



**Corporate Services Attachments
Wednesday, 28 October 2015**

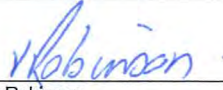
REPORT NUMBER	REPORT TITLE AND ATTACHMENT DESCRIPTION	PAGE NUMBER(S)
9.3.1	Financial statements for the period ending 30 September 2015 1. Statement of Financial Activity for period ending 30 September 2015 2. Bank reconciliation for period ending 30 September 2015 3. List of accounts paid for September 2015	1
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9.3.3	Amendment to Policy 2.12 Purchasing 1. Policy 2.12 Purchasing 2. Departmental Circular 16-2015	142

SHIRE OF CHITTERING
BANK RECONCILIATION
AS AT 30 SEPTEMBER 2015

GENERAL LEDGER	MUNI ACC	TRUST ACC	RIA RESERVE
OPENING BALANCE 1 JULY 2015	2,262,927.23	339,491.86	1,040,834.41
PLUS RECEIPTS			
TOTAL RECEIPTS (Beginning of the Month)	3,958,924.85	79,839.98	65,616.87
RECEIPTS THIS MONTH	1,236,736.44	16,107.13	6,079.15
TOTAL YEAR TO DATE RECEIPTS	5,195,661.29	95,947.11	71,696.02
LESS PAYMENTS			
TOTAL PAYMENTS (Beginning of Month)	(2,080,548.30)	(86,246.52)	(17,747.26)
PAYMENTS THIS MONTH	(776,368.76)	(3,380.02)	0.00
TOTAL YEAR TO DATE PAYMENTS	(2,856,917.06)	(89,626.54)	(17,747.26)
BALANCE	4,601,671.46	345,812.43	1,094,783.17
BANK STATEMENT			
BALANCE AS PER BENDIGO BANK	607,667.06	346,509.98	225,689.22
BALANCE AS PER CBA	297,941.68	0.00	0.00
11AM ACCOUNT	3,700,000.00	0.00	0.00
RESERVE TERM DEPOSIT - BENDIGO BANK	0.00	0.00	869,093.95
MUNICIPAL TERM DEPOSIT	0.00	0.00	0.00
WA TREASURY CORPORATION	0.00	0.00	0.00
LANDFILL TO BE RECEIPTED	(190.00)	0.00	0.00
PLUS OUTSTANDING DEPOSITS	6,146.94	3,401.45	0.00
LESS UNPRESENTED CHEQUES	(9,894.22)	(4,099.00)	0.00
RESERVE INTEREST	0.00	0.00	0.00
BALANCE	4,601,671.46	345,812.43	1,094,783.17
GENERAL LEDGER BALANCE TO:			
	1910000	1990000	1951000


FUND - INSTITUTION	AMOUNT	MATURITY	INTEREST
Reserve Term Deposit Bendigo Bank	\$869,093.95	23.02.16	2.65%
11AM Account - Bendigo Bank	\$3,700,000.00	On Call	2.00%
Municipal - Bendigo Bank	\$0.00		
WA Treasury Corporation	\$0.00		
	\$4,569,093.95		

Prepared By:


Veronica Robinson
Rates Officer

Date: 1 October 2015

Checked By:


Jean Sutherland
Executive Manager Corporate Services

Date:

11/10/15

SHIRE OF CHITTERING

ACCOUNTS PAID
AS AT THE 30 SEPTEMBER 2015 PRESENTED TO THE
COUNCIL MEETING ON THE 28 OCTOBER 2015

This Schedule of Accounts paid under delegated authority as detailed below, which is to be submitted to each member of Council on the 28 October 2015, has been checked and is fully supported by vouchers and invoices which have been duly certified as to the receipt of goods, the rendition of services and as to prices, computations and costings.

Voucher No's		Value	Pages		Fund No.	Fund Name
From	To		From	To		
PR3617	PR3617	\$ 88,520.29	1	1	1	Municipal Fund
PR3623	PR3623	\$ 88,617.11	1	1	1	Municipal Fund
EFT11495	EFT11616	\$ 540,089.94	1	4	1	Municipal Fund
13959	13977	\$ 18,637.87	4	5	1	Municipal Fund
Direct	Debit	\$ 7,438.01	5	5	1	Municipal Fund
Transfer	Transfer	\$ 33,065.54	5	5	1	Municipal Fund
473	478	\$ 3,330.02	5	5	2	Trust Fund
	Total	\$ 779,698.78				

Officer: Catherine Choules

Signature: 

Authorised by: Jean Sutherland

Signature: 

Date of Report: 1 October 2015

Disclosure of Interest by Officer: Nil

LIST OF ACCOUNTS PAID IN SEPTEMBER 2015 - SUBMITTED TO COUNCIL 28 OCTOBER 2015

Chq/EFT	Date	Name	Description	Amount
Payroll Payments				
PR 3617	09/09/2015	BENDIGO BANK	PAYROLL ENDING - 9 SEPTEMBER 2015	88,520.29
PR 3623	23/09/2015	BENDIGO BANK	PAYROLL ENDING - 23 SEPTEMBER 2015	88,617.19
Total Payroll Payments				\$ 177,137.48
EFT Payments				
EFT11495	02/09/2015	SOLAR E COMMERCIAL	DEPOSIT - SUPPLY AND INSTALL SOLAR PANELS ON ADMIN BUILDING	8,159.78
EFT11496	15/09/2015	1ST GINGIN SCOUT GROUP	KIDSPORT VOUCHERS	400.00
EFT11497	15/09/2015	A1 PLANT HIRE	PLANT HIRE FOR ROAD WORKS	1,650.00
EFT11498	15/09/2015	ACE ELECTRICAL & COMMUNICATIONS	BINDOON TRANSIT PARK - SUPPLY & INSTALL LIGHTS	2,575.64
EFT11499	15/09/2015	ARROW BRONZE	BRONZE PLAQUE FOR NICHE WALL	455.51
EFT11500	15/09/2015	AUSTRALIA POST	POSTAGE	889.54
EFT11501	15/09/2015	AUSTRALIAN TAXATION OFFICE	BAS	75,341.00
EFT11502	15/09/2015	AVON WASTE	WASTE COLLECTION SERVICES - W/E 14 & 21 AUGUST 15	23,712.05
EFT11503	15/09/2015	BADGE CONSTRUCTION (WA) PTY LTD	FINAL PAYMENT - CONSTRUCTION OF CHITTERING HEALTH CENTRE	10,153.01
EFT11504	15/09/2015	BETTA ROADS PTY LTD	POLYCOM BOTTLES	2,673.00
EFT11505	15/09/2015	BINDOON BAKEHAUS & CAFE	REFRESHMENTS	242.45
EFT11506	15/09/2015	BINDOON HARDWARE & RURAL SUPPLIES	HARDWARE & WEED CONTROL SUPPLIES	739.04
EFT11507	15/09/2015	BINDOON NETBALL ASSOCIATION	KIDSPORT VOUCHERS	335.00
EFT11508	15/09/2015	BOC LIMITED	MUCHEA VBFB - OXYGEN MEDICAL SIZE BOTTLES	69.15
EFT11509	15/09/2015	BRAGSKALE PTY LTD	COMMUNITY & SENIOR HOUSING - PROPERTY MAINTENANCE	3,947.35
EFT11510	15/09/2015	BRIDGESTONE AUSTRALIA LTD	TYRES	2,064.62
EFT11511	15/09/2015	BUNNINGS BUILDING SUPPLIES	BINDOON TRANSIT PARK - SUPPLIES	168.31
EFT11512	15/09/2015	CHITTERING CHAMBER OF COMMERCE	2015-16 MEMBER & AGM ATTENDANCE	120.00
EFT11513	15/09/2015	CHITTERING PEST & WEED	BINDOON OVAL - SPRAY WEEDS	440.00
EFT11514	15/09/2015	CLAW ENVIRONMENTAL	DRUM MUSTER - BINDOON LANDFILL	845.21
EFT11515	15/09/2015	CLUE DESIGN 2009	SELF MANAGED DIRECTORY AND EQUIPMENT SOFTWARE	165.00
EFT11516	15/09/2015	COMMANDER PTY LIMITED	SERVICE CONTRACT ON BCM PHONE SYSTEM	228.65
EFT11517	15/09/2015	COOEE COURIERS & TRANSPORT	FREIGHT	72.97
EFT11518	15/09/2015	COURIER AUSTRALIA	FREIGHT	172.57
EFT11519	15/09/2015	CUTTING EDGES PTY LTD	PARTS & EQUIPMENT	757.23
EFT11520	15/09/2015	CY O'CONNOR TAPE WA	RANGER - PROFESSIONAL DEVELOPMENT	835.65
EFT11521	15/09/2015	DAIMLER TRUCKS PERTH	PARTS & EQUIPMENT	1,124.25
EFT11522	15/09/2015	DAVID & DEBBIE WILSON	REIMBURSEMENT - CFS ICV TRAINING SUPPLIES & CATERING	141.67
EFT11523	15/09/2015	DEPARTMENT OF FIRE AND EMERGENCY	2015-16 ESL 1ST QUARTER CONTRIBUTION	56,835.60
EFT11524	15/09/2015	DIRECT TRADES SUPPLY	RURAL NUMBER POSTS	996.00

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LIST OF ACCOUNTS PAID IN SEPTEMBER 2015 - SUBMITTED TO COUNCIL 28 OCTOBER 2015

Chq/EFT	Date	Name	Description	Amount
EFT11525	15/09/2015	DUN & BRADSTREET (Australia) PTY LTD	LEGAL EXPENSES - RATES RECOVERY	1,981.45
EFT11526	15/09/2015	ELENBROOK FALCONS HOCKEY CLUB	KIDSPORT VOUCHERS	100.00
EFT11527	15/09/2015	ENTIRE FIRE MANAGEMENT	SHIRE BUSH FIRE MITIGATIONS WORKS	29,686.00
EFT11528	15/09/2015	EW & NM SCHMIDT & SONS	SERVICING OF FIRE VEHICLES	6,780.15
EFT11529	15/09/2015	FILTERS PLUS	PARTS & EQUIPMENT	11.65
EFT11530	15/09/2015	GT HARLEY FENCING	ASSISTING SHIRE RANGERS WITH FERAL SHEEP	330.00
EFT11531	15/09/2015	IAN LUSH & ASSOCIATES	CONSULTANT BUILDING SURVEYORS - CHITTERING HEALTH CENTRE	1,760.00
EFT11532	15/09/2015	JCT'S CREATIVE SOLUTIONS	CONTRACT CLEANING	5,819.00
EFT11533	15/09/2015	JEFF LOUDON	CLEANING OF ROBERT HINDMARSH REST AREA	852.50
EFT11534	15/09/2015	JR & A HERSEY	PARTS & EQUIPMENT	1,743.47
EFT11535	15/09/2015	KOMATSU AUSTRALIA PTY LTD	PARTS & REPAIRS	3,658.19
EFT11536	15/09/2015	LANDGATE CUSTOMER ACCOUNT	VALUATION EXPENSES	252.90
EFT11537	15/09/2015	LOWER CHITTERING BUSHFIRE BRIGADE	HAZARD REDUCTION BURN	500.00
EFT11538	15/09/2015	MARKETFORCE PRODUCTIONS	ADVERTISING	3,335.09
EFT11539	15/09/2015	MIL-TEK WASTE SOLUTIONS	HEALTH & SAFETY SERVICE ON WASTE COMPACTOR	269.50
EFT11540	15/09/2015	MCLEODS BARRISTERS & SOLICITORS	LEGAL EXPENSES - TARGA RALLY, DISPOSAL OF LAND, CHITTERING HEALTH CENTRE LEASE	3,421.71
EFT11541	15/09/2015	NITES ELECTRICAL	HEREFORD & MUCHEA EAST RD - INTERSECTION STREETLIGHTING PROJECT	108,710.80
EFT11542	15/09/2015	OLD MacDONALDS TRAVELLING FARMS	TASTE OF CHITTERING - BABY ANIMAL FARM	880.00
EFT11543	15/09/2015	ONPRESS DIGITAL PRINT SOLUTIONS	PREPARING & PRINTING OF FIREBREAK BOOKLETS	2,729.10
EFT11544	15/09/2015	PERTH SECURITY SERVICES	TASTE OF CHITTERING - SECURITY FOR LICENCED AREA	746.64
EFT11545	15/09/2015	PETROL PUMP REPAIRS PTY LTD	REPAIR DEPOT BOWSER	971.85
EFT11546	15/09/2015	PHIL'S SOFT SERVE	TASTE OF CHITTERING - ICECREAM FOR CHOIR	87.00
EFT11547	15/09/2015	PHOENIX HOLDEN	2 x VEHICLE CHANGEOVERS	15,405.46
EFT11548	15/09/2015	PUMA ENERGY	FUEL CARD EXPENSES	3,365.36
EFT11549	15/09/2015	RADIOWEST BROADCASTERS PTY LTD	AROUND THE TOWNS - AREA PROMOTION	88.00
EFT11550	15/09/2015	RELANCE PETROLEUM	DIESEL	8,264.50
EFT11551	15/09/2015	ROCLA PIPELINE PRODUCTS PTY LTD	PLASTREAM PIPE JOINERS	880.00
EFT11552	15/09/2015	SHAWSETT TRAINING & SAFETY	VOLUNTEER FIRE FIGHTER DRIVER TRAINING	1,002.00
EFT11553	15/09/2015	SHIRE OF CHITTERING	PAYROLL DEDUCTIONS	551.83
EFT11554	15/09/2015	STAPLES AUSTRALIA	OFFICE SUPPLIES	524.09
EFT11555	15/09/2015	STATE LIBRARY OF WA	LOST & DAMAGED BOOKS	761.20
EFT11556	15/09/2015	SYNTHETIC SPORTS SYSTEMS PTY LTD	MUCHEA CRICKET CLUB - INSTALL SUPERGRASSE TEST GRADE SYNTHETIC TURF	4,361.50
EFT11557	15/09/2015	TELEMAIL AUDIO COMMUNICATIONS	MESSAGES ON HOLD QUARTERLY SERVICE FEE	233.75
EFT11558	15/09/2015	TOTALLY WORKWEAR - Joondalup	PPE FOR WORKS CREW	721.24

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LIST OF ACCOUNTS PAID IN SEPTEMBER 2015 - SUBMITTED TO COUNCIL 28 OCTOBER 2015

Chq/EFT	Date	Name	Description	Amount
EFT11559	30/09/2015	BENDIGO BANK	CREDIT CARD CHARGES	7,482.53
EFT11560	30/09/2015	A1 PLANT HIRE	PLANT HIRE FOR ROAD WORKS	1,874.40
EFT11561	30/09/2015	ACE ELECTRICAL & COMMUNICATIONS	WORKS DEPOT - SUPPLY & INSTALL REPLACEMENT HOT WATER SYSTEM	1,239.10
EFT11562	30/09/2015	ADVANCED TRAFFIC MANAGEMENT	TRAFFIC CONTROL FOR ROADWORKS	9,957.45
EFT11563	30/09/2015	AUSTECH SURVEILLANCE PTY LTD	QUARTERLY ALARM MONITORING SERVICES	110.00
EFT11564	30/09/2015	AVON TELECOMS	INSTALL TELEPHONE UPGRADES, MESSAGE ON HOLD & SUPPLY NEW HANDSET	1,463.00
EFT11565	30/09/2015	AVON TOURISM INC	2015-16 AVON TOURISM MEMBERSHIP	5,500.00
EFT11566	30/09/2015	AVON WASTE	WASTE COLLECTION SERVICES - W/E 28 AUG & 4 SEPT 15	23,772.75
EFT11567	30/09/2015	BAILEYS FERTILISERS (AKC PTY LTD)	ENERGY TURF & FREIGHT	2,620.20
EFT11568	30/09/2015	BINDOON BAKEHAUS & CAFE	CATERING FOR FIRE TRAINING	134.90
EFT11569	30/09/2015	BINDOON MENS SHED	SCHOOL HOLIDAY ACTIVITY - MATERIALS FOR 6 CHILDREN SIZED PICNIC TABLES	600.00
EFT11570	30/09/2015	BINDOON PRIMARY SCHOOL	2015 YEAR 6 GRADUATION GIFT	150.00
EFT11571	30/09/2015	BINDOON SPORT AND RECREATION	HIRE OF CHINKABEE COMPLEX - AGE FRIENDLY COMMUNITY PLAN FOCUS GROUP	154.00
EFT11572	30/09/2015	BRAGSKALE PTY LTD	COMMUNITY & SENIOR HOUSING - PROPERTY MAINTENANCE	2,076.80
EFT11573	30/09/2015	CARDNO (WA) PTY LTD	PROGRESS PAYMENT - DEPOT FUEL TANK INVESTIGATION	5,978.50
EFT11574	30/09/2015	CHOICES	SUPPLY & INSTALL NEW CARPET TO DEVELOPMENT SERVICES RECEPTION AREA	1,554.00
EFT11575	30/09/2015	CJD EQUIPMENT PTY LTD	PARTS & EQUIPMENT	827.55
EFT11576	30/09/2015	COURIER AUSTRALIA	FREIGHT	110.53
EFT11577	30/09/2015	COVS PARTS PTY LTD	PARTS & EQUIPMENT	190.66
EFT11578	30/09/2015	CY O'CONNOR TAPE WA	RANGER - PROFESSIONAL DEVELOPMENT	319.23
EFT11579	30/09/2015	DANHIRE PTY LTD	TREE LOPPING & REMOVAL	6,710.00
EFT11580	30/09/2015	DEERING AUTRONICS	PARTS & REPAIRS	1,123.40
EFT11581	30/09/2015	DI CANDILO STEEL CITY	GREEN METAL PLATES FOR RURAL NUMBERS	852.50
EFT11582	30/09/2015	FILTREX INNOVATIVE WASTE WATER	RETURN OF SEPTIC FEE	118.00
EFT11583	30/09/2015	FIRE & SAFETY WA	PPE FOR FIRE VOLUNTEERS	2,350.09
EFT11584	30/09/2015	FLICK WASHROOM SERVICES	2015-16 LADYSAN SERVICE	4,257.00
EFT11585	30/09/2015	FRONTLINE FIRE & RESCUE EQUIPMENT	PPE FOR FIRE VOLUNTEERS	1,750.67
EFT11586	30/09/2015	HORTICULTURE INNOVATION AUSTRALIA	2015-16 MANAGING BITING FLY IN VEGETABLE CROP PROGRAM	1,258.10
EFT11587	30/09/2015	IT VISION	NEW TEMPLATE FOR CAT AND DOG RENEWAL NOTICES	1,059.30
EFT11588	30/09/2015	JR & A HERSEY	2 x LIGHT WEIGHT HARNESS FOR WHIPPER SNIPPER/BRUSHCUTTER	187.88
EFT11589	30/09/2015	KARLYN ASSIST	ADMIN - REPLACE WATER FILTER	160.00
EFT11590	30/09/2015	KEYSTART HOME LOANS LTD	LOAN REPAYMENT - SHIRE HOUSING	8,563.81
EFT11591	30/09/2015	KOMATSU AUSTRALIA PTY LTD	PARTS & REPAIRS	1,610.01
EFT11592	30/09/2015	LGMA (WA DIVISION)	2015-16 EMTS MEMBERSHIP	505.00
EFT11593	30/09/2015	MARK BARKER	REIMBURSEMENT - PRE START MEDICAL	150.00

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Attachment 1

LIST OF ACCOUNTS PAID IN SEPTEMBER 2015 - SUBMITTED TO COUNCIL 28 OCTOBER 2015

Chq/EFT	Date	Name	Description	Amount
EFT11594	30/09/2015	MARKETFORCE PRODUCTIONS	ADVERTISING	439.15
EFT11595	30/09/2015	MIDALIA STEEL	SUPPLIES FOR CHINKABEE COMPLEX	13.30
EFT11596	30/09/2015	MUCHEA IRRIGATION & RURAL SUPPLIES	SUSSEX BEND - RETIC SUPPLIES	19.00
EFT11597	30/09/2015	MUCHEA TREE FARM	PLANTS FOR CITIZENSHIP CEREMONY	10.00
EFT11598	30/09/2015	MCLEODS BARRISTERS & SOLICITORS	LEGAL EXPENSES - UNLAWFUL USE OF LAND	1,007.17
EFT11599	30/09/2015	N & M RUSSELL PLUMBING & GAS	INSTALL SEWER PITS AT TRANSIT PARK, FLUSHING UNIT FOR DUMP POINT, LAUNDRY TROUGH AT BINDOON TOILETS, STORMWATER DRAIN	11,536.00
EFT11600	30/09/2015	NORTHERN VALLEYS NEWS	CHATTER @ CHITTERING	1,595.00
EFT11601	30/09/2015	ONPRESS DIGITAL PRINT SOLUTIONS	LANDFILL INVOICE BOOKS	602.80
EFT11602	30/09/2015	PHOENIX HOLDEN	VEHICLE SERVICING	1,887.85
EFT11603	30/09/2015	RBC RURAL	PHOTOCOPIER METERPLAN CHARGES	2,572.03
EFT11604	30/09/2015	ROADSIGNS AUSTRALIA	ROAD SIGNS	83.60
EFT11605	30/09/2015	SHAWSETT TRAINING & SAFETY	VOLUNTEER FIRE FIGHTER DRIVER TRAINING	3,674.00
EFT11606	30/09/2015	SHELLY PANNELL	REIMBURSEMENT - CATERING FOR HUW DAVIES DAY	209.82
EFT11607	30/09/2015	SHIRE OF CHITTERING	PAYROLL DEDUCTIONS	632.83
EFT11608	30/09/2015	STAPLES AUSTRALIA	OFFICE SUPPLIES	236.85
EFT11609	30/09/2015	STATEWIDE CLEANING SUPPLIES PTY LTD	BATHROOM SUPPLIES	1,270.21
EFT11610	30/09/2015	STEWART & HEATON CLOTHING CO P/L	FIRE VOLUNTEER NAME BADGES	291.50
EFT11611	30/09/2015	SUNNY INDUSTRIAL BRUSHWARE	PARTS & EQUIPMENT	462.00
EFT11612	30/09/2015	VODAFONE MESSAGING	3 MESSAGING	1,287.37
EFT11613	30/09/2015	WALGA	TECH SERVICES - PROFESSIONAL DEVELOPMENT	522.50
EFT11614	30/09/2015	WC & SJ WRIGHT	FLOATING HEAVY PLANT	704.00
EFT11615	30/09/2015	WESTERN AUSTRALIAN TREASURY	LOAN REPAYMENT - GRAY ROAD DEVELOPMENT	7,081.62
EFT11616	30/09/2015	WHEATBELT BUSINESS NETWORK	2015-16 FRIENDS OF THE WBN MEMBERSHIP	82.50
Cheque Payments				\$ 540,089.94
13959	02/09/2015	SHIRE OF CHITTERING	PETTY CASH REIMBURSEMENT	491.30
13960	15/09/2015	ANALYTICAL REFERENCE LABORATORY	SOIL TESTING	55.00
13961	15/09/2015	BINDOON IGA	OFFICE & MEETING SUPPLIES	97.17
13962	15/09/2015	DEPARTMENT OF TRANSPORT	VEHICLE REGISTRATION	355.50
13963	15/09/2015	L & S DUGAY	2015-16 RATES INCENTIVE PRIZE	1,000.00
13964	15/09/2015	SYNERGY	STREETLIGHT TARIFF CHARGE	5,046.80
13965	15/09/2015	TELSTRA	MOBILE & OFFICE TELEPHONE CHARGES	3,904.83
13966	15/09/2015	THE RURAL BUILDING COMPANY	REIMBURSEMENT - FEES INCORRECTLY CHARGED	147.00
13967	30/09/2015	AUSTRALIAN INSTITUTE OF BUILDING	PRINCIPAL BUILDING SURVEYOR - PROFESSIONAL DEVELOPMENT	877.00

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LIST OF ACCOUNTS PAID IN SEPTEMBER 2015 - SUBMITTED TO COUNCIL 28 OCTOBER 2015

Chq/EFT	Date	Name	Description	Amount
13968	30/09/2015	BINDOON IGA	OFFICE & MEETING SUPPLIES	108.09
13969	30/09/2015	DEPARTMENT OF TRANSPORT	VEHICLE REGISTRATION	282.75
13970	30/09/2015	EDGAR VELDMAN	REFUND OF TIP FEE CHARGED	25.00
13971	30/09/2015	KATHLEEN MUTIMER & TAURA IOTIA	RATES REFUND	1,423.00
13972	30/09/2015	LGRCEU	PAYROLL DEDUCTIONS	174.00
13973	30/09/2015	MIDLAND BRICK CO PTY LTD	RATES REFUND	565.94
13974	30/09/2015	MR ERIC ASHMAN	RATES REFUND	777.27
13975	30/09/2015	SHIRE OF CHITTERING	PETTY CASH REIMBURSEMENT	452.05
13976	30/09/2015	SYNERGY	MUCHEA HALL ELECTRICITY CHARGES	411.75
13977	30/09/2015	WATER CORPORATION	WATER CHARGES	2,442.82
Total Cheques Payments				\$ 18,637.87
Direct Debits - Sept 15				
		BENDIGO BANK/COMMONWEALTH BANK	BANK FEES	6,774.57
		WESTNET	WESTNET/INTERNET	74.94
		CLUE DESIGN	WEB SITE MANAGEMENT	588.50
Total Direct Debits				\$ 7,438.01
Bank Transfers				
BPV56	03/09/2015	BENDIGO BANK	TRANSFER INTEREST TO TRUST ACCOUNTS	48.96
DD5059.1	09/09/2015	WA SUPER	PAYROLL DEDUCTIONS	15,866.33
DD5059.2	09/09/2015	AMP FLEXIBLE LIFETIME INSURANCE	SUPERANNUATION CONTRIBUTIONS	420.71
DD5059.3	09/09/2015	AUSTRALIAN SUPER	SUPERANNUATION CONTRIBUTIONS	387.37
DD5071.1	23/09/2015	WA SUPER	PAYROLL DEDUCTIONS	15,533.52
DD5071.2	23/09/2015	AMP FLEXIBLE LIFETIME INSURANCE	SUPERANNUATION CONTRIBUTIONS	420.71
DD5071.3	23/09/2015	AUSTRALIAN SUPER	SUPERANNUATION CONTRIBUTIONS	387.94
Total Transfers				\$ 33,065.54
Total Municipal Payments				\$ 776,368.76
Trust Payments				
473	15/09/2015	ANITA BERKERS	RETURN OF CAT TRAP BOND	50.00
474	15/09/2015	LISA JACKSON	CANCELLED - RETURN OF CAT TRAP BOND	-
475	30/09/2015	DAVID WILLIAMS	RETURN OF CROSSOVER BOND & INTEREST	1,515.02
476	30/09/2015	DEPARTMENT OF CONSUMER AND	LODGEMENT OF SECURITY BOND MONEY - BARNSLEY/TREMBLE	1,660.00
477	30/09/2015	JUDITH ALLANSON	RE-ISSUE RETURN OF BOND FROM CHITTERING GARDEN CLUB	55.00
478	30/09/2015	LISA JACKSON	RE-ISSUE RETURN OF CAT TRAP BOND	50.00
Total Trust Payments				\$ 3,330.02

