

# Annual Report 2015/2016



shire of Ashburton  
reef to range



**Photography contributors**

Elly Lukale, Rev Design, Andrew Stevens

The Shire of Ashburton respectfully acknowledges the traditional custodians of this land.

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# Shire President's Report

The Shire of Ashburton has made great progress in a number of large scale projects as well as continued diligence in operating a stable organisation that remains focused on good governance.

Throughout the year, the development of a number of key facilities have all been successfully progressed, with many of them set to open in the coming year. Each of these will provide valuable resources to our communities and ensure the sustainability of our towns as a great place to work and live. In Paraburdoo construction has begun on the new Childcare Centre which will offer a greater number of childcare services to working parents, and in Onslow, building of the new Shire Administration Complex has commenced. The Shire Complex will replace the buildings lost to fire in 2013 and will house the Town Hall, Public Library, Customer Service and Council Chambers, along with a Wheatstone

Information Centre. We look forward to once again having all Onslow staff in a single work place, as opposed to in numerous temporary office locations.

Council was delighted to receive confirmation from the Department of Regional Development that Cabinet had approved the Shire's application for \$5m of Royalties for Regions funding to assist in the construction of the new Paraburdoo Community Hub. The redevelopment will be a boost to Paraburdoo, replacing ageing infrastructure with vibrant facilities to better suit the needs of the town. Construction of the new Community Hub is programmed to commence in 2017.

The highly anticipated Onslow Airport was officially opened in August 2015 by Premier Colin Barnett and now provides passenger flights to and from Perth seven days per week.

Council has continued to focus on the enhancement of tourism within our Shire and has dedicated funds to improving our service offering. New signage was installed at both the Tom Price and Onslow Visitor Centres, with Tom Price also receiving an internal refurbishment that allows for a more effective display of information.

The Ocean View Caravan Park in Onslow has also undergone a transformation after a review of the facility determined it needed to upgrade accommodation and services. Works included revitalised sites and cabins, amenities and services which will be a positive boost to Onslow's tourism capacity.

The Shire participated in the 2016 Karijini Experience as a gold sponsor, providing financial and operational support to this iconic event. Attendance at this year's event grew considerably with visitor feedback confirming the successful delivery of a cultural and inspirational week of activities, showcasing the beauty of both Karijini National Park and the Pilbara region.

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

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## Major Projects 2015/2016

Local Government Elections were held in October which saw myself return to the Onslow Ward, Cr Lorraine Thomas to Tableland Ward, Cr Linton Rumble to Paraburdoo and Cr Peter Foster to Tom Price. Councillor retirements resulted in two new members to Council, with Cr Glen Dellar in Ashburton Ward and Cr Melanie Gallanagh representing Pannawonica Ward. I am confident the new Council will continue to work hard together with a consolidated focus on the great progress we are making in the Shire of Ashburton.

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



**Kerry White**  
Shire President

Paraburdoo Childcare  
Centre

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Onslow Multipurpose  
Courts

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Onslow Swimming Pool

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Onslow Skate Park

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Upgrades to Visitor  
Centres

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Major infrastructure projects have been advanced which will provide valuable resources to our communities.



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# Our Councillors



**CR KERRY WHITE**  
Shire President Onslow Ward



**CR LINTON RUMBLE**  
Deputy Shire President Paraburdoo Ward



**CR GLEN DELLAR**  
Ashburton Ward



**CR MELANIE GALLANAGH**  
Pannawonica Ward



**CR IVAN DIAS**  
Paraburdoo Ward



**CR LORRAINE THOMAS**  
Tableland Ward



**CR TONY BLOEM**  
Tom Price Ward



**CR CECILIA FERNANDEZ**  
Tom Price Ward



**CR PETER FOSTER**  
Tom Price Ward

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# CEO's Report

Over the past year the Shire has continued to focus on ensuring efficient, fair and effective operating procedures and I am pleased to reflect on the achievements made across each of our business areas.

Our Finance team has reviewed and updated the Shire's Long Term Financial Plan as well as implemented an improved budget timeline for present and future projects. The Shire's procurement policy was revised as part of our framework for best practice principles, along with the implementation of a more efficient delegation structure that allows for a streamlined operational process.

The Shire's Infrastructure Services team successfully completed a large program of works in Paraburdoo, upgrading the town's drainage system. A large portion of the pipes dated back to the original installation in the 1970s and proved challenging at times. The investment in the new drainage system will prove worthwhile however and have a big impact on reducing flooding and overflows during the wet season.

After a lengthy consultation process with both the business community and residents a new policy was endorsed by Council for local and itinerant traders. Revised to alleviate parking and traffic concerns, as well as reduce trading congestion during peak times, the new policy sets clear guidelines as to the trading areas and requirements in each town. Local and visiting traders have a positive effect on our communities and the new policy aims to make the process more efficient for everyone.

It has been exciting to see many of our large scale infrastructure projects progress to the construction phase and we look forward to formally opening these buildings in the coming year.

Working closely with our partners continues to be a key focus and their ongoing support is vital to being able to successfully deliver positive outcomes within our local communities. These include enhancement to infrastructure and amenities as well as a calendar of events and festivals which promote community engagement and the attraction of new residents.

A considerable amount of effort has been expended on leveraging funding through a comprehensive program of grant applications. A number of applications have been submitted, by the Shire as well as in partnership with the Pilbara Development Commission and the Pilbara Regional Council, as we look for ways to continue the positive progression of regional development. We now await the outcomes of the grant approval process in the hope we can deliver additional projects over the coming year.

A review of the Shire's planning schemes and strategic plans are currently underway, and these will help shape the path for the future of our organisation.

Our Councillors dedicate many hours to setting the strategic direction for the Shire and our staff work hard to produce the required results. I would like to take this opportunity to thank them for their tireless efforts and for this year's numerous achievements.

**Neil Hartley**

Chief Executive Officer

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Over the past year the Shire has continued to focus on ensuring efficient, fair and effective operating procedures and I am pleased to reflect on the achievements made across each of our business areas.

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# Our Executive Team

## Neil Hartley

### Governance & Executive Service

- Council Support
- Organisational Development
- Workplace Health & Safety
- Media and Communications
- Tourism

## Frank Ludovico

### Corporate Services

- Governance
- Financial Service & Reporting
- Budget Preparation, Dissemination and Training
- Administration
- IT, GIS & Knowledge Management
- Grants
- Strategic Planning & Reporting
- Risk Management
- Procurement

## Lee Reddell

### Development & Regulatory Services

- Planning
- Building & Health
- Ranger Services
- Emergency Services
- Traders Permits (food)

## Anika Serer

### Strategic & Economic Development

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

## Lynnette O'Reilly

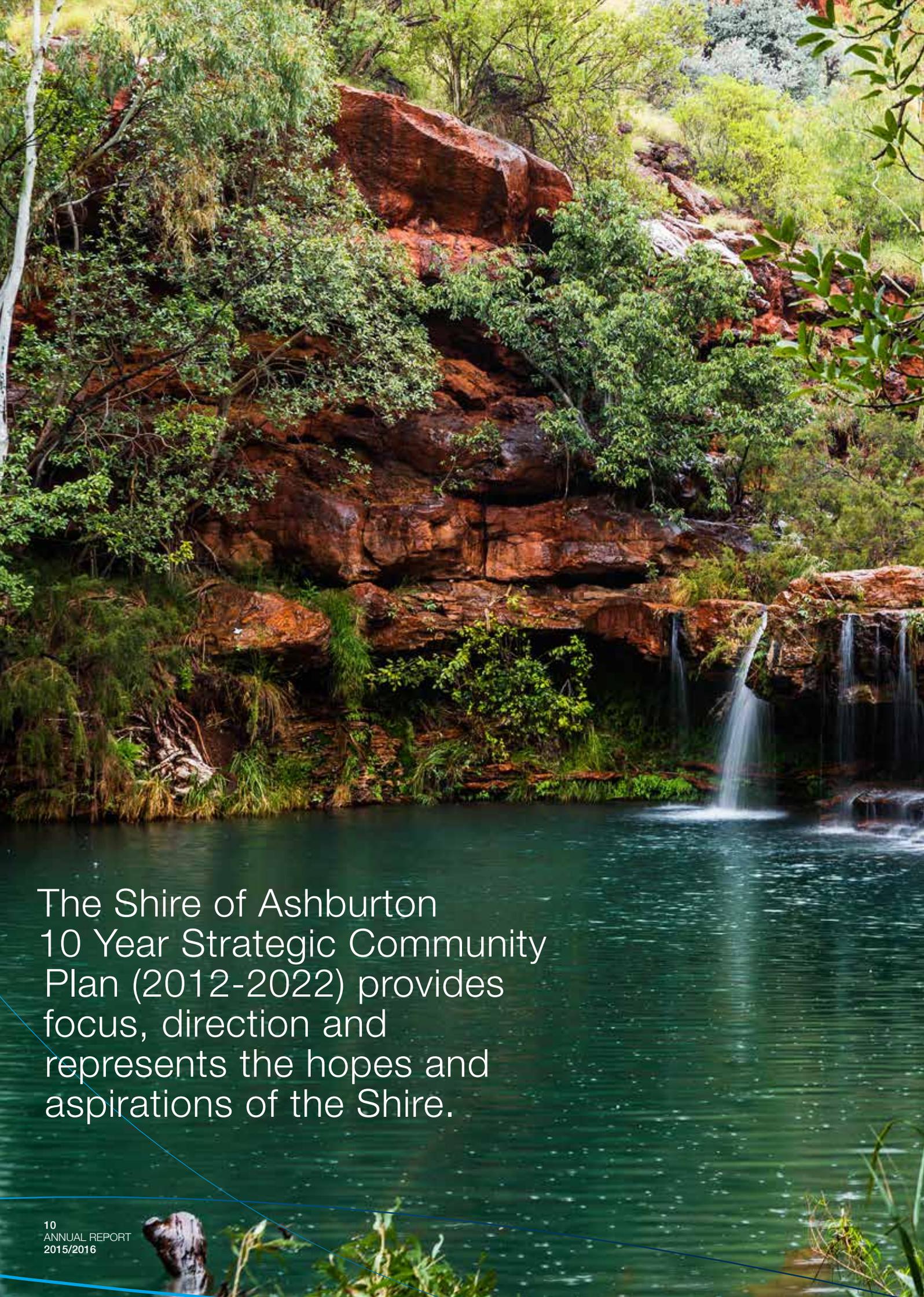
### Community Development

- Library and Cultural Activities
- Early Childhood Youth/Seniors
- Community Reference and Advisory Groups
- Support for Community Groups
- Pools, Halls and Facilities
- Community Volunteers
- Club Development
- Event Management

## Troy Davis

### Infrastructure Services

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



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



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# Strategic Community Plan

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

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

The Shire completed a desktop review of the Plan in September 2015. In 2016/17 the Shire will conduct a full review of the Plan.

#### **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



# Corporate Business Plan

## COMMUNITY GOAL 1 Community inclusion and participation

### Objective/Aspirational Outcome

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

Strategic Initiative	Team & Status	Actions & Projects	2013/ 14	2014/ 15	2015/ 16	2016/ 17	Ongoing
Disability Access and Inclusion	Community Development	✓ DAIP reviewed and updated 2013 -2017. DAIP has been approved by Council, registered with the Disability Services Commission and is available on our website. To be reviewed annually. Annual review completed 2015/2016. DAIP to be updated 2017.	⊙		⊙		⊙
Multi-purpose community complex in Tom Price	Community Development	✓ Completed			⊙		
Multi-purpose community complex in Paraburdoo	Community Development	⏸ Funding secured. Due for construction over 2017/18.				⊙	
Multi-purpose community complex in Onslow	Community Development	✓ Completed	⊙				
Leased premises for groups and clubs	Community Development	✓ Completed (but ongoing). Updated Policy, Delegation, and Community Leases and Licenses. Funds being allocated annually to assist Clubs with compliance. Will be ongoing.		⊙	⊙		⊙

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

Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
Events and cultural activities	Community Development	 Funding secured through Rio Tinto for Tom Price, Paraburdoo and Pannawonica until 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). Current planning and working with RIO Tinto and Chevron for ongoing agreements.					
Youth services and programs; family services and programs; general programs	Community Development	 Funding secured through Rio Tinto for Tom Price, Paraburdoo and Pannawonica until 2017 for a variety of programs - this includes school holiday programs in Onslow. 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). Current planning and working with Rio Tinto and Chevron for ongoing agreements.					
Leaping Lizards (expanded to broader community participation)	Community Development	 Replaced by Onslow Kids Kitchen Garden. Funding secured to cover until Dec 2016. Currently in negotiations to secure possible funding for 2017 as partnership with Chevron/Thalanyji.					
Community Sustainability (new)	Community Development	 Community Development Sustainability roles in place and operating across Tom Price, Paraburdoo and Pannawonica. Ongoing. Minor changes to structure to cater for sustainability, changes to be factored into new agreement as required.					

#### Objective/Aspirational Outcome

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

Club development (new)	Community Development	 Club Development teams in place and operating across Tom Price, Paraburdoo with a Youth Recreation and Development role in Pannawonica. All roles funded by Rio Tinto. Positions in place and part of review for new agreement will argue ongoing support for these roles as the communities continue to decline and lose capacity through key volunteers moving on.					
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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. Has been improved community engagement as a more focused approach to needs in current economic environment. Will be ongoing.					
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Community engagement practices are in place across a variety of projects.



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

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

#### Objective/Aspirational Outcome

Supporting volunteerism.

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

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

#### Objective/Aspirational Outcome

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

Sport and recreation Aged care and medical services

Childcare

Swimming Pools Tom Price, Paraburdoo (+ new playground) and Onslow (proposed – active pursuit)	Community Development	 Onslow swimming pool under construction and due for completion early 2017. 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	 New multipurpose courts in Onslow completed 2016; funding included in the Paraburdoo Community Hub to upgrade existing courts and construct new indoor multi-purpose sports hall.					
Useable cricket pitch and nets in Paraburdoo (new)	Community Development	 Indoor cricket nets have been replaced.					

Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
Outdoor basketball courts in Onslow (new)	Community Development	✓ Completed			⊙		
Skate Park Tom Price	Community Development	✓ Completed			⊙		
Skate Park Paraburdoo	Community Development	✓ Completed			⊙		
Skate Park Onslow	Community Development	➔ New skate park under construction, due for completion end 2016.				⊙	
Ovals in Paraburdoo (upgrade), Tom Price (upgrade) and Onslow	Community Development	⚡ Master Plan for Tom Price Area W finalised. <i>BBQs and Change Room upgrade completed. Will need additional budget allocation 2017/18 to progress further.</i>			⊙	⊙	⊙
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	✓ Completed (but ongoing). All commercial properties have current lease agreements.		⊙			⊙
Aged care services Onslow (expanded)	Community Development	⚡ Undertaking further upgrades to current facilities in 2016/2017.				⊙	⊙
Childcare Paraburdoo (new)	Community Development	➔ To be completed 2016/17.			⊙	⊙	
Tom Price (expanded)	Community Development	➔ Tom Price Child Care to be a focus in the 2016/17 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. Department education completing feasibility for centre in conjunction with school.					⊙
<b>Objective/Aspirational Outcome</b>							
Complete Town Centre Revitalisations.							
Paraburdoo, Onslow, Tom Price	Strategic & Economic Development	⚡ Tom Price Town Centre – complete – but ongoing as budget finances permit. Paraburdoo Town Centre – complete – but ongoing as budget finances permit. Potential for additional car park shade if grant funding can be secured. Rear car park upgrading occurring as part of Child Care Centre project. Onslow Town Centre will require public consultation and review of Charette, engagement of an appropriate consultant to develop a Masterplan.		⊙	⊙	⊙	⊙

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

Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
<b>Objective/Aspirational Outcome</b>							
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	 Paraburdoo and Tom Price drainage works ongoing as budget finances permit.  Programmed works in Paraburdoo have been completed.  Onslow drainage improvements at Shanks Rd, First Street and Third Ave are being progressed through the design stage.  Drainage data collection and investigations ongoing. Drainage remedial works progressing as funding and design information becomes available.					
<b>Objective/Aspirational Outcome</b>							
Implementing Bike Plan.							
Progressive implementation of bike path program	Infrastructure Services	 Current footpath schedule completed with 2015-2020 Bike Plan being prepared based on community feedback process. Works progressed as 2016/17 budgeted funds allow.					
<b>Objective/Aspirational Outcome</b>							
Waste Site Closures of Existing Burdened Sites to meet Licensing Requirements.							
Closure and rehabilitation of the existing Onslow Landfill	Infrastructure Services	 Completed (but ongoing). Onslow Landfill Closure and Rehabilitation completed except for final revegetation works scheduled for 2017. Landfill gas and water monitoring is ongoing.					
Closure and rehabilitation of the existing Paraburdoo Landfill and development of a transfer station		 Completed (not required). Site assessment has shown considerable life still available in the site and plans are underway to expand the site.					
<b>Objective/Aspirational Outcome</b>							
Road Upgrades for Improved Access, Safety and Recreational Opportunities.							
Complete Upgrade/Seal Banjima Drive	Infrastructure Services	 Completed.					
Upgrade of Panawonica-Millstream Road	Infrastructure Services	 Completed.					
Unsealed Road Re-sheeting Shire's unsealed road network	Infrastructure Services	 Continuing program of works as budgeted funds permit.					

