



SHIRE OF GNOWANGERUP

MINUTES

ORDINARY MEETING OF COUNCIL

23 NOVEMBER 2016
Commencing at 3.30 pm

Council Chambers
28 Yougenup Road, Gnowangerup WA 6335

COUNCIL'S VISION

Gnowangerup Shire – A thriving, inclusive and growing community built on opportunity

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OPENING PROCEDURES

1. OPENING AND ANNOUNCEMENT OF VISITORS

Shire President, Keith House welcomed Councillors, Staff and visitors and opened the meeting at 3:30pm.

2. ATTENDANCE / APOLOGIES / APPROVED LEAVE OF ABSENCE

2.1 ATTENDANCE

Keith House	Shire President
Fiona Gaze	Deputy Shire President
Lex Martin	
Bronwyn Gaze	
Richard House	
Frank Hmeljak	
Sue Lance	
Ben Moore	
Shelley Hmeljak	
Shelley Pike	Chief Executive Officer
Vin Fordham Lamont	Deputy Chief Executive Officer
Anna Boschman	Manager of Community Services
Yvette Wheatcroft	Manager of Works
Carol Shaddick	Senior Finance Officer
Phil Shephard	Town Planner
Abbey Sergeant	Executive Assistant

Lynette, Amy and Mareena from the Department of Local Government and Communities as part of the Better Practice Review Program

2.2 APOLOGIES

Nil.

2.3 APPROVED LEAVE OF ABSENCE

Nil.

3. APPLICATION FOR LEAVE OF ABSENCE

Nil.

4. RESPONSE TO QUESTIONS TAKEN ON NOTICE

Nil.

5. PUBLIC QUESTION TIME

Nil

6. DECLARATION OF FINANCIAL INTERESTS AND INTEREST AFFECTING IMPARTIALITY

Nil.

7. PETITIONS / DEPUTATIONS / PRESENTATIONS

7.1 PETITIONS

7.2 DEPUTATIONS

7.3 PRESENTATIONS

7.3.1 Cassy Beeck – Gnowangerup Community Church, Community Garden

The Gnowangerup Community Church are seeking endorsement from council to create a Community Garden behind the Community Resource Centre and Church. The Department of Water with Water WA are providing \$6.1 billion worth of grant funding over a period of 5 years to harvest stormwater and to develop townscapes.

The Gnowangerup Community Church would like to submit an application and are requesting council's endorsement. A concern which council had on initial consultation was the positioning of the water tanks. This has since been resolved by placing the tanks underground on church land. The tanks will hold enough storm water to supply both the Community Garden and the Community Resource Centre Front Lawn and Garden with water throughout the year.

A hydrologist has been employed to prepare a detailed submission and formal water plan. The project is supported by the Great Southern Development Commission goal "to plan for and invest infrastructure to obtain long term water resources". I am here today to seek council support and endorsement for the project.

S Lance, Have we solved the problem of not being able to harvest the water from the Town Hall?

C Beeck, Yes we have solved this problem through contouring of the land.

F Gaze, what is the capacity of the tanks?

C Beeck, 600 000L

B Gaze, Are the tanks above or below ground and is there a significant cost difference?

C Beeck, The tanks will be located below ground and the cost difference is not detrimental to the project as we will apply to cover these costs through the grant. The aim of the project is to get communities off scheme water. A criteria of our applications is that the community group applying needs to provide 30% in-kind costs of the project and we believe we have met these needs to date with donations received.

L Martin are you going to use conventional watering or permaculture?

C Beeck, We would like to try a hydroponics system at some stage. Initially we would use conventional methods to establish a basis.

Is there a possibility of running cooking classes and use the garden for educational purposes?

C Beeck, at this stage we are applying for additional funding for Rural and Disadvantaged families.

Shire President Keith House thanked Cassy Beeck for her presentation. Cassy Beeck left the meeting at 3.41pm.

8. CONFIRMATION OF PREVIOUS MEETING MINUTES

8.1 ORDINARY MEETING OF COUNCIL MINUTES 26th OCTOBER 2016

COUNCIL RESOLUTION

Moved: Cr R House

Seconded: Cr S Lance

1116.111 That the minutes of the Ordinary Council Meeting held on Wednesday 26th October 2016 be confirmed as a true record of proceedings

UNANIMOUSLY CARRIED: 9/0

9. USE OF THE COMMON SEAL

9.1	COMMON SEAL
Location:	Shire of Gnowangerup
Proponent:	N/A
Business Unit:	Strategy and Governance
Date of Report:	21 st September
Officer:	S Pike, Chief Executive Officer
Disclosure of Interest:	Nil.

ATTACHMENT

- Copy of Common Seal Register

PURPOSE

This report is a standard report and for noting purposes only.

BACKGROUND

Section 2.5 of *the Local Government Act 1995* states that a Local Government is a Body Corporate with perpetual succession and a common seal. A document is validly executed by a Body Corporate when the common seal of the Local Government is affixed to it by the Chief Executive Officer, and the President/Chairman and the Chief Executive Officer attest the affixing of the seal.

Since the last meeting of Council the common seal has been applied to the following documents:

- Dr Wole' Medical Services Contract
- Tracy Swalwell 6 month extension on Lease of the Old Ongerup Police Station

The Chief Executive Officer is primarily responsible for the governance role of the Shire of Gnowangerup which includes ensuring all legislative requirements are complied with including: adopting plans and reports, accepting tenders, directing operations, setting and amending budgets. This use of the Common Seal is a Standard Report for noting by Council.

All documents validly executed will have the common seal affixed and the President and the Chief Executive Officer's attestations affixing the seal. Use of the common seal is to be recorded in the common seal register and must have the Council resolution number included and the date that the seal was applied.

POLICY IMPLICATIONS

Nil

LEGISLATIVE IMPLICATIONS

Section 2.5(2) of the Local Government Act 1995. The local government is a body corporate with perpetual succession and a common seal Section 9.49. Documents, how authenticated. A document, is, unless this Act requires otherwise, sufficiently authenticated by a local government without its common seal if signed by the CEO or an employee of the local government who purports to be authorised by the CEO to so sign.

CONCLUSION

This is a standard report for Elected Members information

COMMON SEAL REGISTER

Register Reference No	Party (company etc)	Description e.g. Contract Agreement	Date Signed	Resolution No.	Signed
66	Dr Wole'	<ul style="list-style-type: none"> Agreement for the provision of Medical Services for the Shire of Gnowangerup 	20/10/2016		Yes
67	Tracey Swalwell (Angel WA Sisters)	<ul style="list-style-type: none"> 6 month extension of Lease Agreement Old Ongerup Police Station 	28/10/2016		Yes

10. ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION

10.1 ELECTED MEMBERS ACTIVITY REPORT

Date of Report: N/A
Officer: Various

Attended the following meetings/events

- F Gaze: Attended the SEGRA Conference in Albany on the 26th and 27th October and the Swimming Pool Opening on Saturday 5th November 2016.
- L Martin: Attended the SEGRA Conference in Albany on the 26th and 27th October and facilitated the Gnowangerup SEGRA Tour on the 28th October. Discussions from the conference included, keeping the young people in the bush and how communities thrive when they have government focus. The regions will never get the focus that Perth do as we don't have the numbers. Also attended the Swimming Pool Opening on Saturday 5th November.
- B Gaze: Attended the Swimming Pool Opening on Saturday 5th November, it was great to see Shire President House and Local Member Peter Rundle christening the pool with an opening Lap. Attended the Yongergnow Board meeting on 23rd November.
- R House: Attended an informal RAV Meeting on 31st October at the Shire, the Swimming Pool Opening on 5th November, the Great Southern Regional Road Group Meeting in Albany on the 7th and the Council Briefing Session on the 9th November.
- F Hmeljak: Attended an informal RAV Meeting on 31st October at the Shire, the Swimming Pool Opening on 5th and the Great Southern Regional Road Group Meeting in Albany on the 7th November.
- S Lance: Attended the SEGRA Conference in Albany on the 26th and 27th October, the council briefing session on 9th November. A focus on tourism was very south coast orientated. I believe Gnowangerup has a lot to offer but the information provided at the conference was very costal orientated.
- B Moore: Placed my apologies for the Swimming Pool Opening on 5th November. Attended the Council Briefing Session on 9th November.
- S Hmeljak: Attended the Swimming Pool Opening on 5th and the Council Briefing Session on 9th November.

K House: Attended an informal RAV Meeting on 31st October at the Shire, The Swimming Pool Opening on 5th November, it was such a great day with 350 people through the gate and an additional 50 people on the Sunday. Attended the Great Southern Regional Road Group Meeting in Albany on 7th, The North Stirling Pallinup Natural Resource AGM on the 10th. With the election of the Chair -Tim O'Meehan. South Coast NRM pleased with the good membership base and recognise the financial pressure the group is under. The Committee will be coming to council next year for funding and are aware that council is not in a position to fund staffing.

Attended the SEGRA Conference in Albany on the 26th and 27th October and assisted with the facilitation of the Gnowangerup SEGRA Tour on the 28th October. I was pleased that so many councillors made the time to attend.

The conference was based around the natural environment that we live in and included a range of political speeches. Presentation about community resilience included a story from the Nyabing community and the cropping program. As well as a tourism presentation about where we are going with Apps and QR Codes. A big thank you to Cr Lex Martin for organising the Tour of local business and Yongergnow.

Attended a Gnowangerup Aboriginal Corporation Meeting on 22nd November with CEO Shelley Pike, Wirrapanda Representative Robbie Minitier and Great Southern Development Commission CEO Bruce Manning.

11. COMMITTEES OF COUNCIL

11.1 AUDIT COMMITTEE MEETING MINUTES

Location: Shire of Gnowangerup
Proponent: N/A
File Ref: 12.2.1
Date of Report: 15/11/2016
Business Unit: Strategy and Governance
Officer: Shelley Pike, Chief Executive Officer
Disclosure of Interest: Nil.

ATTACHMENT

- Minutes of the Audit Committee Meeting held on Wednesday 23rd November 2016 (Tabled at Meeting)

PURPOSE OF THE REPORT

To advise Council of the Audit Committee Meeting held on 23rd November 2016.

BACKGROUND

The Audit Committee met on 23rd November 2016 and made the following recommendations to council;

That the Audit Committee Recommend to Council:

- 1. Adopt the Annual Financial Report for the year ended 30 June 2016.*
- 2. Accept the Audit report for the 2015-2016 financial year.*
- 3. Receive the Auditors Management Report for the year ended 30 June 2016, as presented in Attachment 2, and note the comments contained therein.*

COMMENTS

Nil

CONSULTATION WITH THE COMMUNITY AND GOVERNMENT AGENCIES

Nil

LEGAL AND STATUTORY REQUIREMENTS

Nil

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

Nil

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple Majority

COUNCIL RESOLUTION

Moved: Cr L Martin

Seconded: Cr B Gaze

1116.112 That Council:

- 1. Adopt the Annual Financial Report for the year ended 30 June 2016.**
- 2. Accept the Audit report for the 2015-2016 financial year.**
- 3. Receive the Auditors Management Report for the year ended 30 June 2016, as presented in Attachment 2, and note the comments contained therein.**

UNANIMOUSLY CARRIED: 9/0



MINUTES

Audit Committee

**Wednesday 23rd November 2016
Commencing at 2:00pm**

**Council Chambers
28 Yougenup Road
GNOWANGERUP WA 6335**

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AGENDA

1. OPENING OF MEETING

The Shire President Keith House, welcomed Councillors, Staff and visitors and opened the meeting at 2:08pm.

2. ATTENDANCE/APOLOGIES

2.1 ATTENDANCE

Keith House	Shire President
Fiona Gaze	Deputy Chief Executive Officer
Lex Martin	
Bronwyn Gaze	
Richard House	
Frank Hmeljak	
Sue Lance	
Ben Moore	
Shelley Hmeljak	
Shelley Pike	Chief Executive Officer
Vin Fordham Lamont	Deputy Chief Executive Officer
Carol Shaddick	Senior Finance Officer
Abbey Sergeant	Executive Assistant
Tim Partridge	AMD

2.2 APOLOGIES

Nil.

