
Law, Order, Public Safety	72,741	65,637
Health	110,331	97,624
Education and Welfare	166	631
Housing	309,122	293,003
Community Amenities	3,776,178	3,964,601
Recreation and Culture	334,756	362,837
Transport	6,245,336	6,601,057
Economic Services	3,184,370	1,987,469
Other Property and Services	237,123	5,981,819
	<u>14,337,181</u>	<u>19,425,281</u>

There were no changes during the year to the amount of the fees or charges detailed in the original budget.

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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28. GRANT REVENUE

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

	2015	2014
	\$	\$
By Nature and Type:		
Operating Grants, Subsidies and Contributions	10,159,670	4,231,252
Non-Operating Grants, Subsidies and Contributions	14,663,290	19,414,123
	<u>24,822,960</u>	<u>23,645,375</u>
By Program:		
Governance	668,217	317,702
General Purpose Funding	7,153,758	2,252,920
Law, Order, Public Safety	56,159	473,368
Health	155,931	152,088
Education and Welfare	2,106,616	1,630,317
Housing	330	11,067
Community Amenities	1,590,815	344,087
Recreation and Culture	1,847,028	5,119,182
Transport	11,221,018	13,302,207
Economic Services	0	20,000
Other Property and Services	23,088	22,437
	<u>24,822,960</u>	<u>23,645,375</u>

29. ELECTED MEMBERS REMUNERATION

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

	2015	2015	2014
	\$	Budget	\$
		\$	
Meeting Fees	175,615	181,280	176,000
President's Attendance Fee	30,385	30,385	29,500
President's Allowance	61,350	61,800	60,000
Deputy President's Allowance	15,450	15,450	15,000
Travelling Expenses	97,239	104,000	99,618
Telecommunications Allowance	4,500	4,500	5,000
	<u>384,539</u>	<u>397,415</u>	<u>385,118</u>

30. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

	2015	2014
	<u>154</u>	<u>136</u>

31. MAJOR LAND TRANSACTIONS

Onslow Industrial Development

(a) Details

Council owns, freehold, Lot 16 Onslow Rd, Onslow, and in order to meet demand for commercial/industrial land resulting from major resource projects, Council intends to subdivide this Lot into two Lots, Lot 16 and 9500. Council intends to sell Lot 9500 as freehold.

(b) Current Year Transactions

	2015	2015	2014
	\$	Budget	\$
		\$	
OPERATING INCOME			
Profit on Sale of Asset	0	3,970,000	0
	<u>0</u>	<u>3,970,000</u>	<u>0</u>
OPERATING EXPENDITURE			
Land Transfer Expenditure	0	(30,000)	0
	<u>0</u>	<u>(30,000)</u>	<u>0</u>
Operating Surplus/(Deficit)	0	3,940,000	0
CAPITAL INCOME			
Land Sales	0	4,000,000	0
Transfer from Reserves	109,575	220,000	168,554
	<u>109,575</u>	<u>4,220,000</u>	<u>168,554</u>
CAPITAL EXPENDITURE			
Services Installation	0	(70,000)	0
Design & Planning	(109,677)	(150,000)	(168,554)
Transfer to Reserve	0	(4,000,000)	0
	<u>(109,677)</u>	<u>(4,220,000)</u>	<u>(168,554)</u>
NET RESULTS	<u>(102)</u>	<u>3,940,000</u>	<u>0</u>

The above capital expenditure is included in Land Held For Resale (refer Note 5 to this financial report). There are no liabilities in relation to this land transaction as at 30 June 2015.

(c) Expected Future Cash Flows

	2015/16	2017/18	2018/19	2019/20	Total
Cash Inflows					
Land Sales	2,000,000	0	0	0	2,000,000
Transfer from Reserves	300,000	0	0	0	300,000
	<u>2,300,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,300,000</u>
Cash Outflows					
Land Transfer Expenditure	(37,000)	0	0	0	(37,000)
Services Installation	(50,000)	0	0	0	(50,000)
Design & Planning	(250,000)	0	0	0	(250,000)
	<u>(337,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(337,000)</u>
Net Cash Flows	<u>1,963,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,963,000</u>

The net cash flows to 30 June 2015 in relation to this development is an outflow (or cost) of \$196,866. The net cash flows of the entire land transaction is expected to result in an inflow/income of \$1,766,134.

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

32. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Onslow Aerodrome

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 improvements to the facility.