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

Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
4WD Video Condition & Data Pick-up of Unsealed Roads	Infrastructure Services	  Completed (but ongoing). Data collection completed and now data is being translated to Shire Asset Management System.					
Upgrade of Roebourne-Wittenoom Road	Infrastructure Services	  Ongoing re-sheeting program with minor upgrades to key areas is ongoing. PDC undertaking further Cost Benefit work on the Karratha – Tom Price component of the project in late 2016, early 2017.					

#### Objective/Aspirational Outcome

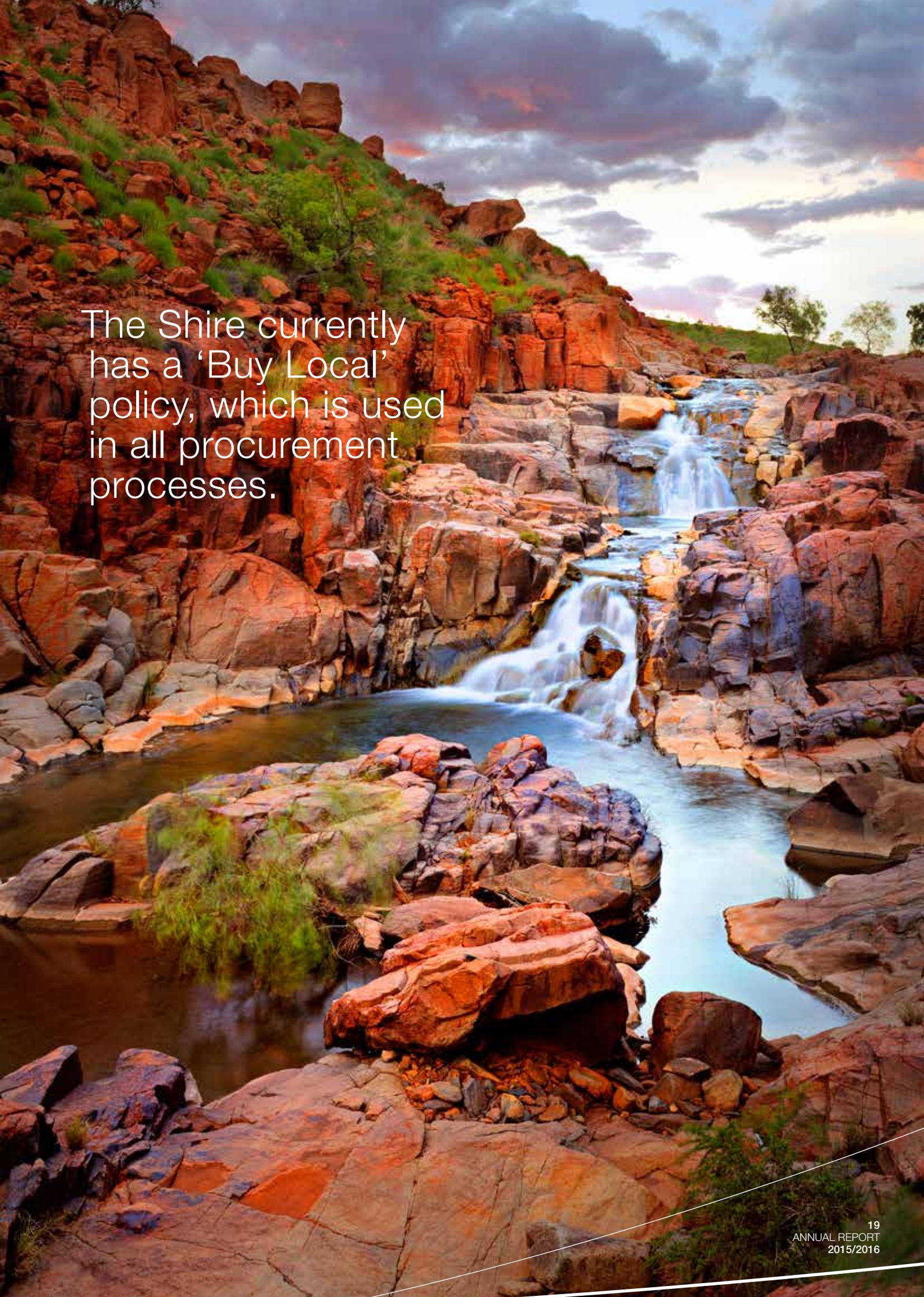
Improved Waste Facilities.

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

#### Objective/Aspirational Outcome

Paraburadoo Carpark Upgrade.

Shade Structures and Ground Work Paraburadoo Car Park	Infrastructure Services	 Completed.					
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The Shire currently has a 'Buy Local' policy, which is used in all procurement processes.

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

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

Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
Tom Price: Stage 2 Boonderoo Rd Industrial Subdivision – 10 lots of serviced industrial land at Southern end of Boonderoo Rd	Strategic & Economic Development	 Investigation into demand for land, development costs and appropriate design being undertaken however lack of general demand means this is not a high priority at this point.					
Further residential land development Tom Price and industrial land development Onslow and Tom Price – active pursuit	Strategic & Economic Development	 Ongoing research activities into land that may be appropriate for future development including liaising with relevant state agencies.					

#### Objective/Aspirational Outcome

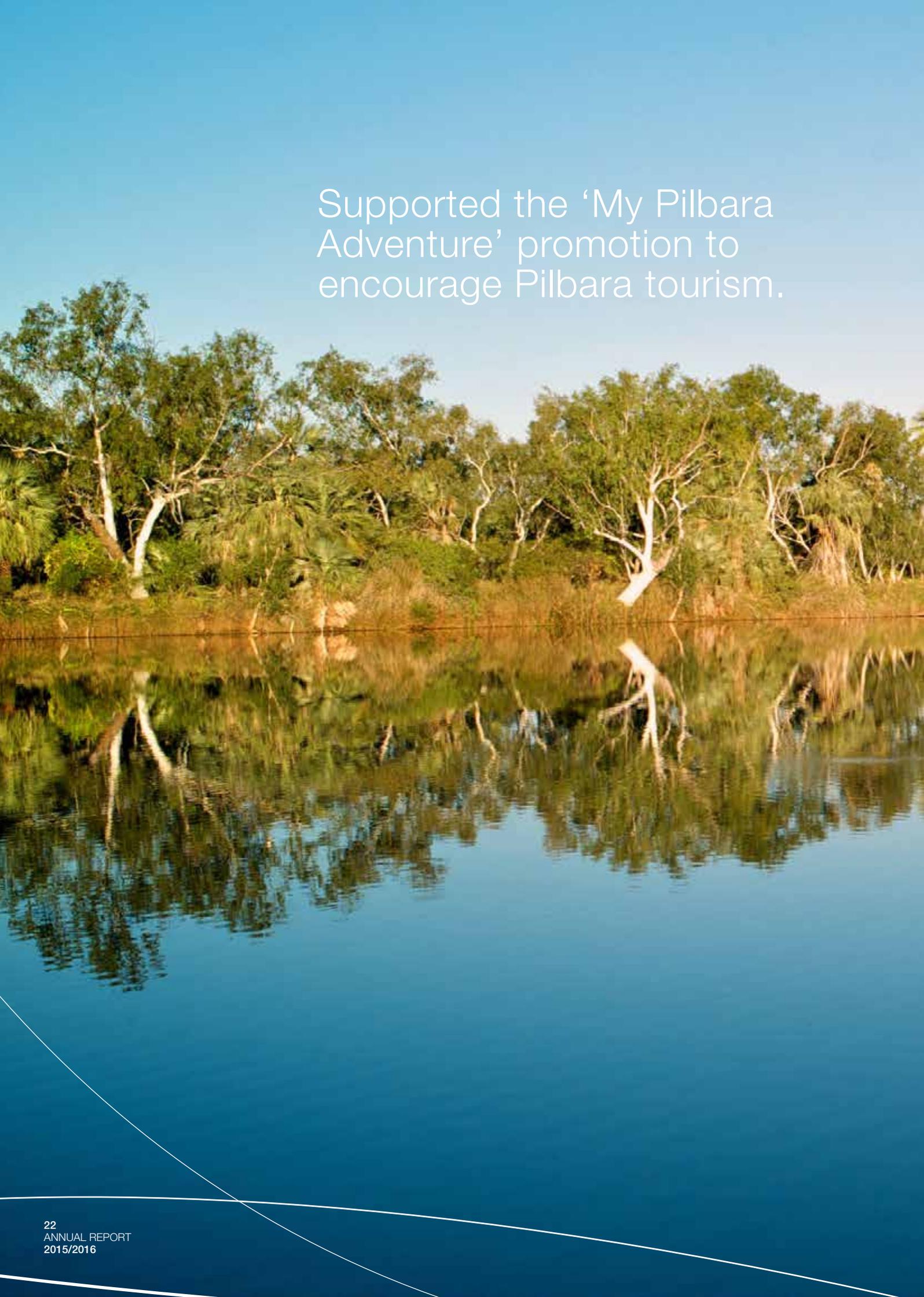
Accommodation/housing (visitor, service worker, and residential expansion).

Affordable housing (active pursuit)	Strategic & Economic Development	 Working with Department of Housing and PDC to identify affordable housing and service worker accommodation strategies.					
	Strategic & Economic Development	 Completed (but ongoing).  <i>Stage 1 complete. Stage 2 subject to grant funding or budget allocation.</i>					

#### Objective/Aspirational Outcome

Tourism development.

Caravan park Onslow (improve) and Tom Price	Governance & Executive Service	 Completed (but ongoing).  Onslow's Ocean View Caravan Park upgrade details above.					
	Strategic & Economic Development	Tom Price Caravan Park lease to be reviewed when it expires in 2032.					
Tom Price Visitor Centre	Governance & Executive Service	 Completed. "Mini-makeover" completed and Officially opening in July 2016.					
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 is budgeted for review in 2016/17 (to be undertaken following the completion of the PDC funded <i>Visitor and Business Stimulation Project</i> being undertaken by the PRC – completion date yet unknown). New "i" signs (etc) being installed for 2016/17. Trialled caravan park signage in Tom Price over 2016 tourist season (via Variable Message Boards).					



Supported the 'My Pilbara Adventure' promotion to encourage Pilbara tourism.

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

Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
Facilitate partnerships with tourism industry and business professionals (more targeted approach)	Governance & Executive Service	 Supported the last PDC's "My Pilbara Adventure" promotion to encourage Pilbara tourism and tourism business engagement. Facilitated tourism and business links as a \$30,000 sponsor of the 'Karijini Experience' and re-established the Shire's Business and Community Directory, which will be reviewed for 2017 publication. Assisting with funding for Mt Augustus Road study via Shire of Upper Gascoyne. Dedicated training/"famils" funding provided in 2016/17 budget for Tourist Information Centre staff.					
Heritage Tourism (enhance)	Governance & Executive Service	 Old Onslow Project (\$1m Chevron funded) being progressed via PRC (as project managers). Should be completed in 2016/17. Wi-Fi enabled PRC rest stop has been installed at Old Onslow.					
Harness local and regional resources and opportunities to stimulate tourism activity	Governance & Executive Service	 Tom Price Visitors Centre upgraded and local tourism operators invited to the "Mini-makeover Opening". Wi-Fi installed at Karijini Visitors Centre (via PRC funding) recently. Ongoing funding for "Karijini Experience" (\$30,000 in 2016/17) – a PICCI project) Sealing of Banjima Road (into Karijini) completed.					
Facilitate partnerships with tourism industry and business professionals	Governance & Executive Service	 Coordinating Ashburton Tourism opportunities in alignment with PDC Tourism Strategy. Engaged with local businesses to review Business Directory (due again in 2017). Supporting the Karijini Experience (\$30,000 in 2015/16), which is a key initiative of the Pilbara Inland Chamber of Commerce. In an effort to boost local tourism and business, grant applications have been made to Tourism WA and PDC towards upgrading Tourism Information Bays throughout Ashburton. Progressing <i>RV Friendly</i> Status (subject to budget and business cooperation).					

### 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 recently reviewed its 'Buy Local' policy, which is used in all procurement processes. The Shire also encourages residents to 'buy local' via the Business Community Directory which has been promoted in Shire communications such as <i>Inside Ashburton</i> . Review of Purchasing Policy also undertaken, which enhances local business opportunity with a link to an internet based Quotation system. New PDC initiative titled <i>Retail/ Franchise Attraction Strategy</i> being progressed in 2016.					
Relationship building (improved understanding of business issues and needs)	Governance & Executive Service	 Development of Business Directory in consultation with CCI's. Preparation of "How to Tender" Presentation. Meetings/ Presentations with local businesses planned for November/ December 2016 in Tom Price and Onslow.					

-  Completed
-  Progressing
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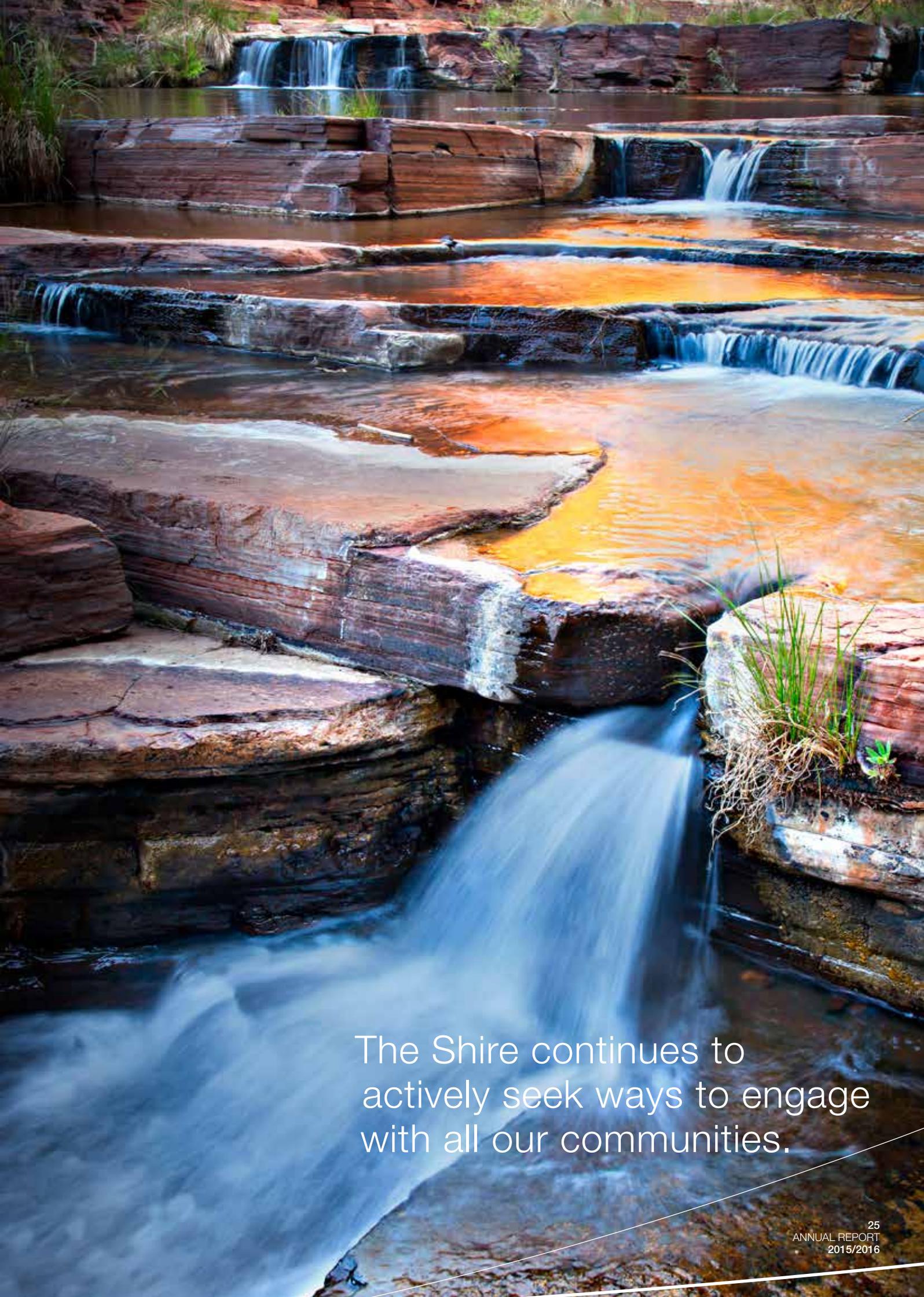
Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
Business showcase (minimum of 2 forums/expos per year in Tom Price and Onslow and 1 per year in Paraburdoo)	Strategic & Economic Development	 Industry Forums in Onslow have been taken over by the Onslow Chamber of Commerce & Industry.  The Shire will continue to work with Pilbara Inland Chamber of Commerce to develop strategy for Tom Price/Paraburdoo Industry Forums.  With other Pilbara local governments, coordinating a Retail Business Initiative program for late 2016.					
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 the Shire's procurement processes etc; working with Department of Housing & PRC to facilitate service workers accommodation.					
Facilitate access to land (enhance support to navigate requirements)	Strategic & Economic Development	 Officers provide support and information in response to public enquiries for land; ongoing investigations into potential land and release of Lot 16 in Onslow. 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.

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



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

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

Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
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 and Long Term Financial Planning & Asset Management. This has been scheduled to take place on Council Meeting dates. Community Strategic Plan being reviewed 2016/17 with Councillor Forums Scheduled for November and December 2016.					
Integrated Strategic Projects Reporting	Corporate Services	  Completed (but ongoing). Internal reports (i.e. this one) have been developed to see updates provided to Council on a six monthly basis via EMACCESS.					

