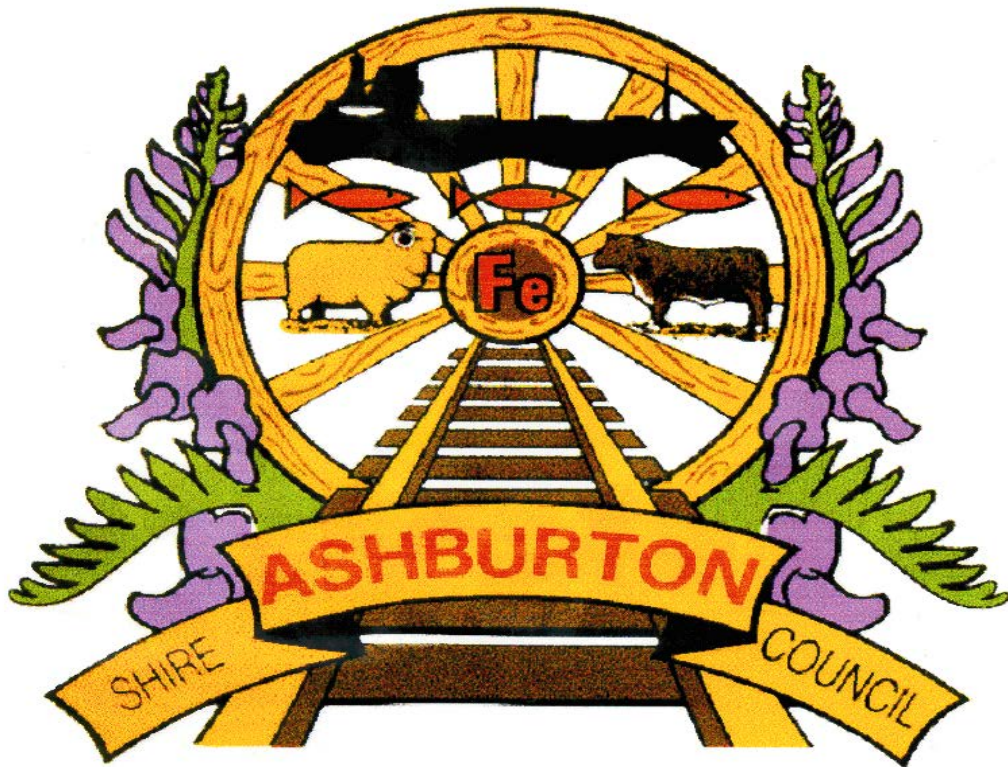


Shire of Ashburton



Adopted Annual Budget

FOR THE YEAR ENDED 30 JUNE 2017

SHIRE OF ASHBURTON
BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

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

	NOTE	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
Revenue				
Rates	8	25,857,134	23,976,174	23,673,391
Operating grants, subsidies and contributions		7,257,094	7,478,215	6,065,373
Fees and charges	14	13,868,650	15,511,900	17,170,708
Service charges	11	0	0	0
Interest earnings	2(a)	452,724	703,177	657,347
Other revenue	2(a)	464,417	544,408	467,625
		<u>47,900,019</u>	<u>48,213,874</u>	<u>48,034,444</u>
Expenses				
Employee costs		(18,283,757)	(15,245,137)	(16,854,997)
Materials and contracts		(20,304,515)	(14,266,340)	(20,221,455)
Utility charges		(1,216,529)	(771,673)	(1,329,737)
Depreciation on non-current assets	2(a)	(13,108,550)	(13,108,301)	(9,192,173)
Interest expenses	2(a)	(252,491)	(212,867)	(250,475)
Insurance expenses		(1,225,721)	(1,258,783)	(1,257,532)
Other expenditure		(590,685)	(603,313)	(504,970)
		<u>(54,982,248)</u>	<u>(45,466,414)</u>	<u>(49,611,339)</u>
		(7,082,229)	2,747,460	(1,576,895)
Non-operating grants, subsidies and contributions		21,840,817	18,305,039	27,907,221
Profit on asset disposals	6	9,200	1,009	26,404
Loss on asset disposals	6	(100,266)	(80,891)	(85,524)
Loss on revaluation of non current assets		<u>0</u>	<u>0</u>	<u>0</u>
NET RESULT		14,667,522	20,972,617	26,271,206
Other comprehensive income				
Changes on revaluation of non-current assets		<u>0</u>	<u>0</u>	<u>0</u>
Total other comprehensive income		<u>0</u>	<u>0</u>	<u>0</u>
TOTAL COMPREHENSIVE INCOME		<u>14,667,522</u>	<u>20,972,617</u>	<u>26,271,206</u>

Notes:

All fair value adjustments relating to remeasurement of financial assets at fair value through profit or loss (if any) and changes on revaluation of non-current assets are impacted upon by external forces and not able to be reliably estimated at the time of budget adoption.

Fair value adjustments relating to the re-measurement of financial assets at fair value through profit or loss will be assessed at the time they occur with compensating budget amendments made as necessary.

It is anticipated, in all instances, any changes upon revaluation of non-current assets will relate to non-cash transactions and as such, have no impact on this budget document.

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

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

	NOTE	2016/17 Budget	2015/16 Actual	2015/16 Budget
Revenue (Refer Notes 1,2,8,10 to 14)		\$	\$	\$
Governance		879,448	1,207,513	1,012,038
General purpose funding		30,787,292	26,999,898	26,754,130
Law, order, public safety		123,219	118,855	123,490
Education and welfare		139,050	145,577	242,430
Housing		468,622	405,362	421,842
Community amenities		4,038,355	4,492,990	4,413,467
Recreation and culture		1,215,897	1,304,842	1,152,502
Transport		7,620,580	10,841,696	11,005,529
Economic services		2,118,787	2,094,807	2,405,177
Other property and services		274,587	273,861	272,672
		<u>47,900,019</u>	<u>48,213,874</u>	<u>48,034,444</u>
Expenses Excluding Finance Costs Refer Notes 1, 2 & 15)				
Governance		(7,162,044)	(5,898,601)	(7,203,414)
General purpose funding		(52,330)	(104,191)	(37,985)
Law, order, public safety		(1,035,639)	(849,565)	(981,619)
Health		(996,168)	(621,428)	(959,924)
Education and welfare		(443,553)	(337,934)	(603,293)
Housing		(937,440)	(866,595)	(913,976)
Community amenities		(8,985,204)	(6,924,191)	(9,406,260)
Recreation and culture		(10,902,707)	(8,326,030)	(9,591,897)
Transport		(15,140,962)	(15,406,020)	(12,373,846)
Economic services		(5,920,750)	(3,588,593)	(4,786,930)
Other property and services		(3,152,960)	(2,330,399)	(2,501,720)
		<u>(54,729,757)</u>	<u>(45,253,547)</u>	<u>(49,360,864)</u>
Finance Costs (Refer Notes 2 & 9)				
Housing		(120,677)	(105,189)	(124,604)
Community amenities		(107,297)	(80,539)	(96,437)
Recreation and culture		(7,339)	(7,740)	(9,337)
Transport		(17,178)	(19,399)	(20,097)
		<u>(252,491)</u>	<u>(212,867)</u>	<u>(250,475)</u>
Non-operating Grants, Subsidies and Contributions				
Law, order, public safety		0	363,001	6,810
Education and welfare		500,000	500,000	1,000,000
Recreation and culture		15,082,000	10,942,612	15,427,310
Transport		4,183,629	4,020,619	7,683,101
		<u>21,840,817</u>	<u>18,305,039</u>	<u>27,907,221</u>

