



Annual Report 2016-2017

Adopted by Council on 15 November 2017



Chittering - from Muchea through Bindoon to Wannamal

TABLE OF CONTENTS

President's Message	3
Chief Executive Officer's Message	4
Vision and Mission.....	5
Your Council.....	6
Organisation Structure	7
Strategic Community Plan and Corporate Business Plan.....	8
Plan for the Future	20
Corporate Services	21
Development Services	38
Technical Services	48
Statutory Reports	50
Audited Financial Statements and Auditors Report.....	57





President's Message

It is with great pleasure that I present this Annual Report for the year ending 30 June 2017 in my capacity as President of the Shire of Chittering. Over the last year,

the Council has worked closely with the Chief Executive Officer and staff to deliver a responsible and affordable budget while at the same time focussing on longer term plans and strategies which will see the Shire grow and prosper in the years ahead.

Subdued economic growth associated with the slow-down in the mining sector and rising unemployment has impacted on all communities and all levels of Government. In tough economic times, people naturally find it more difficult to make ends meet. Council has responded by exploring opportunities for improving the efficiency of its own operations and reducing costs. As a result, Council has been in a position to adopt responsible and measured rate increases.

The Shire adopted a modest 1.5% rate increase in the 2016-2017 financial year which follows on from a 0% rate increase in 2015-2016 financial year. This is one of the lowest rate rises in the State, demonstrating Council's commitment to easing the burden on families given the tough economic times. Savings were also delivered in a number of areas including fleet costs and staff salaries and we will continue to look at ways to responsibly review costs and services while at the same time maintaining and improving service levels.

An essential part of the overall governance process is for Council to determine exactly what services and infrastructure are required by residents and ratepayers in the years ahead through the process of preparing a Strategic Community Plan. Council's Community Strategic Plan was reviewed in late 2016/early 2017 and covers the ten year period from 2017 to 2027. Feedback was been sought from the community through a number of workshops with both residents and established Working Groups providing input. The priorities identified in the Strategic Community Plan form an important basis for allocating resources in the future. The reviewed plan places a strong emphasis on protecting and enhancing the natural beauty and unique qualities that the region has to offer, while at the same time providing for economic growth, investment and the creation of local jobs.

The Shire is entering an exciting time over the next few years with major highway linkages (Northlink and the Great Northern Highway upgrade) to be delivered between now and the end of 2019. By that time, the Shire of Chittering will be connected to Perth by a new four lane highway, making the area much more accessible as a place to live, work and play. Additionally, the Muchea Employment Node (MEN), a proposed 1,100 hectare industrial area in the South of the Shire, will benefit from having these major transport upgrades at its doorstep. While the MEN has been in existence for many years, this new transport infrastructure will provide the incentive for planning and investment in that area. The jobs that are created through both the development and operation of the MEN will be vital to the economy of the region in the years ahead.

I would like to take this opportunity to thank my colleagues for their valuable input into Council's decision making processes and in representing the community they serve. I would also like to thank the staff for their continued dedication and commitment to delivering services to the community and assisting Council to plan for a sustainable future.

Councillor Gordon Houston
President



Chief Executive Officer's Message

The Shire of Chittering continues to enjoy high growth rates as a peri-urban local government showing a population growth of 54% since 2006 and 24% since 2011 (ABS 2016). This represents the greatest population growth of all local government areas in the Wheatbelt planning regions. Population forecasts for the Shire estimate that 8,100 people will live in the Shire by 2026, which represents a 48% increase from the 2016 census.

Regardless of the challenges associated with subdued economic activity, the Shire has maintained a sound financial position and is continuing to invest in community programs and services and to provide funding for parks, community buildings, recreation facilities and public areas. In addition, community events and activities continue to be an important aspect of living in the Shire of Chittering, as is the provision of sport and recreation opportunities.

Council's biggest single investment continues to be in its road network which comprises 280km of sealed roads and 150km of unsealed roads. The buildings and structures network comprises seven amenities buildings, 14 civic and corporate buildings, 18 residential buildings, 12 recreation buildings, one heritage building, seven waste buildings and 107 other structures (fire sheds, water tanks, bus shelters etc). In addition, Council maintains a number of parks, sporting facilities and reserves throughout the Shire. Maintaining and caring for these assets in the most effective and efficient way possible, for the use and enjoyment of current and future generations, is a key focus for the organisation.

In addition to the maintenance of existing assets, the Shire was able to complete a number of capital projects during the 2016-17 financial year including:

- A major renewal / upgrade of Binda Place in Bindoon
- Reconstruction and resealing of a section of Chittering Road
- Installation of safety barriers on sections of Chittering Road
- Extension of the footpath works on Ridgetop Ramble
- Road works on Morley Road, Spice Road, Orchard Road, Learners Way, Owen Road and Perry Road
- New cricket practice wickets at Bindoon Oval
- Works at the Brockman Centre (water tanks and feature gardens)
- New pergola for the Arts and Craft building at the Brockman Centre
- New play equipment at the Chinkabee Complex
- Renewal of BBQ's at John Glenn Park

Despite the tough economic times, the Shire is entering an exciting period over the next few years with major highway linkages (Northlink and the Great Northern Highway upgrade) to be delivered between now and the end of 2019. The Muchea Employment Node (MEN) will benefit from having these major transport upgrades at its doorstep. The jobs that are created through both the development and operation of the MEN will be vital to the economy of the region in the years ahead.

I would like to thank the Councillors for their commitment and commend the staff for their hard work over the past 12 months. The Shire is in a sound financial position and we look forward to working with the community to make the Shire of Chittering and even better place to live in the future.

Alan Sheridan
Chief Executive Officer

Vision and Mission

Our Vision

“A Sustainable Future”

The Shire of Chittering will provide significant and thriving local areas to live and work

Our Values

Excellence

To develop a culture of achieving high quality outputs and service delivery

Integrity

To operate and behave with honesty, respect and in a transparent manner

Consistency

To uphold consistency in dealings with all persons and organisations

Communication

To plainly and clearly exchange information in a timely manner. To have open and effective communication, and to attempt to adopt a non-advertised approach to dispute resolution

Customer Focus

To cater for the needs of our customers and to achieve positive outcomes

Respect

To recognise and acknowledge individuals, their opinions and their contributions

Valuing our Staff

Committed to having an enthusiastic, dedicated workforce, with appropriate skills to carry out tasks and to provide services to our community

Continuous Improvement

To continue to pursue innovation, assess and adjust where necessary; work arrangements, work practices; and to stay abreast of change

Your Council

as at 30 June 2017



President

Gordon Houston

Term expires - October 2019

6177 Great Northern Highway
Bindoon WA 6502

Phone: 9576 4600

Fax: 9576 1250

Email: chatter@chittering.wa.gov.au



Deputy President

Peter Osborn

Term expires - October 2017



Aaron King

Term expires - October 2019



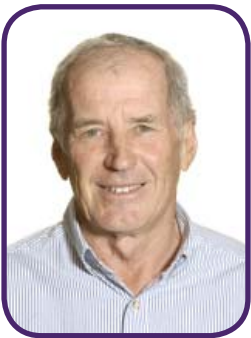
George Tilbury

Term expires - October 2019



Mary Angus

Term expires - October 2017



Don Gibson

Term expires - October 2017



Michelle Rossouw

Term expires - October 2017

Organisation Structure

Elected Members

Chief Executive Officer

Member Services &
Executive Support

Technical Services

Maintenance &
Construction

Parks & Gardens

Waste Management

Building Maintenance

Development Services

Planning Services

Environmental Health
Services

Building Services

Emergency Services

Ranger Services

Corporate Services

Human Resources &
Payroll

Financial & Rates
Services

Governance &
Administration

Economic Development

Community
Development

Library Services

Strategic Community Plan and Corporate Business Plan

The *Local Government Act 1995* requires all local governments to implement a Plan for the Future. In July 2013 new requirements for this plan came into effect under the Integrated Planning and Reporting Framework. This framework was introduced to ensure the integration of community priorities into strategic planning for councils.

The Shire's *Strategic Community Plan 2012-2022* was adopted by Council on 21 November 2012 and the Corporate Business Plan 2013-2017 on 26 June 2013. These two documents together form part of the Shire's vision of 'a sustainable future'.

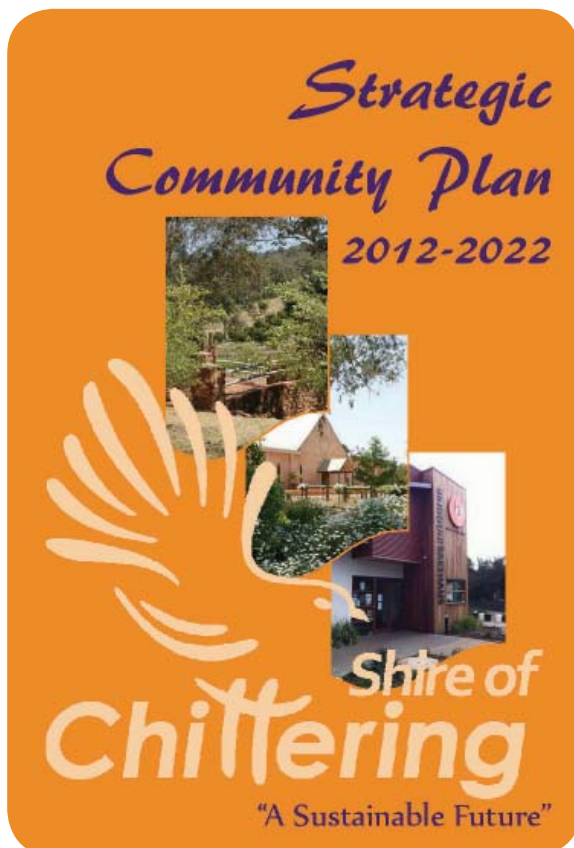
The Strategic Community Plan is a ten (10) year plan that captures the aspirations of our community and describes the Shire's objectives through six key areas (Social, Natural Environment, Built Environment, Access, Economic and Governance). Each theme identifies key objectives which is addressed by the Corporate Plan to implement projects, conduct operations and provide services.

The Strategic Community Plan must be reviewed once every four years, with the first review to be undertaken during 2016. A revised Plan (*Strategic Community Plan 2017-2021*) was presented to Council on 19 April 2017 and published for public comments until 2 June 2017.

The Corporate Business Plan is a four (4) year plan, and contains the objectives and strategies of the Strategic Community Plan, with the addition of specific operating actions and capital works to be delivered by the Shire.

The Corporate Business Plan was last reviewed on 17 June 2015. Further information on the Shire's Corporate Plan can be found on our website at www.chittering.wa.gov.au.

The following section summarises the Shire's progress towards meeting its objectives and highlights key projects during the year.



Social

Building and strengthening an integrated and united community

Our communities have a common allegiance to building and strengthening an integrated and united community. Chittering will be recognised for its diversity and as a healthy, unified and safe place to live. We will retain our current rural flavour while building and increasing the services provided to meet the needs of a rapidly growing community.

Outcome	Strategies	Measurable results	2016	2017
Access to local services	Improve services to community	Increase in membership for Volunteer Emergency Services	Total volunteers - 238	
		Increase in community participation in fire protection workshops (community engagement)	<p>Bushfire Ready Campaign ran from July 2015 until June 2016.</p> <p>The following workshops were conducted:</p> <ul style="list-style-type: none"> September 2015: one 'Bushfire Ready' in Bindoon; December 2015: two 'Bushfire Ready', in Bindoon and Wannamal <p>LED board installed on Muchea East Road, Lower Chittering that was fully funded by Council.</p>	
		Decrease in number of infringement and warnings due to people complying with fire hazard and fire breaks requirements	Infringements - 14 Warnings - 483	
		Develop and implement Shire of Chittering Ageing Population Strategy	<p><i>Shire of Chittering Age Friendly Community Plan 2016-2019</i> was first presented to Council on 16 March 2016. After public consultation was endorsed by Council on 18 May 2016.</p>	<p>Age Friendly Plan is ongoing. The Shire reinstated the Chittering Health Advisory Group.</p> <p>Retirees WA proposed development of independent living units is ongoing.</p> <p>The Chittering Community Bus commence in November 2016; well utilised.</p> <p>Shire running various community events during Seniors Week and Interger Day.</p>

Social

Building and strengthening an integrated and united community

Our communities have a common allegiance to building and strengthening an integrated and united community. Chittering will be recognised for its diversity and as a healthy, unified and safe place to live. We will retain our current rural flavour while building and increasing the services provided to meet the needs of a rapidly growing community.

Outcome	Strategies	Measurable results	2016	2017
Access to local services	Advocate for local health and youth services	Construction of a multipurpose health centre facilitating current and additional services	100% completed in July 2015. Officially opened on 6 November 2015.	COMPLETED
		Develop and implement Shire of Chittering Health Services Plan	Not commenced. Focus at this stage has been to deliver the new multipurpose facility.	This ties into the Chittering Health Services Advisory Group.
		Increased facilities and number of medical services available within the Shire for residents of all ages	Multipurpose Health Facility completed.	COMPLETED
		Develop and implement Shire of Chittering Youth Services Plan	After public consultation final <i>Shire of Chittering Youth Strategy 2015-2018</i> was presented to Council on 16 December 2015 and endorsed.	Youth Plan is ongoing. There was a Youth event held in March 2017. The Chittering Youth Krew Advisory Group meeting monthly. The Advisory Group are very active at Shire run school holiday projects. Shire developing relationships with relevant service providers.
		Increase number of Shire and community led youth activities available within the Shire	<ul style="list-style-type: none"> School holiday activities: July 2015 (circus - 60ppl); October 2015 (Brockman Centre - 30ppl) Annual Youth Festival - March 2016 Wear Ya Wellies - May 2016 Reviewed Terms of Reference for Chittering Youth Krew Advisory Group. 	<ul style="list-style-type: none"> School holiday activities: April, July and October with over 30 people at each activity Annual Youth Festival - March 2017 Wear Ya Wellies – Annual Event, 4,500 people at 2017 event. Reviewed Terms of Reference for Chittering Youth Krew Advisory Group.

Social

Building and strengthening an integrated and united community

Our communities have a common allegiance to building and strengthening an integrated and united community. Chittering will be recognised for its diversity and as a healthy, unified and safe place to live. We will retain our current rural flavour while building and increasing the services provided to meet the needs of a rapidly growing community.

Outcome	Strategies	Measurable results	2016	2017
Strengthened social connections	Facilitate and nurture community interaction	Increase in volunteer memberships in community groups	Data not available	Ongoing - data not available
		Develop and implement Shire of Chittering Community Development Plan: <ul style="list-style-type: none"> Increase in community events held each year 	Ongoing events: Intertown Challenge, Wear-Ya-Wellies, Muchea Youth Festival, Seniors Week "Intergenerational Fun Day", Outdoor Movie Night, Thank-a-Volunteer BBQ, Australia Day	Ongoing - review of event coordination scheduled for November 2017
		Develop and implement Chittering Economic Development Strategy: <ul style="list-style-type: none"> Increase in festivals and events held each year 	<i>Chittering Economic Development Strategy 2015-2025</i> : Key Strategic Direction Update was presented to Council on 16 March 2016. Continued with annual 'Taste of Chittering' event.	Continued with Taste of Chittering. Review of event coordination scheduled for November 2017. Increased attendance at Wear Ya Wellies from 1,000 to 4,500, with 80% of attendance from metropolitan area.
Active communities	Support local community groups	Develop and implement Shire of Chittering Sport & Recreation Plan 2013-2023	Reviewed internally during April 2016.	Due for review
		Increase in participation and activities available through community led groups	Ongoing	Ongoing
		Improvement and increase in sporting, recreational and social facilities within the Shire	Ongoing	Ongoing
	Develop recreational areas for future generations	Undertake feasibility study to establish community needs for new sporting facilities	At the Council meeting held on 20 April 2016 Council was requested to appoint a consultant to under a proposed regional sports and community centre in Lower Chittering. Jill Powell and Associates were appointed. Workshops will be held throughout the community during July 2016.	Completed - on hold pending availability of funding

Natural Environment

Preserving and enhancing our natural environment

Our communities have shared a commitment to our natural environment and resources, ensuring future generations enjoy the natural beauty of our biodiversity. Chittering is a great place to live and visit, where community and visitors enjoy the natural beauty of our lakes, wetlands and nature reserves.

Outcome	Strategies	Measurable Results	2016	2017
Protected environment	Protect and value our local environment and biodiversity	Implementation of the Shire of Chittering Local Biodiversity Strategy: <ul style="list-style-type: none"> Increase area of conservation land (POS) ceded 	Odelon purchased as Reserve by DPaW. Currently rewording the Shire's Local Planning Strategy to include Local Biodiversity Strategy objectives. Identification of further Rural Zone lots. Shire has purchased WALGA's Environmental Planning Tool.	
		Increase partnerships with community and industry to sustainably manage natural and built resources	Ongoing	Ongoing
	Promote our local environment with places to visit	Develop and implement the Shire of Chittering Trails Master Plan: <ul style="list-style-type: none"> Funding attracted to support further development of the trails 	Final <i>Mountain Bike Trails Master Plan</i> endorsed by Council on 20 April 2016. Implementation is subject to future budget consideration.	
Sustainable resources	Reduce waste through recycling and re-use	Develop and implement the Shire of Chittering Waste Management Strategy: <ul style="list-style-type: none"> Reduction of the quantity of waste going to the landfill 	A waste and recycling survey was undertaken in the community; with the results presented to Council on 15 June 2016. The survey indicated that 86% of respondents were satisfied or somewhat satisfied with the service.	The Shire of Chittering achieved a recovery rate of 28 % for domestic (kerbside recycling) and Council waste services in 2016/17. This far exceeds the average for LGs with similar populations (21%) and demonstrates that the Shire's waste and recycling management practices are effective.
Environmental leadership	Promote and support sustainable lifestyle choices	Implementation of the Shire of Chittering – "Towards Carbon Neutral": <ul style="list-style-type: none"> Number of initiatives implemented Reduction in energy use 	Solar panels installed on the Shire's administration centre buildings.	Binda Place is fully reticulated with bore water (not scheme water)

Built Environment

Have a sustainable built environment that continues to meet needs and reflects our lifestyles and values

Our communities have expressed a desire to have a sustainable built environment that continues to meet its needs and reflects our lifestyles and values.

Outcome	Strategies	Measurable Results	2016	2017
Local and central activity areas supporting community needs	Create options to enhance growth, redevelopment, activity and the individuality of the local areas	Develop and implement the Shire of Chittering Community Infrastructure Plan: <ul style="list-style-type: none"> Developer contributions received 	Document to be presented to Council for their consideration late 2016. Draft Developer Contribution Plan being prepared.	Developer Contribution Plans discontinued as research suggest the nexus for demand is unlikely sufficient for the Plan to be successful.
		Undertake a feasibility study for in-fill sewage (Bindoon and Muchea)	Ongoing - STED program approved for Bindoon.	Ongoing. Planning/design for Bindoon is underway. Planning Commission study on groundwater in Muchea underway
	Provide a regional and central area providing recreation, employment, housing and service choices	Review of the Shire of Chittering Local Planning Policy No 1 by December 2013	Ongoing. To be considered further as part of the <i>Strategic Community Plan</i> review in late 2016.	Ongoing. Additional/alternative resources being considered to ensure town's vitality.
Sustainable assets	Maintain and manage assets and infrastructure to meet future needs	Develop and implement the Shire of Chittering Asset Management Plan (AMP)	COMPLETED	Roads, buildings and parks asset management plans currently under review.
Housing choice	Plan for the provision of residential growth and changing needs	Completion of Lot 62 Development Plan: <ul style="list-style-type: none"> Facilitate the development of an independent living units site 	Retirees WA have paid a deposit on the land. The balance payment is pending. Stage 1 of the development is proposed to commence in 2018.	Balance payment received for WA Retirees Independent Living Unit Development. Project delivery relies on completion of the STED Scheme.
		Increased availability of varied lot sizes released to meet the needs of the community	Ongoing. To be considered further as part of the <i>Strategic Community Plan</i> review in late 2016.	Ongoing. To form part of the Local Planning Strategy, which is scheduled to be finalised in 2018.

Access

Sustainable transport and access options making it easy to access services and facilities

Our communities identified the need for sustainable transport and access options available, making it easy to access services and facilities both within and outside the Shire.