### Objective/Aspirational Outcome

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

Economic Development Strategy	Strategic & Economic Development	 All PRC projects progressing. Involvement with PDC as a Board Member secured and a noticeable shift of focus to the inland areas of the Pilbara achieved.					
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 in alignment with PDC's Pilbara Tourism Strategy. Maintaining close contact with DPAW. Grant applications have been submitted to PDC and Tourism WA to improve Shire/regional signage (at seven key Ashburton locations) using Shire tourism signage branding as a starting point – unfortunately thus far, these have been unsuccessful. Implemented Wi-Fi in Tom Price and Paraburdoo through a PDC Grant (and also at Karijini through a PRC grant). Wi-Fi to be installed in Onslow in 2016/17 through Shire budget.					

### COMMUNITY GOAL 5 Governance

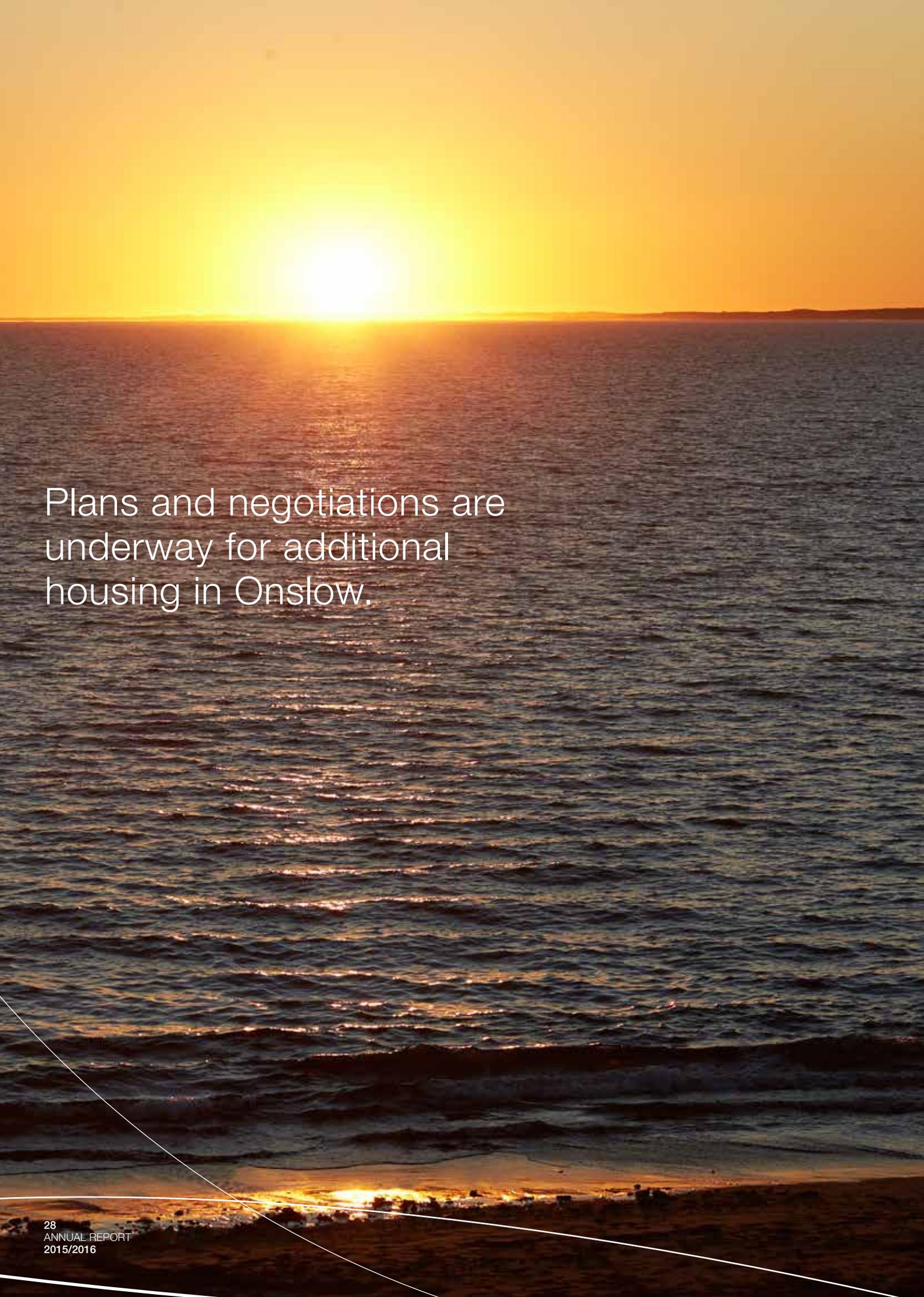
#### Objective/Aspirational Outcome

Governance.

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



A Customer Service  
Charter has been  
implemented.

A full-page photograph of a sunset over a large body of water. The sun is a bright, glowing orb on the horizon, casting a shimmering path of light across the water's surface. The sky is a gradient of warm colors from yellow to orange. In the foreground, a sandy beach is visible with some low-lying vegetation and a few small structures or lights near the water's edge. The overall mood is serene and peaceful.

Plans and negotiations are  
underway for additional  
housing in Onslow.

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

Strategic Initiative	Team & Status	Actions & Projects	2013/14	2014/15	2015/16	2016/17	Ongoing
Councillor support	Governance & Executive Service	 Internal practices and culture promoted and maintained to ensure positive working relationships secured.					
Policies and procedures	Corporate Services	  Completed (but ongoing). An automated electronic register continues to be managed so that Officers can review and present to Council all Council Policies on the required two year timetable. The formal process is in place and will be monitored to ensure internal compliance. Policies endorsed at November Meeting of Council.					

#### Objective/Aspirational Outcome

Stakeholder relationships (government and business) and advocacy.

Partnership development – resources sector	Governance & Executive Service	 Engagement with key resource stakeholders occurs on an ongoing and as required basis.					
Facilitate partnerships with tourism industry and business professionals	Governance & Executive Service	 Coordinating Ashburton Tourism opportunities with PDC Tourism Strategy. Also engaging with PDC and its tourism projects. Engage with CCI and individual businesses where relevant.					
Advocacy for strategic capital projects and to address barriers to land release	Governance & Executive Service	 Liaising with Department of Housing to coordinate housing development in Onslow. Tom Price (“Golf Course”) precinct land being partially de-constrained in 2016/17. Ongoing progressive de-constraining works at Boonderoo Industrial Subdivision.					

#### Objective/Aspirational Outcome

Customer service.

Customer service – reception, phone, bookings, enquiries etc	Corporate Services	 Ongoing review of ways to improve front line service delivery at Shire customer services centers continues.					
Customer action requests	Infrastructure Services	  Completed (but ongoing). Use of ASSETIC (Asset Management Software) for management of Customer Action Requests and operational management provided by Infrastructure Services has seen improvement to the service.					
Customer service charter (for investigation)	Corporate Services	 Completed.					

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

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

#### Objective/Aspirational Outcome

Staff housing.

Staff housing (additional accommodation provided)	Governance & Executive Service/ Strategic & Economic Development	 	Two home units purchased in Onslow and three new houses under construction in Barrarda Estate in Onslow. Have also leased additional housing from Rio Tinto in Tom Price and are negotiating the potential of purchasing same. The Shire owns properties for about half of its forecasted staff housing requirements, with the remainder being leased privately.				
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#### Objective/Aspirational Outcome

Policies and procedures and records management.

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



We went from  
strength to strength  
in 2015-2016.

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# Highlights

## JULY 2015

### 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.



NAIDOC WEEK

### Working together in Onslow

Onslow celebrated the new Working Together Onslow partnership between the Shire of Ashburton and the Chevron-operated Wheatstone Project. The two-year partnership will support local activities such as the Passion of the Pilbara festival, Welcome to Onslow events, community concerts, Anzac Day celebrations, Onslow Keepers (over 55s) and school holiday programs.



ONSLOW KEEPERS

### Tom Price and Paraburdoo get connected to free WiFi

Tom Price and Paraburdoo residents and tourists now have access to free WiFi from the hub of their communities. In Tom Price, the free WiFi is available in the Shire Library and Visitor Centre building. In Paraburdoo, the Library and Shire office in the town centre has been set up as the access point.

The free WiFi is part of a Pilbara-wide project by the Pilbara Regional Council (PRC) which has made free WiFi 'hot-spots' available to both locals and tourists.



NAMELESS FESTIVAL

## AUGUST 2015

### Nameless Jarndunmunha Festival

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

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



COMMUNITY ENGAGEMENT

### Sculptures bring wildlife experience to Tom Price

The Tom Price mall came alive with a series of life sized bronze sculptures, showcasing a variety of native animals. A male kangaroo stands tall while a mother and joey are happily resting nearby. Two goannas bask in the sun and an emu flock fossicks in the garden.

The animal sculptures have proven very popular and were funded through the Royalties for Regions Town Centre grant.



KANGAROO FEEDING BRONZE SCULPTURE

### Construction set to begin for new Onslow Shire Complex

The beginning of the construction process for the new Onslow Shire Complex was celebrated on 25 August, marking a significant milestone in rebuilding the town's facilities since the Shire office, hall and Library were lost in a fire in 2013.

The new Onslow Shire Complex will include a Town Hall, Public Library, Council Chamber, meeting rooms, office space, function kitchen and a Wheatstone Information Centre.

The budget for the project is \$9.5m including a contribution of \$2m from the Chevron-operated Wheatstone Project and the remainder from the Shire of Ashburton.



THE NEW ONSLOW AIRPORT

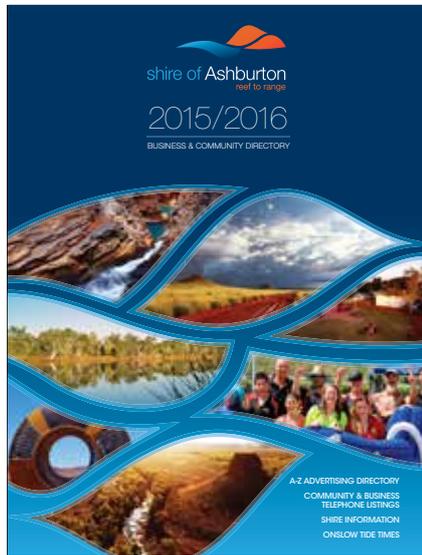
**Onslow Airport officially opens**

The redeveloped Onslow Airport was officially opened in a joint ceremony by the Premier Colin Barnett, Shire President Kerry White and Chevron Australia Managing Director Roy Krzywosinski.

An afternoon tea at the airport was attended by 110 guests, including members of the Onslow community, business and government representatives.

**Coastal Hazard Risk Management and Adaptation Plan**

The Shire of Ashburton engaged Cardno to prepare a Coastal Hazard Risk Management and Adaptation Plan (CHRMAP) for the Onslow Coast. The CHRMAP is to provide a framework for including coastal hazard considerations in decision-making processes. A series of community workshops will be held over the coming year to present findings as well as seek community input.



SHIRE DIRECTORY

**SEPTEMBER 2015**

**Shire Directory**

The new Shire of Ashburton Directory was distributed to all residents and businesses and provides locals and tourists with information regarding facilities, services and community groups, as well as plenty of ideas for day trips and weekends to explore further afield.



ONSLOW VISITOR CENTRE & MUSEUM SIGNAGE



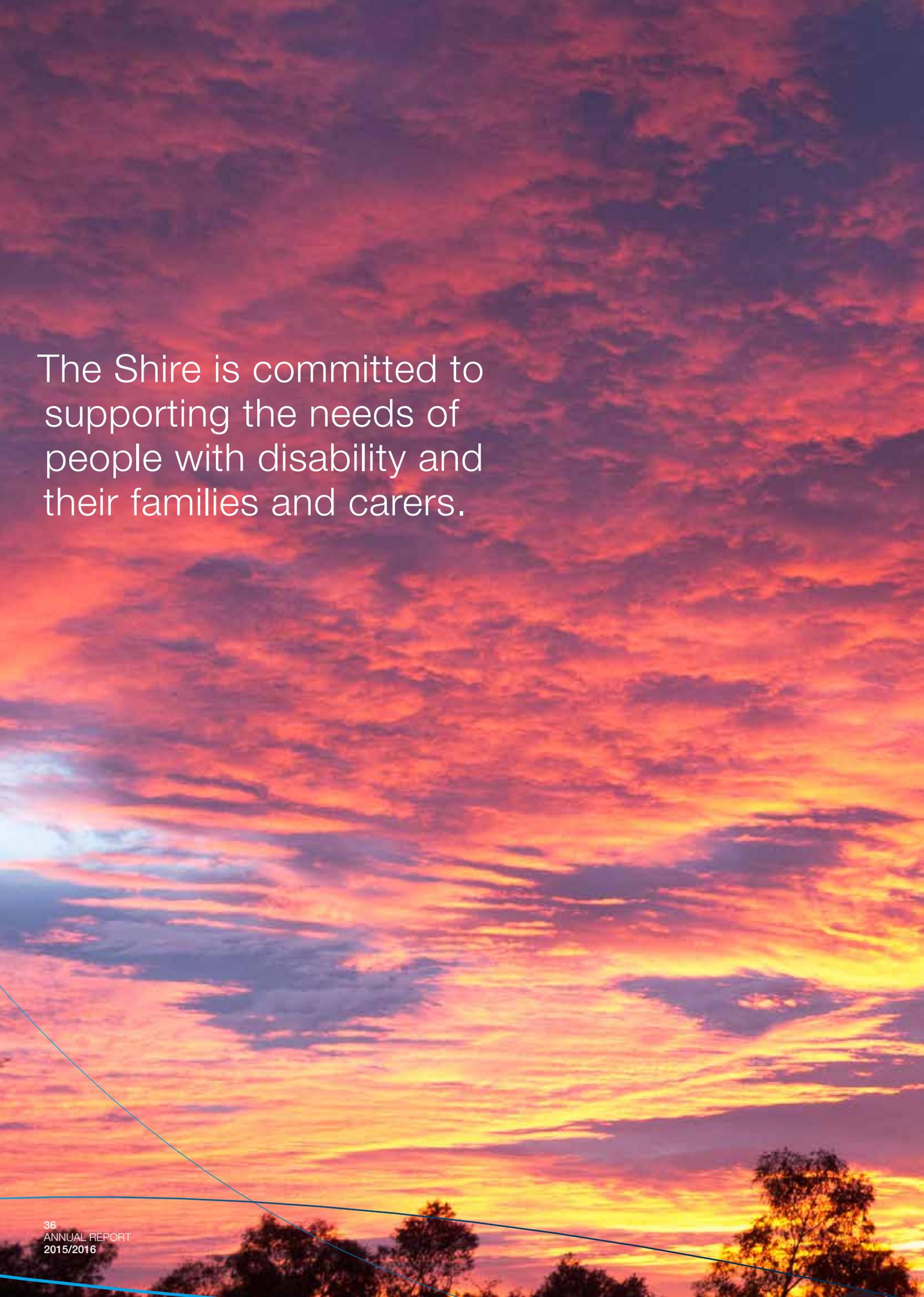
TOM PRICE VISITOR CENTRE SIGNAGE

**Visitor Centres become more visible**

Attractive new signs were installed at the Tom Price and Onslow Visitor Centres, as part of the Shire's tourism brand, which make the centres more recognisable and easy to find.

The Tom Price signage reflects the rich red colours of Karijini, while Onslow has a coastal theme.





The Shire is committed to supporting the needs of people with disability and their families and carers.



TURNING OF THE SOD PARABURDOO CHILDCARE CENTRE

## OCTOBER 2015

### Local Government elections

Local Government elections were held on 17 October with two new councillors elected for the Ashburton and Pannawonica wards, and three existing councillors re-elected for Tableland, Paraburadoo and Tom Price.

The Shire of Ashburton Council re-elected Cr Kerry White as Shire President unopposed, and Cr Linton Rumble as Deputy, at the October Council Meeting.

## NOVEMBER 2015

### Construction begins on new Childcare Centre

The official turning of the sod ceremony for the new Paraburadoo Childcare Centre was held on 19 November. Officiated by Shire President Kerry White, Rio Tinto General Manager Greater Paraburadoo Operations Gabrielle Iwanow and Vincent Catania MLA, the turning of the sod marked an exciting milestone in this major project. The centre is expected to be opened towards the end of 2016.

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

### Shire revises Procurement Policy

The Shire implemented revisions to the procurement policy and procedures to provide an even higher level of accountability, transparency and efficiency for suppliers and Shire officers. Amendments to the purchasing thresholds and the requirements concerning those thresholds are key changes to the new policy.

In line with the new procurement policy, the Shire now issues formal Request for Quotations and Request for Tenders via the eProcurement Portal, Tenderlink.



TOM PRICE VISITOR CENTRE NEW WEBSITE

### New website for Tom Price Visitor Centre

As part of the Shire's tourism strategy a new website was launched for the Tom Price Visitor Centre, showcasing the beauty of the Pilbara and magnificence of Karijini and Millstream Chichester National Parks. Also including information for tourists wanting to explore the Mackerel Islands, or further afield in to the Kimberley, the new website is a valuable resource for local, national and international tourists.

## DECEMBER 2015

### Paraburdoo skatepark proves popular

With construction officially complete, the fences were removed and local kids flocked to the new skatepark. A playground and BBQ facilities complement the park and has become a popular destination for local families. An official opening and community celebration is planned for early next year, however in the meantime the kids are enjoying their new state-of-the-art skatepark.