3. CONFIRMATION OF PREVIOUS MEETING MINUTES

3.1 AUDIT COMMITTEE MEETING MINUTES 24 AUGUST 2016

COMMITTEE RESOLUTION

Moved: Cr S hmeljak

Seconded: Cr B Gaze

AC1116.7 That the minutes from Audit Committee meeting held on 24 August 2016 be confirmed as true and correct.

UNANIMOUSLY CARRIED: 8/0

4. OFFICER ITEMS

Tim Partridge from AMD presented the Audit and Management Report to Council.

1. Audit Report

AMD gave a clean Financial Report and Statutory Compliance under the Local Government Act and Financial Management Regulations. No breaches recorded.

2. Management Report

The Management Report is not a statutory requirement however provides constructive feedback outside the formal reporting. AMD is pleased to report there was no Fraud and Error reported. Gnowangerup met all the Financial Ratios which are required to be included with the exception of the operating surplus ratio????

R House, Are we in the ball park for good management Ratios?

Tim, favourable yes, Gnowangerup only has 1 Ratio not met. Overall council is in a fairly solid position.

B Gaze, with significant funding cuts in recent years do you think there is light at the end of the tunnel?

Tim, not particularly

3. Recommendations

A number of recommendations have been made for staff to follow up on.

As a reminder the Department have released the Local Government Operational Guideline 9 - Audit in Local Government, a copy has been sent to your emails.

Cr Fiona Gaze entered the meeting at 2:39pm

4.1	2015-2016 ANNUAL FINANCIAL REPORT AND AUDIT REPORT
Location:	Shire of Gnowangerup
Proponent:	N/A
File Ref:	12.2.1
Date of Report:	8 November 2016
Business Unit:	Finance
Officer:	V. Fordham Lamont - Deputy Chief Executive Officer
Disclosure of Interest:	Nil

ATTACHMENT

- Attachment 1 - 2015/2016 Annual Financial Report and Auditor's Report
- Attachment 2 – Auditor's Management Report Letter for 30 June 2016

PURPOSE OF THE REPORT

For Council to consider the Annual Financial Report and Auditor's Report.

BACKGROUND

Section 6.4 of the *Local Government Act 1995* requires local governments to prepare an annual financial report and to submit both the report and its accounts to its auditor by 30 September each year.

The Shire of Gnowangerup has met those requirements and the Shire's auditors have completed their audit of the accounts and the Annual Financial Report for the year ended 30 June 2016.

COMMENTS

The audit has been completed with no issues of significance raised and the audit report is unqualified (Attachment 1 refers).

The auditor has also provided a Management Letter (Attachment 2 refers) in which the auditor provides commentary on:

1. Financial Ratio Performance Measures (Operating Surplus Ratio, reported at -0.41, is below the Department's benchmark of 0.01);
2. Self-Supporting Loans;
3. GST Reconciliation;
4. Employee Entitlements – Long Service Leave;
5. Employee Entitlements – Annual Leave;
6. Works Costings;
7. Unrecorded Creditors;
8. Inventory Reconciliation;
9. Non-Rateable Properties

The Operating Surplus Ratio is calculated by dividing (operating revenue minus operating expenses) by own source operating revenue.

Definitions:

- Operating Revenue is the revenue that is operating revenue for the purposes of Australian Accounting Standards, excluding –
 - (a) grants for the development or acquisition of assets; and
 - (b) contributions for the development or acquisition of assets.
- Operating Expenses are the expenses that are operating expenses for the purposes of Australian Accounting Standards.
- Own source operating revenue is revenue from rates and service charges, fees and user charges, reimbursements and recoveries, interest income and profit on disposal of assets.

This ratio effectively highlights the scale/extent of any operating surplus or deficit in relation to the overall size of the local government. It helps to measure the ability to cover operational needs and have revenues available for capital or other purposes.

In 2015/2016, Council's operating expenses were greater than its operating revenue, and therefore all operating revenue sources were consumed in covering operating expenses, leaving no operating revenue available for capital expenditure.

This ratio will change from year to year, depending on the amount of non-recurring (one-off) items of operating expenditure.

The Management Letter had no other matters to bring to Council's attention.

CONSULTATION WITH THE COMMUNITY AND GOVERNMENT AGENCIES

There are no legislative requirements to consult on the preparation of the Annual Financial Report, but the *Local Government Act 1995* requires an Annual General Meeting of Electors to be held and the Shire's Annual report, incorporating the Financial Report, to be made available publicly.

The Annual Financial Report will be made available on the Shire's public website. A minimal number of printed and bound copies of the Annual Financial Report will be available for viewing from the Shire's Administration Centre.

LEGAL AND STATUTORY REQUIREMENTS

Section 6.4 of the *Local Government Act 1995* states:

6.4 Financial Report

- (1) *A local government is to prepare an annual financial report for the preceding financial year and such other financial reports as are prescribed.*
- (2) *The financial report is to –*
 - (a) *be prepared and presented in the manner and form prescribed; and*
 - (b) *contain the prescribed information.*
- (3) *By 30 September following each financial year or such extended time as the Minister allows, a local government is to submit to its auditor –*

- (a) *the accounts of the local government, balanced up to the last day of the preceding financial year; and*
- (b) *the annual financial report of the local government for the preceding financial year.*

Regulation 51 of the *Local Government (Financial Management) Regulations 1996* states:

51. Annual financial report to be signed etc. by CEO and given to Department

- (1) *After the annual financial report has been audited in accordance with the Act the CEO is to sign and append to the report a declaration in the form of Form 1.*
- (2) *A copy of the annual financial report of a local government is to be submitted to the Departmental CEO within 30 days of the receipt by the local government's CEO of the auditor's report on that financial report.*

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

Nil

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Nil

CONCLUSION

Adopt the Annual Financial Report and accept the accompanying audit report for the year ended 30 June 2016.

VOTING REQUIREMENTS

Absolute Majority

OFFICER RECOMMENDATION

Moved: Cr L Martin

Seconded: Cr R House

AC1116.8 That the Audit Committee recommend to Council:

- 1. Adopt the Annual Financial Report for the year ended 30 June 2016.**
- 2. Accept the audit report for the 2015-2016 financial year.**
- 3. Receive the Auditors Management Report for the year ended 30 June 2016, as presented in Attachment 2, and note the comments contained therein.**

UNANIMOUSLY CARRIED: 9/0

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

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Principal place of business:
28 Yougenup Road
GNOWANGERUP WA 6335

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

LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire being the annual financial report and other information for the financial year ended 30 June 2016 are in my opinion properly drawn up to present fairly the financial position of the Shire at 30th June 2016 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed as authorisation of issue on the *fourteenth* day of *November* 2016



Shelley Pike
Chief Executive Officer

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

	NOTE	2016 \$	2016 Budget \$	2015 \$
Revenue				
Rates	23	3,491,477	3,469,308	3,206,966
Operating grants, subsidies and contributions	31	924,977	904,811	2,249,730
Fees and charges	30	327,594	277,068	317,467
Interest earnings	2(a)	145,550	85,720	96,805
Other revenue	2(a)	410,289	62,411	135,340
		<u>5,299,887</u>	<u>4,799,318</u>	<u>6,006,308</u>
Expenses				
Employee costs		(2,006,228)	(1,736,903)	(1,926,897)
Materials and contracts		(1,712,540)	(1,806,007)	(1,113,920)
Utility charges		(142,692)	(161,965)	(123,088)
Depreciation on non-current assets	2(a)	(2,571,267)	(1,506,295)	(1,547,096)
Interest expenses	2(a)	(67,208)	(84,118)	(78,516)
Insurance expenses		(178,991)	(206,860)	(210,091)
Other expenditure		(234,544)	(365,144)	(214,753)
		<u>(6,913,470)</u>	<u>(5,867,292)</u>	<u>(5,214,361)</u>
		(1,613,583)	(1,067,974)	791,947
Non-operating grants, subsidies and contributions	31	1,674,514	1,837,639	1,919,078
Profit on asset disposals	21	13,847	0	1,925
(Loss) on asset disposals	21	(82,365)	0	(333,351)
Fair value adjustments to financial assets at				
(Loss) on revaluation of furniture and equipment	7(b)	(16,543)	0	0
(Loss) on revaluation of Infrastructure - footpaths	8(b)	0	0	(29,640)
(Loss) on revaluation of Infrastructure - other	8(b)	0	0	(42,457)
Reversal of prior year loss on revaluation of Infrastructure - Solid Waste	8(b)	0	0	(7,708)
Net result		<u>(24,130)</u>	<u>769,665</u>	<u>2,299,793</u>
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	13	206,996	0	95,256,158
Total other comprehensive income		<u>206,996</u>	<u>0</u>	<u>95,256,158</u>
Total comprehensive income		<u><u>182,866</u></u>	<u><u>769,665</u></u>	<u><u>97,555,951</u></u>

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

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

	NOTE	2016 \$	2016 Budget \$	2015 \$
Revenue	2(a)			
Governance		7,961	7,450	35,090
General purpose funding		4,122,193	4,077,052	5,133,536
Law, order, public safety		111,894	85,314	68,986
Health		329	0	164
Education and welfare		12,979	13,525	13,566
Housing		83,254	83,080	84,271
Community amenities		279,527	265,530	230,856
Recreation and culture		88,086	29,800	171,159
Transport		365,682	126,900	123,401
Economic services		20,068	15,098	17,017
Other property and services		207,914	95,569	128,262
		<u>5,299,887</u>	<u>4,799,318</u>	<u>6,006,308</u>
Expenses	2(a)			
Governance		(704,475)	(924,151)	(713,555)
General purpose funding		(68,141)	(59,949)	(190,150)
Law, order, public safety		(285,646)	(279,999)	(197,121)
Health		(220,168)	(227,063)	(212,849)
Education and welfare		(21,542)	(20,700)	(17,929)
Housing		(52,246)	(58,964)	(42,126)
Community amenities		(433,048)	(640,336)	(463,813)
Recreation and culture		(1,236,632)	(1,034,242)	(1,012,770)
Transport		(3,191,826)	(1,927,554)	(1,961,099)
Economic services		(87,710)	(117,461)	(74,919)
Other property and services		(544,828)	(492,755)	(249,515)
		<u>(6,846,262)</u>	<u>(5,783,174)</u>	<u>(5,135,846)</u>
Finance costs	2(a)			
General purpose funding		0	0	(6)
Housing		(25,669)	(26,512)	(29,348)
Community amenities		(2,532)	(2,636)	(3,288)
Recreation and culture		(39,007)	(54,970)	(45,874)
		<u>(67,208)</u>	<u>(84,118)</u>	<u>(78,516)</u>
		(1,613,583)	(1,067,974)	791,946
Non-operating grants, subsidies and contributions	31	1,674,514	1,837,639	1,919,078
Profit on disposal of assets	21	13,847	0	1,925
(Loss) on disposal of assets	21	(82,365)	0	(333,351)
(Loss) on revaluation of furniture and equipment	7(b)	(16,543)	0	0
(Loss) on revaluation of Infrastructure - footpaths	8(b)	0	0	(29,640)
(Loss) on revaluation of Infrastructure - other	8(b)	0	0	(42,457)
Reversal of prior year loss on revaluation of Infrastructure - Solid Waste	8(b)	0	0	(7,708)
		<u>(16,543)</u>	<u>0</u>	<u>(79,805)</u>
Net result		(24,130)	769,665	2,299,793
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	13	206,996	0	95,256,158
Total other comprehensive income		206,996	0	95,256,158
Total comprehensive income		<u>182,866</u>	<u>769,665</u>	<u>97,555,951</u>