Outcome	Strategies	Measurable Results	2016	2017
Access to local and central services	Facilitate sustainable transport solutions	Meetings held to advocate for access to public transport	Ongoing. Community bus trials being considered for implementation in late 2016 (weekly service to Midland and Joondalup).	Completed first year of operation. Review scheduled for August 2017.
Safe access	Facilitate improved road safety	Meetings held to advocate for a heavy haulage By-pass around Bindoon	Ongoing - corridor options referred to the 'Bindoon Heavy Haulage Reference Group'.	State Government has decreed on the preferred corridor. Planning and property acquisition phase of project has commenced.
		Reduction in the number of accidents recorded with the Shire of Chittering	Data not available	Data not available
		Black Spot funding received	Successful applications for: <ul style="list-style-type: none"> Chittering Road Julimar Road Intersection of Muchea East/Wandena Roads Intersection of Blue Plains/Maddern Roads 	Successful applications for: <ul style="list-style-type: none"> Julimar Road Chittering Road Intersection of Wandena/Muchea East Roads Intersection of Blue Plains/Maddern Roads
	Enable inclusive access	Number of buildings fitted with disabled access	Bindoon Library upgraded with an automatic door, with funding obtained through the Lighthouse Project Grants Program.	
		Level of community satisfaction with access to Shire facilities through community surveys	No specific surveys undertaken. Community Perception Survey planned for August 2016.	Community Perception Scorecard survey completed. AWARE Chatter Checkin scheduled for August/September 2017

Economic

Promote and foster current and new economic development

That Chittering develops as a local government that promotes and fosters current and new economic development. Continue to brand Chittering as a day / weekend tourist destination.

Outcome	Strategies	Measurable Results	2016	2017
Economic growth	Facilitate environmentally sound industrial and commercial growth	Amend Town Planning Scheme #6 for the Muchea Employment Node by December 2013	<ul style="list-style-type: none"> Amendment 56 supported by Council on 18 November 2015 and submitted to WAPC. WAPC provided modifications prior to advertising. Amendment 60 supported by Council; currently pending endorsement with WAPC. 	Amendment 60 gazetted. Sirona's Local Structure Plan endorsed by the WAPC, new rezoning applications for the MEN received.
		Encourage and foster the development of commercial land: <ul style="list-style-type: none"> The take up and development of industrial sites 	<ul style="list-style-type: none"> Structure Plan for Lot 102 Great Northern Highway resolved by Council on 18 May 2016. A number of Development Applications have been approved for 'Industrial' type uses in the Muchea Employment Node. 	Highway extension expected to significantly increase demand. Continuing discussions with Ministers for appropriate infrastructure. Shire has submitted an application to Building Better Regions Grant Fund for funding of a Project Manager for the MEN.
	Seek investment for local business growth	Develop and implement the Shire of Chittering Economic Development Strategy by December 2013	<i>Key Strategic Directions Update</i> endorsed by Council on 16 March 2016.	Ongoing
		Level of increase in commercial investment in the Shire of Chittering	Commercial investment/growth, particularly in Bindoon, is dependent on sewerage (2018), major streetscape upgrades (2016) and encouraging growth through new development (e.g. Retirees WA).	STED cancelled by new State Government. Alternative systems are now being investigated.
		Increase in business licenses issued		Masterplan being coordinated for Binda Place.

Economic

Promote and foster current and new economic development

That Chittering develops as a local government that promotes and fosters current and new economic development. Continue to brand Chittering as a day / weekend tourist destination.

Outcome	Strategies	Measurable Results	2016	2017
Economic growth <i>(continued)</i>	Create (facilitate) waste management centre, with a focus on sustainable waste management	Develop and implement of the Shire of Chittering Waste Management Plan: <ul style="list-style-type: none"> • Increase in revenue • Decrease in operating costs 	Waste and Recycling Survey undertaken in January 2016. Results presented to Council on 15 June 2016.	The Shire has not increase costs to ratepayers for the kerbside waste and recycling service in 2016/17 in accordance with contractual arrangements and has made operational improvements at the landfill sites (Muclea and Bindoon) enabling disposal costs to remain unchanged.
	Facilitate local service growth	Promote local business and events, where possible: <ul style="list-style-type: none"> • Create a local business web link on the Shire's website • Number of commercial development applications issued 	On-line business directory now available. Ongoing promotion of Chittering and all events (Shire and other). Strategic partnership with Wheatbelt Business Network.	Ongoing
Support local businesses	<ul style="list-style-type: none"> • Advocate for improved broadband access • Promote local businesses 	Council proactively participates in the National Broadband Network rollout: <ul style="list-style-type: none"> • Level of take up of new "Broadband" services 	Two locations: <ol style="list-style-type: none"> 1. Bell Hill Reserve; and 2. Lot 504 Great Northern Highway were approved by Council on 18 May 2016.	Ongoing. Expect delivery of physical infrastructure in 2016/2017 financial year.
Chittering: a place to visit	Promote and improve Chittering's profile as a tourism destination	Increase in visitation to the Chittering Tourist Centre	Data not available	Data not available
		Redevelopment of Binda Place shopping district	Tender were called and presented to Council on 18 May 2016. Council appointed TRACC Civil to undertake the redevelopment. Construction to commence in the new financial year.	COMPLETED May 2017. Official opening scheduled for July 2017.

Governance

A forward thinking and unified approach guided by strong and transparent leadership actively engaging with the community

Our Council will continue to take a forward thinking and unified approach that is guided by strong and transparent leadership actively engaging with the community.

Outcomes	Strategies	Measurable Results	2016	2017
Good governance	Continue to provide transparent leadership	Policies are reviewed annually	Policies reviewed internally during June 2016. Two policies were presented to Council and amended: <ol style="list-style-type: none"> 6.2 Education Scholarship Policy (updated 16 September 2015); and 2.12 Purchasing Policy (updated 28 October 2015). 	The following policies were endorsed by Council: <ol style="list-style-type: none"> 2.7 Significant Accounting Policies (20 July 2016) 6.2 Education Scholarship Award (20 July 2016) 6.6 Community Bus Transport Service (21 September 2016) 1.2 Use of Civic Centre - Council Chambers (15 March 2017) 6.1 Australia Day Awards (15 March 2017) 1.14 Smoking, Other Drugs and Alcohol (19 April 2017) 4.6 Agenda Forums (17 May 2017) 1.19 OSH Fleet Safety and Motor Vehicle Guidelines (17 May 2017)
		Delegations are reviewed annually	Reviewed by Council on 15 June 2016.	<ul style="list-style-type: none"> <i>DA28 Bush Fires, Prohibited Burning Times, Restricted Burning Times and Prosecution of Offences</i> endorsed by Council on 15 December 2016 Delegations reviewed by Council on 21 June 2017

Governance

A forward thinking and unified approach guided by strong and transparent leadership actively engaging with the community

Our Council will continue to take a forward thinking and unified approach that is guided by strong and transparent leadership actively engaging with the community.

Outcomes	Strategies	Measurable Results	2016	2017
<p>Good governance <i>(continued)</i></p>	<p>Continue to provide transparent leadership</p>	<p>Local Laws are reviewed to ensure compliance with legislative requirements and relevant to the Shire's conditions and obligations</p>	<p>Draft Signs, Hoardings and Bill Posting Local Law 2015 currently on hold.</p> <p><i>Cats Local Law 2015</i> was presented to Council on 17 June 2015. Following submission to the Joint Standing Committee on Delegated Legislation they recommended amendments. <i>Cats Amendment Local Law 2016</i> was tabled to Council on 20 April 2016 for advertising.</p>	<ul style="list-style-type: none"> • <i>Cats Amendment Local Law 2016</i> was adopted by Council on 17 August 2016 and published in the Government Gazette on 30 August 2016. • Waste Local Law 2016 was first tabled with Council on 19 October 2016. <i>Waste Local Law 2017</i> was adopted by Council on 15 February 2017 and published in the Government Gazette on 23 March 2017. • Health Local Law 2016 was first tabled with Council on 19 October 2016. <i>Health Local Law 2016</i> was adopted by Council on 15 February 2017 and published in the Government Gazette on 23 March 2017. • Fencing Local Law 2016 was first tabled with Council on 14 December 2016. • Repeal Local Law 2017 was first tabled with Council on 21 June 2017.

Governance

A forward thinking and unified approach guided by strong and transparent leadership actively engaging with the community

Our Council will continue to take a forward thinking and unified approach that is guided by strong and transparent leadership actively engaging with the community.

Outcomes	Strategies	Measurable Results	2016	2017
Stakeholder engagement	Continue to build the Shire's capacity through stakeholder partnerships and advocacy	Council proactively advocates for community needs and aspirations: <ul style="list-style-type: none"> • Meetings held with government officials to express community concerns • Meetings held with relevant government agencies to express community concerns 	Bindoon Heavy Haulage Reference Group formed to deal with matters arising from the proposed Bindoon Bypass. Community Strategic Plan and associated consultation process to occur in later part of 2016 calendar year.	Bindoon Heavy Haulage Reference Group ongoing. Liaison with Main Roads WA Project team ongoing. Community consultation completed. Draft completed. Expect to finalise shortly.
Sustainable organisation	Maintain an efficient and capable organisation	Development of the Shire of Chittering Workforce Plan: <ul style="list-style-type: none"> • Employee retention levels • Financial ratios 	Reviewed	Reviewed during May 2015

Plan for the future

MAJOR PROJECTS 2016-2017

Binda Place Improvement - estimated project cost \$802,587



Project Description

This project will improve the safety and efficiency of the carriageway and parking areas in Binda Place. The area will be aesthetically enhanced through the addition of street-scaping (plantings and furniture).

Project Timeframe

Commencement	January 2015
Completion	June 2016

Project Funding

Roads to Recovery	\$697,000
External funding to be sought	\$ 52,754
Total funding	\$749,754

Municipal funds \$ 52,833

Total funds \$802,587

Note: Further detailed information can found in the Binda Place Improvement Plan.

Corporate Services

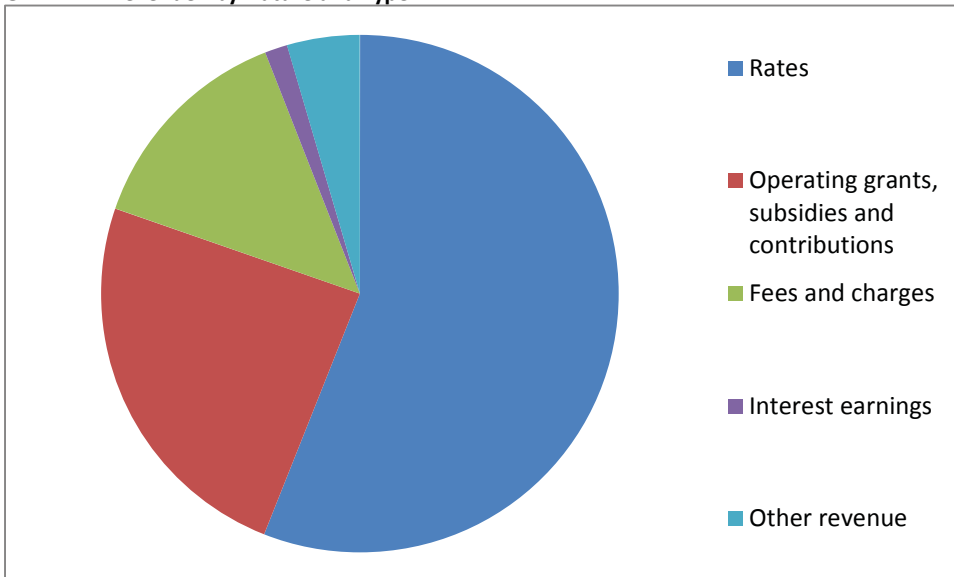
FINANCE

The Shire achieved a surplus position of \$2,433,126 as at 30 June 2017. It is to be noted that \$238,762 of these funds are restricted, as these funds were received in 2016-2017 however projects relate to 2017-2018 financial year.

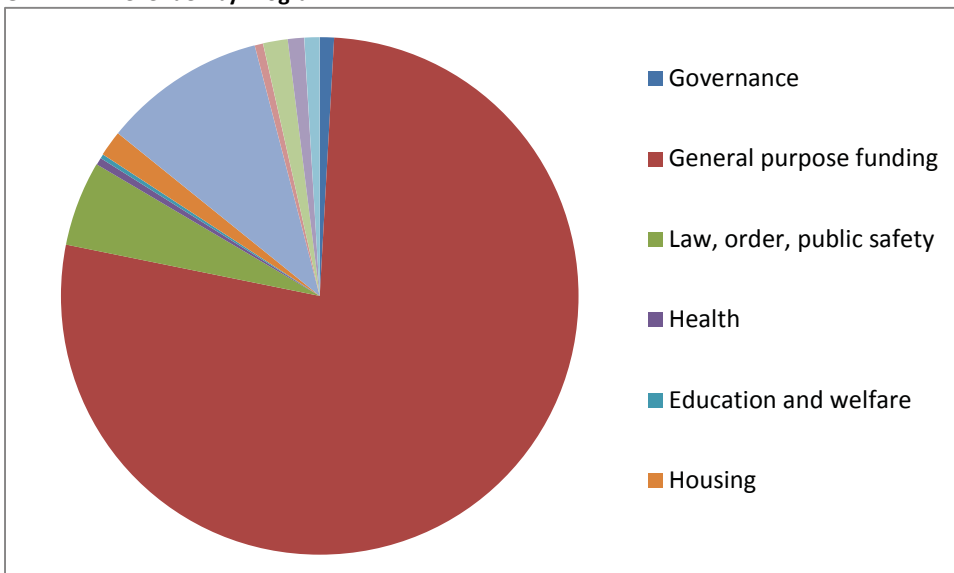
During the 2016-2017 financial year the Shire received \$4,800,268 in grant funding: \$2,519,069 for capital projects and \$2,281,199 for operations. Please see the table on page 23 for further information.

The Shire's revenue for 2016-2017 was \$9,394,498. The breakdown of this revenue is shown in the following graphs by Nature and Type, and by Program.

GRAPH 1: Revenue - by Nature and Type



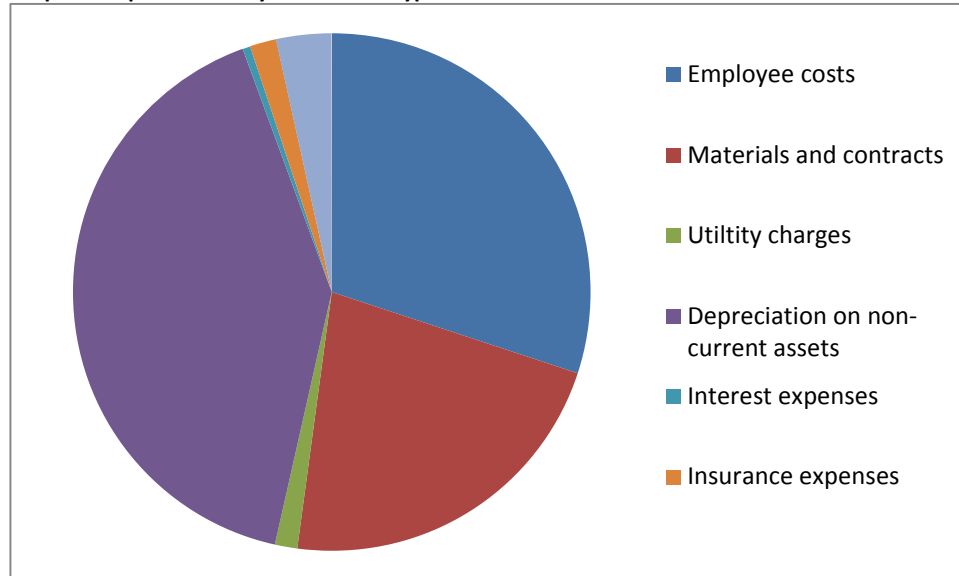
GRAPH 2: Revenue - by Program



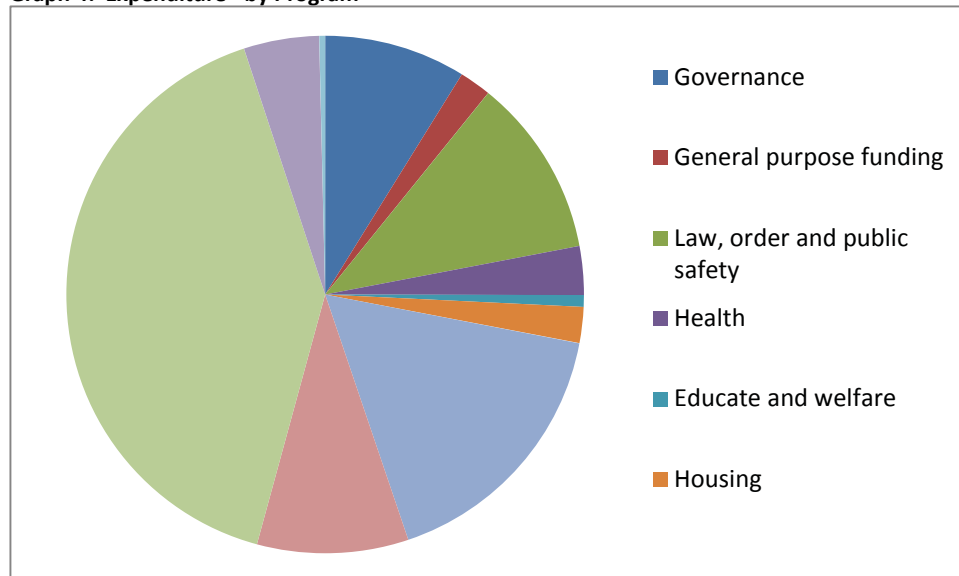
Corporate Services

The Shire's expenditure for 2016-2017 was \$11,393,242. The breakdown of this expenditure is shown in the following graphs by Nature and Type, and by Program.

Graph 3: Expenditure - by Nature and Type



Graph 4: Expenditure - by Program



RESERVE ACCOUNTS

The Shire has a total of \$1,590,118 cash backed reserves; \$444,258 was transferred to various reserves and \$191,019 was transferred from various reserves to fund employee leave entitlements and Binda Place.

It is the Shire of Chittering's intention in coming years to transfer funds to reserves on an annual basis to fund future identified projects.

LOANS AND BORROWINGS

The Shire's debt with the Western Australian Treasury Corporation and Key Start as at 30 June 2017 amounts to \$1,101,120. No new borrowings were taken out in this financial year.

Corporate Services

GRANT FUNDING

Funding through grant submissions was attracted to the following projects:

TABLE 1: Grant Funding Submissions

Project	Funder/Program	Amount \$
Operational Grants		
General Purpose Funding (GPF)	Government of WA (Advance = \$377,312)	1,101,747
GPF - Road Component	Government of WA (Advance = \$238,676)	667,933
ESL Operating Grant	Dept Fire and Emergency Services	233,587
Bushfire Risk Management Program	Dept Fire and Emergency Services	75,758
TASTE	Lotterywest	16,500
Wear Ya Wellies/Youth Festival	Road Safety Commission	2,000
Kidsport	Dept Sport and Recreation	34,000
Direct Road Grant	Main Roads WA	102,946
WANDRA Grant	Main Roads WA	27,735
Street Lighting Subsidy		4,193
John Glenn Park Signage	CSIRO	1,500
John Glenn Park Signage	Tronox	2,300
Community Development Officer Scheme	Dept Sport and Recreation	11,000
Operating Grants Total		2,281,199
Capital Grants		
ESL Capital Grant - Light Tanker Acquisitions	Dept Fire and Emergency Services	391,744
Bindoon Practice Wickets	Bindoon Sports and Recreation	12,000
Bindoon Practice Wickets	Bindoon Bush Rangers	12,792
Brockman Centre Beautification	Wheatbelt Development Commission	10,860
Brockman Centre Beautification	Various Local Groups	3,500
Blackspot Program	Main Roads WA	368,508
Bridges Program	Main Roads WA	134,000
Regional Road Group	Main Roads WA	372,215
Binda Place	Roads to Recovery	1,207,480
Carpark Binda Place	Berkers Pty Ltd	5,970
Non-Operating Grants		2,519,069
TOTAL GRANTS		4,800,268

Corporate Services

RATES

Rate Revenue

Rate revenue raised in 2016-2017 was \$5,262,866. As at 30 June 2016 the amount outstanding for rates was \$274,564.

Property Transfers

A total of 136 properties were sold/transferred throughout the 2016-2017 financial year totalling \$73,413,500.