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

	NOTE	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
Profit/(Loss) On				
Disposal Of Assets (Refer Note 6)				
Housing		0	0	(50,000)
Transport		(91,066)	(55,159)	26,404
		<u>(91,066)</u>	<u>(79,882)</u>	<u>(59,120)</u>
Loss on				
Revaluation Of Non Current Assets				
Transport		0	0	0
		<u>0</u>	<u>0</u>	<u>0</u>
NET RESULT		14,667,522	20,972,617	26,271,206
Other comprehensive income				
Changes on revaluation of non-current assets		0	0	0
		<u>0</u>	<u>0</u>	<u>0</u>
Total other comprehensive income		0	0	0
TOTAL COMPREHENSIVE INCOME		<u>14,667,522</u>	<u>20,972,617</u>	<u>26,271,206</u>

Notes:

All fair value adjustments relating to remeasurement of financial assets at fair value through profit or loss (if any) and changes on revaluation of non-current assets are impacted upon by external forces and not able to be reliably estimated at the time of budget adoption.

Fair value adjustments relating to the remeasurement of financial assets at fair value through profit or loss will be assessed at the time they occur with compensating budget amendments made as necessary.

It is anticipated, in all instances, any changes upon revaluation of non-current assets will relate to non-cash transactions and as such, have no impact on this budget document.

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

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

	NOTE	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		25,907,134	24,029,612	23,685,396
Operating grants, subsidies and contributions		8,257,094	7,237,501	7,020,598
Fees and charges		13,878,650	13,824,251	17,798,708
Service charges		0	0	0
Interest earnings		452,724	699,703	657,347
Goods and services tax		550,000	4,257,846	315,000
Other revenue		464,417	496,737	467,625
		<u>49,510,019</u>	<u>50,545,650</u>	<u>49,944,674</u>
Payments				
Employee costs		(17,743,757)	(15,992,586)	(16,886,497)
Materials and contracts		(19,253,315)	(10,426,058)	(20,314,310)
Utility charges		(1,216,529)	(771,673)	(1,370,942)
Interest expenses		(252,491)	(250,473)	(1,257,532)
Insurance expenses		(1,225,721)	(1,258,783)	(250,675)
Goods and services tax		100,000	(3,950,992)	(275,000)
Other expenditure		(842,685)	(603,313)	(504,970)
		<u>(40,434,498)</u>	<u>(33,253,878)</u>	<u>(40,859,926)</u>
Net cash provided by (used in) operating activities	3(b)	<u>9,075,521</u>	<u>17,291,772</u>	<u>9,084,748</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for development of land held for resale	5	(540,000)	(73,367)	(390,000)
Payments for purchase of property, plant & equipment	5	(24,460,733)	(20,930,161)	(32,501,235)
Payments for construction of infrastructure	5	(23,802,644)	(18,330,817)	(31,039,245)
Non-operating grants, subsidies and contributions used for the development of assets		21,840,817	18,547,141	27,907,221
Proceeds from sale of plant & equipment	6	496,364	356,443	836,000
Net cash provided by (used in) investing activities		<u>(26,466,196)</u>	<u>(20,430,761)</u>	<u>(35,187,259)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of debentures	7	(708,807)	(1,257,833)	(1,296,603)
Advances to community groups		0	0	0
Proceeds from self supporting loans		0	0	0
Proceeds from new debentures	7	1,850,000	0	4,800,000
Net cash provided by (used in) financing activities		<u>1,141,193</u>	<u>(1,257,833)</u>	<u>3,503,397</u>
Net increase (decrease) in cash held		(16,249,482)	(4,396,822)	(22,599,114)
Cash at beginning of year		<u>40,960,423</u>	<u>45,357,245</u>	<u>45,392,913</u>
Cash and cash equivalents at the end of the year	3(a)	<u><u>24,710,941</u></u>	<u><u>40,960,423</u></u>	<u><u>22,793,799</u></u>

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

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

	NOTE	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
Net current assets at start of financial year - surplus/(deficit)	4	8,784,297	7,882,603	8,365,348
Revenue from operating activities (excluding rates and non-operating grants, subsidies and contributions)	1,2			
Governance		879,448	1,207,513	1,012,038
General purpose funding		4,922,458	2,999,438	3,080,739
Law, order, public safety		123,219	118,855	123,490
Health		234,182	328,473	231,167
Education and welfare		139,050	145,577	242,430
Housing		468,622	405,362	421,842
Community amenities		4,038,355	4,492,990	4,413,467
Recreation and culture		1,215,897	1,304,842	1,152,502
Transport		7,629,780	10,842,705	11,031,933
Economic services		2,118,787	2,094,807	2,405,177
Other property and services		274,587	273,861	272,672
		<u>22,044,385</u>	<u>24,214,423</u>	<u>24,387,457</u>
Expenditure from operating activities	1,2			
Governance		(7,162,044)	(5,898,601)	(7,203,414)
General purpose funding		(52,330)	(104,191)	(37,985)
Law, order, public safety		(1,035,639)	(874,288)	(981,619)
Health		(996,168)	(621,428)	(959,924)
Education and welfare		(443,553)	(337,934)	(603,293)
Housing		(1,058,117)	(971,784)	(1,088,580)
Community amenities		(9,092,501)	(7,004,730)	(9,502,697)
Recreation and culture		(10,910,046)	(8,333,770)	(9,636,758)
Transport		(15,258,406)	(15,481,587)	(12,393,943)
Economic services		(5,920,750)	(3,588,593)	(4,786,930)
Other property and services		(3,152,960)	(2,330,399)	(2,501,720)
		<u>(55,082,514)</u>	<u>(45,547,305)</u>	<u>(49,696,863)</u>
Operating activities excluded from budget				
(Profit)/Loss on asset disposals	6	91,066	79,882	59,120
Loss on revaluation of non current assets		0	0	0
Depreciation on assets	2(a)	13,108,550	13,108,301	9,192,173
Movement in employee benefit provisions (non-current)		0	0	0
Amount attributable to operating activities		<u>(11,054,216)</u>	<u>(262,096)</u>	<u>(7,692,765)</u>
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		21,840,817	18,305,039	27,907,221
Purchase Land Held for Resale	5	(540,000)	(73,367)	(390,000)
Purchase property, plant and equipment	5	(24,460,733)	(20,930,161)	(32,501,235)
Purchase and construction of infrastructure	5	(23,802,644)	(18,330,817)	(31,039,245)
Proceeds from disposal of assets	6	496,364	316,443	836,000
Amount attributable to investing activities		<u>(26,466,196)</u>	<u>(20,712,863)</u>	<u>(35,187,259)</u>
FINANCING ACTIVITIES				
Repayment of debentures	7	(708,807)	(1,257,833)	(1,296,603)
Proceeds from new debentures	7	1,850,000	0	4,800,000
Proceeds from self supporting loans		0	0	0
Transfers to cash backed reserves (restricted assets)	9	(4,657,634)	(14,870,519)	(8,235,363)
Transfers from cash backed reserves (restricted assets)	9	15,172,019	21,887,148	23,938,599
Amount attributable to financing activities		<u>11,655,578</u>	<u>5,758,796</u>	<u>19,206,633</u>
Budgeted deficiency before general rates		<u>(25,864,834)</u>	<u>(15,216,163)</u>	<u>(23,673,391)</u>
Estimated amount to be raised from general rates	8	25,864,834	24,000,460	23,673,391
Net current assets at end of financial year - surplus/(deficit)	4	<u>0</u>	<u>8,784,297</u>	<u>0</u>