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Attachment 1



MONTHLY STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2015 TO 30 SEPTEMBER 2015

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SHIRE OF CHITTERING
STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2015 TO 30 SEPTEMBER 2015

	NOTE	September 2015 Actual \$	September 2015 YTD Budget \$	2015/16 Budget \$	Variances Actuals to YTD Budget \$	Variances Actual Budget to YTD %
Operating						
Revenues/Sources	1,2					
Governance		9,826	5,861	37,919	3,965	67.65%
General Purpose Funding		230,936	236,661	791,491	(5,725)	(2.42%)
Law, Order, Public Safety		7,624	11,615	353,847	(3,991)	(34.36%)
Health		9,712	13,116	88,320	(3,404)	(25.95%)
Education and Welfare		1,557	1,869	23,800	(312)	(16.69%)
Housing		34,270	42,942	169,740	(8,672)	(20.19%)
Community Amenities		785,667	773,401	1,005,325	12,266	1.59%
Recreation and Culture		22,288	40,940	185,650	(18,652)	(45.56%) ▼
Transport		673,283	620,872	1,928,056	52,411	8.44%
Economic Services		32,377	26,480	110,940	5,897	22.27%
Other Property and Services		41,709	17,997	339,100	23,712	131.76% ▲
		<u>1,849,249</u>	<u>1,791,754</u>	<u>5,034,187</u>	<u>57,495</u>	<u>3.21%</u>
(Expenses)/(Applications)	1,2					
Governance		(221,867)	(269,523)	(1,065,357)	47,656	17.68% ▼
General Purpose Funding		(46,647)	(50,824)	(228,583)	4,177	8.22%
Law, Order, Public Safety		(287,693)	(288,797)	(931,060)	1,104	0.38%
Health		(80,727)	(111,799)	(401,721)	31,072	27.79% ▼
Education and Welfare		(16,331)	(33,508)	(136,659)	17,177	51.26% ▼
Housing		(59,637)	(83,808)	(310,741)	24,171	28.84% ▼
Community Amenities		(374,174)	(495,727)	(2,037,769)	121,553	24.52% ▼
Recreation & Culture		(284,886)	(340,661)	(1,419,159)	55,775	16.37% ▼
Transport		(1,194,346)	(582,116)	(2,229,519)	(612,230)	(105.17%) ▲
Economic Services		(151,339)	(161,438)	(627,170)	10,099	6.26%
Other Property and Services		5,950	(18,485)	(73,638)	24,435	132.19% ▼
		<u>(2,711,697)</u>	<u>(2,436,686)</u>	<u>(9,461,376)</u>	<u>(275,011)</u>	<u>11.29%</u>
Adjustments for Non-Cash						
(Revenue) and Expenditure						
(Profit)/Loss on Asset Disposals	4	12,414	11,776	(256,041)	638	(5.42%)
Movement in Deferred Pensioner Rates/ESL		0	0	0	0	0.00%
Movement in Employee Benefit Provisions		26,009	0	0	26,009	0.00%
Movement in Deferred Liabilities		0	0	0	0	0.00%
Rounding Adjustment		1	0	1	1	0.00%
Depreciation on Assets	2(a)	1,089,119	529,218	2,117,026	559,901	(105.80%) ▲
Capital Revenue and (Expenditure)						
Purchase Land and Buildings	3	(89,628)	(163,692)	(384,094)	74,064	45.25% ▼
Purchase Furniture and Equipment	3	(7,229)	0	(53,800)	(7,229)	0.00%
Purchase Plant and Equipment	3	0	0	(478,000)	0	0.00%
Purchase Motor Vehicles	3	(119,400)	(120,000)	(162,000)	600	0.50%
Purchase Infrastructure Assets - Roads	3	(227,632)	(352,522)	(2,952,407)	124,890	35.43% ▼
Purchase Infrastructure Assets - Bridges	3	0	0	0	0	0.00%
Purchase Infrastructure Assets - Footpaths	3	0	0	0	0	0.00%
Purchase Infrastructure Assets - Drainage	3	0	0	0	0	0.00%
Purchase Infrastructure Assets - Parks & Ovals	3	0	0	0	0	0.00%
Purchase Infrastructure Assets - Other	3	(23,322)	0	(158,500)	(23,322)	0.00%
Proceeds from Disposal of Assets	4	118,665	121,850	515,350	(3,185)	(2.61%)
Repayment of Debentures	5	(27,782)	(25,455)	(78,014)	(2,327)	(9.14%)
Transfers to Restricted Assets (Reserves)	6	(71,696)	(72,179)	(368,430)	483	0.67%
Transfers from Restricted Assets (Reserves)	6	17,747	18,030	106,824	(283)	(1.57%)
ADD Net Current Assets July 1 B/Fwd	7	1,704,446	1,666,499	1,666,499	37,947	2.28%
LESS Net Current Assets Year to Date	7	<u>6,400,706</u>	<u>5,877,624</u>	<u>0</u>	<u>523,082</u>	<u>(8.90%)</u>
Amount Raised from Rates	8	<u>(4,861,442)</u>	<u>(4,909,031)</u>	<u>(4,912,776)</u>	<u>47,589</u>	<u>(0.97%)</u>

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

SHIRE OF CHITTERING

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2015 TO 30 SEPTEMBER 2015

1. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of this statement of financial activity are:

(a) Basis of Accounting

The financial report is a general purpose financial report which has been prepared in accordance with applicable Australian Accounting Standards and the Local Government Act 1995 (as amended) and accompanying regulations (as amended). The report has also been prepared on the accrual basis under the convention of historical cost accounting modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

(b) The Local Government Reporting Entity

All Funds through which the Council controls resources to carry on its functions have been included in this statement.

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 statement, but a separate statement of those monies appears at Note 9.

(c) Rounding Off Figures

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

(d) Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the 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.

(e) Goods and Services Tax

In accordance with recommended practice, revenues, expenses and assets capitalised are stated net of any GST recoverable. Receivables and payables are stated inclusive of applicable GST.

(f) Superannuation

The Shire of Chittering contributes to the Local Government Superannuation Scheme and the Occupational Superannuation Fund. Both funds are defined contribution schemes.

Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent a cash refund or a reduction in the future payments is available.

(g) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included as short-term borrowings in current liabilities.

SHIRE OF CHITTERING

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2015 TO 30 SEPTEMBER 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Trade and Other Receivables

Trade receivables, which generally have 30 - 90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less any allowance for uncollectible amounts.

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

(i) Inventories

General

Inventories are valued 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.

Inventories held from trading are classified as current even if not expected to be realised in the next 12 months.

Land Held for Resale

Land purchased for development and/or resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development and interest incurred on the financing of that land during its development. Interest and holding charges incurred after development is complete are recognised as expenses.

Revenue arising from the sale of property is recognised in the operating statement as at the time of signing a binding contract of sale.

Land held for resale is classified as current except where it is held as non-current based on Council's

(j) Fixed Assets

Initial Recognition

All assets are initially recognised at cost. 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 includes the cost of all materials, direct labour and variable and fixed overheads.

Revaluation

Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on a basis to reflect the already consumed or expired future economic benefits.

Those assets carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses, are to be revalued with sufficient regularity to ensure the carrying amount does not differ significantly from that determined using fair value at reporting date.

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 this 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 Council.

SHIRE OF CHITTERING

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2015 TO 30 SEPTEMBER 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Depreciation of Non-Current Assets

All non-current assets having a limited useful life are separately and systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets. Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time the asset is completed and held ready for use.

Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period. Major depreciation periods are:

Buildings	30 to 50 years
Furniture and Equipment	4 to 10 years
Computer Equipment and Software	3 years
Plant and Equipment - Heavy	5 to 15 years
Plant and Equipment - Light	0 to 10 years
Sealed roads and streets	
clearing and earthworks	not depreciated
construction/road base	50 years
original surfacing and	
major re-surfacing	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
clearing and earthworks	not depreciated
construction/road base	50 years
gravel sheet	12 years
Formed roads (unsealed)	
clearing and earthworks	not depreciated
construction/road base	50 years
Footpaths - slab	40 years
Footpaths - asphalt	10 years
Sewerage piping	100 years
Water supply piping & drainage systems	75 years

Property, plant and equipment is brought to account at cost and will be carried at net written down values. Items of property, plant and equipment, including buildings but excluding freehold land are to be depreciated over estimated useful lives on a straight line basis.

(l) Classification

Council classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

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

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. 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. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in

SHIRE OF CHITTERING

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2015 TO 30 SEPTEMBER 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) *Classification (Continued)**(iii) Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity. If Council were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

(iv) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which Council commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the income statement within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the income statement as part of revenue from continuing operations when Council's right to receive payments is established. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

Impairment

Council assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss- measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments classified as available-for-sale are not reversed through the income statement.

SHIRE OF CHITTERING

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2015 TO 30 SEPTEMBER 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

- (m) The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments.

(n) **Impairment**

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 estimate of the recoverable amount of the asset is made in accordance with AASB 136 "Impairment of Assets" and appropriate adjustments made.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Income Statement.

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

At the time of adopting the budget, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2011.

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

(o) **Trade and Other Payables**

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Municipality prior to the end of the financial year that are unpaid and arise when the Municipality becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

SHIRE OF CHITTERING

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2015 TO 30 SEPTEMBER 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Employee Benefits

The provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

(i) Wages, Salaries, Annual Leave and Long Service Leave (Short-term Benefits)

The provision for employees' benefits to wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount the municipality has a present obligation to pay resulting from employees services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the Council expects to pay and includes related on-costs.

- The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where Council does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

(q) Interest-bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

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.

(r) Provisions

Provisions are recognised when: The council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of

(s) Current and Non-Current Classification

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where Council 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 resale where it is held as non-current based on Council's intentions to release for sale.

SHIRE OF CHITTERING

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2015 TO 30 SEPTEMBER 2015

2. 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 and for each of its broad activities/programs.

Shire of Chittering Vision Statement

Chittering: Keeping the balance

Because we:

- *have a long term view of the area*
- *place emphasis on the shire's assets*
- *undertake detailed assessments on new major works*
- *manage and operate using effective and efficient approaches*
- *ensure the finances are adequately managed*
- *carry out regular performance assessments*

Shire of Chittering Mission Statement

"To work with and for our local community; to enhance our rural lifestyle; to protect our natural environment; to provide good governance and quality services; to operate with long term sustainability as an achievable goal; to encourage and approve suitable, non-intrusive, sustainable development; and to encourage employment within these frameworks."

Shire of Chittering Values

- | | |
|-------------------------|---------------------------------|
| • <i>Excellence</i> | • <i>Trust</i> |
| • <i>Integrity</i> | • <i>Respect</i> |
| • <i>Consistency</i> | • <i>Valuing our staff</i> |
| • <i>Communication</i> | • <i>Continuous improvement</i> |
| • <i>Customer focus</i> | |
| • <i>Co-operation</i> | |

Council operations as disclosed in this report encompasses the following service orientated activities/programs:

GOVERNANCE - SCHEDULE 4

Administration and operation of facilities and services to elected members of Council, policy determination, public ceremonies and presentations. Other costs relating to tasks of assisting elected members and ratepayers, which do not concern specific council services.

GENERAL PURPOSE FUNDING - SCHEDULE 3

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY - SCHEDULE 5

Supervision of local laws, fire prevention including the provision of six volunteer fire brigades, animal control and the support of local emergency and public safety organisations such as the Chittering Rural Watch.

HEALTH - SCHEDULE 7

Food quality control, immunisation, contributions to medical health and the operation of the Chittering Community Health Centre and the Chittering-Gingin St John Ambulance

SHIRE OF CHITTERING

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2015 TO 30 SEPTEMBER 2015

2. STATEMENT OF OBJECTIVE (Continued)**EDUCATION AND WELFARE - SCHEDULE 8**

Operation and control of Senior Services other than housing, vacation swimming classes and youth services. The provision and maintenance of school bus shelters.

HOUSING - SCHEDULE 9

Maintenance of staff and rental housing. Administration and maintenance of community and seniors housing units in a joint venture arrangement with Homeswest.

COMMUNITY AMENITIES - SCHEDULE 10

Operation and control of cemeteries, public conveniences and sanitation services including the Bindoon, Muchea and Wannamal refuse sites. Funding of Town Planning services, drainage schemes and Landcare projects

RECREATION AND CULTURE - SCHEDULE 11

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

TRANSPORT - SCHEDULE 12

Construction and maintenance of roads, bridges footpaths, drainage works, lighting and cleaning of streets and Department of Transport licensing administration.

ECONOMIC SERVICES - SCHEDULE 13

The regulation and provision of building and extractive industries control, tourism services, area promotion, noxious weed control, community bus operations, business enterprise centre contributions and other economic development initiatives.

OTHER PROPERTY & SERVICES - SCHEDULE 14

Private works carried out by Council, public works and plant operation costs allocation.

SHIRE OF CHITTERING

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2015 TO 30 SEPTEMBER 2015

	2015/16 Budget \$	September 2015 Actual \$	
3. ACQUISITION OF ASSETS			
The following assets have been acquired during the period under review:			
<u>By Program</u>			
Administration			
Administration Centre Solar Panels	35,000	8,774	
Admin Centre - CCTV	9,300	0	
Photocopier - Tech Services	7,500	7,229	
Motor Vehicle - CEO	42,000	0	
Motor Vehicle - EMCS	32,000	31,920	
Law, Order & Public Safety			
<u>Fire Prevention</u>			
Water Tank - Chittering Rise	12,000	0	
<u>Other Health</u>			
Chittering Health Centre	158,194	75,473	
Community Amenities			
<u>Sanitation - Household Refuse</u>			
Generator - Landfill	8,000	0	
<u>Town Planning & Regional Development</u>			
Motor Vehicle - EMDS	32,000	31,926	
Recreation and Culture			
<u>Public Halls, Civic Centres</u>			
Muchea Car Park Upgrade	46,000	3,949	(Job Level)
Chittering Hall Disabled Toilet	72,000	0	(Job Level)
Wannamal Hall - Shaded seating/Air Conditioning	42,000	0	(Job Level)
Chinkabee Complex - Upgrade to Bathroom/Lighting	18,900	3,438	(Job Level)
Mucha Hall - CCTV	15,000	0	(Job Level)
<u>Other Recreation & Sport</u>			
Sussex Bend Toilet Block	58,000	1,943	(Job Level)
Bindoon Transit Park	10,500	11,460	(Job Level)
Sussex Bend - CCTV	22,000	0	(Job Level)
Muchea Cricket Wicket	10,000	3,965	(Job Level)
Lower Chittering Cricket Wicket	20,000	0	(Job Level)
Clune Park Car Park	72,000	3,949	(Job Level)

SHIRE OF CHITTERING

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2015 TO 30 SEPTEMBER 2015

	2015/16 Budget \$	September 2015 Actual \$	
3. ACQUISITION OF ASSETS			
The following assets have been acquired during the period under review:			
<u>By Program (Continued)</u>			
Transport			
<u>Construction Streets, Roads, Bridges, Depots</u>			
Works Program/Road Construction			
- RRG - Chittering Road	750,067	29,100	(Job Level)
- BS - Julimar Road	217,801	9,203	(Job Level)
- BS - Muchea East Rd	390,428	113,631	(Job Level)
- BS - Blue Plains/Maddern Roads	303,900	6,024	(Job Level)
- Roads to Recovery - Binda Place	686,566	18,418	(Job Level)
- Council - Parkside Gardens	209,646	14,312	(Job Level)
- Council - North Road	75,000	30,877	(Job Level)
- Council - Archibald Street	172,000	6,067	(Job Level)
- Footpath - Ridgetop Ramble	147,000	0	(Job Level)
- Council - Woolah Rise	0	0	(Job Level)
- Council - Koomal Street	0	0	(Job Level)
<u>Road Plant Purchases</u>			
Motor Vehicle - EMTS	37,000	36,819	
Crew Cab Truck - CH10099	82,000	0	
Road Broom - CH6085	60,000	0	
Backhoe - CH1266	170,000	0	
Isuzu Water Truck - CH1256	146,000	0	
<u>Economic Development</u>			
Motor Vehicle - CH602	19,000	18,736	
	<u>4,188,801</u>	<u>467,210</u>	

SHIRE OF CHITTERING

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2015 TO 30 SEPTEMBER 2015

	2015/16 Budget \$	September 2015 Actual \$
3. ACQUISITION OF ASSETS (Continued)		
The following assets have been acquired during the period under review:		
<u>By Class</u>		
Land	0	0
Land and Buildings	384,094	89,628
Furniture and Equipment	53,800	7,229
Plant and Equipment	478,000	0
Motor Vehicles	162,000	119,400
Infrastructure Assets - Roads	2,952,407	227,632
Infrastructure Assets - Other	158,500	23,322
	<u>4,188,801</u>	<u>467,210</u>

SHIRE OF CHITTERING

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2015 TO 30 SEPTEMBER 2015

4. DISPOSALS OF ASSETS

The following assets have been disposed of during the period under review:

By Program	Written Down Value		Sale Proceeds		Profit(Loss)	
	2015/16 Budget \$	September 2,015 Actual \$	2015/16 Budget \$	September 2,015 Actual \$	2015/16 Budget \$	September 2,015 Actual \$
Administration						
MVS157 - Holden Caprice	40,309	0	38,500	0	(1,809)	0
MVS130 - Holden Commodore	28,625	28,942	25,000	25,000	(3,625)	(3,942)
Community Amenities						
MVS724 - Holden Commodore	28,307	28,942	25,000	25,000	(3,307)	(3,942)
Transport						
MVU322 - Holden Colorado	25,503	26,948	27,850	27,851	2,347	903
MVU819 - Holden Colorado	31,073	32,026	32,000	28,541	927	(3,485)
PH1030 - Crew Cab Truck	19,517	0	29,000	0	9,483	0
PH1001 - Isuzu Truck	32,802	0	18,000	0	(14,802)	0
PH1302 - Backhoe	40,273	0	33,000	0	(7,273)	0
PLE475 - Road Broom	900	0	10,000	0	9,100	0
Economic Services						
MVS156 - Holden Cruze	12,000	12,968	12,000	12,273	0	(696)
Other Property & Services						
FCOP504 Photocopier	0	1,251	0	0	0	(1,251)
Unclassified						
Land - Portion Lot 62	0	0	265,000	0	265,000	0
	259,309	131,078	515,350	118,665	256,041	(12,414)

By Class of Asset	Written Down Value		Sale Proceeds		Profit(Loss)	
	2015/16 Budget \$	September 2,015 Actual \$	2015/16 Budget \$	September 2,015 Actual \$	2015/16 Budget \$	September 2,015 Actual \$
Motor Vehicles	165,817	129,827	160,350	118,665	(5,467)	(11,162)
Plant & Equipment	93,492	0	90,000	0	(3,492)	0
Furniture & Equipment	0	1,251	0	0	0	(1,251)
Land	0	0	265,000	0	265,000	0
	259,309	131,078	515,350	118,665	256,041	(12,414)

Summary

Profit on Asset Disposals
Loss on Asset Disposals

2015/16 Budget \$	September 2,015 Actual \$
286,857	903
(30,816)	(13,317)
256,041	(12,414)

SHIRE OF CHITTERING

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2015 TO 30 SEPTEMBER 2015

5. INFORMATION ON BORROWINGS

(a) Debenture Repayments

Particulars	Principal 1-Jul-15	New Loans		Principal Repayments		Principal Outstanding		Interest Repayments	
		2015/16 Budget \$	2015/16 Actual \$	2015/16 Budget \$	2015/16 Actual \$	2015/16 Budget \$	2015/16 Actual \$	2015/16 Budget \$	2015/16 Actual \$
Health									
Loan 79 - Multi Purpose Health Centre	637,359			23,824	11,782	613,535	625,577	27,848	2,811
Housing									
Loan 72 Staff Housing Development	172,437			24,559	5,991	147,878	166,446	9,696	2,545
Loan 73 Seniors & Community Housing	55,652			7,071	1,724	48,581	53,928	3,516	912
Transport									
Loan 79 New Grader	297,185			11,109	5,494	286,076	291,691	12,985	1,311
Recreation & Culture									
Loan 74 Land Acquisition Gray Road	98,870			11,451	2,791	87,419	96,079	6,293	1,625
	1,261,503	0	0	78,014	27,782	1,183,489	1,233,721	60,338	9,204

All loan repayments are financed by general purpose income.

SHIRE OF CHITTERING

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2015 TO 30 SEPTEMBER 2015

5. INFORMATION ON BORROWINGS (Continued)

(b) New Debentures - 2015/16

Nil

SHIRE OF CHITTERING

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2015 TO 30 SEPTEMBER 2015

	2015/16 Budget \$	September 2015 Actual \$
6. RESERVES		
Cash Backed Reserves		
(a) Employee Entitlements Reserve		
Opening Balance	155,702	155,702
Amount Set Aside / Transfer to Reserve	28,740	26,009
Amount Used / Transfer from Reserve	(16,151)	0
	<u>168,291</u>	<u>181,711</u>
(b) Plant Replacement Reserve		
Opening Balance	89,388	89,388
Amount Set Aside / Transfer to Reserve	2,147	499
Amount Used / Transfer from Reserve	0	0
	<u>91,535</u>	<u>89,887</u>
(c) Public Amenities and Buildings Reserve		
Opening Balance	29,832	29,832
Amount Set Aside / Transfer to Reserve	32,083	18,823
Amount Used / Transfer from Reserve	(7,500)	0
	<u>54,415</u>	<u>48,655</u>
(d) Gravel Acquisition Reserve		
Opening Balance	64,754	64,754
Amount Set Aside / Transfer to Reserve	1,555	362
Amount Used / Transfer from Reserve	0	0
	<u>66,309</u>	<u>65,116</u>
(e) Community Housing Reserve		
Opening Balance	68,092	68,092
Amount Set Aside / Transfer to Reserve	6,436	5,207
Amount Used / Transfer from Reserve	0	0
	<u>74,528</u>	<u>73,299</u>
(f) Seniors Housing Reserve		
Opening Balance	8,542	8,542
Amount Set Aside / Transfer to Reserve	4,205	4,070
Amount Used / Transfer from Reserve	0	0
	<u>12,747</u>	<u>12,612</u>
(g) Brockman Centre Precinct Reserve		
Opening Balance	9,502	9,502
Amount Set Aside / Transfer to Reserve	228	0
Amount Used / Transfer from Reserve	(9,730)	(9,502)
	<u>0</u>	<u>0</u>
(h) Public Open Space Reserve		
Opening Balance	255,451	255,450
Amount Set Aside / Transfer to Reserve	6,136	1,426
Amount Used / Transfer from Reserve	(65,000)	0
	<u>196,587</u>	<u>256,876</u>
(i) Bindoon Community Bus Reserve		
Opening Balance	42,354	42,354
Amount Set Aside / Transfer to Reserve	1,017	237
Amount Used / Transfer from Reserve	0	0
	<u>43,371</u>	<u>42,591</u>

SHIRE OF CHITTERING

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2015 TO 30 SEPTEMBER 2015

	2015/16 Budget \$	September 2015 Actual \$
6. RESERVES (Continued)		
Cash Backed Reserves (Continued)		
(j) Bindoon Cemetery Development Reserve		
Opening Balance	32,025	32,025
Amount Set Aside / Transfer to Reserve	769	179
Amount Used / Transfer from Reserve	0	0
	<u>32,794</u>	<u>32,204</u>
(k) Administration Centre Reserve		
Opening Balance	3,551	3,551
Amount Set Aside / Transfer to Reserve	85	0
Amount Used / Transfer from Reserve	(3,636)	(3,551)
	<u>0</u>	<u>0</u>
(l) Recreation Development Reserve		
Opening Balance	43,800	43,800
Amount Set Aside / Transfer to Reserve	1,052	245
Amount Used / Transfer from Reserve	0	0
	<u>44,852</u>	<u>44,045</u>
(m) Ambulance Replacement Reserve		
Opening Balance	1,157	1,157
Amount Set Aside / Transfer to Reserve	28	6
Amount Used / Transfer from Reserve	0	0
	<u>1,185</u>	<u>1,163</u>
(n) Waste Management Reserve		
Opening Balance	20,996	20,996
Amount Set Aside / Transfer to Reserve	13,768	13,455
Amount Used / Transfer from Reserve	0	0
	<u>34,764</u>	<u>34,451</u>
(o) Office Equipment Reserve		
Opening Balance	4,694	4,694
Amount Set Aside / Transfer to Reserve	113	0
Amount Used / Transfer from Reserve	(4,807)	(4,694)
	<u>0</u>	<u>0</u>
(p) Landcare Vehicles Reserve		
Opening Balance	68,295	68,295
Amount Set Aside / Transfer to Reserve	1,640	381
Amount Used / Transfer from Reserve	0	0
	<u>69,935</u>	<u>68,676</u>
(q) Binda Place Reserve		
Opening Balance	107,468	107,469
Amount Set Aside / Transfer to Reserve	267,581	600
Amount Used / Transfer from Reserve	0	0
	<u>375,049</u>	<u>108,069</u>
(r) Contributions to Roadworks Reserve		
Opening Balance	35,231	35,231
Amount Set Aside / Transfer to Reserve	847	197
Amount Used / Transfer from Reserve	0	0
	<u>36,078</u>	<u>35,428</u>
Total Cash Backed Reserves	<u><u>1,302,440</u></u>	<u><u>1,094,783</u></u>

All of the above reserve accounts are to be supported by money held in financial institutions.