TABLE 2: Property transfers

Locality	2016/17		2015/16		2014/15	
	No	Amount	No	Amount	No	Amount
Chittering/Lower Chittering	81	39,126,500	92	44,035,720	107	\$48,320,168
Muchea	16	10,604,500	20	23,155,790	27	\$17,498,500
Bindoon/Mooliabeenee/Wannamal	39	23,682,500	26	12,069,500	39	\$15,033,500
TOTAL	136	73,413,500	138	79,261,010	173	80,852,168



Corporate Services

RATES INCENTIVE PRIZE WINNERS

During the 2016-2017 rate year, as an incentive for ratepayers to pay their rates by the due date, the Shire awarded the following donated prizes:

TABLE 3: 2016-2017 Rates Incentive Prize winners

Prize Awarded	Sponsor	Recipient
\$500 cash prize	Shire of Chittering	G Hufner
\$500 Ultimate Everyday Account	Bendigo Bank	J Corp
Paintball tickets (five each)	Delta Force Paintball	G Cugley A and A McAuliffe P Nicholson J and K McCagh J McKenzie
2 night weekend stay in Premium Deluxe Room (including breakfast) for two people	Perth Ambassador Hotel	J and S Penrose
Tickets to Asher Fisch and Stuart Skelton Sings Wagner (2 tickets to each)	WASO	G and D Murphy N Yeatman
General pest treatment only on residential dwelling	Chittering Pest and Weed	Kondil Nominees Pty Ltd
Property safety check/test	ACE Electrical	Chittering Springs Estate A and M Don Chittering Valley (WA) Pty Ltd P and M Day R and P Rolton
TV antenna/TV tune-ups	ACE Electrical	R Pringle L Pederick W Gellard W Fisher and T Wight G Cocking
Gift voucher	Alicia Estate Winery and Restaurant	I and P Taylor
1 night accommodation in family room (including continental breakfast) for four people	Bindoon's Windmill Farm	P and F Haydon
Tax and accounting service	Northern Valley's Tax	S Eder and C Maycroft
Store voucher	Australian Premium Feeds	Dingo Corporation Pty Ltd
2 tickets to 'Tartuffe'	Black Swan Theatre Company	E Bingham and H McDonald
Earthmoving service	Fewsters Earthmoving	L and C Dewar
Photography voucher	Nicola Anne Designs	S Robb
Cash prize	ADRA Bindoon Op. Shop	L Yates
Reading voucher	Spiritual Whispers	D Stalker
Shop voucher	Muchea Irrigation and Rural Supplies	S and B Kay

Corporate Services

The Shire extends a big thankyou to the following sponsors:



Corporate Services

COMMUNICATIONS

The Shire of Chittering continues to follow the objectives of the Council endorsed “Community Engagement Plan” and “Communication Plan”. This ensures that community members will always be informed through professional consistent communication. Both documents will be reviewed in the upcoming financial year.

Primary communication methods:

- Chatter - the Shire’s monthly newsletter which can be found in the Northern Valleys News or online at www.chittering.wa.gov.au (click the “NEWS” icon).
- eChatter – the Shire’s email summary of what has been released over the past month, along with items for comment and upcoming event details. Residents simply need to request to be added to the email list.
- Keep Me Posted – the Shire’s mailed version of eChatter. Residents simply need to request to be added to the mailing list.
- Facebook – our social media presence has continued to grow.
- 2,062 Chittering Shire (Profile) Friends
- 1,073 Shire of Chittering (Page) Likes
- 2,126 Chittering Bush Fire Ready (Group) Members
- 766 Visit Chittering (Page) Likes
- 1,444 Taste of Chittering (Page) Likes
- 307 Chittering Youth Krew (Page) Likes
- 836 Wear Ya Wellies (Page) Likes
- Website – the Shire of Chittering website continues to average over 5,000 users a month.

BUSINESS

Chittering Chamber of Commerce, Heartlands WA and Wheatbelt Business Network

The Shire of Chittering continues to support these three organisations:

1. Chittering Chamber of Commerce – membership and a position on the committee. *“A Community group dedicated to the advancement and promotion of business and business interests in the region.”*
2. Heartlands WA – membership, along with collaboration to supply a local and regional online business directory. *“Promotes opportunities, employment prospects, infrastructure benefits, community connectedness, lifestyle choices, land package varieties, business and industry developmental possibilities, social service facilities including education and health, tourism and a vast array of products, services, events, festivals, food and wine.”*
3. Wheatbelt Business Network – membership and promotional support for initiatives. *“A not-for-profit, member driven, business association providing networking, a voice for business and one-on-one support.”*



Corporate Services

Small Business Friendly Local Government

The Small Business Friendly Local Government's Initiative was developed by the Small Business Development Corporation (SBDC). The Shire of Chittering was the first Shire (a number of Towns and Cities were already recognised) to be approved to display the logo after submitting an application detailing how local businesses were supported within the Shire.

Chittering Economic Development Strategy

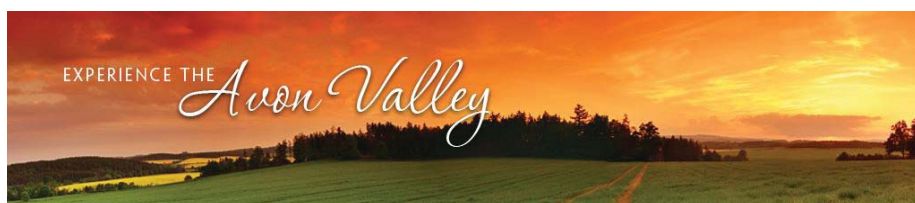
A "Key Strategic Direction Update" was prepared (endorsed by Council 15 March 2017) which noted the following;

- Transport Solutions – community courtesy bus introduced in November 2016, utilised by an average of nine passengers per week
- Northlink Impact Assessment – funding required if to be undertaken
- Binda Place Improvement – complete
- NBN Connectivity Improvement – installation of three towers underway
- Collocated Business / Community Resource Centre – EOI's called for 'old' medical centre, but transpires building not available
- Regional Community Sports and Recreation Facility Feasibility Study – complete
- Local Business Listing (free online service) – service expanded to offer regional promotion in addition to local access
- Signage Audit – postponed awaiting finalisation of updated policies
- Business Networking – continuing
- Area Promotion – continuing, including annual showcase event (Taste of Chittering) and support of local Visitor Centre
- Investment Prospectus – funding sought through Building Better Regions Fund (await outcome)
- Tourism Action Plan – completion of the Chittering Visitor Centre Strategic Plan
- Chittering Trails Network Plan – Mountain Bike Trail Plan prepared
- Bindoon 'Bypass' – the Action Group prepared a 'Deviation for Heavy Haulage Vehicles Strategy' which was endorsed by Council and is being enacted by the Bindoon Deviation Strategy Action Group
- Regional Collaboration - continues

TOURISM

Experience Perth, Avon Tourism and Discover Golden Horizons

The Shire of Chittering is a member of our region's Tourist Organisation (Perth Region, Experience Perth) along with being an active participating member of our sub-regional tourism organisation (Avon Tourism, Avon Valley Region ~ Beverley, Chittering, Goomalling, Northam, Toodyay, Victoria Plains and York). In addition Chittering is an active member of a voluntary tourism group (Discover Golden Horizons ~ Chittering, Dalwallinu, Moora, Victoria Plains and Wongan Ballidu).



Corporate Services

Community Funding and Support

Community Assistance Grants and Sponsorship Scheme

The Shire understands the vital role that our local groups and volunteers play in the Chittering community; therefore the Shire allocates funds in its annual budget known as the “Community Assistance Grants and Sponsorship Scheme” (CAGS). The “CAGS” Scheme is designed to provide benefits to Shire residents through recreational, sporting, social or cultural means. During 2016-2017 Council allocated almost \$30,000 towards the following local community groups:

General Grant Applications

1. Chittering Wildlife Carers – Banners for Advertising
2. Chittering Bindoon CWA – Park Bench
3. Bindoon Men’s Shed – Dust Extraction and Control
4. Bindoon Playgroup – Indoor play/gym equipment
5. Bindoon Historical Society – Transcription, Publication

Sponsorship

1. Chittering Junior Football Club – All Abilities Clinic
2. Bindoon & Districts Ag Society – Hire of Marquee
3. Chittering Tourist Association – Plants and Paint
4. Bindoon & Districts Agricultural Society – Rodeo 2016
5. Bindoon Bowling Club – Men’s Open Triples
6. Bindoon Mobile Recovery Campaign – Appearances at Community Events

Council also provided support to the following groups for use of the Shire’s Community Bus:

1. Bindoon Men’s Shed
2. Chittering Junior Football Club
3. Wannamal Indoor Bowling Club
4. Bindoon Chittering Retirees
5. Chittering Bindoon CWA
6. Bindoon & Districts Historical Society
7. Bindoon Singers
8. Chittering Cancer Support Group
9. Chittering Tourist Association

Council also provided almost \$3,200 in printing and photocopying services for community groups within the Shire.

Event Support

The Shire provided financial and in-kind support for a number of community events and programs (not limited to):

Bindoon and Districts Agricultural Show 2016

The Shire of Chittering supported the Bindoon and Districts Agricultural Show with event funding and sponsorship for the 2016 Bindoon and Districts Agricultural Show. Additionally, the Shire also attended the Show as an exhibitor with 14 Shire staff volunteering their time to man the Shire display along with support from the Chittering Youth Krew.

The Shire display was busy throughout the day with plenty to do for kids and families with a silent disco, games and giveaways provided by Dial before you Dig, Keep Australia Beautiful and the Youth Affairs Council of WA. WALGA Roadwise were also represented within the Shire stall.

Bindoon Primary School

Council gave a monetary donation towards the 2016 graduation gifts.

Corporate Services

AUSTRALIA DAY 2016

Chittering's Australia Day Awards Ceremony was held on Thursday 26 January, in the Bindoon Town Hall with approximately 60 people in attendance. Guests were musically entertained by Johannah Grace and enjoyed light refreshments following the formalities which were hosted by Shire President, Gordon Houston and CEO, Alan Sheridan.

These annual Awards offer the perfect opportunity to publicly recognise, and thank, those members of the community who voluntarily invest so much of their time into their community.

Education Scholarship Awards

Each year the Shire incorporates into their budget two scholarships of \$1,000 each for a student graduating Year 6 and a student graduating Year 10 at the end of the following school year. Unfortunately there were no applications for Year 10 therefore Council resolved to award two Year 6 scholarships, which were carefully selected from the submissions received.

- **Hope Kavanagh:** will be using her scholarship towards her school fees.
- **Harrison Anderson:** will use his scholarship towards his school fees, uniform, camps and stationery.

School Citizenship Awards

Each of our local schools nominates a student for outstanding citizenship during the recent school year. Two nominations were received for 2016.

- **Ebony Bird:** Bindoon Primary School applauded Ebony's display of exemplary behaviour which makes her a wonderful role model to her fellow students.
- **Briannan Worrell:** Immaculate Heart College highlighted how Briannan undertakes her duties and responsibilities with no expectation of being thanked, and how this positive attitude has influenced her fellow peers to emulate her.



IMAGE: Harrison Anderson and Hope Kavanagh



IMAGE: Cr George Tilbury and Ebony Bird



IMAGE: Cr George Tilbury and Briannan Worrell

Corporate Services

Active Citizenship Award

Focussing on groups/events that have made a noteworthy contribution or given outstanding service to the local community over a number of years through active involvement. The winners, **Volunteers of the Chittering Wildflower Festival**, were nominated by Colleen Osborn. This group of volunteers have been assisting with the coordination of this annual multi-day event for the past five years. They act as ambassadors for Chittering and are an example to other community members about the enjoyment of volunteering.

The other nominees were:

1. Bindoon Chittering Retirees of WA: nominated by Lois Jones, Bindoon Chittering Retirees is a proactive group of over 55s with more than 40 members who attend outings, meetings and host local events.
2. Wannamal Art Exhibition and Market Days: nominated by the Wannamal Community Centre, the event not only encourages local artist it also supports worthy charities.



IMAGE: Cr Aaron King and Volunteers of the Chittering Wildflower Festival

Community Citizen of the Year Awards

This award was previously known as the Premier's Australia Day Active Citizenship Award and has been rebranded to the Community Citizen of the Year Awards and 2017 is the 40th anniversary of this award.

Young Community Citizen of the Year

The winner, **Mitch Lunardi**, was nominated by Koorunga CWA as an inspiring example of the positive influence a young person can have in our community. Mitch has been a valuable behind the scenes volunteer, his community spirit has seen him involved in 'Wear-ya-Wellies', 'Mucheia Youth Festival', 'Taste of Chittering' and the 'Bindoon Show'. Mitch really enjoys helping, and is a great mentor to his colleagues, his get-up and go attitude inspires many of his peers, and the value for the older people in the community to see such a positive young person is uplifting.



IMAGE: Cr Gordon Houston (President) and Mitch Lunardi

Community Citizen of the Year Award

The winner, **Cathy Fisher**, was nominated by Sally Leo and Gail Bam, for her cheerful nature and exceptional skills as an ambulance officer which have brought great comfort to many Chittering residents.



IMAGE: Cr Gordon Houston (President) and Cathy Fisher

The other nominees were:

- Noel Russell: nominated by Amy McAuliffe for being instrumental in the smooth running, set-up and clean-up of the Bindoon Show for at least 10 years.
- Phillip Martin: nominated by the Veteran Car Club of WA (Inc) Chittering Branch, as the man behind the establishment of the Bindoon Historic Vehicle Day.
- Tom Fern: nominated by the Bindoon Chittering Retirees of WA for being their official outings bus driver for many years.

Australia Day Events around the Shire

The Shire of Chittering contributed financially to the following two community events that were held in two locations:

- **Lower Chittering** - A cooked Aussie breakfast was provide by the Chittering Valley Progress & Sporting Association at the Lower Chittering Hall and Green.
- **Wannamal** - Another beautiful Australian summer evening was enjoyed by around 70 people at Wannamals Long Table Dinner Under the Stars, hosted by the Wannamal Community Centre.

Corporate Services

COMMUNITY EVENTS

Finding Dory Outdoor Movie Night

Over 150 people in Chittering "Found Dory" in February at another successful movie night. This years "Screen on the Green" movie included a competition to win VIP seating and a family pass to the circus.

Coffee & Cake as well as fortune cookies from the CWA, as well as icecream and popcorn made the event a true family affair.

"Screen on the Green" will be extended in 2017/18 through funding for community groups.

Since the Shire purchased the movie screen (through a successful funding application) it has been used on a number of occasions both by the Shire and local community groups and is a great fundraising idea, through requesting a gold coin donation on entry, selling food and offering low expensive activities.

The cinema package is available for use by social and community groups by contacting the Shire.



Seniors Week - Intergenerational Fun Day

Seniors and students spent much of Wednesday, 9 November 2016 together at the Shires annual Intergenerational Fund day, in celebration of Seniors Week.

Invited guests received a gift bag containing local information provided by WA Country Health Services and the Bindoon Chemist as well as a calendar for 2017. Seniors teamed up with students and participated in a range of activities.

The day was filled with laughter and cheering with some of the games between seniors and students getting quite competitive. Lunch was delicious and attractively presented, prepared by the Bindoon Primary School P7C Canteen Manager.

The day was heralded as a success with those attending looking forward to the planned activities for next year. The day would not have been possible without the assistance of volunteers on the day, the students of the Bindoon Primary School Senior Class and Bindoon Primary School Staff.

Volunteer Week

Over the past year local volunteers have attended to the regular activities necessary for the running of their various organisations, along with the planning and delivery of special events. Some of the achievements in the past twelve months, that would not have been possible without volunteers, include:

- Annual iconic events, the Bindoon Agricultural Show + Rodeo and the Chittering Wildflower Festival and major Shire events, the Muchea Youth Festival, Wear Ya Wellies and Taste of Chittering.
- Business networking opportunities and information sharing.
- Community social activities and fundraisers, including; Arvosi Concert, Bingo Nights, Fashion Parades, Outdoor Movie Nights, Ride for Restoration and Suicide Prevention Country & Western Night.
- Incident response by St John Ambulance and Volunteer Bush Fire Brigades, plus the associated training.
- Markets, held on a monthly basis in Lower Chittering and Bindoon, plus Swap Meets.
- Regular sporting events (athletics, basketball, cricket, equine, football, judo, karate, netball, tennis...) which rely on coaches, umpires, committees, canteen assistants and car-pooling (to get teams to matches across the region).
- Visitor information and attractions, such as the Bindoon Museum.

These amazing people were recognised for all their hard work and dedication to our community at the inaugural Chittering Annual Recognition Event at Stringy Bark Winery in June 2017. Those in attendance received an hour of food and drinks. Groups also nominated members to receive recognition at the event and certificates/gifts were handing out at a ceremony on the night.

Corporate Services

Wear Ya Wellies

Bindoon's Edmonds Reserve was the place to be on 28 May 2017 for the Shire's fourth "Wear Ya Wellies" family fun day. The event was an amazing success with approximately 4,500 people attended from as far away as Bridgetown.

The 2017 event saw the return of the Bindoon Farmers Market to the event site and stall holders on the day reported that they were really happy to be a part of the event and are already planning for next year. Despite some teething problems with the larger than expected attendance, the visitors on the day enjoyed plenty of free activities as well as the usual "Mud Fest" of the muddy maze and obstacle course.

Thanks go to the many volunteers on the day including the amazing Chittering Youth Krew and also our wonderful local contractors, Ace Dymanic, Last Drop Water Carriers and Muchea Plumbing and Gas. Their support helped to bring smiles to thousands of children.

Thanks also to funding from Lotterywest and the Road Safety Commission which makes this FREE event possible.

Plans are in place for the 2018 to have an even bigger and better obstacle course, as well as a toddlers mud maze, loads of free activities, undercover food zone, and increased parking.



Muchea Youth Festival

Beats in the Park (formerly the Muchea Youth Festival) was held at Edmonds Reserve in Bindoon on 18 March 2017. This year's event saw 229 children, youth and their families brave the unseasonably cold day for some water slide antics whilst listening to the beats provided by in demand DJ, Aarom Wilson. The event was planned and managed on the day by the Chittering Youth Krew. The Krew, ranging in age from 10 – 18, all worked tirelessly to ensure that everyone who came along to the event enjoyed themselves. The event was made possible through funding from Lotterywest Community Events Grants, the Road Safety Commission Event Grants, Bendigo Bank – Chittering Branch and Ace Electrical.



Swagfest

Sunday, 9 April 2017 saw the Brockman Centre, Bindoon come alive with the Swag Fest. This event was a collaboration between the Bindoon Arts and Crafts Group, Bindoon Historical Society, the Bindoon Men's Shed and the Shire of Chittering. The event saw approximately 200 people attending to experience a taste of yesteryear with the aim being to showcase the group's facilities and activities to the broader community. The groups involved felt the event was a great success and have already commenced planning for Swag Fest 2018.



Corporate Services

Chittering Annual Recognition Event (CARE) for our Volunteers

Over 100 of the Shire's 'unpaid workers' were treated to an evening off in like-minded company with plenty of good food, a couple of great drinks and not too much formality. A number of volunteers were formally recognised on the evening by their organisations.

Taste of Chittering 2016

Chittering welcomed over 3,000 people to the annual celebration of all things Chittering, with a fourth anniversary theme of "fruit and flowers". The event was made possible through funding received from Lotterywest, TRONOX and the Office of Road Safety, along with in-kind support from ACE Electrical, Avon Waste, CLP Photography, Fun Airbrush Tattoos, Menu Magazine, Northern Valleys News, N&M Russell Plumbing & Gas and Orchard Glory Farm Resort. Over 120 volunteer hours (on the day) were contributed by Bindoon Entertainment Arts & Theatre, Chittering Youth Krew, Shire staff and friends.



IMAGE: Courtesy Country Values

ANZAC Day Celebrations

The Shire of Chittering coordinated the 2017 ANZAC Service on behalf of the Bindoon Sub Branch of the RSL. This event was a true representation of community spirit with the following groups and individuals involved with the planning of the event and on the day:

- The CEO of the Shire of Chittering for the ANZAC Day Address and for playing the trumpet.
- Councillor Mary Angus for playing the bag pipes.
- Father John Herbert for the ANZAC Day Prayer.
- RAAF Based Pearce Personnel Catafalque Party and RAAF pilots fly past.
- Chittering Scout Group for guarding our Cenotaph, set up and catafalque party.
- Bindoon CWA members who kindly coordinate morning tea.
- The Bindoon Community Progress Association for their hard work for over 10 years in coordinating the ANZAC Day service and for contributing tea and coffee supplies for morning tea.
- Volunteer Emergency Services Personnel Guard of Honour.
- Community members from New Zealand presentation of the Haka.
- Sing Australia who sang our National Anthems.
- BEAT, and especially, Tuarn Brown with the provision of the sound system.
- Members of the Bindoon Historical Society who kindly brought along their vintage cars to transport our Senior Veterans on the Parade and;
- Mark Kay, Secretary of the Bindoon Sub Branch of the RSL as Master of Ceremony.