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

SHIRE OF GNOWANGERUP
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2016

	NOTE	2016 \$	2015 \$
CURRENT ASSETS			
Cash and cash equivalents	3	2,404,876	4,465,229
Trade and other receivables	5	631,700	221,942
Inventories	6	20,511	28,186
TOTAL CURRENT ASSETS		<u>3,057,087</u>	<u>4,715,357</u>
NON-CURRENT ASSETS			
Other receivables	5	298,422	308,080
Inventories		6,186	6,186
Property, plant and equipment	7	28,995,748	26,918,223
Infrastructure	8	124,386,356	124,775,412
TOTAL NON-CURRENT ASSETS		<u>153,686,712</u>	<u>152,007,901</u>
TOTAL ASSETS		<u>156,743,799</u>	<u>156,723,258</u>
CURRENT LIABILITIES			
Trade and other payables	9	222,389	236,740
Current portion of long term borrowings	10	185,608	202,834
Provisions	11	260,751	221,774
TOTAL CURRENT LIABILITIES		<u>668,748</u>	<u>661,348</u>
NON-CURRENT LIABILITIES			
Long term borrowings	10	1,125,813	1,311,421
Provisions	11	45,109	29,226
TOTAL NON-CURRENT LIABILITIES		<u>1,170,922</u>	<u>1,340,647</u>
TOTAL LIABILITIES		<u>1,839,670</u>	<u>2,001,995</u>
NET ASSETS		<u>154,904,129</u>	<u>154,721,263</u>
EQUITY			
Retained surplus		42,486,763	42,358,922
Reserves - cash backed	12	1,789,845	1,941,816
Revaluation surplus	13	110,627,521	110,420,525
TOTAL EQUITY		<u>154,904,129</u>	<u>154,721,263</u>

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

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

	NOTE	RETAINED SURPLUS \$	RESERVES CASH/INVESTMENT BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2014		40,460,908	1,540,037	15,164,367	57,165,312
Comprehensive income					
Net result		2,299,793	0	0	2,299,793
Changes on revaluation of assets	13	0	0	95,256,158	95,256,158
Total comprehensive income		2,299,793	0	95,256,158	97,555,951
Transfers from/(to) reserves		(401,779)	401,779	0	0
Balance as at 30 June 2015		42,358,922	1,941,816	110,420,525	154,721,263
Comprehensive income					
Net result		(24,130)	0	0	(24,130)
Changes on revaluation of assets	13	0	0	206,996	206,996
Total comprehensive income		(24,130)	0	206,996	182,866
Transfers from/(to) reserves		151,971	(151,971)	0	0
Balance as at 30 June 2016		42,486,763	1,789,845	110,627,521	154,904,129

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

**SHIRE OF GNOWANGERUP
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2016**

	NOTE	2016 Actual \$	2016 Budget \$	2015 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		3,460,767	3,491,808	3,183,897
Operating grants, subsidies and contributions		501,522	904,811	2,249,730
Fees and charges		327,594	277,068	330,965
Interest earnings		145,550	84,860	96,805
Goods and services tax		617,928	0	338,987
Other revenue		410,289	63,271	135,340
		<u>5,463,650</u>	<u>4,821,818</u>	<u>6,335,724</u>
Payments				
Employee costs		(1,943,185)	(1,692,259)	(1,912,106)
Materials and contracts		(1,725,683)	(1,826,007)	(1,098,083)
Utility charges		(142,692)	(161,965)	(123,088)
Interest expenses		(68,924)	(86,618)	(79,990)
Insurance expenses		(178,991)	(206,860)	(210,091)
Goods and services tax		(617,932)	0	(338,998)
Other expenditure		(234,543)	(365,144)	(210,123)
		<u>(4,911,950)</u>	<u>(4,338,853)</u>	<u>(3,972,479)</u>
Net cash provided by (used in) operating activities	14(b)	<u>551,700</u>	<u>482,965</u>	<u>2,363,245</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment		(2,939,645)	(3,418,125)	(1,351,914)
Payments for construction of infrastructure		(1,370,930)	(1,901,565)	(815,055)
Non-operating grants, subsidies and contributions		1,674,514	1,837,639	1,919,078
Proceeds from sale of fixed assets		172,773	212,000	545,345
Net cash provided by (used in) investment activities		<u>(2,463,288)</u>	<u>(3,270,051)</u>	<u>297,454</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of debentures		(202,834)	(213,858)	(192,945)
Proceeds from self supporting loans		54,069	54,070	51,332
Proceeds from new debentures		0	200,000	0
Net cash provided by (used in) financing activities		<u>(148,765)</u>	<u>40,212</u>	<u>(141,613)</u>
Net increase (decrease) in cash held		(2,060,353)	(2,746,874)	2,519,086
Cash at beginning of year		4,465,229	4,465,229	1,946,143
Cash and cash equivalents at the end of the year	14(a)	<u><u>2,404,876</u></u>	<u><u>1,718,355</u></u>	<u><u>4,465,229</u></u>

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

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

NOTE	2016 Actual \$	2016 Budget \$	2015 Actual \$
Net current assets at start of financial year - surplus/(deficit)	<u>2,260,957</u> 2,260,957	<u>2,274,144</u> 2,274,144	<u>187,705</u> 187,705
Revenue from operating activities (excluding rates)			
Governance	7,961	7,450	35,090
General purpose funding	824,428	780,898	2,019,971
Law, order, public safety	111,894	85,314	68,986
Health	329	0	164
Education and welfare	12,979	13,525	13,566
Housing	83,254	83,080	84,271
Community amenities	279,527	265,530	230,856
Recreation and culture	88,086	29,800	171,159
Transport	379,529	126,900	125,326
Economic services	20,068	15,098	17,017
Other property and services	207,914	95,569	128,262
	<u>2,015,969</u>	<u>1,503,164</u>	<u>2,894,668</u>
Expenditure from operating activities			
Governance	(704,475)	(924,151)	(713,555)
General purpose funding	(68,141)	(59,949)	(190,156)
Law, order, public safety	(285,646)	(279,999)	(256,963)
Health	(220,168)	(227,063)	(358,271)
Education and welfare	(21,542)	(20,700)	(17,929)
Housing	(99,453)	(85,476)	(81,474)
Community amenities	(435,580)	(642,972)	(467,101)
Recreation and culture	(1,308,900)	(1,089,212)	(1,058,644)
Transport	(3,219,392)	(1,927,554)	(2,071,801)
Economic services	(87,710)	(117,461)	(74,919)
Other property and services	(561,371)	(492,755)	(336,705)
	<u>(7,012,378)</u>	<u>(5,867,292)</u>	<u>(5,627,518)</u>
Operating activities excluded from budget			
(Profit) on disposal of assets	21 (13,847)	0	(1,925)
Loss on disposal of assets	21 82,365	0	333,351
Movement for Loss on Revaluation of Fixed Assets	7(b) 16,543	0	79,805
Movement in deferred pensioner rates (non-current)	(19,647)	0	(9,811)
Movement in employee benefit provisions (non-current)	15,883	44,644	(10,041)
Depreciation and amortisation on assets	2(a) 2,571,267	1,506,295	1,547,096
Amount attributable to operating activities	<u>(82,888)</u>	<u>(539,045)</u>	<u>(606,670)</u>
INVESTING ACTIVITIES			
Non-operating grants, subsidies and contributions	1,674,514	1,837,639	1,919,078
Proceeds from disposal of assets	21 172,773	212,000	545,345
Purchase of property, plant and equipment	7(b) (2,939,645)	(3,418,125)	(1,351,914)
Purchase and construction of infrastructure	8(b) (1,370,930)	(1,901,565)	(815,055)
Amount attributable to investing activities	<u>(2,463,288)</u>	<u>(3,270,051)</u>	<u>297,454</u>
FINANCING ACTIVITIES			
Repayment of debentures	22(a) (202,834)	(213,858)	(192,945)
Proceeds from new debentures	22(a) 0	200,000	0
Proceeds from self supporting loans	54,069	54,070	51,332
Transfers to reserves (restricted assets)	12 (198,029)	(177,270)	(480,412)
Transfers from reserves (restricted assets)	12 350,000	650,000	78,633
Amount attributable to financing activities	<u>3,206</u>	<u>512,942</u>	<u>(543,392)</u>
Surplus(deficiency) before general rates	<u>(2,542,970)</u>	<u>(3,296,154)</u>	<u>(852,608)</u>
Total amount raised from general rates	23 <u>3,297,765</u>	<u>3,296,154</u>	<u>3,113,565</u>
Net current assets at June 30 c/fwd - surplus/(deficit)	24 <u><u>754,796</u></u>	<u><u>0</u></u>	<u><u>2,260,957</u></u>

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

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

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

Critical accounting estimates

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

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

The local government reporting entity

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Trade and Other Receivables

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

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

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

(e) Inventories

General

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

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

Land held for sale

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

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

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

(f) Fixed Assets

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

Mandatory requirement to revalue non-current assets

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

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

Land under control

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

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

Revaluation

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

Land under roads

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

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

Depreciation

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

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

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

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

Buildings	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Sealed roads and streets	
formation	not depreciated
pavement	50 years
seal	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
formation	not depreciated
pavement	50 years
Formed roads (unsealed)	
formation	not depreciated
pavement	50 years
Footpaths - slab	20 years
Sewerage piping	100 years
Water supply piping and drainage systems	75 years
Airport infrastructure	13 to 100 years
Parks and ovals infrastructure	2 to 100 years
Other infrastructure	10 to 50 years

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

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

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

Capitalisation threshold

Expenditure on items of equipment under \$2,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fair Value of Assets and Liabilities

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

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

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

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

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

Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Income approach

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

Cost approach

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

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

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

(h) Financial Instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

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

Amortised cost is calculated as:

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Classification and subsequent measurement (continued)

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

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

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Impairment

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

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

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

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

Derecognition

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

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

(i) Impairment of Assets

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

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

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

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

(j) Trade and Other Payables

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Employee Benefits

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

(l) Borrowing Costs

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

(m) Provisions

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

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

(n) Leases

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

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Investment in Associates

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

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

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

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

(p) Interests in Joint Arrangements

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Current and Non-Current Classification

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

(t) Rounding Off Figures

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

(u) Comparative Figures

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

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

(v) Budget Comparative Figures

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(i) AASB 9 Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)	December 2014	1 January 2018	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Shire, it is not anticipated the Standard will have any material effect.
(ii) AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2017	<p>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.</p> <p>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.</p>
(iii) AASB 16 Leases	February 2016	1 January 2019	<p>Under AASB 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability onto their statement of financial position for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 117 Leases which currently do not impact the statement of financial position will be required to be capitalised on the statement of financial position once AASB 16 is adopted.</p> <p>Currently, operating lease payments are expensed as incurred. This will cease and will be replaced by both depreciation and interest charges. Based on the current number of operating leases held by the Shire, the impact is not expected to be significant.</p>

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
<p>(iv) AASB 2014-3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations</p> <p>[AASB 1 & AASB 11]</p>	<p>August 2014</p>	<p>1 January 2016</p>	<p>This Standard amends AASB 11: <i>Joint Arrangements</i> to require the acquirer of an interest (both initial and additional) in a joint operation in which the activity constitutes a business, as defined in AASB 3: <i>Business Combinations</i>, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations.</p> <p>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.</p>
<p>(v) AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation</p> <p>[AASB 116 & 138]</p>	<p>August 2014</p>	<p>1 January 2016</p>	<p>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.</p> <p>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.</p>
<p>(vi) AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15</p>	<p>December 2014</p>	<p>1 January 2017</p>	<p>Consequential changes to various Standards arising from the issuance of AASB 15.</p> <p>It will require changes to reflect the impact of AASB 15.</p>

