



Annual Report 2017/2018



Photography Contributors:
Elle Lukale, Marg Bertling

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

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Shire President's Report

It has been another busy year for the Shire of Ashburton with a number of key projects continuing towards completion, new developments being initiated and the celebration of key milestones.

In January 2018 we welcomed new CEO Rob Paull to the Shire, who has extensive experience in working with both State and Local Government authorities as well as previous association with, and a passion for, living in the Pilbara.

Paraburdoo's highly anticipated Community Hub has progressed significantly, with new buildings taking shape and external construction nearing completion. Following the internal fit out we look forward to opening the doors to the new facility at the end of 2018.

Responding to the growing needs of the community, and following consultation with stakeholders, Council appointed an allotment of land for construction of a new Childcare Centre in Tom Price. Over the coming year we will seek architectural designs and endeavor to secure the funding needed to build this new facility.

We opened a new hangar at the Onslow Airport, complementing the existing aviation services and providing opportunity for further development of local industry. The 42m x 30m hangar is located to the south of the airport terminal, is designed to house up to two large helicopters and pairs well with existing commercial leases.

We also joined with the Chevron-operated Wheatstone Project in celebrating their First Gas milestone,

with the project moving from construction into LNG production and shipment.

The Federal Government announced their \$9m funding support of a new Regional Class IV Waste Management Facility to be built in Onslow, the second in WA and the only one outside of the Perth metropolitan area. Programmed to be completed in 2020, the facility will enable the Shire of Ashburton to provide highly sought after services and will significantly reduce the cost of managing hazardous waste for the mining, government and other industries operating in the Pilbara.

Local Government elections were held in October which saw Cr Lynch and Cr Diver return to the Tom Price Ward. Other returning Councillors, Cr Melanie Gallanagh (Pannawonica Ward) and Cr Dias (Paraburdoo Ward) were elected unopposed. Cr Glen Dellar resigned from his position on Council in March, representing the Ashburton Ward, and I would like to take this opportunity to thank him for his commitment during his tenure.

As part of Council's focus on raising increased awareness of issues facing

Major Projects 2017/2018

the region, Deputy Shire President Cr Linton Rumble took the opportunity to meet with Premier Mark McGowan during a visit to Paraburdoo. Cr Rumble sat down with Premier McGowan to discuss a number of matters that are of particular concern to Council and our communities, including the high cost of regional airfares as well as the increased use of smaller aircraft, the reduced air service into Onslow and the poor state of the Tom Price and Paraburdoo hospitals. Clarification around the State Governments funding commitment to the new Tom Price Childcare Centre was also sought. It was a positive meeting and Council will continue to push for State Government assistance in these important community issues.

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.



Cr Kerry White
Shire President

Paraburdoo
Community Hub

Onslow Hangar

Pilbara Regional
Waste Management
Facility

Tom Price
Childcare Centre

Our Councillors



CR KERRY WHITE
Shire President Onslow Ward



CR LINTON RUMBLE
Deputy Shire President Paraburdoo Ward



CR GLEN DELLAR
Ashburton Ward



CR MELANIE GALLANAGH
Pannawonica Ward



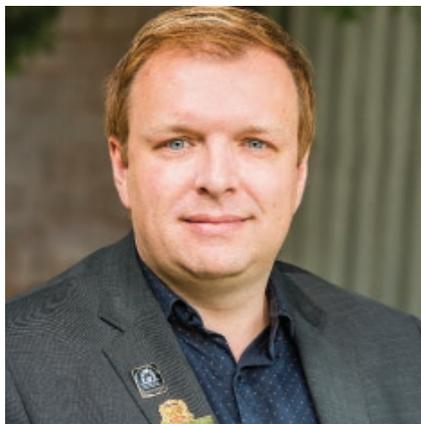
CR DOUGLAS (IVAN) DIAS
Paraburdoo Ward



CR LORRAINE THOMAS
Tableland Ward



CR DOUG DIVER
Tom Price Ward



CR PETER FOSTER
Tom Price Ward



CR MATTHEW LYNCH
Tom Price Ward

CEO's Report

I am honoured to have joined the Shire as CEO in January 2018 and have been impressed with the commitment, passion and effort displayed by Council and staff.

Over the past year the Shire has continued to focus on delivering positive outcomes in line with our Integrated Planning Framework, creating social and economic benefit for each of our towns. Staff have remained attentive to our policies and procedures that ensure both good governance and compliance to the legislative and best-practice operating methods.

The Shire has initiated a renewed focus on Tourism and Economic Development, completing the first of the Information Bay upgrades with an overhaul of the Paraburdoo site, the launch of a new Holiday Planner magazine and continued support

of the iconic Karijini Experience. We have also worked diligently to establish new, and renewed, relationships with our local small business operators and commerce associations.

The Infrastructure Services team have embarked on a 12 month project to repair roads damaged by storm activity that has occurred during the last two years. The value of the projects are \$21m and affect 24 roads and over 1,000 km. This is a significant undertaking, and while largely funded through the Federal Government under the Western Australia Natural Disaster Relief and Recovery Arrangements, the program of works is governed by very strict perimeters. This has presented some challenges, however the team have done their best to reduce the impact occurred by our pastoralists and other road users.

Currently, the Shire is preparing a draft Local Planning Strategy which will provide a land use and development vision for the next 10 – 15 years. Over the coming months we will present the draft strategy to the communities, seeking input into the future planning of each town.

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.

It is exciting to see construction of the Paraburdoo Community Hub nearing completion and we look forward to celebrating the success of this project with our local residents, clubs and groups at the end of 2018.

Our Councillors and staff work diligently to deliver the best possible outcomes for each of our towns and I would like to take the opportunity to thank them for their tireless efforts.



Rob Paull
Chief Executive Officer

It has been another busy year for the Shire of Ashburton with a number of key projects completed, new developments initiated and milestones celebrated.

Executive Team

Rob Paull

Office of CEO

- Council Service
- Organisational Development
- Human Resources
- Staff Housing
- Workplace Health and Safety
- Media
- Communications
- Integrated Planning Framework

Lee Reddell

Development & Regulatory Services

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

Anika Serer

Strategic & Economic Development

- Project Initiation and Coordination
- Economic Development
- Tourism
- Visitor Centre
- Land Development
- Commercial Leases
- Relationship Management
- Pools, Halls and Facilities
- Community Engagement
- Club Development

Troy Davis

Infrastructure Services

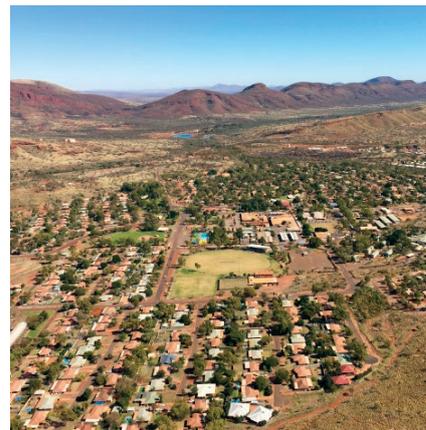
- Airport
- Asset Management
- Building Maintenance (in-house works)
- Engineering
- Fleet
- Parks, Gardens and Infrastructure
- Private Works
- Roads
- Waste Management
- Depots
- Camps

John Bingham

Corporate Services

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

Strategic Community Plan



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

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

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

Our Vision

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

Our Values

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

Future Focus

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

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

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

Council have supported a renewed focus on tourism investment.



The Shire remains focused on creating sustainable and engaged local communities.



Corporate Business Plan

Achieving the community's vision and the Shire's strategic objectives requires the development of actions to address each strategy contained within the Strategic Community Plan. Careful operational planning and prioritisation is required to achieve the objectives and desired outcomes due to the limited resources available.

This planning process is formalised by the development of our Corporate Business Plan.

The Corporate Business Plan converts the Strategic Community Plan into action through the adoption of an Annual Budget.

In accordance with statutory requirements, the Corporate Business Plan is reviewed and updated annually to assess the progress of projects and realign the Plan's actions and priorities based on current information and available funding.

The following tables detail the actions under each of the five key strategic goals. These detailed actions and projects assist us to achieve the desired outcomes.

GOAL 1

VIBRANT AND ACTIVE COMMUNITIES

Objective 1.1: Connected, caring and engaged communities

Outcome: People feel connected and actively involved in the community

STRATEGY	ACTIONS	PROJECTS	
1.1.1	Encourage and provide a range of opportunities to community members and stakeholders to inform and participate in decision making.	1.1.1.1 Develop communication and engagement strategy.	Strategy underway and being developed in line with our ADM08 Community Engagement Policy.
		1.1.1.2 Engage community and stakeholders in accordance with Communication and Engagement Strategy.	Community Survey planned for early 2019 as part of desktop review for Strategic Community Plan.
1.1.2	Establish a strategic approach to community development planning that focuses on building social capital, developing community capability and addresses social isolation and dislocation of all residents across the Shire.	1.1.2.1 Undertake strategic planning to ensure integration of informing plans for adequate resourcing and service delivery.	The Shire adopted the latest iteration of its Corporate Business Plan (CBP 2018 – 2022) at the June 2018 Ordinary Meeting of Council. The Shire's current Integrated Planning Framework comprises of up to date strategic documents, including the CBP and Strategic Community Plan (SCP) to assist service delivery requirements. Our Strategic Community Plan outlines our Mission and Strategic Directions for the next 10 year period.
1.1.3	Continue to develop programs that welcome and induct new residents and transient workers into their host communities; Engage and celebrate local culture, both Indigenous and non-Indigenous.	1.1.3.1 Continue to develop programs welcoming new residents and transient workers into the community.	Community Showcase/Welcome Events held in October 2017.
		1.1.3.2 Engage and celebrate local culture, both Indigenous and non-Indigenous.	NAIDOC Week activities held in July 2017.

GOAL 1

VIBRANT AND ACTIVE COMMUNITIES

Objective 1.2: Sustainable Services, Clubs, Associations and Facilities

Outcome: High levels of community involvement in supporting clubs and organisations to be successful and sustainable, while optimising community facility use

STRATEGY	ACTIONS	PROJECTS	
1.2.1	Develop and implement a cohesive, whole Shire strategy to encourage and support club and community group development through a focus on increased volunteerism and capacity building that utilises the skills and experience of residents and visitors.	1.2.1.1 Develop and implement a cohesive strategy to encourage and support club and community group development.	Strategy developed for Tom Price, Paraburdoo and Pannawonica through Rio Tinto Partnership.
1.2.2	Review existing club and community organisations' governance and operating processes to identify possible synergies, collaborations or alternative models that can increase community involvement, reduce workloads and increase sustainability.	1.2.2.1 As per action 1.2.1.1	Constant review of our existing partnerships and plans to ensure alignment with the communities needs and requirements.
1.2.3	Collaborate with industry to encourage FIFO participation in their host communities through a concerted campaign to increase engagement in community activities; leisure and recreation pursuits.	1.2.3.1 Collaborate with partners, key stakeholders and other organisations where appropriate.	Collaboration with Sodexo and Rio Tinto for events to incorporate FIFO inclusion.
1.2.4	Prepare plans, programs and schedules that provide cost effective access and optimisation of existing community facilities – and provide new or upgraded facilities to accommodate future needs.	1.2.4.1 Seek to deliver community facility services and outcomes within resource capacity.	Multiple facilities throughout the Shire available for service including hire, holding of events and sporting activities. Including: Clem Thompson Memorial Oval and Pavilion, Tom Price Community Centre, Onslow, Ashburton Hall, Paraburdoo Lessor Hall.
	1.2.4.2 Provide community facilities as per asset management planning.	Paraburdoo Community Hub (CHUB) construction commenced October 2017, completion due December 2018.	

GOAL 1

VIBRANT AND ACTIVE COMMUNITIES

Objective 1.3: Quality education, healthcare, childcare, aged care and youth services

Outcome: A cohesive approach to service development, delivery and access to quality education, healthcare, childcare, aged care and youth services and facilities

STRATEGY	ACTIONS	PROJECTS
1.3.1 Play a leadership role in advocating to, and engaging with, relevant government and private sector stakeholders to foster a whole of Shire approach to the provision of quality education, training, healthcare, childcare, aged care, youth services and facility provision.	1.3.1.1 Continue to advocate on behalf of the community.	In collaboration with the Shire President, the Chief Executive Officer (CEO) and Directors advocate directly with corporate partners, Federal and State Governments to promote improved service delivery across the Shire.
	1.3.1.2 Provision of aged care services and housing.	Planned 19/20 financial year.
	1.3.1.3 Develop child care facilities in Tom Price.	RFT 08.18 awarded to Hodge Collard Preston for the Architectural Design of the Tom Price Child Care Centre. Future funding will need to be secured to ensure construction.
	1.3.1.4 Construction of the Paraburdoo CHUB.	RFT 17.17 Construction of the Paraburdoo Community Hub (CHUB) commenced October 2017, completion due December 2018.
1.3.2 Ensure the needs of changing communities are understood, planned and budgeted for and contributed to by government, industry and the private sector.	1.3.2.1 As per action 1.1.2.1	The Shire's current Integrated Planning and Reporting Framework comprises of up to date Strategic documents to assist service delivery requirements.

GOAL 1

VIBRANT AND ACTIVE COMMUNITIES

Objective 1.4: A rich cultural life

Outcome: High levels of community appreciation for, and involvement in Arts and Cultural activities

STRATEGY		ACTIONS		PROJECTS
1.4.1	Encourage and support community involvement with and appreciation of, arts and culture.	1.4.1.1	Encourage and support community involvement with and appreciation of, arts and culture.	In collaboration with the Shire President, the CEO and Directors advocate directly with corporate partners, Federal and State Governments to promote support community involvement with and appreciation of, arts and culture.
1.4.2	Develop and deliver a whole of Shire Cultural Plan that includes 'place management' approaches.	1.4.2.1	Develop and deliver a whole of Shire Cultural Plan.	Tourism Strategy currently under construction addressing cultural link due early 2019.
1.4.3	Continue to work collaboratively with the community to deliver town events.	1.4.3.1	Continue to work collaboratively with the community to deliver town events.	Multiple events held throughout the year in all towns including School Holiday activities, Anzac Day, Australia Day, NAIDOC Week, Nameless Festival (Sponsorship), Onslow Gala Ball, Passion of the Pilbara and Harmony Day.
1.4.4	Increase opportunities for children, youth and Indigenous residents to be part of the wider community.	1.4.4.1	As per Action 1.4.2.1	Tourism Strategy currently under construction addressing children, youth and indigenous link due early 2019.
1.4.5	Continue to foster industry and government social investments and participation in community arts and cultural initiatives.	1.4.5.1	As per Action 1.4.2.1	Strengthening relationships with key stakeholders. Plans to collaborate with organisations on future cultural activities such as the Karijini Experience as the region's biggest cultural initiative.