IMAGE: Chittering Scout Group 'guarding' the Bindoon Cenotaph

Corporate Services

SUPPORT TO LOCAL RESIDENTS

Assistance Donations

During 2016-2017 the following residents were provided with financial contribution towards costs associated with participating in a state/national sporting event:

- Casey Booth received youth sponsorship to attend EQUITANA Melbourne 2016.
- Jessica Seery received youth sponsorship to attend the 2017 Muaythai Australia (MTA) National Championships in Queensland on 17 – 19 February 2017

Education Scholarships

Applications for the Educational Scholarships for 2017 opened on 2 September 2016 and closed on 4 November 2016. The Scholarships were advertised via the Shire of Chittering “*Community Engagement Plan*” with mail outs to all staff and Councillors, Media Contacts, Community Groups and Schools, public notices on the Shire Website and Facebook sites; as well as advertisements in the Northern Valley News and the Advocate.

This year the Shire received four Year 6 graduating student applications. With no Year 10 graduating student applications, the Council awarded two Year 6 graduating students:

1. Hope Kavanach received \$1,000 for Year 6, Education Scholarship for the 2017 School Year
2. Harrison Anderson received a second \$1,000 for Year 6, Education Scholarship for the 2017 School Year.

Kidsport Funding

The Shire of Chittering continues to facilitate the KidSport Grant Program available through the Department of Local Government, Sport and Cultural Industries (DLGSCI). The program aims to assist Western Australian children aged between 5-18yrs to participate in community sport and recreation, regardless of their financial circumstances.

Throughout 2016 a new online system was implemented with changes to the eligibility criteria for the KidSport Program. Applicants for KidSport who have a valid Health Care Card now complete the application process online. All other applicants must meet one of four financial exceptions to be eligible for KidSport with assessments conducted by approved Financial Assessors and referred to the Department of Sport and Recreation for final approval.

\$34,000 grant funding was approved for the 2016 – 2017 financial year with an additional carry-over of \$2,845 from the 2015 – 2016 financial year. As at 30 June 2017 a total of \$22,446 had been paid in KidSport vouchers. An amount of \$15,529 was carried forward to the 2017 -2018 financial year with final acquittal of this grant expected in November 2017. Changes to the KidSport grant program for 2017 -2018 will see the Department issuing six month grant agreements prior to changing over to service agreements.

For the period 1 July 2016 – 30 June 2017 a total of 157 vouchers were issued to 134 individual kids. This was represented by 87 boys and 47 girls with 81.3% of these children having registered with a Club previously.



Corporate Services

Chittering Community Courtesy Bus

The Chittering Community Courtesy Bus proposal stemmed from the *Shire of Chittering Age Friendly Community Plan 2016 – 2019* and the *Shire of Chittering Youth Strategy 2015 – 2018*. The project was established as a 12 month trial project to determine the suitability and need for a community transport option to the metropolitan Centre's of Midland and Joondalup.

The trial service commenced on 1 November 2016 for a period of 12 months. A review of service was scheduled for 1 July 2017 to determine how responsive to community needs the service has been and to seek recommendations for improvements to the service for the remainder of the trial period.

For the period 1 November to 30 June 2017 the bus service ran weekly, alternating between Joondalup and Midland metropolitan Centre's, transporting 302 passengers at an average of 8.6 passengers per trip. The service has not operated on public holidays or during the Christmas to New Year period.

During this period the service has predominately been utilised by people over the age of 55 despite it being a free community service for all Chittering residents.

The bus service is supported by two regular volunteer drivers who have been registered as volunteer staff with the Shire of Chittering. A relief volunteer driver has also been available since May 2017 as back up support to the regular drivers.

The 2017-2018 Shire of Chittering "draft" Annual Budget will be supporting the continuation of the Community Courtesy Bus service for a further 12 months.

Chittering Youth Krew

The Chittering Krew has seen some changes this year saying a sad farewell to two founding members of the group, Courtney and Anthony Russell. Both Courtney and Anthony were with the Krew since it began in 2012, showing a natural ability as youth leaders and mentors to other Krew members. The Krew has not been the same without their cheeky sense of humour and fun loving antics but we wish them every success with all their new adventures.



Throughout the year we also lost another of our older Krew members, Scott Messenger, to his full time work commitments. The loss of older Krew members to employment and other opportunities is part of the natural cycle of any youth group however; it is essential to the sustainability of the group that processes are in place to ensure that we are recruiting new members and providing opportunities for the older members to mentor younger members.

In January, a recruitment drive was undertaken with the reduction in eligible age from 12 down to 10 years old. As at 30 June 2017 the Krew consisted of 21 members ranging in age from 10 – 18 years old. Krew members are represented by seven girls and 14 boys from Bindoon, Chittering and Lower Chittering with members attending Bindoon Primary School, Immaculate Heart College, LaSalle College, Bullsbrook College, Swan Christian College, Ellenbrook Christian College and St Stephen's School. Additionally two of the existing Krew members are in paid employment.

Krew activities throughout the year have included:

- Monthly Krew meetings including 3 workshop sessions with the Bindoon Men's Shed;
- Participation at the Taste of Chittering, August 2016;
- Grounds support at the Bindoon & Districts Agricultural Show, October 2016;
- Youth Focus sessions – Shire of Chittering Strategic Community Plan, November 2016;
- Coordinated Beats in the Park 2017 (formerly the Muchea Youth Festival), March 2017;
- Supported at Wear Ya Wellies, May 2017; and
- Youth Krew Thank you event, July 2017 held at Bounce in Cannington.

Corporate Services

AUSTRALIAN CITIZENSHIP CEREMONIES

Throughout the 2016-2017 financial year the Shire conducted two ceremonies for five new Australian citizens. New local Australian citizens receive a native plant and the CWA cookbook which is donated by the Chittering Bindoon CWA. Where do our newest Australian citizens hail from?

- Denmark - one
- Thailand - one
- United Kingdom - three

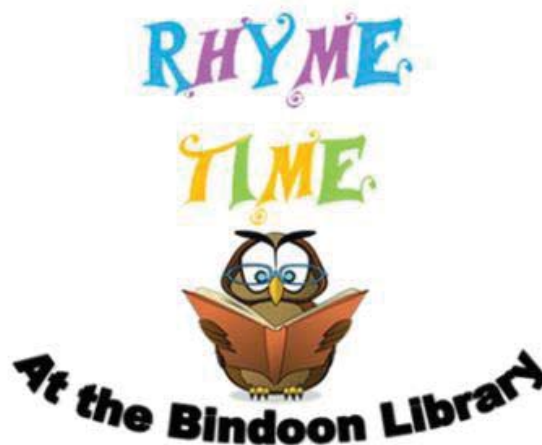
BINDOON LIBRARY

The Bindoon Library is an essential service that the Shire of Chittering provides to its residents. The Library's usage has more than doubled over the past year as we continue to provide even more services.

It's free to join up and members can then borrow books, DVDs, audiobooks, and board games. Monthly themes pinpoint particular genres and items we have in our selection that may interest our members, or that may tie in with a local event. During theme months we'll often have a corresponding event here in the Library, examples of such include an Edible Gardens Workshop in April.

For the kids we have a weekly Rhyme Time session and provide Better Beginning's packs to families of new born babies to encourage early literacy and a love of reading.

As well as having public computers with free internet access, we also provide a free WiFi service so community members can access the internet on their own devices.



Development Services

PLANNING AND BUILDING SERVICES

Applications for Planning Approval

Description	2016-2017	2015-2016	2014-2013	2013-2012
Planning Applications	161	212	371	395
WAPC (subdivision/amalgamations)	8	11	11	13
Scheme Amendments	3	4	7	3
State Administrative Tribunal (SAT)	2	5	2	6
TOTAL	174	232	391	417

Applications for Building Permits

Description	2016-2017	2015-2016	2014-2013	2013-2012
Dwelling	45	54	80	81
Shed	68	69	71	74
Patio	39	35	38	35
Pool	17	36	23	22
Water tank	27	41	51	45
Granny flat	7	7	14	8
Miscellaneous	43	69	46	20
TOTAL	246	311	323	285

MUCHEA EMPLOYMENT NODE STRUCTURE PLAN

The Muchea Employment Node Structure Plan (MENSP) objectives are progressing with the Sirona Local Structure Plan being close to finalisation over the Precinct 1 of the MENSP. Scheme Amendment No 52 has formally rezoned Precinct 1 of the MENSP to "Industrial Development". The Western Australian Planning Commission has very recently approved the Local Structure Plan for this site.

Scheme Amendment No 60 to the *Local Planning Scheme No 6* is currently being assessed by the Western Australian Planning Commission (WAPC) following Council's resolution to formally support the rezoning of this site from "Agricultural Resource" to "Light Industry". This Scheme Amendment proposes to increase the "Special Control Area" onto the entirety of the MENSP. This is intended to provide authority to ensure that the MENSP is developed in a structured manner.

Possible water providers are being investigated, with the most probably source being 'Aqua Ferre', who is intending to provide for Precinct 1.

Development Services

DEVELOPER CONTRIBUTION PLAN

Developer Contribution Plans (DCP) are prepared to help ensure that existing and required community infrastructure (predominately community) is planned for, financed and implemented in a timely manner. Shire officers worked closely with Game Planning Australia (“the consultants”) over an 18 month period to progress Council’s request for a DCP for Community Infrastructure and the Muchea Employment Node. A report from “the consultants” is expected to be considered by Council during July 2017.

REVIEW OF THE LOCAL PLANNING STRATEGY

The Local Planning Strategy (LPS) provides a guide for the subdivision and development of land within the Shire of Chittering. It will outline the vision for development and the outcome of implementing the Strategy in order to achieve orderly planning and to create a sustainable community, local employment opportunity and the preservation of local biodiversity. Following the 2014 public advertising, it was identified that a further review of the Strategy was required, and this has commenced with further public consultation proposed for mid-late 2017.



Development Services

ENVIRONMENTAL HEALTH

Food Act 2008

All food businesses are required to be registered under the *Food Act 2008* and comply with associated Food Safety Standards. Premises are inspected regularly to ensure that standards are being met. The following table is a summary of inspections and enforcement action undertaken from 2013 to 2017:

Description	2016-2017	2015-2016	2014-2015	2013-2014
Registered Food Business	67	65	59	54
Inspections	68	46	51	56
Improvement Notices	1	2	1	4
Compliance with Notices	1	1	1	3

The number of registered food businesses is steadily increasing each year. The trend continued in 2016-2017 with an overall increase of two.

Food Sampling

Monitoring of food products is essential to ensure that products comply with relevant chemical and microbiological standards. The program is undertaken in alliance with the Local Health Authorities Analytical Committee which enables the cost of analysis to be reduced. In 2016-2017 four food samples were taken to the food analytical laboratory for analysis and comparison with the Food Standards Code. Three samples complied with the relevant food standards however one failed due to low meat content. This problem was rectified.

Microbiological Water Sampling Program

Testing water for compliance with the microbiological requirements of the *NHMRC Australian Drinking Water Guidelines* is necessary to ensure that water is potable, particularly at registered food businesses, B&Bs and lodging houses, where reticulated/disinfected scheme water supply is not available. Public swimming pools are also tested to ensure safety at first start-up and during the swimming season. The water supplies at residential premises are tested when people have been diagnosed with a possible water-borne infection or upon request when they have a concern about their water quality. Note - chemical testing is not undertaken.

Description	2016-2017	2015-2016	2014-2015	2013-2014
Commercial businesses	24	10	4	32
Swimming Pool (Catholic Ag. College)	6	3	6	6
Residential	3	2	6	3
Council	0	9	15	3
TOTAL	33	24	31	44

Development Services

Wastewater Treatment System Approvals

The following table shows the applications received for the last three years:

System Type	2016-2017	2015-2016	2014-2015	2013-2014
Septic Tanks	39	33	60	61
Aerobic Treatment Units (ATU's)	26	25	32	38
Amended Soil Systems	2	8	11	13
Other (grey water and composting toilets)	0	4	2	N/A
TOTAL	67	70	105	112

Each wastewater system involves a preliminary site check to ascertain that the proposed system is suitable for the site conditions and the issue of an approval to construct if considered suitable. Once installed the system is inspected to ensure that it meets requirements and if so, a permit to use the system is issued. If the system does not comply further conditions and inspections may be required before it is passed. Installation of a system without approval or the use of a system without a permit is a contravention of the *Health Act 1911*.

The downturn in the mining industry over the past two years has had a follow on effect to the building industry and as a result the number of new dwellings and associated wastewater systems has fallen.

Waste Management

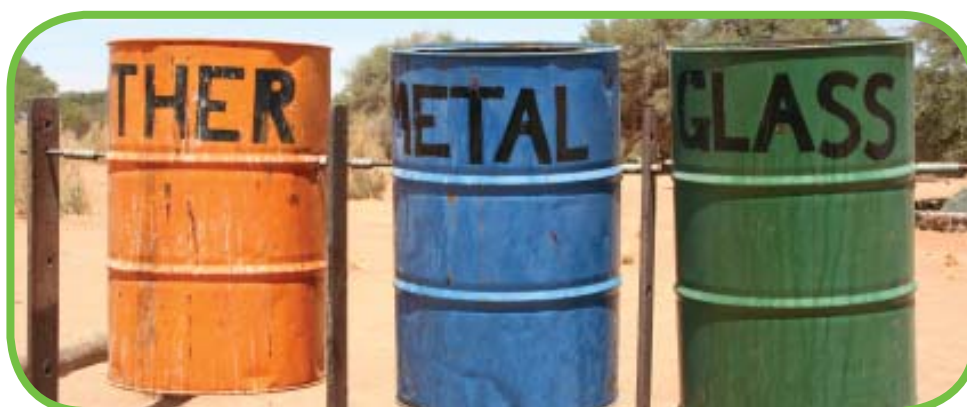
The following waste and recyclable products were collected/disposed of in 2015-2016. Figures for the current year 2016-2017 will not be available until October 2017. These figures will be reported to Council and included in the 2017-2018 Annual Report. Note that all figures are in tonnes.

Year	Kerbside Waste Pickup	Kerbside Recycling Pickup	Waste dropped off to landfill	Recyclables dropped off to landfill
2015-2016	1,402	428	1,970 (100% recycled)	747

The kerbside waste materials are deposited at the Muchea Waste and Landfill Centre. The kerbside recycling pickup materials are taken to the contractor's (Avon Waste) depot at York for further sorting and the materials then taken to the South Metropolitan Regional Council (SMRC) in Canning Vale for packaging and sale for reuse. The waste dropped off to landfill is sorted to remove recyclable products including greenwaste, metals, items for the tip shop, batteries, etc. The recyclables dropped off to landfill (in the recycling shed) are taken to the SMRC by Avon Waste for further processing, packaging and sale.

The breakdown of recyclables collected from the kerbside recycling service in 2015-2016 is shown below:

Year	Paper and cardboard	Glass	Plastics	Aluminium (cans)	Steel (cans)
2015-2016	217	157	31	14	9



Development Services

The breakdown of recyclables dropped off at the Shire's landfills in 2015-2016 is shown below:

- Paper and cardboard 69
- Glass 120
- Plastics 1
- Aluminium (cans) 23
- Steel (cans) 22
- Steel 200
- Aluminium 1
- Greenwaste 295
- Mattresses 2
- E-Waste 6
- Waste oil 4
- Batteries 3

All recyclables are collected by recycling contractors when stockpiles achieve a minimum collection level. Some products achieve a positive return while others cost the Shire to have them removed. This largely depends on the value of the materials on the open market.

The Shire's recovery rate (the amount of materials diverted from landfill) was 27% for the 2015-2016 year. This is 3% short of the target of 30 % for non-regional local governments nevertheless it is far in excess of the 3.5 % recovery rate achieved in 2012-2013 prior to the introduction of the Shire's kerbside waste and recycling service. The saving in landfill space will help to extend the life of the landfill sites while Council establishes a long-term plan for future waste management.



Development Services

EMERGENCY AND FIRE MANAGEMENT

Local Emergency Management

During the year, the Shire of Chittering has maintained its obligations for compliance as per the *Emergency Management Act*, hosting four Local Emergency Management Committee meetings and the

Chittering Fire Service

The Shire of Chittering has six volunteer bushfire brigades which are staffed by approximately 134 volunteers.....

Brigade	2016-2017	2015-2016	2014-2015	2013-2014
Muchea VBFB	25	34	57	21
Bindoon VBFB	35	31	53	20
Lower Chittering VBFB	26	35	63	24
Upper Chittering VBFB	35	31	39	24
Wannamal VBFB	10	7	18	11
Incident Support Brigade	3	4	13	0
TOTAL	134	142	243	100

This year has also seen a continuing commitment to training by brigades and an introduction of a DFES web based data base to manage training occurrences and records. Brigades are committed to regular training and have conducted 15 training courses or exercises over the past year, these courses have enhanced the knowledge and skills of all brigade members in attendance. In addition to emergency response and training our brigades have also prescribed burnt 13.57ha of private property within the Shire.



Mitigation

The Shire has a strong commitment to reducing the threat of bush fire through appropriate mitigation activities and has, over the past few years, engaged the services of a bush fire mitigation contractor who has treated 16.2km of reserve fire breaks, 80km of strategic fire breaks and 38.49ha of Shire bushland reserves through prescribed burning to date. Further to this the Shire has partnered with the Department of Fire and Emergency Services and employed a fulltime Bushfire Risk Planning Coordinator to conduct tenure blind bushfire risk assessments and negotiate risk reduction with affected stakeholders throughout Shire.

Development Services

RANGER SERVICES

Rangers Services have had another successful year serving the community, with a strong focus on education (over infringement) resulting in successful outcomes. The Shire's Rangers continue to undertake annual inspections of Shire Reserves, emergency/fire access routes, firebreaks and dog/cat registrations.

The Rangers are responsible for undertaking Council's statutory requirements including:

- animal welfare
- cat control
- customer service
- dog control
- fire prevention
- littering control
- public education
- stock control

The Shire Rangers are equipped with purpose built vehicles which greatly improve safety in relation to the movement of animals. The following table indicates some of the primary duties undertaken by the Rangers over the last four years:

Description	2016-2017	2015-2016	2014-2015	2013-2014
Dogs				
Dogs Wandering Complaints	90	172	222	253
Dog Warnings Issued	261	166	163	132
Dog Infringements Issued	36	49	28	29
Dog Attacks Reported	14	26	45	38
Dog Barking Complaints	14	16	15	22
Additional Dog Applications Submitted	6	13	18	16
Additional Dog Applications Approved	6	10	23	11
Dogs Impounded	24	25	48	55
Dogs Returned to Owner	23	32	57	73
Dogs Surrendered	0	0	6	5
Dogs Re-homed	3	4	10	17
Dog Registration Checks	902	934	519	484
Dogs Registered	757	713	523	615
Cats				
Cat Registration Checks	32	64	135	142
Cats Registered	123	51	65	160
Cat Infringements Issued	0	0	0	0
Cats Impounded	10	14	60	41
Cats Returned to Owner	3	1	0	1
Cats Surrendered	0	0	0	0
Cats Re-homed	4	8	21	31

Development Services

Description	2016-2017	2015-2016	2014-2015	2013-2014
Stock				
Livestock Impounded	28	29	3	29
Stock Wandering Complaints	78	133	151	151
Stock Wandering	29	107	285	150
Warnings Issued	4	16	17	22
Stock Infringements Issued	1	0	0	2
Fire Prevention				
Firebreak Inspections	1,596	1,428	1,237	1,591
Firebreak Complaints	12	18	81	203
Complaint Properties	1,180	870	440	982
Firebreak Work Orders Issued	363	216	156	118
Firebreak Second Inspections	393	208	256	238
Firebreak Infringements Issued	8	10	30	19
Reserve Inspections	10	4	24	36
Fire Control				
Fire Investigations	22	12	29	21
Fire Complaints	2	14	31	12
Fire Incidents Attended	3	2	12	10
Fire Warnings Issued	4	16	8	9
Fire Infringements Issued	2	1	8	7
Fire Permits Issued	46	32	60	N/A
Litter Control				
Litter Complaints	5	12	24	27
Warnings Issued	1	0	4	0
Infringements Issued	0	1	2	1
Other Duties				
Abandoned Vehicles	11	11	7	7
After Hours Phone Calls	142	201	308	209
After Hours Callouts	40	57	106	240
Rural Numbers Installed	62	108	113	36
Miscellaneous	8	39	121	111
Wildlife Callouts	9	3	22	33
Graffiti Complaints	1	2	2	7
Off Road Vehicle Complaints	1	5	7	19
Security Camera Installations	6	10	25	54

Development Services

COMPLIANCE

Planning	2016-2017	2015-2016
Planning compliance audit	N/A	399
Illegal structures	3	11
Living in sheds	3	29
Unauthorised transport depots	0	8
Overstocking of grazing animals	0	???
Compliance with conditions of planning approvals	5	4
Illegal signage	0	2
Sea containers (held off due to Policy review)	0	28
Complaints	6	22
Other compliance matters	15	31
TOTAL	21	534

Please note that the following two tables with regard to “Building” and “Extractive Industry Annual Inspections” indicate “Not Available” due to the position of the Compliance Officer not being covered by a full-time officer.