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

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

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

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

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 budget.

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 16 to this budget document.

(b) 2015/16 Actual Balances

Balances shown in this budget as 2015/16 Actual are as forecast at the time of budget preparation and are subject to final adjustments.

(c) Rounding Off Figures

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

(d) Rates, Grants, Donations and Other Contributions

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

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

(e) 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.

(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.

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Cash and Cash Equivalents

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

Bank overdrafts are shown as short term borrowings in current liabilities in Note 4 - Net Current Assets.

(h) 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.

(i) Inventories

General

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

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

Land Held for Resale

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

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

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

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) 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 detailed above.

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

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

Revaluation

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

Land Under Roads

In Western Australia, all land under roads is Crown land, the responsibility for managing which, is vested in the local government.

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

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

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

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

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Fixed Assets (Continued)

Depreciation

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

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

Buildings	2-3%	30 to 50 Years
Furniture & Fittings	10-25%	4 to 10 Years
Computer Equipment	33.33%	3 Years
Office Equipment	20%	5 Years
Plant & Equipment	6-20%	5 to 15 Years
Motor Vehicles	10%	10 Years
Infrastructure - Other	2.5%	40 Years
Water Supply Piping & Drainage systems	1.3%	75 Years
Sewerage Piping	1%	100 Years
Footpaths	2.5%	40 Years
<i>Gravel Roads</i>		
Construction/Road Base	2%	50 Years
Gravel Sheet	8.3%	12 Years
<i>Formed roads (Unsealed)</i>		
Construction /Road Base	2%	50 Years
<i>Sealed Roads & Streets</i>		
Construction/Road Base	2%	50 Years
Major re-surfacing Bituminous Seals	5%	20 Years
Asphalt Surfaces	8.3%	12 Years

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss in the period which they arise.

Capitalisation Threshold

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

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

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Fair Value of Assets and Liabilities

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

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

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

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

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

Fair Value Hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 an asset at its current service capacity.

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

The mandatory measurement framework imposed by the *Local Government (Financial Management) Regulations* requires, as a minimum, all assets to be revalued at least every 3 years. Relevant disclosures, in accordance with the requirements of Australian Accounting Standards have been made in the budget as necessary.

(l) Financial Instruments

Initial Recognition and Measurement

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

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

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(I) Financial Instruments (Continued)

Classification and Subsequent Measurement

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

Amortised cost is calculated as:

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

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

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

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

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

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

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

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(I) Financial Instruments (Continued)

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

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

Impairment

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

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

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

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

Derecognition

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

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Financial Instruments (Continued)

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.

(m) Impairment of Assets

In accordance with Australian Accounting Standards the Shire 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 revaluation decrease in accordance with that other standard.

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

At the time of adopting this budget, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2017.

In any event, an impairment loss is a non-cash transaction and consequently, has no impact on this budget document.

(n) Trade and Other Payables

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

(o) 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.

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Employee Benefits (continued)

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

Other Long-Term Employee Benefits

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

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

(p) 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.

(q) Provisions

Provisions are recognised when the Shire has a 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.

(r) Leases

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

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

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Leases (continued)

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

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

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

(s) Interests in Joint Arrangements

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

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

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Shire's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 19.

(t) Current and Non-Current Classification

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

(u) Comparative Figures

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

(v) Budget Comparative Figures

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

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
2. REVENUES AND EXPENSES			
(a) Net Result			
The net result includes:			
(i) Charging as an expense:			
Auditors remuneration			
Audit services	76,000	57,825	55,000
Other services	0	16,565	0
Depreciation By Program			
Governance	265,940	265,902	263,016
Law, order, public safety	48,550	48,536	3,558
Health	5,130	5,123	5,123
Education and welfare	16,530	16,526	15,640
Housing	237,630	237,623	223,641
Community amenities	88,880	88,856	228,236
Recreation and culture	1,434,720	1,434,631	839,811
Transport	10,018,840	10,018,784	6,574,760
Economic services	69,950	69,948	98,488
Other property and services	922,380	922,372	939,900
	<u>13,108,550</u>	<u>13,108,301</u>	<u>9,192,173</u>
Depreciation By Asset Class			
Land and buildings	1,500,995	1,500,966	813,912
Furniture and equipment	204,992	204,988	197,008
Plant and equipment	1,038,401	1,038,381	1,096,552
Roads	8,156,893	8,156,739	5,070,018
Footpaths	169,656	169,653	73,118
Drainage	258,066	258,061	175,899
Parks & Ovals	0	0	205,747
Parks & Recreation	1,053,876	1,053,856	0
Airports	580,620	580,609	867,708
Bridges	11,014	11,014	0
Towns	89,516	89,514	0
Waste	44,521	44,520	0
Leasehold Improvements	0	0	10,468
Other	0	0	681,743
	<u>13,108,550</u>	<u>13,108,301</u>	<u>9,192,173</u>
Interest Expenses (Finance Costs)			
- Debentures (<i>refer note 7(a)</i>)	252,491	212,867	250,475
Other	0	0	0
	<u>252,491</u>	<u>212,867</u>	<u>250,475</u>
(ii) Crediting as revenues:			
Interest Earnings			
Investments			
- Reserve funds	152,374	404,524	320,000
- Other funds	150,000	122,693	165,000
Other interest revenue (<i>refer note 12</i>)	150,350	175,960	172,347
	<u>452,724</u>	<u>703,177</u>	<u>657,347</u>
(iii) Other Revenue			
Reimbursements and recoveries	121,424	131,506	10,000
Other	342,993	412,902	457,625
	<u>464,417</u>	<u>544,408</u>	<u>467,625</u>

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective

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

GOVERNANCE

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

GENERAL PURPOSE FUNDING

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

LAW, ORDER, PUBLIC SAFETY

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

HEALTH

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

EDUCATION AND WELFARE

Objective: To meet the needs of the community in these areas
Activities: Donations to schools and assistance to welfare groups. Provision of Youth Services.