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
<p>(vii) AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101</p> <p>[AASB 7, 101, 134 & 1049]</p>	<p>January 2015</p>	<p>1 January 2016</p>	<p>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.</p> <p>This Standard also makes editorial and consequential amendments as a result of amendments to the Standards listed in the title column.</p> <p>It is not anticipated it will have any significant impact on disclosures as they currently exist and any changes will relate to presentation.</p>
<p>(viii) AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities</p> <p>[AASB 10, 124 & 1049]</p>	<p>March 2015</p>	<p>1 July 2016</p>	<p>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.</p> <p>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.</p>

Notes:

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Adoption of New and Revised Accounting Standards

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

These new and revised standards were as follows:

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

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

2. REVENUE AND EXPENSES	2016	2015	
	\$	\$	
(a) Net Result			
The Net result includes:			
(i) Charging as an expense:			
Auditors remuneration			
- Audit of the Annual Financial Report	17,937	19,892	
- Assistance with finalisation of the annual financial report	0	7,150	
- Other Services	5,250	0	
Depreciation			
Buildings - non-specialised	29,182	31,185	
Buildings - specialised	365,828	365,473	
Furniture and equipment	24,477	13,314	
Plant and equipment	391,794	373,721	
Intangible Assets	0	463	
Infrastructure - roads	1,103,378	619,299	
Infrastructure - footpaths	9,221	13,196	
Infrastructure - drainage	63,971	12,582	
Infrastructure - parks and ovals	380,135	101,436	
Infrastructure - other	0	3,096	
Infrastructure - Airports	174,911	11,154	
Infrastructure - Sewer	21,221	1,843	
Infrastructure - Solid Waste	7,149	334	
	<u>2,571,267</u>	<u>1,547,096</u>	
Interest expenses (finance costs)			
Debentures (refer Note 22 (a))	67,208	78,510	
Interest on Overdraft	0	6	
	<u>67,208</u>	<u>78,516</u>	
Rental charges			
- Operating leases	11,830	11,830	
	<u>11,830</u>	<u>11,830</u>	
(ii) Crediting as revenue:			
Significant revenue			
Reimbursements from storm damage	<u>221,206</u>	<u>0</u>	
Other revenue			
Reimbursements and recoveries	120,739	64,108	
Significant revenue (refer above)	221,206	0	
Other	68,344	71,232	
	<u>410,289</u>	<u>135,340</u>	
	<u>2,571,267</u>	<u>1,547,096</u>	
	2016	2016	2015
	Actual	Budget	Actual
	\$	\$	\$
Interest earnings			
- Loans receivable - clubs/institutions	12,772	0	0
- Reserve funds	50,412	31,000	38,081
- Other funds	49,415	29,860	31,525
Other interest revenue (refer note 29)	32,951	24,860	27,199
	<u>145,550</u>	<u>85,720</u>	<u>96,805</u>

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

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

In order to discharge its responsibilities to the community, 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 thriving, inclusive and growing community built on opportunity"

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

GOVERNANCE

Objective:

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

Activities:

Administration and operation of members of Council. Other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific Council services.

GENERAL PURPOSE FUNDING

Objective:

To collect revenue to allow for the provision of services.

Activities:

To collect revenue in the form of rates, interest and general purpose Government grants to allow for the provision of services.

LAW, ORDER, PUBLIC SAFETY

Objective:

To provide services to help ensure a safer and environmentally conscious community.

Activities:

To provide services to help ensure a safer community. Activities include fire prevention, emergency services and animal control.

HEALTH

Objective:

To provide an operational framework for environmental and community health.

Activities:

To provide an operational framework for good community health, which includes food quality and pest control.

EDUCATION AND WELFARE

Objective:

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

Activities:

The provision of pre-school facilities to relevant community groups and the support of youth in the community.

HOUSING

Objective:

To provide and maintain elderly residents housing.

Activities:

Provision of community housing, including administrative support for aged housing.

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

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective (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, civic centres, aquatic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. 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, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.

ECONOMIC SERVICES

Objective:

To help promote the shire and its economic wellbeing.

Activities:

Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. 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.

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

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

Grant/Contribution	Function/ Activity	Opening Balance ⁽¹⁾ 1/07/14 \$	Received ⁽²⁾ 2014/15 \$	Expended ⁽³⁾ 2014/15 \$	Closing Balance ⁽¹⁾ 30/06/15 \$	Received ⁽²⁾ 2015/16 \$	Expended ⁽³⁾ 2015/16 \$	Closing Balance 30/06/16 \$
Country Local Gov. Fund	Various	1,111	0	(1,111)	0	0	0	0
DSR - KidzSports Grant	Recreation & Culture	21,062	6,000	(21,062)	6,000	0	(6,000)	0
Bushfire Operational Grant	Law, Order & Public Safety	6,670	11,750	(6,670)	11,750	54,046	(51,175)	14,621
SES Operational Grant	Law, Order & Public Safety	4,172	3,901	(4,172)	3,901	19,833	(18,901)	4,833
DLG - Cat Sterilisation	Law, Order & Public Safety	4,900	0	0	4,900	0	(4,900)	0
ICCWA - Stay On Your Feet	Recreation & Culture	476	0	0	476	0	0	476
DSR - Hip Hop Grant	Recreation & Culture	751	0	(751)	0	0	0	0
DFES - SES Building Grant	Law, Order & Public Safety	0	520,276	(520,276)	0	0	0	0
DSR - Swimming Pool Grant	Recreation & Culture	0	175,000	0	175,000	0	(175,000)	0
Country Local Government Fund - Swimming Pool	Recreation & Culture	0	332,761	0	332,761	0	(332,761)	0
DLG - Workforce Planning Grant	Governance	0	25,000	(6,500)	18,500	0	(18,500)	0
DSR - Club Development Grant	Recreation & Culture	0	10,000	0	10,000	0	(10,000)	0
Total		<u>39,142</u>	<u>1,084,688</u>	<u>(560,542)</u>	<u>563,288</u>	<u>73,879</u>	<u>(617,237)</u>	<u>19,930</u>

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.

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

	Note	2016 \$	2015 \$
3. CASH AND CASH EQUIVALENTS			
Unrestricted		595,101	1,960,125
Restricted		<u>1,809,775</u>	<u>2,505,104</u>
		<u>2,404,876</u>	<u>4,465,229</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Leave reserve	12	69,451	67,693
Plant reserve	12	665,686	902,262
Ongerup Effluent	12	125,564	112,640
Area Promotion	12	28,336	27,619
Swimming Pool Upgrade	12	35,431	34,535
Land Development	12	619,284	610,332
Computer Replacement	12	7,480	7,291
Waste Disposal	12	222,219	163,464
Royalties for Regions Unspent Grant	12	1,167	1,138
Future Funds	12	15,227	14,842
Unspent grants	2(c)	<u>19,930</u>	<u>563,288</u>
		<u>1,809,775</u>	<u>2,505,104</u>

4. INVESTMENTS

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

Leave reserve	12	69,451	67,693
Plant reserve	12	665,686	902,262
Ongerup Effluent	12	125,564	112,640
Area Promotion	12	28,336	27,619
Swimming Pool Upgrade	12	35,431	34,535
Land Development	12	619,284	610,332
Computer Replacement	12	7,480	7,291
Waste Disposal	12	222,219	163,464
Royalties for Regions Unspent Grant	12	1,167	1,138
Future Funds	12	<u>15,227</u>	<u>14,842</u>
		<u>1,789,845</u>	<u>1,941,816</u>

5. TRADE AND OTHER RECEIVABLES

Current

Rates outstanding		160,215	149,152
Sundry debtors		441,142	17,555
GST receivable		64	60
Loans receivable - clubs/institutions		29,306	54,070
Accrued Interest on Self Supporting Loans		<u>973</u>	<u>1,105</u>
		<u>631,700</u>	<u>221,942</u>

Non-current

Rates outstanding - pensioners		106,087	86,440
Loans receivable - clubs/institutions		<u>192,335</u>	<u>221,640</u>
		<u>298,422</u>	<u>308,080</u>

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

	2016	2015
	\$	\$
6. INVENTORIES		
Current		
Fuel and materials	20,511	28,186
	<u>20,511</u>	<u>28,186</u>
7 (a). PROPERTY, PLANT AND EQUIPMENT		
Land and buildings		
Land - freehold at:		
- Independent valuation 2014 - level 2	1,143,000	1,143,000
	<u>1,143,000</u>	<u>1,143,000</u>
	<u>1,143,000</u>	<u>1,143,000</u>
Buildings - non-specialised at:		
- Independent valuation 2014 - level 2	1,750,000	1,750,000
- Additions after valuation - cost	7,133	0
Less: accumulated depreciation	<u>(58,354)</u>	<u>(29,172)</u>
	1,698,779	1,720,828
Buildings - specialised at:		
- Independent valuation 2014 - level 3	20,064,091	20,174,155
- Additions after valuation - cost	2,989,793	706,110
Less: accumulated depreciation	<u>(665,465)</u>	<u>(354,901)</u>
	22,388,419	20,525,364
	<u>24,087,198</u>	<u>22,246,192</u>
Total land and buildings	<u>25,230,198</u>	<u>23,389,192</u>
Furniture and equipment at:		
- Management valuation 2016 - level 3	42,250	0
- Management valuation 2013 - level 3	0	28,369
- Additions after valuation - cost	0	70,009
Less accumulated depreciation	<u>0</u>	<u>(15,108)</u>
	42,250	83,270
Plant and equipment at:		
- Management valuation 2016 - level 3	3,723,300	0
- Management valuation 2013 - level 3	0	2,423,918
- Additions after valuation - cost	0	1,629,564
Less accumulated depreciation	<u>0</u>	<u>(607,721)</u>
	3,723,300	3,445,761
	<u>28,995,748</u>	<u>26,918,223</u>

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

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

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Movements in Carrying Amounts

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

	Balance at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) Transferred to Revaluation \$	Revaluation (Losses)/ Reversals Through to Profit or Loss \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Transfers \$	Carrying Amount at the End of Year \$
Land - freehold	1,143,000	0	0	0	0	0	0	0	1,143,000
Total land	1,143,000	0	0	0	0	0	0	0	1,143,000
Buildings - non-specialised	1,720,828	7,133	0	0	0	0	(29,182)	0	1,698,779
Buildings - specialised	20,525,364	2,283,683	(54,800)	0	0	0	(365,828)	0	22,388,419
Total buildings	22,246,192	2,290,816	(54,800)	0	0	0	(395,010)	0	24,087,198
Total land and buildings	23,389,192	2,290,816	(54,800)	0	0	0	(395,010)	0	25,230,198
Furniture and equipment	83,270	0	0	0	(16,543)	0	(24,477)	0	42,250
Plant and equipment	3,445,761	648,829	(186,492)	206,996	0	0	(391,794)	0	3,723,300
Total property, plant and equipment	26,918,223	2,939,645	(241,292)	206,996	(16,543)	0	(811,281)	0	28,995,748

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

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Land and buildings					
Land - freehold	Level 2	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2014	Price per hectare
Buildings - non-specialised	Level 2	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2014	Price per hectare
Buildings - specialised	Level 3	Improvements to land valued using cost approach, using depreciated replacement cost	Independent registered valuers	June 2014	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Furniture and equipment					
- Management valuation 2016	Level 3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2016	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
- Management valuation 2013	Level 3	Cost approach using depreciated replacement cost	Management valuation	June 2013	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Plant and equipment					
- Management valuation 2016	Level 2/3	Market approach using recent observable market data for similar assets, or Cost approach using depreciated replacement cost	Independent registered valuers	June 2016	Purchase costs for similar assets and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
- Management valuation 2013	Level 2	Market approach using recent observable market data for similar assets	Management valuation	June 2013	Purchase costs for similar assets and current condition (Level 2)

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.