GOAL 2

ECONOMIC PROSPERITY

Objective 2.1: Strong local economies

Outcome: A diverse and strong economy

STRATEGY		ACTIONS		PROJECTS
2.1.1	Develop local capability and capacity to understand and adapt to economic trends and better meet needs of local businesses.	2.1.1.1	As per action 2.2.2.1	As part of our Economic & Tourism Development Strategy, we are working with Pilbara Inland Chamber of Commerce and Industry (PICCI) and Onslow Chamber of Commerce (OCC).
2.1.2	Develop policies and programs to support existing businesses and encourage business attraction to meet the changing needs of local and regional areas.	2.1.2.1	As per action 2.2.2.1	A high priority in our draft Economic & Tourism Development Strategy. The Shire has supported industry development workshops.
2.1.3	Proactively engage with government and industry to support business development and community enterprise and to plan for present and future training and employment needs.	2.1.3.1	As per action 2.2.2.1	As above, some workshops have occurred, working in collaboration with community stakeholders to ensure ongoing workshops.
2.1.4	Facilitate timely release of land to support the local economy.	2.1.4.1	Facilitate timely release of land to support the local economy.	Continue to liaise with corporate partners, Federal and State governments to identify and promote land release where available.

Objective 2.2: Enduring partnerships with industry and government

Outcome: Industry and government actively engaging with local communities and economies

STRATEGY		ACTIONS		PROJECTS
2.2.1	Partner with industry and government to target their investment in stimulating more diversified business and economic development to benefit communities and the local economy.	2.2.1.1	Advocate for more diversified business and economic development in accordance with Economic Development Strategy.	Ongoing action, including collaborating with Pilbara Inland Chamber of Commerce and Industry and Onslow Chamber of Commerce and Industry.
2.2.2	Develop a Shire Economic Development Strategy that includes engagement with industry and government to support local economic development initiatives.	2.2.2.1	Develop and implement Shire Economic Development Strategy.	Economic Development Strategy in draft form. Planned for release early 2019.

GOAL 2

ECONOMIC PROSPERITY

Objective 2.3: Well-managed tourism

Outcome: Sustainable tourism activity benefiting local economies and the Shire as a whole

STRATEGY	ACTIONS	PROJECTS	
2.3.1	Work with the tourism industry, key stakeholders and agencies to collaboratively develop a regional Tourism Strategy that promotes the unique Pilbara offering of distinctive landscapes, seascapes and communities.	2.3.1.1 Develop Tourism Strategy.	Work in Progress – currently in consultation stage with presentation to Council set for November 2018.
2.3.2	Continue to plan for, invest in, and advocate for the development of key tourist infrastructure including increased accommodation options; tourism attractions and signage.	2.3.2.1 Continue to plan for, invest in, and advocate for the development of key tourist infrastructure in accordance with Tourism Strategy.	Work in Progress – currently in consultation stage with presentation to Council set for November 2018.
2.3.3	Explore Aboriginal tourism opportunities.	2.3.3.1 Encourage Aboriginal tourism opportunities in accordance with Tourism Strategy.	Work in Progress – currently in consultation stage with presentation to Council set for November 2018.
2.3.4	Plan for improved tourism accommodation, camping grounds and associated facilities.	2.3.4.1 Plan for improved tourism accommodation, camping grounds and associated facilities in accordance with Tourism Strategy.	Paraburdoo Visitor Information Bay completed March 2018. Tom Price Visitor Information Bay upgrades planned for 18/19 financial year.
2.3.5	Engage with industry to manage the interface with tourism to optimise opportunities and minimise competing interests.	2.3.5.1 As per action 1.1.1.1	Strategic Plan Developed for Tom Price Visitors Centre. Implementing enhanced online booking services including website visitor guide.

GOAL 3

UNIQUE HERITAGE AND ENVIRONMENT

Objective 3.1: Flourishing natural environments

Outcome: The integrity of the Shire's natural environments are maintained

STRATEGY	ACTIONS	PROJECTS	
3.1.1	Partner with government agencies, industry, traditional owners, non-government organisations, local governments, research institutions, pastoralists and the community to better manage natural assets and deliver improved conservation outcomes that reflect the region's high biodiversity and landscape values.	3.1.1.1 Advocate for the protection of natural assets and sustainable use of resources and utilities.	Whole of Shire ongoing advocacy.
3.1.2	Improve recreational access to natural environments with a focus on signage, access and safety.	3.1.2.1 Improve recreational access to natural environments with a focus on signage, access and safety.	Onslow Ian Blair Boardwalk upgrades including signage. Paraburdoo Visitors information Bay completed in March 2018.

Objective 3.2: Leading regional sustainability

Outcome: The Shire of Ashburton supports and implements best practice sustainability practices

STRATEGY	ACTIONS	PROJECTS	
3.2.1	Promote and encourage protection of natural assets and sustainable use of resources and utilities.	3.2.1.1 As per Action 3.1.1.1	Whole of Shire ongoing advocacy.
3.2.2	Collaborate with State Government and Rio Tinto (the providers of water resources in the Shire) to promote water-wise practices across the Shire.	3.2.2.1 Collaborate with stakeholders to promote water-wise practices across the Shire.	We continue to encourage providers of water within the Shire to promote water-wise practices.
3.2.3	Encourage and implement improved waste minimisation practices, including proactive approaches to recycling and reuse.	3.2.3.1 Encourage and implement improved waste minimisation practices.	Shire plans to establish a waste strategy which will address recycling and waste minimisation.
	3.2.3.2 Development of Pilbara Regional Waste Management Facility	RFQ 69.17 awarded to TALIS Consulting Services in October 2017 for the design of the Pilbara Regional Waste Management Facility. The Shire is awaiting Environmental Protection Authority (EPA) and Department of Water, and Environment Regulation (DWER) Approvals.	

GOAL 3

UNIQUE HERITAGE AND ENVIRONMENT

Objective 3.3: Celebration of history and heritage

Outcome: The Aboriginal and European history and heritage of the Shire is celebrated and valued

STRATEGY	ACTIONS	PROJECTS
3.3.1 Develop strategies to recognise and celebrate the Aboriginal and Non-Aboriginal history and heritage of the Shire, including providing cultural awareness training opportunities.	3.3.1.1 Recognise and celebrate the Shire's Aboriginal and Non-Aboriginal history and heritage.	Continue to support NAIDOC week and other celebrations of aboriginal history and culture.
	3.3.1.2 Support and encourage cultural awareness opportunities.	Continue to support NAIDOC week and other celebrations of aboriginal history and culture.

GOAL 4

QUALITY SERVICES AND INFRASTRUCTURE

Objective 4.1: Quality public infrastructure

Outcome: Adequate, accessible and sustainable public infrastructure

STRATEGY		ACTIONS		PROJECTS
4.1.1	Advocate to, and partner with, government to facilitate the development of the Tom Price – Karratha Road to link Tom Price and Paraburdoo to the Pilbara Cities.	4.1.1.1	Advocate to, and partner with stakeholders to facilitate the development of the Tom Price – Karratha Road to link Tom Price and Paraburdoo to the Pilbara Cities.	Shire continues to advocate for the facilitation of the development of the Tom Price – Karratha Road.
4.1.2	Provide and maintain affordable infrastructure that serves the current and future needs of the community, environment, industry and business.	4.1.2.1	Provide and maintain infrastructure in accordance with asset management plans.	Over \$1,000,000 spent on drainage upgrades throughout the Shire.
		4.1.2.2	Plan and develop Onslow Marina.	Planned for 21/22.
4.1.3	Actively engage with State Government, Aboriginal Corporations and communities to support strategies to effectively manage the planned transition of municipal services in Aboriginal communities (upon the completion of the Aboriginal Communities Review by the WA State Government).	4.1.3.1	Advocate for the provision of appropriate services to all of the community .	In collaboration with the President, the CEO and Directors to advocate for support strategies to effectively manage the planned transition of municipal services in Aboriginal communities.
4.1.4	Actively advocate for the effective supply of utilities and services that meet commercial, industrial and retail needs.	4.1.4.1	As per Action 4.1.2.1	Continue to advocate for supply of utilities and services that meet commercial, industrial and retail needs.

GOAL 4

QUALITY SERVICES AND INFRASTRUCTURE

Objective 4.2: Accessible and safe towns

Outcome: Transportation into and throughout towns are improved

STRATEGY	ACTIONS	PROJECTS
4.2.1 Advocate to, and partner with, key government and industry to develop an air strip at Tom Price and improve public transport and roads between the Shire's towns.	4.2.1.1 Advocate and partner with key stakeholders to develop an air strip at Tom Price.	Shire to continue to advocate to relevant stakeholders.
	4.2.1.2 Advocate to improve public transport and roads between the Shire's towns.	In collaboration with the Shire President, the CEO and Directors continued to advocate for improved public transport and roads between the Shire's towns.
	4.2.1.3 Maintain and improve road infrastructure in accordance with asset management plans.	Over \$2,000,000 spent on road renewal upgrades throughout the Shire; Over \$10,000,000 being spent on restoring roads due to natural disaster.
	4.2.1.4 Maintain and improve air transport infrastructure in accordance with asset management plans.	Onslow Airport Hangar completed in October 2017 along with other minor improvements.
4.2.2 Continue to improve and maintain condition of footpaths, cycleway, kerbs and signage to provide enhanced amenities and connections with towns.	4.2.2.1 Maintain and improve footpaths, cycleway, kerbs and signage in line with asset management planning.	Footpath and kerb renewals conducted throughout the financial year.
4.2.3 Maintain and improved existing public lighting and increase coverage of lighting where appropriate.	4.2.3.1 Advocate for improved public lighting where appropriate.	Onslow Street lighting project. Multiple lighting upgrades completed.
4.2.4 Shire to continue to work with police, stakeholders and the community to promote positive crime prevention and safety initiatives.	4.2.4.1 Continue to work with police, stakeholders and the community to promote positive crime prevention and safety initiatives.	Councillors and the CEO continued to advocate for positive crime prevention and safety initiatives.
4.2.5 Effectively communicate and manage natural hazards, risks and other community emergencies through the development of an emergency management strategy that includes educating stakeholders and community on how to prevent and address emergencies.	4.2.5.1 Continue to effectively communicate emergency management plans and educate stakeholders and community on how to prevent and address emergencies.	In collaboration with LEMC's, Shire staff and Department of Fire and Emergency Services (DFES) to improve and implement emergency management strategies that includes educating stakeholders and community.
	4.2.5.2 Development of Emergency Services Precinct in Tom Price.	Budget allocation for land release in 18/19 financial year.
	4.2.5.3 Develop RFDS Airstrip infrastructure.	Shire to continue to advocate to relevant stakeholders.

GOAL 4

QUALITY SERVICES AND INFRASTRUCTURE

Objective 4.3: Well-planned towns

Outcome: Distinctive and well-functioning towns

STRATEGY	ACTIONS	PROJECTS		
4.3.1	Continue to monitor industry and economic trends and ensure town planning schemes respond appropriately to future housing, accommodation and commercial needs.	4.3.1.1	Continue to monitor industry and economic trends and ensure town planning schemes respond appropriately to future housing, accommodation and commercial needs.	Draft Local Planning Strategy completed addressing and incorporating industry and economic trends, planned for completion early 2019.
4.3.2	Ensure any new buildings and developments are sensitive to and integrate appropriately with the natural and built environments.	4.3.2.1	Continue to ensure any new buildings and developments are sensitive to, and integrate appropriately with the natural and built environments.	The Shire have commenced an Onslow Coastal Process Study to address this action. Due for completion June 2019.
4.3.3	Incorporate social planning and ecological sustainable development principles in planning strategies and policies.	4.3.3.1	Consider social planning and ecological sustainable development principles in planning strategies and policies.	All Local Planning Policies are currently under review in line with Coastal study and new Local Planning Strategy.
4.3.4	Continue to provide and maintain a range of public open spaces with high quality amenities.	4.3.4.1	Continue to provide and maintain a range of public open spaces in accordance with asset management plans.	Multiple public spaces and recreational facility upgrades completed throughout the financial year including: New Onslow Oval Playground; Pannawonica BMX Facility; Tom Price and Paraburdoo Disc Golf installation; Sports courts resurfacing including Tom Price and Paraburdoo Netball/Basketball Courts.

GOAL 5

INSPIRING GOVERNANCE

Objective 5.1: Effective Planning for the Future

Outcome: Ensure that Shire resources are optimally applied to achieving community outcomes, whilst maintaining financial sustainability

STRATEGY	ACTIONS	PROJECTS
5.1.1 Ensure the Strategic Community Plan and Corporate Business Plan are used effectively to guide all planning and decision making in the delivery of quality services and facilities.	5.1.1.1 As per Action 1.1.2.1	Strategic Community Plan 2017-2027 and Corporate Business Plan 2018-2022 considered and used to drive the final adopted annual budget.
	5.1.1.2 Review, update and implement asset management plans.	Asset management plans are current however always under review for content. Plans are currently being reviewed with final plans due end of 2018.
5.1.2 Regular communication and engagement with stakeholders and community to generate a sound understanding, support and buy-in to the Shire's plans and strategies.	5.1.2.1 As per Action 1.1.1.1	Survey as planned for early 2019 in line with review periods.
5.1.3 Monitor trends, anticipate needs and capitalise on opportunities to build strong communities.	5.1.3.1 As per Action 1.2.4.1	As part of the ongoing review of our Strategic documentation, Community feedback is sought via different mediums. This data is used to guide the Shire to monitor trends and anticipate the needs of its community.
5.1.4 Develop a Reconciliation Action Plan and seek greater Aboriginal engagement and representation in decision making.	5.1.4.1 Develop a Reconciliation Action Plan and seek greater Aboriginal engagement and representation in decision making.	The Shire is establishing a direct liaison with Council to commit to a timeline to commence a Reconciliation Action Plan with greater Aboriginal engagement.
5.1.5 Regularly monitor, review and revise the Strategic Community Plan and develop a four year Corporate Business Plan that reflects the evolving community needs and aspirations.	5.1.5.1 As per Action 1.1.2.1	SCP desktop review planned and budgeted for early 2019.
		CBP adopted June 2018 and reviewed every quarter.