SHIRE OF CHITTERING

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2015 TO 30 SEPTEMBER 2015

	2015/16 Budget \$	September 2015 Actual \$
6. RESERVES (Continued)		
Cash Backed Reserves (Continued)		
Summary of Transfers		
To Cash Backed Reserves		
Transfers to Reserves		
Employee Entitlement Reserve	28,740	26,009
Plant Replacement Reserve	2,147	499
Public Amenities and Buildings	32,083	18,823
Gravel Acquisition	1,555	362
Community Housing	6,436	5,207
Seniors Housing	4,205	4,070
Brockman Centre Precinct	228	0
Public Open Space	6,136	1,426
Bindoon Community Bus	1,017	237
Cemetery Development	769	179
Administration Centre	85	0
Recreation Development	1,052	245
Ambulance Replacement	28	6
Waste Management	13,768	13,455
Office Equipment	113	0
Landcare Vehicles	1,640	381
Binda Place	267,581	600
Contributions to Roadworks	847	197
	<u>368,430</u>	<u>71,696</u>
Transfers from Reserves		
Employee Entitlement Reserve	(16,151)	0
Plant Replacement Reserve	0	0
Public Amenities and Buildings	(7,500)	0
Gravel Acquisition	0	0
Community Housing	0	0
Seniors Housing	0	0
Brockman Centre Precinct	(9,730)	(9,502)
Public Open Space	(65,000)	0
Bindoon Community Bus	0	0
Cemetery Development	0	0
Administration Centre	(3,636)	(3,551)
Recreation Development	0	0
Ambulance Replacement	0	0
Waste Management	0	0
Office Equipment	(4,807)	(4,694)
Landcare Vehicles	0	0
Binda Place	0	0
Contributions to Roadworks	0	0
	<u>(106,824)</u>	<u>(17,747)</u>
Total Transfer to/(from) Reserves	<u>261,606</u>	<u>53,949</u>

SHIRE OF CHITTERING

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2015 TO 30 SEPTEMBER 2015

6. RESERVES (Continued)

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

Employee Entitlements Reserve

- to be used to fund employee accumulated annual, sick, long service leave and employee gratuities

Plant Replacement Reserve

- to be used to fund plant purchases, trades or major overhauls

Public Amenities and Buildings Reserve

- to be used to fund future public amenities and building maintenance requirements of Council

Gravel Acquisition Reserve

- to be used to fund the purchase of gravel or land containing gravel

Community Housing Reserve

- to be used to fund repairs, improvements, extensions or construction of community units

Seniors Housing Reserve

- to be used to fund repairs, improvements, extensions or construction of seniors units

Brockman Centre Precinct Reserve

- to be closed in 2015/2016 and the funds transferred to the Public Buildings & Amenities Reserve

Public Open Space Reserve

- to be used to fund public open space developments in accordance with developer precincts

Bindoon Community Bus Reserve

- to be used to fund the shortfall on operations of the bus and to allow for its eventual replacement

Bindoon Cemetery Development Reserve

- to be used to fund the development or acquisition of cemetery land or facilities

Administration Centre Reserve

- to be closed in 2015/2016 and the funds transferred to the Public Buildings & Amenities Reserve

Recreation Development Reserve

- to be used to fund the development or acquisition of recreation land or facilities

Ambulance Replacement Reserve

- to be used to contribute towards the cost of purchasing or replacing an Ambulance

Waste Management Reserve

- to be used to fund the replacement of landfill sites and rehabilitation of existing landfill sites

Office Equipment Reserve

- to be closed in 2015/16 and the funds transferred to the Municipal Account to part fund the planned replacement Copier purchase.

Landcare Vehicles Reserve

- to be used for the financing of Landcare vehicles

Binda Place Reserve

- to be used for the upgrade of Binda Place with additional car parking

Contributions to Roadworks Reserve

- to be used for the maintenance of Mooliabeenee Road

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

SHIRE OF CHITTERING

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2015 TO 30 SEPTEMBER 2015

	2014/15 B/Fwd Per 2015/16 Budget \$	2014/15 B/Fwd Per Financial Report \$	September 2015 Actual \$
7. NET CURRENT ASSETS			
Composition of Estimated Net Current Asset Position			
CURRENT ASSETS			
Cash - Unrestricted	1,566,148	796,456	4,349,725
Cash - Restricted Unspent Grants	279,512	785,722	253,197
Cash - Restricted Unspent Loans	0	682,000	0
Cash - Restricted Reserves	1,040,834	1,040,834	1,094,783
Rates - Current	131,500	131,476	2,183,710
Sundry Debtors	134,162	126,345	82,036
Provision For Doubtful Debts	(3,685)	(3,685)	(3,685)
Inventories	(2,409)	6,641	(3,727)
	<u>3,146,062</u>	<u>3,565,789</u>	<u>7,956,039</u>
LESS: CURRENT LIABILITIES			
Sundry Creditors	(123,724)	(385,845)	(130,066)
Income Received in Advance	0	0	(19,239)
Accrued Interest	0	(16,542)	0
Accrued Salaries & Wages	0	(103,779)	0
GST Payable	0	662	(22,249)
Leave Provisions	(470,707)	(470,707)	(470,707)
	<u>(594,431)</u>	<u>(976,211)</u>	<u>(642,261)</u>
NET CURRENT ASSET POSITION	2,551,631	2,589,578	7,313,778
Less: Cash - Reserves - Restricted	(1,040,834)	(1,040,834)	(1,094,783)
Less: Cash - Unspent Grants - Restricted	0	0	0
Add Back : Liabilities Supported by Reserves	155,702	155,702	181,711
Adjustment for Trust Transactions Within Muni	0	0	0
ESTIMATED SURPLUS/(DEFICIENCY) C/FWD	<u>1,666,499</u>	<u>1,704,446</u>	<u>6,400,706</u>

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2015 TO 30 SEPTEMBER 2015

8. RATING INFORMATION

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	2015/16 Rate Revenue \$	2015/16 Interim Rates \$	2015/16 Back Rates \$	2015/16 Total Revenue \$	2015/16 Budget \$
General Rate								
GRV - General Rate	0.093728	1,492	28,330,454	2,655,356	651	0	2,656,007	2,657,357
UV - General Rate	0.060100	694	31,267,300	1,879,165	27,817	0	1,906,982	1,882,155
Sub-Totals		2,186	59,597,754	4,534,521	28,468	0	4,562,989	4,539,512
Minimum Rates	Minimum \$							
GRV - General Rate	1000	481	3,105,181	481,000	0	0	481,000	481,000
UV - General Rate	950	83	287,854,824	78,850	0	0	78,850	78,850
Sub-Totals		564	290,960,005	559,850	0	0	559,850	559,850
Specified Area Rates							0	0
							5,122,839	5,099,362
Concessions							(186,586)	(186,586)
Movement in Excess Rates							(74,811)	0
Totals							4,861,442	4,912,776

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

The general rates detailed above for the 2015/16 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also bearing considering the extent of any increase in rating over the level adopted in the previous year.

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

SHIRE OF CHITTERING

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2015 TO 30 SEPTEMBER 2015

9. TRUST FUNDS

Funds held at balance date over which the Municipality has no control and which are not included in this statement are as follows:

Detail	Balance 01-Jul-15 \$	Amounts Received \$	Amounts Paid (\$)	Balance \$
BCITF Levy	2	16,242	0	16,244
BRB Levy	1	14,615	0	14,616
Bonds - Key & Hall Hire	16,127	550	0	16,677
Bonds - Animal Control	250	150	(300)	100
Bonds - Extractive Industries	29,330	13	(469)	28,874
Bonds - Developer	182,921	76	(47,121)	135,876
Bonds - Community Bus Hire	1,155	0	(55)	1,100
Bonds - Crossovers	61,239	10	(39,229)	22,020
Extractive Industry Licences	3,880	0	0	3,880
Revegetation of Block Trust	0	10	0	10
Bonds - Pit Rehabilitation	31,287	10	0	31,297
Bonds - Seal Coat	0	0	0	0
Bonds - Sand Extraction	251	0	0	251
Bonds - Defect Roadworks	77	60,298	0	60,375
Bonds - Transportable Buildings	0	0	0	0
Bonds - Community Housing	2	688	(688)	2
Bonds - Staff Housing	1	1,660	(1,660)	1
Unclaimed Monies Trust	407	0	0	407
Bonds - Gravel Pit	12,562	0	0	12,562
Nominations - Elected Members	0	1,520	0	1,520
	339,492	95,842	(89,522)	345,812

SHIRE OF CHITTERING

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2015 TO 30 SEPTEMBER 2015

10. OPERATING STATEMENT

	September 2015 Actual \$	2015/16 Budget \$	2014/15 Actual \$
OPERATING REVENUES			
Governance	9,826	37,919	80,355
General Purpose Funding	5,092,378	5,704,267	7,135,296
Law, Order, Public Safety	7,624	353,847	1,086,976
Health	9,712	88,320	1,034,704
Education and Welfare	1,557	23,800	37,833
Housing	34,270	169,740	137,730
Community Amenities	785,667	1,005,325	953,107
Recreation and Culture	22,288	185,650	774,866
Transport	673,283	1,928,056	1,011,688
Economic Services	32,377	110,940	164,330
Other Property and Services	41,709	339,100	390,451
TOTAL OPERATING REVENUE	6,710,691	9,946,964	12,807,335
OPERATING EXPENSES			
Governance	221,867	1,065,357	1,023,956
General Purpose Funding	46,647	228,583	353,719
Law, Order, Public Safety	287,693	931,060	927,192
Health	80,727	401,721	280,215
Education and Welfare	16,331	136,659	132,075
Housing	59,637	310,741	257,423
Community Amenities	374,174	2,037,769	1,809,958
Recreation & Culture	284,886	1,419,159	1,396,839
Transport	1,194,346	2,229,519	2,163,297
Economic Services	151,339	627,170	615,305
Other Property and Services	(5,950)	73,639	278,250
TOTAL OPERATING EXPENSE	2,711,697	9,461,378	9,238,230
CHANGE IN NET ASSETS RESULTING FROM OPERATIONS	3,998,994	485,586	3,569,105

SHIRE OF CHITTERING

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2015 TO 30 SEPTEMBER 2015

11. BALANCE SHEET

	September 2015 Actual \$	2014/15 Actual \$
CURRENT ASSETS		
Cash and Cash Equivalents	5,697,705	3,305,012
Trade and Other Receivables	2,262,060	314,624
Inventories	(3,727)	6,641
Other Financial Assets	42,500	42,500
TOTAL CURRENT ASSETS	7,998,538	3,668,777
NON-CURRENT ASSETS		
Other Receivables	42,506	42,506
Inventories	0	0
Property, Plant and Equipment	29,119,694	29,277,614
Infrastructure	104,435,576	105,030,641
TOTAL NON-CURRENT ASSETS	133,597,776	134,350,761
TOTAL ASSETS	141,596,314	138,019,538
CURRENT LIABILITIES		
Trade and Other Payables	171,555	565,993
Long Term Borrowings	53,759	81,541
Provisions	470,707	470,707
TOTAL CURRENT LIABILITIES	696,021	1,118,241
NON-CURRENT LIABILITIES		
Trade and Other Payables	0	0
Long Term Borrowings	1,179,962	1,179,962
Provisions	127,037	127,037
TOTAL NON-CURRENT LIABILITIES	1,306,999	1,306,999
TOTAL LIABILITIES	2,003,020	2,425,240
NET ASSETS	139,593,294	135,594,298
EQUITY		
Retained Surplus	62,121,143	58,176,096
Reserves - Cash Backed	1,094,783	1,040,834
Reserves - Asset Revaluation	76,377,368	76,377,368
TOTAL EQUITY	139,593,294	135,594,298

SHIRE OF CHITTERING

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2015 TO 30 SEPTEMBER 2015

12. FINANCIAL RATIOS

	2016	2015	2014	2013
Current Ratio	12.931	2.411	1.697	2.790

$$\frac{\text{current assets minus restricted current assets}}{\text{current liabilities minus current liabilities associated with restricted assets}}$$

This ratio is a measure of short term (unrestricted) liquidity. That is, the ability of Council to meet its liabilities (obligations) as and when they fall due.

A ratio of greater than one (100%) indicates Council has more current assets than current liabilities.

If less than one (100%), current liabilities are greater than current assets and Council has a short term funding issue.

SHIRE OF CHITTERING
FOR THE PERIOD 1 JULY 2015 TO 30 SEPTEMBER 2015
Report on Significant variances Greater than 10% and \$10,000

REPORTABLE OPERATING REVENUE VARIATIONS

Recreation & Culture - \$18,652

Halls is more than YTD budget for no major reason	(158)
Rec & Sport is less than YTD budget due to grant funding not received to date	18,662
Library is less than YTD budget for no major reason	66
Heritage is less than YTD budget for no major reason	42
Other Culture is less than YTD budget for no major reason	40

Other Property & Services - \$23,712

Private Works is less than YTD budget due to less private works	3,136
PWOH is more than YTD budget due to reimbursement of LSL for employee	(7,387)
POC is less than YTD budget for no major reason	3,800
S&W is more than YTD budget due to reimbursement of WC claims	(23,261)

REPORTABLE OPERATING EXPENSE VARIATIONS

Governance - \$47,656

Members is less than YTD budget mainly due to no payments for elected members	23,253
Other Gov is less than YTD budget due to timing of payments	4,399
Admin is less than YTD budget due to timing of payments	20,004

Health - \$31,072

Preventive Services is less than YTD budget due to timing of payments	6,947
Other is more than YTD budget due to payment for analytical expenses	(219)
Other Health is less than YTD budget due to timing of payments	24,344

Education & Welfare - \$17,177

Education is less than YTD due to no maintenance on bus shelters to date	3,556
Aged is less than YTD budget due to timing of payments	1,287
Aged other is less than YTD budget due to timing of payments for seniors events	540
Other is less than YTD budget due to timing of payments for events and contributions	11,794

Housing - \$16,677

Staff, Community & Seniors housing are all less than budget due to timing of maint	24,171
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SHIRE OF CHITTERING
FOR THE PERIOD 1 JULY 2015 TO 30 SEPTEMBER 2015
Report on Significant variances Greater than 10% and \$10,000

Community Amenities - \$121,553

Sanitation is less than YTD budget due to timing of payments	71,144
San Other is less than YTD budget for no major reason	427
Sewerage is less than YTD budget for no major reason	108
Stormwater is less than YTD budget due to drainage works not commenced to date	7,314
PofE is less than YTD budget due to timing of payments	363
TP is less than YTD budget due to timing of payments	32,501
Other is less than YTD budget for no major reason	9,696

Recreation & Culture - \$55,775

Public Halls is less than YTD budget due to timing of payments	2,728
Other Rec & Sport is less than YTD budget due to timing of works program	48,054
Libraries is less than YTD budget due to timing of payments	2,536
Heritage is less than YTD budget due to timing of works	2,525
Other Culture is less than YTD budget due to timing of payments	(68)

Transport - \$612,230

Transport is higher than YTD budget due to new fair value costs for infrastructure being used when applying depreciation. These costs were not known at the time of budget preparation. An amendment is required at budget review however this is a non cash item and has no effect on the bottom line.

(612,230)

Other Property & Services - \$24,435

Private Works is less than budget due to limited private works to date	3,326
PWOH over allocated	57,933
POC under allocated	(21,935)
S&W is higher due to Workers Comp claims	(23,392)
Unclassified is less than YTD budget due to timing of payments	8,503

REPORTABLE CAPITAL EXPENSE VARIATIONS**Purchase Land and Buildings - \$74,064**

Works have commenced.

Purchase Infrastructure - Roads - \$124,890

Works have commenced on road projects.

For individual projects please refer to Note 3 in the financial statements

ANNUAL REPORT

2014-2015



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President's Message



I present this Annual Report to the 30 June 2015 in my capacity as President of the Shire of Chittering.

The Shire has a partnership arrangement with our neighbouring Shires of Gingin and Dandaragan known as Northern Growth Alliance whose mission is to have a united approach in addressing strategic issues arising from the increased population within our region. The purpose of this new alliance is to work together to address regional problems, issues or challenges and advance the interests of the region; develop and implement resource sharing strategies or regional service delivery models; undertake studies to address industry development and growth; and marketing and promotion of our region.

The significant capital expenditure items in the Shire's 2014-2015 Annual Financial Year included:

- the completion of the Bindoon Hall refurbishment that was mainly funded by Lotterywest;
- the construction of the Chittering Multi-Purpose Health Centre which started in August 2014, and which finished on time and within budget, funded by the Department of Infrastructure and Regional Development (Regional Development Australia Fund), Department of Regional Development and Lands (Country Local Government Fund), WA Country Health and municipal borrowings;
- the commencement of the Binda Place upgrade funded by Roads to Recovery;
- roadworks on Parkside Gardens, Flat Rocks Road, Wandena Road, Woolah Rise, Tea Tree Road, Chittering/Lake Road, Ridgetop Ramble, and Muchea South Road;
- CCTV upgrades for the Chinkabee Complex and the Chittering Tourist Centre and Clune Park;
- a BMX Track at Sussex Bend in Lower Chittering; and
- the obligatory construction of a disability ramp at the Shire's Administration Office.

At the high end of the age scale some will be pleased to note the provision for expenditure on establishment of basic services to the subdivision to contain the Independent Living Units situated close to the new Chittering Multi-Purpose Medical Centre. The Shire has signed the Contract of Sale for the land with Retirees WA Inc., and as more information becomes available, residents will be kept informed of the progress.

The Council continues to provide the community the opportunity to seek funding through the Shire's Community Assistance Grants and Event Sponsorship. During the 2014-2015, Council allocated \$26,600 for community groups and also provided support to six community groups for the use of the Shire's community bus.

In September 2014 the Shire implemented waste collections throughout the district – providing weekly refuse collection and fortnightly recycling collection by Avon Waste.

For the first time ever, a joint meeting of the Department of Water, Watercorp and Shire representatives has occurred in order to commence the improvement of water supply to the Shire, and provision of a sewage system in Bindoon.

A demonstration of democratic processes was provided by the successful lobbying by those ratepayers who opposed the installation of a taller mast in the Bell Reserve to facilitate an NBN service. While this would not have benefited the whole Shire, the prospect of the co-location of improved services from Telstra would have eliminated most of the blackspots which continue to be a limitation for mobile phone coverage for private, commercial, and emergency services

For almost a decade there has been a need for a thorough rating reappraisal to correctly accommodate predominant land-use on rateable properties. The Rating Review was approved by the Minister for Local Government in May 2015, with the changes to valuations to come into effect from 1 July 2015.

The outcome is reflected in the 2015-2016 budget and as previously announced there will be no increase to the overall rate revenue to the Shire.

Councillor Robert Hawes
President

Chief Executive Officer's Message



The Shire ended the financial year in a sound financial position, with a surplus of \$1.7 million, close to \$1 million being grants received in advance for expenditure in 2015-2016 financial year, and the balance being explained generally by under expenditure and project savings.

This surplus was achieved whilst still delivering on Council's services and planned key projects within the budget parameters set by Council.

I believe the Shire has had another successful year in delivering on Key long term projects. Many of our successes and plans for the future are highlighted in this document.

One of the more significant projects undertaken was the construction of the infrastructure for the subdivision of Lot 62 Great Eastern Highway, Bindoon (Council property), which will see the creation of five (5) new lots. The purpose for each new lot being:

1. Lot A - Independent Living Units site (3.65 ha)
2. Lot B – New Community Housing (1,337m²)
3. Lot C - New St John Ambulance site (1,914m²)
4. Lot D - Silver Chain Respite Centre (Ferguson House)
5. Lot E – New Chittering Health Centre with the balance of the land to possibly be subdivided at a later stage for residential blocks.

Lot A (3.65 ha) Lot 62 Great Northern Highway, Bindoon has been sold to Retirees WA (RWA) for the development of Independent Living Units, subject to a Deed of Agreement. The site potentially has room for up to a 70 units if fully developed. RWA has agreed to construct five units within a predetermined time-frame. All going well construction on site should occur during 2016.

Significant advancements were also made over the past 12 months by the State and Federal Government in regards to their \$845 million dollar Northlink Project (Perth-Darwin Highway). This project will see the extension of Tonkin Highway straight into the Muchea Employment Node via a new 37km Highway. Construction is scheduled to commence during 2016, and is expected to be completed by 2019.

The completion of this project will have significant impacts on the Shire, as it is anticipated it will result in substantial development pressures amongst other issues. Work is currently been done to look at how we can best manage the change this project will bring.

The first scheme amendment for the Muchea Employment Node (MEN) was Gazetted on 26 June 2015, which is the first step to seeing the release of commercial industrial land in the Shire. The entire MEN site has the potential for up to 440 lots. This is another long term state initiative that will soon become a reality presenting further challenges and opportunities for the Shire.

Council for the first time has introduced a Fire Hazard Reduction Program to maintain all of its Strategic Fire Breaks and Reserves. This program will initially be carried out over a 3 year period under contract.

The Shire continues to improve on its social services by holding local events like Wear-Ya-Wellies, Lantern Festival and the Muchea Youth Festival all of which have seen an increase in participation.

The Shire's "Taste of Chittering" was held for the third time at Lower Chittering, providing a great opportunity to promote Chittering generally and also for the many local businesses that get involved in the event.

Lastly, I would like to thank the Councillors for their commitment and commend the Shire's staff, for their hard work and level of support over the past twelve (12) months. Together we are working towards making Chittering a better place, through the implementation of the Shire's Strategic Community Plan.

Gary Tuffin
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 2015



President

Robert Hawes

Term expires - October 2017

6177 Great Northern Highway
Bindoon WA 6502

Phone: 9576 4600

Fax: 9576 1250

Email: chatter@chittering.wa.gov.au



Deputy President

Michelle Rossouw

Term expires - October 2015



Alex Douglas

Term expires - October 2015



Doreen Mackie

Term expires - October 2015



Sandra Clarke

Term expires - October 2015



Barni Norton

Term expires - October 2017



Don Gibson

Term expires - October 2017

Organisation Structure



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'.

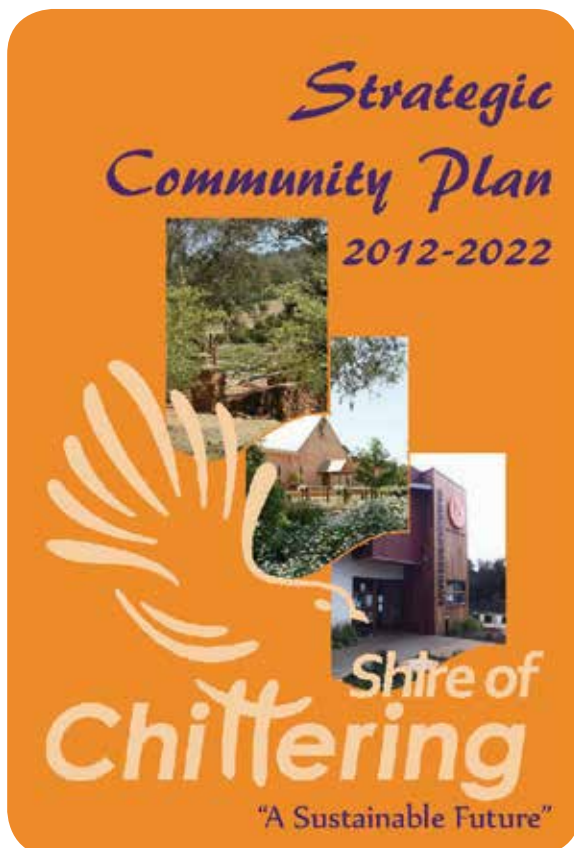
The Strategic Community Plan is a ten (10) year plan that captures the aspirations of our community and describes the Shire's objectives through six key areas (Social, Natural Environment, Built Environment, Access, Economic and Governance). Each theme identifies key objectives which is addressed by 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 by June 2016.