Building	2016-2017	2015-2016
Building compliance audit	Not available	767
Building without a permit	Not available	28
TOTAL	Not available	795

Extractive Industry Annual Inspections	2016-2017	2015-2016
Inspections completed	Not available	6
TOTAL	Not available	6

Fire Prevention	2016-2017	2015-2016
Firebreak inspections	1,596	1,206
Firebreak complaints	12	12
Compliant properties	1,180	939
Firebreak work orders	363	267
Firebreak second inspections	363	267
Firebreak infringements issued	10	13
TOTAL	3,524	2,704

Development Services

Please note that the following table with regard to “Policy Review” indicates “Not Available” due to the position of the Compliance Officer not being covered by a full-time officer.

Policy Review	2016-2017	2015-2016
Overdue for review and development	Not available	4
TOTAL	Not available	4

SAT and Prosecutions	2016-2017	2015-2016
SAT	3	4
Prosecutions	1	3
TOTAL	4	7

Technical Services

ROAD CONSTRUCTION

\$3,882,002.00 was invested in road construction through the Shire, of which \$3,229,710.00 was received from the “Regional Road Group”, “Black Spot”, “Roads to Recovery” and FAG bridge funds. Projects included during 2016-2017 were:

- Chittering Road
- Chittering Valley Road
- Hay Flat Road
- Binda Place
- Learners Way
- Morley Road
- Perry Road
- Julimar Road
- Owen Road
- Ridgetop Ramble footpath



ROAD MAINTENANCE

\$672,647 was invested in road maintenance throughout the Shire. This included:

Bridge maintenance	\$4,549
Drainage maintenance	\$106,071
Road signage	\$22,148
Tree pruning	\$160,874
Verge maintenance	\$93,160

All other funds were used for maintenance grading, bitumen patching and gravel sheeting.

PARKS AND RESERVES

\$263,144 was spent on the maintenance and improvements of the Shire’s parks, ovals and reserves.



Technical Services

BUILDING MAINTENANCE

\$74,770.23 was invested in upgrades to the Shire's buildings. Projects included during 2016-2017 were:

Description	Amount
Bindoon Oval - new cricket practice nets	\$38,722.40
Chinkabee Complex - new playground equipment	\$8,647.83
Brockman Centre - installation of new water tanks and reticulation	\$2,800.00
Shire Library - installation of new carpet	\$6,000.00
Shire Development Services - installation of new carpet	\$6,600.00
Brockman Centre - installation of roof cover to pergola	\$6,000.00
Shire Depot - upgrade to underground power	\$6,000.00
TOTAL	\$74,770.23

All other funds were used for maintenance of all Shire owned buildings and facilities, which includes painting, annual electrical checks, pest inspections, safety inspections, plumbing maintenance and associated building maintenance.





Statutory reports

COMPLIANCE WITH THE DISABILITY SERVICES ACT 1999, SECTION 29(2)

The *Disability Access and Inclusion Plan 2012-2017* was adopted by Council in June 2012.

State local government authorities are also required to annually report on the current plan's implementation.

The annual progress report for the period 2016-2017 was completed and submitted to Disability Services Commission on 14 July 2017.

Outcome	Number of Strategies/Initiatives Planned	Strategies/Initiatives Completed				
1. Services and events	People with disability have the same opportunities as other people to access the services of, and any events organised by, a public authority.	<table border="1"> <tr> <td>Number of strategies that were implemented that were highly effective</td> <td>2</td> </tr> <tr> <td>Number of strategies that were implemented that were somewhat effective</td> <td>2</td> </tr> </table>	Number of strategies that were implemented that were highly effective	2	Number of strategies that were implemented that were somewhat effective	2
	Number of strategies that were implemented that were highly effective	2				
	Number of strategies that were implemented that were somewhat effective	2				
	Total number of strategies planned (whether implemented or not)	6	<p>Changed the library layout to better accommodate people with disabilities and now provide a book delivery service (on trial).</p> <p>Bindoon Townsites main shopping district has been redeveloped and caters for more disabled access.</p> <p>Clear signage is provided for events, in addition to adequate accessible toilets and parking.</p>			
	Number of strategies that were implemented	4				
Number of strategies that were not implemented	2					



Statutory reports

Outcome	Number of Strategies/Initiatives Planned	Strategies/Initiatives Completed												
2. Buildings and facilities	<p>People with disability have the same opportunities as other people to access the buildings and other facilities of a public authority.</p> <table border="1"> <tr> <td>Total number of strategies planned (whether implemented or not)</td> <td>7</td> </tr> <tr> <td>Number of strategies that were implemented</td> <td>4</td> </tr> <tr> <td>Number of strategies that were not implemented</td> <td>2</td> </tr> <tr> <td>Number of strategies that were not evaluated</td> <td>1</td> </tr> </table>	Total number of strategies planned (whether implemented or not)	7	Number of strategies that were implemented	4	Number of strategies that were not implemented	2	Number of strategies that were not evaluated	1	<table border="1"> <tr> <td>Number of strategies that were implemented that were highly effective</td> <td>2</td> </tr> <tr> <td>Number of strategies that were implemented that were somewhat effective</td> <td>2</td> </tr> </table> <p>The Shire of Chittering has completed a second stage of dual footpath works in the Bindoon Country Club Estate, and once this path is complete it will provide a dual use path from the Bindoon Country Club to the Bindoon townsite.</p> <p>Disability is a consideration when redevelopment works are being provided where practicable. ACROD parking is available in our more prevalent areas and new line marking has been carried out to easily identify these bays. In addition, lighting has been installed in the Bindoon Townsite shopping district (Binda Place).</p>	Number of strategies that were implemented that were highly effective	2	Number of strategies that were implemented that were somewhat effective	2
Total number of strategies planned (whether implemented or not)	7													
Number of strategies that were implemented	4													
Number of strategies that were not implemented	2													
Number of strategies that were not evaluated	1													
Number of strategies that were implemented that were highly effective	2													
Number of strategies that were implemented that were somewhat effective	2													
3. Information	<p>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.</p> <table border="1"> <tr> <td>Total number of strategies planned (whether implemented or not)</td> <td>4</td> </tr> <tr> <td>Number of strategies that were implemented</td> <td>3</td> </tr> <tr> <td>Number of strategies that were not evaluated</td> <td>1</td> </tr> </table>	Total number of strategies planned (whether implemented or not)	4	Number of strategies that were implemented	3	Number of strategies that were not evaluated	1	<table border="1"> <tr> <td>Number of strategies that were implemented that were highly effective</td> <td>1</td> </tr> <tr> <td>Number of strategies that were implemented that were effective</td> <td>2</td> </tr> </table> <p>All local events and activities are promoted to encourage all persons including persons with disabilities attending. Information is available in a number of print forms and on social media. Staff awareness continues to improve of accessible information and how to provide information in alternative formats.</p>	Number of strategies that were implemented that were highly effective	1	Number of strategies that were implemented that were effective	2		
Total number of strategies planned (whether implemented or not)	4													
Number of strategies that were implemented	3													
Number of strategies that were not evaluated	1													
Number of strategies that were implemented that were highly effective	1													
Number of strategies that were implemented that were effective	2													
4. Level and quality of service	<p>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.</p> <table border="1"> <tr> <td>Total number of strategies planned (whether implemented or not)</td> <td>2</td> </tr> <tr> <td>Number of strategies that were implemented</td> <td>2</td> </tr> </table>	Total number of strategies planned (whether implemented or not)	2	Number of strategies that were implemented	2	<table border="1"> <tr> <td>Number of strategies that were implemented that were somewhat effective</td> <td>2</td> </tr> </table> <p>There is an annual review conducted of all position descriptions to ensure that templates are non-discriminatory and to not exclude persons with disabilities.</p>	Number of strategies that were implemented that were somewhat effective	2						
Total number of strategies planned (whether implemented or not)	2													
Number of strategies that were implemented	2													
Number of strategies that were implemented that were somewhat effective	2													
5. Complaints	<p>People with disability have the same opportunities as other people to make complaints to a public authority.</p> <table border="1"> <tr> <td>Total number of strategies planned (whether implemented or not)</td> <td>3</td> </tr> <tr> <td>Number of strategies that were not evaluated</td> <td>3</td> </tr> </table>	Total number of strategies planned (whether implemented or not)	3	Number of strategies that were not evaluated	3	<table border="1"> <tr> <td>Number of strategies that were not evaluated</td> <td>3</td> </tr> </table> <p>The Shire's grievance procedure and policy is under review and new processes will be implemented during 2017-2018 to improve the understanding of grievance mechanisms and how issues can be resolved with positive outcomes.</p>	Number of strategies that were not evaluated	3						
Total number of strategies planned (whether implemented or not)	3													
Number of strategies that were not evaluated	3													
Number of strategies that were not evaluated	3													

Statutory reports

Outcome	Number of Strategies/Initiatives Planned	Strategies/Initiatives Completed
6. Consultation	People with disability have the same opportunities as other people to participate in any public consultation by a public authority.	Number of strategies that were implemented that were somewhat effective 4
		Number of strategies that were not evaluated 1
		Total number of strategies planned (whether implemented or not) 7
		Number of strategies that were implemented 4
		Number of strategies that were not evaluated 1
The Shire of Chittering is committed to providing consultation through newsletters and in other print forms. This has been demonstrated by our monthly Chatter newsletter, Facebook newsfeeds, our website and information able to be given in person or over the telephone.		
7. Employment	People with disability have the same opportunities as other people to obtain and maintain employment with a public authority.	Number of strategies that were implemented that were somewhat effective 3
		Number of strategies that were not evaluated 1
		Total number of strategies planned (whether implemented or not) 4
		Number of strategies that were implemented 3
		Number of strategies that were not evaluated 1
All job advertisements are accessible in various formats and include our Equal Opportunity Statement. We acknowledge persons already working in the Shire with disabilities with a view to assisting staff in working towards outcomes providing further support and training to people with disabilities. Meetings have been undertaken with Essential Personnel and the Lighthouse Group.		

RECORD KEEPING

The *State Records Act 2000* requires the Shire to have an approved Record Keeping Plan which details the way the Shire keeps its records.

The Shire's Record Keeping Plan was reviewed in January 2014 and policies is scheduled for review in 2018.

FREEDOM OF INFORMATION

Access to information/documents may be granted to members of the community under the *Freedom of Information Act 1992*. An Information Statement is available along with application forms on the Shire's website. The statement is a guide on the Freedom of Information (FOI) process and also lists the types of documents available outside of FOI.

During 2016-2017, the Shire received 10 Freedom of Information applications. Eight applications were completed within the time-frame prescribed by legislation, there were no withdrawn. Two application have been carried over to the 2017-2018 financial year.

Freedom of Information legislation provides for extensions of time beyond the 45 day time-frame. Extensions of time must be agreed by both parties. There were no such applications were completed in accordance with agreed extended time-frames.

Statutory reports

NATIONAL COMPETITION POLICY

In 1995 the Council of Australian Governments entered into a number of agreements, collectively known as the National Competition Policy. Local Government is affected mainly where it operates significant business activities which compete, or could compete, with private business sector business.

Local Government will also be affected where local laws unnecessarily affect competition.

The Shire is required to comply with certain policies contained with the National Competition Policy Statement, and report on the progress in connection with the National Competitive Neutrality Principles and review of Local Laws.

During the financial year the Shire met its obligations under the National Competition Policy. The Shire continues to monitor Council policies and local laws for anti-competitive practices.

The Shire does not operate significant business activities which compete or could compete with private business sector business.

COMPETITIVE NEUTRALITY

Local Governments are required to apply the principle of competitive neutrality to all business activities generating user-pays income in excess of \$200,000.

The principle of competitive neutrality is that government businesses should not enjoy a competitive advantage, or disadvantage, simply as a result of their public sector ownership.

Annual reports must show that a public benefit test has been conducted for all significant business activities to determine if competitive neutrality is in the public interest.

The Shire does not have business activities which generate user-pays income in excess of \$200,000.

REGISTER OF COMPLAINTS

The *Local Government Act 1995*, Section 5.121 requires that the Complaints Officer of the local government is to maintain a register of complaints which records all complaints that result in an action under the *Local Government Act 1995*, Section 5.110(6)(b) or (c).

For the purposes of Section 5.53(2)(hb) of the *Local Government Act 1995* it is advised that the Shire received _____ complaints during this period.

REGISTER OF POLICIES

In accordance with the *Local Government Act 1995*, Section 2.7(2) Council is to determine the Shire's policies. The Shire's Register of Policies were reviewed during June 2017. This document is available on the Shire's website (www.chittering.wa.gov.au/council/policies).

DELEGATION AUTHORITY REGISTER

In accordance with the *Local Government Act 1995*, Section 5.46 the Chief Executive Officer is to keep a register of delegations. This register is to be reviewed every financial year. The Shire's Delegated Authority Register was reviewed by Council on 21 June 2017. This document is available on the Shire's website (www.chittering.wa.gov.au/council/publications).

COMPLIANCE WITH THE PUBLIC INTEREST DISCLOSURE ACT 2009

There were no Public Interest Disclosures reported to the Shire of Chittering during the reporting period.

Statutory reports

COMPLIANCE WITH THE LOCAL GOVERNMENT (RULES OF CONDUCT) REGULATIONS 2007

There were no Rules of Conduct breaches received where members were found to be in breach of the Regulations.

LOCAL LAWS

The *Local Government Act 1995* requires all existing Local Laws to be reviewed every eight years. As part of this process the intention to review Local Laws is advertised in the media giving residents and ratepayers the opportunity to comment on any proposed changes, additions or deletions to the Shire's Local Laws.

During 2015-2016 Council resolved to make the *Cats Local Law 2015*. The *Cats Local Law 2015* was first advertised on 1 July 2015 for public comment. The *Cats Local Law 2015* was adopted by Council at the Ordinary Council Meeting held on 28 October 2015. The local law was gazetted on 8 December 2015 and notification was submitted to the Joint Standing Committee on Delegated Legislation (JSCDL). The JSCDL having reviewed the local law advised the Shire of necessary amendments on 23 March 2016. These amendments were presented to Council on 20 April 2016 in the form of the *Cats Amendment Local Law 2016*, and were subsequently advertised for public comments on 11 May 2016. The *Cats Amendment Local Law 2016* was reviewed and adopted by Council on 17 August 2016 and was Gazetted on 30 August 2016 and came into operation on 14 September 2016. The Shire received notification from the JSCDL on 13 October 2016 that no further action was required.

During 2016-2017 Council resolved to make the *Waste Local Law 2016*. The *Waste Local Law 2016* was first advertised on 25 October 2016 for public comment. The *Waste Local Law 2017* was adopted by Council at the Ordinary Council Meeting held on 15 February 2017. The local law was gazetted on 23 March 2017 and notification was submitted to the JSCDL on 6 April 2017. The JSCDL having reviewed the local law have advised the Shire of necessary amendments on 10 August 2017. These necessary amendments will be presented to Council during 2017-2018.

Also during 2016-2017 Council resolved to make the *Health Local Law 2016*. The *Health Local Law 2016* was first advertised on 25 October 2016 for public comment. The *Health Local Law 2017* was adopted by Council at the Ordinary Council Meeting held on 15 February 2017. The local law was gazetted on 23 March 2017 and notification was submitted to the JSCDL on 6 April 2017. The JSCDL having reviewed the local law have advised that no further action was required.

PAYMENT TO EMPLOYEES

The *Local Government (Administration) Regulation 19B* requires the annual report to contain details of the number of employees of the local government entitled to an annual salary of \$100,000 or more in bands of \$10,000 for each such band over \$100,000.

TABLE: Salary Band

\$ FROM	\$ TO	No of Employees
100,000.00	109,999.99	One
110,000.00	119,999.99	Two
160,000.00	200,000.99	One

Statutory reports

ORDINARY COUNCIL

The Council of the Shire of Chittering consists of seven Elected Members sitting as one body, with the President being elected by the members. The Council is the policy and decision making body for the Shire, and meets every third Wednesday at 7pm (February - December). The Chief Executive Officer and the Executive Managers of the Shire's three departments attend council meetings to assist the President and Councillors with information as required.

Members of the public are welcome to attend Council meetings and to ask questions on any issue during public question time, but are not permitted to take part in council debate.

On the 29 June 2016 newly elected Councillor and President Steve Vallance passed away. Steve was an active member of our Council for many years; serving from 2003-2011 and was re-elected in October 2015, where he was appointed President by his fellow Councillors.

At a Special Council Meeting held on 19 July 2016 Council elected Gordon Houston as President and Peter Osborn as Deputy President.

An Extra Ordinary Postal Election was held on Friday, 14 October 2016 with Mary Angus being the successful candidate.

The following tables represent all members of Council from 1 July 2016 through to 30 June 2017.

TABLE: Attendance of Elected Members at Council Meetings - 1 July 2016 to 30 June 2017

Elected Members	Annual Electors [1] 5 December 2016	Ordinary Council [11]	Special Council [1] 19 July 2016
Gordon Houston (President)¹	1	11	1
Peter Osborn (Deputy)²	1	11	1
Mary Angus³	1	8	0
Don Gibson⁴	1	9	1
Aaron King	1	11	1
Michelle Rossouw⁶	1	10	1
George Tilbury⁵	0	9	1

¹ Gordon Houston was elected President on 19 July 2016.

² Peter Osborn was elected Deputy President on 19 July 2016

³ Mary Angus was elected to Council on 14 October 2016.

⁴ Don Gibson was on Approved Leave of Absence from 1 October 2016 until 10 November 2016; and from 20 March 2017 until 28 April 2017.

⁵ George Tilbury was on Approved Leave of Absence from 9 November 2016 until 20 November 2016; and from 17 May 2017 until 28 May 2017.

⁶ Michelle Rossouw was on Approved Leave of Absence from 12 December 2016 until 13 January 2017.

Statutory reports

Committees and Advisory Groups

The Shire of Chittering currently has the following three committees of Council:

1. Audit Committee
2. Chittering Bushfire Advisory Committee
3. Local Emergency Management Committee

The Shire of Chittering also has the following advisory groups. An “Advisory Group” will NOT be a formal committee established under section 5.8 of the *Local Government Act 1995*. An “Advisory Group” is to meet as and when required and membership is to vary dependent on the issues to be addressed. The Officer responsible for the “Advisory Group” will report any outcomes from working group meetings direct to Council via an Officer’s Report.

“Advisory Groups” will not attract a sitting fee to elected members as the “Advisory Group” is not a formal committee constituted pursuant to the *Local Government Act 1995*.

Council has the following Advisory Groups:

- Chittering Community Planning Advisory Group
- Chittering Community Support Funding Advisory Group
- Chittering Education Scholarship Advisory Group
- Chittering Mining Advisory Group
- Chittering Health Advisory Group
- Chittering Youth Krew Advisory Group

Disbanded Committees and Advisory Groups

Nil

External Bodies

Council members are to represent the views of Council when attending an external organisation as a member appointed by the Council, not their personal views if these conflict with Council policy and position.

Representation of external organisations will not attract a sitting fee to elected members but any out of pocket expenditure or travelling expenses will be reimbursed.