GOAL 5

INSPIRING GOVERNANCE

Objective 5.2: Community ownership

Outcome: An engaged and well-informed constituency

STRATEGY		ACTIONS		PROJECTS
5.2.1	Ensure equitable and broad representation on committees and in community engagement activities to ensure there is well informed decision making.	5.2.1.1	As per Action 1.1.1.1	Community Engagement Strategy to be developed in line with ADM08 Community Engagement Policy.
5.2.2	Ensure broad participation and diverse representation in research, planning and decision making.	5.2.2.1	As per Action 1.1.1.1	Community Engagement Strategy to be developed in line with ADM08 Community Engagement Policy, along with engagement projects planned for 2019.
5.2.3	Develop a communications and engagement strategy that ensures the provision of quality information on Shire activities and uses modern methods to foster high levels of community awareness and involvement.	5.2.3.1	As per Action 1.1.1.1	Community Engagement Strategy to be developed in line with ADM08 Community Engagement Policy, along with engagement projects planned for 2019.
5.2.4	Be a strong voice and advocate for the local community in regional, state and federal settings.	5.2.4.1	As per Action 1.3.1.1	In collaboration with the Shire President, the CEO and Directors, continue to advocate directly with Federal and State governments on local community in regional, state and federal settings

GOAL 5

INSPIRING GOVERNANCE

Objective 5.3: Council leadership

Outcome: Council effectively governing the Shire, demonstrating effective governance and town leadership

STRATEGY	ACTIONS	PROJECTS
5.3.1 Support and strengthen the effectiveness of Councillors, and educate the community on their roles, responsibilities and achievements.	5.3.1.1 As per Action 1.3.1.1	Elected Members attended training through WALGA to support and strengthen their effectiveness.
	5.3.1.2 Support and strengthen the effectiveness of Councillors.	The CEO and Directors continue to keep Elected Members informed to strengthen the effectiveness of Council.
	5.3.1.2 Seek to educate the community on the roles, responsibilities and achievements of Council.	We continue to provide information to local government candidates on the roles and responsibilities of Council. We continued to promote Council achievements through Shire publications and website/social media.
	5.3.1.3 Continue to provide quality regulatory services.	We continue to provide and improve Shire regulatory services and establish service standards.
5.3.2 Improve civic engagement and leadership to increase the involvement of under-represented groups including youth, the Aboriginal community and seniors.	5.3.2.1 As per Action 1.1.1.1	Youth Strategy to be developed in line with ADM08 Community Engagement Policy.
5.4.1 Develop an inspired and engaged workforce through the provision of a targeted workforce development plan that includes strategies to attract and retain skilled and capable staff.	5.4.1.1 Undertake staff engagement survey to identify strategies to attract and retain staff.	Staff survey to be rolled out by December 2018 with responses to staff before second quarter 2019.
	5.4.1.2 Review and maintain Workforce Plan and associated plans.	A review of the Workforce Plan is due to commence in the second quarter of 2019.
	5.4.1.3 Implement strategies with Workforce Plan.	Implementation strategies as an outcome of the Workforce Plan review.
5.4.2 Promote an innovative and engaging corporate culture underpinned by the organisation's vision and mission.	5.4.2.1 Promote an innovative and engaging corporate culture underpinned by the organisation's vision.	The CEO and Directors to continue to liaise with staff and lead by example in the role of the Shire and the need to provide outstanding customer service.

Staff have remained attentive to delivering high standards of good governance and legislative compliance.



Highlights and Achievements

NAMELESS JARNDUNMUNHA FESTIVAL

Communities come
together to celebrate
social connections.





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

Community Celebrations

Communities came together and celebrated success, milestones and the social connections. The Shire was proud to host the bi-annual Passion of the Pilbara festival in Onslow, continue our support of the Nameless Jarndunmunha Festival and joined with the Chevron-operated Wheatstone Project to commemorate their first gas production.

Thanks to our partnerships with Rio Tinto and the Chevron-operated Wheatstone Project we implemented a full calendar of community events, workshops and local showcases.



PASSION OF THE PILBARA FESTIVAL



The new hangar in Onslow has created commercial opportunities.

New Hangar creates commercial opportunity

The Shire further enhanced its commitment to Onslow's development with the official opening of a new hangar at Onslow Airport. Opened by Shire President Cr Kerry White and Hon Rita Saffioti MLA, Minister for Transport; Planning; and Lands, the new hangar is a key addition to the commercial opportunities available.

The 42m x 30m hangar is designed to house up to two large helicopters, has access to the general aviation apron and complements the existing commercial leases.



ARCHITECT'S IMPRESSION OF THE NEW PARABURDOO COMMUNITY HUB

The highly anticipated Paraburadoo Community Hub will soon open its doors.

Paraburadoo Community Hub

Construction of this highly anticipated community facility is well underway, with completion due at the end of 2018. The new Community Hub includes a new multipurpose sports court as well as refurbishment of the existing courts, repurposing of the current sports pavilion into the Karingal Neighbourhood Centre, a purpose built gym, pool side amenities, oval amenities, installation of a permanent softball diamond, improvements to the lesser hall and conversion of club rooms for storage.

The new Community Hub is one of the numerous community projects being delivered as part of a long term partnership between the Shire of Ashburton and Rio Tinto.



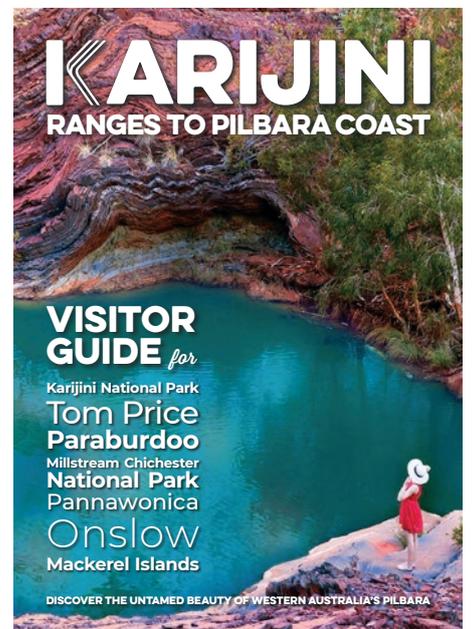
PARABURDOO TOURISM SIGNAGE

Renewed tourism focus

Council have supported a renewed focus on tourism investment as we strive to increase our economic diversity and prosperity. The overhaul of the Paraburadoo Information Bay saw adequate parking for tourists, a shaded area and an informative display of local attractions and key advice.

To further entice tourists into the region we launched our new holiday planner magazine, highlighting each of our four towns as well as our local businesses. It has proven extremely popular and has been distributed throughout Australia, as well as digital copies internationally.

Once again, the Shire was proud to sponsor the iconic Karijini Experience, a week-long event aimed at showcasing the cultural and environmental beauty of the region.



HOLIDAY PLANNER MAGAZINE



ARCHITECT'S IMPRESSION OF THE TOM PRICE CHILDCARE CENTRE

Plans made for new Tom Price Childcare Centre

In response to the growing needs of the community, Council nominated a parcel of land to be used for the development of a new Childcare Centre in Tom Price. In partnership with Rio Tinto, the Shire will progress a tender for architectural design as well as seek additional funding support to ensure the new facility is developed.

The new Regional Waste Management Facility will enable the Shire to provide highly sought after services to local and regional industry.

Onslow to host new Waste Management Facility

The Federal Government's \$9m funding support of a new Regional Waste Management Facility in Onslow is an exciting development, and will enable the Shire of Ashburton to provide highly sought after services to local and regional industry.

The development of a new Regional Class IV Waste Management Facility will be the second facility in WA, and the only one outside of the Perth metropolitan area, to be capable of accepting industrial hazardous waste.

The new Regional Waste Management Facility will be built, and operate to, environmental best practice and is expected to be completed early 2020. Funding for \$13m Facility is a collaboration from the Federal Government (\$9m), Chevron-operated Wheatstone Project (\$2m) and the Shire of Ashburton (\$2m).



not just a site

City of Ashburton



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. There were no changes to the Freedom of Information Statement for the 2017/2018 period.

During 2017/2018, no FOI applications were received by the Shire.

2. RECORD KEEPING PLAN AND SYSTEMS

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

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

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

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

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

3. STRATEGIC PLANNING

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

In line with new legislation, our plan includes:

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

These plans are supported by:

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

2016/2017 Progress Update

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

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

4. ANNUAL SALARIES

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

For the period under review, the Shire had 43 employees whose salary exceeded \$100,000.

Of these employees;

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

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

8 employees had a salary of between \$120,000 and \$130,000

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

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

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

0 employees had a salary of between \$160,000 and \$170,000

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

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

2 employees had a salary of between \$190,000 and \$200,000

1 employee had a salary of between \$240,000 and \$250,000

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 (2018-2022) on 10 January 2018.

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 with disability have the same opportunities as other people to access the buildings and other facilities of a public authority.

- Redevelopment and new building works to comply with minimum access standards as required by Australian Standards on Access and Mobility
- Ensure adequate car parking for people with disability in all Shire car parks
- Access to Swimming Pools
- Ensure that parks and playgrounds are accessible.

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.

- Ensure 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 services, facilities and customer feedback is available in appropriate formats.

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 people with disability are provided an opportunity to comment on facilities, services and events
- Encourage feedback on disability and access.

Outcome 6. People with disability have the same opportunities as other people to participate in any public consultation by a public authority.

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

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

- Review employment practices annually to ensure recruitment process and practices meet requirements
- Ensure position advertisements are inclusive for people with disability
- Collect and collate statistics on how many people with disability are employed by the Shire
- Workplaces will be accessible and safe for existing and new staff.
- Make contact with a Disability Employment Service.

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.





Financials

SHIRE OF ASHBURTON
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

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COMMUNITY VISION

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

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

**SHIRE OF ASHBURTON
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

*Local Government Act 1995
Local Government (Financial Management) Regulations 1996*

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Ashburton for the financial year ended 30 June 2018 is based on proper accounts and records to present fairly the financial position of the Shire of Ashburton at 30 June 2018 and the results of the operations for the financial year then ended in accordance with the *Local Government Act 1995 and, to the extent* that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 10th day of December 2018



Rob Paull
Chief Executive Officer

**STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2018**

	NOTE	2018 Actual \$	2018 Budget \$	2017 Actual \$
Revenue				
Rates	24(a)	33,401,118	34,336,561	25,586,931
Operating grants, subsidies and contributions	2(a)	7,592,795	5,687,866	10,806,886
Fees and charges	2(a)	12,031,013	12,611,777	13,940,570
Service charges	24(b)	212,716	221,222	0
Interest earnings	2(a)	1,251,796	1,059,211	531,182
Other revenue	2(a)	2,933,371	492,897	407,946
		57,422,809	54,409,534	51,273,515
Expenses				
Employee costs		(17,109,093)	(17,684,754)	(17,416,207)
Materials and contracts		(14,280,602)	(16,666,778)	(13,893,475)
Utility charges		(1,414,481)	(1,334,836)	(763,526)
Depreciation on non-current assets	9(b)	(14,158,449)	(14,973,551)	(14,143,661)
Interest expenses	2(b)	(234,749)	(215,082)	(249,163)
Insurance expenses		(1,331,286)	(1,394,606)	(1,367,536)
Other expenditure		(279,445)	(743,494)	(1,148,649)
		(48,808,105)	(53,013,101)	(48,982,217)
		8,614,704	1,396,433	2,291,298
Non-operating grants, subsidies and contributions	2(a)	4,642,960	41,655,185	12,905,832
Profit on asset disposals	9(a)	1,214	2,000,000	70,730
(Loss) on asset disposals	9(a)	(86,394)	(130,319)	(2,575,951)
(Loss) on revaluation of Infrastructure - Parks & Recreation	8(b)	(2,784,437)	0	0
(Loss) on revaluation of Infrastructure - Towns	8(b)	(991,872)	0	0
Reversal of prior year loss on revaluation of Infrastructure - Waste	8(b)	101,376	0	0
		9,497,551	44,921,299	12,691,909
Net result				
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	10	(128,153,890)	0	(15,323,375)
		(128,153,890)	0	(15,323,375)
Total other comprehensive income				
		(128,153,890)	0	(15,323,375)
Total comprehensive income				
		(118,656,339)	44,921,299	(2,631,466)

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

**STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2018**

	NOTE	2018 Actual \$	2018 Budget \$	2017 Actual \$
Revenue				
Governance		2,077,986	673,908	460,486
General purpose funding		38,752,096	37,435,731	32,940,906
Law, order, public safety		131,909	137,854	129,454
Health		207,746	214,678	216,700
Education and welfare		238,006	238,939	206,563
Housing		350,602	412,320	395,093
Community amenities		3,418,122	3,914,470	3,242,367
Recreation and culture		1,284,031	979,174	1,560,472
Transport		9,160,872	8,500,014	9,515,177
Economic services		1,556,633	1,659,505	2,404,119
Other property and services		244,806	242,941	202,178
		57,422,809	54,409,534	51,273,515
Expenses				
Governance		(6,907,031)	(7,533,966)	(7,051,729)
General purpose funding		(149,225)	(200,300)	(67,566)
Law, order, public safety		(863,134)	(902,945)	(792,918)
Health		(620,211)	(744,987)	(787,770)
Education and welfare		(457,442)	(421,673)	(368,969)
Housing		(960,704)	(882,086)	(1,260,477)
Community amenities		(7,319,186)	(8,715,570)	(7,593,620)
Recreation and culture		(9,827,149)	(11,700,873)	(9,211,297)
Transport		(14,280,286)	(15,753,589)	(15,248,179)
Economic services		(4,613,453)	(2,747,124)	(4,487,177)
Other property and services		(2,575,535)	(3,194,906)	(1,863,352)
		(48,573,356)	(52,798,019)	(48,733,054)
Finance Costs				
	2(b)			
Governance		(27,202)	(25,156)	(2,548)
Housing		(99,367)	(88,521)	(117,071)
Community amenities		(91,070)	(78,925)	(104,949)
Recreation and culture		(5,813)	(5,223)	(7,975)
Transport		(11,297)	(17,257)	(16,620)
		(234,749)	(215,082)	(249,163)
		8,614,704	1,396,433	2,291,298
Non-operating grants, subsidies and contributions	2(a)	4,642,960	41,655,185	12,905,832
Profit on disposal of assets	9(a)	1,214	2,000,000	70,730
(Loss) on disposal of assets	9(a)	(86,394)	(130,319)	(2,575,951)
(Loss) on revaluation of Infrastructure - Parks & Recreation	8(b)	(2,784,437)	0	0
(Loss) on revaluation of Infrastructure - Towns	8(b)	(991,872)	0	0
Reversal of prior year loss on revaluation of Infrastructure - Waste	8(b)	101,376	0	0
		882,847	43,524,866	10,400,611
		9,497,551	44,921,299	12,691,909
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	10	(128,153,890)	0	(15,323,375)
Total other comprehensive income		(128,153,890)	0	(15,323,375)
Total comprehensive income		(118,656,339)	44,921,299	(2,631,466)