HOUSING

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

COMMUNITY AMENITIES

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

RECREATION AND CULTURE

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

TRANSPORT

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

ECONOMIC SERVICES

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

OTHER PROPERTY & SERVICES

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

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

3. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Estimated cash at the end of the reporting period is as follows:

	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
Cash - unrestricted	6,760,403	12,465,012	2,653,625
Cash - restricted	<u>17,950,538</u>	<u>28,495,411</u>	<u>20,140,174</u>
	<u><u>24,710,941</u></u>	<u><u>40,960,423</u></u>	<u><u>22,793,799</u></u>

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

Employee Benefits Reserve	331,640	327,313	325,938
Plant Replacement Reserve	26,456	26,110	26,000
Infrastructure Reserve	1,848,910	5,019,130	2,645,003
Housing Reserve	444	903,444	548,656
Onslow Community Infrastructure Reserve	187,195	185,309	185,087
Property Development Reserve	2,131,452	2,739,446	2,383,511
Unspent Grants & Contributions Reserve	100,083	7,678,102	637,703
Onslow Administration Building Reserve	0	0	1,417,738
RTIO Partnership Reserve	2,219,689	2,155,193	760,911
Onslow Aerodrome Reserve	9,021,422	6,178,151	7,826,896
Future Projects Reserve	2,083,247	3,252,725	3,232,731
Unspent Grants	0	30,488	150,000
Unspent Loans	0	0	0
	<u><u>17,950,538</u></u>	<u><u>28,495,411</u></u>	<u><u>20,140,174</u></u>

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

Net result	14,667,522	20,972,617	26,271,206
Depreciation	13,108,550	13,108,301	9,192,173
(Profit)/loss on sale of asset	91,066	79,882	59,120
Loss on revaluation of non current assets	0	0	0
(Increase)/decrease in receivables	1,398,000	(2,295,003)	1,610,230
(Increase)/decrease in inventories	100,000	(70,078)	2,050
Increase/(decrease) in payables	1,551,200	4,043,194	(148,810)
Increase/(decrease) in employee provisions	0	0	6,000
Grants/contributions for the development of assets	<u>(21,840,817)</u>	<u>(18,547,141)</u>	<u>(27,907,221)</u>
Net Cash from Operating Activities	<u><u>9,075,521</u></u>	<u><u>17,291,772</u></u>	<u><u>9,084,748</u></u>

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

3. NOTES TO THE STATEMENT OF CASH FLOWS (Continued)

	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
(c) Undrawn Borrowing Facilities			
Credit Standby Arrangements			
Bank overdraft limit	500,000	500,000	500,000
Bank overdraft at balance date	0	0	0
Credit card limit	65,000	65,000	65,000
Credit card balance at balance date	0	(32,727)	0
Total Amount of Credit Unused	<u>565,000</u>	<u>532,273</u>	<u>565,000</u>
Loan Facilities			
Loan facilities in use at balance date	<u>6,365,899</u>	<u>5,224,706</u>	<u>9,985,933</u>
Unused loan facilities at balance date	<u>0</u>	<u>363,578</u>	<u>0</u>

	Note	2016/17 Budget \$	2015/16 Actual \$
4. NET CURRENT ASSETS			

Composition of estimated net current assets

CURRENT ASSETS

Cash - unrestricted	3(a)	6,760,403	12,465,012
Cash - restricted reserves	3(a)	17,950,538	28,495,411
Receivables		5,414,209	6,812,209
Inventories		70,857	170,857
		<u>30,196,007</u>	<u>47,943,489</u>

LESS: CURRENT LIABILITIES

Trade and other payables		(12,245,469)	(10,694,269)
Short term borrowings		0	0
Long term borrowings		(708,807)	(628)
Provisions		(1,198,506)	(1,098,506)
		<u>(14,152,782)</u>	<u>(11,793,403)</u>

Unadjusted net current assets

16,043,225 **36,150,086**

Differences between the net current assets at the end of each financial year in the rate setting statement and net current assets detailed above arise from amounts which have been excluded when calculating the budget deficiency in accordance with FM Reg 32 as movements for these items have been funded within the budget estimates.

These differences are disclosed as adjustments below.

Adjustments

Less: Cash - restricted reserves	3(a)	(17,950,538)	(28,464,923)
Add: Current portion of debentures		708,807	628
Add: Current liabilities not expected to be cleared at end of year		1,198,506	1,098,506
		0	0
Adjusted net current assets - surplus/(deficit)		<u><u>0</u></u>	<u><u>8,784,297</u></u>

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

5. ACQUISITION OF ASSETS

The following assets are budgeted to be acquired during the year.

Asset Class	Reporting Program											2016/17 Budget Total \$	2015/16 Actual Total \$
	Governance \$	General Purpose Funding \$	Law, Order, Public Safety \$	Health \$	Education and Welfare \$	Housing \$	Community Amenities \$	Recreation and Culture \$	Transport \$	Economic Services \$	Other Property and Services \$		
<i>Property, Plant and Equipment</i>													
Land and buildings	2,205,000	0	20,000	0	620,000	3,438,153	0	15,429,105		105,000		21,817,258	19,079,915
Furniture and equipment	0	0	0	0	0	0	100,000	3,000		3,500		106,500	44,289
Plant and equipment	771,000	0	0	0	0	0	0	66,475	1,699,500			2,536,975	1,805,957
	2,976,000	0	20,000	0	620,000	3,438,153	100,000	15,498,580	1,699,500	108,500	0	24,460,733	20,930,161
<i>Infrastructure</i>													
Roads									5,343,744	376,000		5,719,744	1,921,647
Footpaths									354,000			354,000	17,395
Drainage									2,170,000			2,170,000	790,067
Airports									730,000			730,000	2,895,253
Parks & Recreation							24,000	10,503,400				10,527,400	6,173,705
Town										2,300,000		2,300,000	760,769
Waste							2,001,500					2,001,500	5,771,981
	0	0	0	0	0	0	2,025,500	10,503,400	8,597,744	2,676,000	0	23,802,644	18,330,817
<i>Land Held for Resale</i>													
Land Held for Resale											540,000	540,000	73,367
Total Acquisitions	2,976,000	0	20,000	0	620,000	3,438,153	2,125,500	26,001,980	10,297,244	2,784,500	540,000	48,803,377	39,334,345

A detailed breakdown of acquisitions on an individual asset basis can be found in the supplementary information attached to this budget document as follows:

- plant replacement programme
- other assets
- road replacement programme
- other infrastructure

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

6. DISPOSALS OF ASSETS

The following assets are budgeted to be disposed of during the year.