In addition to its own committees and advisory groups, the Shire of Chittering is also represented by Councillors on the following bodies:

- Avon Midland Zone (WALGA)
- Avon Regional Organisation of Councils (AROC)
- Bindoon and Districts Agricultural Society
- Bindoon Community Progress Association
- Bindoon and Districts Historical Society
- Bindoon Sport and Recreation Association
- Chittering Tourist Association
- Chittering Valley Land Conservation District Committee
- Chittering Valley Progress and Sporting Association
- District Health Advisory Council (WA Country Health Service Wheatbelt)
- Ellen Brockman Integrated Catchment Committee
- Northern Growth Alliance
- The Livestock Centre Muchea Consultative Group
- Tronox Community Consultative Committee
- Wannamal Community Centre Inc.
- Wheatbelt Development Assessment Panel
- Wheatbelt North Regional Road Group

Concise Financial Report

for the Year Ended 30 June 2017

Table of Contents

Statement by Chief Executive Officer	58
Statement of Comprehensive Income by Nature and Type.....	59
Statement of Comprehensive Income by Program	60
Statement of Financial Position.....	61
Statement of Changes in Equity	62
Statement of Cash Flows	63
Rate Setting Statement.....	64
Notes to and forming part of the Concise Financial Report.....	65
Supplementary Ratio Information	115
Independent Auditor's Report.....	116

Principal place of Business:
6177 Great Northern Highway
BINDOON WA 6502

Concise Financial Report

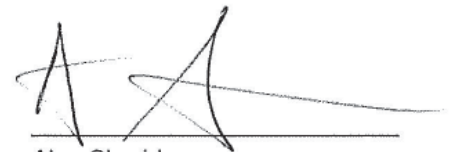
for the Year Ended 30 June 2017

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire being the annual financial report and supporting notes and other information for the financial year ended 30 June 2017 are in my opinion properly drawn up to present fairly the financial position of the Shire at 30th June 2017 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed as authorisation of issue on the Third day of October 2017



Alan Sheridan
Chief Executive Officer

Concise Financial Report

for the Year Ended 30 June 2017

STATEMENT OF COMPREHENSIVE INCOME BY NATURE AND TYPE

	NOTE	2017 \$	2017 Budget \$	2016 \$
Revenue				
Rates	23	5,262,866	5,268,496	4,967,020
Operating grants, subsidies and contributions	30	2,283,319	1,613,899	1,206,593
Fees and charges	29	1,288,110	1,367,224	1,321,556
Interest earnings	2(a)	133,697	142,700	143,325
Other revenue	2(a)	426,506	292,932	419,499
		<u>9,394,498</u>	<u>8,685,251</u>	<u>8,057,993</u>
Expenses				
Employee costs		(3,427,286)	(3,648,634)	(3,731,260)
Materials and contracts		(2,511,423)	(2,642,221)	(2,601,854)
Utility charges		(159,319)	(130,933)	(151,322)
Depreciation on non-current assets	2(a)	(4,658,230)	(4,564,872)	(4,525,773)
Interest expenses	2(a)	(55,348)	(56,006)	(53,500)
Insurance expenses		(186,928)	(197,442)	(79,294)
Other expenditure		(394,708)	(380,770)	(318,372)
		<u>(11,393,242)</u>	<u>(11,620,878)</u>	<u>(11,461,375)</u>
		<u>(1,998,744)</u>	<u>(2,935,627)</u>	<u>(3,403,382)</u>
Non-operating grants, subsidies and contributions	30	2,519,069	2,515,944	1,538,184
Profit on asset disposals	21	222,121	280,000	903
(Loss) on asset disposals	21	(119,726)	(8,936)	(23,242)
Net result		<u>622,720</u>	<u>(148,619)</u>	<u>(1,887,537)</u>
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	13	1,632,659	0	1,039,664
Total other comprehensive income		<u>1,632,659</u>	<u>0</u>	<u>1,039,664</u>
Total comprehensive income		<u><u>2,255,379</u></u>	<u><u>(148,619)</u></u>	<u><u>(847,873)</u></u>

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

Concise Financial Report

for the Year Ended 30 June 2017

STATEMENT OF COMPREHENSIVE INCOME BY PROGRAM

	NOTE	2017 \$	2017 Budget \$	2016 \$
Revenue	2(a)			
Governance		82,706	33,958	28,127
General purpose funding		7,261,512	6,652,481	5,782,229
Law, order, public safety		498,543	388,940	601,313
Health		42,608	47,275	86,263
Education and welfare		24,945	22,550	19,228
Housing		150,175	161,617	107,666
Community amenities		954,220	955,106	971,227
Recreation and culture		48,827	102,038	110,687
Transport		144,414	106,446	112,567
Economic services		96,715	108,528	114,786
Other property and services		89,833	106,312	123,900
		<u>9,394,498</u>	<u>8,685,251</u>	<u>8,057,993</u>
Expenses	2(a)			
Governance		(1,002,926)	(1,095,485)	(970,190)
General purpose funding		(224,425)	(224,504)	(250,188)
Law, order, public safety		(1,264,900)	(1,133,802)	(1,099,441)
Health		(345,765)	(325,386)	(355,017)
Education and welfare		(83,201)	(93,686)	(99,849)
Housing		(255,575)	(301,833)	(226,394)
Community amenities		(1,903,277)	(2,046,022)	(1,844,175)
Recreation and culture		(1,069,366)	(1,235,039)	(1,162,440)
Transport		(4,613,947)	(4,446,816)	(4,675,290)
Economic services		(533,173)	(616,195)	(571,485)
Other property and services		(41,339)	(46,104)	(153,406)
		<u>(11,337,894)</u>	<u>(11,564,872)</u>	<u>(11,407,875)</u>
Finance costs	2(a)			
Health		(26,356)	(26,785)	(21,144)
Housing		(11,193)	(11,220)	(13,207)
Recreation and culture		(5,510)	(5,512)	(6,291)
Transport		(12,289)	(12,489)	(12,858)
		<u>(55,348)</u>	<u>(56,006)</u>	<u>(53,500)</u>
		<u>(1,998,744)</u>	<u>(2,935,627)</u>	<u>(3,403,382)</u>
Non-operating grants, subsidies and contributions	30	2,519,069	2,515,944	1,538,184
Profit on disposal of assets	21	222,121	280,000	903
(Loss) on disposal of assets	21	(119,726)	(8,936)	(23,242)
Net result		<u>622,720</u>	<u>(148,619)</u>	<u>(1,887,537)</u>
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	13	1,632,659	0	1,039,664
Total other comprehensive income		<u>1,632,659</u>	<u>0</u>	<u>1,039,664</u>
Total comprehensive income		<u>2,255,379</u>	<u>(148,619)</u>	<u>(847,873)</u>

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

Concise Financial Report

for the Year Ended 30 June 2017

STATEMENT OF FINANCIAL POSITION

	NOTE	2017 \$	2016 \$
CURRENT ASSETS			
Cash and cash equivalents	3	3,753,114	3,151,551
Trade and other receivables	5	888,720	389,372
Inventories	6	5,706	3,540
TOTAL CURRENT ASSETS		4,647,540	3,544,463
NON-CURRENT ASSETS			
Investments	4	42,500	42,500
Other receivables	5	51,449	34,957
Property, plant and equipment	7	30,358,930	29,984,906
Infrastructure	8	103,874,306	103,130,874
TOTAL NON-CURRENT ASSETS		134,327,185	133,193,237
TOTAL ASSETS		138,974,725	136,737,700
CURRENT LIABILITIES			
Trade and other payables	9	222,018	187,755
Current portion of long term borrowings	10	82,355	85,892
Provisions	11	497,807	472,933
TOTAL CURRENT LIABILITIES		802,180	746,580
NON-CURRENT LIABILITIES			
Long term borrowings	10	1,018,765	1,097,595
Provisions	11	151,975	147,099
TOTAL NON-CURRENT LIABILITIES		1,170,740	1,244,694
TOTAL LIABILITIES		1,972,920	1,991,274
NET ASSETS		137,001,805	134,746,426
EQUITY			
Retained surplus		56,361,998	55,992,517
Reserves - cash backed	12	1,590,116	1,336,877
Revaluation surplus	13	79,049,691	77,417,032
TOTAL EQUITY		137,001,805	134,746,426

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

Concise Financial Report

for the Year Ended 30 June 2017

STATEMENT OF CHANGES IN EQUITY

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2015		58,176,097	1,040,834	76,377,368	135,594,299
Comprehensive income		(1,887,537)	0	0	(1,887,537)
Net result		(1,887,537)	0	1,039,664	1,039,664
Changes on revaluation of assets	13			1,039,664	(847,873)
Total comprehensive income		(296,043)	296,043	0	0
Transfers from/(to) reserves					
Balance as at 30 June 2016		55,992,517	1,336,877	77,417,032	134,746,426
Comprehensive income		622,720	0	0	622,720
Net result		622,720	0	1,632,659	1,632,659
Changes on revaluation of assets	13			1,632,659	2,255,379
Total comprehensive income		(253,239)	253,239	0	0
Transfers from/(to) reserves					
Balance as at 30 June 2017		56,361,998	1,590,116	79,049,691	137,001,805

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

Concise Financial Report

for the Year Ended 30 June 2017

STATEMENT OF CASH FLOWS

	NOTE	2017 Actual \$	2017 Budget \$	2016 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		5,185,271	5,273,496	4,944,033
Operating grants, subsidies and contributions		1,815,305	1,674,733	1,141,611
Fees and charges		1,288,110	1,367,224	1,321,556
Interest earnings		133,697	142,700	143,325
Goods and services tax		638,671	0	514,382
Other revenue		426,506	332,098	419,499
		<u>9,487,560</u>	<u>8,790,251</u>	<u>8,484,406</u>
Payments				
Employee costs		(3,412,321)	(3,614,113)	(3,769,963)
Materials and contracts		(2,463,884)	(2,746,124)	(2,905,319)
Utility charges		(159,319)	(130,933)	(151,322)
Interest expenses		(56,005)	(55,606)	(53,907)
Insurance expenses		(186,928)	(197,442)	(79,294)
Goods and services tax		(608,902)	0	(503,885)
Other expenditure		(394,708)	(380,770)	(318,370)
		<u>(7,282,067)</u>	<u>(7,124,988)</u>	<u>(7,782,060)</u>
Net cash provided by (used in)				
operating activities	14(b)	2,205,493	1,665,263	702,346
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment		(426,944)	(201,061)	(999,449)
Payments for construction of infrastructure		(3,984,189)	(4,975,912)	(1,556,552)
Non-operating grants, subsidies and contributions		2,519,069	2,515,944	1,538,184
Proceeds from sale of fixed assets		370,501	338,000	240,027
Net cash provided by (used in)				
investment activities		<u>(1,521,563)</u>	<u>(2,323,029)</u>	<u>(777,790)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of debentures		(82,367)	(82,366)	(78,016)
Net cash provided by (used in)				
financing activities		<u>(82,367)</u>	<u>(82,366)</u>	<u>(78,016)</u>
Net increase (decrease) in cash held		601,563	(740,132)	(153,460)
Cash at beginning of year		3,151,551	3,202,801	3,305,011
Cash and cash equivalents				
at the end of the year	14(a)	<u><u>3,753,114</u></u>	<u><u>2,462,669</u></u>	<u><u>3,151,551</u></u>

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

Concise Financial Report

for the Year Ended 30 June 2017

RATE SETTING STATEMENT

	NOTE	2017 Actual \$	2017 Budget \$	2016 Actual \$
Net current assets at July 1 b/fwd - surplus/(deficit)		<u>1,684,218</u> 1,684,218	<u>1,544,255</u> 1,544,255	<u>1,704,445</u> 1,704,445
Revenue from operating activities (excluding rates)				
Governance		82,706	33,958	28,127
General purpose funding		2,001,078	1,383,985	815,209
Law, order, public safety		498,543	388,940	601,313
Health		42,608	47,275	86,263
Education and welfare		24,945	22,550	19,228
Housing		150,175	161,617	107,666
Community amenities		954,220	955,106	971,227
Recreation and culture		48,827	102,038	110,687
Transport		146,269	121,446	113,470
Economic services		96,715	108,528	114,786
Other property and services		<u>310,099</u>	<u>371,312</u>	<u>123,900</u>
		4,356,185	3,696,755	3,091,876
Expenditure from operating activities				
Governance		(1,008,890)	(1,095,485)	(975,496)
General purpose funding		(224,425)	(224,504)	(250,188)
Law, order, public safety		(1,365,125)	(1,133,802)	(1,099,441)
Health		(377,663)	(352,171)	(376,161)
Education and welfare		(83,201)	(93,686)	(99,849)
Housing		(266,768)	(313,053)	(239,601)
Community amenities		(1,903,277)	(2,046,022)	(1,848,117)
Recreation and culture		(1,077,876)	(1,240,551)	(1,168,731)
Transport		(4,631,231)	(4,468,241)	(4,700,195)
Economic services		(533,173)	(616,195)	(572,181)
Other property and services		<u>(41,339)</u>	<u>(46,104)</u>	<u>(154,657)</u>
		(11,512,968)	(11,629,814)	(11,484,617)
Operating activities excluded from budget				
(Profit) on disposal of assets	21	(222,121)	(280,000)	(903)
Loss on disposal of assets	21	119,726	8,936	23,242
Movement in deferred pensioner rates (non-current)		(16,492)	0	7,549
Movement in employee benefit provisions (non-current)		4,876	0	20,062
Movement in employee entitlement reserve		(41,793)	0	(18,380)
Depreciation and amortisation on assets	2(a)	<u>4,658,230</u>	<u>4,564,872</u>	<u>4,525,773</u>
Amount attributable to operating activities		<u>(970,139)</u>	<u>(2,094,996)</u>	<u>(2,130,953)</u>
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		2,519,069	2,515,944	1,538,184
Proceeds from disposal of assets	21	370,501	338,000	240,027
Purchase of property, plant and equipment	7(b)	(426,944)	(201,061)	(999,449)
Purchase and construction of infrastructure	8(b)	<u>(3,984,189)</u>	<u>(4,975,912)</u>	<u>(1,556,552)</u>
Amount attributable to investing activities		<u>(1,521,563)</u>	<u>(2,323,029)</u>	<u>(777,790)</u>
FINANCING ACTIVITIES				
Repayment of debentures	22(a)	(82,367)	(82,366)	(78,016)
Transfers to reserves (restricted assets)	12	(444,258)	(866,204)	(360,692)
Transfers from reserves (restricted assets)	12	<u>191,019</u>	<u>98,099</u>	<u>64,649</u>
Amount attributable to financing activities		<u>(335,606)</u>	<u>(850,471)</u>	<u>(374,059)</u>
Surplus(deficiency) before general rates		<u>(2,827,308)</u>	<u>(5,268,496)</u>	<u>(3,282,802)</u>
Total amount raised from general rates	23	<u>5,260,434</u>	<u>5,268,496</u>	<u>4,967,020</u>
Net current assets at June 30 c/fwd - surplus/(deficit)	24	<u><u>2,433,126</u></u>	<u><u>0</u></u>	<u><u>1,684,218</u></u>

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

Concise Financial Report

for the Year Ended 30 June 2017

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF PREPARATION

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 20 to these financial statements.

(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) Cash and Cash Equivalents

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

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

Concise Financial Report

for the Year Ended 30 June 2017

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) 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.

(d) Inventories

General

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

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

Land held for sale

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

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

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

(e) Fixed Assets

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

Mandatory requirement to revalue non-current assets

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

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

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

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

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

Concise Financial Report

for the Year Ended 30 June 2017

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Fixed Assets (Continued)

Land under control

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

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

No Land assets are being recognised under this regulation.

Initial recognition and measurement between mandatory revaluation dates

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

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

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

Revaluation

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

Land under roads

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

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

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

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

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

Concise Financial Report

for the Year Ended 30 June 2017

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Fixed Assets (Continued)

Depreciation

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

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

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

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

Buildings	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment - Heavy	5 to 15 years
Sealed roads and streets	
formation	not depreciated
pavement	50 years
Sealed roads and streets	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
formation	not depreciated
pavement	50 years
Formed roads (unsealed)	
formation	not depreciated
pavement	50 years
Footpaths - slab	20 years
Sewerage piping	100 years
Water supply piping and drainage systems	75 years

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

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

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

Concise Financial Report

for the Year Ended 30 June 2017

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fair Value of Assets and Liabilities

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

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

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

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

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

Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Concise Financial Report

for the Year Ended 30 June 2017

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

(g) Financial Instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

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

Amortised cost is calculated as:

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

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

Concise Financial Report

for the Year Ended 30 June 2017

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Financial Instruments (Continued)

Classification and subsequent measurement (continued)

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

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

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

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

Concise Financial Report

for the Year Ended 30 June 2017

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Financial Instruments (Continued)

Impairment

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

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

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

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

Derecognition

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

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

(h) Impairment of Assets

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

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

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

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

(i) 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.

Concise Financial Report

for the Year Ended 30 June 2017

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Employee Benefits

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

(k) 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.

(l) 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.

(m) Leases

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

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

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

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

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

Concise Financial Report

for the Year Ended 30 June 2017

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Investment in Associates

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

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

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

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

(o) 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

(p) Rates, Grants, Donations and Other Contributions

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

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

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

(q) 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.

Concise Financial Report

for the Year Ended 30 June 2017

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) 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.

(s) Rounding Off Figures

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

(t) Comparative Figures

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

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

(u) 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.

Concise Financial Report

for the Year Ended 30 June 2017

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

Concise Financial Report

for the Year Ended 30 June 2017

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
Notes: ⁽¹⁾ Applicable to reporting periods commencing on or after the given date.			
(iv) AASB 1058 Income of Not-for-Profit Entities (incorporating AASB 2016-7 and AASB 2016-8)	December 2016	1 January 2019	<p>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.</p> <p>These standards are likely to have a significant impact on the income recognition for NFP's. Key areas for consideration are:</p> <ul style="list-style-type: none"> - 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. <p>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.</p>

Notes:

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

Concise Financial Report

for the Year Ended 30 June 2017

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) 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:

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

Concise Financial Report

for the Year Ended 30 June 2017

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

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

COMMUNITY VISION

Living, working and playing in our friendly, thriving, diverse and well connected community, in harmony with our natural environment.

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

GOVERNANCE

Objective:

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

Activities:

Includes the activities of members of Council and the administrative support available to the Council for the provision of governance of the district. Other costs relate to the task 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 and environmentally conscious community.

Activities:

Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.

HEALTH

Objective:

To provide an operational framework for environmental and community health.

Activities:

Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance and contributions to medical health and community health centre.

EDUCATION AND WELFARE

Objective:

To provide services to disadvantaged persons, the elderly, children and youth.

Activities:

Senior citizens programs, youth services and events.

HOUSING

Objective:

To provide and maintain staff, community and seniors housing.

Activities:

Provision and maintenance of staff, community and seniors housing.

Concise Financial Report

for the Year Ended 30 June 2017

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

COMMUNITY AMENITIES

Objective:

To provide services required by the community.

Activities:

Waste collection services, operation of waste landfill sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of the town planning scheme, cemetery and public conveniences.

RECREATION AND CULTURE

Objective:

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

Activities:

Maintenance of halls, the library and various parks, reserves and other recreation activities and cultural pursuits.

TRANSPORT

Objective:

To provide safe, effective and efficient transport services to the community.

Activities:

Construction and maintenance of roads, bridges, footpaths, drainage works, lighting and cleaning of streets and verge maintenance.

ECONOMIC SERVICES

Objective:

To help promote the Shire and its economic wellbeing.

Activities:

Tourism and area promotion. Provision of rural services including weed control, community bus operations, economic and community development programs and building control.

OTHER PROPERTY AND SERVICES

Objective:

To monitor and control the Shire's overhead operating accounts.

Activities:

Private works, plant repair and operation costs and engineering operation costs.

Concise Financial Report

for the Year Ended 30 June 2017

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

Grant/Contribution	Opening Balance ⁽¹⁾ 1/07/15 \$	Received ⁽²⁾ 2015/16 \$	Expended ⁽³⁾ 2015/16 \$	Closing Balance ⁽¹⁾ 30/06/16 \$	Received ⁽²⁾ 2016/17 \$	Expended ⁽³⁾ 2016/17 \$	Closing Balance 30/06/17 \$
Law, order, public safety							
DFES - BRPC Position	0	154,749	(60,287)	94,462	75,758	(144,665)	25,555
DFES - ESL Operating Grant	0	0	0	0	233,587	(229,473)	4,114
DFES - ESL Capital Grant	0	0	0	0	391,744	(391,744)	0
Education and welfare							
RSC - Wear Ya Wellies	0	0	0	0	1,000	(1,000)	0
RSC - Muchea Youth Festival	0	0	0	0	1,000	(1,000)	0
LotteryWest - Events	0	0	0	0	16,500	(11,000)	5,500
Recreation and culture							
Kidsport	0	0	0	0	34,000	(22,446)	11,554
WDC - Brockman Precinct	0	0	0	0	10,860	(10,860)	0
Transport							
R2R - Binda Place	84,512	0	(84,512)	0	0	0	0
R2R - Binda Place	0	595,847	0	595,847	1,207,480	(1,803,327)	0
WDC - Binda Place	142,000	0	(17,513)	124,487	0	(124,487)	0
RRG - Road Projects	0	220,757	0	220,757	372,215	(580,903)	12,069
WALGCC - Bridge	0	40,000	0	40,000	0	0	40,000
MRWA - Bridges	0	0	0	0	134,000	0	134,000
MRWA - Direct Grant	0	0	0	0	102,946	(102,946)	0
MRWA - Black Spot	0	0	0	0	368,508	(368,508)	0
Contribution to Roadworks	0	0	0	0	5,970	0	5,970
WANDRA - Flood Damage	0	0	0	0	27,735	(27,735)	0
MRWA - Street Lighting Subsidy	0	0	0	0	4,194	(4,194)	0

Concise Financial Report

for the Year Ended 30 June 2017

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

Grant/Contribution	Opening Balance ⁽¹⁾ 1/07/15 \$	Received ⁽²⁾ 2015/16 \$	Expended ⁽³⁾ 2015/16 \$	Closing Balance ⁽¹⁾ 30/06/16 \$	Received ⁽²⁾ 2016/17 \$	Expended ⁽³⁾ 2016/17 \$	Closing Balance 30/06/17 \$
Economic Services							
V/C Sustainability Grant	0	10,000	(5,187)	4,813	0	(4,813)	0
John Glenn Park Contribution	0	0	0	0	3,800	(3,800)	0
DSR - CDO Scheme	0	0	0	0	11,000	(11,000)	0
TASTE - Contributions	0	0	0	0	2,120	(2,120)	0
Total	226,512	1,021,353	(167,499)	1,080,366	3,004,417	(3,846,021)	238,762

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.