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

**STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2018**

	NOTE	2018	2017
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	50,920,344	44,428,941
Trade and other receivables	5	4,485,772	7,051,798
Inventories	6	694,973	682,772
TOTAL CURRENT ASSETS		56,101,089	52,163,511
NON-CURRENT ASSETS			
Inventories	6	486,028	486,028
Property, plant and equipment	7	104,640,159	98,443,172
Infrastructure	8	416,085,436	546,704,479
TOTAL NON-CURRENT ASSETS		521,211,623	645,633,679
TOTAL ASSETS		577,312,712	697,797,190
CURRENT LIABILITIES			
Trade and other payables	11	2,621,483	3,871,021
Current portion of long term borrowings	12(a)	752,680	719,190
Provisions	13	1,428,251	1,348,326
TOTAL CURRENT LIABILITIES		4,802,414	5,938,537
NON-CURRENT LIABILITIES			
Long term borrowings	12(a)	3,813,398	4,566,078
Provisions	13	364,843	304,179
TOTAL NON-CURRENT LIABILITIES		4,178,241	4,870,257
TOTAL LIABILITIES		8,980,655	10,808,794
NET ASSETS		568,332,057	686,988,396
EQUITY			
Retained surplus		219,287,940	215,419,958
Reserves - cash backed	4	41,377,381	35,747,812
Revaluation surplus	10	307,666,736	435,820,626
TOTAL EQUITY		568,332,057	686,988,396

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2018**

		RESERVES -			
	NOTE	RETAINED SURPLUS	CASH BACKED	REVALUATION SURPLUS	TOTAL EQUITY
		\$	\$	\$	\$
Balance as at 1 July 2016		210,195,906	28,279,955	451,144,001	689,619,862
Comprehensive income					
Net result		12,691,909	0	0	12,691,909
Changes on revaluation of assets	10	0	0	(15,323,375)	(15,323,375)
Total comprehensive income		12,691,909	0	(15,323,375)	(2,631,466)
Transfers from/(to) reserves		(7,467,857)	7,467,857	0	0
Balance as at 30 June 2017		215,419,958	35,747,812	435,820,626	686,988,396
Comprehensive income					
Net result		9,497,551	0	0	9,497,551
Changes on revaluation of assets	10	0	0	(128,153,890)	(128,153,890)
Total comprehensive income		9,497,551	0	(128,153,890)	(118,656,339)
Transfers from/(to) reserves		(5,629,569)	5,629,569	0	0
Balance as at 30 June 2018		219,287,940	41,377,381	307,666,736	568,332,057

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2018**

	NOTE	2018 Actual	2018 Budget	2017 Actual
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		33,984,237	34,386,561	25,541,031
Operating grants, subsidies and contributions		9,864,184	5,919,351	10,275,320
Fees and charges		12,031,013	13,178,279	12,894,843
Service charges		212,716	221,222	0
Interest earnings		1,251,796	1,059,211	531,182
Goods and services tax		3,291,906	2,401,928	4,017,228
Other revenue		2,933,371	492,897	407,946
		63,569,223	57,659,449	53,667,550
Payments				
Employee costs		(17,016,344)	(17,144,754)	(17,432,377)
Materials and contracts		(15,362,787)	(15,512,956)	(16,138,030)
Utility charges		(1,414,481)	(1,334,836)	(763,526)
Interest expenses		(238,616)	(215,082)	(251,798)
Insurance expenses		(1,331,286)	(1,394,606)	(1,367,536)
Goods and services tax		(3,694,442)	(2,274,460)	(3,636,054)
Other expenditure		(279,445)	(995,494)	(1,148,649)
		(39,337,401)	(38,872,188)	(40,737,970)
Net cash provided by (used in) operating activities	14	24,231,822	18,787,261	12,929,580
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for development of Land held for resale		(13,793)	(375,000)	(43,232)
Payments for purchase of property, plant & equipment		(5,990,990)	(22,822,225)	(6,816,317)
Payments for construction of infrastructure		(16,116,911)	(47,221,174)	(12,417,937)
Non-operating grants, subsidies and contributions		4,642,960	41,655,185	12,905,832
Proceeds from sale of fixed assets		457,505	2,539,000	832,434
Net cash provided by (used in) investment activities		(17,021,229)	(26,224,214)	(5,539,220)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of long term borrowings		(719,190)	(719,190)	(708,807)
Proceeds from new long term borrowings		0	2,100,000	770,000
Net cash provided by (used in) financing activities		(719,190)	1,380,810	61,193
Net increase (decrease) in cash held		6,491,403	(6,056,143)	7,451,553
Cash at beginning of year		44,428,941	44,428,963	36,977,388
Cash and cash equivalents at the end of the year	14	50,920,344	38,372,820	44,428,941

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

**RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2018**

NOTE	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
OPERATING ACTIVITIES			
Net current assets at July 1 b/fwd - surplus / (deficit)			
	12,544,678	11,795,343	8,380,952
	12,544,678	11,795,343	8,380,952
Revenue from operating activities (excluding rates)			
Governance	2,077,986	673,908	460,486
General purpose funding	4,709,432	3,086,216	7,269,873
Law, order, public safety	131,909	137,854	129,454
Health	207,746	214,678	216,700
Education and welfare	238,006	238,939	206,563
Housing	350,602	412,320	395,093
Community amenities	3,418,122	3,914,470	3,242,367
Recreation and culture	1,284,031	979,174	1,560,472
Transport	9,162,086	8,500,014	9,585,907
Economic services	1,556,633	3,659,505	2,404,119
Other property and services	244,806	242,941	202,178
	23,381,359	22,060,019	25,673,212
Expenditure from operating activities			
Governance	(6,934,233)	(7,559,122)	(7,141,640)
General purpose funding	(149,225)	(200,300)	(67,566)
Law, order, public safety	(863,134)	(902,945)	(797,895)
Health	(620,211)	(744,987)	(787,770)
Education and welfare	(457,442)	(421,673)	(368,969)
Housing	(1,060,071)	(970,607)	(1,504,084)
Community amenities	(7,410,256)	(8,794,495)	(7,854,860)
Recreation and culture	(9,832,962)	(11,706,096)	(9,396,706)
Transport	(14,377,977)	(15,901,165)	(16,047,367)
Economic services	(4,613,453)	(2,747,124)	(4,791,314)
Other property and services	(6,250,468)	(3,194,906)	(2,799,997)
	(52,569,432)	(53,143,420)	(51,558,168)
Operating activities excluded			
(Profit) on disposal of assets	9(a) (1,214)	(2,000,000)	(70,730)
Loss on disposal of assets	9(a) 86,394	130,319	2,575,951
Loss on revaluation of fixed assets	8(b) 3,776,309	0	0
(Reversal) of prior year loss on revaluation of fixed assets	(101,376)	0	0
Other Movements	93,718	0	0
Movement in Land held for resale	0	0	546,793
Movement in employee benefit provisions (non-current)	60,664	0	127,858
Depreciation and amortisation on assets	9(b) 14,158,449	14,973,551	14,143,661
Amount attributable to operating activities	1,429,549	(6,184,188)	(180,471)
INVESTING ACTIVITIES			
Non-operating grants, subsidies and contributions	4,642,960	41,655,185	12,905,832
Proceeds from disposal of assets	9(a) 457,505	2,539,000	832,434
Purchase of land held for resale	(13,793)	(375,000)	(43,232)
Purchase of property, plant and equipment	7(b) (5,990,990)	(22,822,225)	(6,816,317)
Purchase and construction of infrastructure	8(b) (16,116,911)	(47,221,174)	(12,417,937)
Amount attributable to investing activities	(17,021,229)	(26,224,214)	(5,539,220)
FINANCING ACTIVITIES			
Repayment of long term borrowings	12(a) (719,190)	(719,190)	(708,807)
Proceeds from new long term borrowings	12(b) 0	2,100,000	770,000
Transfers to reserves (restricted assets)	4 (20,785,469)	(18,036,606)	(11,672,419)
Transfers from reserves (restricted assets)	4 15,155,900	16,214,684	4,204,562
Amount attributable to financing activities	(6,348,759)	(441,112)	(7,406,664)
Surplus(deficiency) before general rates	(21,940,439)	(32,849,514)	(13,126,355)
Total amount raised from general rates	24 34,042,664	34,349,515	25,671,033
Net current assets at June 30 c/fwd - surplus/(deficit)	25 12,102,225	1,500,000	12,544,678

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

1. 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 and to the extent they are not in-consistent with the *Local Government Act 1995* and accompanying regulations.), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1995* and accompanying regulations. Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise.

The Local Governemnt (Financial Management Regulations 1996) take precedence over Australian Accounting Standards. Regulation 16 prohibits a local government from recognising as assets Crown land that is a public thoroughfare, such as land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, race course or any other sporting or recreational facility of State or regional significance. Consequently some assets, including land under roads acquired on or after 1 July 2008 have not been recognised in this financial report. This is not in accordance with the requirements of AASB 1051 Land Under Roads paragraph 15 and AASB 116 Property, Plant and Equipment paragraph 7.

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 27 to these financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

2. REVENUE AND EXPENSES

(a) Revenue	2018 Actual	2018 Budget	2017 Actual
	\$		\$
Significant revenue			
Reimbursement for flood damage (WANDRRA)	1,484,627	0	0
Other revenue			
Reimbursements and recoveries	1,778,502	97,148	123,352
Other	1,154,869	395,749	284,594
	2,933,371	492,897	407,946
Fees and Charges			
Governance	6,996	11,462	1,262
General purpose funding	11,519	1,023	12,016
Law, order, public safety	60,611	65,085	60,903
Health	66,896	68,580	64,445
Education and welfare	42,263	43,861	29,318
Housing	259,221	342,820	350,467
Community amenities	2,595,704	3,281,470	2,914,380
Recreation and culture	345,001	392,150	414,980
Transport	7,487,558	7,110,566	8,770,640
Economic services	1,154,972	1,243,110	1,313,344
Other property and services	272	51,650	8,815
	12,031,013	12,611,777	13,940,570

At the 24 October 2017 Ordinary Meeting of Council the Fees and Charges were amended to apply the following Corporate Card payment surcharge rates.

- American Express Credit Cards	0.80%
- Mastercard Credit Cards	0.85%
- Visa Credit Cards	0.72%

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Grant Revenue

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

	2018 Actual	2018 Budget	2017 Actual
	\$		\$
Operating grants, subsidies and contributions			
Governance	1,135,522	620,746	423,633
General purpose funding	4,083,243	1,988,887	6,813,122
Law, order, public safety	71,292	62,122	68,551
Health	140,850	146,098	152,255
Education and welfare	193,044	195,078	152,184
Housing	11,608	2,180	14,066
Community amenities	819,001	633,000	327,988
Recreation and culture	860,131	578,355	1,113,692
Transport	165,782	1,389,448	972,059
Economic services	83,122	38,372	731,776
Other property and services	29,200	33,580	37,560
	7,592,795	5,687,866	10,806,886
Non-operating grants, subsidies and contributions			
Governance	0	0	1,000,000
Education and welfare	0	0	500,000
Community amenities	110,000	10,914,201	85,543
Recreation and culture	1,632,630	11,933,919	8,762,029
Transport	2,191,500	14,987,437	2,558,260
Economic services	708,830	3,819,628	0
	4,642,960	41,655,185	12,905,832
Total grants, subsidies and contributions	12,235,755	47,343,051	23,712,718

SIGNIFICANT ACCOUNTING POLICIES

Grants, Donations and Other Contributions

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

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

Grants, Donations and Other Contributions (Continued)

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 23. 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 period.

Interest earnings

- Reserve funds
- Other funds
Other interest revenue (refer note 24(d))

	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
- Reserve funds	789,670	844,000	264,854
- Other funds	373,589	57,404	153,153
Other interest revenue (refer note 24(d))	88,537	157,807	113,175
	1,251,796	1,059,211	531,182

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

Significant expense

Expenditure on Flood Damage re-instatement
Demobilisation of Onslow Airport Camp

	2018 Actual	2017 Actual
	\$	\$
	1,903,283	0
	0	1,222,528
	1,903,283	1,222,528
Auditors remuneration		
- Audit of the Annual Financial Report	36,080	39,648
- Other Services	4,458	11,600
	40,538	51,248
Interest expenses (finance costs)		
Long term borrowings (refer Note 12(a))	234,749	249,163
	234,749	249,163

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

3. CASH AND CASH EQUIVALENTS

	NOTE	2018	2017
		\$	\$
Unrestricted		9,542,963	8,327,853
Restricted		41,377,381	36,101,088
		50,920,344	44,428,941
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Employee Benefits Reserve	4	574,373	330,265
Plant Replacement Reserve	4	423,180	26,345
Infrastructure Reserve	4	2,349,929	5,010,869
Housing Reserve	4	1,263,232	910,789
Onslow Community Infrastructure Reserve	4	189,548	186,980
Property Development Reserve	4	2,601,064	2,647,269
Unspent Grants & Contributions Reserve	4	4,575,911	5,735,793
RTIO Partnership Reserve	4	5,852,632	4,995,386
Onslow Aerodrome Reserve	4	13,282,756	12,513,148
Future Projects Reserve	4	1,664,756	3,390,968
Joint Venture Housing Reserve	4	100,000	0
Tom Price Administration Building Reserve	4	1,000,000	0
Waste Services Reserve	4	1,000,000	0
Financial Risk Reserve	4	6,500,000	0
Unspent Grants	23	0	353,276
		41,377,381	36,101,088

SIGNIFICANT ACCOUNTING POLICIES

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 with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk.