By Program

	2016/17 Budget			
	Net Book Value \$	Sale Proceeds \$	Profit \$	Loss \$
Transport				
Profits on Disposal of Assets	75,345	84,545	9,200	0
Losses on Disposal of Assets	512,085	411,819	0	(100,266)
	587,430	496,364	9,200	(100,266)

By Class

	2016/17 Budget			
	Net Book Value \$	Sale Proceeds \$	Profit \$	Loss \$
Plant and Equipment				
Profits on Disposal of Assets	75,345	84,545	9,200	0
Losses on Disposal of Assets	512,085	411,819	0	(100,266)
	587,430	496,364	9,200	(100,266)

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

7. INFORMATION ON BORROWINGS

(a) Debenture Repayments

Movement in debentures and interest between the beginning and the end of the current financial year.

Particulars	Interest Rate %	Maturity Date			Principal Repayments		Principal Outstanding		Interest Repayments	
			Principal 1-Jul-16	New Loans	2016/17 Budget \$	2015/16 Actual \$	2016/17 Budget \$	2015/16 Actual \$	2016/17 Budget \$	2015/16 Actual \$
Governance										
Loan 124 Onslow Administration Building			0	850,000	0	0	850,000	0		0
Housing										
Loan 117 Staff Housing Plan	5.45	3/06/2023	479,020	0	57,644	53,941	421,376	479,020	28,722	26,050
Loan 121 New Staff Housing	5.97	20/04/2021	1,432,518	0	253,825	239,323	1,178,693	1,432,518	91,954	79,139
Community Amenities										
Loan 122 Onslow Transfer Station	3.08	30/04/2025	2,922,193	0	286,429	277,807	2,635,764	2,922,193	107,297	80,539
Recreation & Culture										
Loan 118 Recreation Centre Tom Price	5.82	1/11/2019	134,925	0	35,827	33,830	99,098	134,925	7,339	7,740
Transport										
Loan 116 Onslow Aerodrome	6.79	30/05/2017	60,569	0	60,569	56,602	0	60,569	3,592	6,350
Loan 119 Onslow Aerodrome Upgrade	6.36	30/06/2026	195,481	0	14,513	13,632	180,968	195,481	13,587	13,049
Other Property & Services										
DSD Loan Onslow Aerodrome Temporary Camp	0.00	30/11/2015	0	0	0	582,698	0	0		0
			5,224,706	850,000	708,807	1,257,833	5,365,899	5,224,706	252,491	212,867
Self Supporting Loans										
Economic Services										
Loan 123 Onslow Underground Power			0	1,000,000	0	0	1,000,000	0		0
			0	1,000,000	0	0	1,000,000	0	0	0
			5,224,706	1,850,000	708,807	1,257,833	6,365,899	5,224,706	252,491	212,867

All debenture repayments except Loan 123 will be financed by general purpose revenue. Loan 123 will be recouped from Onslow residents in future years.

(b) New Debentures - 2016/17

Particulars/Purpose	Amount Borrowed Budget	Institution	Loan Type	Term (Years)	Total Interest & Charges	Interest Rate %	Amount Used Budget	Balance Unspent \$
Loan 123 Onslow Underground Power	1,000,000	WATC	Debenture	10	Unknown	Unknown	1,000,000	0
Loan 124 Onslow Administration Building	850,000	WATC	Debenture	15	Unknown	Unknown	850,000	0
								0
							1,850,000	0

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

7. INFORMATION ON BORROWINGS (Continued)

(c) Unspent Debentures

Particulars/Purpose	Date Borrowed	Balance 1/07/2015	Borrowed During Year	Expended During Year	Balance 30/06/2015
Loan 121 New Staff Housing	29/04/2011	1,518,933	0	1,155,355	363,578

NB: The unspent loan funds above are being held in the Housing Reserve as at 30 June 2016

(d) Overdraft

Council has not utilised an overdraft facility during the financial year although an overdraft facility of \$500,000 with the Westpac Bank does exist. It is not expected that this facility will be utilised during 2016/17.

(e) Credit Card Facility

Council's Credit Card Facility with Westpac Bank remains unchanged at \$65,000. It is expected the current credit limit of \$65,000 will remain unchanged during 2016/17 financial year.

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

8. RATING INFORMATION - 2016/17 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	2016/17 Budgeted Rate Revenue \$	2016/17 Budgeted Interim Rates \$	2016/17 Budgeted Back Rates \$	2016/17 Budgeted Total Revenue \$	2015/16 Actual \$
General rate								
GRV - Residential/Community	5.0961	2,441	80,868,285	4,121,106	0	0	4,121,106	4,106,891
GRV - Commercial/Industrial/Tourism	5.1060	143	20,156,854	1,029,209	0	0	1,029,209	1,008,488
UV - Pastoral	6.0154	32	6,254,804	376,251	0	0	376,251	269,454
UV - Mining/Industrial	38.2467	612	59,887,984	22,905,178	200,000	9,000	23,114,178	18,256,225
UV - Tourism	16.2445	4	345,000	56,044	0	0	56,044	54,415
UV - Residential	5.0961	1	2,250,000	114,662	0	0	114,662	112,968
Non-Rateable		241	1,773,650	0	0	0	0	(14,371)
Sub-Totals		3,474	171,536,577	28,602,450	200,000	9,000	28,811,450	23,794,070
Minimum payment	Minimum \$							
GRV - Residential/Community (General)	740	156	971,380	115,440	0	0	115,440	78,000
GRV - Residential/Community (Lesser)	555	17	20,004	9,435	0	0	9,435	8,288
GRV - Commercial/Industrial/Tourism	925	47	386,215	43,475	0	0	43,475	34,937
UV - Pastoral	925	9	61,343	8,325	0	0	8,325	8,125
UV - Mining/Industrial	925	435	430,965	402,375	0	0	402,375	369,688
UV - Residential	740	0	0	0	0	0	0	0
Sub-Totals		664	1,869,907	579,050	0	0	579,050	499,038
Concessions (Note 13)							(3,525,666)	(292,648)
Discounts (Note 13)							0	0
Total amount raised from general rates							25,864,834	24,000,460
Specified area rates (Note 10)							0	0
Ex-Gratia Rates							7,300	7,309
Movement in Excess Rates							5,000	5,233
Rates Written Off							(20,000)	(36,828)
Total Rates							25,857,134	23,976,174

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

8. RATING INFORMATION - 2016/17 FINANCIAL YEAR (Continued)

All land except exempt land in the Shire of Ashburton is rated according to its Gross Rental Value (GRV) in townsites or Unimproved Value (UV) in the remainder of the Shire.