A playground and BBQ facilities complement the park and has become a popular destination for local families.



PARABURDOO SKATEPARK



PARABURDOO'S NEW BIKE RACKS

## FEBRUARY 2016

### Heritage listed Old Onslow receives a face-lift

Conservation works at the heritage listed Old Onslow townsite is transforming the abandoned coastal settlement, preserving an important part of the region's history and generating new opportunities for local tourism. The \$1 million conservation project is funded by the Chevron-operated Wheatstone Project as part of its \$250 million social and critical infrastructure package for Onslow. Conservation works are being managed by the Pilbara Regional Council (PRC) in conjunction with Chevron, the Shire of Ashburton and Department of State Development.

## JANUARY 2016

### Aussie Pride throughout the Pilbara

Thanks to the Shire's partnerships with Rio Tinto and the Chevron-operated Wheatstone project, free community events were held in each town to celebrate Australia Day. The lineup of traditional games and fun activities kept everyone entertained and as is tradition, the winners of the 2016 Premier's Active Citizenship Awards were announced during a special ceremony.



AUSTRALIA DAY CELEBRATIONS

## MARCH 2016

### Paraburdoo youth build new bike racks

Rio Tinto, the Paraburdoo Youth Centre, the Paraburdoo Men's Shed and the Shire of Ashburton invited local youth to help build five new bike racks for their town. A group of kids eagerly put their hands up for the job and contributed to all elements of the project, from concept design through to construction. The new bike racks have been installed in key locations around the Town Centre - the indoor cricket nets, swimming pool, skate park, shopping centre and high school bus stop, and have become a well-used facility as kids continue to enjoy being out on their bikes.

### Onslow Aquatic Centre tender awarded

The Shire of Ashburton, in partnership with the Chevron-operated Wheatstone Project and the Department of State Development, awarded the tender to design and construct the Onslow Aquatic Centre to Western Australian company Pindan Contracting. The successful tender was endorsed at the March Ordinary Meeting of Council, enabling the project to move into the construction phase.

Local youth were engaged to design and build new bike racks for their town.

# The Tom Price Visitor Centre underwent a makeover which included new branding and signage



## Visitor Centre receives a makeover

As a gateway to the Pilbara, the Tom Price Visitor Centre is a key contact point for visitors to the region who seek information on Karijini and Millstream-Chichester National Parks, the wider Pilbara area, plus local knowledge on Tom Price, Paraburdoo and our other Shire towns.

To enhance our Tourism service the Centre underwent a makeover which included new branding and external signage, as well as updated maps, brochures, historical memorabilia and an internal refurbishment. Improvements will continue over the coming year as a new range of merchandise from local suppliers is introduced.



PARABURDOO SKATEPARK OFFICIAL OPENING NIGHT

## APRIL 2016

### Paraburdoo celebrates new facilities

Paraburdoo celebrated the official opening of the new skatepark, as well as the revitalised Town Centre on 2 April.

The facility improvements and community celebrations were made possible through partnerships with the Shire of Ashburton, Rio Tinto, Lotterywest and the Country Local Government Fund, along with support from Tom Price Youth Support Association, Para Men's Shed and Paraburdoo Volunteer Fire and Rescue Services.

In addition to the new state-of-the-art skate park facility, the community also celebrated the recent town revitalisation, which included upgrades to the main car park, picnic gazebos, new shade structures, landscaping and improvements to the public toilet facilities.

### Karijini Experience showcases the Pilbara

The Shire of Ashburton once again sponsored the Karijini Experience, providing local residents and visiting tourists with the opportunity to enjoy the unique highlights of our beautiful region. With excitement building for months in advance, attendance figures that surpassed all expectations and extensive media coverage right across Australia, it truly was a wonderful way to showcase the Inland Pilbara.



KARIJINI EXPERIENCE



TOM PRICE MEMORIAL GARDEN

#### **New memorial garden in Tom Price**

Councillors unveiled the new memorial garden in Tom Price which has been established as a place to remember former residents who were long standing members of the community.

The Tom Price memorial garden is located in Doug Talbot Park, within the large centre garden bed.

#### **MAY 2016**

##### **Community funding assists local groups**

The second round of funding in the current financial year for the Shire of Ashburton's Community Support Grant closed on 31 March, with 31 applications received and just over \$41,000 provided to local clubs and groups. Funding will assist a broad range of clubs and groups within the Shire with financial support offered to a variety of projects including new equipment, fencing, training, community and sporting events, signage, facility hire and educational programs.

#### **JUNE 2016**

##### **Shire wins Bikeley Award**

The Shire of Ashburton was awarded the 2016 Bike Week Regional Bikeley Award, celebrating the regional event program that best encourages cycling for transport and attracts new riders to the cycling community. The program of Bike Week activities were hosted in partnership with Rio Tinto and provided an exciting line-up of pedal power events for people of all ages, abilities and backgrounds.

##### **Funding for the Paraburdoo Community Hub**

The Department of Regional Development advised that Cabinet had approved the Shire's application for \$5m of Royalties for Regions funding to assist in the construction of the new Paraburdoo Community Hub. The redevelopment will be a boost to Paraburdoo, replacing ageing infrastructure with vibrant facilities to better suit the needs of the town.

The Shire of Ashburton  
was awarded the 2016  
Bike Week Regional  
Bikeley Award.



# Statutory Reports

## 1. FREEDOM OF INFORMATION

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

During 2015/16, one FOI application was received by the Shire. The one application was successfully processed during the reporting period.

## 2. RECORD KEEPING PLAN AND SYSTEMS

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

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

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

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

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

## 3. STRATEGIC PLANNING

The Local Government (Administration) Regulations 1996 was amended in 2011 to require each local government to adopt an Integrated Strategic Plan by July 2013.

During the 2012/13 Financial Year, the Shire staff undertook detailed planning for the Integrated Strategic Plan.

In line with new legislation, our plan includes:

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

These plans are supported by:

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

## 2015/16 Progress Update

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

## 4. ANNUAL SALARIES

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

For the period under review, the Shire had 20 employees whose salary exceeded \$100,000.

Of these employees,

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

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

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

1 employee had a salary of between \$130,000 and \$140,000

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

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

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

1 employee had a salary of between \$180,000 and \$190,000

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

## 5. DISABILITY ACCESS AND INCLUSION PLAN

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**6. NATIONAL COMPETITION POLICY**

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

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

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

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

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

**7. REGISTER OF COMPLAINTS**

No complaints were received by the Shire during the reporting period.



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# Financials

**SHIRE OF ASHBURTON**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

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

**SHIRE OF ASHBURTON  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**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 other information for the financial year ended 30 June 2016 are in my opinion properly drawn up to present fairly the financial position of the Shire of Ashburton at 30th June 2016 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 30th day of November 2016



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Neil Hartley  
Chief Executive Officer

**SHIRE OF ASHBURTON**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

	NOTE	2016 \$	2016 Budget \$	2015 \$
<b>Revenue</b>				
Rates	22	23,976,191	23,673,391	24,432,503
Operating grants, subsidies and contributions	29	6,496,383	6,065,373	10,159,670
Fees and charges	28	15,553,512	17,170,708	14,337,181
Interest earnings	2(a)	702,494	657,347	1,056,050
Other revenue	2(a)	737,162	467,625	478,081
		<u>47,465,742</u>	<u>48,034,444</u>	<u>50,463,485</u>
<b>Expenses</b>				
Employee costs		(15,653,564)	(16,854,997)	(13,825,631)
Materials and contracts		(20,262,640)	(20,221,455)	(15,079,945)
Utility charges		(866,520)	(1,329,737)	(863,963)
Depreciation on non-current assets	2(a)	(13,313,209)	(9,192,173)	(9,848,414)
Interest expenses	2(a)	(245,026)	(250,475)	(192,457)
Insurance expenses		(1,258,783)	(1,257,532)	(1,293,405)
Other expenditure		(814,516)	(504,970)	(621,608)
		<u>(52,414,258)</u>	<u>(49,611,339)</u>	<u>(41,725,423)</u>
		(4,948,516)	(1,576,895)	8,738,062
Non-operating grants, subsidies and contributions	29	20,526,836	27,907,221	14,663,290
Profit on asset disposals	20	1,009	26,404	36,130
(Loss) on asset disposals	20	(1,022,471)	(85,524)	(3,685,912)
(Loss) on revaluation of non-current assets	7(b)	0	0	(1,127,881)
<b>Net result</b>		<u><b>14,556,858</b></u>	<u><b>26,271,206</b></u>	<u><b>18,623,689</b></u>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	12	(5,571,152)	0	410,193,700
<b>Total other comprehensive income</b>		<u><b>(5,571,152)</b></u>	<u><b>0</b></u>	<u><b>410,193,700</b></u>
<b>Total comprehensive income</b>		<u><u><b>8,985,706</b></u></u>	<u><u><b>26,271,206</b></u></u>	<u><u><b>428,817,389</b></u></u>

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

**SHIRE OF ASHBURTON**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

	NOTE	2016 \$	2016 Budget \$	2015 \$
<b>Revenue</b>				
	2(a)			
Governance		1,207,183	1,012,038	789,542
General purpose funding		26,999,915	26,754,130	32,658,940
Law, order, public safety		118,855	123,490	128,900
Health		328,473	231,167	266,262
Education and welfare		145,577	242,430	183,130
Housing		424,767	421,842	323,341
Community amenities		4,504,143	4,413,467	4,296,025
Recreation and culture		1,268,620	1,152,502	1,315,568
Transport		10,064,397	11,005,529	6,676,260
Economic services		2,094,807	2,405,177	3,346,910
Other property and services		309,005	272,672	478,607
		<u>47,465,742</u>	<u>48,034,444</u>	<u>50,463,485</u>
<b>Expenses</b>				
	2(a)			
Governance		(6,044,929)	(7,203,414)	(5,249,804)
General purpose funding		(104,633)	(37,985)	(163,499)
Law, order, public safety		(873,292)	(981,619)	(855,318)
Health		(643,956)	(959,924)	(652,100)
Education and welfare		(342,942)	(603,293)	(365,777)
Housing		(707,262)	(913,976)	(879,278)
Community amenities		(13,002,260)	(9,406,260)	(6,040,767)
Recreation and culture		(8,632,440)	(9,591,897)	(7,859,368)
Transport		(15,681,029)	(12,373,846)	(10,916,253)
Economic services		(3,652,653)	(4,786,930)	(6,019,286)
Other property and services		(2,483,836)	(2,501,720)	(2,531,516)
		<u>(52,169,232)</u>	<u>(49,360,864)</u>	<u>(41,532,966)</u>
<b>Finance costs</b>				
	2(a)			
Housing		(120,990)	(124,604)	(140,728)
Community amenities		(95,294)	(96,437)	(15,898)
Recreation and culture		(9,006)	(9,337)	(11,212)
Transport		(19,736)	(20,097)	(24,619)
		<u>(245,026)</u>	<u>(250,475)</u>	<u>(192,457)</u>
		<u>(4,948,516)</u>	<u>(1,576,895)</u>	<u>8,738,062</u>
Non-operating grants, subsidies and contributions	29	20,526,836	27,907,221	14,663,290
Profit on disposal of assets	20	1,009	26,404	36,130
(Loss) on disposal of assets	20	(1,022,471)	(85,524)	(3,685,912)
(Loss) on revaluation of non-current assets	7(b)	0	0	(1,127,881)
<b>Net result</b>		<b>14,556,858</b>	<b>26,271,206</b>	<b>18,623,689</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	12	(5,571,152)	0	410,193,700
<b>Total other comprehensive income</b>		<b>(5,571,152)</b>	<b>0</b>	<b>410,193,700</b>
<b>Total comprehensive income</b>		<b>8,985,706</b>	<b>26,271,206</b>	<b>428,817,389</b>

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

**SHIRE OF ASHBURTON  
STATEMENT OF FINANCIAL POSITION  
AS AT 30TH JUNE 2016**

	NOTE	2016 \$	2015 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	36,977,388	45,357,245
Trade and other receivables	4	5,799,022	4,557,206
Inventories	5	170,857	100,779
<b>TOTAL CURRENT ASSETS</b>		<u>42,947,267</u>	<u>50,015,230</u>
<b>NON-CURRENT ASSETS</b>			
Inventories	5	588,700	515,333
Property, plant and equipment	6	102,521,932	89,790,419
Infrastructure	7	557,117,245	555,239,572
<b>TOTAL NON-CURRENT ASSETS</b>		<u>660,227,877</u>	<u>645,545,324</u>
<b>TOTAL ASSETS</b>		<u>703,175,144</u>	<u>695,560,554</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	6,286,360	6,651,075
Current portion of long term borrowings	9	708,807	1,258,461
Provisions	10	1,269,649	1,098,506
<b>TOTAL CURRENT LIABILITIES</b>		<u>8,264,816</u>	<u>9,008,042</u>
<b>NON-CURRENT LIABILITIES</b>			
Long term borrowings	9	4,515,268	5,224,075
Provisions	10	254,998	174,081
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>4,770,266</u>	<u>5,398,156</u>
<b>TOTAL LIABILITIES</b>		<u>13,035,082</u>	<u>14,406,198</u>
<b>NET ASSETS</b>		<u>690,140,062</u>	<u>681,154,356</u>
<b>EQUITY</b>			
Retained surplus		210,716,106	188,957,651
Reserves - cash backed	11	28,279,955	35,481,552
Revaluation surplus	12	451,144,001	456,715,153
<b>TOTAL EQUITY</b>		<u>690,140,062</u>	<u>681,154,356</u>

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

**SHIRE OF ASHBURTON  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30TH JUNE 2016**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2014</b>		<b>181,967,118</b>	<b>23,848,396</b>	<b>46,521,453</b>	<b>252,336,967</b>
Comprehensive income					
Net result		18,623,689	0	0	18,623,689
Changes on revaluation of assets		0	0	410,193,700	410,193,700
Total comprehensive income	12	<u>18,623,689</u>	<u>0</u>	<u>410,193,700</u>	<u>428,817,389</u>
Transfers from/(to) reserves		(11,633,156)	11,633,156	0	0
<b>Balance as at 30 June 2015</b>		<b>188,957,651</b>	<b>35,481,552</b>	<b>456,715,153</b>	<b>681,154,356</b>
Comprehensive income					
Net result		14,556,858	0	0	14,556,858
Changes on revaluation of assets		0	0	(5,571,152)	(5,571,152)
Total comprehensive income	12	<u>14,556,858</u>	<u>0</u>	<u>(5,571,152)</u>	<u>8,985,706</u>
Transfers from/(to) reserves		7,201,597	(7,201,597)	0	0
<b>Balance as at 30 June 2016</b>		<b>210,716,106</b>	<b>28,279,955</b>	<b>451,144,001</b>	<b>690,140,062</b>

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 2016**

	NOTE	2016 Actual \$	2016 Budget \$	2015 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		24,029,629	23,685,396	23,932,947
Operating grants, subsidies and contributions		7,041,798	7,020,598	9,638,651
Fees and charges		15,194,674	17,798,708	14,689,009
Interest earnings		699,702	657,347	1,056,050
Goods and services tax		5,497,758	315,000	3,248,554
Other revenue		685,927	467,625	532,921
		<u>53,149,488</u>	<u>49,944,674</u>	<u>53,098,132</u>
<b>Payments</b>				
Employee costs		(15,748,331)	(16,886,497)	(13,387,414)
Materials and contracts		(20,015,472)	(20,314,310)	(13,088,541)
Utility charges		(866,520)	(1,370,942)	(863,963)
Interest expenses		(250,474)	(250,675)	(1,293,405)
Insurance expenses		(1,258,783)	(1,257,532)	(190,087)
Goods and services tax		(5,199,364)	(275,000)	(3,859,146)
Other expenditure		(814,516)	(504,970)	(621,608)
		<u>(44,153,460)</u>	<u>(40,859,926)</u>	<u>(33,304,164)</u>
<b>Net cash provided by (used in) operating activities</b>	13(b)	8,996,028	9,084,748	19,793,968
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for development of Land held for resale		(73,367)	(390,000)	(109,677)
Payments for purchase of property, plant & equipment		(21,097,378)	(32,501,235)	(5,145,700)
Payments for construction of infrastructure		(14,106,315)	(31,039,245)	(20,813,851)
Non-operating grants, subsidies and contributions		18,803,194	27,907,221	15,092,501
Proceeds from sale of fixed assets		356,442	836,000	603,733
<b>Net cash provided by (used in) investment activities</b>		<u>(16,117,424)</u>	<u>(35,187,259)</u>	<u>(10,372,994)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of debentures		(1,258,461)	(1,296,603)	(1,540,356)
Proceeds from new debentures		0	4,800,000	3,200,000
<b>Net cash provided by (used in) financing activities</b>		<u>(1,258,461)</u>	<u>3,503,397</u>	<u>1,659,644</u>
<b>Net increase (decrease) in cash held</b>		(8,379,857)	(22,599,114)	11,080,618
Cash at beginning of year		45,357,245	45,392,913	34,276,627
<b>Cash and cash equivalents at the end of the year</b>	13(a)	<u><u>36,977,388</u></u>	<u><u>22,793,799</u></u>	<u><u>45,357,245</u></u>