(a) Operating Statement	2015	2015	2014
	\$	Budget	\$
		\$	
Operating Income			
Landing Fees	187,427	120,000	0
Passenger Tax	5,834,563	7,092,000	4,285,836
Property Rental	82,428	75,000	49,284
Security Screening Charges	0	0	0
Sundry Income	17,948	15,200	0
	<u>6,122,366</u>	<u>7,302,200</u>	<u>4,335,120</u>
Operating Expenditure			
Employee Expenses	(379,869)	(281,524)	(168,076)
Operational Expenses	(456,462)	(1,435,284)	(300,087)
Grounds & Strip Maintenance	(112,250)	(91,770)	0
Marketing	(9,938)	(2,000)	0
Other Sundry Expenses	(208,742)	(116,736)	(28,880)
Administration Expenses	(22,938)	(20,500)	(69,256)
Administration Overheads	(148,332)	(189,369)	(178,538)
Depreciation	(61,761)	(120,000)	(64,159)
	<u>(1,400,292)</u>	<u>(2,257,183)</u>	<u>(808,996)</u>
Operating Result	4,722,074	5,045,017	3,526,124
(b) Non-Operating Income & Expenditure			
Capital Revenue			
Transfer from Cash Reserve	0	0	0
Contributions	9,171,537	12,365,120	11,052,325
Government Grants	0	0	0
	<u>9,171,537</u>	<u>12,365,120</u>	<u>11,052,325</u>
Capital Expenditure			
Transfer to Cash Reserve	(3,000,000)	(3,000,000)	0
Infrastructure	(3,412,031)	(6,600,500)	(10,976,335)
Buildings	(774,124)	(617,952)	(4,747,507)
Airport Equipment Purchase	(989,615)	(1,026,500)	(208,787)
Financing Expenses	(65,699)	(65,699)	(61,458)
	<u>(8,241,469)</u>	<u>(11,310,651)</u>	<u>(15,994,087)</u>
TOTAL NET TRADING UNDERTAKING	<u>5,652,142</u>	<u>6,099,486</u>	<u>(1,415,638)</u>

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

33. 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	
	2015	2014	2015	2014
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	45,357,245	34,276,627	45,357,245	34,276,627
Receivables	4,557,206	3,752,070	4,557,206	3,752,070
	<u>49,914,451</u>	<u>38,028,697</u>	<u>49,914,451</u>	<u>38,028,697</u>
Financial Liabilities				
Payables	6,651,075	4,634,997	6,651,075	4,634,997
Borrowings	6,482,536	4,822,892	5,564,159	4,408,334
	<u>13,133,611</u>	<u>9,457,889</u>	<u>12,215,234</u>	<u>9,043,331</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 2015**

33. 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 its funds with recognised Australian Bank or purchasing investments with high credit ratings or capital guarantees. The Shire also seeks advice from independent advisers (where applicable) before placing any cash and investments.

	2015	2014
	\$	\$
Impact of a 1% (*) movement in interest rates on cash and investments:		
- Equity	438,865	188,582
- Statement of Comprehensive Income	438,865	188,582

Notes:

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

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

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

33. 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:

	2015	2014
Percentage of Rates and Annual Charges		
- Current	0.00%	0.00%
- Overdue	100.00%	100.00%
Percentage of Other Receivables		
- Current	77.22%	72.52%
- Overdue	22.78%	27.48%
Percentage of Deferred Rates Receivables		
- Current	0.00%	0.00%
- Overdue	0.00%	0.00%

33. FINANCIAL RISK MANAGEMENT (Continued)

**(c) Payables
Borrowings**

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. 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>2015</u>				<u>2014</u>			
	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$			
Payables	6,651,075	0	0	6,651,075	6,651,075			
Borrowings	1,513,189	3,509,119	2,628,706	7,651,014	6,482,536			
	<u>8,164,264</u>	<u>3,509,119</u>	<u>2,628,706</u>	<u>14,302,089</u>	<u>13,133,611</u>			
Payables	4,634,997	0	0	4,634,997	4,634,997			
Borrowings	1,719,885	2,673,217	1,217,742	5,610,844	4,822,892			
	<u>6,354,882</u>	<u>2,673,217</u>	<u>1,217,742</u>	<u>10,245,841</u>	<u>9,457,889</u>			

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

33. FINANCIAL RISK MANAGEMENT (Continued)

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

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs. 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:

	<u>Year Ended 30 June 2015</u>					Weighted Average Effective Interest Rate %		
	<1 year \$	>1<2 years \$	>2<3 years \$	>3<4 years \$	>4<5 years \$		>5 years \$	Total \$
Borrowings								
Fixed Rate								
Debentures	582,694	117,171	0	0	168,755	5,613,916	6,482,536	3.99%
Weighted Average Effective Interest Rate	0.00%	6.79%			5.82%	4.29%		
Year Ended 30 June 2014								
Borrowings								
Fixed Rate								
Debentures	0	1,748,090	170,066	0	0	2,904,736	4,822,892	3.78%
Weighted Average Effective Interest Rate		0.00%	6.79%			5.89%		

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2015

34. PRIOR PERIOD CORRECTIONS

The following adjustments have been made to comparative amounts in the 30 June 2015 Financial Report to bring to account financial activities that were incorrectly stated in 2013/14. Details of these activities are listed below:-

- 1) Operating expenditure relating to the Tom Price Town Centre for the 2011/12, 2012/13 and 2013/14 financial years was capitalised when it should have been expensed. This expenditure was incurred on assets not belonging to the Shire so that the work on the Shire's Town Centre assets could commence.

As a result, Infrastructure Other of \$3,567,257 and total depreciation of \$135,528 was written back prior to 30 June 2014 as follows:

i) Infrastructure Other of \$3,338,554 and depreciation of \$64,183 was written back prior to 2013/14. This was adjusted against the opening balance of retained surplus as at 1 July 2013.

ii) Infrastructure Other of \$228,703 and depreciation of \$71,345 was written back in 2013/14. This was adjusted against depreciation for that year and Infrastructure Other accordingly.

- 2) In 2013/14 the Shire revalued its Land and Buildings at fair value as at 30 June 2014. At the time of the revaluation the Onslow Camp and Onslow Caravan Park were under the asset class Infrastructure Other and were omitted from this revaluation process. This error has now been identified and the necessary adjustments have been affected.

To correct this error the Historical Cost of \$4,175,605 and Accumulated Depreciation of \$139,666 relating to these assets had to be transferred from the Infrastructure Other asset class to the Buildings - Specialised asset class. Following this reclassification the assets were revalued at fair value by Management using Level 3 inputs. The revaluation of these assets resulted in an overall reduction in the value of the Buildings - Specialised asset class of \$843,079. This reduction in valuation has been adjusted against the Revaluation Surplus for Buildings.

	Refer Notes Above	Financial Report 2014 \$	Corrected Comparative 2014 \$	Adjustment \$
STATEMENT OF COMPREHENSIVE INCOME				
<i>BY NATURE OR TYPE:-</i>				
Expenses - Materials & Contracts	1	(13,474,239)	(13,702,942)	(228,703)
Expenses - Depreciation	1	(7,807,598)	(7,736,253)	71,345
Net Result	1	40,576,638	40,419,280	(157,358)
Changes on Revaluation of				
Non-current Assets	2	46,682,627	45,839,548	(843,079)
Total Comprehensive Income	1,2	87,259,265	86,258,828	(1,000,437)
<i>BY PROGRAM:-</i>				
Expenses - Community Amenities	1	(5,088,374)	(5,317,077)	(228,703)
Expenses - Transport	1	(8,359,571)	(8,288,226)	71,345
Net Result	1	40,576,638	40,419,280	(157,358)
Changes on Revaluation of				
Non-current Assets	2	46,682,627	45,839,548	(843,079)
Total Comprehensive Income	1,2	87,259,265	86,258,828	(1,000,437)
STATEMENT OF FINANCIAL POSITION				
Property, Plant and Equipment	2	86,388,003	89,580,863	3,192,860
Infrastructure	1,2	142,036,855	134,569,187	(7,467,668)
Retained Surplus	1	185,398,847	181,967,118	(3,431,729)
Revaluation Surplus	2	47,364,532	46,521,453	(843,079)