Cash and cash equivalents (Continued)

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

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

I. RESERVES - CASH BACKED

	2018		2018		2018		2018		2018		2017		2017	
	Actual	Actual	Actual	Actual	Budget	Budget	Budget	Budget	Actual	Actual	Actual	Actual	Actual	Actual
	Opening	Transfer	Transfer	Closing	Opening	Transfer	Transfer	Closing	Opening	Transfer	Transfer	Opening	Transfer	Closing
	Balance	to	(from)	Balance	Balance	to	(from)	Balance	Balance	to	(from)	Balance	to	Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Employee Benefits Reserve	330,265	244,108	0	574,373	330,265	747,741	0	1,078,006	327,314	2,951	0	327,314	0	330,265
Financial Risk Reserve	0	6,775,000	(275,000)	6,500,000	0	6,500,000	0	6,500,000	0	0	0	0	0	0
Future Projects Reserve	3,390,968	46,572	(1,772,784)	1,664,756	3,668,620	84,030	(1,777,448)	1,975,202	3,252,725	415,895	(277,652)	3,252,725	(277,652)	3,390,968
Housing Reserve	910,789	352,443	0	1,263,232	910,789	360,256	(900,000)	371,045	901,919	8,870	0	901,919	8,870	910,789
Infrastructure Reserve	5,010,869	68,819	(2,729,759)	2,349,929	5,010,869	114,774	(937,723)	4,187,920	5,019,130	32,652	(40,913)	5,019,130	(40,913)	5,010,869
Joint Venture Housing Reserve	0	100,000	0	100,000	0	100,000	0	100,000	0	0	0	0	0	0
Onslow Aerodrome Reserve	12,513,148	4,081,279	(3,311,671)	13,282,756	12,513,148	3,608,349	(5,021,749)	11,099,748	6,178,151	6,871,464	(536,467)	6,178,151	(536,467)	12,513,148
Onslow Community Infrastructure Reserve	186,980	2,568	0	189,548	186,980	2,004,283	0	2,191,263	185,309	1,671	0	185,309	1,671	186,980
Plant Replacement Reserve	26,345	1,392,266	(995,431)	423,180	26,345	2,191,904	(995,432)	1,222,817	26,110	235	0	26,110	235	26,345
Property Development Reserve	2,647,269	36,358	(82,563)	2,601,064	2,647,269	60,636	(457,563)	2,250,342	2,739,447	27,699	(119,877)	2,739,447	(119,877)	2,647,269
RTIO Partnership Reserve	4,995,386	2,591,529	(1,734,283)	5,852,632	5,176,963	118,578	(4,954,225)	341,316	2,135,883	3,200,465	(340,962)	2,135,883	(340,962)	4,995,386
Tom Price Administration Building Reserve	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0	0	0	0	0	0
Unspent Grants & Contributions Reserve	5,735,793	3,094,527	(4,254,409)	4,575,911	5,276,565	146,055	(1,170,544)	4,252,076	7,513,967	1,110,517	(2,888,691)	7,513,967	(2,888,691)	5,735,793
Waste Services Reserve	0	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0	0	0	0	0	0
	35,747,812	20,785,469	(15,155,900)	41,377,381	35,747,813	18,036,606	(16,214,684)	37,569,735	28,279,955	11,672,419	(4,204,562)	28,279,955	(4,204,562)	35,747,812

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 upon termination of their employment.
Financial Risk Reserve	Ongoing	- To provide funds to mitigate against Financial Risks including legal cases with penalties awarded against the Shire, SAT rulings upholding valuation objections on high value properties likely to cause significantly large refunds and other unknown events potentially resulting in financial loss to the Shire.
Future Projects Reserve	Ongoing	- To provide funds for Future Capital Projects determined in the Long Term Financial Plan.
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.
Infrastructure Reserve	Ongoing	- To provide funds for provision and maintenance of new and existing infrastructure assets (including Buildings) throughout the Shire.
Joint Venture Housing Reserve	Ongoing	- To provide funds for repairs and maintenance in compliance with Joint Venture Housing Agreements.
Onslow Aerodrome Reserve	Ongoing	- To provide funds for operational surpluses and deficits as well as the upgrading and modifications to the Onslow Aerodrome.
Onslow Community Infrastructure Reserve	Ongoing	- To provide funds for the development of community facilities in Onslow.
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.
Property Development Reserve	Ongoing	- To provide funds to assist the Council in purchasing, developing and selling property to stimulate economic development.
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.
Tom Price Administration Building Reserve	2022	- To provide funds for a replacement Tom Price Administration Building.
Unspent Grants Reserve	Ongoing	- To preserve unspent Grant and ongoing Capital works Funds.
Waste Services Reserve	Ongoing	- To provide funds for the upgrading and modifications to Waste Facilities within the Shire.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

5. TRADE AND OTHER RECEIVABLES

Current

Rates outstanding	
Sundry debtors	
GST receivable	
Accrued Income	
Provision for doubtful debts	

Information with respect the impairment or otherwise of the totals of rates outstanding and sundry debtors is as follows:

Rates outstanding

Includes:

- 1 to 5 years

Sundry debtors

Includes:

- up to one month
- 1 - 3 months
- 3 months to 1 year
- 1 - 5 years

2018	2017
\$	\$
329,710	912,829
2,219,859	6,127,308
288,482	0
1,851,181	1,044,453
(203,460)	(1,032,792)
4,485,772	7,051,798
329,710	912,829
1,410,215	5,032,525
201,596	820,114
600,110	272,718
7,938	1,951

SIGNIFICANT ACCOUNTING POLICIES

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.

Classification and subsequent measurement

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.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

6. INVENTORIES

Current

Fuel and materials
Tourist Bureau stock
Land held for resale - cost
Development costs

Non-current

Land held for resale - cost
Cost of acquisition
Development costs

	2018	2017
	\$	\$
Fuel and materials	36,165	1,210
Tourist Bureau stock	98,222	134,769
Land held for resale - cost		
Development costs	560,586	546,793
	694,973	682,772
Land held for resale - cost		
Cost of acquisition	423,859	423,859
Development costs	62,169	62,169
	486,028	486,028

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

Land held for resale

Land held for development and resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development.

Land held for resale (Continued)

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

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

7 (a). PROPERTY, PLANT AND EQUIPMENT

	2018	2017
	\$	\$
Land and buildings		
Land - freehold land at:		
- Independent valuation 2017 - level 2	16,537,000	16,537,000
	16,537,000	16,537,000
Land - vested in and under the control of Council at:		
- Independent valuation 2017 - level 3	760,000	760,000
	760,000	760,000
Total land	17,297,000	17,297,000
Buildings - non-specialised at:		
- Independent valuation 2017 - level 2	13,828,000	13,828,000
- Additions after valuation - cost	1,257,853	0
Less: accumulated depreciation	(313,129)	0
	14,772,724	13,828,000
Buildings - specialised at:		
- Independent valuation 2017 - level 3	57,522,764	57,522,764
- Additions after valuation - cost	1,077,684	0
Less: accumulated depreciation	(1,216,339)	0
	57,384,109	57,522,764
Total buildings	72,156,833	71,350,764
Total land and buildings	89,453,833	88,647,764
Furniture and equipment at:		
- Management valuation 2016 - level 2	19,717	19,717
- Management valuation 2016 - level 3	233,714	233,714
- Additions after valuation - cost	963,133	828,211
Less: accumulated depreciation	(306,417)	(102,376)
	910,147	979,266
Plant and equipment at:		
- Independent valuation 2016 - level 2	1,948,997	1,948,997
- Management valuation 2016 - level 2	1,592,923	1,592,923
- Independent valuation 2016 - level 3	175,431	175,431
- Management valuation 2016 - level 3	3,389,091	3,389,091
- Additions after valuation - cost	2,134,499	1,751,104
Less: accumulated depreciation	(1,827,246)	(916,290)
	7,413,695	7,941,256
Work in Progress	6,862,484	874,886
	6,862,484	874,886
Total property, plant and equipment	104,640,159	98,443,172

7. 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.

	Land - freehold land	Land - vested in and under the control of Council	Total land	Buildings - specialised	Buildings - non-specialised	Buildings - specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Work in Progress	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2016	15,558,926	919,533	16,478,459	14,165,205	45,130,467	59,295,672	75,774,131	348,590	8,095,527	17,382,595	101,600,843	
Additions	0	0	0	2,313,948	2,117,036	4,430,984	4,430,984	503,097	1,882,236	0	6,816,317	
(Disposals)	0	0	0	(104,359)	(1,672,319)	(1,776,678)	(1,776,678)	(95,160)	(989,085)	0	(2,860,923)	
Revaluation increments/ (decrements) transferred to revaluation surplus	518,074	(159,533)	358,541	(1,476,934)	(3,714,447)	(5,191,381)	(4,832,840)	0	0	0	(4,832,840)	
Depreciation (expense)	0	0	0	(288,635)	(1,589,829)	(1,878,464)	(1,878,464)	(113,198)	(1,017,054)	0	(3,008,716)	
Transfers	460,000	0	460,000	(781,225)	17,251,856	16,470,631	16,930,631	335,937	(30,368)	(16,507,709)	728,491	
Carrying amount at 30 June 2017	16,537,000	760,000	17,297,000	13,828,000	57,522,764	71,350,764	88,647,764	979,266	7,941,256	874,886	98,443,172	
Additions	0	0	0	1,257,853	1,077,684	2,335,537	2,335,537	128,540	492,153	3,034,760	5,990,990	
(Disposals)	0	0	0	0	0	0	0	0	(542,685)	0	(542,685)	
Depreciation (expense)	0	0	0	(313,129)	(1,216,339)	(1,529,468)	(1,529,468)	(306,417)	(910,956)	0	(2,746,841)	
Transfers	0	0	0	0	0	0	0	108,758	433,927	2,952,838	3,495,523	
Carrying amount at 30 June 2018	16,537,000	760,000	17,297,000	14,772,724	57,384,109	72,156,833	89,453,833	910,147	7,413,695	6,862,484	104,640,159	

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair Value Measurements

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

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

8 (a). INFRASTRUCTURE

	2018	2017
	\$	\$
Infrastructure - Roads		
- Management valuation 2015 - level 3	0	490,599,948
Less: impairment loss	0	(10,491,116)
- Management valuation 2018 - level 3	338,066,574	0
- Additions after valuation - cost	0	4,259,962
Less: accumulated depreciation	(56,253,502)	(57,551,112)
	281,813,072	426,817,682
Infrastructure - Footpaths		
- Management valuation 2015 - level 3	0	8,739,571
- Management valuation 2018 - level 3	10,279,657	0
- Additions after valuation - cost	0	1,125,939
Less: accumulated depreciation	(2,199,088)	(1,903,120)
	8,080,569	7,962,390
Infrastructure - Drainage		
- Management valuation 2015 - level 3	0	25,746,921
- Management valuation 2018 - level 3	50,863,616	0
- Additions after valuation - cost	0	682,463
Less: accumulated depreciation	(19,514,430)	(5,851,014)
	31,349,186	20,578,370
Infrastructure - Airports		
- Management valuation 2015 - level 3	0	51,809,468
- Management valuation 2018 - level 3	57,438,484	0
- Additions after valuation - cost	0	3,548,089
Less: accumulated depreciation	(4,666,904)	(3,047,300)
	52,771,580	52,310,257
Infrastructure - Bridges		
- Management valuation 2015 - level 3	0	988,352
- Management valuation 2018 - level 3	2,627,874	0
Less: accumulated depreciation	(1,119,059)	(464,416)
	1,508,815	523,936
Infrastructure - Parks & Recreation		
- Management valuation 2015 - level 3	0	23,273,284
- Management valuation 2018 - level 3	28,897,481	0
- Additions after valuation - cost	0	9,973,349
Less: accumulated depreciation	(6,672,849)	(7,495,791)
	22,224,632	25,750,842
Infrastructure - Towns		
- Management valuation 2015 - level 3	0	4,825,238
- Management valuation 2018 - level 3	6,998,395	0
- Additions after valuation - cost	0	2,005,762
Less: accumulated depreciation	(1,245,514)	(743,978)
	5,752,881	6,087,022
Infrastructure - Waste		
- Management valuation 2015 - level 3	0	635,909
- Management valuation 2018 - level 3	6,071,731	0
- Additions after valuation - cost	0	4,087,796
Less: accumulated depreciation	(1,033,660)	(475,749)
	5,038,071	4,247,956
Works in Progress	7,546,630	2,426,024
	7,546,630	2,426,024
Total infrastructure	416,085,436	546,704,479

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

8. 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.

	Infrastructure - Roads	Infrastructure - Footpaths	Infrastructure - Drainage	Infrastructure - Airports	Infrastructure - Bridges	Infrastructure - Parks & Recreation	Infrastructure - Towns	Infrastructure - Waste	Works in Progress	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2016	442,941,312	7,669,607	20,259,184	52,519,278	534,919	21,358,332	6,144,542	3,765,923	1,924,148	557,117,245
Additions	1,788,502	353,358	720,256	586,286	0	7,722,416	613,320	633,799	0	12,417,937
(Disposals)	(83,439)	(181,402)	(83,120)	0	0	(128,771)	0	0	0	(476,732)
Revaluation increments/ (decrements) transferred to revaluation surplus	0	0	0	581	0	0	0	0	0	581
Impairment (losses)/reversals	(10,491,116)	0	0	0	0	0	0	0	0	(10,491,116)
Depreciation (expense)	(8,264,323)	(156,274)	(260,676)	(854,755)	(10,983)	(1,295,048)	(139,625)	(153,261)	0	(11,134,945)
Transfers	926,746	277,101	(57,274)	58,867	0	(1,906,087)	(531,215)	1,495	501,876	(728,491)
Carrying amount at 30 June 2017	426,817,682	7,962,390	20,578,370	52,310,257	523,936	25,750,842	6,087,022	4,247,956	2,426,024	546,704,479
Additions	4,109,217	86,354	1,895,828	3,325,264	0	1,219,897	3,905,881	1,574,470	0	16,116,911
Revaluation increments/ (decrements) transferred to revaluation surplus	(137,415,448)	(14,431)	9,121,680	(510,295)	995,863	(331,875)	0	616	0	(128,153,890)
Revaluation (loss)/ reversals transferred to profit or loss	0	0	0	0	0	(2,784,437)	(991,872)	101,376	0	(3,674,933)
Depreciation (expense)	(8,340,791)	(165,466)	(266,796)	(918,993)	(10,984)	(1,390,752)	(153,588)	(164,238)	0	(11,411,608)
Transfers	(3,357,588)	211,722	20,104	(1,434,653)	0	(239,043)	(3,094,562)	(722,109)	5,120,606	(3,495,523)
Carrying amount at 30 June 2018	281,813,072	8,080,569	31,349,186	52,771,580	1,508,815	22,224,632	5,752,881	5,038,071	7,546,630	416,085,436

8. INFRASTRUCTURE (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - Roads	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Infrastructure - Footpaths	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Infrastructure - Drainage	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Infrastructure - Airports	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Infrastructure - Bridges	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Infrastructure - Parks & Recreation	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Infrastructure - Towns	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Infrastructure - Waste	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	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.

9. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

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.

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.

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, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework.

Revaluation

The fair value of fixed assets is determined at least every three years in accordance with the regulatory framework. At the end of each 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.

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 class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

Land under control

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

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

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.

9. FIXED ASSETS (Continued)

(a) Disposals of Assets

The following assets were disposed of during the year.

	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss	Budget Net Book Value	Budget Sale Proceeds	Budget Profit	Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$
Plant and Equipment								
Transport								
Assets disposed of producing a loss	522,707	436,313	0	(86,394)	647,319	519,000	0	(128,319)
Assets disposed of producing a profit	19,978	21,192	1,214	0	22,000	20,000	0	(2,000)
Economic services								
Land Sale - Lot 9500 Onslow	0	0	0	0	0	2,000,000	2,000,000	0
	542,685	457,505	1,214	(86,394)	669,319	2,539,000	2,000,000	(130,319)

(b) Depreciation

	2018	2017
	\$	\$
Buildings - non-specialised	313,129	288,635
Buildings - specialised	1,216,339	1,589,829
Furniture and equipment	306,417	113,198
Plant and equipment	910,956	1,017,054
Infrastructure - Roads	8,340,791	8,264,323
Infrastructure - Footpaths	165,466	156,274
Infrastructure - Drainage	266,796	260,676
Infrastructure - Airports	918,993	854,755
Infrastructure - Bridges	10,984	10,983
Infrastructure - Parks & Recreation	1,390,752	1,295,048
Infrastructure - Towns	153,588	139,625
Infrastructure - Waste	164,238	153,261
	14,158,449	14,143,661

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

9. FIXED ASSETS (Continued)

(b) Depreciation (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land and vested 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) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. For example, the gross carrying amount may be restated by reference to observable market data or it may be restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses; or
- b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Depreciation rates

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

Buildings	15 to 100 years	1-6.67%
Furniture and Equipment	4 to 10 years	10-25%
Computer Equipment	3 years	33.33%
Office Equipment	5 years	20%
Plant and Equipment	3 to 15 years	6.67-33.33%
Motor Vehicles	3-5 years	20-33%
Infrastructure Other	10-100 years	1 - 10%
Water Supply Piping & Drainage Systems	100 years	1%
Sewerage piping	100 years	1%
Footpaths	35-50 years	2-2.85%
Gravel roads		
• Construction/Road Base	80 years	1.25%
• Gravel Sheet	12 years	8.33%
Formed Roads (unsealed)		
• Construction/Road Base	80 years	1.25%

Depreciation (Continued)

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.

10. REVALUATION SURPLUS

	2018				2018				2017				
	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Total Movement on Revaluation	Closing Balance	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Total Movement on Revaluation	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Total Movement on Revaluation
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation Surplus - Land and Buildings	35,620,458	0	0	0	35,620,458	40,453,298	0	(4,832,840)	(4,832,840)	35,620,458	0	0	0
Revaluation surplus - Furniture and equipment	377,415	0	0	0	377,415	377,415	0	0	0	377,415	0	0	0
Revaluation surplus - Plant and equipment	434,114	0	0	0	434,114	434,114	0	0	0	434,114	0	0	0
Revaluation Surplus - Infrastructure - Roads	381,212,025	0	(137,415,448)	(137,415,448)	243,796,577	391,703,141	0	(10,491,116)	(10,491,116)	381,212,025	0	0	0
Revaluation Surplus - Infrastructure - Footpaths	4,577,024	0	(14,431)	(14,431)	4,562,593	4,577,024	0	0	0	4,577,024	0	0	0
Revaluation Surplus - Infrastructure - Drainage	9,433,310	9,121,680	0	9,121,680	18,554,990	9,433,310	0	0	0	9,433,310	0	0	0
Revaluation Surplus - Infrastructure - Airports	3,826,598	0	(510,295)	(510,295)	3,316,303	3,826,017	581	0	581	3,826,598	0	0	0
Revaluation Surplus - Infrastructure - Bridges	7,807	995,863	0	995,863	1,003,670	7,807	0	0	0	7,807	0	0	0
Revaluation Surplus - Infrastructure - Parks & Recreation	331,875	0	(331,875)	(331,875)	0	331,875	0	0	0	331,875	0	0	0
Revaluation Surplus - Infrastructure - Waste	0	616	0	616	616	0	0	0	0	0	0	0	0
	435,820,626	10,118,159	(138,272,049)	(128,153,890)	307,666,736	451,144,001	581	(15,323,956)	(15,323,375)	435,820,626	0	0	0

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.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

11. TRADE AND OTHER PAYABLES

Current

	2018	2017
	\$	\$
Sundry creditors	868,938	2,343,284
Accrued interest on long term borrowings	25,656	29,523
Accrued salaries and wages	208,754	256,594
ATO liabilities	0	114,054
Accrued expenses	1,518,135	1,127,566
	2,621,483	3,871,021

SIGNIFICANT ACCOUNTING POLICIES

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

Trade and other payables (Continued)

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.

12. INFORMATION ON BORROWINGS

(a) Repayments - Borrowings

Particulars	Borrowing Institution	Interest Rate %	Principal 1 July 2017 \$	New Loans \$	Principal Repayments		Principal 30 June 2018		Interest Repayments	
					Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Governance										
Loan 124 - Onslow Administration Building	WATC	3.31	770,000	0	40,387	40,386	729,613	729,614	27,202	25,156
Housing										
Loan 117 - Housing Manager	WATC	5.45	420,744	0	60,888	60,888	359,856	359,856	23,612	22,112
Loan 121 - New Staff Housing	WATC	5.97	1,178,694	0	269,203	269,203	909,491	909,491	75,755	66,409
Community amenities										
Loan 122 - Onslow Transfer Station	WATC	3.08	2,635,764	0	295,319	295,320	2,340,445	2,340,444	91,070	78,925
Recreation and culture										
Loan 118 - Community Rec Centre	WATC	5.82	99,098	0	37,943	37,943	61,155	61,155	5,813	5,223
Transport										
Loan 119 - Onslow Aerodrome Upgrade	WATC	6.36	180,968	0	15,450	15,450	165,518	165,518	11,297	17,257
			5,285,268	0	719,190	719,190	4,566,078	4,566,078	234,749	215,082

Borrowings

Current
Non-current

	2018	2017
	\$	\$
Current	752,680	719,190
Non-current	3,813,398	4,566,078
	4,566,078	5,285,268

(b) Undrawn Borrowing Facilities

Credit Standby Arrangements
Bank overdraft limit
Bank overdraft at balance date
Credit card limit
Credit card balance at balance date
Total amount of credit unused

	2018	2017
	\$	\$
Credit Standby Arrangements	0	500,000
Bank overdraft limit	0	0
Bank overdraft at balance date	64,000	56,000
Credit card limit	(28,161)	(20,831)
Credit card balance at balance date	35,839	535,169
Total amount of credit unused	752,680	719,190
	3,813,398	4,566,078
	4,566,078	5,285,268

Loan facilities

Loan facilities - current
Loan facilities - non-current
Total facilities in use at balance date

Unused loan facilities at balance date

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

Financial liabilities are recognised at fair value when the Shire becomes a party to the contractual provisions to the instrument.

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

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.

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.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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13. PROVISIONS

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2017			
Current provisions	904,876	443,450	1,348,326
Non-current provisions	0	304,179	304,179
	904,876	747,629	1,652,505
Additional provision / (Amount Used)	(43,983)	184,572	140,589
Balance at 30 June 2018	860,893	932,201	1,793,094
Comprises			
Current	860,893	567,358	1,428,251
Non-current	0	364,843	364,843
	860,893	932,201	1,793,094

Annual Leave and current long service leave liabilities have been classified as current as there are no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities are expected to occur as detailed below.

	Annual Leave	Long Service Leave	Total
	\$	\$	\$
Current Provisions			
Within 12 months of the end of the reporting period	803,675	401,766	1,205,441
After 12 months of the end of the reporting period	57,218	165,592	222,810
	860,893	567,358	1,428,251

SIGNIFICANT ACCOUNTING POLICIES

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.

Other long-term employee benefits

The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

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

Other long-term employee benefits (Continued)

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.

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.

14. NOTES TO THE STATEMENT OF CASH FLOWS

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:

	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
Cash and cash equivalents	50,920,344	38,372,820	44,428,941
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	9,497,551	44,921,299	12,691,909
Non-cash flows in Net result:			
Depreciation	14,158,449	14,973,551	14,143,661
(Profit)/loss on sale of asset	85,180	(1,869,681)	2,505,221
Loss on revaluation of fixed assets	3,776,309	0	0
Reversal of loss on revaluation of fixed assets	(101,376)	0	0
Changes in assets and liabilities:			
(Increase)/decrease in receivables	2,566,026	2,481,413	(1,252,776)
(Increase)/decrease in inventories	1,592	100,000	34,878
Increase/(decrease) in payables	(1,249,538)	(164,136)	(2,415,339)
Increase/(decrease) in provisions	140,589	0	127,858
Grants contributions for the development of assets	(4,642,960)	(41,655,185)	(12,905,832)
Net cash from operating activities	24,231,822	18,787,261	12,929,580

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

15. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2018	2017
	\$	\$
Governance	15,206,736	10,993,478
General purpose funding	6,829,710	912,829
Law, order, public safety	190,720	905,819
Health	0	12,697
Education and welfare	4,382,061	4,326,329
Housing	26,438,409	25,646,276
Community amenities	7,471,810	34,810,459
Recreation and culture	56,000,326	54,901,988
Transport	413,437,008	510,386,864
Economic services	9,465,926	17,189,885
Other property and services	3,647,680	9,710,046
Unallocated	34,242,326	28,000,520
	<u>577,312,712</u>	<u>697,797,190</u>

16. 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) Onslow Waste Facility

The Onslow Waste Facility site was rehabilitated in 2015/16 to enable development of the Ashburton North Strategic Industrial Area Improvement Scheme. At the time of the rehabilitation it was intended as a requirement of environmental compliance to revegetate the area.

Currently work is being undertaken to establish the scope and also the cost of the restoration works. This cost will be provided in the accounts in accordance with AASB116 - Property, Plant and Equipment, paragraph 16, once it can be reliably ascertained.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

17. CAPITAL AND LEASING COMMITMENTS

(a) Capital Expenditure Commitments

Contracted for:

- Tom Price sports courts upgrade	88,275	0
- Doug Talbot Park barbecue	13,247	0
- Onslow Sports Club redevelopment	10,992	0
- Onslow playground construction	330,000	0
- Paraburdoo CHUB construction	7,204,860	0
- Paraburdoo CHUB consulting fees	125,095	0
- Tom Price waste site weighbridge	0	163,213
- Stadium Road drainage improvements	0	640,758
- Tom Price administration building refurbishments	0	273,821
- Passion of the Pilbara event	0	220,000
- Housing refurbishment at Paraburdoo	0	72,550
- plant & equipment purchases		
Total	7,772,469	1,370,342

Payable:

- not later than one year	7,772,469	1,370,342
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(b) Operating Lease Commitments

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

Payable:

- not later than one year	30,684	30,684
- later than one year but not later than five years	37,024	67,708
	67,708	98,392

SIGNIFICANT ACCOUNTING POLICIES

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 of 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.

Leases (Continued)

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 on a straight line basis over the lease term.

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

18. JOINT ARRANGEMENTS

Communities Housing (Homeswest):

Purpose:

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

Address

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

Number of dwellings:

Freehold

Certificate of Title Volume 3042 Folio 6

Drawing No. 190235

Legal Agreements:

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

Equity:

Department of Housing capital contribution	\$	481,945
Shire of Ashburton capital contribution	\$	126,754

Department of Housing percentage interest 79.18%

Shire of Ashburton percentage interest 29.82%

Non-current assets

Land and buildings

Less: accumulated depreciation

	2018	2017
	\$	\$
Land and buildings	207,933	207,933
Less: accumulated depreciation	(9,095)	0
	198,838	207,933

SIGNIFICANT ACCOUNTING POLICIES

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 arrangements providing joint ventures with an interest to net assets are classified as a joint venture and accounted for using the equity method. Refer to note 29 for a description of the equity method of accounting.

Interests in joint arrangements (Continued)

Joint 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.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

19. Investment in Associates

There were no investments in associates during the 2017/18 financial year.

SIGNIFICANT ACCOUNTING POLICIES

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.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment in associates (Continued)

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.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

20. RELATED PARTY TRANSACTIONS

Elected Members Remuneration

	2018	2018	2017
	Actual	Budget	Actual
The following fees, expenses and allowances were paid to council members and/or the President.	\$	\$	\$
Meeting Fees	260,703	219,147	202,009
Presidents allowance	62,727	61,800	61,800
Deputy Presidents allowance	15,682	15,450	15,450
Travelling expenses	87,101	85,200	57,357
Telecommunications allowance	4,349	4,692	4,749
	430,562	386,289	341,365

Key Management Personnel (KMP) Compensation Disclosure

	2018	2017
	\$	\$
The total of remuneration paid to KMP of the Shire during the year are as follows:		
Short-term employee benefits	1,263,815	1,234,639
Post-employment benefits	104,865	59,846
Other long-term benefits	25,188	29,407
Termination benefits	221,115	222,510
	1,614,983	1,546,402

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

Termination benefits

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

Transactions with related parties

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

No outstanding balances or provisions for doubtful debts or guaranties exist in relation to related parties at year end.

	2018	2017
	\$	\$
The following transactions occurred with related parties:		
Purchase of goods and services (KMP)	77,347	58,658

Related Parties

The Shire's main related parties are as follows:

i. *Key management personnel*

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

ii. *Entities subject to significant influence by the Shire*

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

iii. *Joint venture entities accounted for under the proportionate consolidation method*

The Shire has an interest in a joint venture with Homeswest. The interest in the joint venture entity is accounted for in these financial statements using the proportionate consolidation method of accounting. For details of interests held in joint venture entities, refer to Note 18.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

21. MAJOR LAND TRANSACTIONS

The Shire did not participate in any major land transactions during the 2017/18 financial year.

22. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

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

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

a) Operating Statement	2018		
	2018	Budget	2017
	\$	\$	\$
Operating Income			
Landing Fees	868,684	397,600	83,887
Grant and Contribution Income	24,650	0	0
Passenger Tax	5,035,418	5,214,240	6,758,705
Parking Income	28,486	0	0
Property Rental	151,148	100,646	157,152
Reimbursement	16,704	0	0
Security Screening Charges	1,393,845	1,375,980	1,765,495
Sundry Income	9,661	22,100	5,094
	<u>7,528,596</u>	<u>7,110,566</u>	<u>8,770,333</u>
Operating Expenditure			
Employee Expenses	(469,673)	(431,415)	(407,623)
Operational Expenses	(1,398,607)	(1,476,097)	(1,500,423)
Grounds & Strip Maintenance	(170,540)	(192,096)	(162,483)
Marketing	(1,894)	(2,000)	(1,644)
Other Sundry Expenses	(12,511)	(11,268)	(16,621)
Administration Expenses	(66,966)	(17,198)	(37,171)
Administration Overheads	(147,827)	(173,649)	(170,584)
Depreciation	(925,088)	(1,485,108)	(1,445,658)
	<u>(3,193,106)</u>	<u>(3,788,831)</u>	<u>(3,742,207)</u>
Operating Result	<u>4,335,490</u>	<u>3,321,735</u>	<u>5,028,126</u>
(b) Non-Operating Income & Expenditure			
Capital Revenue			
Transfer From Cash Reserve	3,311,671	4,849,201	536,467
Contributions	0	0	1,579,736
Government Grants	0	0	0
	<u>3,311,671</u>	<u>4,849,201</u>	<u>2,116,203</u>
Capital Expenditure			
Transfer to Cash Reserve	(3,909,424)	(3,321,735)	(6,815,110)
Infrastructure	(1,755,168)	(3,236,714)	(440,377)
Buildings	(1,570,095)	(1,586,385)	(135,579)
Airport Equipment Purchase	(6,818)	(10,000)	(20,170)
Financing Expenses	(15,450)	(16,102)	(75,082)
	<u>(7,256,955)</u>	<u>(8,170,936)</u>	<u>(7,486,318)</u>
TOTAL NET TRADING UNDERTAKING	<u>390,206</u>	<u>0</u>	<u>(341,989)</u>

23. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	Opening	Received ⁽²⁾	Expended ⁽³⁾	Closing	Received ⁽²⁾	Expended ⁽³⁾	Closing
	Balance ⁽¹⁾ 1/07/16	2016/17	2016/17	Balance ⁽¹⁾ 30/06/17	2017/18	2017/18	Balance ⁽¹⁾ 30/06/18
	\$	\$	\$	\$	\$	\$	\$
Governance							
Chevron - Destiny Onslow Project	27,215	650	0	27,865	0	(27,865)	0
Chevron - Onslow Administration Complex	0	1,000,000	(1,000,000)	0	0	0	0
Pilbara Iron - Partnership Agreement (Management)	(*) 1,089,831	367,691	(299,486)	1,158,036	1,105,904	(436,340)	1,827,600
Law, order, public safety							
Dept of Health - Grants for Aboriginal Environmental Health	136,747	129,356	(222,307)	43,796	130,430	(174,226)	0
Dept of Health - CLAG	(#) 0	0	0	0	21,817	(14,869)	6,948
Education and welfare							
Chevron - Kids Kitchen Garden- Old Agreement	(#) 15,320	80,000	(74,854)	20,466	0	0	20,466
Chevron - Working together Onslow- New Agreement- OKKC inclusive	(#) 0	0	0	0	400,001	(227,916)	172,085
Dept of Child Protection - Grant Income	(#) 20,567	96,246	(49,556)	67,257	97,045	(129,386)	34,916
Dept of Regional Development (CLGF) - Paraburdoo Child Care Centre	0	500,000	(500,000)	0	0	0	0
Community amenities							
Chevron - Onslow Goods Shed Museum	7,408	0	(3,217)	4,191	0	(4,191)	0
Dept of State Development - Onslow Waste Management Facility	0	9,197	(9,197)	0	0	0	0
Dept Transport - Coastal Infrastructure Beadon Creek Compost Facility	0	12,153	0	12,153	0	(12,153)	0
Dept of Planning - Coastal Hazard Risk Management and Adaptation Plan	177,695	0	(177,695)	0	0	0	0
Dept of Regional Development (CLGF) - Paraburdoo Stormwater Drainage	313,806	0	(313,806)	0	0	0	0
Recreation and culture							
BHP - Onslow Basketball Carnival	0	20,000	(20,000)	0	0	0	0
BHP - Onslow Basketball Courts	0	380,512	(380,512)	0	0	0	0
BHP - Skate Park	(#) 0	0	0	0	35,000	(29,764)	5,236
Chevron - Western Partnerships	90,144	87,641	(177,785)	0	0	0	0
Dept of Sports & Rec - Paraburdoo Pool Shade Structure	0	32,000	(32,000)	0	0	0	0
Dept of Sports & Rec - Procul Dry Chlorine System	0	14,000	(14,000)	0	0	0	0
Dept of Sports & Rec - TP Pool	0	18,000	(18,000)	0	0	0	0
Dept of Sport & Recreation - Active Ashburton Program	773	0	0	773	0	(773)	0
Dept of Sports & Recreation - Advanced Governance Training	(#) 2,500	0	0	2,500	0	(2,500)	0
Dept of Sports & Recreation - Kidsport	(#) 22,283	0	(75)	22,208	0	(160)	22,048
Dept of Sports & Recreation - Waterspray Park	0	10,000	(10,000)	0	0	0	0
Dept of State Development - Onslow Aquatic Facility	1,029,880	4,067,267	(5,097,147)	0	0	0	0
Dept of State Development - Onslow Skate Park	28,506	1,250,250	(1,254,392)	24,364	0	(24,364)	0
Dept of Local Government & Communities - Youth Engagement Strategy	10,000	0	(7,636)	2,364	0	(2,364)	0
Dept of Regional Development & Lands - Paraburdoo CHUB	(#) 5,000,000	64,608	0	5,064,608	55,931	(2,200,000)	2,920,539
Dept of Sports & Recreation - Miscellaneous or Various	33,173	0	(33,173)	0	0	0	0
Passion of the Pilbara - BHP & Chevron	0	206,500	(6,426)	200,074	21,500	(221,574)	0
Pilbara Development Commission - Onslow Ian Blair Boardwalk	0	184,445	(184,445)	0	465,555	(465,555)	0
Pilbara Iron - Partnership Agreement (Community Development & Support)	(*) 742,835	682,831	(474,575)	951,091	817,896	(303,432)	1,465,555
Pilbara Iron - Partnership Agreement (Community Events & Festivals)	(*) 147,917	217,000	(315,199)	49,718	628,771	(236,945)	441,544
Rio Tinto - Paraburdoo CHUB	(*) 120,204	3,000,000	(283,663)	2,836,541	38,958	(757,566)	2,117,933
Dept of JTSI & Cheveron - Old Onslow Conservation Project	(#) 0	0	0	0	100,000	0	100,000
Transport							
Dept Infrastructure - RTR Funding	(#) 500,000	723,509	(678,643)	544,866	1,318,491	(621,356)	1,242,001
MRWA - Black Spot Funding	1,584	0	0	1,584	0	(1,584)	0
MRWA - Regional Road Group Funding	123,836	366,644	(490,480)	0	0	0	0
Pilbara Development Commission - Road signage/SAMS Messaging system	(#) 0	50,000	0	50,000	26	(48,445)	1,581
Economic Services							
Water Corp - Paint works for Onslow Water Tank	(#) 0	0	0	0	45,455	0	45,455
Dept of JTSI & Chevron - Onslow Town Various Projects	(#) 0	0	0	0	50,000	(45,364)	4,636
Other Property and Services							
Pilbara Development Commission - Karratha - Tom Price Rd Analysis	50,000	0	(50,000)	0	0	0	0
Total	9,692,224	13,570,500	(12,178,269)	11,084,455	5,332,780	(5,988,692)	10,428,543

Notes:

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

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

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

(*) Unspent contributions are held in a reserve fund called RTIO Partnership

(#) - These unspent contributions were held in a reserve fund called Unspent grants and Contributions

	2018	2017
	\$	\$
Unspent Grants not transferred to Reserve as at 30 June	0	353,276
Unspent Grants in RTIO Partnership Reserve at 30 June 2018	5,852,632	4,995,386
Unspent Grants in Unspent Grants & Contributions Reserve at 30 June	4,575,911	5,735,793
	<u>10,428,543</u>	<u>11,084,455</u>

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

24. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	Value	Rate Revenue	Interim Rates	Back Rates	2017		2018		Budget Rate Revenue	Budget Interim Rate	Budget Back Rate	Budget Total Revenue
							Revenue	Rate	Revenue	Rate				
Gross rental valuations														
Residential / Community	0.051853	2,498	84,786,255	4,396,422	0	0	4,396,422	4,086,648	0	0	4,398,692	0	0	4,398,692
Commercial / Industrial / Tourism	0.051954	139	20,072,415	1,042,842	(211,328)	0	831,514	1,030,066	0	0	1,042,842	0	0	1,042,842
Unimproved valuations														
Mining / Industrial	0.382467	568	73,021,215	27,928,205	121,536	0	28,049,741	22,891,131	204,000	9,180	27,928,205	204,000	9,180	28,141,385
Pastoral	0.060154	34	6,608,804	397,546	0	0	397,546	434,150	0	0	397,546	0	0	397,546
Tourism	0.162455	4	345,000	56,044	0	0	56,044	56,044	0	0	56,047	0	0	56,047
Residential	0.050961	6	2,900,000	0	0	0	0	147,787	0	0	0	0	0	0
Non Rateable	0.000000	293	1,773,650	0	0	0	0	(16,444)	0	0	0	0	0	0
Sub-Total		3,542	189,507,339	33,821,059	(89,792)	0	33,731,267	28,629,382	204,000	9,180	33,823,332	204,000	9,180	34,036,512
Minimum payment														
Minimum														
\$														
Gross rental valuations														
Residential / Community (General)	830.00	100	587,940	83,000	0	0	83,000	111,740	0	0	83,000	0	0	83,000
Residential / Community (Lesser)	622.50	20	20,419	12,450	0	0	12,450	8,325	0	0	12,450	0	0	12,450
Commercial / Industrial / Tourism	1,037.50	48	475,989	49,800	0	0	49,800	43,475	0	0	49,800	0	0	49,800
Unimproved valuations														
Mining / Industrial	1,037.50	417	92,187	432,638	0	0	432,638	384,800	0	0	432,638	0	0	432,638
Pastoral	1,037.50	7	41,343	7,262	0	0	7,262	8,325	0	0	7,262	0	0	7,262
Tourism	1,037.50	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-Total		592	1,217,878	585,150	0	0	585,150	556,665	0	0	585,150	0	0	585,150
Discounts/concessions (refer note 24(c))														
Total amount raised from general rate														
Ex-gratia rates		4,134	190,725,217	34,406,209	(89,792)	0	34,316,417	29,186,047	204,000	9,180	34,408,482	204,000	9,180	34,621,662
Movement in Excess Rates							(273,759)	(3,515,014)						(272,147)
Rates Written Off							34,042,664	25,671,033						34,349,515
Totals							9,225	8,325						7,446
							0	(10,982)						0
							(650,771)	(81,445)						(20,400)
							33,401,118	25,586,931						34,336,561

SIGNIFICANT ACCOUNTING POLICIES

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

24. RATING INFORMATION (Continued)

(b) Service Charges

Service Charges	Amount of Charge	Revenue Raised	Budget Revenue	Charges Applied to Costs	Charges Set Aside to Reserve	Reserve Applied to Costs	Budget Charges Applied to Costs	Budget Charges Set Aside to Reserve	Budget Reserve Applied to Costs
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Residential - Full Overhead	525.41	64,678	68,066	64,678	0	0	68,066	0	0
Residential - Consumer Mains Underground	302.11	9,182	9,499	9,182	0	0	9,499	0	0
Residential - Transformer or Vacant Underground	210.16	3,626	3,751	3,626	0	0	3,751	0	0
Residential - Base Rate Street Already Underground	105.08	25,393	26,271	25,393	0	0	26,271	0	0
Commercial Mixed Use - Full Overhead	1,576.24	0	0	0	0	0	0	0	0
Commercial Mixed Use - Consumer Mains Underground	1,352.94	0	0	0	0	0	0	0	0
Commercial Mixed Use - Transformer of Vacant Connection	1,260.99	15,383	15,915	15,383	0	0	15,915	0	0
Commercial Mixed Use - Street Already Underground	210.16	6,602	6,830	6,602	0	0	6,830	0	0
Industrial - Full Overhead	3,021.12	0	0	0	0	0	0	0	0
Industrial - Consumer Mains Underground	2,797.82	0	0	0	0	0	0	0	0
Industrial - Transformer of Vacant Connection	2,705.87	0	0	0	0	0	0	0	0
Industrial - Base Rate - Street Already Underground	2,600.79	87,852	90,890	87,852	0	0	90,890	0	0
		212,716	221,222	212,716	0	0	221,222	0	0

The Shire of Ashburton introduced a service charge for the 2017/18 financial year in relation to the Pilbara Underground Power Project.

The Project is for the town of Onslow to dramatically reduce the likelihood of power outages to essential services immediately following adverse weather events. The project is a partnership between the State Government's Royalties for Regions initiative and Local Government. Due to the support of the Royalties for Regions program the project only requires a local 25% contribution to the overall cost of the project. Landowners contribution will be 10% or approximately \$800,000. This is funded by a low interest loan budgeted for in the 2018/19 financial year. Landowners will then pay their portion over four years via this service charge.

The funding model for landowners has been developed based on the type of existing connection to it. A property with 'full overhead power' service charge funds not be applied in the 2018/19 financial year unspent amounts will be set aside in a Reserve account specifically for the service charge will be levied in addition to the annual rates charges and an instalment option will apply as per Rates instalment dates.

No Service charges were imposed by the Shire during the year ended 30 June 2017.

(c) Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount %	Discount	2018 Actual	2017 Actual	2018 Budget
			\$	\$	\$	\$
GRV Residential / Community	Concession	0.00%	273,753	273,753	3,515,014	272,147
				273,753	3,515,014	272,147

Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available	Objects of the Waiver Reasons for the Waiver or Concession
GRV Residential / Community	The concession to be equivalent to the difference payable between 2014/15 valuations and the proposed 2015/16 GRV Residential / Community properties rate in the dollar (i.e. 050961), and 2015/16 valuations and the proposed 2016/17 rate in the dollar.	As a result of the significant increase and variation between GRV valuations resulting from 2014/15 General Revaluation Council has offered a concession to significant increase in valuations to ameliorate the effect of this significant increase in valuations.