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

	2016	2015
	\$	\$
8 (a). INFRASTRUCTURE		
Infrastructure - roads		
- Management valuation 2015 - level 3	114,340,023	114,340,023
- Additions after valuation - cost	1,289,300	0
Less accumulated depreciation	<u>(20,001,082)</u>	<u>(18,897,704)</u>
	<u>95,628,241</u>	<u>95,442,319</u>
Infrastructure - footpaths		
- Management valuation 2015 - level 3	461,040	461,040
- Additions after valuation - cost	18,923	0
Less accumulated depreciation	<u>(137,851)</u>	<u>(128,630)</u>
	<u>342,112</u>	<u>332,410</u>
Infrastructure - drainage		
- Management valuation 2015 - level 3	3,191,960	3,191,960
- Additions after valuation - cost	3,740	0
Less accumulated depreciation	<u>(1,110,934)</u>	<u>(1,046,963)</u>
	<u>2,084,766</u>	<u>2,144,997</u>
Infrastructure - parks and ovals		
- Management valuation 2015 - level 3	6,549,640	6,549,640
Less accumulated depreciation	<u>(2,055,293)</u>	<u>(1,675,158)</u>
	<u>4,494,347</u>	<u>4,874,482</u>
Infrastructure - other		
- Additions after valuation - cost	<u>16,751</u>	<u>0</u>
	16,751	0
Infrastructure - Airports		
- Management valuation 2015 - level 3	21,595,698	21,595,698
- Additions after valuation - cost	40,742	0
Less accumulated depreciation	<u>(480,342)</u>	<u>(305,431)</u>
	<u>21,156,098</u>	<u>21,290,267</u>
Infrastructure - Sewer		
- Management valuation 2015 - level 3	967,790	967,790
- Additions after valuation - cost	1,239	0
Less accumulated depreciation	<u>(406,694)</u>	<u>(385,473)</u>
	<u>562,335</u>	<u>582,317</u>
Infrastructure - Solid Waste		
- Management valuation 2015 - level 3	135,973	135,973
- Additions after valuation - cost	235	0
Less accumulated depreciation	<u>(34,502)</u>	<u>(27,353)</u>
	<u>101,706</u>	<u>108,620</u>
	<u><u>124,386,356</u></u>	<u><u>124,775,412</u></u>

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

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

8. INFRASTRUCTURE (Continued)

(b) Movements in Carrying Amounts

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

	Balance as at the Beginning of the Year	Additions	(Disposals)	Revaluation Increments/ (Decrements) Transferred to Revaluation	Revaluation (Loss)/ Reversal Transferred to Profit or Loss	Impairment (Losses)/ Reversals	Depreciation (Expense)	Transfers	Carrying Amount at the End of the Year
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Infrastructure - roads	95,442,319	1,289,300	0	0	0	0	(1,103,378)	0	95,628,241
Infrastructure - footpaths	332,410	18,923	0	0	0	0	(9,221)	0	342,112
Infrastructure - drainage	2,144,997	3,740	0	0	0	0	(63,971)	0	2,084,766
Infrastructure - parks and ovals	4,874,482	0	0	0	0	0	(380,135)	0	4,494,347
Infrastructure - other	0	16,751	0	0	0	0	0	0	16,751
Infrastructure - Airports	21,290,267	40,742	0	0	0	0	(174,911)	0	21,156,098
Infrastructure - Sewer	582,317	1,239	0	0	0	0	(21,221)	0	562,335
Infrastructure - Solid Waste	108,620	235	0	0	0	0	(7,149)	0	101,706
Total infrastructure	<u>124,775,412</u>	<u>1,370,930</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,759,986)</u>	<u>0</u>	<u>124,386,356</u>

**SHIRE OF GNOWANGERUP
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FOR THE YEAR ENDED 30TH JUNE 2016**

8. INFRASTRUCTURE (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Infrastructure - roads	Level 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
Infrastructure - footpaths	Level 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
Infrastructure - drainage	Level 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
Infrastructure - parks and ovals	Level 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
Infrastructure - other	Level 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
Infrastructure - Airports	Level 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
Infrastructure - Sewer	Level 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
Infrastructure - Solid Waste	Level 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.

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

	2016	2015
	\$	\$
9. TRADE AND OTHER PAYABLES		
Current		
Sundry creditors	142,092	163,904
Accrued interest on debentures	9,876	11,592
Accrued salaries and wages	6,376	51,034
ATO liabilities	52,830	(11)
Rates Received in Advance	11,215	10,221
	<u>222,389</u>	<u>236,740</u>

10. LONG-TERM BORROWINGS

Current

Secured by floating charge

 Debentures

	185,608	202,834
	<u>185,608</u>	<u>202,834</u>

Non-current

Secured by floating charge

 Debentures

	1,125,813	1,311,421
	<u>1,125,813</u>	<u>1,311,421</u>

Additional detail on borrowings is provided in Note 22.

11. PROVISIONS

	Provision for Annual and Sick Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2015			
Current provisions	134,495	87,279	221,774
Non-current provisions	0	29,226	29,226
	<u>134,495</u>	<u>116,505</u>	<u>251,000</u>
Additional provision	23,229	37,148	60,377
Amounts used	0	(5,517)	(5,517)
Balance at 30 June 2016	<u>157,724</u>	<u>148,136</u>	<u>305,860</u>
Comprises			
Current	157,724	103,027	260,751
Non-current	0	45,109	45,109
	<u>157,724</u>	<u>148,136</u>	<u>305,860</u>

**SHIRE OF GNOWANGERUP
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FOR THE YEAR ENDED 30TH JUNE 2016**

12. RESERVES - CASH BACKED

	Actual 2016 Opening Balance	Actual 2016 Transfer to	Actual 2016 Transfer (from)	Actual 2016 Closing Balance	Budget 2016 Opening Balance	Budget 2016 Transfer to	Budget 2016 Transfer (from)	Budget 2016 Closing Balance	Actual 2015 Opening Balance	Actual 2015 Transfer to	Actual 2015 Transfer (from)	Actual 2015 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Leave reserve	67,693	1,758	0	69,451	67,693	1,081	0	68,774	46,498	21,195	0	67,693
Plant reserve	902,262	113,424	(350,000)	665,686	902,262	104,404	(350,000)	656,666	734,208	200,582	(32,528)	902,262
Ongerup Effluent Area Promotion	112,640	12,924	0	125,564	112,640	11,798	0	124,438	100,188	12,452	0	112,640
Swimming Pool Upgrade	27,619	717	0	28,336	27,619	441	0	28,060	26,969	650	0	27,619
Land Development	34,535	896	0	35,431	34,535	551	0	35,086	33,722	813	0	34,535
Unspent Grants Reserve	610,332	8,952	0	619,284	610,332	9,744	(300,000)	320,076	370,545	239,787	0	610,332
Computer Replacement	0	0	0	0	0	0	0	0	21,062	43	(21,105)	0
Waste Disposal	7,291	189	0	7,480	7,291	116	0	7,407	31,623	668	(25,000)	7,291
Royalties for Regions Unspent Grant	163,464	58,755	0	222,219	163,464	48,880	0	212,344	159,618	3,846	0	163,464
Future Funds	1,138	29	0	1,167	1,138	18	0	1,156	1,111	27	0	1,138
	14,842	385	0	15,227	14,842	237	0	15,079	14,493	349	0	14,842
	<u>1,941,816</u>	<u>198,029</u>	<u>(350,000)</u>	<u>1,789,845</u>	<u>1,941,816</u>	<u>177,270</u>	<u>(650,000)</u>	<u>1,469,086</u>	<u>1,540,037</u>	<u>480,412</u>	<u>(78,633)</u>	<u>1,941,816</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.

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
Leave reserve	Never	to be used to fund annual and long service leave requirements
Plant reserve	Never	to be used for the purchase of major plant
Ongerup Effluent Area Promotion	Never	to be used for the maintenance of the Ongerup Effluent System
Swimming Pool Upgrade	Never	to be used for the promotion of the Gnowangerup Shire
Land	Never	to be used to assist with upgrade of the Gnowangerup Swimming Pool
Computer	Never	to be used to fund the purchase of or development of land and buildings and building renewal
Waste Disposal	Never	to be used to fund the maintenance and replacement of the administration computer system
Royalties for Regions Unspent Grant	Never	to be used to fund waste disposal in the Shire, including rehabilitation, transfer stations and post closure of sites
Future Funds	30/06/2017	to be used to fund the maintenance and replacement of the administration computer system
	Never	to be used to fund the maintenance and replacement of the administration computer system
	Never	to be used to fund waste disposal in the Shire, including rehabilitation, transfer stations and post closure of sites
	30/06/2017	to be used to hold unspent Royalties funding.
	Never	to be used to fund waste disposal in the Shire, including rehabilitation, transfer stations and post closure of sites
	Never	to be used for contributions towards major externally grant funded projects and programs within the Shire of Gnowangerup.

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

13. REVALUATION SURPLUS

	2016	2016	2016	2016	2016	2015	2015	2015	2015	2015
	Opening	Revaluation	Revaluation	Total	Closing	Opening	Revaluation	Revaluation	Total	Closing
	Balance	Increment	Decrement	Movement on	Balance	Balance	Increment	Decrement	Movement on	Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land and buildings	14,868,286	0	0	0	14,868,286	14,868,286	0	0	0	14,868,286
Plant and equipment	296,081	206,996	0	206,996	503,077	296,081	0	0	0	296,081
Infrastructure - roads	70,265,613	0	0	0	70,265,613	0	70,265,613	0	70,265,613	70,265,613
Infrastructure - drainage	1,692,771	0	0	0	1,692,771	0	1,692,771	0	1,692,771	1,692,771
Infrastructure - parks and ovals	1,960,964	0	0	0	1,960,964	0	1,960,964	0	1,960,964	1,960,964
Infrastructure - Airports	20,843,917	0	0	0	20,843,917	0	20,843,917	0	20,843,917	20,843,917
Infrastructure - Sewer	492,893	0	0	0	492,893	0	492,893	0	492,893	492,893
	110,420,525	206,996	0	206,996	110,627,521	15,164,367	95,256,158	0	95,256,158	110,420,525

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

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

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:

	2016	2016	2015
	\$	Budget	\$
		\$	
Cash and cash equivalents	<u>2,404,876</u>	<u>1,718,355</u>	<u>4,465,229</u>

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

Net result	(24,130)	769,665	2,299,793
Non-cash flows in Net result:			
Depreciation	2,571,267	1,506,295	1,547,096
(Profit)/Loss on sale of asset	68,518	0	331,426
Fair value adjustments to fixed assets			
at fair value through profit or loss	0	0	4,625
Loss on revaluation of fixed assets	16,543	0	79,805
Changes in assets and liabilities:			
(Increase)/Decrease in receivables	(454,169)	32,721	31,544
(Increase)/Decrease in inventories	7,675	0	(9,089)
Increase/(Decrease) in payables	(14,351)	(32,721)	39,247
Increase/(Decrease) in provisions	54,861	44,644	9,207
Grants contributions for the development of assets	(1,674,514)	(1,837,639)	(1,919,078)
Self Supporting Loan Principal repair			(51,331)
Net cash from operating activities	<u>551,700</u>	<u>482,965</u>	<u>2,363,245</u>

	2016	2015
	\$	\$
(c) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank overdraft limit	500,000	500,000
Bank overdraft at balance date	0	0
Credit card limit	10,000	10,000
Credit card balance at balance date	(1,374)	(158)
Total amount of credit unused	<u>508,626</u>	<u>509,842</u>
Loan facilities		
Loan facilities - current	185,608	202,834
Loan facilities - non-current	1,125,813	1,311,421
Total facilities in use at balance date	<u>1,311,421</u>	<u>1,514,255</u>
Unused loan facilities at balance date	<u>NIL</u>	<u>NIL</u>

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

15. CONTINGENT LIABILITIES

A claim for Native Title has been brought over a large area of land which falls within the Shire of Gnowangerup district. A settlement offer is currently being considered by the South West Land and Sea Council (which encompasses the land within the Shire of Gnowangerup). At this time it remains difficult to quantify the implications of this claim.