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	2014	2015
Access to local services	Improve services to community	Increase in membership for Volunteer Emergency Services	Total volunteers - 262	Total volunteers - 246
		Increase in community participation in fire protection workshops (community engagement)	Monthly bush fire themes posted via Facebook and website Community Engagement at Australia Day in Lower Chittering and Bindoon. Community engagement at Bunnings Malaga CESM, Shire staff, and DFES staff attended a community workshop on social media and emergencies	Red Balloon Day - Thank you to Fireys held on 29 February 2015 Bush Fire Ready Campaign - run from July 2014 until June 2015
		Decrease in number of infringement and warnings due to people complying with fire hazard and fire breaks requirements	Infringements - 32 Warnings - 164	Infringements - 38 Warnings - 164
		Develop and implement Shire of Chittering Ageing Population Strategy	Not commenced	Not commenced
	Advocate for local health and youth services	Construction of a multipurpose health centre facilitating current and additional services	Tender for construction awarded in June 2014	95% complete at 30 June 2015
		Develop and implement Shire of Chittering Health Services Plan	Not commenced	Not commenced
		Increased facilities and number of medical services available within the Shire for residents of all ages	Awaiting completion of Multi-Purpose Health Facility	Awaiting completion of Multi-Purpose Health Facility (Chittering Health Centre)
		Develop and implement Shire of Chittering Youth Services Plan	Draft Youth Plan developed	Council resolved on 20 May 2015 to advertise the draft plan for public comment; deadline for comments 1 July 2015
		Increase number of Shire and community led youth activities available within the Shire	Additional school holiday programs and youth workshops	Ongoing

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	2014	2015
Strengthened social connections	Facilitate and nurture community interaction	Increase in volunteer memberships in community groups	Data not available	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 	Inter-Town Challenge, Wear Ya Wellies and Lantern Festival	Ongoing events - Intertown Challenge, Wear-Ya-Wellies, Lantern Festival, Muchea Youth Festival, Seniors Week "Intergenerational Fun Day", Outdoor Movie Night, Thank-a-Volunteer BBQ, Australia Day
		Develop and implement Chittering Economic Development Strategy: <ul style="list-style-type: none"> Increase in festivals and events held each year 	Draft strategy prepared	Chittering Economic Development Strategy 2015-2025 endorsed on 18 February 2015 Annual Shire Event - Taste of Chittering
Active communities	Support local community groups	Develop and implement Shire of Chittering Sport & Recreation Plan 2013-2023	Completed	Reviewed 18 February 2015
		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	Not commenced	Expressions of Interest received. Currently seeking grant 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	2014	2015
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 	Advertised for Public Submissions Chittering Springs, Stage 4 Revised Development Plan adopted at the October Council Meeting, which reduced clearing and impact on vegetation	In January the Shire cleared conditions for a two lot rural subdivision on Julimar Road, requiring owner to fence all conservation value vegetation identified in the Strategy. Placed Restrictive Covenants on titles protecting vegetation. In February Council initiated rezoning of Lot 9001 Rosewood Drive; an Indicative High Conservation Value Area in the Strategy, from 'Rural Residential' to 'Rural Conservation'.
		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 	Chittering Trails Master Plan 2013-2018 reviewed during 2014; Bindoon Townsite Heritage Walk and Carty Reserve Walk Trail Projects undertaken with funding received from Lotterywest and Your Community Heritage	Mountain Bike Trail Plan <ul style="list-style-type: none"> Funding received from Lotterywest and Department of Sport and Recreation for this plan to be prepared during the 2015-2016 financial year
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 	The Shire of Chittering Strategic Waste Management Plan completed	Kerbside waste and recycling commenced September 2014. Review of services to be carried out end 2015. Operational changes implemented at Bindoon and Muchea Landfill and Recycling Centres to improve efficiency.
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 	Not commenced	Energy efficient lighting being implemented in Council buildings Installation of 12 solar street lights at two intersections

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	2014	2015
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: • Developer contributions received	Draft Plan developed	Draft Community Infrastructure Plan completed
		Undertake a feasibility study for in-fill sewage (Bindoon and Muchea)	Bindoon completed	Muchea to be completed
	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	In progress	In progress
Sustainable assets	Maintain and manage assets and infrastructure to meet future needs	Develop and implement the Shire of Chittering Asset Management Plan (AMP)	In progress	Completed
Housing choice	Plan for the provision of residential growth and changing needs	Completion of Lot 62 Development Plan: • Facilitate the development of an independent living units site	Expressions of Interest called	Council resolved at the OCM held on 20 August 2014 that the offer to purchase from Retirees WA be accepted.
		Increased availability of varied lot sizes released to meet the needs of the community	Ongoing	Ongoing



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	2014	2015
Access to local and central services	Facilitate sustainable transport solutions	Meetings held to advocate for access to public transport	Ongoing	Ongoing
Safe access	Facilitate improved road safety	Meetings held to advocate for a heavy haulage By-pass around Bindoon	Ongoing	The Shire established the Bindoon Bypass Reference Group
		Reduction in the number of accidents recorded with the Shire of Chittering	Data not available	Data not available
		Black Spot funding received	Successful application	Successful application
	Enable inclusive access	Number of buildings fitted with disabled access	Muchea Oval (access)	<ul style="list-style-type: none"> Administration Centre Bindoon Hall
		Level of community satisfaction with access to Shire facilities through community surveys	No surveys undertaken	No surveys undertaken



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	2014	2015
Economic growth	Facilitate environmentally sound industrial and commercial growth	Amend Town Planning Scheme #6 for the Muchea Employment Node by December 2013	Advertised for Public Comment	<ul style="list-style-type: none"> Amendment 52 Gazetted on 26 June 2015 Amendment 56 commenced
		Encourage and foster the development of commercial land: <ul style="list-style-type: none"> The take up and development of industrial sites 	Awaiting Town Planning Scheme Amendment	First stage of Scheme Amendment has been approved
	Seek investment for local business growth	Develop and implement the Shire of Chittering Economic Development Strategy by December 2013	Draft Plan developed	Chittering Economic Development Strategy endorsed by Council on 18 February 2015
		Level of increase in commercial investment in the Shire of Chittering	Awaiting Town Planning Scheme Amendment for release of Light Industrial Area land	Ongoing
		Increase in business licenses issued	13	8
	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 	Tender for kerbside collection advertised and awarded	Completed
Support local businesses	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 	<ul style="list-style-type: none"> Completed 17 	<ul style="list-style-type: none"> Completed 8 - home business renewals no longer included
		Council proactively participates in the National Broadband Network rollout: <ul style="list-style-type: none"> Level of take up of new "Broadband" services 	Ongoing	Application for NBN Bindoon (Bell Hill Reserve) refused by Council at the Ordinary Council Meeting held on 20 May 2015
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	Concept design completed and consultation was undertaken	Concept redesigned and further community consultation undertaken

Item 9.3.2 - Attachment 1

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	2014	2015
Good governance	Continue to provide transparent leadership	Policies are reviewed annually	Reviewed by Council on 25 June 2014	Reviewed by Council on 17 June 2015
		Delegations are reviewed annually	Reviewed by Council on 25 June 2014	Reviewed by Council on 17 June 2015
		Local Laws are reviewed to ensure compliance with legislative requirements and relevant to the Shire's conditions and obligations	Reviewed	Signs Local Law was reviewed by Council and updated draft Signs, Hoardings and Bill Posting Local Law 2015 out for public comment; deadline for comment is 19 August 2015 Draft Cats Local Law 2015 out for public comment; deadline for comment is 19 August 2015
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 	Ongoing	Ongoing
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 2014-2017

Chittering Multipurpose Health Centre - estimated project cost \$2.63million



Project Description

This project will see the provision of a multi-purpose community health centre in which to co-locate all the current community medical services (both private and government) to ensure that an appropriate standard of health services are retained within the region.

Project Timeframe

Commencement	July 2014
Completion	July 2015

Project Funding

Royalties for Regions (Regional)	\$ 792,412
Regional Development Australia	\$ 450,000
Country Health WA	\$ 600,000
Total funding	\$1,842,412

Municipal funds (loan)	\$ 792,388
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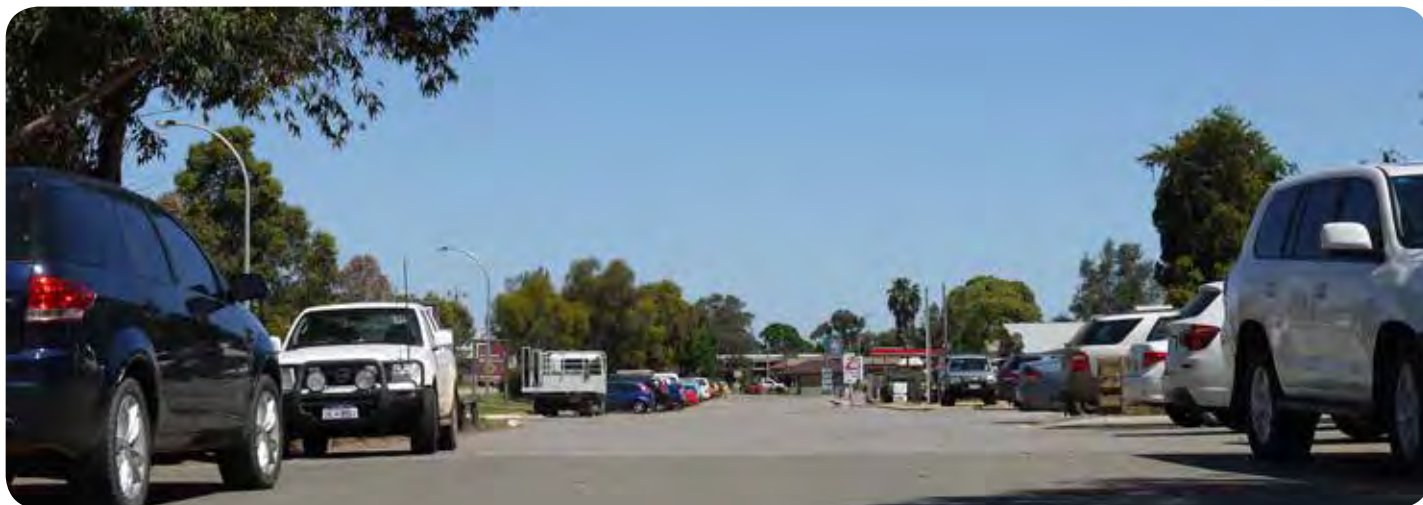
Total funds	\$2,634,800
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Note: Further detailed information can found in the Chittering Multi-purpose Community Health Business Case.

Plan for the future

MAJOR PROJECTS 2014-2017

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

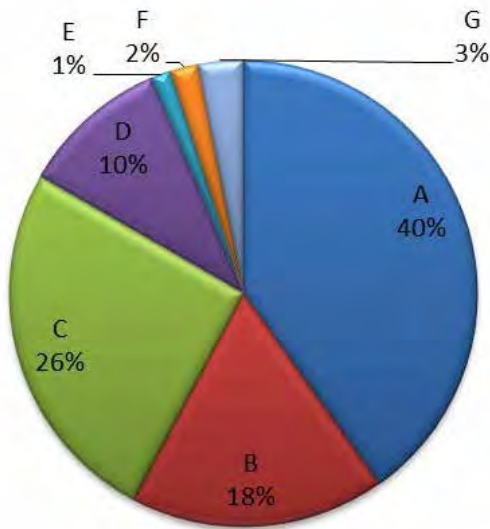
FINANCE

The Shire achieved a surplus position of \$1,704,445 as at 30 June 2015. It is to be noted that \$913,693 of these funds are restricted, as these funds were received in 2014-2015 however projects relate to 2015-2016 financial year.

During the 2014-2015 financial year the Shire received \$5,312,756 in grant funding: \$3,269,500 for capital projects and \$2,043,256 for operations. Please see the table on page 20 for further information.

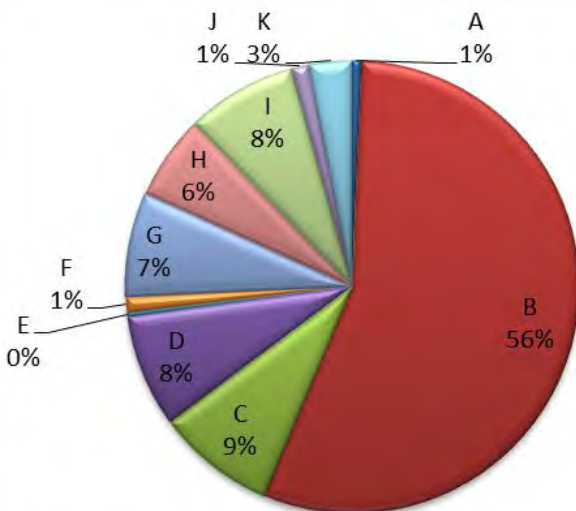
The Shire's revenue for 2014-2015 was \$12,807,335. The breakdown of this revenue is shown in the following graphs by Nature and Type, and by Program.

GRAPH 1: Revenue - by Nature and Type



Rates	A	5,138,750
Operating Grants, Subsidies & Cont	B	2,262,009
Non-Operating Grants	C	3,269,500
Fees & Charges	D	1,315,237
Interest Earnings	E	172,677
Profit on Asset Disposal	F	249,335
Other	G	399,827

GRAPH 2: Revenue - by Program

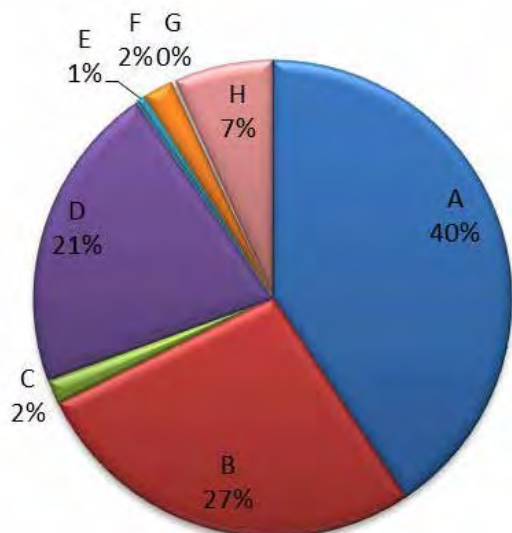


Governance	A	81,719
General Purpose Funding	B	7,135,296
Law, Order & Public Safety	C	1,086,976
Health	D	1,033,340
Education & Welfare	E	37,833
Housing	F	137,729
Community Amenities	G	953,107
Recreation & Culture	H	774,866
Transport	I	1,011,688
Economic Services	J	164,330
Other Property & Services	K	390,451

Corporate Services

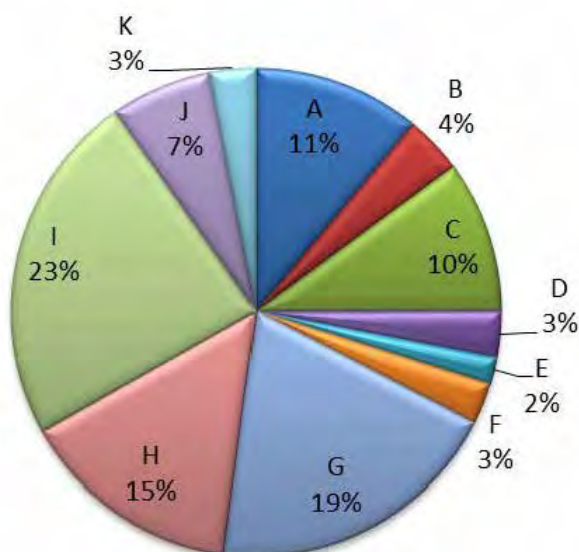
The Shire's expenditure for 2014-2015 was \$9,238,230. The breakdown of this expenditure is shown in the following graphs by Nature and Type, and by Program.

Graph 3: Expenditure - by Nature and Type



Employee Costs	A	3,754,474
Materials	B	2,506,683
Utility Charges	C	154,826
Depreciation	D	1,930,321
Interest	E	63,856
Insurance	F	187,318
Loss on Asset Disposal	G	20,650
Other	H	620,102

Graph 4: Expenditure - by Program



Governance	A	1,023,956
General Purpose Funding	B	353,720
Law, Order & Public Safety	C	927,908
Health	D	280,215
Education & Welfare	E	163,320
Housing	F	257,423
Community Amenities	G	1,809,958
Recreation & Culture	H	1,359,047
Transport	I	2,163,297
Economic Services	J	621,136
Other Property & Services	K	278,250

RESERVE ACCOUNTS

The Shire has a total of \$1,040,834 cash backed reserves; \$265,350 was transferred to various reserves and \$296,447 was transferred from various reserves to fund employee leave entitlements, Chittering Landcare vehicle changeovers, capital works on public buildings and works on community and senior housing units.

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 2015 amounts to \$1,261,502. 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 \$
Roads and General Purpose Funding	Federal Government (Financial Assistance Grants)	\$1,729,253
Workforce Capability Study	Department of Local Government & Communities	\$25,000
Aged Friendly Plan	Department of Local Government & Communities	\$10,000
ESL Operational Funding	Department of Fire & Emergency Services	\$220,720
Seniors Week	Department of Local Government & Communities	\$750
Youth Festival / Inter-town Challenge / Wear Ya Wellies	Lotterywest	\$29,233
Taste of Chittering	Office of Road Safety	\$2,300
Club Development	Department of Sport & Recreation	\$11,000
Carty Reserve	Lotterywest	\$15,000
Operating Grants Total		\$2,043,256
New Incident Control Vehicle	Department of Fire & Emergency Services	\$682,480
Chittering Health Centre	WA Country Health Service	\$600,000
Chittering Health Centre	Regional Development Australia Fund	\$405,000
Bindoon Town Hall	Lotterywest	\$438,581
Lighting Upgrade at Chinkabee Complex	Department of Sport & Recreation	\$44,931
CCTV	Community Crime Prevention Fund	\$50,000
Muchea Hall Car Park	Wheatbelt Development Commission - Age Friendly	\$13,000
Clune Park Car Park	Wheatbelt Development Commission - Age Friendly	\$40,000
Road Projects	Main Roads WA Regional Road Group & Black Spot	\$752,789
Road Project - Binda Place	Roads to Recovery	\$100,719
Road Project - Binda Place	Wheatbelt Development Commission	\$142,000
Non-Operating Grants		\$3,269,500
TOTAL GRANTS		\$5,312,756



Corporate Services

RATES

Rate Revenue

Rate revenue raised in 2014-2015 was \$5,138,750. As at 30 June 2015 the amount outstanding for rates was \$173,982.

Property Transfers

A total of 173 properties were sold/transferred throughout the 2014-2015 financial year totalling \$80,852,168.

TABLE 2: Property transfers

Locality	2014/15		2013/14		2012/13	
	No	Amount	No	Amount	No	Amount
Chittering/Lower Chittering	107	\$48,320,168	129	\$9,282,917	120	\$52,449,600
Muchea	27	\$17,498,500	27	\$14,661,500	30	\$15,766,000
Bindoon/Mooliabeenee/ Wannamal	39	\$15,033,500	48	\$19,452,000	42	\$14,754,177
TOTAL	173	\$80,852,168	204	\$93,396,417	192	\$82,969,777



Corporate Services

RATES INCENTIVE PRIZE WINNERS

During the 2014-2015 rate year, as an incentive for ratepayers to pay their rates by the due date, the Shire awarded the following donated prizes:

TABLE 3: 2014-2015 Rates Incentive Prize winners

Prize Awarded	Recipient
\$1,000 cash	M Driessen, Wannamal
WASO Tickets - double pass to "Tchaikovsky's Serenade"	S & T King, Lower Chittering R & K Fisher, Chittering
ACE Electrics - property safety check/test	S Scurr, Bindoon H, B & A Manning, Bindoon L & R Niceski, Lower Chittering M Julian, Bindoon F & P Blackmore, Lower Chittering
ACE Electrics - TV antenna/TV tune-up	J & C Nagel, Mooliabeenee R & C Southern, Muchea Alpha Bauxite Pty Ltd, Chittering C Gunter & M Budge, Chittering R Dartnall, Lower Chittering
The Maze - 2 x adult season passes	C & A Millar, Muchea J & R Shaw, Muchea

The Shire extends a big thankyou to the following sponsors:



Corporate Services

COMMUNICATIONS

The Shire of Chittering Administration continues to adhere to the Council endorsed “*Community Engagement Plan 2012*” and “*Communication Plan 2012*” (reviewed February 2014).

The objective of these Plans is to ensure that Council always offers the opportunity to consider input from a wide range of community members. The Plans ensure that community members will always be informed through professional consistent communication.

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 can subscribe (and self-manage that subscription) online at www.chittering.wa.gov.au (click the NEWSLETTER SIGNUP icon)
- Facebook - our Facebook presence has continued to grow with the Chittering Shire profile enjoying 1,140 friends with 1,677 people members of the new Chittering Bush Fire Ready Group. The three ‘interest’ pages (Shire of Chittering, Taste of Chittering and Chittering Youth Krew) have a total of 1,346 likes
- Website - the Shire of Chittering website averages over 3,000 unique users a month

BUSINESS

Chittering Chamber of Commerce, Heartlands WA and Wheatbelt Business Network

The Shire of Chittering is a proud member of these three organisations.

In their own words ... “*Chittering Chamber of Commerce. A Community group dedicated to the advancement and promotion of business and business interests in the region.*”

“*Heartlands WA 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.*”

“*The Wheatbelt Business Network is a not-for-profit, member driven, business association providing networking, a voice for business and one-on-one support. The voice for business in the Wheatbelt since 2010.*”

Chittering Economic Development Strategy

The *Chittering Economic Development Strategy* (CEDS) was endorsed by Council on 23 February 2015. The document provides a 10 year strategy that outlines broad actions, aimed at creating partnerships between the community, business, industry and all levels of government.

Six projects have been identified from the Strategy to be undertaken in 2015-2016.

Corporate Services

TOURISM

Experience Perth, Avon Valley 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). In addition Chittering is an active voluntary member of a voluntary tourism group (Discover Golden Horizons). It is working to boost visitor numbers within the Shire through consistent branding, positive messages, marketing and promotion.

Chittering Trails Network Master Plan

The objective of the *Chittering Trails Network Master Plan 2013-2023* is to enable the Shire, and its trail partners, to move forward with the development and enhancement of the trails within the Shire of Chittering.

Whilst grant funding was applied for during the 2014-2015 financial year, it will not be received, and the project will be undertaken in 2015-2016 (the Chittering Mountain Bike Plan).

Additions to the Trails this year have included:

- Interpretive and directional signage at Blackboy Ridge
- Interpretive signage at Yozzi Walk
- "The Big Banger" has joined the Sculpture Trail
- The Bindoon Tale Trail has three additional stories "Bindoon Sawmill", "Bindoon Refreshment Rooms" and "Old Road Board Building".

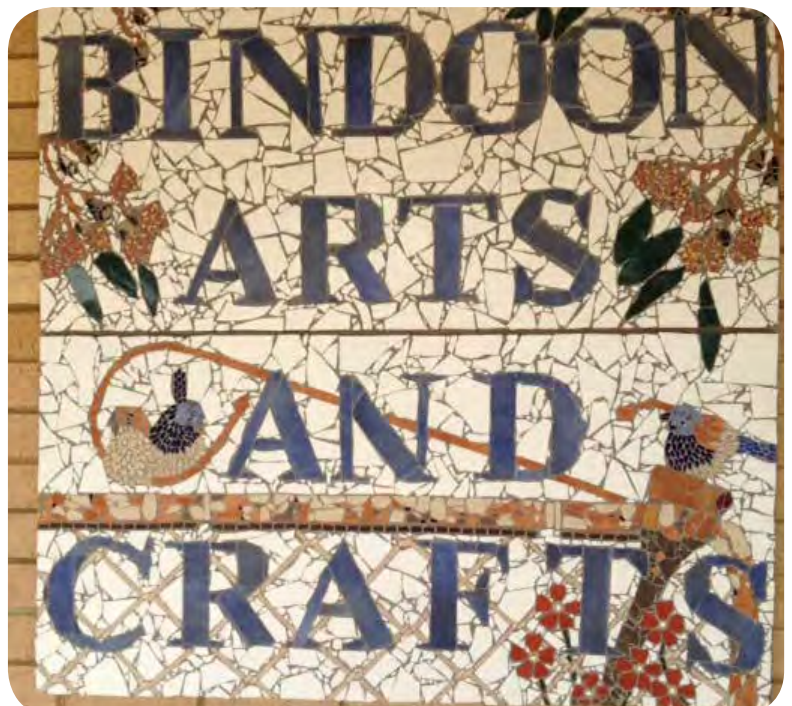
Community Funding and Support

Community Assistance Grants

Each year the Shire of Chittering allocates funds to various 'not-for-profit' organisations which operate within the Shire. The Community Assistance Grant Scheme is designed to provide benefits to Shire residents through recreational, sporting, social or cultural means.

This year 13 community groups were beneficiaries of over \$21,000 in funding towards a number of projects. The recipients of this assistance were:

- Bindoon and Districts Agricultural Society
- Bindoon and Districts Bowling Club
- Bindoon Arts and Crafts
- Bindoon Basketball Association
- Bindoon Basketball / Netball / Tennis
- Bindoon Men's Shed
- Bindoon Primary School P and C
- Chittering Art Society
- Chittering Junior Football
- Chittering Wildlife Carers
- Immaculate Heart College Playgroup
- South Midlands Polocrosse Club
- Wannamal Community Centre



Corporate Services

Event Support

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

ANZAC Day Celebrations

The Shire of Chittering supports the Bindoon Community Progress Association with their organisation of this important annual event.

IMAGES: Courtesy of Tuarn Brown



Bindoon and Districts Agricultural Show 2014

The Shire of Chittering supported the Bindoon and Districts Agricultural Show with their Annual Show. The Shire also attended the Show as an exhibitor, giving locals and visitors the opportunity to see what projects are being undertaken in the area.

Bindoon Primary School

Monetary donation towards the 2014 Graduation gifts.

Corporate Services

AUSTRALIA DAY 2015

The Shire's Australia Day Awards Ceremony was held on 22 January 2015 in the Bindoon Town Hall with approximately 80 people in attendance. This annual ceremony recognises those members of the Chittering community who voluntarily invest so much of their time into the community and the opportunity to thank them for their efforts. This year we also had the opportunity to share the excitement of an Australian Citizenship Ceremony, welcoming our newest Australian to the Shire, Jessica Jones. Shane Love MP, was kind enough to present the formalities of the ceremony.

Special acknowledgement was given, on several occasions during the evening, to the local volunteer fire-fighters, who have been very busy over past weeks assisting with incidents in neighbouring Shires – Toodyay, Swan and Gingin.



School Citizenship Awards

The School Citizenship Awards are presented to students who attend our local schools and they are nominated by their school.

The award for Immaculate Heart College went to Lachlan Dobra and for Bindoon Primary School it went to Rachel Glass.

Community Service Awards

The Community Service Awards are a thankyou to couples, groups from the Council for their service to the community. The recipients were:

- Martin and Sarah Lee - for their dedication to the Lower Chittering Bush Fire Brigade, Chittering Incident Support Brigade, Chittering Valley Progress Association and the annual Bindoon Agricultural Show
- Chittering Scout Group - for their encouragement of the physical, intellectual, social, emotional and spiritual development of young people
- Tamioka Preston - for her work in creating and producing the "Feast on Northern Valleys Flavours 2015" calendar

Premier's Australia Day Active Citizenship Awards

The following community groups / events were nominated for the **Premier's Australia Day Active Citizenship Award for an Outstanding Contribution by a Community Group / Event:**

- Chittering Scout Group – for providing a wonderful learning journey for the youth of our community
- Bindoon Agricultural Show – for attracting the largest crowd in the shows history
- Bindoon Fireman's Ball – for being an innovative new event which was a social and monetary success
- Bindoon Arts and Crafts Centre – for providing a valuable service to the community as a friendly place where like minded people can meet to pursue and share their craft

The winner was Bindoon Arts and Craft Centre

Corporate Services

The following community members were nominated for the **Premier's Australia Day Active Citizenship Award for a person under 25yrs.**

- Zak Tilbury – nominated by George Tilbury for his community spirit
- Cody Hall – nominated by the Chittering Junior Football Club for his contribution to the community.

The winner was Cody Hall

The following community members were nominated for the **Premier's Australia Day Active Citizenship Award for an Outstanding Contribution by a Local Citizen:**

- John Williams – for being a humble man who puts his hand up for anything
- Alan Barnes – for being one of the founding members of the Bindoon Men's Shed
- Storn Petterson – for raising awareness of suicide and supporting families and friends who have lost their loved ones through suicide
- Clive Griffiths – for being instrumental in the founding of the Bindoon Historical Society
- Elizabeth Pugsley – for her dedication to the Muchea Netball Club
- Kylie Hughes – for her instrumental role in ensuring that the Muchea Netball Club continued to prosper, and her promotion of netball within the Muchea and Chittering area
- Colleen Osborn – for being the driving force behind the very successful, multi-faceted 2014 Wildflower Festival
- Lois Jones – for being a very active Bindoon Retirees, CWA and State Retirees member
- Betty Jenner – for her happy and kind volunteer work at the Chittering Visitor Centre
- Connie Walker – for her organisation and dedication to fundraising
- Helen Manning – for her active support of the community and volunteer work over a number of years in a number of groups

The winner was Alan Barnes

IMAGE: Alan Barnes (winner of the Local Citizen Award) thank you speech



Corporate Services

Australia Day Events around the Shire

The Shire of Chittering contributed financially to the following community events;

- Bindoon - locals enjoyed an Aussie breakfast and it appears that the water slide wasn't just fun for the little kids (Bindoon Community Progress Association)
- Lower Chittering - Michelle Rossouw posted on Facebook *"There were well over 220 people who attended the breakfast. A big thankyou to the Chittering Shire for their support to run this event"*. (Chittering Valley Progress & Sporting Association)
- Wannamal - A wonderful evening was enjoyed by around 70 people at Wannamals Long Table Dinner Under the Stars (Wannamal Community Centre)

IMAGE: Courtesy of Craig Spence



Corporate Services

COMMUNITY EVENTS

Chinese Lantern Festival and Outdoor Movie Night

Over 250 residents enjoyed a clear night under the stars in February 2015. The Chinese Lion Dance once again thrilled the audience as did the free face painting and beach balls donated by local resident Gail Woods from Harcourts Alliance. Jon from Blue Cow Cafe also helped out by assisting with putting up and pulling down the Council's Outdoor Cinema. The Cinema Package is available for use by local community groups for fundraising or social events.