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2015

34. PRIOR PERIOD CORRECTIONS (Continued)

	Refer Notes Above	Financial Report 2014 \$	Corrected Comparative 2014 \$	Adjustment \$
STATEMENT OF CHANGES IN EQUITY				
<i>Retained Surplus:-</i>				
Balance at 1 July 2013	1	158,674,210	155,399,839	(3,274,371)
Balance at 30 June 2014	1	185,398,847	181,967,118	(3,431,729)
<i>Revaluation Surplus:- Changes on revaluation of non-current assets</i>				
Balance at 1 July 2013	2	681,905	681,905	0
Changes on Revaluation of Non-Current Assets	2	46,682,627	45,839,548	(843,079)
Balance at 30 June 2014	2	47,364,532	46,521,453	(843,079)
STATEMENT OF CASH FLOWS				
Payments - Materials & Contracts	1	(21,209,762)	(21,438,465)	(228,703)
Net Cash Provided By (Used In)				
Operating Activities	1	21,425,756	21,197,053	(228,703)
Payments for Construction of				
Infrastructure	1	(13,084,619)	(12,855,916)	228,703
Net Cash Provided By (Used In)				
Investing Activities	1	729,352	958,055	228,703
RATE SETTING STATEMENT				
Expenses - Community Amenities	1	(5,094,998)	(5,323,701)	(228,703)
Expenses - Transport	1	(8,455,946)	(8,384,601)	71,345
Net Result Excluding Rates	1	15,999,482	15,842,124	(157,358)
Depreciation and Amortisation on Assets	1	7,807,598	7,736,253	(71,345)
Purchase Infrastructure Assets - Other	1	(730,439)	(501,736)	228,703
NOTE 2 - REVENUES AND EXPENSES				
Depreciation				
Infra - Other	1	522,532	451,187	(71,345)
NOTE 6 - PROPERTY, PLANT AND EQUIPMENT				
Buildings at:				
- Management Valuation 2014 - Level 3	2	0	3,192,860	3,192,860
<i>Movements in Carrying Amounts:-</i>				
Balance at the beginning of the year				
- Buildings Specialised	2	43,002,613	46,195,473	3,192,860
NOTE 7 - INFRASTRUCTURE				
Other Infrastructure - Cost	1,2	30,791,477	23,048,615	(7,742,862)
Other Infrastructure - Accumulated Depreciation	1,2	(2,927,279)	(2,652,085)	275,194
<i>Movements in Carrying Amounts:-</i>				
Balance at the beginning of the year - Other				
Infrastructure	1,2	27,864,198	20,396,530	(7,467,668)
NOTE 12 - REVALUATION SURPLUS				
(a) - Land and Buildings				
- Revaluation Increment	2	46,682,627	45,839,548	(843,079)

34. PRIOR PERIOD CORRECTIONS (Continued)

	Refer Notes Above	Financial Report 2014 \$	Corrected Comparative 2014 \$	Adjustment \$
NOTE 13 - NOTES TO THE STATEMENT OF CASH FLOWS				
(b) - Reconciliation of Net Cash Provided By				
Operating Activities to Net Result				
- Net Result	1	40,576,638	40,419,280	(157,358)
- Depreciation	1	7,807,598	7,736,253	(71,345)
Net Cash from Operating Activities	1	21,425,756	21,197,053	(228,703)
NOTE 17 - TOTAL ASSETS				
Transport	1,2	133,003,694	128,914,520	(4,089,174)
Economic Services	2	3,929,604	3,743,970	(185,634)

NOTE 18 - FINANCIAL RATIOS

Restatement of the numbers above affected the 2014 comparative ratios as follows:

Asset Sustainability Ratio increased from 1.05 to 1.06
Debt Service Ratio decreased from 16.61 to 16.48
Own Source Revenue Ratio decreased from 1.46 to 1.45

**INDEPENDENT AUDITOR'S REPORT
TO THE ELECTORS OF THE SHIRE OF ASHBURTON****REPORT ON THE FINANCIAL REPORT**

We have audited the accompanying financial report of the Shire of Ashburton, which comprises the statement of financial position as at 30 June 2015, 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.

Management's Responsibility for the Financial Report

Management is responsible for the preparation of the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Shire's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Shire's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

We believe the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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 2015 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).

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

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 73 of this report, we have reviewed the calculations as presented and nothing has come to our attention to suggest they are not:
 - i) reasonably calculated; and
 - ii) based on verifiable information.
- d) All necessary information and explanations were obtained by us.
- e) All audit procedures were satisfactorily completed in conducting our audit.

MOORE STEPHENS
CHARTERED ACCOUNTANTS



WEN-SHIEN CHAI
PARTNER

Signed at Perth this 1st April 2016

**SHIRE OF ASHBURTON
SUPPLEMENTARY RATIO INFORMATION
FOR THE YEAR ENDED 30TH JUNE 2015**

RATIO INFORMATION

The following information relates to these ratios which only require attestation they have been checked and are supported by verifiable information.

	2015	2014	2013
Asset Consumption Ratio	0.86	0.65	0.50
Asset Renewal Funding Ratio (NOTE 1)	0.83	N/A	N/A

The above ratios are calculated as follows:

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

N/A - In keeping with amendments to Local Government (Financial Management) Regulation 50, comparatives for the 2012 year have not been reported as financial information is not available.

NOTE 1 - The Shire had not yet adopted its Asset Management Plans and Long Term Financial Plan so this ratio has not been calculated for 2013 and 2014.