16. CAPITAL AND LEASING COMMITMENTS	2016	2015
	\$	\$
(a) Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	11,830	11,830
- later than one year but not later than five years	11,831	23,661
- later than five years	0	0
	<u>23,661</u>	<u>35,491</u>

(b) Capital Expenditure Commitments

Contracted for:		
- capital expenditure projects	0	2,014,013
- plant & equipment purchases	0	0
Payable:		
- not later than one year	0	2,014,013

The capital expenditure project outstanding at the end of the 2015 reporting period represented the construction of a new swimming pool complex.

17. JOINT VENTURE ARRANGEMENTS

The Shire is not involved in any joint venture arrangements.

18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2016	2015
	\$	\$
General purpose funding	106,087	0
Law, order, public safety	1,825,609	1,830,701
Health	429,308	670,865
Education and welfare	266,367	272,291
Housing	2,166,526	1,200,402
Community amenities	2,107,194	2,490,375
Recreation and culture	23,379,421	19,502,757
Transport	123,304,970	120,163,927
Economic services	162,153	146,422
Other property and services	1,054,414	4,281,823
Unallocated	1,941,750	6,163,695
	<u>156,743,799</u>	<u>156,723,258</u>

SHIRE OF GNOWANGERUP
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	2016	2015	2014
19. FINANCIAL RATIOS			
Current ratio	2.08	3.72	1.13
Asset sustainability ratio	1.59	1.19	1.31
Debt service cover ratio	3.48	7.39	3.78
Operating surplus ratio	(0.41)	0.10	(0.07)
Own source revenue coverage ratio	0.60	0.67	0.76

The above ratios are calculated as follows:

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

Notes:

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

- (a) For 2016, the Current, Debt Service Cover and Operating Surplus ratios as disclosed above were distorted by the change to the payment of FAG's during the year end 30 June 2016, which saw the advance payment for the following year cease. This created a timing difference, which resulted in an amount of some \$648,897.
- (b) For 2015, the Current, Debt Service Cover and Operating Surplus ratios as disclosed above were distorted by an item of significant revenue relating to the early payment of 2015/16 Financial Assistance Grants (FAGs) of \$648,897, which was received prior to year end.
- (c) For 2014, the Current, Debt Service Cover and Operating Surplus ratios as disclosed above were distorted by the change to the payment of FAG's during the year ended 30 June 2014 which saw the advance payment for the following year cease. This created a timing difference which resulted in an amount of some \$593,604.

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

	2016	2015	2014
Current ratio	3.16	2.63	2.17
Debt service cover ratio	5.88	5.00	5.87
Operating surplus ratio	(0.25)	(0.07)	0.08

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

20. TRUST FUNDS

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

	1 July 2015 \$	Amounts Received \$	Amounts Paid (\$)	30 June 2016 \$
Builders Registration Board	0	5,048	(5,048)	0
BCITF	0	2,483	(2,483)	0
Hall Hire Bonds	247	304	(250)	301
Agricultural Society	4,354	68	0	4,422
Early Morning Swimming Bonds	452	356	(450)	358
Gnp Townscape Committee	3,063	48	0	3,111
Gnp Airstrip Donation	1,243	19	0	1,262
Gnp & District Tourism Promotion	0	568	0	568
Housing Bonds	10,353	1,163	(907)	10,609
GESB Trust	339	5	0	344
Retention Bonds	31,912	0	(31,912)	0
Nomination Deposits	0	400	(400)	0
Unclaimed Rates	55	1	0	56
PA Hire Bond	0	508	0	508
Micro-Chip Deposits	0	322	(210)	112
	<u>52,018</u>			<u>21,650</u>

21. DISPOSALS OF ASSETS - 2015/16 FINANCIAL YEAR

The following assets were disposed of during the year.

	Actual Net Book Value \$	Actual Sale Proceeds \$	Actual Profit \$	Actual Loss \$	Budget Net Book Value \$	Budget Sale Proceeds \$	Budget Profit \$	Budget Loss \$
Buildings								
<u>Housing</u>								
Water Corporation Office	21,538	0	0	(21,538)	0	0	0	0
<u>Recreation and culture</u>								
Old Tennis Clubhouse	27,150	0	0	(27,150)	0	0	0	0
Old Tennis Storage Shed	5,631	0	0	(5,631)	0	0	0	0
Old Tennis Club Toilet Block	480	0	0	(480)	0	0	0	0
Plant and Equipment								
<u>Transport</u>								
Utility GN0028	12,600	11,364	0	(1,236)	7,000	7,000	0	0
Utility GN0048	10,150	11,364	1,214	0	7,000	7,000	0	0
Loader GN0011	46,000	20,954	0	(25,046)	20,000	20,000	0	0
Holden Caprice GN00	36,430	39,091	2,661	0	80,000	80,000	0	0
Fuel Tanker Trailer	1,284	0	0	(1,284)	0	0	0	0
Car Trailer	0	0	0	0	0	0	0	0
CAT 12H Grader GN005	80,028	90,000	9,972	0	90,000	90,000	0	0
Pool Vehicle GN002	0	0	0	0	8,000	8,000	0	0
	<u>241,291</u>	<u>172,773</u>	<u>13,847</u>	<u>(82,365)</u>	<u>212,000</u>	<u>212,000</u>	<u>0</u>	<u>0</u>

SHIRE OF GNOWANGERUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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22. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Principal	New	Principal		Principal		Interest	
	1 July		Loans	Repayments	Repayments	30 June 2016	Repayments	Repayments
	2015		Actual	Budget	Actual	Budget	Actual	Budget
	\$	\$	\$	\$	\$	\$	\$	\$
Housing								
L 277 - GROH Housing	566,249		71,163	71,163	495,086	495,086	22,232	23,043
Community amenities								
L 270 - Yongergnow	43,778		11,533	11,533	32,245	32,245	2,532	2,636
Recreation and culture								
L 267 - Borden Pavilion	49,674		23,995	23,996	25,679	25,678	2,610	3,021
L 273 - Gnp Community Centre	203,802		13,417	13,417	190,385	190,385	12,274	12,391
L 278 - Borden Pavilion	134,856		14,461	14,461	120,395	120,395	5,461	5,632
L 279 - Gnp Complex Synthetic Turf Swimming Pool	240,188		14,198	14,198	225,990	225,990	9,956	10,011
	0		0	11,022	0	188,978	0	15,109
Other property and services								
	1,238,547	0	148,767	159,790	1,089,780	1,278,757	55,065	71,843
Self Supporting Loans								
Housing								
Loan 274 - Homes for the Aged	57,064		3,757	3,757	53,307	53,307	3,437	3,469
Recreation and culture								
L 272 - Gnp Bowling Club	25,994		25,994	25,994	0	0	1,224	1,229
L 275 - Gnp Sporting Complex	133,373		16,834	16,835	116,539	116,538	5,180	5,246
L 276 - Borden Pavilion	59,277		7,482	7,482	51,795	51,795	2,302	2,331
	275,708	0	54,067	54,068	221,641	221,640	12,143	12,275
	1,514,255	0	202,834	213,858	1,311,421	1,500,397	67,208	84,118

Self supporting loans were financed by payments from third parties.
All other loan repayments were financed by general purpose revenue.

**SHIRE OF GNOWANGERUP
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22. INFORMATION ON BORROWINGS (Continued)

(b) New Debentures - 2015/16

The Shire did not take up any new debentures during the year ended 30 June 2016.

(c) Unspent Debentures

The Shire did not have any unspent debentures as at 30 June 2016.

(d) Overdraft

The Shire established an overdraft facility of \$500,000 with the National Australia Bank to assist with short term liquidity requirements. The balance of the bank overdraft at 1 July 2015 and 30 June 2016 was \$nil.

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

23. RATING INFORMATION - 2015/16 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
Differential general rate / general rate											
Gross rental value valuations											
GRV - Residential	0.139212	326	2,609,435	363,265	(805)	0	362,460	363,263	0	0	363,263
GRV - Commercial	0.139212	35	409,031	56,942	36	0	56,978	56,942	0	0	56,942
GRV - Industrial	0.139212	20	191,692	26,686	1,496	0	28,182	26,686	0	0	26,686
GRV - Amelup Tourism	0.139212	4	130,780	18,206	0	0	18,206	18,206	0	0	18,206
Unimproved value valuations											
UV - Rural	0.010887	357	252,420,510	2,748,102	554	0	2,748,656	2,748,102	0	0	2,748,102
Sub-Total		742	255,761,448	3,213,201	1,281	0	3,214,482	3,213,199	0	0	3,213,199
Minimum payment	Minimum \$										
Gross rental value valuations											
GRV - Residential	687	79	128,519	54,273	0	0	54,273	54,273			54,273
GRV - Commercial	687	18	43,215	12,366	0	0	12,366	12,366			12,366
GRV - Industrial	687	9	20,086	6,183	0	0	6,183	6,183			6,183
GRV - Amelup Tourism	687	1	4,160	687	0	0	687	687			687
Unimproved value valuations											
UV - Rural	687	22	787,390	15,114	0	0	15,114	15,114			15,114
UV - Mining	687	5	80,532	3,435	328	0	3,763	3,435			3,435
Sub-Total		134	1,063,900	92,058	328	0	92,386	92,058	0	0	92,058
		876	256,825,350	3,305,259	1,609	0	3,306,868	3,305,257	0	0	3,305,257
Discounts/concessions (refer note 28)							(9,103)				(9,103)
Total amount raised from general rate							3,297,765				3,296,154
Specified Area Rate (refer note 25)							51,824				52,304
Waste Collection Rate (refer note xx)							133,599				132,200
Ex-gratia rates							8,289				(11,350)
Totals							3,491,477				3,469,308

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

24. NET CURRENT ASSETS

Composition of net current assets

	2016 (30 June 2016 Carried Forward) \$	2016 (1 July 2015 Brought Forward) \$	2015 (30 June 2015 Carried Forward) \$
Surplus/(Deficit) 1 July 15 brought forward	<u>754,796</u>	<u>2,260,957</u>	<u>2,260,957</u>
CURRENT ASSETS			
Cash and cash equivalents			
Unrestricted	595,101	1,960,125	1,960,125
Restricted	1,809,775	2,505,104	2,505,104
Receivables			
Rates outstanding	160,215	149,152	149,152
Sundry debtors	441,142	17,555	17,555
GST receivable	64	60	60
Loans receivable - clubs/institutions	29,306	54,070	54,070
Accrued Interest on Self Supporting Loans	973	1,105	1,105
Inventories			
Fuel and materials	20,511	28,186	28,186
LESS: CURRENT LIABILITIES			
Trade and other payables			
Sundry creditors	(142,092)	(163,904)	(163,904)
Accrued interest on debentures	(9,876)	(11,592)	(11,592)
Accrued salaries and wages	(6,376)	(51,034)	(51,034)
ATO liabilities	(52,830)	11	11
Rates Received in Advance	(11,215)	(10,221)	(10,221)
Current portion of long term borrowings			
Secured by floating charge	(185,608)	(202,834)	(202,834)
Provisions			
Provision for annual and sick leave	(157,724)	(134,495)	(134,495)
Provision for long service leave	(103,027)	(87,279)	(87,279)
Unadjusted net current assets	<u>2,388,339</u>	<u>4,054,009</u>	<u>4,054,009</u>
Adjustments			
Less: Reserves - restricted cash	(1,789,845)	(1,941,816)	(1,941,816)
Less: Loans receivable - clubs/institutions	(29,306)	(54,070)	(54,070)
Add: Secured by floating charge	185,608	202,834	202,834
Adjusted net current assets - surplus/(deficit)	<u><u>754,796</u></u>	<u><u>2,260,957</u></u>	<u><u>2,260,957</u></u>