Seniors Week - Intergenerational Fun Day

This annual event entertained nearly 35 seniors and 50 students through games and a luncheon at the Bindoon Primary School. Seniors were welcomed with a cup of tea or coffee, and then introduced to the students through an electronic art activity where students helped seniors create some very funny images on iPads! Some of our seniors even showed the students a thing or two!!! Plenty of laughter followed as seniors joined students to complete in a round robin of light activities for a perpetual trophy. A good old fashioned sing-a-long was enjoyed by all and followed an amazing picnic lunch served by students. This event is supported by COTA WA, Bindoon Primary School, WA Country Health Service and the Bindoon Primary School P & C.



Volunteer Week

This year the Shire of Chittering held a "Selfie Spotto" competition to celebrate Volunteering in the community. Residents were encouraged to seek out the Volunteer Banners located across the Shire, take a selfie with it and post it on Facebook. We received some amazing images with the winning photo showing a mother and her son together!

Wear Ya Wellies

Over 900 people attended the second annual Wear Ya Wellies free family fun day held at Edmonds Reserve in Bindoon. Kids once again thoroughly enjoyed themselves in the EXTRA Muddy Maze, thanks to Western Hay and the Bindoon Volunteer Bush Fire Brigade (who emptied an entire tanker on to the maze because we had not had enough rain). With free activities including face painting, pony rides, baby animal farm, art competition, science experiments, solar gazing and the chance to join the circus, kids were not lost for things to do. Parents and kids alike browsed the Chittering Farmers Markets and enjoyed a sausage sizzle, fresh coffee and hot food, or homemade soup while listening to local musicians and surprise guests. Thanks to Lotterywest, the Department of Local Government and Communities, the Office of Road Safety and Blue Cow Cafe; and for sponsoring the event as well as B.E.A.T., the Chittering Youth Krew and the Russell family (N & M Russell Plumbing and Gas) for their assistance with setup and running of the event.



Corporate Services

NORTHERN VALLEYS EARLY YEARS NETWORK

The Shire of Chittering recognises the importance of supporting families with children under 5 and in 2015 started working with neighbouring shires to create the Northern Valleys Early Years Network (NVEYN). The network consists of members from local governments as well as family daycare, playgroup, community members and other service providers. The NVEYN is working together to build partnerships and make connections across the community to support families and caregivers of children under 5.

SUPPORT TO LOCAL RESIDENTS

Assistance Donations

During 2014-2015 the following resident was provided with financial contribution towards costs associated with participating in a state/national sporting event:

- Casey Booth - Casey represented WA in the Australia Riding Mounted Games in Pennsylvania, USA.

Education Scholarships

The Shire's Educational Scholarships for the beginning of 2015 opened 25 August 2014 and closed on 7 November 2014. Nine applications were received for students who reside in the Chittering Shire seeking assistance with the cost of school fees and other associated costs.

This year saw an anomaly rise due to changes in the Western Australian education system, whereby Year 6 students now graduate from Primary School to commence high school in Year 7. Of further significance for this round was the equal ranking of two Year 6 students, which resulted in the category of Year 6/7 scholarships being awarded to two students: Madeline Cram and Ellise Donaldson.

Madeline and Ellise each received \$1,000. Kate Passmore was selected as the winner of \$1,000 for Year 10.

IMAGE: Madeline Cram with Cr Sandra Clarke



IMAGE: Ellise Donaldson with Cr Sandra Clarke



Corporate Services

Kidsport Funding

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

For the 2014-2015 financial year, 29 children across Chittering were provided up to a maximum of \$200 towards club fees and uniforms, with the fees going directly to the registered KidSport clubs. Ten clubs in total received the funding representing a broad cross-section of sporting groups from basketball, netball, football, judo, cricket, scouts and little athletics. Assistance is available to clubs outside of the Chittering Shire if the club is registered with the KidSport Grant Program. During this period the Shire provided assistance to one club residing in the Morley area.

Chittering Youth Krew

The Chittering Youth Krew are a busy group of young, local community members, supported by the Shire's Community and Club Development Officer, who have organised and/or been involved in the delivery of many events during 2014-2015.

These events include:

- July School Holiday Program - Bootcamp supported by the Department of Sport and Recreation, and local business Gener8 Fitness
- October 2014 School Holiday Activity - Scooter Krewmania coaching and demo's by professional boarders Billy Watts, Ben Thomas and Jared Colwell. Organised in conjunction with the Bindoon Community Progress Association
- Art in the Park (2 November 2014) - assisted by a grant from Country Arts WA and supported by local professional artist Sarah Kay
- Christmas in the Park - in conjunction with the Bindoon Playgroup
- Wear-Ya-Wellies
- Chittering Inter-town Challenge
- Muchea Youth Festival



Corporate Services

AUSTRALIAN CITIZENSHIP CEREMONIES

Throughout the 2014-2015 financial year the Shire conducted five ceremonies for 16 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?

- United Kingdom - 12
- United States of America - 1
- India - 1
- New Zealand - 1
- Bangladesh - 1



BINDOON LIBRARY

The Bindoon Library offers public computers and free internet access. Membership is free to borrow books, DVDs and videos. Bindoon Library has a Storytime session on Tuesday's from 10am until 11am and also gives new junior members a Better Beginnings pack full of information about the library, designed to encourage the young to enjoy reading.

Development Services

PLANNING AND BUILDING SERVICES

Applications for Planning Approval

Description	2014-2015	2013-2014	2012-2013
Planning Applications	371	395	323
WAPC (subdivision/amalgamations)	11	13	10
Scheme Amendments	7	3	3
State Administrative Tribunal (SAT)	2	6	7
TOTAL	391	417	343

Applications for Building Permits

Description	2014-2015	2013-2014	2012-2013
Dwelling	80	81	66
Shed	71	74	68
Patio	38	35	37
Pool	23	22	36
Water tank	51	45	51
Granny flat	14	8	4
Miscellaneous	46	20	19
TOTAL	323	285	281

MUCHEA EMPLOYMENT NODE STRUCTURE PLAN

The Muchea Employment Node Structure Plan (MENSP) objectives are progressing with Amendment 52 having been formalised over Precinct 1 of the MENSP. Amendment 52 has formally rezoned Precinct 1 of the MENSP to “Industrial Development”, a supporting Structure Plan is currently being prepared to support the rezoning.

Amendment 56 to the Town Planning Scheme No 6 is currently being prepared by the Western Australian Planning Commission (WAPC) and the Shire of Chittering, to implement a Special Control Area over the MENSP to encourage appropriate industrial development within the Node.

Possible water providers are being investigated.

Development Services

DEVELOPER CONTRIBUTION PLAN

Development Contribution Plans are prepared to help ensure that existing and required community infrastructure (predominately community) is planned for, financed and implemented in a timely manner.

There are two draft Development Contribution Plans (DCPs) currently being prepared for the Shire of Chittering:

1. DCP for the Muchea Employment Node
2. DCP for Community Infrastructure

It is considered that they will be implemented during 2015-2016 or early 2016-2017.

COMMUNITY INFRASTRUCTURE PLAN

The Community Infrastructure Plan is required to be developed as it forms a key component in developing the Developer Contribution Plan for future developments within the Shire. The Community Infrastructure Plan identifies the services and facilities required over the next five (5) to ten (10) years, based on the projected growth of the Shire.

The Shire has received the draft version of this document. Once formalised it will be presented to Council and then advertised for community comment.

REVIEW OF THE LOCAL PLANNING STRATEGY

The Local Planning Strategy (LPS) provides a guide for the subdivision and development of land within the Shire. It outlines 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 its local biodiversity. Following the 2014 public advertising, it has been identified that a further review of the Strategy is required, and this has commenced.



Development Services

ENVIRONMENTAL HEALTH

Food Act 2008

Under the *Food Act 2008, Section 121* each Local Government is required to submit an annual report to the Department of Health (DOH) on food related activities. The following table is a summary of the reports between 2012 and 2015:

Description	2014-2015	2013-2014	2012-2013
Registered Food Business	59	54	45
Inspections	51	56	39
Improvement Notices	1	4	2
Compliance with Notices	1	3	2

The number of registered food businesses is steadily increasing each year. The trend continued in 2014-2015 with an overall increase of five. This consisted of seven new premises and two closures.

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	2014-2015	2013-2014	2012-2013
Commercial businesses	4	32	29
Swimming Pool (Catholic Ag. College)	6	6	3
Residential	6	3	2
Council	15	3	0
TOTAL	31	44	34

The indicator organisms of concern are *E-Coli* (indicative of faecal contamination) and *Thermophilic Naegleria* (which certain species can cause 'Amoebic Meningitis'). Fortunately, *Thermophilic Naegleria* was not detected in any of the samples analysed.

This year the focus was on Council facilities. A problem was detected at the Sandown Pony Club/Muchea Fire Station, which shares the same bore water supply, with *E-Coli* contamination. The problem related to contamination within the storage tank and not the water source. The tank was cleaned and disinfected, and subsequent sampling indicated water quality was satisfactory. No problems were detected at other fire stations however it was recommended that a filtration/UV disinfection system be installed at each facility.

Development Services

Wastewater Treatment System Approvals

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

System Type	2014-2015	2013-2014	2012-2013
Septic Tanks	60	61	35
Aerobic Treatment Units (ATU's)	32	38	23
Amended Soil Systems	11	13	19
Other (grey water and composting toilets)	2	N/A	N/A
TOTAL	105	112	77

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*.

Waste Management

The Shire's Kerbside Waste and Recycling Service commenced in September 2014 through Avon Waste as the contractor. A total of 1,061.2 tonnes of waste and 388.7 tonnes of recycled material were collected by the service between September 2014 and June 2015. The recycling tonnage collected includes the following breakdown:

Description	Tonnage
Newspapers	183.5
Glass	60.5
Cardboard	41
Plastic	6.1
Steel cans	4.3
Liquid paperboard	1.2



Amongst this there was nearly 79 tonnes of contaminants which were returned to landfill. This represents a contamination rate of approximately 20%. The aim over the coming 2015-2016 year is to examine the service with the aim to improve on waste and recycling practices. In May 2015 the Shire joined six other local governments in the Avon Regional Organisation of Councils (AROC) to create a working group to consider regional projects which can be funded from the Waste Authority to enhance existing waste and recycling practices and services.

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 exercising the Local Emergency Management Arrangements (LEMA) in August for both Local Emergency Management Committee and Local Recovery Committee.

Chittering Fire Service

The Shire of Chittering currently has six volunteer bushfire brigades, staffed by approximately 246 volunteers. The Shire received \$151,000 from the Local Government Grant Scheme to fund the operations of the volunteer bushfire brigades. The following table shows the total incidents that the brigades have attended over the past three years. Included in these figures is assistance provided to major bushfire incidents in the City of Wanneroo, City of Swan, Shire of Gingin, Boddington-Northcliffe, Waroona and City of Kwinana:

Brigade	2014-2015	2013-2014	2012-2013
Muchea VBFB	57	21	22
Bindoon VBFB	53	20	23
Lower Chittering VBFB	63	24	36
Upper Chittering VBFB	39	24	22
Wannamal VBFB	18	11	4
Incident Support Brigade	13	0	2
TOTAL	243	100	109

This year has also seen an increased commitment to training by brigades. Brigades are committed to regular maintenance training and have also conducted nine training courses, these courses have enhanced the knowledge and skills of the 134 members in attendance.

Incident Control Vehicle

Chittering Fire Service took possession of a brand new Incident Control Vehicle which will be utilised by the Chittering Incident Support Brigade to assist our volunteer fire fighters. The purpose built vehicle specialises in communications and assisting Incident management teams in coordinating emergency incidents both in and out of the Shire. The vehicle is staffed by specially trained volunteers from throughout the Shire of Chittering.



Development Services

Ranger Services

Ranger services have had another successful year serving the community, with a strong focus on education (over infringement) resulting in successful outcomes. Shire 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 now 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 three years:

Description	2014-2015	2013-2014	2012-2013
Dogs			
Dogs Wandering Complaints	222	253	121
Dog Warnings Issued	163	132	49
Dog Infringements Issued	28	29	8
Dog Attacks Reported	45	38	6
Dog Barking Complaints	15	22	8
Additional Dog Applications Submitted	18	16	12
Additional Dog Applications Approved	23	11	N/A
Dogs Impounded	48	55	29
Dogs Returned to Owner	57	73	41
Dogs Surrendered	6	5	4
Dogs Re-homed	10	17	8
Dog Registration Checks	519	484	112
Dogs Registered	523	615	63
Cats			
Cat Registration Checks	135	142	N/A
Cats Registered	65	160	N/A
Cat Infringements Issued	0	0	N/A
Cats Impounded	60	41	N/A
Cats Returned to Owner	0	1	N/A
Cats Surrendered	0	0	N/A
Cats Re-homed	21	31	N/A

Development Services

Description	2014-2015	2013-2014	2012-2013
Stock			
Livestock Impounded	3	29	4
Stock Wandering Complaints	151	151	68
Stock Wandering	285	150	N/A
Warnings Issued	17	22	1
Stock Infringements Issued	0	2	0
Fire Prevention			
Firebreak Inspections	1,237	1,591	495
Firebreak Complaints	81	203	0
Complaint Properties	440	982	N/A
Firebreak Work Orders Issued	156	118	90
Firebreak Second Inspections	256	238	163
Firebreak Infringements Issued	30	19	11
Reserve Inspections	24	36	18
Fire Control			
Fire Investigations	29	21	7
Fire Complaints	31	12	0
Fire Incidents Attended	12	10	0
Fire Warnings Issued	8	9	6
Fire Infringements Issued	8	7	3
Fire Permits Issued	60	N/A	N/A
Litter Control			
Litter Complaints	24	27	16
Warnings Issued	4	0	0
Infringements Issued	2	1	0
Other Duties			
Abandoned Vehicles	7	7	2
After Hours Phone Calls	308	209	172
After Hours Callouts	106	240	68
Rural Numbers Installed	113	36	15
Miscellaneous	121	111	N/A
Wildlife Callouts	22	33	8
Graffiti Complaints	2	7	4
Off Road Vehicle Complaints	7	19	10
Security Camera Installations	25	54	14

Technical Services

ROAD CONSTRUCTION

\$1,517,395 was invested in road construction through the Shire, of which \$853,508 was received from the “Regional Road Group”, “Black Spot” and “Roads to Recovery” funds. Projects included during 2014-2015 were:

- Muchea South Road
- Chittering / Lake Roads intersection
- Ridgetop Ramble / Sandpiper Mews intersection
- Parkside Gardens
- Wandena Road
- Tea Tree Road
- Flat Rocks Road
- Woolah Rise
- Koomal Street

ROAD MAINTENANCE

\$906,757 was invested in road maintenance throughout the Shire. This included:

Bridge maintenance	\$22,830
Drainage maintenance	\$46,367
Road signage	\$54,104
Tree pruning	\$148,883
Verge maintenance	\$180,827

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

PARKS AND RESERVES

\$517,778 was spent on the maintenance and improvements of the Shire’s parks, ovals and reserves. This included the installation of the Sussex Bend BMX track.



Technical Services

BUILDING MAINTENANCE

\$290,900 was invested in upgrades to the Shire's buildings. Projects included during 2014-2015 were:

Description	Amount
CCTV - Clune Park/Chinkabee Complex/Tourist Centre	\$60,418
Shire Administration Centre - Disability Entry Ramp and Verandah	\$35,774
Shire Administration Centre - Electrical upgrade and subdivision upgrade	\$21,476
Muchea Hall - New storage room	\$24,615
Chinkabee Complex - New lighting upgrade	\$148,617
TOTAL	\$290,900

BINDOON TOWN HALL RESTORATION

The Shire of Chittering received \$438,581 from Lotterywest Community Spaces grant, which enabled this project to be completed during this financial year. Apart from the addition of disability access and toilet facilities, the works undertaken included drainage improvement, replacement of windows, doors and external panels along with internal and external painting.



Sussex Bend BMX track under construction



CCTV cameras at Clune Park Bindoon



Statutory reports

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

The *Disability Access and Inclusion Plan* was adopted by Council in June 2012. Progress on completing the outcomes of this plan commenced in 2012-2013 and were as follows:

- The Administration reception area was made more accessible for people with disabilities with a new reception counter and double access sliding doors installed.
- New public toilets were constructed in Bindoon with disabled facilities and easy access.
- New disabled toilets were also installed at the Chinkabee Sporting Complex.
- Construction of disability access to those community buildings and facilities which do not have access commenced.

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

The annual progress report for the period 2013-2014 was completed and submitted to Disability Services Commission on 26 June 2014.

Outcome	Number of Strategies/Initiatives planned	Strategies/Initiatives completed
1	Monitor Shire services to ensure equitable access and inclusion	Ongoing
2	Develop the links between the DAIP and other Shire plans and strategies	Completed
3	Ensure all future furniture purchases (library shelving, computer desk) have been assessed for disability access, and meet requirements for access and inclusion	Completed

Statutory reports

Outcome	Number of Strategies/Initiatives planned	Strategies/Initiatives completed
4	Implement access improvement strategies to Shire facilities until full access upgrades to facilities can occur. Strategies may include: <ul style="list-style-type: none"> • staff to assist individuals with disabilities by opening doors and assisting where possible • appropriate signage that welcome requests for assistance from people with disabilities • provision of an accessible desk space at the front counter for people to complete paperwork and/or meet face to face with staff counter 	Main Shire of Chittering Administration Centre and Bindoon Town Hall completed.
5	A list of accessible venues within the Shire is developed and distributed to staff and consultants	Completed
6	Widely promote opportunities for consultation through newsletters, newspapers and on the Shire's website including communication strategies as per Outcome 3 to ensure that people with disabilities are actively consulted about the DAIP and any other significant planning processes.	Undertaken regularly through Chatter, Facebook and on the Shire's website

The Shire has undertaken the following initiatives to enhance access and inclusion:

- Review of the Shire's website – DAIP available in PDF and HTML format; link provided encouraging residents to provide suggestions to improve access and inclusion.
- Actively consulting with community through "Have your Say" in the Shire's monthly news column in the local community paper; media releases on Access and Inclusion in Social Media (Facebook), shire's website and on new monitor located at reception.
- Strong focus on access and inclusion for all Shire events in 2014-2015, including disabled toilets and suitable location. Creating Accessible Events Guidelines used and has also been included with Application for Event form for public organised events.
- Disabled access to Muchea Oval to facilitate access including Auskick Special Needs Football program and access for a disabled parent to the oval to watch their child play junior football.
- Style Guide adopted to ensure the Access to Information Policy and Guidelines for Local Government are followed.
- Disabled toilets and access included in the scope of works for the Bindoon Hall upgrade completed in 2014-2015.
- Clune Park playground upgrade to provide easier access to playground equipment.

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 and procedures were updated to reflect the functions of the Shire.

Statutory reports

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 2014-2015, the Shire received eight (8) Freedom of Information applications. Seven (7) applications were completed within the time-frame prescribed by legislation, one (1) was withdrawn. One (1) application was carried over from the 2013-2014 financial year and was completed.

Freedom of Information legislation provides for extensions of time beyond the 45 day time-frame. Extensions of time must be agreed by both parties. Nil (0) such applications were completed in accordance with agreed extended time-frames.

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 within 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.

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.

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 nil (0) complaints during this period.

Statutory reports

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 was reviewed by Council on 17 June 2015. 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 17 June 2015. 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.

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 2014-2015 Council reviewed the:

- *Extractive Industries Local Law 2014* and on 17 September 2014 Council resolved to make this local law and this was published in the Government Gazette on 24 October 2014;
- *By Laws Relating to Signs, Hoardings and Bill Postings* and on 25 June 2014 Council resolved to advertise for public comments.

Also during 2014-2015 Council has work-shopped Draft Keeping of Cats Local Law, which will be presented to Council during 2015-2016 for resolution.

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	2
110,000.00	119,999.99	1
120,000.00	129,999.99	0
130,000.00	139,999.99	0
140,000.00	149,999.99	0
150,000.00	159,999.99	0
160,000.00	169,999.99	1

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 and the Manager Human Resources also 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.

TABLE 4: Attendance of Elected Members at Council Meetings - 1 July 2014 to 30 June 2015

Elected Members	Annual Electors [1]	Special Electors [1]	Ordinary Council [11]	Special Council [2]
Robert Hawes (President) ³	1	1	10	2
Michelle Rossouw (Deputy)	1	1	11	1
Alex Douglas	1	0	11	1
Doreen Mackie	1	1	11	2
Don Gibson ³	1	1	10	2
Sandra Clarke ¹	0	1	10	1
Barni Norton ²	1	1	10	2

¹ Sandra Clarke had approved leave of absence for the period inclusive of 22 August 2014 until 12 September 2014.

² Barni Norton had approved leave of absence for the Ordinary Council Meeting held on 17 September 2014.

³ Robert Hawes and Don Gibson had approved leave of absence for the Ordinary Council Meeting held on 15 October 2014.

Committees and Advisory Groups

The Shire of Chittering currently has three formal committees and six advisory groups. Committees and advisory groups are established as required to consider and provide advice to Council on a number of issues.

- Audit Committee
- Chittering Bush Fire Advisory Committee
- Local Emergency Management Committee
- Chittering Australia Day Advisory Group
- Chittering Community Planning Advisory Group
- Chittering Community Support Funding Advisory Group
- Chittering Education Scholarship Advisory Group
- Chittering Health Advisory Group
- Chittering Mining Advisory Group

Disbanded Committees and Advisory Groups

Nil

Statutory reports

External Bodies

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 Chamber of Commerce
- 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
- Small Business Central Coastal
- Tenant Housing Group
- 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 2015

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Concise Financial Report

for the Year Ended 30 June 2015

*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 other information for the financial year ended 30 June 2015 are in my opinion properly drawn up to present fairly the financial position of the Shire at 30 June 2015, and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed as authorisation of issue on the 14th day of September 2015


Gary Tuffin
Chief Executive Officer

Item 9.3.2 - Attachment 1

Concise Financial Report

for the Year Ended 30 June 2015

STATEMENT OF COMPREHENSIVE INCOME BY NATURE AND TYPE

	NOTE	2015 \$	2015 Budget \$	2014 \$
Revenue				
Rates	23	5,138,750	5,099,362	4,797,750
Operating grants, subsidies and contributions	29	2,262,009	1,485,795	961,237
Fees and charges	28	1,315,237	1,331,944	906,245
Interest earnings	2(a)	172,677	141,300	187,697
Other revenue		399,827	270,161	309,187
		<u>9,288,500</u>	<u>8,328,562</u>	<u>7,162,116</u>
Expenses				
Employee costs		(3,754,474)	(3,625,591)	(3,233,958)
Materials and contracts		(2,506,683)	(2,898,193)	(2,223,195)
Utility charges		(154,826)	(137,437)	(153,248)
Depreciation on non-current assets	2(a)	(1,930,321)	(1,696,442)	(1,504,316)
Interest expenses	2(a)	(63,856)	(64,611)	(69,721)
Insurance expenses		(187,318)	(199,161)	(185,340)
Other expenditure		(341,162)	(366,974)	(312,891)
		<u>(8,938,640)</u>	<u>(8,988,409)</u>	<u>(7,682,669)</u>
		349,860	(659,847)	(520,553)
Non-operating grants, subsidies and contributions	29	3,269,500	2,689,718	1,238,383
Loss on revaluation of fixed assets	2(a)	(278,940)	0	0
Profit on asset disposals	21	249,335	22,130	19,950
Loss on asset disposals	21	(20,650)	(38,727)	(489)
Net result		3,569,105	2,013,274	737,291
Other comprehensive income				
Changes on revaluation of non-current assets	13	61,728,505	0	14,550,526
Total other comprehensive income		61,728,505	0	14,550,526
Total comprehensive income		65,297,610	2,013,274	15,287,817

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

Concise Financial Report

for the Year Ended 30 June 2015

Item 9.3.2 - Attachment 1

STATEMENT OF COMPREHENSIVE INCOME BY PROGRAM

	NOTE	2015 \$	2015 Budget \$	2014 \$
Revenue	2(a)			
Governance		77,056	43,724	33,833
General purpose funding		7,135,296	6,451,527	5,612,852
Law, order, public safety		403,132	333,776	319,180
Health		26,680	29,040	49,043
Education and welfare		37,833	40,320	27,176
Housing		137,729	143,060	136,591
Community amenities		947,960	971,660	701,924
Recreation and culture		213,354	88,375	74,043
Transport		2,060	2,000	1,959
Economic services		137,215	148,480	148,513
Other property and services		170,185	76,600	57,003
		<u>9,288,500</u>	<u>8,328,562</u>	<u>7,162,117</u>
Expenses	2(a)			
Governance		(1,023,829)	(1,016,177)	(941,984)
General purpose funding		(353,720)	(236,239)	(239,782)
Law, order, public safety		(925,783)	(832,677)	(708,188)
Health		(251,753)	(262,945)	(263,796)
Education and welfare		(132,075)	(145,838)	(74,553)
Housing		(242,343)	(279,822)	(207,325)
Community amenities		(1,805,038)	(2,072,242)	(1,513,866)
Recreation and culture		(1,110,857)	(1,033,459)	(882,349)
Transport		(2,135,832)	(2,139,601)	(2,062,564)
Economic services		(615,304)	(679,367)	(641,309)
Other property and services		(278,250)	(225,431)	(77,233)
		<u>(8,874,784)</u>	<u>(8,923,798)</u>	<u>(7,612,949)</u>
Finance costs	2(a)			
Health		(28,462)	(28,864)	(23,723)
Education and welfare		0	0	(1,353)
Housing		(15,080)	(15,100)	(16,844)
Recreation and culture		(7,043)	(7,188)	(8,458)
Transport		(13,271)	(13,459)	(19,343)
		<u>(63,856)</u>	<u>(64,611)</u>	<u>(69,721)</u>
Loss on revaluation of fixed assets	2(a)			
Law, order, public safety		(716)	0	0
Education and welfare		(31,245)	0	0
Recreation and Culture		(241,147)	0	0
Economic services		(5,832)	0	0
		<u>(278,940)</u>	<u>0</u>	<u>0</u>
Non-operating grants, subsidies and contributions				
Law, order, public safety		682,480	0	0
Health		1,005,000	1,050,000	132,293
Recreation and culture		561,512	499,185	42,319
Transport		995,508	1,140,533	1,063,771
Economic services		25,000	0	0
	29	<u>3,269,500</u>	<u>2,689,718</u>	<u>1,238,383</u>
Profit/(Loss) on disposal of assets				
Governance		3,172	3,102	1,482
Law, order, public safety		(45)	(1,148)	3,260
Health		3,024	535	0
Community amenities		227	(220)	1,849
Transport		(74)	(19,855)	11,647
Economic services		2,115	989	1,203
Other property and services		220,266	0	0
	21	<u>228,885</u>	<u>(16,597)</u>	<u>19,461</u>
Net result		3,569,105	2,013,274	737,291
Other comprehensive income				
Changes on revaluation of non-current assets	13	61,728,505	0	14,550,526
Total other comprehensive income		<u>61,728,505</u>	<u>0</u>	<u>14,550,526</u>
Total comprehensive income		<u>65,297,610</u>	<u>2,013,274</u>	<u>15,287,817</u>