The general rates detailed above for the 2016/17 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

The minimum rates have been determined by Council on the basis that all ratepayers must make a reasonable contribution to the cost of the Local Government services/facilities.

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

8(a). RATING INFORMATION - 2016/17 FINANCIAL YEAR (Continued)

OBJECTS and REASONS DIFFERENTIAL RATES 2016/17

NOTICE OF INTENTION TO LEVY DIFFERENTIAL RATES 2016/17

The Shire of Ashburton Notice of Intention to Levy Differential Rates 2016/17 was advertised on 28 May 2016 in accordance with Section 6.36 of the Local Government Act 1995 to advise the public of its objectives and reasons for implementing differential rates.

The purpose of levying of property rates is to meet Council's budget requirements in each financial year and in future periods, to deliver services, facilities and community infrastructure to the district as a whole. Property valuations provided by the Valuer General (Landgate) are used as the basis for the calculation of rates each year.

Section 6.36 of the Local Government Act provides the ability to differentially rate properties based on certain characteristics. The application of differential rating maintains equity in the rating of properties across the Shire, enabling the Council to provide facilities, services and infrastructure to the entire community and visitors to the area.

Submissions were received and were considered at Council's Special meeting held on 20 June 2016. The advertised rates in the dollar were altered at that meeting as a result of the increase in valuations in the UV mining/Industrial category.

The rates in the dollar were reviewed again at a Special Meeting of Council on 19 July 2016 as a result of further discussions with the Department of Local Government and Communities.

The Table below summaries the rates in the dollar used in the 2016/17 Budget.

Differential Rates 2016/17

Differential Rate Category	Advertised			Proposed		
	Advertised Rate in the \$	General Minimum Payment \$	Lesser Minimum Payment \$	Proposed Rate in the \$	General Minimum Payment \$	Lesser Minimum Payment \$
GRV Commercial/Industrial	0.051060	925.00		0.051060	925.00	
GRV Residential/Community	0.050961	740.00	555.00	0.050961	740.00	555.00
UV Mining/Industrial	0.398204	925.00		0.382467	925.00	
UV Tourism	0.162445	925.00		0.162445	925.00	
UV Pastoral	0.060154	925.00		0.060154	925.00	
UV Residential	0.015106	925.00		0.050961	925.00	

GRV – Differential Rates

The Council intends to adopt differential rating principles for GRV category properties based upon the land use as follows:

Differential Rate Category	Rate in the \$	General Minimum Payment \$
GRV Commercial/Industrial	0.051060	925.00

This rate is applicable to properties that have a predominant land use of commercial or industrial, including Hotels, Shops, Restaurants and Offices and land is used for providing a tourism service, including Roadhouses, Tourist Centres, Caravan Parks, Workers Accommodation, and Holiday Accommodation.

Objects and Reasons - GRV Commercial/Industrial Differential Rate

The reason a higher rate has been applied to the GRV Commercial/Industrial category land is to reflect the additional financial impact these activities have on Shire infrastructure and services.

The objective is to raise additional revenue to contribute toward higher costs associated including, but not limited to, rubbish collection in relevant areas, higher town planning control costs, health inspections and administration costs, added complexity in building control, higher traffic volumes and vehicle mass due to commercial and industrial activity, parking facilities, traffic management, pedestrian access, commercial and industrial signage, visitor servicing and street furniture.

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

8. RATING INFORMATION - 2016/17 FINANCIAL YEAR (Continued)

OBJECTS and REASONS DIFFERENTIAL RATES 2016/17 (Continued)

GROSS RENTAL VALUES (GRV) (Continued)

Differential Rate Category	Rate in the \$	General Minimum Payment \$	Lesser Minimum Payment \$
GRV Residential/Community	0.050961	740.00	555.00

This rate is applicable to properties that have a predominant land use of residential, or used by organisations involved in activities for community benefit including Arts and Craft facilities, Youth Centres, Day Care Centres, Sporting Grounds/Clubs (that do not run a commercial business/kitchen) and health & emergency service facilities.

Objects and Reasons - GRV Residential/Community Differential Rate

The reason the GRV Residential/Community rate has been applied at a lower rate than GRV Commercial/Industrial rate is to reflect the additional financial impact commercial and industrial activities have on the Shire's infrastructure and services (as set out above) and to further the Shire's strategic goals to encourage and support residential development in the town sites and organisations that contribute toward a safe, healthy, cohesive and vibrant community.

UNIMPROVED VALUES (UV)

The Council intends to adopt differential rating principles for UV category properties based upon the land use of each property as follows:

Differential Rate Category	Rate in the \$	General Minimum Payment \$
UV Mining/Industrial	0.382467	925.00

This rate is applicable to properties with a land use associated with mining tenements (including Exploration Licences, General Purpose Leases, Mineral Leases, Mining Leases, Petroleum Exploration Permits, Petroleum Production Licences) and for Commercial/Industrial properties with a mining purpose/mining infrastructure predominate use (including crown leases).

Objects and Reasons - UV Mining/Industrial Differential Rate

The reason a higher rate has been applied to the UV Mining/Industrial category land is to reflect the additional financial impact mining and related industries have on Shire infrastructure and services relevant to Pastoral and remote Tourism properties.

The objective is to raise a higher level of rate revenue from mining and related infrastructure properties than from other UV category properties to contribute toward current and future costs associated with the provision of civil infrastructure for services and facilities including, but not limited to, transport, recreation, community and leisure facilities, waste management and planning and development costs.

Differential Rate Category	Rate in the \$	General Minimum Payment \$
UV Tourism	0.162445	925.00

This rate is applicable to tourism ventures located within the Shire issued with an unimproved valuation. The land is predominately used for providing a tourism service, including Caravan Parks and Holiday Accommodation.

Objects and Reasons - UV Tourism Differential Rate

The reason for a lower rate applied to the UV Tourism category, as compared to UV Mining/Industrial, is to reflect the lower level of impact these activities have on general infrastructure and facilities including road infrastructure, recreation facilities and the permanent nature of the business activity relevant to mining and related industry.