Concise Financial Report

for the Year Ended 30 June 2017

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

	Note	2017 \$	2016 \$
3. CASH AND CASH EQUIVALENTS			
Unrestricted		1,924,234	734,308
Restricted		1,828,880	2,417,243
		<u>3,753,114</u>	<u>3,151,551</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Employee Entitlement Reserve	12	95,527	137,320
Plant Replacement Reserve	12	326,716	120,710
Public Buildings and Amenities Reserve	12	78,925	61,981
Gravel Acquisition Reserve	12	67,357	66,119
Community Housing Reserve	12	80,713	74,429
Seniors Housing Reserve	12	17,121	12,807
Public Open Space Reserve	12	265,721	260,836
Bindoon Community Bus Reserve	12	44,057	43,247
Cemetery Development Reserve	12	33,313	32,701
Recreation Development Reserve	12	229,021	224,810
Ambulance Replacement Reserve	12	4,260	1,181
Waste Management Reserve	12	188,762	85,292
Landcare Vehicles Reserve	12	71,041	69,735
Binda Place Reserve	12	0	109,735
Contributions to Roadworks Reserve	12	36,648	35,974
STED Reserve	12	50,936	0
Unspent grants	2(c)	238,762	1,080,366
		<u>1,828,880</u>	<u>2,417,243</u>
4. INVESTMENTS			
Non-Current			
Financial assets at fair value through profit and loss		42,500	42,500
Financial assets at fair value through profit and loss			
At the beginning of the year		42,500	42,500
At the end of the year		<u>42,500</u>	<u>42,500</u>

Concise Financial Report

for the Year Ended 30 June 2017

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

	2017	2016
	\$	\$
5. TRADE AND OTHER RECEIVABLES		
Current		
Rates outstanding	223,115	162,012
Sundry debtors	655,656	187,642
GST receivable	9,949	39,718
	<u>888,720</u>	<u>389,372</u>
Non-current		
Rates outstanding - pensioners	51,449	34,957
	<u>51,449</u>	<u>34,957</u>
Information with respect to the impairment or otherwise of the totals of rates outstanding and sundry debtors is as follows:		
Rates outstanding	<u>223,115</u>	<u>162,012</u>
Includes:		
Past due and not impaired	223,115	162,012
Impaired	<u>0</u>	<u>0</u>
Sundry debtors	<u>655,656</u>	<u>187,642</u>
Includes:		
Past due and not impaired	678,293	191,327
Impaired	<u>(22,637)</u>	<u>(3,685)</u>
6. INVENTORIES		
Current		
Fuel and materials	5,706	3,540
	<u>5,706</u>	<u>3,540</u>

Concise Financial Report

for the Year Ended 30 June 2017

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

	2017	2016
	\$	\$
7 (a). PROPERTY, PLANT AND EQUIPMENT		
Land and buildings		
Land - freehold at:		
- Independent valuation 2014 - level 2	0	13,088,766
- Independent valuation 2017 - level 2	2,460,000	0
- Independent valuation 2017 - level 3	9,845,984	0
- Additions after valuation - cost	0	71,416
	<u>12,305,984</u>	<u>13,160,182</u>
	<u>12,305,984</u>	<u>13,160,182</u>
Buildings - non-specialised at:		
- Independent valuation 2014 - level 2	0	3,276,000
- Independent valuation 2017 - level 2	546,657	0
- Additions after valuation - cost	0	3,527,215
Buildings - non-specialised - Less: accumulated depreciation	0	(993,276)
	<u>546,657</u>	<u>5,809,939</u>
Buildings - specialised at:		
- Independent valuation 2014 - level 3	0	6,401,700
- Independent valuation 2017 - level 3	13,278,128	0
Buildings - specialised - Less: accumulated depreciation	0	0
	<u>13,278,128</u>	<u>6,401,700</u>
	<u>13,824,785</u>	<u>12,211,639</u>
Total land and buildings	<u>26,130,769</u>	<u>25,371,821</u>
Furniture and equipment at:		
- Independent valuation 2016 - level 3	88,158	88,158
Furniture and equipment - Less: accumulated depreciation	(25,560)	0
	<u>62,598</u>	<u>88,158</u>
Plant and equipment at:		
- Independent valuation 2016 - level 2	3,672,887	3,876,527
- Independent valuation 2016 - level 3	100,600	100,600
- Additions after valuation - cost	426,944	0
Plant and equipment - Less: accumulated depreciation	(421,953)	0
	<u>3,778,478</u>	<u>3,977,127</u>
Motor Vehicles at:		
- Independent valuation 2016 - level 2	510,300	547,800
Motor Vehicles - Less: accumulated depreciation	(123,215)	0
	<u>387,085</u>	<u>547,800</u>
	<u>30,358,930</u>	<u>29,984,906</u>

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

Concise Financial Report

for the Year Ended 30 June 2017

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

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.

	Balance at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) Transferred to Revaluation \$	Revaluation (Losses)/ Reversals Through to Profit or Loss \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Transfers \$	Carrying Amount at the End of Year \$
Land - freehold land	13,160,182	0	(44,734)	(809,464)	0	0	0	0	12,305,984
Total land	13,160,182	0	(44,734)	(809,464)	0	0	0	0	12,305,984
Buildings - non-specialised	5,809,939	0	0	46,980	0	0	(25,155)	(5,285,107)	546,657
Buildings - specialised	6,401,700	0	0	2,395,143	0	0	(547,870)	5,029,155	13,278,128
Total buildings	12,211,639	0	0	2,442,123	0	0	(573,025)	(255,952)	13,824,785
Total land and buildings	25,371,821	0	(44,734)	1,632,659	0	0	(573,025)	(255,952)	26,130,769
Furniture and equipment	88,158	0	0	0	0	0	(25,560)	0	62,598
Plant and equipment	3,977,127	426,944	(190,921)	0	0	0	(434,672)	0	3,778,478
Motor Vehicles	547,800	0	(32,451)	0	0	0	(128,264)	0	387,085
Total property, plant and equipment	29,984,906	426,944	(288,106)	1,632,659	0	0	(1,161,521)	(255,952)	30,358,930

Concise Financial Report

for the Year Ended 30 June 2017

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

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, where land has no restrictions to use and/or sale	Independent registered valuer	June 2017	Price per hectare
		3	Market approach using estimated market values based on observable market conditions. Where land is subject to certain restrictions as to its use and/or sale, and has no active market	Independent registered valuer	June 2017	Estimated price per hectare
	Buildings - non-specialised	2	Market approach using observable open market values of similar assets, adjusted for condition and comparability, at their highest and best use	Independent registered valuer	June 2017	Price per square metre
	Buildings - specialised	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2017	Utilising both observable and unobservable inputs being construction costs based on recent contract prices, current condition (Level 2 inputs), residual values and remaining useful life assessments (Level 3 inputs)
	Furniture and equipment	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2016	Construction costs and current condition (Level 2 inputs), residual values and remaining useful life assessments (Level 3 inputs)
	Plant and equipment	2	Market approach using recent observable market data for similar assets	Independent registered valuer	June 2016	Open market values of similar assets adjusted for condition and comparability
	- Independent valuation 2016	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2016	Construction costs and current condition (Level 2 inputs), residual values and remaining useful life assessments (Level 3 inputs)

Concise Financial Report

for the Year Ended 30 June 2017

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

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
Motor Vehicles	2	Market approach using recent observable market data for similar assets	Independent registered valuer	June 2016	Open market values of similar assets adjusted for condition and comparability

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.

Concise Financial Report

for the Year Ended 30 June 2017

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

	2017 \$	2016 \$
8 (a). INFRASTRUCTURE		
Infrastructure - Roads		
- Management valuation 2015 - level 3	119,128,772	119,128,772
- Additions after valuation - cost	5,164,243	1,376,006
Infrastructure - Roads - Less: accumulated depreciation	<u>(28,264,258)</u>	<u>(25,084,400)</u>
	96,028,757	95,420,378
Infrastructure - Footpaths		
- Management valuation 2015 - level 3	1,179,866	1,179,866
- Additions after valuation - cost	120,933	80,222
Infrastructure - Footpath - Less: accumulated depreciation	<u>(391,526)</u>	<u>(375,764)</u>
	909,273	884,324
Infrastructure - Drainage		
- Management valuation 2015 - level 3	6,179,549	6,179,549
- Additions after valuation - cost	9,202	0
Infrastructure - Drainage - Less: accumulated depreciation	<u>(2,214,848)</u>	<u>(2,118,768)</u>
	3,973,903	4,060,781
Infrastructure - Parks and Ovals		
- Management valuation 2015 - level 3	1,320,828	1,320,828
- Additions after valuation - cost	139,046	100,324
Infrastructure - Parks and Ovals - Less: accumulated depreciation	<u>(709,424)</u>	<u>(636,588)</u>
	750,450	784,564
Infrastructure - Bridges and Culverts		
- Management valuation 2015 - level 3	7,980,000	7,980,000
- Additions after valuation - cost	41,451	0
Infrastructure - Bridges and Culverts - Less: accumulated depreciati	<u>(6,131,346)</u>	<u>(5,999,173)</u>
	1,890,105	1,980,827
Infrastructure - Other		
- Additions at cost	366,866	0
Infrastructure - Other - Less: accumulated depreciation	<u>(45,048)</u>	<u>0</u>
	321,818	0
	<u>103,874,306</u>	<u>103,130,874</u>

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

Concise Financial Report

for the Year Ended 30 June 2017

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

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.

	Balance as at the Beginning of the Year	Additions	(Disposals)	Revaluation Increments/ (Decrements) Transferred to Revaluation	Revaluation (Loss)/ Reversal Transferred to Profit or Loss	Impairment (Losses)/ Reversals	Depreciation (Expense)	Transfers	Carrying Amount at the End of the Year
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Infrastructure - Roads	95,420,378	3,788,237	0	0	0	0	(3,179,858)	0	96,028,757
Infrastructure - Footpaths	884,324	40,711	0	0	0	0	(15,762)	0	909,273
Infrastructure - Drainage	4,060,781	9,202	0	0	0	0	(96,080)	0	3,973,903
Infrastructure - Parks and Ovals	784,564	38,722	0	0	0	0	(72,836)	0	750,450
Infrastructure - Bridges and Culverts	1,980,827	41,451	0	0	0	0	(132,173)	0	1,890,105
Infrastructure - Other	0	65,866	0	0	0	0	0	255,952	321,818
Total infrastructure	103,130,874	3,984,189	0	0	0	0	(3,496,709)	255,952	103,874,306

Concise Financial Report

for the Year Ended 30 June 2017

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

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 2015	Construction costs and current condition (Level 2), residual values and remaining life assessments (Level 3) inputs.
Infrastructure - Footpaths	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining life assessments (Level 3) inputs.
Infrastructure - Drainage	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining life assessments (Level 3) inputs.
Infrastructure - Parks and Ovals	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining life assessments (Level 3) inputs.
Infrastructure - Bridges and Culverts	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining life assessments (Level 3) inputs.
Infrastructure - Other	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining 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.

Concise Financial Report

for the Year Ended 30 June 2017

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

	2017	2016
	\$	\$
9. TRADE AND OTHER PAYABLES		
Current		
Sundry creditors	128,984	79,279
Accrued interest on debentures	15,478	16,135
Accrued salaries and wages	26,570	12,244
ATO liabilities	50,986	80,097
	<u>222,018</u>	<u>187,755</u>

10. LONG-TERM BORROWINGS

Current		
Secured by floating charge		
Debentures	82,355	85,892
	<u>82,355</u>	<u>85,892</u>
Non-current		
Secured by floating charge		
Debentures	1,018,765	1,097,595
	<u>1,018,765</u>	<u>1,097,595</u>

Additional detail on borrowings is provided in Note 22.

11. PROVISIONS

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2016			
Current provisions	298,243	174,690	472,933
Non-current provisions	0	147,099	147,099
	<u>298,243</u>	<u>321,789</u>	<u>620,032</u>
Additional provision	0	37,713	37,713
Amounts used	(7,963)	0	(7,963)
Balance at 30 June 2017	<u>290,280</u>	<u>359,502</u>	<u>649,782</u>
Comprises			
Current	290,280	207,527	497,807
Non-current	0	151,975	151,975
	<u>290,280</u>	<u>359,502</u>	<u>649,782</u>

Concise Financial Report

for the Year Ended 30 June 2017

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

12. RESERVES - CASH BACKED

	Actual 2017 Opening Balance	Actual 2017 Transfer to	Actual 2017 Transfer (from)	Actual 2017 Closing Balance	Budget 2017 Opening Balance	Budget 2017 Transfer to	Budget 2017 Transfer (from)	Budget 2017 Closing Balance	Actual 2016 Opening Balance	Actual 2016 Transfer to	Actual 2016 Transfer (from)	Actual 2016 Closing Balance
Employee Entitlement Reserve	137,320	37,902	(79,695)	95,527	137,320	37,104	(61,049)	113,375	155,702	28,520	(46,902)	137,320
Plant Replacement Reserve	120,710	206,006	0	326,716	120,710	201,849	0	322,559	89,388	31,322	0	120,710
Public Buildings and Amenities Reserve	61,981	16,943	0	78,924	61,982	16,449	0	78,431	29,831	32,150	0	61,981
Gravel Acquisition Reserve	66,119	1,238	0	67,357	66,119	1,013	0	67,132	64,754	1,365	0	66,119
Community Housing Reserve	74,429	6,284	0	80,713	74,429	5,940	0	80,369	68,092	6,337	0	74,429
Seniors Housing Reserve	12,807	4,315	0	17,122	12,807	4,196	0	17,003	8,542	4,265	0	12,807
Public Open Space Reserve	260,836	4,885	0	265,721	260,836	23,996	0	284,832	255,450	5,386	0	260,836
Bindoon Community Bus Reserve	43,247	810	0	44,057	43,247	662	0	43,909	42,354	893	0	43,247
Cemetery Development Reserve	32,701	612	0	33,313	32,700	5,022	0	37,722	32,026	675	0	32,701
Recreation Development Reserve	224,810	4,210	0	229,020	224,810	412,348	(37,050)	600,108	43,800	181,010	0	224,810
Ambulance Replacement Reserve	1,181	3,078	0	4,259	1,181	3,018	0	4,199	1,157	24	0	1,181
Waste Management Reserve	85,292	103,470	0	188,762	85,292	101,307	0	186,599	20,996	64,296	0	85,292
Landcare Vehicles Reserve	69,735	1,306	0	71,041	69,735	1,068	0	70,803	68,295	1,440	0	69,735
Binda Place Reserve	109,735	1,569	(111,324)	0	109,735	1,681	0	111,416	107,469	2,266	0	109,735
Contributions to Roadworks Reserve	35,974	674	0	36,648	35,974	551	0	36,525	35,231	743	0	35,974
Brockman Centre Precinct Reserve	0	0	0	0	0	0	0	0	9,502	0	(9,502)	0
Administration Centre Reserve	0	0	0	0	0	0	0	0	3,551	0	(3,551)	0
Office Equipment Reserve	0	0	0	0	0	0	0	0	4,694	0	(4,694)	0
STED Reserve	0	50,936	0	50,936	0	50,000	0	50,000	0	0	0	0
	1,336,877	444,258	(191,019)	1,590,116	1,336,877	866,204	(96,099)	2,104,982	1,040,834	360,692	(64,649)	1,336,877

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.

Concise Financial Report

for the Year Ended 30 June 2017

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

12. RESERVES - CASH BACKED

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 Entitlement Reserve	Ongoing	To be used to fund employee accumulated annual, sick, long service leave and employee gratuities.
Plant Replacement Reserve	Ongoing	To be used to fund plant purchases, trades or major overhauls.
Public Buildings and Amenities Reserve	30/06/2018	To be used to fund future public amenities and building maintenance requirements of Council.
Gravel Acquisition Reserve	31/07/2017	To be used to fund the purchase of gravel or land containing gravel - closed as all funds used.
Community Housing Reserve	Ongoing	To be used to fund repairs, improvements, extensions or construction of community units.
Seniors Housing Reserve	Ongoing	To be used to fund repairs, improvements, extensions or construction of seniors units.
Public Open Space Reserve	Ongoing	To be used to fund public open space developments in accordance with developer precincts.
Bindoon Community Bus Reserve	31/07/2017	To be used to fund the shortfall on operations of the bus and to allow for its eventual replacement - transferred to Plant replacement.
Cemetery Development Reserve	Ongoing	To be used to fund the development or acquisition of recreation land or facilities.
Recreation Development Reserve	Ongoing	To be used to fund the development or acquisition of cemetery land or facilities.
Ambulance Replacement Reserve	Ongoing	To be used to contribute towards the cost of purchasing or replacing an Ambulance.
Waste Management Reserve	Ongoing	To be used to fund the replacement of landfill sites and rehabilitation of existing landfill sites.
Landcare Vehicles Reserve	31/07/2017	To be used for the financing of Landcare vehicles - transferred to Plant Replacement Reserve.
Binda Place Reserve	Closed	To be used for the upgrade of Binda Place with additional car parking - project completed.
Contributions to Roadworks Reserve	30/06/2018	To be used for the maintenance of Moolabeenee Road
Brockman Centre Precinct Reserve	Closed	
Administration Centre Reserve	Closed	
Office Equipment Reserve	Closed	
STED Reserve	Ongoing	To be used for the upgrade of the Septic Tank Disposal System

Concise Financial Report

for the Year Ended 30 June 2017

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

13. REVALUATION SURPLUS

	2017			2017			2016			2016		
	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Total Revaluation Movement on Revaluation	Closing Balance	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Total Revaluation Movement on Revaluation	Closing Balance		
Land and buildings	\$ 14,550,526	\$ 1,632,659	\$ 0	\$ 1,632,659	\$ 16,183,185	\$ 14,550,526	\$ 0	\$ 0	\$ 0	\$ 14,550,526		
Furniture and equipment	3,687	0	0	0	3,687	98,337	0	(94,650)	(94,650)	3,687		
Plant and equipment	1,009,420	0	0	0	1,009,420	0	1,009,420	0	1,009,420	1,009,420		
Motor vehicles	124,894	0	0	0	124,894	0	124,894	0	124,894	124,894		
Infrastructure - Roads	57,512,661	0	0	0	57,512,661	57,512,661	0	0	0	57,512,661		
Infrastructure - Footpaths	324,299	0	0	0	324,299	324,299	0	0	0	324,299		
Infrastructure - Drainage	3,732,125	0	0	0	3,732,125	3,732,125	0	0	0	3,732,125		
Infrastructure - Bridges and Culverts	159,420	0	0	0	159,420	159,420	0	0	0	159,420		
	77,417,032	1,632,659	0	1,632,659	79,049,691	76,377,368	1,134,314	(94,650)	1,039,664	77,417,032		

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.

Concise Financial Report

for the Year Ended 30 June 2017

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

14. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:

	2017 \$	2017 Budget \$	2016 \$
Cash and cash equivalents	<u>3,753,114</u>	<u>2,462,669</u>	<u>3,151,551</u>

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

Net result	622,720	(148,619)	(1,887,537)
Non-cash flows in Net result:			
Depreciation	4,658,230	4,564,872	4,525,773
(Profit)/Loss on sale of asset	(102,395)	(271,064)	22,339
Changes in assets and liabilities:			
(Increase)/Decrease in receivables	(515,840)	105,000	(77,472)
(Increase)/Decrease in inventories	(2,166)	(5,000)	3,101
Increase/(Decrease) in payables	34,263	(103,982)	(367,962)
Increase/(Decrease) in provisions	29,750	40,000	22,288
Grants contributions for the development of assets	<u>(2,519,069)</u>	<u>(2,515,944)</u>	<u>(1,538,184)</u>
Net cash from operating activities	<u>2,205,493</u>	<u>1,665,263</u>	<u>702,346</u>

	2017 \$	2016 \$
(c) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank overdraft limit	150,000	150,000
Bank overdraft at balance date	0	0
Credit card limit	25,000	25,000
Credit card balance at balance date	<u>(6,384)</u>	<u>(2,818)</u>
Total amount of credit unused	<u>168,616</u>	<u>172,182</u>
Loan facilities		
Loan facilities - current	82,355	85,892
Loan facilities - non-current	<u>1,018,765</u>	<u>1,097,595</u>
Total facilities in use at balance date	<u>1,101,120</u>	<u>1,183,487</u>
Unused loan facilities at balance date	<u>NIL</u>	<u>NIL</u>

Concise Financial Report

for the Year Ended 30 June 2017

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

15. CONTINGENT LIABILITIES

The Shire of Chittering has no known contingent liabilities as at 30 June 2017.