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

Item 9.3.2 - Attachment 1

Concise Financial Report

for the Year Ended 30 June 2015

STATEMENT OF FINANCIAL POSITION

	NOTE	2015 \$	2014 \$
CURRENT ASSETS			
Cash and cash equivalents	3	3,305,011	3,828,315
Trade and other receivables	5	304,351	411,876
Inventories	6	6,641	8,645
TOTAL CURRENT ASSETS		<u>3,616,003</u>	<u>4,248,836</u>
NON-CURRENT ASSETS			
Investments	4	42,500	42,500
Other receivables	5	42,506	34,665
Property, plant and equipment	7	29,277,614	25,630,460
Infrastructure	8	105,030,642	43,084,060
TOTAL NON-CURRENT ASSETS		<u>134,393,262</u>	<u>68,791,685</u>
TOTAL ASSETS		<u>138,009,265</u>	<u>73,040,521</u>
CURRENT LIABILITIES			
Trade and other payables	9	555,719	879,704
Current portion of long term borrowings	10	81,541	77,475
Provisions	11	470,707	405,838
TOTAL CURRENT LIABILITIES		<u>1,107,967</u>	<u>1,363,017</u>
NON-CURRENT LIABILITIES			
Long term borrowings	10	1,179,962	1,257,978
Provisions	11	127,037	122,837
TOTAL NON-CURRENT LIABILITIES		<u>1,306,999</u>	<u>1,380,815</u>
TOTAL LIABILITIES		<u>2,414,966</u>	<u>2,743,832</u>
NET ASSETS		<u>135,594,299</u>	<u>70,296,689</u>
EQUITY			
Retained surplus		58,176,097	54,575,895
Reserves - cash backed	12	1,040,834	1,071,931
Revaluation surplus	13	76,377,368	14,648,863
TOTAL EQUITY		<u>135,594,299</u>	<u>70,296,689</u>

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

Item 9.3.2 - Attachment 1

Concise Financial Report

for the Year Ended 30 June 2015

STATEMENT OF CASH FLOWS

	NOTE	2015 \$	2015 Budget \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		5,079,524	5,079,362	4,846,874
Operating grants, subsidies and contributions		2,400,933	1,255,795	767,891
Fees and charges		1,315,237	1,331,944	906,245
Interest earnings		172,677	141,300	187,697
Goods and services tax		894,906	489,254	504,538
Other revenue		399,827	270,161	309,187
		<u>10,263,104</u>	<u>8,567,816</u>	<u>7,522,432</u>
Payments				
Employee costs		(3,685,354)	(3,555,591)	(3,154,457)
Materials and contracts		(2,828,059)	(2,891,402)	(1,647,394)
Utility charges		(154,826)	(137,437)	(153,248)
Interest expenses		(64,512)	(64,611)	(71,503)
Insurance expenses		(187,318)	(199,161)	(185,340)
Goods and services tax		(874,920)	(326,879)	(514,250)
Other expenditure		(341,163)	(331,974)	(282,164)
		<u>(8,136,152)</u>	<u>(7,507,055)</u>	<u>(6,008,356)</u>
Net cash provided by (used in) operating activities	14(b)	<u>2,126,952</u>	<u>1,060,761</u>	<u>1,514,076</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment		(5,003,648)	(4,417,694)	(1,312,727)
Payments for construction of infrastructure		(1,548,226)	(2,032,343)	(1,791,382)
Non-operating grants, Subsidies and contributions		3,269,500	2,689,718	1,238,383
Proceeds from sale of fixed assets		706,068	429,282	179,329
Net cash provided by (used in) investment activities		<u>(2,576,306)</u>	<u>(3,331,037)</u>	<u>(1,686,397)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of debentures		(73,950)	(77,476)	(159,999)
Net cash provided by (used in) financing activities		<u>(73,950)</u>	<u>(77,476)</u>	<u>(159,999)</u>
Net increase (decrease) in cash held		(523,304)	(2,347,752)	(332,320)
Cash at beginning of year		3,828,315	3,478,515	4,160,635
Cash and cash equivalents at the end of the year	14(a)	<u><u>3,305,011</u></u>	<u><u>1,130,763</u></u>	<u><u>3,828,315</u></u>

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

Concise Financial Report

for the Year Ended 30 June 2015

STATEMENT OF CHANGES IN EQUITY

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2013		54,030,778	879,757	98,337	55,008,872
Comprehensive income					
Net result		737,291	0	0	737,291
Changes on revaluation of non-current assets	13	0	0	14,550,526	14,550,526
Total comprehensive income		<u>737,291</u>	<u>0</u>	<u>14,550,526</u>	<u>15,287,817</u>
Transfers from/(to) reserves		(192,174)	192,174	0	0
Balance as at 30 June 2014		54,575,895	1,071,931	14,648,863	70,296,689
Comprehensive income					
Net result		3,569,105	0	0	3,569,105
Changes on revaluation of non-current assets	13	0	0	61,728,505	61,728,505
Total comprehensive income		<u>3,569,105</u>	<u>0</u>	<u>61,728,505</u>	<u>65,297,610</u>
Transfers from/(to) reserves		31,097	(31,097)	0	0
Balance as at 30 June 2015		58,176,097	1,040,834	76,377,368	135,594,299

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

Item 9.3.2 - Attachment 1

Concise Financial Report

for the Year Ended 30 June 2015

RATE SETTING STATEMENT

	NOTE	2015 Actual \$	2015 Budget \$	2014 Actual \$
Revenue				
Governance		80,355	47,151	35,315
General purpose funding		1,996,546	1,352,165	815,102
Law, order, public safety		1,086,976	334,656	322,460
Health		1,034,704	1,079,575	181,336
Education and welfare		37,833	40,320	27,176
Housing		137,729	143,060	136,591
Community amenities		953,107	975,613	703,773
Recreation and culture		774,866	587,560	116,362
Transport		1,011,688	1,154,879	1,077,545
Economic services		164,330	149,469	150,037
Other property and services		390,451	76,600	57,003
		<u>7,668,585</u>	<u>5,941,048</u>	<u>3,622,700</u>
Expenses				
Governance		(1,023,956)	(1,016,502)	(941,984)
General purpose funding		(632,660)	(236,239)	(239,782)
Law, order, public safety		(927,192)	(834,705)	(708,188)
Health		(280,215)	(291,809)	(287,519)
Education and welfare		(132,075)	(145,838)	(75,906)
Housing		(257,423)	(294,922)	(224,169)
Community amenities		(1,809,958)	(2,076,415)	(1,513,866)
Recreation and culture		(1,117,900)	(1,040,647)	(890,807)
Transport		(2,163,297)	(2,185,261)	(2,082,074)
Economic services		(615,304)	(679,367)	(641,631)
Other property and services		(278,250)	(225,431)	(77,233)
		<u>(9,238,230)</u>	<u>(9,027,136)</u>	<u>(7,683,159)</u>
Net result excluding rates		(1,569,645)	(3,086,088)	(4,060,459)
Adjustments for cash budget requirements:				
Non-cash expenditure and revenue				
Loss on revaluation of fixed assets		278,940	0	0
(Profit)/Loss on asset disposals	21	(228,685)	16,597	(19,461)
Movement in deferred pensioner rates (non-current)		(7,841)	0	1,009
Movement in employee benefit provisions (non-current)		4,200	0	17,638
Movement in employee entitlement reserve		(6,637)	0	(25,178)
Depreciation and amortisation on assets	2(a)	1,930,321	1,696,442	1,504,316
Assets written off				30,727
Capital Expenditure and Revenue				
Purchase of land and buildings	7(b)	(3,232,356)	(3,238,244)	(573,414)
Purchase furniture and equipment	7(b)	(87,885)	(75,662)	(8,123)
Purchase plant and equipment	7(b)	(1,160,185)	(581,550)	(497,568)
Purchase motor vehicles	7(b)	(523,222)	(522,238)	(233,622)
Purchase roads	8(b)	(1,517,398)	(1,997,506)	(1,626,042)
Purchase footpaths		0	0	(145,275)
Purchase parks and ovals	8(b)	(30,828)	0	(20,065)
Purchase other		0	(34,837)	0
Proceeds from disposal of fixed assets	21	706,068	429,282	179,329
Repayment of debentures	22(a)	(73,950)	(77,476)	(159,999)
Transfers to reserves (restricted assets)	12	(265,380)	(74,300)	(227,082)
Transfers from reserves (restricted assets)	12	296,477	374,445	34,908
ADD Estimated surplus/(deficit) July 1 b/fwd	23(b)	2,053,701	2,071,773	3,084,312
LESS Estimated surplus/(deficit) June 30 c/fwd	23(b)	1,704,445	0	2,053,701
Total amount raised from general rate	23(a)	<u>(5,138,750)</u>	<u>(5,099,362)</u>	<u>(4,797,750)</u>

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

Concise Financial Report

for the Year Ended 30 June 2015

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.

(b) Goods and Services Tax (GST)

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

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

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

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

(c) Cash and Cash Equivalents

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

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

Item 9.3.2 - Attachment 1 Concise Financial Report

for the Year Ended 30 June 2015

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Trade and Other Receivables

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

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

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

(e) Inventories

General

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

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

Land held for sale

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

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

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

(f) Fixed Assets

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

Mandatory requirement to revalue non-current assets

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

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

- (a) for the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and
 - (b) for the financial year ending on 30 June 2014, the fair value of all of the assets of the local government -
 - (i) that are plant and equipment; and
 - (ii) that are -
 - (I) land and buildings; or-
 - (II) Infrastructure;
- and
- (c) for a financial year ending on or after 30 June 2015, the fair value of all of the assets of the local government.

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

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

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

Concise Financial Report

for the Year Ended 30 June 2015

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

Land under control

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

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

Revaluation

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

Land under roads

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

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

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

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

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

Concise Financial Report

for the Year Ended 30 June 2015

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

Depreciation

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

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

- 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
- 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	0 to 50 years
Furniture and equipment	4 to 10 years
Computer Equipment and Software	3 years
Plant and Equipment - Heavy	5 to 15 years
Plant and Equipment - Light	0 to 10 years
Culverts	0 to 60 years
Surface Water Drainage	0 to 60 years
Footpaths	0 to 80 years
Pavement	0 to 100 years
Surface	0 to 30 years
Surface Water Channel	0 to 60 years
Subgrade	not depreciated

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

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

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

Capitalisation threshold

Expenditure on items of equipment under \$5,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

Item 9.3.2 - Attachment 1 Concise Financial Report

for the Year Ended 30 June 2015

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fair Value of Assets and Liabilities

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

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

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

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

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

Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Concise Financial Report

for the Year Ended 30 June 2015

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Income approach

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach

Valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

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

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued at least every 3 years.

(h) Financial Instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

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

Amortised cost is calculated as:

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

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

Concise Financial Report

for the Year Ended 30 June 2015

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Classification and subsequent measurement (continued)

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

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

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

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

Concise Financial Report

for the Year Ended 30 June 2015

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Impairment

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

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

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

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

Derecognition

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

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

(i) Impairment of Assets

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

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

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

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

(j) Trade and Other Payables

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

Concise Financial Report

for the Year Ended 30 June 2015

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Employee Benefits

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

(l) Borrowing Costs

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

(m) Provisions

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

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

(n) Leases

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

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

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

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

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

Item 9.3.2 - Attachment 1

Concise Financial Report

for the Year Ended 30 June 2015

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Investment in Associates

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

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

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

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

(p) Interests in Joint Arrangements

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

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

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Shire's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 17.

(q) Rates, Grants, Donations and Other Contributions

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

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

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

(r) Superannuation

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

Item 9.3.2 - Attachment 1

Concise Financial Report

for the Year Ended 30 June 2015

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Current and Non-Current Classification

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

(t) Rounding Off Figures

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

(u) Comparative Figures

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

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

(v) Budget Comparative Figures

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

Concise Financial Report

for the Year Ended 30 June 2015

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(i) AASB 9 Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)	December 2014	1 January 2018	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Shire, it is not anticipated the Standard will have any material effect.
(ii) AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	September 2012	1 January 2018	Nil – The revisions embodied in this Standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Shire (refer (i) above).
(iii) AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2017	This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The effect of this Standard will depend upon the nature of future transactions the Shire has with those third parties it has dealings with. It may or may not be significant.

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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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for the Year Ended 30 June 2015

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Notes:

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

(x) Adoption of New and Revised Accounting Standards

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

These new and revised Standards were:

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

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

Concise Financial Report

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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

2. REVENUE AND EXPENSES	2015 \$	2014 \$
(a) Net Result		
The Net result includes:		
(i) Charging as an expense:		
Auditors remuneration		
- Audit of the annual financial report	19,500	19,215
- Assistance with the finalisation of the annual financial report	7,000	6,752
- Other services	14,348	4,250
Depreciation		
Non-specialised buildings	433,269	166,393
Furniture and Equipment	18,281	7,808
Plant and Equipment	327,428	224,529
Motor Vehicles	100,134	86,630
Roads	947,338	918,882
Footpaths	13,309	9,677
Drainage	4,661	4,661
Bridges and Culverts	29,402	29,402
Parks and Ovals	52,708	52,323
Other	3,791	4,011
	<u>1,930,321</u>	<u>1,504,316</u>
Interest expenses (finance costs)		
Debentures (refer Note 22 (a))	63,856	69,721
	<u>63,856</u>	<u>69,721</u>
(ii) Crediting as revenue:		
Other revenue		
Reimbursements and recoveries	399,827	309,187
	<u>399,827</u>	<u>309,187</u>
	2015 Actual \$	2015 Budget \$
Interest earnings		2014 Actual \$
- Reserve funds	36,080	25,000
- Other funds	85,684	70,000
Other interest revenue (refer note 27)	50,913	44,960
	<u>172,677</u>	<u>141,300</u>
		<u>187,697</u>

Concise Financial Report

for the Year Ended 30 June 2015

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

"A sustainable future"

The Shire of Chittering will provide significant and thriving local areas to live and work. Council 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 & community health centres.

EDUCATION AND WELFARE

Objective:

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

Activities:

Senior citizen 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.

Item 9.3.2 - Attachment 1

Concise Financial Report

for the Year Ended 30 June 2015

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:

Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.

RECREATION AND CULTURE

Objective:

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

Activities:

Maintenance of public halls, various parks and reserves.
Operation of library, museum and other cultural facilities.

TRANSPORT

Objective:

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

Activities:

Construction and maintenance of roads, bridges, footpaths, drainage works, street 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 Shire's overheads operating accounts.

Activities:

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

Concise Financial Report

for the Year Ended 30 June 2015

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions		Opening Balance ⁽¹⁾ 1/07/13	Received ⁽²⁾ 2013/14	Expended ⁽³⁾ 2013/14	Closing Balance ⁽¹⁾ 30/06/14	Received ⁽²⁾ 2014/15	Expended ⁽³⁾ 2014/15	Closing Balance 30/06/15
Grant/Contribution	Function/ Activity	\$	\$	\$	\$	\$	\$	\$
Grant - Swan River Nutrient	Community Amenities	7,634	0	(7,634)	0	0	0	0
R4R - POS Sussex Bend	Rec & Culture	5,834	0	(5,834)	0	0	0	0
R4R - Health Centre	Health	50,000	0	(50,000)	0	0	0	0
R4R - Health Centre	Health	792,412	0	(6,690)	785,722	0	(785,722)	0
R2R - Binda Place	Transport	0	0	0	0	100,719	(16,207)	84,512
WDC - Binda Place	Transport	0	0	0	0	142,000	0	142,000
WDC - Age Friendly	Rec & Culture	0	0	0	0	53,000	0	53,000
Total		855,880	0	(70,158)	785,722	295,719	(801,929)	279,512

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 2015

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

	Note	2015 \$	2014 \$
3. CASH AND CASH EQUIVALENTS			
Unrestricted		1,984,665	1,288,662
Restricted		1,320,346	2,539,653
		<u>3,305,011</u>	<u>3,828,315</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Employee Entitlements Reserve	12	155,702	162,339
Plant Replacement Reserve	12	89,388	105,132
Public Buildings and Amenities Reserve	12	29,831	76,694
Gravel Acquisition Reserve	12	64,754	62,741
Community Housing Reserve	12	68,092	71,499
Seniors Housing Reserve	12	8,542	21,542
Brockman Centre Precinct Reserve	12	9,502	9,207
Public Open Space Reserve	12	255,450	247,509
Bindoon Community Bus Reserve	12	42,354	41,037
Cemetery Development Reserve	12	32,026	31,029
Administration Centre Reserve	12	3,551	32,605
Recreation Development Reserve	12	43,800	42,438
Ambulance Replacement Reserve	12	1,157	1,121
Waste Management Reserve	12	20,996	20,343
Office Equipment Reserve	12	4,694	10,085
Landcare Vehicles Reserve	12	68,295	95,560
Binda Place Reserve	12	107,469	6,914
Contributions to Roadworks Reserve	12	35,231	34,136
Unspent grants	2(c)	279,512	785,722
Unspent loans	22(c)	0	682,000
		<u>1,320,346</u>	<u>2,539,653</u>
4. INVESTMENTS			
Financial assets at fair value through profit and loss		<u>42,500</u>	<u>42,500</u>
5. TRADE AND OTHER RECEIVABLES			
Current			
Rates outstanding		131,476	80,091
Sundry debtors		122,660	261,584
GST receivable		50,215	70,201
		<u>304,351</u>	<u>411,876</u>
Non-current			
Rates outstanding - pensioners		42,506	34,665
		<u>42,506</u>	<u>34,665</u>
6. INVENTORIES			
Current			
Fuel and materials		6,641	8,645
		<u>6,641</u>	<u>8,645</u>

Item 9.3.2 - Attachment 1

Concise Financial Report

for the Year Ended 30 June 2015

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

	2015 \$	2014 \$
7 (a). PROPERTY, PLANT AND EQUIPMENT		
Land and buildings		
Freehold land at:		
- Independent valuation 2014 - level 2	13,088,766	13,133,500
- Additions after valuation - cost	71,416	0
	<u>13,160,182</u>	<u>13,133,500</u>
	<u>13,160,182</u>	<u>13,133,500</u>
Non-specialised buildings at:		
Independent valuation 2014 - level 2	3,276,000	3,276,000
- Additions after valuation - cost	3,160,940	0
Less: accumulated depreciation	<u>(433,269)</u>	<u>0</u>
	6,003,671	3,276,000
Specialised buildings at:		
Independent valuation 2014 - level 3	6,401,700	6,401,700
Less accumulated depreciation	<u>0</u>	<u>0</u>
	6,401,700	6,401,700
	<u>12,405,371</u>	<u>9,677,700</u>
Total land and buildings	<u>25,565,553</u>	<u>22,811,200</u>
Furniture and Equipment at:		
- Management valuation 2013 - level 3	113,975	117,975
- Additions after valuation - cost	96,008	8,123
Less accumulated depreciation	<u>(23,919)</u>	<u>(7,808)</u>
	186,064	118,290
Plant and Equipment at:		
- Management valuation 2013 - level 2	1,833,289	1,999,108
- Additions after valuation - cost	1,651,010	490,825
Less accumulated depreciation	<u>(500,925)</u>	<u>(217,786)</u>
	2,983,374	2,272,147
Motor Vehicles at:		
- Management valuation 2013 - level 2	38,105	281,831
- Additions after valuation - cost	609,953	232,381
Less accumulated depreciation	<u>(105,435)</u>	<u>(85,389)</u>
	542,623	428,823
	<u>29,277,614</u>	<u>25,630,460</u>

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

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for the Year Ended 30 June 2015

Item 9.3.2 - Attachment 1

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 \$	Revaluation (Decrements) \$	Depreciation (Expense) \$	Transfers \$	Carrying Amount at the End of Year \$
Freehold land	13,133,500	71,416	(44,734)	0	0	0	0	13,160,182
Total land	13,133,500	71,416	(44,734)	0	0	0	0	13,160,182
Non-specialised buildings	3,276,000	3,160,940	0	0	0	(433,269)	0	6,003,671
Specialised buildings	6,401,700	0	0	0	0	0	0	6,401,700
Total buildings	9,677,700	3,160,940	0	0	0	(433,269)	0	12,405,371
Total land and buildings	22,811,200	3,232,356	(44,734)	0	0	(433,269)	0	25,565,553
Furniture and Equipment	118,290	87,885	(1,830)	0	0	(18,281)	0	186,064
Plant and Equipment	2,272,147	1,160,185	(121,530)	0	0	(327,428)	0	2,983,374
Motor Vehicles	428,823	523,222	(309,288)	0	0	(100,134)	0	542,623
Total property, plant and equipment	25,630,460	5,003,648	(477,382)	0	0	(879,112)	0	29,277,614

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for the Year Ended 30 June 2015

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					
Freehold land	2	Observable open market values of similar assets, adjusted for condition and comparability, at their highest and best use	Independent registered valuers	June 2014	Available market information
Non-specialised buildings	2	Observable open market values of similar assets, adjusted for condition and comparability, at their highest and best use	Independent registered valuers	June 2014	Available market information
Specialised buildings	3	Current replacement cost	Independent registered valuers	June 2014	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	Management valuation	June 2013	Residual values and remaining useful life assessments
Plant and Equipment	2	Market approach using recent observable market data for similar assets	Management valuation	June 2013	Available market information
Motor Vehicles	2	Market approach using recent observable market data for similar assets	Management valuation	June 2013	Available market information

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.

Item 9.3.2 - Attachment 1

Concise Financial Report

for the Year Ended 30 June 2015

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

	2015 \$	2014 \$
8 (a). INFRASTRUCTURE		
Roads		
- Management valuation 2015 - level 3	119,128,772	0
- Cost	0	54,133,632
Less accumulated depreciation	<u>(21,939,680)</u>	<u>(15,027,261)</u>
	97,189,092	39,106,371
Footpaths		
- Management valuation 2015 - level 3	1,179,866	0
- Cost	0	563,702
Less accumulated depreciation	<u>(361,005)</u>	<u>(55,831)</u>
	818,861	507,871
Drainage		
- Management valuation 2015 - level 3	6,179,549	0
- Cost	0	466,136
Less accumulated depreciation	<u>(2,022,688)</u>	<u>(36,739)</u>
	4,156,861	429,397
Bridges and Culverts		
- Management valuation 2015 - level 3	7,980,000	0
- Cost	0	2,940,155
Less accumulated depreciation	<u>(5,867,000)</u>	<u>(957,173)</u>
	2,113,000	1,982,982
Parks and Ovals		
- Management valuation 2015 - level 3	1,320,828	0
- Cost	0	1,284,556
Less accumulated depreciation	<u>(568,000)</u>	<u>(282,334)</u>
	752,828	1,002,222
Other		
- Cost	0	87,254
Less accumulated depreciation	<u>0</u>	<u>(32,037)</u>
	0	55,217
	<u>105,030,642</u>	<u>43,084,060</u>

Concise Financial Report

for the Year Ended 30 June 2015

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 \$	Revaluation (Decrements) \$	Depreciation (Expense) \$	Transfers \$	Carrying Amount at the End of the Year \$
Roads	39,106,371	1,517,398	0	57,512,661	0	(947,333)	0	97,186,092
Footpaths	507,871	0	0	324,299	0	(13,309)	0	818,861
Drainage	429,397	0	0	3,732,125	0	(4,661)	0	4,156,861
Bridges and Culverts	1,982,982	0	0	159,420	0	(29,402)	0	2,113,000
Parks and Ovals	1,002,222	30,828	0	0	(227,514)	(52,708)	0	752,828
Other	55,217	0	0	0	(51,426)	(3,791)	0	0
Total Infrastructure	43,084,060	1,548,226	0	61,728,505	(278,940)	(1,051,209)	0	105,030,642

The revaluation of infrastructure assets resulted in a net increase on revaluation of \$61,449,565 in the net value of infrastructure. \$61,728,505 of this increase was credited to the revaluation surplus in the Shire's equity (refer Note 13) and was recognised as Changes on Revaluation of non-current assets in the Statement of Comprehensive Income whilst \$278,940 was debited to the profit or loss section of the Statement of Comprehensive Income and recognised as "Loss on Revaluation of Fixed assets" as these decrements were attributable to individual classes of assets for which a previous revaluation surplus did not exist.

Concise Financial Report

for the Year Ended 30 June 2015

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
Roads	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Footpaths	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Drainage	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
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 useful life assessments (Level 3) inputs
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 useful life assessments (Level 3) inputs

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

During the period there were no changes in the valuation techniques used to determine the fair value of infrastructure using level 3 inputs.