Difference

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

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

25. SPECIFIED AREA RATE - 2015/16 FINANCIAL YEAF

Specified Area Rate	Basis of Valuation	Rate in \$	Rateable Value \$	Rate Revenue \$	Interim Rate Revenue \$	Back Rate Revenue \$	Total Specified Area Rate Revenue	Budget Rate Revenue \$	Budget Back Rate Revenue \$	Budget Interim Rate Revenue \$
Gnp Sporting Complex	GRV	0.002957	2,606,679	7,720	50	0	7,770	7,709	0	0
Gnp Sporting Complex	UV	0.000127	112,826,500	14,317	2	0	14,319	14,317	0	0
Borden Pavilion	GRV	0.001983	259,154	518	0	0	518	528	0	0
Borden Pavilion	UV	0.000107	91,123,200	9,750	0	0	9,750	9,750	0	0
Ongerup Effluent	GRV	0.046560	429,555	19,467	0	0	19,467	20,000	0	0
				51,772	52	0	51,824	52,304	0	0

Specified Area Rate	Purpose of the rate	Area/properties Rate Imposed	Rate Applied to Costs \$	Rate Set Aside to Reserve \$	Reserve Applied to Costs \$	Budget Rate Applied to Costs \$	Budget Rate Set Aside to Reserve \$	Budget Reserve Applied to Costs \$
Gnp Sporting Complex	Applied to all residents in the old Gnowangerup Townsite Ward and Gnowangerup Rural Ward to contribute towards the loan repayments (current and future) for the Gnowangerup Sporting Complex Facility.		7,709	0	0	7,709	0	0
Gnp Sporting Complex			14,317	0	0	14,317	0	0
Borden Pavilion	Applied to all residents in the old Borden Town and Borden Rural Ward to contribute towards the loan repayments for the Borden Pavilion Facility.		518	0	0	528	0	0
Borden Pavilion			9,750	0	0	9,750	0	0
Ongerup Effluent	Applied to all residents in the Ongerup townsite to contribute towards the maintenance of the Ongerup Effluent System and the renewal and replacement of		19,467	0	0	20,000	0	0
			51,761	0	0	52,304	0	0

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

26. SERVICE CHARGES - 2015/16 FINANCIAL YEAR

The Shire did not impose any service charges.

27. WASTE COLLECTION RATE - 2015/16 FINANCIAL YEAR

Waste Collection Rate	Basis of Valuation	Rate in \$	Minimum Rate \$	Rateable Value \$	Rate Revenue \$	Interim Rate Revenue \$	Total Specified Area Rate Revenue	Budget Rate Revenue \$	Budget Back Rate Revenue \$	Budget Interim Rate Revenue \$
Waste Collection Rate	GRV	0.000001	200	3,464,407	55,600	100	55,700	54,400	0	0
Waste Collection Rate	UV	0.000001	200	240,030,279	77,800	99	77,899	77,800	0	0
				<u>243,494,686</u>	<u>133,400</u>	<u>199</u>	<u>133,599</u>	<u>132,200</u>	<u>0</u>	<u>0</u>

The waste collection rate is imposed to assist Council meet some of the costs associated with managing waste within the Shire.

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

Waivers or Concessions

Rate of Fee and Charge to which the Waiver or Concession is Granted	Concession Type	Concession % or \$	Actual \$	Budget \$
A213	Concession	50%	2,715	2,715
A293	Concession	50%	4,561	4,561
A314	Concession	50%	742	742
A556	Concession	50%	1,086	1,086
			<u>9,103</u>	<u>9,103</u>

Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is granted and to whom it was available	Objects of the Waiver or Concession	Reasons for the Waiver or Concessio
A213	50% concession on general rates only	To provide a lower general rates to properties within the Amelup Tourism Precinct to assist	Assist promote the tourist industry in the Amelup Tourism Precinct
A293	50% concession on general rates only	promote the tourist industry in the Amelup	
A314	50% concession on general rates only	Tourism Precinct	
A556	50% concession on general rates only		

**SHIRE OF GNOWANGERUP
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FOR THE YEAR ENDED 30TH JUNE 2016**

29. INTEREST CHARGES AND INSTALMENTS - 2015/16 FINANCIAL YEAR

	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Instalment Options				
Option One				
Single full payment	23-Sep-15	0	0.00%	11.00%
Option Two				
First Instalment	23-Sep-15	0	0.00%	11.00%
Second Instalment	23-Nov-15	10	5.50%	11.00%
Third Instalment	23-Jan-16	10	5.50%	11.00%
Fourth Instalment	23-Mar-16	10	5.50%	11.00%
			Budgeted Revenue \$	Budgeted Revenue \$
Interest on unpaid rates			18,506	13,000
Interest on instalment plan			12,435	11,000
Charges on instalment plan			4,920	4,500
Interest on Deferred Rates			2,010	860
			37,871	29,360

SHIRE OF GNOWANGERUP
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FOR THE YEAR ENDED 30TH JUNE 2016

30. FEES & CHARGES	2016	2015
	\$	\$
Governance	4,616	1,063
General purpose funding	17,440	13,690
Law, order, public safety	6,060	4,225
Education and welfare	12,979	13,566
Housing	83,254	84,271
Community amenities	120,965	123,703
Recreation and culture	18,276	16,650
Transport	101	100
Economic services	19,917	16,812
Other property and services	43,986	43,387
	<u>327,594</u>	<u>317,467</u>

Two new fees were added to the Schedule of Fees and Charges during the reporting period. The first related to the imposition of a fee of \$0.08 per litre for receiving septic waste from outside the Shire district. The second related to the inclusion of cat registration fees imposed under state legislation.

31. GRANT REVENUE

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

By Nature or Type:	2016	2015
	\$	\$
Operating grants, subsidies and contributions		
Governance	0	25,000
General purpose funding	617,215	1,904,845
Law, order, public safety	105,833	62,135
Recreation and culture	59,554	134,449
Transport	141,375	123,301
Other property and services	1,000	0
	<u>924,977</u>	<u>2,249,730</u>
Non-operating grants, subsidies and contributions		
Law, order, public safety	0	931,764
Recreation and culture	725,000	537,761
Transport	949,514	449,553
	<u>1,674,514</u>	<u>1,919,078</u>
	<u>2,599,491</u>	<u>4,168,808</u>

32. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

23.5	23.0
------	------

33. ELECTED MEMBERS REMUNERATION

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

	2016	2016	2015
	\$	Budget	\$
Meeting Fees	72,000	80,000	72,000
President's allowance	15,000	15,000	15,000
Deputy President's allowance	3,000	3,000	3,000
Travelling expenses	4,995	6,500	2,898
Telecommunications allowance	5,940	5,940	5,940
	<u>100,935</u>	<u>110,440</u>	<u>98,838</u>

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

34. MAJOR LAND TRANSACTIONS

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

35. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Shire did not participate in any trading undertakings or major trading undertakings during the 2015/16 financial year.

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

36. FINANCIAL RISK MANAGEMENT

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

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

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

The Shire held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2016	2015	2016	2015
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	2,404,876	4,465,229	2,404,876	4,465,229
Investments	6,186	6,186	71,554	71,554
Receivables	930,122	530,022	930,122	530,022
	<u>3,341,184</u>	<u>5,001,437</u>	<u>3,406,552</u>	<u>5,066,805</u>
Financial liabilities				
Payables	222,389	236,740	222,389	236,740
Borrowings	1,311,421	1,514,255	1,435,107	1,614,999
	<u>1,533,810</u>	<u>1,750,995</u>	<u>1,657,496</u>	<u>1,851,739</u>

Fair value is determined as follows:

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

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36. FINANCIAL RISK MANAGEMENT (Continued)
(a) Cash and Cash Equivalents

The Shire's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash 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.

	2016	2015
	\$	\$
Impact of a 1% ⁽¹⁾ movement in interest rates on cash		
- Equity	24,049	44,652
- Statement of Comprehensive Income	24,049	44,652

Notes:

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

**SHIRE OF GNOWANGERUP
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36. FINANCIAL RISK MANAGEMENT (Continued)
(b) Receivables

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

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

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

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

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

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

	2016	2015
Percentage of rates and annual charges		
- Current	0%	0%
- Overdue	100%	100%
Percentage of other receivables		
- Current	99%	92%
- Overdue	1%	8%

SHIRE OF GNOWANGERUP
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36. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables
Borrowings

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

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

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<u>2016</u>					
Payables	222,389	0	0	222,389	222,389
Borrowings	245,589	838,866	503,641	1,588,096	1,311,421
	<u>467,978</u>	<u>838,866</u>	<u>503,641</u>	<u>1,810,485</u>	<u>1,533,810</u>
<u>2015</u>					
Payables	236,740	0	0	236,740	236,740
Borrowings	272,927	880,055	708,048	1,861,030	1,514,255
	<u>509,667</u>	<u>880,055</u>	<u>708,048</u>	<u>2,097,770</u>	<u>1,750,995</u>

**SHIRE OF GNOWANGERUP
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36. FINANCIAL RISK MANAGEMENT (Continued)

**(c) Payables
Borrowings (continued)**

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

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

	<1 year	>1<2 years	>2<3 years	>3<4 years	>4<5 years	>5 years	Total	Weighted Average Effective Interest Rate
	\$	\$	\$	\$	\$	\$	\$	%
<u>Year ended 30 June 2016</u>								
Borrowings								
Fixed rate								
Debentures	25,679	0	32,244	0	0	1,253,498	1,311,421	4.67%
Weighted average Effective interest rate	6.80%	0.00%	6.34%	0.00%	0.00%	4.58%		
<u>Year ended 30 June 2015</u>								
Borrowings								
Fixed rate								
Debentures	25,994	49,674	0	43,776	0	1,394,811	1,514,255	4.02%
Weighted average Effective interest rate	6.27%	6.90%	0.00%	6.44%	0.00%	4.52%		



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

Report on the Financial Report

We have audited the accompanying financial report of the Shire of Gnowangerup, which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in equity, the rate setting statement, and the statement of cash flows for the year ended 30 June 2016, a summary of significant accounting policies and other explanatory notes, and the Chief Executive Officer's statement.

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 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 Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks and material misstatements of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Shire's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Shire's internal controls. 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.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Opinion

In our opinion, the financial report of the Shire of Gnowangerup

- i. gives a true and fair view of the Shire of Gnowangerup's financial position as at 30 June 2016 and of its performance for the financial year ended 30 June 2016;
- ii. complies with Australian Accounting Standards; and
- iii. is prepared in accordance with the requirements of the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

Statutory Compliance

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

- i. There are no matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- ii. There are no other 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 noted during the course of our audit.
- iii. The asset consumption ratio and the asset renewal funding ratio included in the annual financial report are supported by verifiable information and reasonable assumptions.
- iv. All necessary information and explanations were obtained by us.
- v. All audit procedures were satisfactorily completed during our audit.

AMD Chartered Accountants



TIM PARTRIDGE

Partner

Bunbury, Western Australia

Dated this 14th day of November 2016

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

RATIO INFORMATION

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

	2016	2015	2014
Asset consumption ratio	0.86	0.87	0.69
Asset renewal funding ratio	0.81	0.65	*

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	$\frac{\text{NPV of planning capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$

*** - The Shire are unable to provide an Asset Renewal Funding Ratio for 2014 as the information required was not available.**

14 November 2016

Mr K House
President
Shire of Gnowangerup
28 Yougenup Road
GNOWANGERUP WA 6335

Dear Keith

SHIRE OF GNOWANGERUP
30 JUNE 2016 MANAGEMENT REPORT

Following completion of our 30 June 2016 audit, we provide our Management Report and audit recommendations.

1.0 Our Audit Approach

The Australian Auditing Standards are the professional Standards applicable to all audit engagements. Accordingly, our audit was conducted in accordance with Australian Auditing Standards, with testing designed solely to enable the expression of an opinion on the financial report of the Shire of Gnowangerup. This involved us making an assessment of the risk of material misstatement, whether due to fraud or error, and then using our professional judgement, applying audit procedures to mitigate that risk.

To assist Council in understanding our role as external auditor, we have previously detailed our audit responsibilities and scope of work to be performed to meet those responsibilities in our audit engagement letter.