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

**SHIRE OF ASHBURTON  
RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2016**

	NOTE	2016 Actual \$	2016 Budget \$	2015 Actual \$
<b>Net current assets at July 1 b/fwd - surplus/(deficit)</b>		<u>7,882,603</u>	<u>8,365,348</u>	<u>9,743,122</u>
		7,882,603	8,365,348	9,743,122
<b>Revenue from operating activities (excluding rates)</b>				
Governance		1,207,183	1,012,038	789,542
General purpose funding		2,998,895	3,083,339	8,226,437
Law, order, public safety		118,855	123,490	128,900
Health		328,473	231,167	266,262
Education and welfare		145,577	242,430	183,130
Housing		424,767	421,842	323,341
Community amenities		4,504,143	4,413,467	4,296,722
Recreation and culture		1,268,620	1,152,502	1,315,568
Transport		10,065,406	11,031,933	6,711,693
Economic services		2,094,807	2,405,177	3,346,910
Other property and services		309,005	272,672	478,607
		<u>23,465,731</u>	<u>24,390,057</u>	<u>26,067,112</u>
<b>Expenditure from operating activities</b>				
Governance		(6,046,203)	(7,203,414)	(5,272,003)
General purpose funding		(104,633)	(37,985)	(1,291,380)
Law, order, public safety		(898,015)	(981,619)	(2,074,425)
Health		(643,956)	(959,924)	(652,100)
Education and welfare		(342,942)	(653,293)	(365,777)
Housing		(932,093)	(1,038,580)	(1,020,006)
Community amenities		(13,156,993)	(9,502,697)	(6,197,036)
Recreation and culture		(8,736,832)	(9,601,234)	(8,401,229)
Transport		(16,438,573)	(12,429,467)	(11,091,455)
Economic services		(3,652,653)	(4,786,930)	(7,642,289)
Other property and services		(2,483,836)	(2,501,720)	(2,531,516)
		<u>(53,436,729)</u>	<u>(49,696,863)</u>	<u>(46,539,216)</u>
<b>Operating activities excluded from budget</b>				
Loss on revaluation of non-current assets		0	0	1,127,881
(Profit) on disposal of assets	20	(1,009)	(26,404)	(36,130)
Loss on disposal of assets	20	1,022,471	85,524	3,685,912
Movement in employee benefit provisions (non-current)		252,060	0	285,222
Asset adjustments		372,242	0	0
Depreciation and amortisation on assets	2(a)	<u>13,313,209</u>	<u>9,192,173</u>	<u>9,848,414</u>
<b>Amount attributable to operating activities</b>		<u>(7,129,422)</u>	<u>(7,690,165)</u>	<u>4,182,317</u>
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions		20,526,836	27,907,221	14,663,290
Proceeds from disposal of assets	20	316,442	836,000	647,233
Purchase of land held for resale		(73,367)	(390,000)	(109,677)
Purchase of property, plant and equipment	6(b)	(21,097,378)	(32,501,235)	(5,145,700)
Purchase and construction of infrastructure	7(b)	<u>(14,106,315)</u>	<u>(31,039,245)</u>	<u>(20,813,851)</u>
<b>Amount attributable to investing activities</b>		<u>(14,433,782)</u>	<u>(35,187,259)</u>	<u>(10,758,705)</u>
<b>FINANCING ACTIVITIES</b>				
Repayment of debentures	21(a)	(1,258,461)	(1,296,603)	(1,540,356)
Proceeds from new debentures	21(a)	0	4,800,000	3,200,000
Transfers to reserves (restricted assets)	11	(14,698,659)	(8,235,363)	(17,270,245)
Transfers from reserves (restricted assets)	11	<u>21,900,256</u>	<u>23,938,599</u>	<u>5,637,089</u>
<b>Amount attributable to financing activities</b>		<u>5,943,136</u>	<u>19,206,633</u>	<u>(9,973,512)</u>
<b>Surplus(deficiency) before general rates</b>		<u>(15,620,068)</u>	<u>(23,670,791)</u>	<u>(16,549,900)</u>
<b>Total amount raised from general rates</b>	22	<u>24,001,020</u>	<u>23,670,791</u>	<u>24,432,503</u>
<b>Net current assets at June 30 c/fwd - surplus/(deficit)</b>	23	<u><u>8,380,952</u></u>	<u><u>0</u></u>	<u><u>7,882,603</u></u>

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

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Preparation**

The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. Material accounting policies which have been adopted in the preparation of this financial report are presented below and have been consistently applied unless stated otherwise.

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

**Critical accounting estimates**

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

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

**The local government reporting entity**

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

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

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

**(b) Goods and Services Tax (GST)**

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

Receivables and payables are stated inclusive of GST receivable or payable.

The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

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

**(c) Cash and Cash Equivalents**

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

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

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(d) Trade and Other Receivables**

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

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

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

**(e) Inventories**

***General***

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

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

***Land held for sale***

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

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

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

**(f) Fixed Assets**

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

***Mandatory requirement to revalue non-current assets***

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

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

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

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

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

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SUMMARY OF 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, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB 1051 Land Under Roads and the fact Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

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

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

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

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(f) Fixed Assets (Continued)**

**Depreciation**

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

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

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

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

Buildings	30 to 50 years	2-3%
Furniture and Equipment	4 to 10 years	10-25%
Computer Equipment	3 years	33.33%
Office Equipment	5 years	20%
Plant and Equipment	5 to 15 years	6-20%
Motor Vehicles	10 years	10%
Infrastructure Other	40 years	2.50%
Water Supply Piping & Drainage Systems	75 years	1.30%
Sewerage Piping	100 years	1%
Footpaths	40 years	2.50%
Gravel roads		
Construction/Road Base	50 years	2%
Gravel Sheet	12 years	8.30%
Formed Roads (unsealed)		
Construction/Road Base	50 years	2%
Sealed Roads and Streets		
Construction/Road Base	50 years	2%
Major re-surfacing Bituminous Seals	20 years	5%
Asphalt Surfaces	12 years	8.30%

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

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

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

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

***Fair value hierarchy***

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

**Level 1**

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

**Level 2**

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

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

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

***Valuation techniques***

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

**Market approach**

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

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SUMMARY OF 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 are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

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

**(h) Financial Instruments**

***Initial recognition and measurement***

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

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

***Classification and subsequent measurement***

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

Amortised cost is calculated as:

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

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

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(h) Financial Instruments (Continued)**

***Classification and subsequent measurement (continued)***

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

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

*(ii) Loans and receivables*

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

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

*(iii) Held-to-maturity investments*

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

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

*(iv) Available-for-sale financial assets*

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

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

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

*(v) Financial liabilities*

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

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(h) Financial Instruments (Continued)**

***Impairment***

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

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

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

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

***Derecognition***

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

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

**(i) Impairment of Assets**

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

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

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

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

**(j) Trade and Other Payables**

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

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(k) Employee Benefits**

**Short-term employee benefits**

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

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

**Other long-term employee benefits**

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

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

**(l) Borrowing Costs**

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

**(m) Provisions**

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

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

**(n) Leases**

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

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

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

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

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

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(o) Investment in Associates**

An associate is an entity over which the Shire has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Shire's share of net assets of the associate. In addition, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss.

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

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

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

**(p) Interests in Joint Arrangements**

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

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

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

**(q) Rates, Grants, Donations and Other Contributions**

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

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

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

**(r) Superannuation**

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

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(s) Current and Non-Current Classification**

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

**(t) Rounding Off Figures**

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

**(u) Comparative Figures**

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

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

**(v) Budget Comparative Figures**

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

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**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 <sup>(1)</sup>	Impact
(i) AASB 9 Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)	December 2014	1 January 2018	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Shire, it is not anticipated the Standard will have any material effect.
(ii) AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2018	This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.  The effect of this Standard will depend upon the nature of future transactions the Shire has with those third parties it has dealings with. It may or may not be significant.
(iii) AASB 16 Leases	February 2016	1 January 2019	Under AASB 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability onto their statement of financial position for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 117 Leases which currently do not impact the statement of financial position will be required to be capitalised on the statement of financial position once AASB 16 is adopted.  Currently, operating lease payments are expensed as incurred. This will cease and will be replaced by both depreciation and interest charges. Based on the current number of operating leases held by the Shire, the impact is not expected to be significant.

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

Title	Issued / Compiled	Applicable <sup>(1)</sup>	Impact
(iv) 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.
(v) AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138]	August 2014	1 January 2016	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.  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.
(vi) 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.

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

Title	Issued / Compiled	Applicable <sup>(1)</sup>	Impact
(vii) 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.
(viii) 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	It is not anticipated it will have any significant impact on disclosures as they currently exist and any changes will relate to presentation.  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:**

<sup>(1)</sup> Applicable to reporting periods commencing on or after the given date.

**SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(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 as follows:

- (i) AASB 2015-3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality
- (ii) AASB 2015-7 Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

<b>2. REVENUE AND EXPENSES</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Net Result</b>		
The Net result includes:		
(i) Charging as an expense:		
<b>Significant expense</b>		
General purpose funding	<u>5,574,636</u>	<u>1,127,881</u>
This significant expense in the 2015 year relates to the reduction in fair value of the Shire's Town and Waste assets (refer Note 7b for further details)		
This significant expense in the 2016 year relates to the closure of the Onslow refuse site. This is not the sort of expense incurred during normal operations.		
<b>Auditors remuneration</b>		
During the year the following fees were paid or payable for services provided by the following auditors' of the Shire:		
<i>Moore Stephens</i>		
Audit and review of Financial Report	57,825	34,650
Other Services	16,565	15,645
<b>Depreciation</b>		
Buildings - non-specialised	223,445	211,407
Buildings - specialised	1,277,522	1,231,115
Furniture and Equipment	204,988	199,663
Plant and Equipment	1,038,119	1,106,338
Leasehold Improvements	0	10,609
Infrastructure - Roads	8,196,009	5,138,334
Infrastructure - Footpaths	169,837	74,104
Infrastructure - Drainage	258,125	178,269
Infrastructure - Airports	582,823	879,400
Infrastructure - Bridges	11,013	0
Infrastructure - Other	0	610,686
Infrastructure - Parks & Ovals	0	208,489
Infrastructure - Parks & Recreation	1,092,388	0
Infrastructure - Towns	132,084	0
Infrastructure - Waste	126,856	0
	<u>13,313,209</u>	<u>9,848,414</u>
<b>Interest expenses (finance costs)</b>		
Debentures (refer Note 21 (a))	245,026	192,457
	<u>245,026</u>	<u>192,457</u>
<b>Rental charges</b>		
- Operating leases	29,457	28,064
	<u>29,457</u>	<u>28,064</u>
(ii) Crediting as revenue:		
<b>Other revenue</b>		
Reimbursements and recoveries	218,163	107,679
Other	518,999	370,402
	<u>737,162</u>	<u>478,081</u>
	<b>2016</b>	<b>2016</b>
	<b>Actual</b>	<b>Budget</b>
	<b>\$</b>	<b>\$</b>
<b>Interest earnings</b>		
- Reserve funds	404,524	320,000
- Other funds	122,693	165,000
Other interest revenue (refer note 27)	175,277	211,282
	<u>702,494</u>	<u>696,282</u>
	<u>702,494</u>	<u>1,056,050</u>

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**2. REVENUE AND EXPENSES (Continued)**

**(b) Statement of Objective**

In order to discharge its responsibilities to the community, Council has developed a set of operational and financial objectives. These objectives have been established both on an overall basis, reflected by the Shire's Community Vision, and for each of its broad activities/programs. Council operations as disclosed in this financial report encompasses the following service orientated programs which it has established.

**GOVERNANCE**

Objective: To provide a decision making process for the efficient allocation of resources  
Activities: Administration and operation of facilities and services to members of council;  
Other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific council services

**GENERAL PURPOSE FUNDING**

Objective: To collect revenue to allow for the provision of services  
Activities: Rates, general purpose government grants and interest revenue

**LAW, ORDER, PUBLIC SAFETY**

Objective: To provide services to help ensure a safer community  
Activities: Supervision of various by-laws, fire prevention, emergency services and animal control.

**HEALTH**

Objective: To assess and manage risks to public health and create and maintain environments that promote good public health  
Activities: Food safety, traders permits, septic approvals, analysis of drinking water, public pool safety, monitoring and control of mosquitoes, noise - dust or odour complaints, public building inspections, Environmental Health support to Aboriginal communities, provision of public information on issues such as asbestos, mosquitoes, food hygiene

**EDUCATION AND WELFARE**

Objective: To meet the needs of the community in these areas  
Activities: Maintenance of pre-school facilities & donations to schools. Assistance to welfare groups and Youth Services

**HOUSING**

Objective: To manage housing  
Activities: Maintenance of staff and rental housing

**COMMUNITY AMENITIES**

Objective: To provide services required by the community  
Activities: Rubbish collections, refuse site operations, litter control, administration of the town planning scheme, cemetery operations, public toilet facilities and protection of the environment.

**RECREATION AND CULTURE**

Objective: To establish and manage efficiently infrastructure and resources which will help the social well being of the community  
Activities: Maintenance of Halls, swimming pools, sporting facilities, parks & associated facilities, provision of library services in Tom Price, Onslow, Pannawonica & Paraburdoo.

**TRANSPORT**

Objective: To provide effective and efficient transport services to the community  
Activities: Construction and maintenance of streets, roads, bridges, footpaths; street lighting, traffic management and airport. Purchase and disposal of Council's Road Plant.

**ECONOMIC SERVICES**

Objective: To help promote the shire and improve its economic wellbeing  
Activities: Building control, management of tourist bureau, tourism and area promotion and standpipes.

**OTHER PROPERTY & SERVICES**

Objective: To provide support services for works and plant operations  
Activities: Private works operations, plant repairs and operation costs, stock and materials, salaries and wages of council employees.

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**2. REVENUE AND EXPENSES (Continued)**

**(c) Conditions Over Grants/Contributions**

**Grant/Contribution**

	Function/ Activity	Opening Balance <sup>(1)</sup> 1/07/14 \$	Received <sup>(2)</sup> 2014/15 \$	Expended <sup>(3)</sup> 2014/15 \$	Closing Balance <sup>(1)</sup> 30/06/15 \$	Received <sup>(2)</sup> 2015/16 \$	Expended <sup>(3)</sup> 2015/16 \$	Closing Balance 30/06/16 \$
Grants for Aboriginal Environmental Health	Law, Order & Public Safety	9,024	190,416	(136,849)	62,591	275,438	(201,282)	136,747 (*)
Country Local Government Fund - Tom Price Town Centre	Community Amenities	1,048,465	0	(1,048,465)	0	0	0	0
Revitalisation	Recreation & Culture	1,136,455	50,871	(482,401)	704,925 (*)	8,100	(713,025)	0
Interest on Country Local Government Funding	Transport	693,094	997,211	(1,690,305)	0	277,300	(153,464)	123,836 (*)
MRWA - Regional Road Group Funding	Recreation & Culture	119,830	0	(119,830)	0	0	0	0
Pilbara Iron - Paraburdoo Junior Area	Recreation & Culture	100,000	0	(100,000)	0	0	0	0
Pilbara Iron - Tom Price Sporting Precinct	Governance	0	667,012	(217,012)	450,000 (#)	1,068,053	(428,222)	1,089,831 (#)
Pilbara Iron - Partnership Agreement (Management)	Recreation & Culture	0	317,000	(224,976)	92,024	326,405	(270,512)	147,917 (#)
Pilbara Iron - Partnership Agreement (Contributions Eastern Community Events & Festivals)	Recreation & Culture	0	636,223	(519,732)	600,723 (#)	661,967	(519,855)	742,835 (#)
Pilbara Iron - Partnership Agreement (Community Development & Support)	Recreation & Culture	484,232	0	(831,939)	0	0	0	0
Dept. Of Regional Development & Lands (CLGF) - Paraburdoo	Community Amenities	831,939	0	(17,098)	0	0	0	0
Revitalisation	Health	7,995	9,103	(17,098)	0	0	0	0
Dept of Health - Mosquito Control	Education & Welfare	984,805	0	(90,191)	894,614 (*)	0	(894,614)	0
Dept. Of Regional Development & Lands (CLGF) - Paraburdoo	Education & Welfare	0	1,860,000	0	1,860,000 (#)	500,000	(2,360,000)	0
Child Care Centre	Education & Welfare	500,000	0	0	500,000 (*)	0	(500,000)	0
Rio Tinto - Paraburdoo Child Care Centre	Transport	10,000	0	(10,000)	0	0	0	0
Rio Tinto - Paraburdoo Child Care Centre	Recreation & Culture	20,872	0	(20,872)	0	0	0	0
Water Corporation - Waterwise Demonstration Garden	Transport	2,258,689	0	(2,258,689)	0	0	0	0
Pilbara Iron - Tom Price Skate Park Lighting	Education & Welfare	0	130,000	(21,311)	108,689	50,297	(143,666)	15,320 (*)
Pilbara Iron - Pannawonica Millstream Rd	Community Amenities	0	74,989	(38,622)	36,367	53,305	(89,672)	0
Hammersley Iron - Kids Kitchen Garden	Community Amenities	0	999,579	0	999,579 (*)	0	(685,773)	313,806 (*)
Dept of State Development - Onslow Waste Management Facility	Community Amenities	0	15,120	(5,007)	10,113	0	(2,705)	7,408 (*)
Dept. Of Regional Development & Lands (CLGF) - Paraburdoo	Community Amenities	0	10,837	(9,852)	985	0	(985)	0
Stormwater Drainage	Recreation & Culture	0	73,750	(33,015)	40,735	2,301,953	(1,312,808)	1,029,880 (*)
Chevron - Onslow Goods Shed Museum	Recreation & Culture	0	140,000	(19,796)	120,204 (#)	0	0	120,204 (#)
Chevron - Onslow Playgroup	Recreation & Culture	0	45,000	(11,871)	33,129	4,750	(9,373)	28,506 (*)
Dept of State Development - Onslow Aquatic Facility	Recreation & Culture	0	350,000	(1,819)	348,181	0	(348,181)	0
Rio Tinto - Paraburdoo CHUB	Recreation & Culture	0	150,000	(1,108)	148,892	150,000	(298,892)	0
Dept of State Development - Onslow Aquatic Facility	Recreation & Culture	0	6,000	(4,074)	1,926	0	(1,153)	773
Pilbara Iron - Paraburdoo Skate Park	Recreation & Culture	0	2,500	0	2,500	0	0	2,500
Pilbara Development Commission - Onslow Basketball Courts	Recreation & Culture	0	25,000	(1,591)	23,409	0	(1,126)	22,283 (*)
Pilbara Development Commission - Active Ashburton Program	Recreation & Culture	0	0	0	0	5,000,000	0	5,000,000 (*)
Dept of Sport & Recreation - Advanced Governance Training	Recreation & Culture	0	0	0	0	0	0	0
Dept of Sport & Recreation - Kidsport	Recreation & Culture	0	0	0	0	0	0	0
Dept. Of Regional Development & Lands - Paraburdoo CHUBB	Recreation & Culture	0	0	0	0	0	0	0

**SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**2. REVENUE AND EXPENSES (Continued)**

**(c) Conditions Over Grants/Contributions (Continued)**

<b>Grant/Contribution</b>	<b>Opening Balance<sup>(1)</sup> 1/07/14 \$</b>	<b>Received<sup>(2)</sup> 2014/15 \$</b>	<b>Expended<sup>(3)</sup> 2014/15 \$</b>	<b>Closing Balance<sup>(1)</sup> 30/06/15 \$</b>	<b>Received<sup>(2)</sup> 2015/16 \$</b>	<b>Expended<sup>(3)</sup> 2015/16 \$</b>	<b>Closing Balance 30/06/16 \$</b>
Chevron - Destiny Onslow Project	0	0	0	0	35,000	(7,785)	27,215
Dept. of Child Protection - Grant Income	0	0	0	0	93,405	(72,838)	20,567 (*)
Dept. of Planning - Coastal Hazard Risk Management and Adaptation Plan	0	0	0	0	342,964	(165,269)	177,695 (*)
Chevron - Western Partnership	0	0	0	0	267,848	(177,704)	90,144 (*)
Dept. of Local Government & Communities - Youth Engagement Strategy	0	0	0	0	10,000	0	10,000 (*)
Dept. of Sport & Recreation	0	0	0	0	75,000	(41,827)	33,173 (*)
MRWA - Black Spot Funding	0	0	0	0	66,666	(65,082)	1,584 (*)
Dept. of Infrastructure - RTR Funding	0	0	0	0	1,775,616	(1,275,616)	500,000 (*)
Pilbara Development Commission - Karratha-Tom Price Rd Analysis	0	0	0	0	50,000	0	50,000 (*)
<b>Total</b>	<b>8,205,400</b>	<b>6,750,611</b>	<b>(7,916,425)</b>	<b>7,039,586</b>	<b>13,394,067</b>	<b>(10,741,429)</b>	<b>9,692,224</b>

**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 2015 and at the end of June 2016.

(#) - 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.

	<b>2016</b>	<b>2015</b>
Unspent Grants not transferred to reserve as at 30 June (See Note 3)	30,488	909,541
Unspent Grants in RTIO Partnership Reserve at 30 June	2,100,787	3,030,927
Unspent Grants in Unspent Grants & Contributions Reserve at 30 June	7,560,949	3,099,118
	<u>9,692,224</u>	<u>7,039,586</u>

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

	Note	2016 \$	2015 \$
<b>3. CASH AND CASH EQUIVALENTS</b>			
Unrestricted		8,666,945	8,859,194
Restricted		<u>28,310,443</u>	<u>36,498,051</u>
		<u>36,977,388</u>	<u>45,357,245</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Employee Benefits Reserve	11	327,314	323,042
Plant Replacement Reserve	11	26,110	25,769
Infrastructure Reserve	11	5,019,130	6,576,047
Housing Reserve	11	901,919	2,030,453
Onslow community Infrastructure Reserve	11	185,309	183,442
Onslow Administration Building Reserve	11	0	5,567,821
Property Development Reserve	11	2,739,447	7,381,335
Unspent Grants and Contributions Reserve	11	7,513,967	3,109,676
RTIO Partnership Reserve	11	2,135,883	3,034,335
Onslow Aerodrome Reserve	11	6,178,151	3,000,000
Future Projects Reserve	11	3,252,725	4,249,632
Unspent grants	2(c)	30,488	909,541
Unspent loans	21(c)	0	106,958
		<u>28,310,443</u>	<u>36,498,051</u>
<b>4. TRADE AND OTHER RECEIVABLES</b>			
<b>Current</b>			
Rates outstanding		866,929	920,367
Sundry debtors		5,479,411	3,672,763
GST receivable		267,120	565,514
Payments in Advance		94,101	40,694
Accrued Income		7,922	12,072
Provision for Doubtful Debts		<u>(916,461)</u>	<u>(654,204)</u>
		<u>5,799,022</u>	<u>4,557,206</u>
<b>5. INVENTORIES</b>			
<b>Current</b>			
Fuel and materials		72,203	60,214
Tourist Bureau Stock		<u>98,654</u>	<u>40,565</u>
		<u>170,857</u>	<u>100,779</u>
<b>Non-current</b>			
Land held for resale - cost			
Cost of acquisition		22,970	22,970
Development costs		<u>565,730</u>	<u>492,363</u>
		<u>588,700</u>	<u>515,333</u>

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

	2016 \$	2015 \$
<b>6 (a). PROPERTY, PLANT AND EQUIPMENT</b>		
Land and buildings		
Land - freehold at:		
- Independent Valuation 2014 - Level 2	20,555,000	20,555,000
Less: Impairment loss	(5,386,250)	0
- Additions after valuation - cost	390,176	0
	<u>15,558,926</u>	<u>20,555,000</u>
Land - vested in and under the control of Council at:		
- Management Valuation 2014 - Level 3	919,533	919,533
	<u>919,533</u>	<u>919,533</u>
	<u>16,478,459</u>	<u>21,474,533</u>
Buildings - non-specialised at:		
- Independent Valuation 2014 - Level 2	12,920,000	13,030,000
- Management Valuation 2014 - Level 2	44,955	44,955
- Additions after valuation - cost	1,623,351	195,666
Less: accumulated depreciation	(423,101)	(211,407)
	<u>14,165,205</u>	<u>13,059,214</u>
Buildings - specialised at:		
- Independent Valuation 2014 - Level 3	41,586,157	41,633,837
- Management Valuation 2014 - Level 3	3,192,860	3,192,860
- Additions after valuation - cost	2,849,111	1,857,763
Less: accumulated depreciation	(2,497,661)	(1,228,535)
	<u>45,130,467</u>	<u>45,455,925</u>
	<u>59,295,672</u>	<u>58,515,139</u>
Total land and buildings	<u>75,774,131</u>	<u>79,989,672</u>
Furniture and Equipment at:		
- Management Valuation 2013 - Level 2	0	181,230
- Management Valuation 2013 - Level 3	0	453,629
- Management Valuation 2016 - Level 2	25,814	0
- Management Valuation 2016 - Level 3	322,776	0
- Additions after valuation - cost	0	198,680
Less accumulated depreciation	0	(366,639)
	<u>348,590</u>	<u>466,900</u>
Plant and Equipment at:		
- Management Valuation 2013 - Level 2	0	3,134,625
- Management Valuation 2013 - Level 3	0	2,559,052
- Independent valuation 2016 - level 2	2,282,150	0
- Management valuation 2016 - level 2	1,771,193	0
- Independent valuation 2016 - level 3	175,431	0
- Management valuation 2016 - level 3	3,866,753	0
- Additions after valuation - cost	0	3,832,390
Less accumulated depreciation	0	(1,765,971)
	<u>8,095,527</u>	<u>7,760,096</u>
Works in Progress	18,303,684	1,573,751
	<u>102,521,932</u>	<u>89,790,419</u>

**SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**6 (a). PROPERTY, PLANT AND EQUIPMENT (Continued)**

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

SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Movements in Carrying Amounts

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

	Balance at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) Transferred to Revaluation \$	Revaluation (Losses)/ Reversals Through to Profit or Loss \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Transfers \$	Carrying Amount at the End of Year \$
Land - freehold	20,555,000	899,089	0	0	0	(5,386,250)	0	(508,913)	15,558,926
Land - vested in and under the control of Council	919,533	0	0	0	0	0	0	0	919,533
<b>Total land</b>	<b>21,474,533</b>	<b>899,089</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(5,386,250)</b>	<b>0</b>	<b>(508,913)</b>	<b>16,478,459</b>
Buildings - non-specialised	13,059,214	9,347,861	(98,249)	0	0	0	(223,445)	(7,920,176)	14,165,205
Buildings - specialised	45,455,925	9,001,489	(39,284)	0	0	0	(1,277,522)	(8,010,141)	45,130,467
<b>Total buildings</b>	<b>58,515,139</b>	<b>18,349,350</b>	<b>(137,533)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,500,967)</b>	<b>(15,930,317)</b>	<b>59,295,672</b>
<b>Total land and buildings</b>	<b>79,989,672</b>	<b>19,248,439</b>	<b>(137,533)</b>	<b>0</b>	<b>0</b>	<b>(5,386,250)</b>	<b>(1,500,967)</b>	<b>(16,439,230)</b>	<b>75,774,131</b>
Furniture and Equipment	466,900	36,332	0	60,864	0	0	(204,988)	(10,518)	348,590
Plant and Equipment	7,760,096	1,812,607	(456,869)	68,760	0	0	(1,038,119)	(50,948)	8,095,527
Works in Progress	1,573,751	0	0	0	0	0	0	16,729,933	18,303,684
<b>Total property, plant and equipment</b>	<b>89,790,419</b>	<b>21,097,378</b>	<b>(594,402)</b>	<b>129,624</b>	<b>0</b>	<b>(5,386,250)</b>	<b>(2,744,074)</b>	<b>229,237</b>	<b>102,521,932</b>

**SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**6. PROPERTY, PLANT AND EQUIPMENT (Continued)**

(c) Fair Value Measurements	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
<b>Land and buildings</b>					
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	3	Improvements to land valued using	Management	June 2014	Improvements to land using construction costs and
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
<b>Furniture and Equipment</b>					
- Management valuation 2016	2	Market approach using recent observable market data for similar items	Management valuation	June 2016	Price per item
- Management valuation 2016	3	Cost approach using depreciated replacement cost	Management valuation	June 2016	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

**SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**6. PROPERTY, PLANT AND EQUIPMENT (Continued)**

**(c) Fair Value Measurements (Continued)**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of valuation</b>	<b>Date of last Valuation</b>	<b>Inputs used</b>
<b>Plant and Equipment</b>					
- Independent valuation 2016	2	Market approach using recent observable market data for similar items	Independent registered valuers	June 2016	Price per item
- Independent valuation 2016	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2016	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
- Management valuation 2016	2	Market approach using recent observable market data for similar items	Management valuation	June 2016	Price per item
- Management valuation 2016	3	Cost approach using depreciated replacement cost	Management valuation	June 2016	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

During the period there was a change 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 as there was new market data available which is more representative of the fair value in those circumstances.

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

	2016	2015
	\$	\$
<b>7 (a). INFRASTRUCTURE</b>		
Infrastructure - Roads		
- Management Valuation 2015 - Level 3	490,599,948	490,599,948
- Additions after valuation - cost	1,688,460	0
Less accumulated depreciation	<u>(49,347,096)</u>	<u>(41,293,689)</u>
	442,941,312	449,306,259
Infrastructure - Footpaths		
- Management Valuation 2015 - Level 3	8,739,571	8,739,571
- Additions after valuation - cost	702,957	0
Less accumulated depreciation	<u>(1,772,921)</u>	<u>(1,874,195)</u>
	7,669,607	6,865,376
Infrastructure - Drainage		
- Management Valuation 2015 - Level 3	25,746,921	25,746,921
- Additions after valuation - cost	213,441	0
Less accumulated depreciation	<u>(5,701,178)</u>	<u>(5,805,614)</u>
	20,259,184	19,941,307
Infrastructure - Airports		
- Management Valuation 2015 - Level 3	51,809,468	51,809,468
- Additions after valuation - cost	2,892,416	0
Less accumulated depreciation	<u>(2,182,606)</u>	<u>(1,599,783)</u>
	52,519,278	50,209,685
Infrastructure - Bridges		
- Management Valuation 2015 - Level 3	988,352	988,352
Less accumulated depreciation	<u>(453,433)</u>	<u>(442,420)</u>
	534,919	545,932
Infrastructure - Parks & Recreation		
- Management Valuation 2015 - Level 3	23,273,284	23,273,284
- Additions after valuation - cost	4,593,222	0
Less accumulated depreciation	<u>(6,508,174)</u>	<u>(5,532,589)</u>
	21,358,332	17,740,695
Infrastructure - Towns		
- Management Valuation 2015 - Level 3	4,825,238	4,825,238
- Additions after valuation - cost	1,923,657	0
Less accumulated depreciation	<u>(604,353)</u>	<u>(472,726)</u>
	6,144,542	4,352,512
Infrastructure - Waste		
- Management Valuation 2015 - Level 3	635,909	635,909
- Additions after valuation - cost	3,427,787	0
Less accumulated depreciation	<u>(297,773)</u>	<u>(171,015)</u>
	3,765,923	464,894
Works in Progress	1,924,148	5,812,912
	<u>557,117,245</u>	<u>555,239,572</u>

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

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**7. INFRASTRUCTURE (Continued)**

**(b) Movements in Carrying Amounts**

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

	Balance as at the Beginning of the Year	Additions	(Disposals)	Revaluation Increments/ (Decrements) Transferred to Revaluation	Revaluation (Loss)/ Reversal Transferred to Profit or Loss	Impairment (Losses)/ Reversals	Depreciation (Expense)	Transfers	Carrying Amount at the End of the Year
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Infrastructure - Roads	449,306,259	1,670,770	(396,899)	36,081	0	0	(8,196,009)	521,110	442,941,312
Infrastructure - Footpaths	6,865,376	1,257,452	0	(348,932)	0	0	(169,837)	65,548	7,669,607
Infrastructure - Drainage	19,941,307	845,848	(211,841)	(1,675)	0	0	(258,125)	(56,330)	20,259,184
Infrastructure - Airports	50,209,685	2,887,265	0	0	0	0	(582,823)	5,151	52,519,278
Infrastructure - Bridges	545,932	0	0	0	0	0	(11,013)	0	534,919
Infrastructure - Parks & Recreation	17,740,695	6,263,792	(89,348)	0	0	0	(1,092,388)	(1,464,419)	21,358,332
Infrastructure - Towns	4,352,512	747,622	(4,055)	0	0	0	(132,084)	1,180,547	6,144,542
Infrastructure - Waste	464,894	433,566	(41,359)	0	0	0	(126,856)	3,035,678	3,765,923
Infrastructure - Works in Progress	5,812,912	0	0	0	0	0	0	(3,888,764)	1,924,148
<b>Total infrastructure</b>	<b>555,239,572</b>	<b>14,106,315</b>	<b>(743,502)</b>	<b>(314,526)</b>	<b>0</b>	<b>0</b>	<b>(10,569,135)</b>	<b>(601,479)</b>	<b>557,117,245</b>

**SHIRE OF ASHBURTON  
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**7. INFRASTRUCTURE (Continued)**

**(c) Fair Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of valuation</b>	<b>Date of last Valuation</b>	<b>Inputs used</b>
<b>Roads</b>	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
<b>Footpaths</b>	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
<b>Drainage</b>	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
<b>Airports</b>	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
<b>Bridges</b>	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
<b>Parks &amp; Recreation</b>	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
<b>Town</b>	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
<b>Waste</b>	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.

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	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>8. TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Sundry Creditors	5,721,915	5,583,796
PAYG Payable	260,254	226,135
Income Received in Advance	9,196	20,047
ESL Liability	(3,923)	1,265
FBT Liability	31,555	34,116
Accrued Expenses	126,392	260,912
Accrued Interest on Loans	32,158	37,606
Accrued Salaries and Wages	108,813	487,198
	<u>6,286,360</u>	<u>6,651,075</u>
<b>9. LONG-TERM BORROWINGS</b>		
<b>Current</b>		
Secured by floating charge		
Debentures	708,807	1,258,461
	<u>708,807</u>	<u>1,258,461</u>
<b>Non-current</b>		
Secured by floating charge		
Debentures	4,515,268	5,224,075
	<u>4,515,268</u>	<u>5,224,075</u>

Additional detail on borrowings is provided in Note 21.