Concise Financial Report

for the Year Ended 30 June 2015

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

	2015 \$	2014 \$
9. TRADE AND OTHER PAYABLES		
Current		
Sundry creditors	385,845	669,300
Accrued interest on debentures	16,542	17,198
Accrued salaries and wages	103,779	86,918
ATO liabilities	49,553	66,363
Income Received in Advance	0	39,925
	<u>555,719</u>	<u>879,704</u>
10. LONG-TERM BORROWINGS		
Current		
Secured by floating charge		
Debentures	<u>81,541</u>	<u>77,475</u>
	<u>81,541</u>	<u>77,475</u>
Non-current		
Secured by floating charge		
Debentures	<u>1,179,962</u>	<u>1,257,978</u>
	<u>1,179,962</u>	<u>1,257,978</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 2014	272,647	133,191	405,838
Non-current provisions	<u>0</u>	<u>122,837</u>	<u>122,837</u>
	272,647	256,028	528,675
Additional provision	(247,074)	(4,469)	(251,543)
Amounts used	<u>268,718</u>	<u>51,894</u>	<u>320,612</u>
Balance at 30 June 2015	<u>294,291</u>	<u>303,453</u>	<u>597,744</u>
Comprises			
Current	294,291	176,416	470,707
Non-current	<u>0</u>	<u>127,037</u>	<u>127,037</u>
	<u>294,291</u>	<u>303,453</u>	<u>597,744</u>

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for the Year Ended 30 June 2015

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

	2015 \$	2015 Budget \$	2014 \$
12. RESERVES - CASH BACKED			
(a) Employee Entitlement Reserve			
Opening balance	162,339	162,340	187,517
Amount set aside / transfer to reserve	40,808	38,786	5,880
Amount used / transfer from reserve	(47,445)	(29,445)	(31,058)
	<u>155,702</u>	<u>171,681</u>	<u>162,339</u>
(b) Plant Replacement Reserve			
Opening balance	105,132	105,132	12,251
Amount set aside / transfer to reserve	84,256	2,452	92,881
Amount used / transfer from reserve	(100,000)	(100,000)	0
	<u>89,388</u>	<u>7,584</u>	<u>105,132</u>
(c) Public Buildings and Amenities Reserve			
Opening balance	76,694	76,695	68,851
Amount set aside / transfer to reserve	8,137	7,289	7,843
Amount used / transfer from reserve	(55,000)	(55,000)	0
	<u>29,831</u>	<u>28,984</u>	<u>76,694</u>
(d) Gravel Acquisition Reserve			
Opening balance	62,741	62,740	60,799
Amount set aside / transfer to reserve	2,013	1,463	1,942
Amount used / transfer from reserve	0	0	0
	<u>64,754</u>	<u>64,203</u>	<u>62,741</u>
(e) Community Housing Reserve			
Opening balance	71,499	71,499	64,505
Amount set aside / transfer to reserve	7,213	6,468	6,994
Amount used / transfer from reserve	(10,620)	(56,000)	0
	<u>68,092</u>	<u>21,967</u>	<u>71,499</u>
(f) Seniors Housing Reserve			
Opening balance	21,542	21,542	20,654
Amount set aside / transfer to reserve	4,760	4,502	4,738
Amount used / transfer from reserve	(17,760)	(14,000)	(3,850)
	<u>8,542</u>	<u>12,044</u>	<u>21,542</u>
(g) Brockman Centre Precinct Reserve			
Opening balance	9,207	9,207	8,921
Amount set aside / transfer to reserve	295	215	286
Amount used / transfer from reserve	0	0	0
	<u>9,502</u>	<u>9,422</u>	<u>9,207</u>
(h) Public Open Space Reserve			
Opening balance	247,509	247,509	150,744
Amount set aside / transfer to reserve	7,941	5,773	96,765
Amount used / transfer from reserve	0	(60,000)	0
	<u>255,450</u>	<u>193,282</u>	<u>247,509</u>
(i) Bindoon Community Bus Reserve			
Opening balance	41,037	41,038	39,768
Amount set aside / transfer to reserve	1,317	957	1,269
Amount used / transfer from reserve	0	0	0
	<u>42,354</u>	<u>41,995</u>	<u>41,037</u>

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for the Year Ended 30 June 2015

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

	2015 \$	2015 Budget \$	2014 \$
12 RESERVES - CASH BACKED (CONTINUED)			
(j) Cemetery Development Reserve			
Opening balance	31,029	31,029	30,070
Amount set aside / transfer to reserve	997	724	959
Amount used / transfer from reserve	0	0	0
	<u>32,026</u>	<u>31,753</u>	<u>31,029</u>
(k) Administration Centre Reserve			
Opening balance	32,605	32,605	31,596
Amount set aside / transfer to reserve	946	760	1,009
Amount used / transfer from reserve	(30,000)	(30,000)	0
	<u>3,551</u>	<u>3,365</u>	<u>32,605</u>
(l) Recreation Development Reserve			
Opening balance	42,438	42,438	41,126
Amount set aside / transfer to reserve	1,362	990	1,312
Amount used / transfer from reserve	0	0	0
	<u>43,800</u>	<u>43,428</u>	<u>42,438</u>
(m) Ambulance Replacement Reserve			
Opening balance	1,121	1,121	1,086
Amount set aside / transfer to reserve	36	26	35
Amount used / transfer from reserve	0	0	0
	<u>1,157</u>	<u>1,147</u>	<u>1,121</u>
(n) Waste Management Reserve			
Opening balance	20,343	20,342	19,714
Amount set aside / transfer to reserve	653	474	629
Amount used / transfer from reserve	0	0	0
	<u>20,996</u>	<u>20,816</u>	<u>20,343</u>
(o) Office Equipment Reserve			
Opening balance	10,085	10,085	9,772
Amount set aside / transfer to reserve	261	235	313
Amount used / transfer from reserve	(5,652)	0	0
	<u>4,694</u>	<u>10,320</u>	<u>10,085</u>
(p) Landcare Vehicles Reserve			
Opening balance	95,560	95,561	92,604
Amount set aside / transfer to reserve	2,735	2,229	2,956
Amount used / transfer from reserve	(30,000)	(30,000)	0
	<u>68,295</u>	<u>67,790</u>	<u>95,560</u>
(q) Binda Place Reserve			
Opening balance	6,914	6,913	6,699
Amount set aside / transfer to reserve	100,555	161	215
Amount used / transfer from reserve	0	0	0
	<u>107,469</u>	<u>7,074</u>	<u>6,914</u>

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for the Year Ended 30 June 2015

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

12. RESERVES - CASH BACKED (CONTINUED)

(r) Contributions to Roadworks Reserve

Opening balance	34,136	34,135	33,080
Amount set aside / transfer to reserve	1,095	796	1,056
Amount used / transfer from reserve	0	0	0
	<u>35,231</u>	<u>34,931</u>	<u>34,136</u>
 TOTAL RESERVES	 <u>1,040,834</u>	 <u>771,786</u>	 <u>1,071,931</u>
 Total Opening balance	 1,071,931	 1,071,931	 879,757
Total Amount set aside / transfer to reserve	265,380	74,300	227,082
Total Amount used / transfer from reserve	(296,477)	(374,445)	(34,908)
TOTAL RESERVES	<u>1,040,834</u>	<u>771,786</u>	<u>1,071,931</u>

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 2015

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

12. RESERVES - CASH BACKED (CONTINUED)

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

- (a) Employee Entitlement Reserve
 - to be used to fund employee annual, sick, long service leave and employee gratuities.
- (b) Plant Replacement Reserve
 - to be used to fund plant purchases, trades and major overhauls
- (c) Public Buildings and Amenities Reserve
 - to be used to fund future public amenities and building maintenance requirements of Council owned buildings.
- (d) Gravel Acquisition Reserve
 - to be used to fund the purchase of gravel or land containing gravel.
- (e) Community Housing Reserve
 - to be used to fund repairs, improvements, extensions or construction of community units.
- (f) Seniors Housing Reserve
 - to be used to fund repairs, improvements, extensions or construction of seniors units.
- (g) Brockman Centre Precinct Reserve
 - to be used to fund scheduled or agreed maintenance or improvements to buildings in this precinct.
- (h) Public Open Space Reserve
 - to be used to fund public open space developments in accordance with developer precincts.
- (i) Bindoon Community Bus Reserve
 - to be used to fund the shortfall on operations of the bus and to allow for it's eventual replacement.
- (j) Cemetery Development Reserve
 - to be used to fund future improvements to the Bindoon Cemetery.
- (k) Administration Centre Reserve
 - to be used to fund major improvements or construction of Councils administration building requirements.
- (l) Recreation Development Reserve
 - to be used to fund the development or acquisition of recreational land and facilities.
- (m) Ambulance Replacement Reserve
 - to be used to contribute towards the cost of purchasing or replacing an ambulance.
- (n) Waste Management Reserve
 - to be used to fund the replacement of landfill sites and rehabilitation of existing landfill sites.
- (o) Office Equipment Reserve
 - to be used for the replacement of office equipment.
- (p) Landcare Vehicle Reserve
 - to be used for the financing of replacement Landcare vehicles
- (q) Binda Place Reserve
 - to be used for the upgrade of Binda Place Project.
- (r) Contributions to Roadworks Reserve
 - to be used for the maintenance of Mooliabeenee Road

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

Concise Financial Report

for the Year Ended 30 June 2015

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

13. REVALUATION SURPLUS

Revaluation surpluses have arisen on revaluation of the following classes of non-current assets:

(a) Land

Opening balance	11,168,109	0
Revaluation increment	0	11,168,109
Revaluation decrement	0	0
	<u>11,168,109</u>	<u>11,168,109</u>

(b) Buildings

Opening balance	3,382,417	0
Revaluation increment	0	3,382,417
Revaluation decrement	0	0
	<u>3,382,417</u>	<u>3,382,417</u>

(c) Plant and Equipment

Opening balance	98,337	0
Revaluation increment	0	98,337
Revaluation decrement	0	0
	<u>98,337</u>	<u>98,337</u>

(d) Roads

Opening balance	0	0
Revaluation increment	57,512,661	0
Revaluation decrement	0	0
	<u>57,512,661</u>	<u>0</u>

(e) Footpaths

Opening balance	0	0
Revaluation increment	324,299	0
Revaluation decrement	0	0
	<u>324,299</u>	<u>0</u>

(f) Drainage

Opening balance	0	0
Revaluation increment	3,732,125	0
Revaluation decrement	0	0
	<u>3,732,125</u>	<u>0</u>

(g) Bridges and Culverts

Opening balance	0	0
Revaluation increment	159,420	0
Revaluation decrement	0	0
	<u>159,420</u>	<u>0</u>

TOTAL ASSET REVALUATION SURPLUS

<u>76,377,368</u>	<u>14,648,863</u>
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Concise Financial Report

for the Year Ended 30 June 2015

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:

	2015 \$	2015 Budget \$	2014 \$
Cash and cash equivalents	<u>3,305,011</u>	<u>1,130,763</u>	<u>3,828,315</u>

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

Net result	3,569,105	2,013,274	737,291
Non-cash flows in Net result:			
Depreciation	1,930,321	1,696,442	1,504,316
(Profit)/Loss on sale of asset	(228,685)	16,597	(19,461)
Assets Written Off			30,727
Loss on revaluation of fixed assets	278,940	0	0
Changes in assets and liabilities:			
(Increase)/Decrease in receivables	99,684	78,264	(153,934)
(Increase)/Decrease in inventories	2,004	4,921	(765)
Increase/(Decrease) in payables	(323,986)	(35,451)	598,731
Increase/(Decrease) in provisions	69,069	(23,568)	55,554
Grants contributions for the development of assets	<u>(3,269,500)</u>	<u>(2,689,718)</u>	<u>(1,238,383)</u>
Net cash from operating activities	<u>2,126,952</u>	<u>1,060,761</u>	<u>1,514,076</u>

(c) Undrawn Borrowing Facilities Credit Standby Arrangements

	2015 \$	2014 \$
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>(4,999)</u>	<u>(7,356)</u>
Total amount of credit unused	<u>170,001</u>	<u>167,644</u>

Loan facilities

Loan facilities - current	81,541	77,475
Loan facilities - non-current	<u>1,179,962</u>	<u>1,257,978</u>
Total facilities in use at balance date	<u>1,261,503</u>	<u>1,335,453</u>

Unused loan facilities at balance date

	<u>NIL</u>	<u>682,000</u>
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Concise Financial Report

for the Year Ended 30 June 2015

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 2015.

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

Housing units owned by Homeswest are on Council owned land and there is a joint venture arrangement with regard to the initial construction and ongoing management and maintenance of the units for a period of fifty (50) years from commencement.

There is no attributable value to the non current assets relating to items such as air conditioners & waste management systems for the housing units, as they are written off to nil and considered immaterial.

18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2015 \$	2014 \$
Governance	2,736,014	2,764,074
General purpose funding	185,118	127,221
Law, order, public safety	2,741,608	2,096,848
Health	3,310,619	1,804,130
Education and welfare	219,963	1,287,443
Housing	2,314,668	2,123,612
Community amenities	2,075,351	2,364,450
Recreation and culture	9,981,645	10,774,352
Transport	107,023,857	45,190,672
Economic services	544,361	114,785
Other property and services	4,673,127	1,980,606
Unallocated	2,202,934	2,412,328
	<u>138,009,265</u>	<u>73,040,521</u>

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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

	2015	2014	2013
19. FINANCIAL RATIOS			
Current ratio	2.411	1.424	2.719
Asset sustainability ratio	1.495	1.464	1.663
Debt service cover ratio	16.645	4.671	6.429
Operating surplus ratio	0.041	(0.081)	(0.105)
Own source revenue coverage ratio	0.788	0.810	0.752

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:

- (a) Information relating to the **asset consumption ratio** and the **asset renewal funding ratio** can be found at Supplementary Ratio Information on Page 58 of this document.

2015

- (b) 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.
- (c) The Debt Service Cover and the Operating Surplus ratios as disclosed above were distorted by the item of significant revenue detailed in (b) above as well as an item of significant expense being the loss on revaluation of fixed assets amounting to \$278,940.
- (d) The Own Source Coverage ratio as disclosed above, was distorted by the item of significant expense as detailed in (c) above.

2014

- (e) The Current, Debt Service Cover and Operating Surplus ratios disclosed above, were distorted by the change to the payment of FAGs during the year ended 30 June 2014 which saw the advance payment for the first quarter of the following year cease. This created a timing difference which resulted in an amount of some \$520,169 less revenue for the year.

2013

- (f) The effect of the FAGs advance payment in 2013 was negligible as it had also occurred in the previous year. In effect, four quarterly payments were received in both years so it was not considered necessary to calculate and disclose the effect of any distortion as it was not considered significant.
- (g) The Debt Service Cover, Operating Surplus and Own Source Revenue Coverage ratios as disclosed above were all distorted by an item of significant expense being the loss on revaluation of fixed assets amounting to \$154,951.

These items are considered "one-off" timing/non-cash in nature and, if they were ignored, the calculations disclosed in the columns above would be as follows:

	2015	2014	2013
Current ratio	1.795	1.857	2.719
Debt service cover ratio	14.414	6.935	7.328
Operating surplus ratio	(0.001)	0.003	(0.078)
Own source revenue coverage ratio	0.812	0.810	0.768

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for the Year Ended 30 June 2015

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:

	Balance 1 July 2014 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30 June 2015 \$
BCITF Levy	274	63,369	(63,641)	2
BRB Levy	82	37,316	(37,397)	1
Bonds - Animal Control	150	500	(400)	250
Bonds - Key & Hall Hire	1,395	17,382	(2,650)	16,127
Bonds - Extractive Industry	29,241	89	0	29,330
Bonds - Developers	358,749	47,547	(223,375)	182,921
Bonds - Community Bus Hire	1,155	1,400	(1,400)	1,155
Bonds - Crossovers	16,470	56,275	(11,506)	61,239
Extractive Industry Licences	3,880	0	0	3,880
Bonds - Sand Extraction	251	0	0	251
Bonds - Defect Roadworks	4,210	10	(4,143)	77
Bonds - Pit Rehabilitation	31,218	69	0	31,287
Bonds - Community Housing	1	1,438	(1,437)	2
Bonds - Staff Housing	721	1,440	(2,160)	1
Bonds - Gravel Pit	12,497	65	0	12,562
Unclaimed Monies Trust	406	1	0	407
	<u>460,700</u>			<u>339,492</u>

21. DISPOSALS OF ASSETS - 2014/15 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Property, Plant and Equipment						
Governance						
Holden Caprice - 0CH	37,400	36,689	37,273	36,364	(127)	(325)
Holden Commodore - 00CH	23,815	22,893	25,455	24,545	1,639	1,652
Holden Cruze - CH5421	11,273	11,249	14,296	13,024	3,024	1,775
Law, Order, Public safety						
Holden Colorado - CH230	21,409	21,119	20,000	19,091	(1,409)	(2,028)
Mitsubishi Triton - 000CH	15,000	14,575	16,364	15,455	1,364	880
Health						
Holden Cruze - CH5727	11,727	11,580	13,387	12,115	1,660	535
Community Amenities						
Holden Commodore - CH1270	22,923	22,000	25,455	24,545	2,532	2,545
Holden Cruze - CH1262	10,773	10,707	13,387	12,115	2,615	1,408
Ford Ranger - CH1891	18,000	17,452	17,273	16,364	(727)	(1,088)
Ford Ranger - CH1892	18,000	17,452	17,273	16,364	(727)	(1,088)
Ford Ranger - CH5007	18,000	17,452	16,364	15,455	(1,636)	(1,997)
Ricoh Photocopier	1,830	0	0	0	(1,830)	0
Transport						
Holden Colorado - 0CH	26,811	26,000	24,842	23,933	(1,969)	(2,067)
Ford Ranger - CH501	22,318	21,697	25,455	22,115	3,136	418
Nissan Navara - CH319	18,637	18,328	17,273	16,364	(1,364)	(1,964)
Ford Ranger - CH354	21,477	21,294	17,273	16,364	(4,204)	(4,930)
Isuzu Truck - CH1258	23,200	28,572	25,500	35,000	2,300	6,428
Hino Truck - CH5757	22,156	23,502	15,500	15,000	(6,657)	(8,502)
Isuzu Truck - CH1254	72,507	83,726	79,900	70,000	7,393	(13,726)
Mowing Trailer - CH6333	0	4,012	0	3,000	0	(1,012)
Vermeer Mulcher - CH3752	3,667	4,000	4,959	6,500	1,291	2,500
Spray Unit	0	0	0	3,000	0	3,000
Economic services						
Holden Cruze - CH451	11,727	11,580	13,842	12,569	2,115	989
Other Property and Services						
Land - Portion Lot 62	44,734	0	265,000	0	220,266	0
	<u>477,383</u>	<u>445,879</u>	<u>706,068</u>	<u>429,282</u>	<u>228,685</u>	<u>(16,597)</u>
					Profit	249,335
					Loss	(20,650)
						<u>(16,597)</u>

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for the Year Ended 30 June 2015

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

22. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Principal 1 July 2014 \$	New Loans \$	Principal Repayments		Principal 30 June 2015		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Health								
Loan 79 - Multi Purpose Health Centre	649,985	0	22,807	22,807	627,178	627,178	28,462	28,864
Housing								
Loan 72 - Staff Housing	195,619	0	23,182	23,183	172,437	172,436	11,069	11,073
Loan 73 - Seniors & Community Housing	62,267	0	6,616	6,615	55,651	55,652	4,011	4,027
Recreation and culture								
Loan 74 - Land Acquisition Gray Rd	109,581	0	10,710	10,711	98,871	98,870	7,102	7,129
Loan 71 - Old Road Boards Building	3,525			3,525			(59)	59
Transport								
Loan 79 - Grader	318,000	0	10,635	10,635	307,365	307,365	13,271	13,459
	1,338,977	0	73,950	77,476	1,261,502	1,261,501	63,856	64,611

All loan repayments were financed by general purpose revenue.

(b) New Debentures - 2014/15

The Shire did not take up any new debentures during the year ended 30 June 2015.

(c) Unspent Debentures

Particulars	Date Borrowed	Balance 1 July 14 \$	Borrowed During Year \$	Expended During Year \$	Balance 30 June 15 \$
Loan 79 - Health Centre	Feb 2013	682,000	0	(682,000)	0
		682,000	0	(682,000)	0

(d) Overdraft

Council 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 2015 was \$Nil.

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for the Year Ended 30 June 2015

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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

23. RATING INFORMATION - 2014/15 FINANCIAL YEAR

(a) Rates	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 \$
RATE TYPE											
Gross rental value valuations											
General Rate	0.114878	302	7,082,594	813,635	115	0	813,751	814,134	0	0	814,134
Unimproved value valuations											
General Rate	0.006753	2,283	618,166,000	4,174,477	26,294	0	4,200,771	4,174,478	10,000	0	4,184,478
Sub-Totals		2,585	625,248,594	4,988,112	26,410	0	5,014,522	4,988,612	10,000	0	4,998,612
Minimum payment	Minimum \$										
Gross rental value valuations											
General Rate	500	9	32,345	4,500	0	0	4,500	4,000	0	0	4,000
Unimproved value valuations											
General Rate	750	129	14,713,872	96,750	0	0	96,750	96,750	0	0	96,750
Sub-Totals		138	14,746,217	101,250	0	0	101,250	100,750	0	0	100,750
Excess Rates							5,115,772				5,099,362
Total amount raised from general rate							5,138,750				5,099,362

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for the Year Ended 30 June 2015

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

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

(b) Information on Surplus/(Deficit) Brought Forward

	2015 (30 June 2015 Carried Forward) \$	2015 (1 July 2014 Brought Forward) \$	2014 (30 June 2014 Carried Forward) \$
Surplus/(Deficit) 1 July 14 brought forward	1,704,445	2,053,701	2,053,701
Comprises:			
Cash and cash equivalents			
Unrestricted	1,984,665	1,288,662	1,288,662
Restricted	1,320,346	2,539,653	2,539,653
Receivables			
Rates outstanding	131,476	80,091	80,091
Sundry debtors	122,660	261,584	261,584
GST receivable	50,215	70,201	70,201
Inventories			
Fuel and materials	6,641	8,645	8,645
Less:			
Trade and other payables			
Sundry creditors	(385,845)	(669,300)	(669,300)
Accrued interest on debentures	(16,542)	(17,198)	(17,198)
Accrued salaries and wages	(103,779)	(86,918)	(86,918)
ATO liabilities	(49,553)	(66,363)	(66,363)
Income Received in Advance	0	(39,925)	(39,925)
Current portion of long term borrowings			
Secured by floating charge	(81,541)	(77,475)	(77,475)
Provisions			
Provision for annual leave	(294,291)	(272,647)	(272,647)
Provision for long service leave	(176,416)	(133,191)	(133,191)
Net current assets	2,508,036	2,885,819	2,885,819
Less:			
Reserves - restricted cash	(1,040,834)	(1,071,931)	(1,071,931)
Add:			
Secured by floating charge	81,541	77,475	77,475
Employee entitlement reserve	155,702	162,338	162,338
Surplus/(deficit)	1,704,445	2,053,701	2,053,701

Difference

There was no difference between the surplus/(deficit) 1 July 2014 brought forward position used in the 2015 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2014 audited financial report.

Concise Financial Report

for the Year Ended 30 June 2015

Item 9.3.2 - Attachment 1

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

24. SPECIFIED AREA RATE - 2014/15 FINANCIAL YEAR

The Shire did not impose any Specified Area Rates.

25. SERVICE CHARGES - 2014/15 FINANCIAL YEAR

The Shire did not impose any service charges.

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

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
Rate Assessment	Write-Off		83	150
			83	150

No discount is offered on rates paid within 35 days of the date of the service appearing on the rate notice.

Photocopying Charges 50% Discount

Concession to the Chittering Tourist Information Centre, Progress and Residents Association, Bindoon Playgroup, St John Ambulance and Bindoon Agricultural Society due to their community role in the district. This procedure is a continuation on the practice of previous years and is granted without individual request.

Photocopying Charges 100% Waiver

Waiver to the Voluntary Bush Fire Brigades due to their community role in the district.

This procedure is a continuation on the previous years and is granted without individual request.

Council Meeting Minutes

The Council will continue its practice of granting copies of Council Minutes free of charge to immediate retiring Councillors, the four Progress Associations and the press. Agendas will also be provided free to the press.

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

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on unpaid rates	11.00%	0	23,677	21,500
Interest on instalments plan	5.50%	0	26,165	23,000
Charges on instalment plan		10	28,180	27,000
Pensioner deferred rate interest	11.00%	0	1,071	1,200
			79,093	72,700

Concise Financial Report

for the Year Ended 30 June 2015

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

	2015	2014
	\$	\$
28. FEES & CHARGES		
Governance	10,246	9,447
General purpose funding	52,959	47,682
Law, order, public safety	67,541	69,273
Health	23,289	36,356
Education and welfare	6,643	5,305
Housing	123,981	130,439
Community amenities	919,358	499,383
Recreation and culture	7,416	892
Transport	1,330	1,050
Economic services	98,640	89,018
Other property and services	3,834	17,400
	<u>1,315,237</u>	<u>906,245</u>

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

29. GRANT REVENUE

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

	2015	2014
	\$	\$
By Nature or Type:		
Operating grants, subsidies and contributions	2,262,009	961,237
Non-operating grants, subsidies and contributions	<u>3,269,500</u>	<u>1,238,383</u>
	<u>5,531,509</u>	<u>2,199,620</u>
By Program:		
Governance	52,775	4,672
General purpose funding	1,729,253	552,871
Law, order, public safety	905,850	168,543
Health	1,005,000	137,233
Education and welfare	29,983	20,161
Community amenities	0	90,000
Recreation and culture	757,653	105,905
Transport	995,578	1,064,680
Economic services	53,300	53,472
Other property and services	<u>2,117</u>	<u>2,083</u>
	<u>5,531,509</u>	<u>2,199,620</u>

30. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

<u>44</u>	<u>44</u>
-----------	-----------

31. ELECTED MEMBERS REMUNERATION

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

	2015	2015	2014
	\$	Budget	\$
		\$	
Meeting Fees	99,400	99,400	76,000
President's allowance	12,636	15,000	8,000
Deputy President's allowance	3,000	3,000	2,000
Travelling expenses	20,178	14,000	21,657
Telecommunications allowance	<u>24,236</u>	<u>24,500</u>	<u>24,196</u>
	<u>159,450</u>	<u>155,900</u>	<u>131,853</u>

Concise Financial Report

for the Year Ended 30 June 2015

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

32. MAJOR LAND TRANSACTIONS

Council did not participate in any major land transactions during 2014/15.

33. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Shire did not participate in any trading undertakings or major trading undertakings during the 2014/15 financial year.

Concise Financial Report

for the Year Ended 30 June 2015

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

34. FINANCIAL RISK MANAGEMENT

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

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

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

The Shire held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2015 \$	2014 \$	2015 \$	2014 \$
Financial assets				
Cash and cash equivalents	3,305,011	3,828,315	3,305,011	3,828,315
Investments	42,500	42,500	42,500	42,500
Receivables	346,857	446,541	346,857	446,541
	<u>3,694,368</u>	<u>4,317,356</u>	<u>3,694,368</u>	<u>4,317,356</u>
Financial liabilities				
Payables	555,719	879,704	555,719	879,704
Borrowings	1,261,503	1,335,453	1,261,503	1,044,733
	<u>1,817,222</u>	<u>2,215,157</u>	<u>1,817,222</u>	<u>1,924,437</u>

Fair value is determined as follows:

- Cash and cash equivalents, receivables, payables - estimated to the carrying value which approximates net market value.
- Borrowings, estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

Concise Financial Report

for the Year Ended 30 June 2015

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

34. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

Financial assets at fair value through profit and loss

Available-for-sale financial assets

Held-to-maturity investments

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). Council has an investment policy and the policy is subject to review by Council. An Investment Report is provided to Council on a monthly basis setting out the make-up and performance of the portfolio.