The reason for a higher rate applied to the UV Tourism category as compared to UV Pastoral is to achieve an average rate yield more comparable to other Tourism properties with a GRV valuation.

The objective is to raise less revenue from UV Tourism properties than Mining/Industrial properties but more than UV Pastoral properties.

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

8. RATING INFORMATION - 2016/17 FINANCIAL YEAR (Continued)

OBJECTS and REASONS DIFFERENTIAL RATES 2016/17 (Continued) □

UNIMPROVED VALUES (UV) (Continued)

Differential Rate Category	Rate in the \$	General Minimum Payment \$
UV Pastoral	0.060154	925.00

This rate is applicable to properties issued with pastoral leases granted by the State Government.

Objects and Reasons - UV Pastoral Differential Rate

The reason for the lower rate applied to the UV Pastoral category is to:

- Recognise the impact of fluctuations in climatic conditions have on the financial capacity to pay;
- The lower level of impact pastoral activities generally have on infrastructure and facilities such as road infrastructure and recreation facilities; and
- The permanent nature of the business activity relevant to mining and related industries.

Recently Council considered a Rating Strategy for the Shire and decided to phase in of rating of Pastoral properties to bring them closer to the average for the overall Pilbara/Kimberley regions.

The objective is to recognise the above matters and raise less rate revenue from properties used for Pastoral activities than other UV category properties.

Differential Rate Category	Rate in the \$	General Minimum Payment \$
UV Residential	0.050961	925.00

This rate is applicable to properties that are zone Urban Development but fall outside a townsite.

Objects and Reasons - UV Residential Differential Rate

This land is zoned Urban Development and could not be considered Commercial or Industrial or Mining and therefore does not suit to that category so a new differential rate called UV Residential has been created.

The reason the UV Residential rate has been applied at a similar rate as GRV Residential on the basis the land is urban and destined for urban develop and exhibits all the characteristics GRV Residential land but exists in a UV area.

Minimum Payments

Applying a minimum payment seeks to ensure all ratepayers contribute to basic services and facilities and Council has determined two levels of General minimums and one Lesser minimum.

General Minimum Payments

A General minimum of \$740.00 has been applied to properties in the GRV Residential/Community.

This represents the second stage of a 5 years phasing process after Council adopted a minimum rate calculation methodology.

Another General minimum of \$925.00 has been set for GRV Commercial/Industrial, UV Pastoral, UV Mining/Industrial, UV Tourism areas to raise additional revenue to contribute toward higher costs associated including, but not limited to, rubbish collection in relevant areas, higher town planning control costs, health inspections and administration costs, added complexity in building control, higher traffic volumes and vehicle mass due to commercial and industrial activity, parking facilities, traffic management, pedestrian access, commercial and industrial signage, visitor servicing and street furniture.

This is at a 25% premium to GRV Residential/Community rate.

Lesser Minimum Payment

A Lesser minimum of \$555.00 has been set for Wittenoom properties to reflect some of special circumstances attributable to Wittenoom properties to do with the status of the townsite (i.e. degazetteal). This is at a 25% discount to GRV Residential/Community rate.

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

9. CASH BACKED RESERVES

	2016/17 Budget				2015/16 Actual				2015/16 Budget			
	Opening Balance \$	Transfer to \$	Transfer (from) \$	Closing Balance \$	Opening Balance \$	Transfer to \$	Transfer (from) \$	Closing Balance \$	Opening Balance \$	Transfer to \$	Transfer (from) \$	Closing Balance \$
Employee Entitlement Reserve	327,313	4,327	0	331,640	323,042	4,271	0	327,313	323,042	2,896	0	325,938
Plant Replacement Reserve	26,110	346	0	26,456	25,769	341	0	26,110	25,769	231	0	26,000
Infrastructure Reserve	5,019,130	55,780	(3,226,000)	1,848,910	6,576,047	73,083	(1,630,000)	5,019,130	6,576,047	58,956	(3,990,000)	2,645,003
Housing Reserve	903,444	0	(903,000)	444	2,030,453	26,846	(1,153,855)	903,444	2,030,453	18,203	(1,500,000)	548,656
Onslow Community Infrastructure Reserve	185,309	1,886	0	187,195	183,442	1,867	0	185,309	183,442	1,645	0	185,087
Property Development Reserve	2,739,446	37,006	(645,000)	2,131,452	7,381,335	99,711	(4,741,600)	2,739,446	7,381,336	66,175	(5,064,000)	2,383,511
Unspent Grants & Contributions Reserve	7,678,102	0	(7,578,019)	100,083	3,109,676	7,379,848	(2,811,422)	7,678,102	3,288,024	29,478	(2,679,799)	637,703
Onslow Administration Building Reserve	0	0	0	0	5,567,821	65,943	(5,633,764)	0	5,567,821	49,917	(4,200,000)	1,417,738
RTIO Partnership Reserve	2,155,193	184,496	(120,000)	2,219,689	3,034,335	2,031,581	(2,910,723)	2,155,193	3,067,844	142,867	(2,449,800)	760,911
Onslow Aerodrome Reserve	6,178,151	2,843,271	0	9,021,422	3,000,000	3,178,151	0	6,178,151	3,000,000	4,826,896	0	7,826,896
Future Projects Reserve	3,252,725	1,530,522	(2,700,000)	2,083,247	4,249,632	2,008,877	(3,005,784)	3,252,725	4,249,632	3,038,099	(4,055,000)	3,232,731
	28,464,923	4,657,634	(15,172,019)	17,950,538	35,481,552	14,870,519	(21,887,148)	28,464,923	35,693,410	8,235,363	(23,938,599)	19,990,174

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

Purpose of the reserve

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

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

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

10. SPECIFIED AREA RATE - 2016/17 FINANCIAL YEAR

No specified area rate is levied by Council.

11. SERVICE CHARGES - 2016/17 FINANCIAL YEAR

The Shire has no service charges in operation

12. INTEREST CHARGES AND INSTALMENTS - RATES AND SERVICE CHARGES - 2016/17 FINANCIAL YEAR

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option 1 Single full payment	16-Sep-16			11.00%
Option 2 First Instalment	16-Sep-16			11.00%
Second Instalment	16-Jan-17	14	5.50%	11.00%
Option 3 First Instalment	16-Sep-16			
Second Instalment	16-Nov-16	14	5.50%	11.00%
Third Instalment	16-Jan-17	14	5.50%	11.00%
Fourth Instalment	20-Mar-17	14	5.50%	11.00%

	2016/17 Budget Revenue \$	2015/16 Actual \$
Instalment Plan Admin Charge Revenue	8,520	7,462
Instalment Plan Interest Earned	10,500	21,921
Unpaid Rates Interest Earned	135,350	145,849
Interest on ESL	2,000	2,697
Interest on Sundry Debtors	2,500	5,493
	158,870	183,422

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

13. PAYMENT DISCOUNTS, WAIVERS AND CONCESSIONS
- 2016/17 FINANCIAL YEAR

Rates Discounts

No discount scheme is offered to ratepayers.