**10. PROVISIONS**

	<b>Provision for Annual Leave</b>	<b>Provision for Long Service Leave</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Opening balance at 1 July 2015</b>			
Current provisions	724,102	374,404	1,098,506
Non-current provisions	0	174,081	174,081
	<u>724,102</u>	<u>548,485</u>	<u>1,272,587</u>
Additional provision	114,959	137,101	252,060
<b>Balance at 30 June 2016</b>	<u>839,061</u>	<u>685,586</u>	<u>1,524,647</u>
<b>Comprises</b>			
Current	839,061	430,588	1,269,649
Non-current	0	254,998	254,998
	<u>839,061</u>	<u>685,586</u>	<u>1,524,647</u>

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**11. RESERVES - CASH BACKED**

	Actual 2016 Opening Balance	Actual 2016 Transfer to \$	Actual 2016 Closing Balance	Budget 2016 Opening Balance	Budget 2016 Transfer to \$	Budget 2016 Closing Balance	Actual 2015 Opening Balance	Actual 2015 Transfer to \$	Actual 2015 Transfer (from)	Actual 2015 Closing Balance
Employee Benefits Reserve	323,042	4,272	327,314	323,042	2,896	325,938	316,484	6,558	0	323,042
Plant Replacement Reserve	25,769	341	26,110	25,769	231	26,000	25,246	523	0	25,769
Infrastructure Reserve	6,576,047	73,083	5,019,130	6,576,047	58,956	2,645,003	2,919,340	4,044,753	(388,046)	6,576,047
Housing Reserve	2,030,453	26,846	901,919	2,030,453	18,203	548,656	1,989,231	41,222	0	2,030,453
Onslow community Infrastructure Reserve	183,442	1,867	185,309	183,442	1,645	185,087	37,216	146,226	0	183,442
Onslow Administration Building Reserve	5,567,821	65,943	0	5,567,821	49,917	1,417,738	4,381,085	1,470,521	(283,785)	5,567,821
Property Development Reserve	7,381,335	99,712	2,739,447	7,381,336	66,175	2,383,511	7,767,148	166,062	(551,875)	7,381,335
Unspent Grants and Contributions Reserve	3,109,676	7,227,296	7,513,967	3,288,024	29,478	637,703	6,412,646	1,076,904	(4,379,874)	3,109,676
RTIO Partnership Reserve	3,034,335	2,012,271	2,135,883	3,067,844	142,867	760,911	0	3,067,844	(33,509)	3,034,335
Onslow Aerodrome Reserve	3,000,000	3,178,151	6,178,151	3,000,000	4,826,896	7,826,896	0	3,000,000	0	3,000,000
Future Projects Reserve	4,249,632	2,008,877	3,252,725	4,249,632	3,038,099	3,232,731	0	4,249,632	0	4,249,632
	<b>35,481,552</b>	<b>14,698,659</b>	<b>(21,900,256)</b>	<b>35,693,410</b>	<b>8,235,363</b>	<b>(23,938,599)</b>	<b>23,848,396</b>	<b>17,270,245</b>	<b>(5,637,089)</b>	<b>35,481,552</b>

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
Employee Benefits Reserve	Ongoing	- To contribute towards funding the Council's liability for payments of employee benefits owing to staff and taken either as leave or paid termination of their employment.
Plant Replacement Reserve	Ongoing	- To provide an optimum level of cash reserves for funding the Council heavy machinery replacement program on a five year rolling basis.
Infrastructure Reserve	Ongoing	- To provide funds for provision and maintenance of new and existing infrastructure assets (Including Buildings) throughout the Shire.
Housing Reserve	Ongoing	- To provide funds to assist the Council to maintain and improve Council housing stock in accordance with the Housing Asset Management Plan.
Onslow community Infrastructure Reserve	Ongoing	- To provide funds for the development of community facilities in Onslow.
Onslow Administration Building Reserve	June 2016	- To provide funds to assist the Council in building the new Onslow Administration building.
Property Development Reserve	Ongoing	- To provide funds to assist the Council in purchasing, developing and selling property to stimulate economic development.
Unspent Grants and Contributions Reserve	Ongoing	- To preserve unspent Grant and ongoing Capital Works Funds.
RTIO Partnership Reserve	Ongoing	- For the purpose of funding the projects and programs associated with partnership agreements between the Shire of Ashburton and Rio Tinto (RTIO)
Onslow Aerodrome Reserve	Ongoing	- To provide funds for the upgrading and modifications to the Onslow aerodrome.
Future Projects Reserve	Ongoing	- To provide funds for Future Capital Projects determined in the Long Term Financial Plan.

SHIRE OF ASHBURTON  
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FOR THE YEAR ENDED 30TH JUNE 2016

12. REVALUATION SURPLUS

	2016			2016			2015			2015					
	Opening Balance	Revaluation Increment	Revaluation Decrement	Revaluation Movement on Revaluation	Closing Balance	Opening Balance	Revaluation Increment	Revaluation Decrement	Revaluation Movement on Revaluation	Closing Balance	Opening Balance	Revaluation Increment	Revaluation Decrement	Revaluation Movement on Revaluation	Closing Balance
Land and buildings	45,839,548	0	(5,386,250) #	(5,386,250)	40,453,298	45,839,548	0	0	0	45,839,548	45,839,548	0	0	0	45,839,548
Furniture and Equipment	316,551	60,864	0	60,864	377,415	316,551	0	0	0	316,551	316,551	0	0	0	316,551
Plant and Equipment	365,354	68,760	0	68,760	434,114	365,354	0	0	0	365,354	365,354	0	0	0	365,354
Infrastructure - Roads	391,667,060	36,081	0 *	36,081	391,703,141	0	391,667,060	0	391,667,060	391,667,060	391,667,060	0	0	0	391,667,060
Infrastructure - Footpaths	4,925,956	0	(348,932) *	(348,932)	4,577,024	0	4,925,956	0	4,925,956	4,925,956	4,925,956	0	0	0	4,925,956
Infrastructure - Drainage	9,434,985	0	(1,675) *	(1,675)	9,433,310	0	9,434,985	0	9,434,985	9,434,985	9,434,985	0	0	0	9,434,985
Infrastructure - Airports	3,826,017	0	0	0	3,826,017	0	3,826,017	0	3,826,017	3,826,017	3,826,017	0	0	0	3,826,017
Infrastructure - Bridges	7,807	0	0	0	7,807	0	7,807	0	7,807	7,807	7,807	0	0	0	7,807
Infrastructure - Parks & Recreation	331,875	0	0	0	331,875	0	331,875	0	331,875	331,875	331,875	0	0	0	331,875
	456,715,153	165,705	(5,736,857)	(5,571,152)	451,144,001	46,521,453	410,193,700	0	410,193,700	456,715,153	456,715,153	410,193,700	0	410,193,700	456,715,153

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

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

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

**SHIRE OF ASHBURTON**  
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**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:

	<b>2016</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
		<b>\$</b>	
Cash and cash equivalents	<u>36,977,388</u>	<u>22,793,799</u>	<u>45,357,245</u>

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

Net result	14,556,858	26,271,206	18,623,689
Non-cash flows in Net result:			
Depreciation	13,313,209	9,192,173	9,848,414
(Profit)/Loss on sale of asset	1,021,462	59,120	3,649,782
Loss on revaluation of non-current assets	0	0	1,127,881
Asset adjustments through profit or loss	372,242	0	0
Changes in assets and liabilities:			
(Increase)/Decrease in receivables	(1,281,816)	1,610,230	(761,636)
(Increase)/Decrease in inventories	(70,078)	2,050	97,039
Increase/(Decrease) in payables	(364,715)	(148,810)	2,016,078
Increase/(Decrease) in provisions	252,060	6,000	285,222
Grants contributions for the development of assets	(18,803,194)	(27,907,221)	(15,092,501)
Net cash from operating activities	<u>8,996,028</u>	<u>9,084,748</u>	<u>19,793,968</u>

**(c) Undrawn Borrowing Facilities**  
**Credit Standby Arrangements**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
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	(31,877)	(35,589)
<b>Total amount of credit unused</b>	<u>533,123</u>	<u>529,411</u>

**Loan facilities**

Loan facilities - current	708,807	1,258,461
Loan facilities - non-current	4,515,268	5,224,075
<b>Total facilities in use at balance date</b>	<u>5,224,075</u>	<u>6,482,536</u>

<b>Unused loan facilities at balance date</b>	<u>363,553</u>	<u>1,625,891</u>
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**SHIRE OF ASHBURTON  
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**14. CONTINGENT LIABILITIES**

**(a) Wittenoom Asbestos**

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

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

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

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

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

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

<b>15. CAPITAL AND LEASING COMMITMENTS</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Operating Lease Commitments</b>		
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	29,457	29,457
- later than one year but not later than five years	5,374	34,831
	34,831	64,288
<b>(b) Capital Expenditure Commitments</b>		
Contracted for:		
- capital expenditure projects		
- Paraburdoo childcare centre construction	225,275	0
- Ocean View caravan park project	316,134	0
- Onslow swimming pool construction	5,142,378	0
Payable:		
- not later than one year	5,683,787	0

**SHIRE OF ASHBURTON  
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**16. JOINT VENTURE ARRANGEMENTS**

The Shire was not involved in any joint ventures at 30 June 2015 and 30 June 2016.

**17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Governance	13,750,213	11,343,633
General purpose funding	866,929	920,367
Law, order, public safety	1,010,128	648,114
Health	151,493	82,460
Education and welfare	4,598,839	3,913,271
Housing	26,486,766	30,983,852
Community amenities	18,538,225	9,455,495
Recreation and culture	52,556,810	47,695,300
Transport	548,826,026	554,955,946
Economic services	11,305,397	7,935,639
Other property and services	11,076,965	14,736,630
Unallocated	14,007,353	12,889,847
	<u>703,175,144</u>	<u>695,560,554</u>

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18. FINANCIAL RATIOS	2016	2015	2014
Current ratio	1.84	1.56	1.87
Asset sustainability ratio	0.75	1.22	1.06
Debt service cover ratio	5.05	8.08	16.48
Operating surplus ratio	(0.15)	0.10	0.39
Own source revenue coverage ratio	0.77	0.87	1.45

The above ratios are calculated as follows:

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{Depreciation expenses}}$
Debt service cover ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating surplus ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own source revenue coverage ratio	$\frac{\text{own source operating revenue}}{\text{operating expenses}}$

**Notes:**

Information relating to the Asset Consumption Ratio and Asset Renewal Funding Ratio can be found at Supplementary Ratio Information on Page 63 of this document.

**(a) For 2016,**

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

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

**(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 \$1,127,881 relating to the loss on revaluation of infrastructure assets.

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

**(c) For 2014,**

(i) the 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.

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

	2016	2015	2014
Current Ratio	As above	1.28	As above
Debt Service Cover Ratio	10.36	8.71	15.16
Operating Surplus Ratio	0.05	0.12	0.38
Own Source Revenue Coverage Ratio	0.86	0.94	1.33

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**19. TRUST FUNDS**

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

	1 July 2015 \$	Amounts Received \$	Amounts Paid (\$)	30 June 2016 \$
Public Open Space	330,500	0	(93,845)	236,655
Cleaning and Key Deposits	13,410	18,775	(16,175)	16,010
Other Trust Monies	28,404	7,869	(13,517)	22,756
Bonds and Guarantees	45,184	385,318	(209,136)	221,366
Nomination Deposit	80	720	(720)	80
Unclaimed Monies	7,671	414	0	8,085
BCITF Levy	23,024	133,062	(135,146)	20,940
BRB Levy	11,182	3,350	0	14,532
Consignment Stock	255	11,203	(10,161)	1,297
Tour Sales	24,227	130,586	(136,959)	17,854
	<u>483,937</u>			<u>559,575</u>

**20. DISPOSALS OF ASSETS - 2015/16 FINANCIAL YEAR**

The following assets were disposed of during the year.

	Actual Net Book Value \$	Actual Sale Proceeds \$	Actual Profit \$	Actual Loss \$	Budget Net Book Value \$	Budget Sale Proceeds \$	Budget Profit \$	Budget Loss \$
<b>Governance</b>								
Assets Disposed Producing a Loss	1,274	0	0	(1,274)	0	0	0	0
<b>Law, Order &amp; Public Safety</b>								
Assets Disposed Producing a Loss	48,438	23,715	0	(24,723)	0	0	0	0
<b>Housing</b>								
Assets Disposed Producing a Loss	103,841	0	0	(103,841)	350,000	300,000	0	(50,000)
<b>Community Amenities</b>								
Assets Disposed Producing a Loss	59,439	0	0	(59,439)	0	0	0	0
<b>Recreation &amp; Culture</b>								
Assets Disposed Producing a Loss	95,386	0	0	(95,386)	0	0	0	0
<b>Transport</b>								
Assets Disposed Producing a Profit	22,627	23,636	1,009	0	245,596	272,000	26,404	0
Assets Disposed Producing a Loss	1,006,899	269,091	0	(737,808)	299,524	264,000	0	(35,524)
	<u>1,337,904</u>	<u>316,442</u>	<u>1,009</u>	<u>(1,022,471)</u>	<u>895,120</u>	<u>836,000</u>	<u>26,404</u>	<u>(85,524)</u>

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**21. INFORMATION ON BORROWINGS**

(a) Repayments - Debentures

Particulars	Principal 1 July 2015 \$		New Loans		Principal Repayments		Principal 30 June 2016		Interest Repayments	
	Actual \$	Budget	Actual \$	Budget	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Governance</b>	0									
Loan 124 - Onslow Administration Building		3,300,000	0	0	0	0	0	3,300,000	0	0
<b>Housing</b>										
Loan 117 - Housing Manager	532,961	0	0	0	54,573	58,194	478,388	474,767	27,831	28,315
Loan 121 - New Staff Housing	1,671,841	0	0	0	239,323	250,219	1,432,518	1,421,622	93,159	96,289
<b>Community Amenities</b>										
Loan 122 Onslow Transfer Station	3,200,000	0	0	0	277,807	298,137	2,922,193	2,901,863	95,294	96,437
<b>Recreation &amp; Culture</b>										
Loan 118 - Community Rec Centre	168,755	0	0	0	33,830	35,015	134,925	133,740	9,006	9,337
Loan 123 - Paraburdoo CHUB	0	1,500,000	0	1,500,000	0	0	0	1,500,000	0	0
<b>Transport</b>										
Loan 116 - Onslow Aerodrome	117,172	0	0	0	56,602	57,292	60,570	59,880	6,687	7,011
Loan 119 - Onslow Aerodrome	209,113	0	0	0	13,632	15,052	195,481	194,061	13,049	13,086
<b>Other Property &amp; Services</b>										
DSD Loan - Onslow Aerodrome Temporary Camp	582,694	0	0	0	582,694	582,694	0	0	0	0
	6,482,536	0	0	4,800,000	1,258,461	1,296,603	5,224,075	9,985,933	245,026	250,475

All debenture repayments are to be financed by general purpose revenue.

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**21. INFORMATION ON BORROWINGS (Continued)**

(b) New Debentures - 2015/16

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Interest & Charges \$	Total Interest Rate %	Amount Used		Balance Unspent \$
	Actual \$	Budget \$						Actual \$	Budget \$	
Loan 123 - Paraburdoo CHUB	0	1,500,000	WATC	Debenture	10	310,008	3.72%	0	1,500,000	0
Loan 124 - Onslow Administration Building	0	3,300,000	WATC	Debenture	15	1,050,752	3.77%	0	3,300,000	0
	0	4,800,000				1,360,760		0	4,800,000	0

(c) Unspent Debentures

Particulars	Date Borrowed	Balance 1 July 15 \$	Borrowed During Year		Expended During Year		Balance 30 June 16 \$
			\$	\$	\$	\$	
Loan 121 New Staff Housing	29/04/2011	1,518,933	0	(1,155,380)	363,553	0	363,553
Loan 122 Onslow Transfer Station	30/04/2015	106,958	0	(106,958)	0	0	0
		1,625,891	0	(1,262,338)	363,553	0	363,553

(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 2015 and 30 June 2016 was \$Nil.



**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**23. NET CURRENT ASSETS**

Composition of net current assets

	<b>2016</b> <b>(30 June 2016</b> <b>Carried</b> <b>Forward)</b> <b>\$</b>	<b>2016</b> <b>(1 July 2015</b> <b>Brought</b> <b>Forward)</b> <b>\$</b>	<b>2015</b> <b>(30 June 2015</b> <b>Carried</b> <b>Forward)</b> <b>\$</b>
<b>Surplus/(Deficit)</b>	<u>8,380,952</u>	<u>7,882,603</u>	<u>7,882,603</u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents			
Unrestricted	8,666,945	8,859,194	8,859,194
Cash - Restricted Reserves	28,279,955	35,481,552	35,481,552
Cash - Restricted Unspent Grants	30,488	909,541	909,541
Cash - Restricted Unspent Loans	0	106,958	106,958
Receivables			
Rates outstanding	866,929	920,367	920,367
Sundry debtors	5,479,411	3,672,763	3,672,763
GST receivable	267,120	565,514	565,514
Payments in Advance	94,101	40,694	40,694
Accrued Income	7,922	12,072	12,072
Provision for Doubtful Debts	(916,461)	(654,204)	(654,204)
Inventories			
Fuel and materials	72,203	60,214	60,214
Tourist Bureau Stock	98,654	40,565	40,565
<b>LESS: CURRENT LIABILITIES</b>			
Trade and other payables			
Sundry Creditors	(5,721,915)	(5,583,796)	(5,583,796)
PAYG Payable	(260,254)	(226,135)	(226,135)
Income Received in Advance	(9,196)	(20,047)	(20,047)
ESL Liability	3,923	(1,265)	(1,265)
FBT Liability	(31,555)	(34,116)	(34,116)
Accrued Expenses	(126,392)	(260,912)	(260,912)
Accrued Interest on Loans	(32,158)	(37,606)	(37,606)
Accrued Salaries and Wages	(108,813)	(487,198)	(487,198)
Current portion of long term borrowings			
Secured by floating charge	(708,807)	(1,258,461)	(1,258,461)
Provisions			
Provision for annual leave	(839,061)	(724,102)	(724,102)
Provision for long service leave	(430,588)	(374,404)	(374,404)
<b>Unadjusted net current assets</b>	<u><b>34,682,451</b></u>	<u><b>41,007,188</b></u>	<u><b>41,007,188</b></u>
<b>Adjustments</b>			
Less: Reserves - restricted cash	(28,279,955)	(35,481,552)	(35,481,552)
Add: Secured by floating charge	708,807	1,258,461	1,258,461
Add: Current Employee Benefits Provision	1,269,649	1,098,506	1,098,506
<b>Adjusted net current assets - surplus/(deficit)</b>	<u><b>8,380,952</b></u>	<u><b>7,882,603</b></u>	<u><b>7,882,603</b></u>

**Difference**

There was no difference between the surplus/(deficit) 1 July 2015 brought forward position used in the 2016 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2015 audited financial report.