24. RATING INFORMATION (Continued)

(d) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan	Instalment Plan	Unpaid Rates
		Admin Charge	Interest Rate	Interest Rate
		\$	%	%
Option One				
Single full payment	20-Oct-17			11.00%
Option Two				
First instalment	20-Oct-17			11.00%
Second instalment	22-Feb-18	14	5.50%	11.00%
Option Three				
First instalment	20-Oct-17			
Second instalment	21-Dec-17	14	5.50%	11.00%
Third instalment	22-Feb-18	14	5.50%	11.00%
Fourth instalment	23-Apr-18	14	5.50%	11.00%
		2018 Actual	2017 Actual	2018 Budget
Interest on unpaid rates		\$ 67,219	\$ 82,557	\$ 138,057
Interest on instalment plan		14,666	21,433	10,710
Charges on instalment plan		9,443	9,336	8,690
Interest on ESL		1,707	2,269	2,040
Interest on Sundry Debtors		4,945	6,916	7,000
		97,980	122,511	166,497

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

25. NET CURRENT ASSETS

Composition of net current assets for
the purposes of the Rate Setting Statement

	2018 (30 June 2018 Carried Forward) \$	2018 (1 July 2017 Brought Forward) \$	2017 (30 June 2017 Carried Forward) \$
Surplus/(Deficit)	12,102,225	12,544,678	12,544,678
CURRENT ASSETS			
Cash and cash equivalents			
Unrestricted	9,542,963	8,327,853	8,327,853
Restricted	41,377,381	36,101,088	36,101,088
Receivables			
Rates outstanding	329,710	912,829	912,829
Sundry debtors	2,219,859	6,127,308	6,127,308
GST receivable	288,482	0	0
Accrued Income	1,851,181	1,044,453	1,044,453
Provision for doubtful debts	(203,460)	(1,032,792)	(1,032,792)
Inventories			
Fuel and materials	36,165	1,210	1,210
Tourist Bureau stock	98,222	134,769	134,769
Land held for resale - cost			
Development costs	560,586	546,793	546,793
LESS: CURRENT LIABILITIES			
Trade and other payables			
Sundry creditors	(868,938)	(2,343,284)	(2,343,284)
Accrued interest on long term borrowings	(25,656)	(29,523)	(29,523)
Accrued salaries and wages	(208,754)	(256,594)	(256,594)
ATO liabilities	0	(114,054)	(114,054)
Accrued expenses	(1,518,135)	(1,127,566)	(1,127,566)
Current portion of long term borrowings	(752,680)	(719,190)	(719,190)
Provisions			
Provision for annual leave	(860,893)	(904,876)	(904,876)
Provision for long service leave	(567,358)	(443,450)	(443,450)
Unadjusted net current assets	51,298,675	46,224,974	46,224,974
Adjustments			
Less: Reserves - restricted cash	(41,377,381)	(35,747,812)	(35,747,812)
Add: Current portion of long term borrowings	752,680	719,190	719,190
Add: Current employee benefits provision	1,428,251	1,348,326	1,348,326
Adjusted net current assets - surplus/(deficit)	12,102,225	12,544,678	12,544,678

Difference

There was no difference between the surplus/(deficit) 1 July 2017 brought forward position used in the 2018 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2017 audited financial report.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

26. FINANCIAL RISK MANAGEMENT

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

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

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

The Shire held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2018	2017	2018	2017
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	50,920,344	44,428,941	50,920,344	44,428,941
Receivables	4,485,772	7,051,798	3,001,145	7,051,798
	<u>55,406,116</u>	<u>51,480,739</u>	<u>53,921,489</u>	<u>51,480,739</u>
Financial liabilities				
Payables	2,621,483	3,871,021	2,621,483	3,871,021
Borrowings	4,566,078	5,285,268	4,727,434	5,483,714
	<u>7,187,561</u>	<u>9,156,289</u>	<u>7,348,917</u>	<u>9,354,735</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.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

26. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

The Shire's objective is to maximise its return on cash whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash portfolio. The Shire has an Investment Policy and the Policy is subject to review by Council. An Investment Report is provided to Council on a monthly basis setting out the make-up and performance of the portfolio.

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

Cash 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.

	2018	2017
	\$	\$
Impact of a 1% ⁽¹⁾ movement in interest rates on cash		
- Equity	509,203	444,289
- Statement of Comprehensive Income	509,203	444,289

Notes:

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

26. 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:

	2018	2017
	%	%
Percentage of rates and annual charges		
- Current	0%	0%
- Overdue	100%	100%
Percentage of other receivables		
- Current	74%	83%
- Overdue	26%	17%

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

26. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables and 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 Table below:

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
2018					
Payables	2,621,483	0	0	2,621,483	2,621,483
Borrowings	928,342	2,891,762	1,418,521	5,238,625	4,566,078
	3,549,825	2,891,762	1,418,521	7,860,108	7,187,561
2017					
Payables	3,871,021	0	0	3,871,021	4,313,135
Borrowings	928,283	3,270,256	1,968,371	6,166,910	5,285,268
	4,799,304	3,270,256	1,968,371	10,037,931	9,598,403

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:

Year ended 30 June 2018	<1 year	>1<2 years	>2<3 years	>3<4 years	>4<5 years	>5 years	Total	Weighted Average Effective Interest Rate
	\$	\$	\$	\$	\$	\$	\$	%
Borrowings								
Fixed rate								
Long term borrowings	0	61,155	909,491	0	359,856	3,235,576	4,566,078	4.03%
Weighted average Effective interest rate		5.82%	5.97%		5.45%	3.30%		
Year ended 30 June 2017								
Borrowings								
Fixed rate								
Long term borrowings	0	0	99,098	1,178,694	0	4,007,476	5,285,268	4.12%
Weighted average Effective interest rate			5.82%	5.97%		3.53%		

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

27. 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 2017	Amounts Received	Amounts Paid	30 June 2018
	\$	\$	\$	\$
Public Open Space	236,655	0	0	236,655
Cleaning and Key Deposits	21,265	14,789	(13,915)	22,139
Other Trust Monies	11,880	33,069	(19,091)	25,858
Bonds & Guarantees	117,414	7,653	(60,920)	64,147
Nomination Deposit	80	560	(320)	320
Unclaimed Monies	8,085	0	0	8,085
BCITF Levy	4,761	43,186	(46,538)	1,409
BRB Levy	3,508	(1,303)	0	2,205
Conignment Stock	3,201	13,222	(15,165)	1,258
Tour Sales	41,045	164,277	(180,668)	24,654
	<u>447,894</u>			<u>386,730</u>

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

28. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE PERIODS

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

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

Title	Issued / Compiled	Applicable (1)	Impact
(i) AASB 9 Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)	December 2014	1 January 2018	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Shire, it is not anticipated the Standard will have any material effect.
(ii) AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2019	This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The effect of this Standard will depend on 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 into the 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 when AASB 16 is adopted.

Currently, operating lease payments are expensed as incurred.

This will cease and will be replaced by both depreciation and interest charges. Based on the current number of operating

leases held by the Shire, the impact is not expected to be significant.

Notes:

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

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

28. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE PERIODS (Continued)

Title	Issued / Compiled	Applicable (1)	Impact
(iv) AASB 1058 Income of Not-for-Profit Entities	December 2016	1 January 2019	These standards are likely to have a significant impact on the income recognition for NFP's. Key areas for consideration are: - Assets received below fair value; - Transfers received to acquire or construct non-financial assets; - Grants received; - Prepaid rates; - Leases entered into at below market rates; and - Volunteer services.

Whilst it is not possible to quantify the financial impact (or if it is material) of these key areas until the details of future transactions are known, they will all have application to the Shire's operations.

Notes:

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

Adoption of New and Revised Accounting Standards

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

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

- | | | |
|------|-----------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| (i) | AASB 2016-4 Amendments to Australian Accounting Standards - Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities | 1 January 2017 |
| (ii) | AASB 2016-7 Amendments to Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities | 1 January 2017 |

29. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) 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.

b) Current and non-current classification

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Shire's operating 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 or non-current based on the Shire's intentions to release for sale.

c) Rounding off figures

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

d) 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 statements that has a material effect on the statement of financial position, 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.

e) 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.

f) 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.

g) Fair value of assets and liabilities

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.

h) 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.

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 the service capacity of an asset.

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.

i) Impairment of assets

In accordance with Australian Accounting Standards the Shire's cash generating non-specialised 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 specialised assets that are measured under the revaluation model, such as roads, drains, public buildings and the like, no annual assessment of impairment is required. Rather AASB 116.31 applies and revaluations need only be made with sufficient regulatory to ensure the carrying value does not differ materially from that which would be determined using fair value at the ends of the reporting period.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

30. ACTIVITIES/PROGRAMS

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

PROGRAM NAME	OBJECTIVE	ACTIVITIES
GOVERNANCE	To provide a decision making process for the efficient allocation of resources.	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	To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
LAW, ORDER, PUBLIC SAFETY	To provide services to help ensure a safer community.	Supervision of various by-laws, fire prevention, emergency services and animal control.
HEALTH	To assess and manage risks to public health and create and maintain environments that promote good public health.	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	To meet the needs of the community in these areas.	Maintenance of pre-school facilities & donations to schools. Assistance to welfare groups and Youth Services.
HOUSING COMMUNITY AMENITIES	To manage housing. To provide services required but the community.	Maintenance of staff and rental housing. 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	To establish and manage efficiently infrastructure and resources which help the social well being of the community.	Maintenance of Halls, Swimming pools, sporting facilities, parks and associated facilities, provision of library services in Tom Price, Onslow, Pannawonica & Paraburdoo.
TRANSPORT	To provide effective and efficient transport services to the community.	Construction and maintenance of streets, roads, bridges, footpaths; street lighting, traffic management and airport. Purchase and disposal of Council's Road Plant.
ECONOMIC SERVICES	To help promote the Shire and improve its economic well-being.	Building control, management of tourist bureau, tourism and area promotion and standpipes.
OTHER PROPERTY AND SERVICES	To provide support services for works and plant operations.	Private works operations, plant repairs and operation costs, stock and materials, salaries and wages of Council employees.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

31. FINANCIAL RATIOS

	2018	2017	2016
Current ratio	3.48	2.86	1.84
Asset sustainability ratio	0.43	0.73	0.75
Debt service cover ratio	20.18	14.80	4.70
Operating surplus ratio	0.10	(0.01)	(0.16)
Own source revenue coverage ratio	0.95	0.79	0.76
Asset consumption ratio	0.72	0.88	0.85
Asset renewal funding ratio	1.69	0.80	0.82

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	$\frac{\text{own source operating revenue}}{\text{operating expenses}}$
Asset consumption ratio	$\frac{\text{depreciated replacement costs of depreciable assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$

Notes:

Three of the ratios disclosed above were distorted by the early receipt of Financial Assistance Grants. In addition, three of the ratios were impacted by revenue and expenses associated with flood damage re-instatement, loss on revaluation and reversal of loss on revaluation of infrastructure assets, which are considered one-off in nature.

	2017/18	2016/17	2015/16
	\$	\$	\$
Amount of Financial Assistance Grant received during the year relating to the subsequent year.	2,239,237	2,350,280	0
Amount of Financial Assistance Grant received in prior year relating to current year.	2,350,280	0	2,413,892
Amount of reimbursement for flood damage received.	1,484,627	0	0
Expenditure on flood damage re-instatement.	1,903,283	0	0
One off significant expenditure on Onslow refuse site.	0	0	5,574,636
One off significant expenditure on Onslow airport camp.	0	1,222,528	0
Loss on revaluation of Infrastructure Assets.	3,776,309	0	0
Reversal of loss on revaluation of Infrastructure Assets.	101,376	0	0

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

31. FINANCIAL RATIOS (Continued)

If the events detailed above did not occur, the impacted ratios in the 2018, 2017 and 2016 columns above would be as follows:

	2018	2017	2016
Current ratio	2.95	2.45	N/A
Debt service cover ratio	24.59	13.62	10.01
Operating surplus ratio	0.19	(0.03)	0.04
Own source revenue coverage ratio	1.03	0.81	0.85

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

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the accompanying financial report of the Shire of Ashburton (the Shire), which comprises the Statement of Financial Position as at 30 June 2018, Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and the Rate Setting Statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Statement by Chief Executive Officer.

In our opinion, the financial report of the Shire of Ashburton:

- a) is based on proper accounts and reports; and
- b) fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2018 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for Opinion

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

Emphasis of Matter - Basis of Preparation

We draw attention to Note 1 to the financial report, which describes the basis of preparation. The financial report has been prepared for the purpose of fulfilling the Shire's financial reporting responsibilities under the Act. Regulation 16 of the Local Government (Financial Management) Regulations 1996 (Regulations), does not allow a local government to recognise some categories of land, including land under roads, as assets in the annual financial report. Our opinion is not modified in respect of this matter.

Responsibilities of the Chief Executive Officer and Council for the Financial Report

The Chief Executive Officer (CEO) of the Shire is responsible for the preparation and fair presentation of the annual financial report in accordance with the requirements of the Act, the Regulations and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards. The CEO is also responsible for such internal control as the CEO determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for assessing the Shire's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the State government has made decisions affecting the continued existence of the Shire.

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

**INDEPENDENT AUDITOR'S REPORT
TO THE COUNCILLORS OF THE SHIRE OF ASHBURTON (CONTINUED)****REPORT ON THE AUDIT OF THE FINANCIAL REPORT (CONTINUED)****Auditor's Responsibilities for the Audit of the Financial Report**

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, international omissions, misrepresentation, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the CEO.
- Conclude on the appropriateness of the CEO's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Shire's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report, as we cannot predict future events or conditions that may have an impact.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council and the CEO regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- a) All required information and explanations were obtained by us.
- b) All audit procedures were satisfactorily completed in conducting our audit.
- c) In my opinion, the asset consumption ratio and asset renewal funding ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

MATTERS RELATING TO THE ELECTRONIC PUBLICATION OF THE AUDITED FINANCIAL REPORT

This auditor's report relates to the annual financial report of the Shire of Ashburton for the year ended 30 June 2018 included on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

MOORE STEPHENS
CHARTERED ACCOUNTANTS



WEN-SHIEN CHAI
PARTNER

Date: 10 December 2018
Perth, WA





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Shire of Ashburton

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