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Disc % or Amount (\$)	2016/17 Budget \$	2015/16 Actual \$	Circumstances in which the Waiver or Concession is Granted	Objects of the Waiver or Concession	Reasons for the Waiver or Concession
GRV Residential/Community	Concession	272,147	272,147	292,648	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. 0.050961), and 2015/16 valuations and the proposed 2016/17 rate in the dollar. The dollar value of the concession is estimated to be \$272,146	To ameliorate the effect of this significant increase in valuations.	As a result of the significant increase and variation between GRV valuations resulting from the 2014/15 General Revaluation Council has offered a concession to ameliorate the effect of this significant increase in valuations.
UV Industrial/Mining	Concession	3,253,519	3,253,519	0	The concession to Assessment A51050 of \$3,253,519 for 2016/17. That is, the equivalent to setting the valuation for the 2016/17 budget at \$7,953,333 (i.e. a one third phased in increase on the 2015/16 valuation, with a change to the rates yield to only result if the valuation increase is reduced upon appeal by more than 66.66%)”	To ameliorate the effect of this significant increase in valuations.	As a result of the significant increase in UV valuation for assessment A51050 Council has offered a concession to ameliorate the effect of the increase.
Dog and Cat registration fees (Statutory)	Discount	50%			Eligible Pensioners	Assist pensioners with cost of registrations.	Pensioners require assistance with meeting cost of registrations.
Venue Hire Charges	Discount	50%			Junior organisation/Youth	Promote Youth Activity in the Shire.	Council support Youth Activity
Refuse Collection Charge	Discount	50%			Community Groups as defined in Policy REC05	Support Community Groups	Council support Community Groups
			3,525,666	292,648			

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

14. FEES & CHARGES REVENUE	2016/17 Budget \$	2015/16 Actual \$
Governance	26,400	20,305
General purpose funding	12,420	11,026
Law, order, public safety	74,580	59,966
Health	76,255	75,719
Education and welfare	43,000	0
Housing	428,000	364,777
Community amenities	3,621,555	3,593,092
Recreation and culture	368,503	370,052
Transport	7,210,300	9,067,334
Economic services	1,958,687	1,933,547
Other property and services	48,950	16,082
	<u>13,868,650</u>	<u>15,511,900</u>

15. ELECTED MEMBERS REMUNERATION	2016/17 Budget \$	2015/16 Actual \$
The following fees, expenses and allowances were paid to council members and/or the Mayor/President.		
Meeting fees	184,000	175,990
President's Attendance Fees	30,850	30,385
President's Allowance	62,400	61,800
Deputy President's Allowance	16,000	15,450
Travelling expenses	74,000	76,627
Telecommunications allowance	4,600	4,000
	<u>371,850</u>	<u>364,252</u>

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

16. TRUST FUNDS

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

Detail	Balance 1-Jul-16 \$	Estimated Amounts Received \$	Estimated Amounts Paid (\$)	Estimated Balance 30-Jun-17 \$
Public Open Space	236,655	38,800	(93,844)	181,611
Cleaning and Key Deposits	16,010	5,305	(4,300)	17,015
Other Trust Monies	22,913	0	0	22,913
Bonds & Guarantees	221,365	158,847	(138,742)	241,470
Nomination Deposit	80	800	(880)	0
Unclaimed Monies	8,085	0	0	8,085
BCITF Levy	20,941	429,051	(420,000)	29,992
BRB Levy	14,532	32,192	(32,000)	14,724
Consignment Stock	1,297	23,211	(20,944)	3,564
Tour Sales	17,697	174,077	(163,402)	28,372
	<u>559,575</u>	<u>862,283</u>	<u>(874,112)</u>	<u>547,746</u>

SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2017

17. MAJOR LAND TRANSACTIONS

It is not anticipated any major land transactions will occur in 2016/17.

18. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Onslow Aerodrome

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

Operating costs are met by landing fees charged. Annual surpluses are transferred to a cash reserve to finance future improvements to the facility.

(a) Operating Statement	2016/17 Budget \$	2015/16 Actual \$	2015/16 Budget \$
Operating Income			
Landing Fees	45,000	41,194	180,000
Passenger Tax	5,569,200	7,115,073	7,762,000
Property Rental	133,800	147,043	89,296
Security Screening Charges	1,457,300	1,750,169	2,000,000
Sundry Income	5,000	7,230	27,934
	<u>7,210,300</u>	<u>9,060,709</u>	<u>10,059,230</u>
Operating Expenditure			
Employee Expenses	(534,229)	(419,258)	(198,998)
Operational Expenses	(1,575,638)	(1,343,606)	(1,795,455)
Grounds & Strip Maintenance	(165,709)	(146,282)	(159,313)
Marketing	(12,200)	(19,107)	(25,000)
Other Sundry Expenses	(17,178)	(19,399)	(20,097)
Administration Expenses	(36,100)	(164,008)	(221,053)
Administration Overheads	(182,296)	(148,520)	(158,637)
Depreciation	(1,202,270)	(1,202,264)	(61,761)
	<u>(3,725,620)</u>	<u>(3,462,444)</u>	<u>(2,640,314)</u>
Operating Result	3,484,680	5,598,265	7,418,916
(b) Non-Operating Income & Expenditure			
Capital Revenue			
Transfer from Cash Reserve	0	0	0
Contributions	1,497,556	2,678,336	5,147,570
Government Grants	0	0	0
	<u>1,497,556</u>	<u>2,678,336</u>	<u>5,147,570</u>
Capital Expenditure			
Transfer to Cash Reserve	(4,343,271)	(3,150,000)	(4,800,000)
Infrastructure	(720,000)	(2,665,579)	(4,050,000)
Buildings	(10,000)	(221,686)	(250,000)
Airport Equipment Purchase	0	(24,712)	(10,000)
Financing Expenses	(75,082)	(70,234)	(72,344)
	<u>(5,148,353)</u>	<u>(6,132,211)</u>	<u>(9,182,344)</u>
TOTAL NET TRADING UNDERTAKING	<u><u>(166,117)</u></u>	<u><u>2,144,390</u></u>	<u><u>3,384,142</u></u>

19. INTERESTS IN JOINT ARRANGEMENTS

The Shire has no joint venture arrangements in place.