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

	2015 \$	2014 \$
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	33,050	38,283
- Statement of Comprehensive Income	33,050	38,283

Notes:

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

Concise Financial Report

for the Year Ended 30 June 2015

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

34. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

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

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

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

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

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

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

	2015	2014
Percentage of rates and annual charges		
- Current	0%	0%
- Overdue	100%	100%
Percentage of other receivables		
- Current	81%	96.40%
- Overdue	19%	3.60%

Concise Financial Report

for the Year Ended 30 June 2015

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

34. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables

Borrowings

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

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

	<u>2015</u>	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
Payables		555,719	0	0	555,719	555,719
Borrowings		138,502	554,007	1,057,365	1,749,874	1,261,503
		<u>694,221</u>	<u>554,007</u>	<u>1,057,365</u>	<u>2,305,593</u>	<u>1,817,222</u>
Payables		879,704	0	0	879,704	879,704
Borrowings		139,086	556,344	1,200,452	1,895,882	1,335,453
		<u>1,018,790</u>	<u>556,344</u>	<u>1,200,452</u>	<u>2,775,586</u>	<u>2,215,157</u>

Concise Financial Report

for the Year Ended 30 June 2015

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

34. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables

Borrowings (continued)

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

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

	<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 2015								
Borrowings								
Fixed rate								
Debentures	0	0	0	0	0	(1,261,503)	(1,261,503)	4.88%
Weighted average Effective interest rate	0.00%	0.00%	0.00%	0.00%	0.00%	4.88%		
Year ended 30 June 2014								
Borrowings								
Fixed rate								
Debentures	0	0	0	0	0	(1,335,453)	(1,335,453)	4.93%
Weighted average Effective interest rate	0.00%	0.00%	0.00%	0.00%	0.00%	4.93%		

Concise Financial Report

for the Year Ended 30 June 2015

INDEPENDENT AUDIT REPORT

MOORE STEPHENS

Unit 16 Lakeside Corporate,
24 Parkland Road, Osborne Park, WA 6017

PO Box 1707, Osborne Park, WA 6916

T +61 (0)8 9444 3400

F +61 (0)8 9444 3430

www.moorestephenswa.com.au

INDEPENDENT AUDITOR'S REPORT

TO THE ELECTORS OF THE SHIRE OF CHITTERING

REPORT ON THE FINANCIAL REPORT

We have audited the accompanying financial report of the Shire of Chittering, which comprises the statement of financial position as at 30 June 2015, statement of comprehensive income by nature or type, statement of comprehensive income by program, statement of changes in equity, statement of cash flows and the rate setting statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by Chief Executive Officer.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL REPORT

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

AUDITOR'S RESPONSIBILITY

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

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

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

AUDITOR'S OPINION

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 2015 and of its financial performance and its cash flows for the year ended on that date; and
- b) complying with Australian Accounting Standards (including Australian Accounting Interpretations).

Concise Financial Report

for the Year Ended 30 June 2015

INDEPENDENT AUDIT REPORT

MOORE STEPHENS

INDEPENDENT AUDITOR'S REPORT

TO THE ELECTORS OF THE SHIRE OF CHITTERING (CONTINUED)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- a) There are no matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- b) No matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law were noted during the course of our audit.
- c) In relation to the Supplementary Ratio Information presented at page 58 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.

Date: 14 September 2015
Perth, WA

MOORE STEPHENS
CHARTERED ACCOUNTANTS



DAVID TOMASI
PARTNER

Concise Financial Report

for the Year Ended 30 June 2015

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

	2015	2014	2013
Asset consumption ratio	0.808	0.770	0.750
Asset renewal funding ratio (i)	2.136	0.653	N/A

The above ratios are calculated as follows:

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

(i) N/A - In keeping with amendments to Local Government (Financial Management) Regulation 50, this ratio has not been reported in the 2012/13 financial year as financial information was not available due to Asset Management plans not being completed at the time of signing off of the Financial Report



PO Box 70, Bindoon WA 6502
Telephone: (08) 9576 4600 Facsimile: (08) 9576 1250
www.chittering.wa.gov.au

2.12 Purchasing

Policy Owner: Corporate Services
Distribution: All employees
Person Responsible: Executive Manager Corporate Services
Date of Approval: 19 August 2009
Amended: ~~25 June 2014~~ 28 October 2015

- Objective**
- To provide compliance with the **Local Government Act 1995** and the **Local Government (Functions and General) Regulations 1996** as amended in ~~March 2007~~ September 2015.
 - To deliver best practice approach and procedures to internal purchasing for the Shire of Chittering.
 - To ensure consistency for all purchasing activities within the Shire of Chittering.

Policy **Why do we need a Purchasing Policy?**
The local government is committed to setting up efficient, effective, economical and sustainable procedures in all purchasing activities.

This policy:

- Provides the local government with a more effective way of purchasing goods and services.
- Ensures that purchasing transactions are carried out in a fair and equitable manner.
- Strengthens integrity and confidence in the purchasing system.
- Ensures that the local government receives value for money in its purchasing.
- Ensures that the local government considers the environmental impact of the procurement process across the life cycle of goods and services.
- Ensures the local government is compliant with all regulatory obligations.
- Promotes effective governance and definition of roles and responsibilities.

- Uphold respect from the public and industry for the local government's purchasing practices that withstand probity.

Ethics and Integrity

All officers and employees of the local government shall observe the highest standards of ethics and integrity in undertaking purchasing activity and act in an honest and professional manner that supports the standing of the local government.

The following principles, standards and behaviours must be observed and enforced through all stages of the purchasing process to ensure the fair and equitable treatment of all parties:

- full accountability shall be taken for all purchasing decisions and the efficient, effective and proper expenditure of public monies based on achieving value for money.
- all purchasing practices shall comply with relevant legislation, regulations, and requirements consistent with the local government policies and Code of Conduct.
- purchasing is to be undertaken on a competitive basis in which all potential suppliers are treated impartially, honestly and consistently.
- all processes, evaluations and decisions shall be transparent, free from bias and fully documented in accordance with applicable policies and audit requirements.
- any actual or perceived conflicts of interest are to be identified, disclosed and appropriately managed.
- any information provided to the local government by a supplier shall be treated as commercial-in-confidence and should not be released unless authorised by the supplier or relevant legislation.

Value for Money

Value for money is an overarching principle governing purchasing that allows the best possible outcome to be achieved for the local government. It is important to note that compliance with the specification is more important than obtaining the lowest price, particularly taking into account user requirements, quality standards, sustainability, life cycle costing, and service benchmarks.

An assessment of the best value for money outcome for any purchasing should consider:

- all relevant whole-of-life costs and benefits whole of life cycle costs (for goods) and whole of contract life costs (for services) including transaction costs associated with acquisition, delivery, distribution, as well as other costs such as but not limited to holding costs, consumables, deployment, maintenance and disposal.

- the technical merits of the goods or services being offered in terms of compliance with specifications, contractual terms and conditions and any relevant methods of assuring quality;
- financial viability and capacity to supply without risk of default. (Competency of the prospective suppliers in terms of managerial and technical capabilities and compliance history);
- a strong element of competition in the allocation of orders or the awarding of contracts. This is achieved by obtaining a sufficient number of competitive quotations wherever practicable.

Where a higher priced conforming offer is recommended, there should be clear and demonstrable benefits over and above the lowest total priced, conforming offer.

Sustainable Procurement

“Sustainable Procurement” is defined as the procurement of goods and services that have less environmental and social impacts than competing products and services.

The Shire of Chittering is committed to sustainable procurement and where appropriate shall endeavour to design quotations and tenders to provide an advantage to goods, services and/or processes that minimise environmental and negative social impacts. Sustainable considerations must be balanced against value for money outcomes in accordance with the Shire of Chittering's sustainability objectives.

Practically, sustainable procurement means the Shire of Chittering shall endeavour at all times to identify and procure products and services that:

- have been determined as necessary.
- demonstrate environmental best practice in energy efficiency and/or consumption which can be demonstrated through suitable rating systems and eco-labelling.
- demonstrate environmental best practice in water efficiency.
- are environmentally sound in manufacture, use, and disposal with a specific preference for products made using the minimum amount of raw materials from a sustainable resource, that are free of toxic or polluting materials and that consume minimal energy during the production stage.
- where products that can be refurbished, reused, recycled or reclaimed shall be given priority, and those that are designed

for ease of recycling, re-manufacture or otherwise to minimise waste.

- for motor vehicles – select vehicles featuring the highest fuel efficiency available, based on vehicle type and within the designated price range.
- for new buildings and refurbishments – where available use renewable energy and technologies.

Supporting local industry

The Shire of Chittering recognises that it has a role in the economic development of the local community and in assisting local industry in accessing opportunities to conduct business with the Shire.

In supporting or encouraging local industry, matters relating to:

- Value for money;
- Environmental performance;
- National Competition Policy; and
- Transparency of decision-making must be addressed.

In order to assist local industry to conduct business with the Shire, the following steps shall be undertaken:

- Procurement shall be undertaken in accordance with the Procurement Management Procedure and within the guidelines for “Purchasing Thresholds” of this policy.
- All tenders and requests for expressions of interest shall be advertised in the ***Northern Valleys News*** and/or ***The Advocate*** newspapers, placed on noticeboards in the Shire's libraries and administration centre.
- All tenders and requests for expressions of interest will be available to access and, where applicable, download through the Shire's website.
- A Request for Quotation process shall be investigated that will enable effective communication with the local business community of the Shire's upcoming requests for quotation.

The major considerations in accepting any tender or quotation for provision of goods or service shall be:

- Capacity to deliver the goods or services according to the Shire's specification and the contract conditions; and
- Value for money.

Any canvassing of the Shire's Elected Members or staff shall disqualify businesses seeking to do business with the Shire.

Purchasing Thresholds

Where the value of procurement (excluding GST) for the value of the contract over the full contract period (including options to extend) is, or is expected to be:

Amount of Purchase	Model Policy
Up to \$ 10,000	Direct purchase from suppliers.
\$10,001 - \$30,000	Obtain at least two verbal or written quotations.
\$30,001 - \$50,000	Obtain at least two written quotations.
\$50,001 - \$99,999 <u>149,999</u>	Obtain at least three written quotations containing price and specification of goods and services (with procurement decision based on all value for money considerations).
\$100,000 <u>150,000</u> and above	Conduct a public tender process.

Where it is considered beneficial, tenders may be called in lieu of seeking quotations for purchases under the ~~\$100,000~~150,000 threshold (excluding GST). If a decision is made to seek public tenders for contracts of less than ~~\$100,000~~150,000, a "Request for Tender" process that entails all the procedures for tendering outlined in this policy must be followed in full.

Purchasing value not greater than \$10,000

Where the value of procurement of goods or services does not exceed \$10,000, purchase is subject to budget allocation. However it is recommended to use professional discretion and occasionally undertake market testing with a greater number or more formal forms of quotation to ensure best value is maintained.

This purchasing method is suitable where the purchase is relatively small and low risk.

Purchasing value between \$10,001 and \$30,000

This category is for the procurement of goods or services where the value of such procurement ranges between \$10,001 and \$30,000.

At least two verbal or written quotations are required. Where this is not practical, e.g. due to limited suppliers, it must be noted through records relating to the process.

The general principles for obtaining verbal quotations are:

- Ensure that the requirement/specification is clearly understood by the local government employee seeking the verbal quotations.
- Ensure that the requirement is clearly, accurately and consistently communicated to each of the suppliers being invited to quote.
- Read back the details to the supplier contact person to confirm their accuracy.
- Written notes detailing each verbal quotation must be recorded.

Record keeping requirements must be maintained in accordance with record keeping policies.

Purchasing value between \$30,001 - \$50,000

For the procurement of goods or services where the value of such procurement ranges between \$30,001 and \$50,000, it is required to obtain at least two written quotes (commonly a sufficient number of quotes would be sought according to the type and nature of purchase).

The responsible officer is expected to demonstrate due diligence seeking quotes and to comply with any record keeping and audit requirements. Record keeping requirements must be maintained in accordance with record keeping policies.

Purchasing value between \$50,001 and \$99,999

For the procurement of goods or services where the value of such procurement ranges between \$50,001 and \$99,999 it is required to obtain at least three written quotations containing price and a sufficient amount of information relating to the specification of goods and services being purchased.

For this procurement range, the selection should not be based on price alone, and consideration shall be given to qualitative factors such as quality, stock availability, environmental performance,

accreditation, time for completion or delivery, warranty conditions, technology, maintenance requirements, organisation's capability, previous relevant experience and any other relevant factors as part of the assessment of the quote.

Where it is considered beneficial, tenders may be called in lieu of seeking quotations for purchases under the \$~~100,000~~ 150,000 threshold (excluding GST). If a decision is made to seek public tenders for Contracts of less than \$~~100,000~~ 150,000, a Request for Tender process that entails all the procedures for tendering outlined in this policy must be followed in full.

The general principles for verbal and written quotations shall be followed as noted in this Policy.

General principles for obtaining verbal quotations

- Ensure that the requirement / specification is clearly understood by the Shire of Chittering employee seeking the verbal quotations.
- Ensure that the requirement is clearly, accurately and consistently communicated to each of the suppliers being invited to quote.
- Read back the details to the Supplier contact person to confirm their accuracy.
- The responsible officer shall demonstrate due diligence when seeking quotes and shall comply with the Shire's record keeping policies and audit requirements.

All documents relating to the quotation process must be saved in the Shire's Electronic Management System (i.e. SYNERGY).

General principles relating to written quotations

- The request for written quotation should include as a minimum: An appropriately detailed specification should communicate requirement(s) in a clear, concise and logical fashion.
- The request for written quotation should include as a minimum:
 - Written Specification
 - Selection Criteria to be applied
 - Price Schedule
 - Conditions of responding
 - Validity period of offer

- Invitations to quote should be issued simultaneously to ensure that all parties receive an equal opportunity to respond.
- Offer to all prospective suppliers at the same time any new information that is likely to change the requirements.
- Responses should be assessed for compliance, then against the selection criteria, and then value for money and all evaluations documented.
- Respondents should be advised in writing as soon as possible after the final determination is made and approved.

Ordering Thresholds

The following Officers are authorised to sign orders on behalf of Council within the limits stated provided such proposed purchases are contained within the Budget and are within the officer's area of activity:

Position	Amount
Chief Executive Officer	Unlimited
Executive Manager Development Services	\$50,000
Executive Manager Technical Services	\$50,000
Executive Manager Corporate Services	\$50,000
Manager Human Resources	\$10,000
Works Manager	\$ 5,000
Principal Building Surveyor	\$ 5,000
Principal Environmental Health Officer	\$ 5,000
Community Emergency Services Manager	\$ 5,000

Regulatory Compliance

- *Tender Exemption*
In the following instances public tenders or quotation procedures are not required (regardless of the value of expenditure):
 - An emergency situation as defined by the **Local Government Act 1995**.

- The purchase is under a contract of WALGA (Preferred Supplier Arrangements), Department of Treasury and Finance (permitted Common Use Arrangements), Regional Council, or another local government.
- The purchase is under auction which has been authorised by Council.
- The contract is for petrol, oil, or other liquid or gas used for internal combustion engines.
- Any of the other exclusions under Regulation 11 of the ***Local Government (Functions and General) Regulations 1996*** apply.

Sole Source of Supply (Monopoly Suppliers)

The procurement of goods and/or services available from only one private sector source of supply, (i.e. manufacturer, supplier or agency) is permitted without the need to call competitive quotations provided that there must genuinely be only one source of supply. Every endeavour to find alternative sources must be made. Written confirmation of this must be kept on file for later audit.

Note:

The application of provision "sole source of supply" should only occur in limited cases and procurement experience indicates that generally more than one supplier is able to provide the requirements.

Anti-Avoidance

The Shire of Chittering shall not enter two or more contracts of a similar nature for the purpose of splitting the value of the contracts to take the value of consideration below the level of \$~~100,000~~150,000, thereby avoiding the need to publicly tender.

Tender Criteria

The Shire of Chittering shall, before tenders are publicly invited, determine in writing the criteria for deciding which tender should be accepted.

The evaluation panel shall be established prior to the advertising of a tender and include a mix of skills and experience relevant to the nature of the purchase.

For requests with a total estimated (excluding GST) price of:

- Between \$40,000 and ~~\$99,999~~149,999, the panel must contain a minimum of two members.
- ~~\$100,000~~150,000 and above, the panel must contain a minimum of three members.

Advertising Tenders

Tenders are to be advertised in a state wide publication, e.g. ***The West Australian*** under the “Local Government Tenders” section, with preference on a Wednesday or Saturday.

The tender must remain open for at least fourteen (14) days after the date the tender is advertised. Care must be taken to ensure that fourteen (14) **full** days are provided as a minimum.

The notice must include:

- a brief description of the goods or services required
- information as to where and how tenders may be submitted
- the date and time after which tenders cannot be submitted
- particulars identifying a person from who more detailed information as to tendering may be obtained
- detailed information shall include:
 - such information as the local government decides should be disclosed to those interested in submitting a tender
 - detailed specifications of the goods or services required
 - the criteria for deciding which tender should be accepted
 - whether or not the local government has decided to submit a tender
 - whether or not tenders can be submitted by facsimile or other electronic means, and if so, how tenders may so be submitted.
- Canvassing of Elected Members and Shire officers will disqualify your tender

Issuing Tender Documentation

Tenders will not be made available (counter, mail, internet, referral, or other means) without a robust process to ensure the recording of details of all parties who acquire the documentation.

This is essential as if clarifications, addenda or further communication is required prior to the close of tenders, all potential tenderers must have equal access to this information in order for the Shire of Chittering not to compromise its Duty to be Fair.

Tender Deadline

A tender that is not received in full in the required format by the advertised tender deadline shall be rejected.

Opening of Tenders

No tenders are to be removed from the tender box, or opened (read or evaluated) prior to the tender deadline.

Tenders are to be opened in the presence of the Chief Executive Officer's or one Executive Manager and preferably at least one other Council officer. The details of all tenders received and opened shall be recorded in the 'Tenders Register'.

Tenders are to be opened in accordance with the advertised time and place. There is no obligation to disclose or record tendered prices at the tender opening, and price information should be regarded as "commercial-in-confidence" to the local government. Members of the public are entitled to be present.

The tenderer's offer form, price schedule and other appropriate pages from each tender shall be date stamped and initialled by at least two local government officer's present at the opening of tenders.

No Tenders Received

Where the Shire of Chittering has invited tenders, however no compliant submissions have been received, direct purchases can be arranged on the basis of the following:

- a sufficient number of quotations are obtained
- the process follows the guidelines for seeking quotations between \$40,000 and \$~~99,999~~149,999 (listed above)
- the specification for goods and/or services remains unchanged
- purchasing is arranged within 6 months of the closing date of the lapsed tender.

Tender Evaluation

Tenders that have not been rejected shall be assessed by the Shire of Chittering by means of a written evaluation against the pre-determined criteria. The tender evaluation panel shall assess each tender that has not been rejected to determine which tender is most advantageous.

Tender Acceptance

That the Chief Executive Officer be authorised to accept tenders/purchases up to \$99,999.99; and that all tenders/purchases above \$100,000 are to be referred to Council (including all WALGA preferred suppliers).

Addendum to Tender

If, after the tender has been publicly advertised, any changes, variations or adjustments to the tender document and/or the conditions of tender are required, the Shire of Chittering may vary the initial information by taking reasonable steps to give each person who has sought copies of the tender documents notice of the variation.

Minor Variation

If after the tender has been publicly advertised and a successful tenderer has been chosen but before the Shire of Chittering and tenderer have entered into a contract, a minor variation may be made by the Shire.

A minor variation will not alter the nature of the goods and/or services procured, nor will it materially alter the specification or structure provided for by the initial tender.

Notification of Outcome

Each tenderer shall be notified of the outcome of the tender following Council resolution. Notification shall include:

- The name of the successful tenderer
- The total value of consideration of the winning offer

The details and total value of consideration for the winning offer must also be entered into the Tenders Register at the conclusion of the tender process.

Records Management

All records associated with the tender process or a direct purchase process must be recorded and retained. For a tender process this includes:

- Tender documentation
- Internal documentation
- Evaluation documentation
- Enquiry and response documentation
- Notification and award documentation.

For a direct purchasing process this includes:

- Quotation documentation
- Internal documentation
- Order forms and requisitions.

Record retention shall be in accordance with the minimum requirements of the ***State Records Act 2000***, and the Shire of Chittering's internal records management policy.

Purchasing from WA Disability Enterprises

Pursuant to State Government policy, Local Governments are encouraged to consider the option of purchasing goods and services from registered WA Disability Enterprises. This is contingent on the provision of fair value and quality.

Local Governments are encouraged to invite relevant WA Disability Enterprises to respond to a Request for Quotation or Tender for goods or services. Determining the purchasing process to be followed is based on the actual or expected value of each purchase by the Local Government as outlined above in Section 5 (Purchasing Thresholds and Processes) of this Policy. There are seven (7) Disability Enterprises registered in Western Australia.

A complete list of approved organisations is available from the following website: www.wade.org.au.



Our Ref: 526-98#05; E1532543

TO ALL LOCAL GOVERNMENTS

CIRCULAR N^o 16-2015

AMENDMENTS TO THE LOCAL GOVERNMENT (FUNCTIONS AND GENERAL) REGULATIONS 1996

Amendments to the *Local Government (Functions and General) Regulations 1996* were published in the *Government Gazette* on 18 September 2015 and take effect on 1 October 2015.

The amendments are a result of recommendations made by the Local Government Steering Committee and the Corruption and Crime Commission (CCC), with the aim of improving the purchase and tendering practices of local government. In addition to increasing the tender threshold, the amendments provide for local governments to appoint a panel of pre-qualified suppliers.

A summary of the key amendments are provided below.

Tender Threshold

The tender threshold has been increased from \$100,000 to \$150,000.

For the purchase of goods and services under this threshold, the amendments have introduced the requirement for the purchasing policy to include the minimum number of oral and written quotes that must be received. If the contract for goods or services is expected to be more than \$150,000 a public tender process is required.

Amendments have been made to Regulation 11(2) which relates to circumstances when tenders do not need to be publically invited. This includes when goods or services are obtained through:

- the WA Local Government Association preferred supplier program
- a person registered on the Aboriginal Business Directory WA for contracts worth \$250,000 or less, or
- an Australian Disability Enterprise.

It is also not necessary to invite public submissions if the term of the original contract is being renewed or extended where –

- (i) the original contract was entered into after a public submission period
- (ii) the invitation to tender included the option for a renewal or extension
- (iii) the original contract contained an option to renew or extend, and
- (iv) the supplier's tender included a requirement for such an option.

Anti-avoidance provisions

Reports prepared by the CCC made recommendations that the anti-avoidance provisions be strengthened to ensure that contracts were not split for the purposes of avoiding the tender threshold.

Regulation 12 has been amended to clarify this. It is expected that if a local government reasonably believes that the purchase of a good or service from one supplier will exceed the tender threshold of \$150,000 they should publically invite tenders.

No timeframe for the tender threshold has been included in the regulations. However, local governments should consider the importance of testing the market through a public tender process for low value, repetitive contracts. A best practice suggestion is that if the tender threshold is reached within three years, then a public tender is invited for that good or service.

Receiving and opening tenders

Regulation 16 has been amended to require that when tenders are opened there must be at least two employees of the local government present, or one local government employee and at least one person authorised by the Chief Executive Officer.

If tenders are received by email, it is suggested that a separate email inbox is created and no tenders are opened until the application period has closed.

Varying a contract

Regulation 21A is a new regulation that provides that a contract cannot be varied once a local government has entered into a contract for the supply of goods or services unless:

- the variation is necessary in order for the goods or services to be supplied and does not change the scope of the contract, or
- the variation is a renewal or extension of the original term of the contract (in accordance with regulation 11(2)(j)).

Panels of pre-qualified suppliers

Part 4 Division 3 has been inserted into the regulations to introduce the ability for local governments to create a panel of pre-qualified suppliers.

There are some conditions on developing a panel including: the need for a local government to develop a written policy outlining how the panel will operate; how each supplier will be invited to quote; consistent communication with the panel; and, the recording and retention of quotes and purchases from suppliers.

In establishing a panel, persons are to be publicly invited to apply. State-wide public notice is required and it must be open for at least 14 days following the first notice (not including the advertisement's publishing date).

There is a range of detailed information that needs to be made available about the proposed panel including: the written policy; details of how the panel will operate; the period for which the panel will be established; and, the number of suppliers the local government intends to appoint to the panel.

Once a panel has been established, local governments may enter into a contract (or contracts) with any of the pre-qualified suppliers. However, the contract(s) cannot exceed 12 months and cannot contain an option to renew or extend its term. If it is expected that a contract is to exceed 12 months the particular good or service should be put to tender.

Regulation 13 of the *Local Government (Audit) Regulations 1996* has been amended to require local governments to carry out an audit of compliance for panels of tenders in accordance with section 7.13(1)(i) of the *Local Government Act 1995*.

Other amendments

In addition to amendments around the tender provisions, the prescribed value of abandoned vehicle wrecks under regulation 29A(a) has been increased to \$500.

The consideration under 30(3)(b) has been increased to \$75,000 in regards to the disposition of property. This provision has been reworked to clarify that if the entire consideration received for the sale of property is used to purchase new property, which is not worth more than \$75,000, it is an exempt disposition.

For example: Vehicle 'x' is sold for \$50,000 and vehicle 'y' is purchased with that sale money. If the total cost of vehicle 'y' is \$75,000 or less, then vehicle 'x' is an exempt disposition.

If the purchase price of vehicle 'y' is more than \$75,000, even if the consideration received from the sale of vehicle 'x' is less than \$75,000, vehicle 'x' is not an exempt disposition.

This amendment clarifies that it is not the difference between the purchase price and the sale price, but the total consideration of the new property (\$75,000 or less).

More information

A copy of the regulations as published in the Government Gazette can be viewed on the State Law Publisher's website at www.slp.wa.gov.au.

If you require more information, please contact Ms Darrelle Merritt, senior legislation and strategy officer on 6552 1479 or via email darrelle.merritt@dlgc.wa.gov.au.



Jennifer Mathews
DIRECTOR GENERAL

10 September 2015