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**24. SPECIFIED AREA RATE - 2015/16 FINANCIAL YEAR**

No specified area rate is levied by Council

**25. SERVICE CHARGES - 2015/16 FINANCIAL YEAR**

The Shire did not impose any service charges.

**26. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS  
- 2015/16 FINANCIAL YEAR**

**Rates Discounts**

No discount for early payment applied to rates in the 2015/16 year.

**Waivers or Concessions**

<b>Rate or Fee and Charge to which the Waiver or Concession is Granted</b>	<b>Type</b>	<b>Discount % or \$</b>	<b>Actual \$</b>	<b>Budget \$</b>
Rate assessment	Concession	292,648	292,648	294,215
Rate assessment	Write-off	37,370	37,370	7,450
Dog and Cat registration fees (Statutory)	Discount	50%	0	0
Venue Hire Charges	Discount	50%	0	0
Refuse Collection Charge	Discount	50%	0	0
			330,018	301,665

<b>Rate or Fee and Charge to which the Waiver or Concession is Granted</b>	<b>Circumstances in which the Waiver or Concession is Granted and to whom it was available</b>	<b>Objects of the Waiver or Concession</b>	<b>Reasons for the Waiver or Concession</b>
GRV Residential/Community	The concession was the difference payable between 2014/15 valuations and the proposed 2015/16 GRV Residential/Community properties rate in the dollar (i.e. 0.050961), and the concession was \$292,648	To ameliorate the effect of this significant increase in valuations.	The concession was the difference payable between 2014/15 valuations and the proposed 2015/16 GRV Residential/Community properties rate in the dollar (i.e. 0.050961), and the concession was \$292,648
Dog and Cat registration fees (Statutory)	Eligible Pensioners	Assist pensioners with cost of registrations.	Pensioners require assistance with meeting cost of registrations.
Venue Hire Charges	Junior organisation/Youth	Promote Youth Activity in the Shire.	Council support Youth Activity
Refuse Collection Charge	Community Groups as defined in Policy REC05	Support Community Groups	Council support Community Groups

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**27. INTEREST CHARGES AND INSTALMENTS - 2015/16 FINANCIAL YEAR**

	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
<b>Instalment Options</b>				
<b>Option One</b>				
Single full payment	01-Oct-15			11.00%
<b>Option Two</b>				
First Instalment	01-Oct-15		5.50%	11.00%
Second Instalment	02-Feb-16	10	5.50%	11.00%
<b>Option Three</b>				
First Instalment	01-Oct-15			11.00%
Second Instalment	01-Dec-15	10	5.50%	11.00%
Third Instalment	02-Feb-16	10	5.50%	11.00%
Fourth Instalment	05-Apr-16	10	5.50%	11.00%

	Revenue \$	Budgeted Revenue \$
Interest on unpaid rates	145,849	148,847
Interest on instalment plan	21,921	10,500
Interest on ESL	2,697	3,000
Interest on Sundry Debtors	4,810	10,000
Charges on instalment plan	7,462	5,000
	182,739	177,347

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

<b>28. FEES &amp; CHARGES</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Governance	20,658	59,400
General purpose funding	11,026	7,658
Law, order, public safety	59,966	72,741
Health	75,719	110,331
Education and welfare	0	166
Housing	383,198	309,122
Community amenities	3,595,154	3,776,178
Recreation and culture	370,335	334,756
Transport	9,067,334	6,245,336
Economic services	1,933,547	3,184,370
Other property and services	36,575	237,123
	<u>15,553,512</u>	<u>14,337,181</u>

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

**29. GRANT REVENUE**

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

<b>By Nature or Type:</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Operating grants, subsidies and contributions</b>		
Governance	1,103,053	668,217
General purpose funding	2,267,344	7,153,758
Law, order, public safety	53,776	56,159
Health	246,500	155,931
Education and welfare	145,577	182,964
Housing	0	330
Community amenities	877,346	516,247
Recreation and culture	770,903	972,051
Transport	997,063	430,925
Other property and services	34,821	23,088
	<u>6,496,383</u>	<u>10,159,670</u>
<b>Non-operating grants, subsidies and contributions</b>		
Governance	1,000,000	0
Law, order, public safety	363,001	0
Education and welfare	500,000	1,923,652
Community amenities	974,322	1,074,568
Recreation and culture	11,078,003	874,977
Transport	6,041,310	10,790,093
Other property and services	570,200	0
	<u>20,526,836</u>	<u>14,663,290</u>

**SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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	<b>2016</b>	<b>2015</b>
	\$	\$
<b>30. EMPLOYEE NUMBERS</b>		
The number of full-time equivalent employees at balance date	<u>154</u>	<u>154</u>

	<b>2016</b>	<b>2016 Budget</b>		<b>2015</b>
	\$	\$		\$
<b>31. ELECTED MEMBERS REMUNERATION</b>				
The following fees, expenses and allowances were paid to council members and/or the president.				
Meeting Fees	175,990	181,280		175,615
President's Attendance Fee	30,385	30,385		30,385
President's Allowance	61,800	61,800		61,350
Deputy President's Allowance	15,450	15,450		15,450
Travelling Expenses	76,675	50,000		97,239
Child Care Allowance	275	0		0
Telecommunications Allowance	4,000	4,500		4,500
	<u>364,575</u>	<u>343,415</u>		<u>384,539</u>

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**32. MAJOR LAND TRANSACTIONS**

The Shire did not participate in any major land transactions during the 2015/16 financial year.

**33. 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.

<b>(a) Operating Statement</b>	<b>2016</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
		<b>\$</b>	
<b>Operating Income</b>			
Landing Fees	41,194	180,000	187,427
Passenger Tax	7,115,073	7,762,000	5,834,563
Property Rental	147,043	89,296	82,428
Security Screening Charges	1,750,169	2,000,000	0
Sundry Income	7,230	27,934	17,948
	<u>9,060,709</u>	<u>10,059,230</u>	<u>6,122,366</u>
<b>Operating Expenditure</b>			
Employee Expenses	(426,075)	(198,998)	(379,869)
Operational Expenses	(1,344,644)	(1,795,455)	(456,462)
Grounds & Strip Maintenance	(154,270)	(159,313)	(112,250)
Marketing	(19,107)	(25,000)	(9,938)
Other Sundry Expenses	(19,736)	(20,097)	(208,742)
Administration Expenses	(164,008)	(221,053)	(22,938)
Administration Overheads	(158,774)	(158,637)	(148,332)
Depreciation	(1,204,478)	(61,761)	(61,761)
	<u>(3,491,092)</u>	<u>(2,640,314)</u>	<u>(1,400,292)</u>
<b>Operating Result</b>	<b>5,569,617</b>	<b>7,418,916</b>	<b>4,722,074</b>
<b>(b) Non-Operating Income &amp; Expenditure</b>			
<b>Capital Revenue</b>			
Transfer from Cash Reserve	0	0	0
Contributions	2,678,336	5,147,570	9,171,537
Government Grants	0	0	0
	<u>2,678,336</u>	<u>5,147,570</u>	<u>9,171,537</u>
<b>Capital Expenditure</b>			
Transfer to Cash Reserve	(3,150,000)	(4,800,000)	(3,000,000)
Infrastructure	(2,665,579)	(4,050,000)	(3,412,031)
Buildings	(221,686)	(250,000)	(774,124)
Airport Equipment Purchase	(16,723)	(10,000)	(989,615)
Financing Expenses	(70,234)	(72,344)	(65,699)
	<u>(6,124,222)</u>	<u>(9,182,344)</u>	<u>(8,241,469)</u>
<b>TOTAL NET TRADING UNDERTAKING</b>	<u><u>2,123,731</u></u>	<u><u>3,384,142</u></u>	<u><u>5,652,142</u></u>

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**34. 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:*

	<b>Carrying Value</b>		<b>Fair Value</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	\$	\$	\$	\$
<b>Financial assets</b>				
Cash and cash equivalents	36,977,388	45,357,245	36,977,388	45,357,245
Receivables	5,799,022	4,557,206	5,799,022	4,557,206
	<u>42,776,410</u>	<u>49,914,451</u>	<u>42,776,410</u>	<u>49,914,451</u>
<b>Financial liabilities</b>				
Payables	6,286,360	6,651,075	6,286,360	6,651,075
Borrowings	5,224,075	6,482,536	4,834,270	5,988,190
	<u>11,510,435</u>	<u>13,133,611</u>	<u>11,120,630</u>	<u>12,639,265</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 2016**

**34. FINANCIAL RISK MANAGEMENT (Continued)**

**(a) Cash and Cash Equivalents**

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

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

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

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

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Impact of a 1% <sup>(1)</sup> movement in interest rates on cash		
- Equity	439,676	438,865
- Statement of Comprehensive Income	439,676	438,865

**Notes:**

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

**SHIRE OF ASHBURTON**  
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**34. 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:

	<b>2016</b>	<b>2015</b>
Percentage of rates and annual charges		
- Current	0%	0%
- Overdue	100%	100%
Percentage of other receivables		
- Current	89%	77%
- Overdue	11%	23%
Percentage of Deferred Rates Receivables		
- Current	0%	0%
- Overdue	0%	0%

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**34. 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>2016</u>	<u>2015</u>		
	Due within 1 year \$	Due between 1 & 5 years \$		
	Due after 5 years \$	Total contractual cash flows \$		
	Carrying values \$			
Payables	6,286,360	0	6,286,360	6,651,075
Borrowings	930,495	1,805,345	6,137,825	6,482,536
	<u>7,216,855</u>	<u>1,805,345</u>	<u>12,424,185</u>	<u>11,510,435</u>
Payables	6,651,075	0	6,651,075	6,651,075
Borrowings	1,513,189	3,509,119	2,628,706	7,651,014
	<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>

**SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**34. 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>&lt;1 year</u>	<u>&gt;1&lt;2 years</u>	<u>&gt;2&lt;3 years</u>	<u>&gt;3&lt;4 years</u>	<u>&gt;4&lt;5 years</u>	<u>&gt;5 years</u>	<u>Total</u>	<u>Weighted Average Effective Interest Rate</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>%</u>
<b>Year ended 30 June 2016</b>								
<b>Borrowings</b>								
<b>Fixed rate</b>								
Debtentures	60,569	0	0	134,926	1,432,518	3,596,062	5,224,075	4.34%
Weighted average Effective interest rate	6.89%			5.82%	5.97%	3.59%		
<b>Year ended 30 June 2015</b>								
<b>Borrowings</b>								
<b>Fixed rate</b>								
Debtentures	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%		

**SHIRE OF ASHBURTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**35. PRIOR PERIOD CORRECTIONS**

The following adjustment has been made to comparative amounts in the 30 June 2016 Financial Report to bring to account financial activities that were incorrectly stated in 2014/15. Details of this activity is below:-

In 2014/15 the Shire revalued it's Parks & Recreation Infrastructure at fair value as at 30 June 2015. At the time of the revaluation the new Nature Based Playground at Clem Thompson Oval was not included. This error has now been identified and the necessary adjustments have been affected.

As a result, the Infrastructure Parks & Recreation fair value valuation increased by \$387,442. This meant the prior year loss on revaluation of \$55,567 was replaced with a surplus on revaluation of \$331,875.

	<b>Financial Report 2015 \$</b>	<b>Corrected Comparative 2015 \$</b>	<b>Adjustment \$</b>
<b>STATEMENT OF COMPREHENSIVE INCOME</b>			
<i>BY NATURE OR TYPE:-</i>			
(Loss) on revaluation of non-current assets	(1,183,448)	(1,127,881)	55,567
Net Result	18,568,122	18,623,689	55,567
Changes on Revaluation of			
Non-current Assets	409,861,825	410,193,700	331,875
Total Comprehensive Income	428,429,947	428,817,389	387,442
<i>BY PROGRAM:-</i>			
(Loss) on revaluation of non-current assets	(1,183,448)	(1,127,881)	55,567
Net Result	18,568,122	18,623,689	55,567
Changes on Revaluation of			
Non-current Assets	409,861,825	410,193,700	331,875
Total Comprehensive Income	428,429,947	428,817,389	387,442
<b>STATEMENT OF FINANCIAL POSITION</b>			
Infrastructure	554,852,130	555,239,572	387,442
Retained Surplus	188,902,084	188,957,651	55,567
Revaluation Surplus	456,383,278	456,715,153	331,875
<b>STATEMENT OF CHANGES IN EQUITY</b>			
<i>Retained Surplus:-</i>			
Balance at 1 July 2014	181,967,118	181,967,118	0
Balance at 30 June 2015	188,902,084	188,957,651	55,567
<i>Revaluation Surplus:- Changes on revaluation of non-current assets</i>			
Balance at 1 July 2014	46,521,453	46,521,453	0
Changes on Revaluation of Non-Current Assets	409,861,825	410,193,700	331,875
Balance at 30 June 2015	456,383,278	456,715,153	331,875
<b>RATE SETTING STATEMENT</b>			
Expenses - General Purpose Funding	(1,346,947)	(1,291,380)	55,567
(Loss) on revaluation of non-current assets	1,183,448	1,127,881	(55,567)
<b>NOTE 2 - REVENUES AND EXPENSES</b>			
Significant expense			
General purpose funding	1,183,448	1,127,881	(55,567)

**SHIRE OF ASHBURTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**35. PRIOR PERIOD CORRECTIONS (Continued)**

	<b>Financial Report 2015 \$</b>	<b>Corrected Comparative 2015 \$</b>	<b>Adjustment \$</b>
<b>NOTE 7 - INFRASTRUCTURE</b>			
Parks & Recreation at:			
- Management Valuation 2015 - Level 3	22,885,842	23,273,284	387,442
<i>Movements in Carrying Amounts:-</i>			
Balance at the beginning of the year - Infrastructure Parks & Recreation	17,353,253	17,740,695	387,442
<b>NOTE 12 - REVALUATION SURPLUS</b>			
Infrastructure Parks & Recreation			
- Revaluation Increment	0	331,875	331,875
<b>NOTE 13 - NOTES TO THE STATEMENT OF CASH FLOWS</b>			
(b) - Reconciliation of Net Cash Provided By			
Operating Activities to Net Result			
- Net Result	18,568,122	18,623,689	55,567
- Loss on revaluation of non-current assets	1,183,448	1,127,881	(55,567)
<b>NOTE 17 - TOTAL ASSETS</b>			
Recreation and culture	47,307,858	47,695,300	387,442

**NOTE 18 - FINANCIAL RATIOS**

Restatement of the numbers above affected the 2015 comparative ratios as follows:

Unadjusted Ratio

Debt Service Ratio Increased from 8.05 to 8.08

Adjusted Ratio

Debt Service Ratio Increased from 8.67 to 8.71

**SHIRE OF ASHBURTON  
SUPPLEMENTARY RATIO INFORMATION  
FOR THE YEAR ENDED 30TH JUNE 2016**

**RATIO INFORMATION**

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

	<b>2016</b>	<b>2015</b>	<b>2014</b>
Asset consumption ratio	0.85	0.86	0.65
Asset renewal funding ratio	0.82	0.83	N/A

The above ratios are calculated as follows:

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

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## **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 2016, 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 2016 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).

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**COMMENT ON RATIOS (CONTINUED)**

**Summary**

The Shire's ratio position, after adjustment for FAGs and Onslow tip closure expenditure, appears reasonably consistent with prior years with improvements in the Current ratio but deterioration in both Asset Sustainability and Operating Surplus ratios.

Whilst some ratios are below the accepted industry benchmark, given the relative strength of the other ratios and the Shire's balance sheet, lower ratios may be expected and acceptable in the short term, provided other measures/strategies are maximised.

Notwithstanding this, a number of the ratios do appear to be trending downwards over the longer term and this should be considered moving forward.

We would like to take this opportunity to stress one off assessments of ratios at a particular point in time can only provide a snapshot of the financial position and operating situation of the Shire. As is the case with all ratios and indicators, their interpretation is much improved if they are calculated as an average over time with the relevant trends being considered.

We will continue to monitor the financial position and ratios in future financial years and suggest it is prudent for Council and management to do so also as they strive to manage the scarce resources of the Shire.

We noted no other matters we wish to bring to your attention.

**UNCORRECTED MISSTATEMENTS**

We advise there were no uncorrected misstatements noted during the course of our audit.

We take this opportunity to thank all staff for the assistance provided during the audit. Should you wish to discuss any matter relating to the audit or any other matter, please do not hesitate to contact us.

Yours faithfully



Wen-Shien Chai  
Partner  
Moore Stephens

Encl.







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reef to range

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