16. CAPITAL AND LEASING COMMITMENTS

(a) Operating Lease Commitments

The Shire did not have any future operating lease commitments at the reporting date.

(b) Capital Expenditure Commitments

The Shire did not have any future capital expenditure commitments at the reporting date.

17. JOINT VENTURE ARRANGEMENTS

The Shire of Chittering together with Homeswest have a joint venture regarding community housing. The housing units have been constructed on Council owned land and the asset ownership is apportioned 77% to Homeswest and 23% to the Shire. The joint venture arrangements are for a period of fifty (50) years from commencement.

18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2017	2016
	\$	\$
Governance	2,313,692	2,643,767
General purpose funding	335,884	208,145
Law, order, public safety	3,199,998	3,411,759
Health	3,277,057	3,372,951
Education and welfare	178,060	211,613
Housing	1,606,757	2,171,191
Community amenities	1,862,530	2,203,755
Recreation and culture	10,083,696	10,099,672
Transport	104,490,415	105,873,481
Economic services	515,414	527,289
Other property and services	5,627,641	5,089,780
Unallocated	5,483,581	924,297
	<u>138,974,725</u>	<u>136,737,700</u>

Concise Financial Report

for the Year Ended 30 June 2017

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

	2017	2016	2015
19. FINANCIAL RATIOS			
Current ratio	3.99	1.85	2.41
Asset sustainability ratio	0.78	0.44	1.50
Debt service cover ratio	20.46	8.77	16.65
Operating surplus ratio	(0.26)	(0.50)	0.04
Own source revenue coverage ratio	0.63	0.60	0.79

The above ratios are calculated as follows:

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

Notes:

Information relating to the **asset consumption ratio** and the **asset renewal funding ratio** can be found at Supplementary Ratio Information on Page 59 of this document.

2017

The Current Ratio, Debt Service Cover Ratio and Operating Surplus Ratio as disclosed above were distorted by the early receipt of half of the allocation of the 2017-18 Financial Assistance Grant in June 2017.

The early payment of the grant increased operating revenue in 2017 by \$615,988.

2016

The Debt Service Cover and Operating Surplus ratios disclosed above, were distorted by the change to the payment of FAGs during the year ended 30 June 2016 which saw the advance payment for the first quarter of the following year cease. This created a timing difference which resulted in an amount \$586,431 less revenue for the year.

2015

- (a) The Current ratio as disclosed above, was distorted by an item of significant revenue relating to the early payment of 2015/16 Financial Assistance Grants (FAGs) of \$586,431, which was received prior to year end.
- (b) The Debt Service Cover and the Operating Surplus ratios as disclosed above were distorted by the item of significant revenue detailed in (a) above as well as an item of significant expense being the loss on revaluation of fixed assets amounting to \$278,940.
- (c) The Own Source Coverage ratio as disclosed above, was distorted by the item of significant expense as detailed in (b) above.

	2017	2016	2015
Current ratio	3.12	1.85	1.79
Debt service cover ratio	15.98	13.23	14.41
Operating surplus ratio	(0.34)	(0.41)	0.00
Own Source Revenue Coverage Ratio	0.63	0.60	0.81

Concise Financial Report

for the Year Ended 30 June 2017

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

20. TRUST FUNDS

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

	1 July 2016 \$	Amounts Received \$	Amounts Paid (\$)	30 June 2017 \$
BCITF Levy	456	38,365	(37,993)	828
BRB Levy	560	38,309	(38,745)	124
Bonds - Animal Control	100	150	(200)	50
Bonds - Key & Hall Hire	9,827	4,700	(8,240)	6,287
Bonds - Extractive Industry	28,888	0	0	28,888
Bonds - Developers	148,651	938	(34,558)	115,031
Bonds - Community Bus Hire	1,100	600	(600)	1,100
Bonds - Crossovers	16,514	0	0	16,514
Extractive Industry Licences	3,880	0	0	3,880
Bonds - Sand Extraction	251	0	0	251
Bonds - Defect Roadworks	60,406	0	0	60,406
Bonds - Pit Rehabilitation	31,287	0	0	31,287
Bonds - Community Housing	2	2,363	(2,363)	2
Bonds - Staff Housing	961	0	(960)	1
Bonds - Gravel Pit	12,583	0	0	12,583
Unclaimed Monies	407	1,414	(792)	1,029
Nominations - Elected Members	0	240	(240)	0
Bonds - Transportable Buildings	0	10,000	(5,000)	5,000
Bonds - Senior Housing	0	590	(590)	0
	<u>315,873</u>			<u>283,261</u>

Concise Financial Report

for the Year Ended 30 June 2017

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

21. DISPOSALS OF ASSETS - 2016/17 FINANCIAL YEAR

The following assets were disposed of during the year.

	Actual Net Book Value \$	Actual Sale Proceeds \$	Actual Profit \$	Actual Loss \$	Budget Net Book Value \$	Budget Sale Proceeds \$	Budget Profit \$	Budget Loss \$
Plant and Equipment								
Governance								
MVS722 2014 Holden Malibu	17,005	11,041	0	(5,964)	14,000	14,000	0	0
Law, order, public safety								
ELC102 Light Tanker Chittering	56,279	15,000	0	(41,279)	0	0	0	0
E2W101 Light Tanker Wannamal	43,364	15,000	0	(28,364)	0	0	0	0
E1B102 Light Tanker Bindoon	45,582	15,000	0	(30,582)	0	0	0	0
Transport								
PH1701 Roller	20,000	21,855	1,855	0	10,000	25,000	15,000	0
PLE809 Road Counter	160	0	0	(160)	0	0	0	0
PLE189 Clune Park Retic	2,200	0	0	(2,200)	0	0	0	0
PLE187 Muchea Oval Bore	800	0	0	(800)	0	0	0	0
PH1507 Toro Mower	22,055	17,700	0	(4,355)	28,936	20,000	0	(8,936)
PLE808 Traffic Counters	480	0	0	(480)	0	0	0	0
Economic services								
MVS510 2014 Holden Malibu	15,447	9,905	0	(5,542)	14,000	14,000	0	0
Other property and services								
LDV189 Lot 62 Bindoon	44,734	265,000	220,266	0	0	265,000	265,000	0
	<u>268,106</u>	<u>370,501</u>	<u>222,121</u>	<u>(119,726)</u>	<u>66,936</u>	<u>338,000</u>	<u>280,000</u>	<u>(8,936)</u>

Concise Financial Report

for the Year Ended 30 June 2017

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

22. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Principal 1 July 2016 \$	New Loans \$	Principal Repayments		Principal 30 June 2017		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Health								
Loan 79 - Chittering Health Centre	613,535	0	24,887	24,886	588,648	588,649	26,356	26,786
Housing								
Loan 72 - Staff Housing (Keystart)	147,878	0	26,072	26,072	121,806	121,806	8,159	8,183
Loan 73 - Seniors & Comm Housing	48,580	0	7,560	7,560	41,020	41,020	3,034	3,035
Recreation and culture								
Loan 74 - Land Gray Road	87,418	0	12,244	12,244	75,174	75,174	5,510	5,512
Transport								
Loan 79 - Grader	286,076	0	11,604	11,604	274,472	274,472	12,289	12,490
	1,183,487	0	82,367	82,366	1,101,120	1,101,121	55,348	56,006

Self supporting loan financed by payments from third parties.

All other loan repayments were financed by general purpose revenue.

Concise Financial Report

for the Year Ended 30 June 2017

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

22. INFORMATION ON BORROWINGS (Continued)

(b) New Debentures - 2016/17

The Shire did not take up any new debentures during the year ended 30 June 2017.

(c) Unspent Debentures

The Shire did not have any unspent debentures as at 30 June 2017.

(d) Overdraft

The Shire established an overdraft facility of \$150,000 in 2010 to assist with short term liquidity requirements
The balance of the bank overdraft at 30 June 2017 was \$Nil.

Concise Financial Report

for the Year Ended 30 June 2017

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

23. RATING INFORMATION - 2016/17 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
Differential general rate / general rate											
Gross rental value valuations											
GRV	0.095393	1,533	29,043,675	2,770,563	15,616	(15,954)	2,770,225	2,770,563	4,000	0	2,774,563
Unimproved value valuations											
UV	0.006109	701	313,469,000	1,914,982	(2,723)	0	1,912,259	1,914,982	1,001	0	1,915,983
Sub-Total		2,234	342,512,675	4,685,545	12,893	(15,954)	4,682,484	4,685,545	5,001	0	4,690,546
Minimum payment											
	\$										
Gross rental value valuations	1,000	501	3,252,152	501,000	0	0	501,000	501,000	0	0	501,000
Unimproved value valuations	950	81	6,138,568	76,950	0	0	76,950	76,950	0	0	76,950
Sub-Total		582	9,390,720	577,950	0	0	577,950	577,950	0	0	577,950
Total amount raised from general rate		2,816	351,903,395	5,263,495	12,893	(15,954)	5,260,434	5,263,495	5,001	0	5,268,496
Ex-gratia rates							5,260,434				5,268,496
Totals							5,262,868				5,268,496

Concise Financial Report

for the Year Ended 30 June 2017

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

24. NET CURRENT ASSETS

Composition of net current assets

	2017 (30 June 2017 Carried Forward) \$	2017 (1 July 2016 Brought Forward) \$	2016 (30 June 2016 Carried Forward) \$
Surplus/(Deficit)	2,433,126	1,684,218	1,684,218
CURRENT ASSETS			
Cash and cash equivalents			
Unrestricted	1,924,234	734,308	734,308
Restricted	1,828,880	2,417,243	2,417,243
Receivables			
Rates outstanding	223,115	162,012	162,012
Sundry debtors	655,656	187,642	187,642
GST receivable	9,949	39,718	39,718
Inventories			
Fuel and materials	5,706	3,540	3,540
LESS: CURRENT LIABILITIES			
Trade and other payables			
Sundry creditors	(128,984)	(79,279)	(79,279)
Accrued interest on debentures	(15,478)	(16,135)	(16,135)
Accrued salaries and wages	(26,570)	(12,244)	(12,244)
ATO liabilities	(50,986)	(80,097)	(80,097)
Current portion of long term borrowings			
Secured by floating charge	(82,355)	(85,892)	(85,892)
Provisions			
Provision for annual leave	(290,280)	(298,243)	(298,243)
Provision for long service leave	(207,527)	(174,690)	(174,690)
Unadjusted net current assets	3,845,360	2,797,883	2,797,883
Adjustments			
Less: Reserves - restricted cash	(1,590,116)	(1,336,877)	(1,336,877)
Add: Secured by floating charge	82,355	85,892	85,892
Add: Employee Entitlement Reserve	95,527	137,320	137,320
Adjusted net current assets - surplus/(deficit)	2,433,126	1,684,218	1,684,218

Difference

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

Concise Financial Report

for the Year Ended 30 June 2017

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

25. SPECIFIED AREA RATE - 2016/17 FINANCIAL YEAR

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

26. SERVICE CHARGES - 2016/17 FINANCIAL YEAR

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

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

No discounts, incentives, concessions or write-offs were granted by the Shire during the year ended 2017.

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

	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %	
Instalment Options					
Option One					
Single full payment	30/08/2016			11.00%	
Option Two					
First Instalment	30/08/2016			11.00%	
Second Instalment	15/01/2017	10	5.50%	11.00%	
Option Three					
First Instalment	30/08/2016			11.00%	
Second Instalment	3/11/2016	10	5.50%	11.00%	
Third Instalment	5/01/2017	10	5.50%	11.00%	
Fourth Instalment	9/03/2017	10	5.50%	11.00%	
					Budgeted Revenue
					\$
Interest on unpaid rates					41,178
Interest on instalment plan					26,392
Charges on instalment plan					31,900
					99,470
					86,700

Concise Financial Report

for the Year Ended 30 June 2017

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

29. FEES & CHARGES	2017	2016
	\$	\$
Governance	976	9,688
General purpose funding	53,328	49,800
Law, order, public safety	63,975	57,661
Health	41,137	38,103
Education and welfare	5,314	5,314
Housing	137,514	143,476
Community amenities	896,658	924,650
Recreation and culture	5,524	6,706
Transport	1,714	490
Economic services	79,785	81,553
Other property and services	2,185	4,115
	<u>1,288,110</u>	<u>1,321,556</u>

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

30. GRANT REVENUE

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

By Nature or Type:	2017	2016
	\$	\$
Operating grants, subsidies and contributions		
Governance	0	87
General purpose funding	1,769,679	568,954
Law, order, public safety	309,345	410,617
Education and welfare	18,500	13,600
Recreation and culture	34,000	79,000
Transport	134,875	102,860
Economic services	16,920	29,591
Other property and services	0	1,884
	<u>2,283,319</u>	<u>1,206,593</u>
Non-operating grants, subsidies and contributions		
Governance	0	7,500
Law, order, public safety	391,744	0
Health	0	45,000
Recreation and culture	39,152	0
Transport	2,088,173	1,485,684
	<u>2,519,069</u>	<u>1,538,184</u>

Concise Financial Report

for the Year Ended 30 June 2017

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

31. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

48	41
----	----

32. ELECTED MEMBERS REMUNERATION

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

	2017	2017 Budget	2016
	\$	\$	\$
Meeting Fees	95,785	96,536	74,381
President's allowance	14,398	15,225	11,420
Deputy President's allowance	3,806	3,806	2,265
Travelling expenses	12,339	14,000	7,888
Telecommunications allowance	21,013	24,500	21,482
	<u>147,341</u>	<u>154,067</u>	<u>117,436</u>

33. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

	2017
	\$
The total of remuneration paid to KMP of the Shire during the year are as follows:	
Short-term employee benefits	804,010
Post-employment benefits	87,952
Other long-term benefits	79,170
Termination benefits	75,193
	<u>1,046,325</u>

Short-term employee benefits

These amounts include all salary, paid leave, fringe benefits and cash bonuses awarded to KMP except for details in respect to fees and benefits paid to elected members which may be found at Note 32.

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

Termination benefits

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

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

Concise Financial Report

for the Year Ended 30 June 2017

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

33. RELATED PARTY TRANSACTIONS (Continued)

ii. Entities subject to significant influence by the Shire

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

iii. Joint venture entities accounted for under the equity method

Transactions with related parties

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

The following transactions occurred with related parties:

Associated companies/individuals:

A party related to a KMP is employed by the Shire in a non-KMP role. The related party is employed in accordance to normal terms and conditions afforded to all employees of the Shire.

Joint venture entities: Nil

Amounts outstanding from related parties: Nil

Amounts payable to related parties: Nil

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

34. MAJOR LAND TRANSACTIONS

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

35. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Shire did not participate in any trading undertakings or major trading undertakings during the 2016/2017 financial year.

Concise Financial Report

for the Year Ended 30 June 2017

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

36. FINANCIAL RISK MANAGEMENT

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

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

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

The Shire held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2017	2016	2017	2016
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	3,753,114	3,151,551	3,753,114	3,151,551
Investments	42,500	42,500	42,500	42,500
Receivables	940,169	424,329	940,169	424,329
	<u>4,735,783</u>	<u>3,618,380</u>	<u>4,735,783</u>	<u>3,618,380</u>
Financial liabilities				
Payables	222,018	187,755	222,018	187,755
Borrowings	1,101,120	1,183,487	1,064,452	1,183,487
	<u>1,323,138</u>	<u>1,371,242</u>	<u>1,286,470</u>	<u>1,371,242</u>

Fair value is determined as follows:

- Cash and cash equivalents, receivables, payables - estimated to the carrying value which approximates net market value.
- Borrowings, held to maturity investments, estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.
- Financial assets at fair value through profit and loss, available for sale financial assets - based on quoted market prices at the reporting date or independent valuation.

Concise Financial Report

for the Year Ended 30 June 2017

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

36. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

Financial assets at fair value through profit and loss

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

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 and investments are also 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*. The Shire also seeks advice from independent advisers (where considered necessary) before placing any cash and investments.

	2017	2016
	\$	\$
Impact of a 10% ⁽¹⁾ movement in price of investments		
- Equity	4,250	4,250
- Statement of Comprehensive Income	4,250	4,250
Impact of a 1% ⁽¹⁾ movement in interest rates on cash		
- Equity	45,008	45,449
- Statement of Comprehensive Income	45,008	45,449

Notes:

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

Concise Financial Report

for the Year Ended 30 June 2017

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

36. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

The Shire's major receivables comprise rates and annual charges and user charges and fees. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The Shire manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of the Shire to recover these debts as a secured charge over the land – that is, the land can be sold to recover the debt. The Shire is also able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

The Shire makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

There are no material receivables that have been subject to a re-negotiation of repayment terms.

The profile of the Shire's credit risk at balance date was:

	2017	2016
Percentage of rates and annual charges		
- Current	0.0%	0.0%
- Overdue	100.0%	100.0%
Percentage of other receivables		
- Current	99.4%	95.0%
- Overdue	0.6%	5.0%

Concise Financial Report

for the Year Ended 30 June 2017

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

36. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables

Borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required.

The contractual undiscounted cash flows of the Shire's Payables and Borrowings are set out in the Liquidity Sensitivity Table below:

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<u>2017</u>					
Payables	222,018	0	0	222,018	222,018
Borrowings	133,950	496,242	795,337	1,425,529	1,101,120
	<u>355,968</u>	<u>496,242</u>	<u>795,337</u>	<u>1,647,547</u>	<u>1,323,138</u>
<u>2016</u>					
Payables	187,755	0	0	187,755	187,755
Borrowings	138,502	552,910	918,864	1,610,276	1,183,487
	<u>326,257</u>	<u>552,910</u>	<u>918,864</u>	<u>1,798,031</u>	<u>1,371,242</u>

Concise Financial Report

for the Year Ended 30 June 2017

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

36. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables

Borrowings (continued)

Borrowings are also subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation.

The following tables set out the carrying amount, by maturity, of the financial instruments exposed to interest rate risk:

	<1 year	>1<2 years	>2<3 years	>3<4 years	>4<5 years	>5 years	Total	Weighted Average Effective Interest Rate
	\$	\$	\$	\$	\$	\$	\$	%
Year ended 30 June 2017								
Borrowings								
Fixed rate								
Debentures	0	0	0	0	238,000	863,120	1,101,120	4.81%
Weighted average Effective interest rate					6.27%	4.41%		
Year ended 30 June 2016								
Borrowings								
Fixed rate								
Debentures	0	0	0	0	0	1,261,503	1,261,503	4.88%
Weighted average Effective interest rate						4.88%		

Concise Financial Report

for the Year Ended 30 June 2017

SUPPLEMENTARY RATIO INFORMATION

RATIO INFORMATION

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

	2017	2016	2015
Asset consumption ratio	1.01	0.79	0.81
Asset renewal funding ratio	1.96	2.11	2.14

The above ratios are calculated as follows:

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

Independent Auditor's Report

TO THE ELECTORS OF THE SHIRE OF CHITTERING

MOORE STEPHENS

Level 15, Exchange Tower,
2 The Esplanade, Perth, WA 6000

PO Box 5785
St Georges Terrace, WA 6831

T +61 (0)8 9225 5355
F +61 (0)8 9225 6181

www.moorestephenswa.com.au

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

Opinion on the Audit of the Financial Report

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

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

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

Basis for Opinion

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

Report on Other Legal and Regulatory Requirements

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

- a) There are no matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- b) No matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law were noted during the course of our audit.
- c) In relation to the Supplementary Ratio Information presented at page 59 of this report, we have reviewed the calculations as presented and nothing has come to our attention to suggest it is not:
 - i) reasonably calculated; and
 - ii) based on verifiable information.
- d) All necessary information and explanations were obtained by us.
- e) All audit procedures were satisfactorily completed in conducting our audit.

Other Information

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

Independent Auditor's Report

TO THE ELECTORS OF THE SHIRE OF CHITTERING

MOORE STEPHENS

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

Responsibilities of Management and Council for the Financial Report

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

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

MOORE STEPHENS
CHARTERED ACCOUNTANTS



WEN-SHIEN CHAI
PARTNER

Date: 3 October 2017
Perth, WA



Chittering - *from Muchea through Bindoon to Wannamal*