Australian Auditing Standards require us to document and evaluate Shire of Gnowangerup's system of internal control to establish the level of reliance on the internal control system in determining the nature, timing and extent of other auditing procedures necessary to enable us to complete our audit. This work is not primarily directed towards the discovery of weaknesses or the detection of fraud or other irregularities and should not, therefore, be taken to assume that no other weaknesses exist. Accordingly the comments within this letter refer only to those matters that have come to our attention during the course of our normal audit work and may not identify all possible improvements that an internal controls review may detect.

Our audit approach is based on a risk analysis methodology which relies upon our understanding of Shire of Gnowangerup's operations, strategies and risks. We performed a review of applicable accounting systems and tested those during our audit. The level of testing performed by us is determined by the degree of reliance we place on the internal control systems in place which has a resulting impact on the amount of substantive testing required during our audit procedures. The level of testing performed is also aligned with what is required to form an overall opinion on the financial statements which may not coincide with what the Shire of Gnowangerup perceives should be tested.

Our audit also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and judgements, as well as evaluating the overall presentation of the financial report.

There were no areas of disagreement either in the accounting estimates or judgements or in the presentation and disclosures made in the financial report.

2.0 Assessment of Fraud and Error

The primary responsibility for the prevention and detection of fraud is that of Council and management. As a result, it is important that management with the oversight of Council place a strong emphasis on fraud prevention, which may reduce opportunities for fraud to take place and fraud deterrence, which could persuade individuals not to commit fraud because of the likelihood of detection and resulting consequences.

In accordance with Australian Auditing Standards we are required to obtain reasonable assurance that the financial report taken as a whole is free from material misstatement, whether caused by fraud or error. While our procedures are designed to identify material weaknesses and misstatements from fraud and error, there is an unavoidable risk that even some material misstatements may remain undiscovered. This unavoidable risk is due to the test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system.

We have confirmed that nothing has come to management's attention that may constitute an incident of fraud. In addition our audit procedures did not identify any instances of suspected or actual fraud. We take this opportunity to remind you that our audit is not designed to detect fraud and therefore our audit procedures are not designed for that purpose.

3.0 Significant Difficulties Encountered during the Audit

During the course of our audit, there were no areas where we experienced significant difficulties.

4.0 Audit Adjustments and Unadjusted Audit Differences

During the course of our audit, we did not identify any misstatements considered to be material at a financial report level and therefore no adjustment was required to be reflected within the final audited financial report.

5.0 Accounting Policies

We confirm to you that we are not aware of any changes to the accounting policies of the Shire of Gnowangerup since 30 June 2015 in respect of the preparation of the 30 June 2016 financial report other than those changes required under Australian Accounting Standards and the Local Government Act and Regulations which are adequately disclosed.

6.0 Commitments and Contingencies

On completion of our audit and subsequent discussions with management, we did not identify any additional commitments or contingencies that required disclosure within the financial report of the Shire of Gnowangerup, apart from those already disclosed.

7.0 Subsequent Events

We did not identify any additional subsequent events up until the date of this report that required disclosure within the financial report of the Shire of Gnowangerup, apart from those already disclosed.

8.0 Financial Ratio Performance Measures

A review of Shire of Gnowangerup's financial ratios as included within Note 19 of the financial report indicates the following ratio did not meet the standard based on Department of Local Government and Communities guidelines:

-) Operating Surplus Ratio, reported at -0.41, compared to the Departments benchmark of 0.01.

We recommend Council continue to consider the impact on ratios and long term sustainability when making decisions regarding budgets and operational expenditures, asset renewals and long term financial plans.

We would like to acknowledge the following Shire of Gnowangerup ratios were within the Department guidelines:

-) Current ratio, reported at 2.08 compared to the Departments benchmark of greater than 1.0;
-) Debt service cover ratio, reported at 3.48 compared to Departments benchmark of greater than 2.0;
-) Own source revenue coverage ratio, reported at 0.6 compared to the Departments benchmark of 0.40;
-) Asset consumption ratio, reported at 0.86 compared to the Departments benchmark of 0.50; and
-) Asset Renewal Ratio, reported at 0.81, compared to the Departments benchmark of 0.75.

9.0 Financial Management Systems Review and Regulation 17 Review Recommendations

Prior to 30 June 2016, we undertook a financial management systems review on behalf of the Chief Executive Officer.

Our inquiries indicate recommendations arising from our financial management systems review included in our report dated 28 June 2016 have either been implemented, in progress or are scheduled to be implemented in 2016/17.

Please note we have not repeated recommendations within this management report which we included within our 2016 FMSR Report.

10.0 Local Government Act Compliance Measures

In conjunction with our review of the financial statements, we also perform a review of the Shire of Gnowangerup's compliance with the Local Government Act.

Our review of compliance with the Local Government Act and Financial Management Regulations did not indicate any issues of non-compliance which required reporting.

11.0 Other Matters

In accordance with the terms of our engagement letter, we have a responsibility to provide an opinion in respect to the Shire of Gnowangerup's annual financial report as to whether it is free from material misstatement. Our audit report for 30 June 2016 is unqualified with our opinion stating the financial report presents fairly the financial position of the Shire of Gnowangerup, as at and for the year ending 30 June 2016.

Our audit indicated subject to recommendations raise within our 2016 FMSR report and Appendix 1 attached, procedures and controls in respect to the Shire of Gnowangerup's internal processes, procedures and financial reporting framework are adequately designed and have been maintained to high standards throughout the audit period.

Please refer to Appendix 1 for our audit recommendations in relation to the 30 June 2016 audit. We provide these comments and recommendations to suggest improvements to Shire of Gnowangerup's internal controls and procedures.

Our management report is on an exception basis, and therefore we have not commented on the various internal controls in place within your accounting systems.

We would like to take this opportunity to thank Shelley, Vin, Carol and the finance team for the assistance provided to us during our audit.

Should you have any questions concerning the above or would like to discuss any other aspect of our audit, please do not hesitate to contact me.

Yours sincerely

AMD Chartered Accountants

A handwritten signature in black ink, appearing to read 'TIM PARTRIDGE', written over a horizontal line.

TIM PARTRIDGE FCA
Partner

cc Shelley Pike
Chief Executive Officer

APPENDIX 1
Audit Recommendations for the year ended 30 June 2016

GUIDANCE TO FINDINGS RATING / IMPLICATION

Findings identified during the final audit have been weighted in accordance with the following scale:

Significant: Those findings where there is potentially a significant risk to the entity should the finding not be addressed promptly.

Moderate: Those findings which are of sufficient concern to warrant action being taken by the entity as soon as possible.

Minor: Those findings that are not of primary concern however still warrant action being taken.

AUDIT FINDINGS

1. SELF SUPPORTING LOANS

Finding Rating: Moderate

During the audit we identified that there are no self supporting loan contracts in place in respect to existing self supporting loans disclosed within Note 22 of Council's financial report, as follows:

-) Loan 274 – Homes for the Aged
-) Loan 272 – Gnowangerup Bowling Club
-) Loan 275 – Gnowangerup Sporting Complex; and
-) Loan 276 – Borden Pavilion.

Implication

Insufficient records and agreements held to evidence terms and conditions of self supporting loans.

Recommendation

We recommend that loan contracts be entered into, and copies retained for all future self supporting loans.

Management Comment

Acknowledged. In regards to the existing SSLs, 272 was paid out in June 2016 and, in relation to 274, a contract has been drafted and sent out for execution. Loans 275 & 276 relate to improvements to pavilions and sporting complexes. The repayments for each of these loans are funded by separate Specified Area Rates levied by Council, and therefore do not require loan agreements.

APPENDIX 1
Audit Recommendations for the year ended 30 June 2016

2. GST RECONCILIATION

Finding Rating: Moderate

Audit procedures identified that GST was not correctly reconciled as at 30 June 2016 and that an error of approximately \$30,000 had occurred relating to the March BAS which requires subsequent adjustment.

Implication

Australian Taxation Office balances payable not correctly reconciled.

Recommendation

We recommend the error identified be subsequently amended within the next BAS lodgment to ensure GST payable/receivable accounts within Council's accounting software correctly reflect Australian Taxation Office liabilities.

Management Comment

Manual adjustment has been made to October BAS.

3. EMPLOYEE ENTITLEMENTS – LONG SERVICE LEAVE

Finding Rating: Moderate

Our audit procedures identifies the following errors within provision for long service leave calculations as at 30 June 2016.

- (i) We identified instances where the pay rate used to calculate individual employee leave accruals were not based on current hourly pay rates;
- (ii) Four terminated employees remained on the long service leave listing with a long service leave liability accrual at 30 June 2016.

Implication

Risk of misstatement of employee entitlement provisions.

Recommendation

- (i) We recommend in accordance with Australian Accounting Standard, employee entitlements at 30 June 2016 are to be calculated using wage rates at which benefits are expected to be paid;
- (ii) We recommend terminated employees be removed from payroll and annual leave reports.

Management Comment

Point (i) noted. In relation to point (ii), the Payroll Officer has removed terminated employees from the payroll/leave system and will adjust her procedures accordingly.

APPENDIX 1
Audit Recommendations for the year ended 30 June 2016

4. EMPLOYEE ENTITLEMENTS – ANNUAL LEAVE

Finding Rating: Minor

Our audit procedures identified the following matters relating to provision for annual leave calculation as at 30 June 2016.

- (i) An error in the excel spreadsheet resulted in a double up of leave loading on the annual leave provision as at 30 June 2016 (error subsequently corrected at our request);
- (ii) We identified instances where the pay rate used to calculate individual employee annual leave accruals were not based on current hourly pay rates;
- (iii) Annual leave is not being discounted as per Australian Accounting Standards requirements as at 30 June 2016; and

Implication

Risk of misstatement of employee entitlement provisions.

Recommendation

- (i) We recommend leave entitlement calculation be checked to ensure calculations and formulas are correct; and
- (ii) We recommend annual leave is discounted as per Australian Accounting Standards as at 30 June each year.

Management Comment

The spreadsheet used for calculating the provision for annual leave contained an incorrect formula, which resulted in the calculation error. A new template with correct formulae has been developed, which will be used in future. The new spreadsheet also correctly discounts annual leave as per Australian Accounting Standards.

5. WORKS COSTINGS

Finding Rating: Minor

We note a \$95,302.57 allocation journal to public works overheads was completed at 30 June 2016.

This indicates public works overhead recovery rates were not correctly allocated during the 2015/2016 financial year.

Implication

Risk of under/over allocation of public works overheads.

Recommendation

We recommend allocation rates and allocations to jobs be reviewed periodically during the year to ensure there are no major under or over allocations.

Management Comment

Allocations are reviewed at budget review time, and then periodically through-out the year. The impact is relatively immaterial, as the allocation process is only a reallocation of internal costs from one functional area to another. Whilst it may impact on the true cost of a service, it does not impact on the Council from a cash perspective.

APPENDIX 1
Audit Recommendations for the year ended 30 June 2016

6. UNRECORDED CREDITORS

Finding Rating: Minor

During our testing for unrecorded liabilities, we identified various creditor invoices received in July, which related to the financial year ended 30 June 2016 which were not brought to account at 30 June 2016. Details as follows;

DATE	SUPPLIER	AMOUNT
June 2016	Palmer Earthmoving	\$10,179.40
June 2016	Hewer Consulting Services	\$15,454.18
June 2016	Mining and Drilling Services	\$27,355.00

Implication

Risk of material misstatement or omission within accounting records.

Recommendation

Supplier invoices should be brought to account in the correct period. Therefore invoices received in July relating to June should be input as trade creditors or as committed expenses at year end.

Management Comment

Noted. Creditors Officer was on leave and acting officer has been educated on the importance of processing June payments as at the June period.

7. INVENTORY RECONCILIATION

Finding Rating: Minor

Review of the inventory reconciliation as at 30 June 2016 identified that fuel and materials on hand were not correctly reconciled to the general ledger accounts.

Implication

Misstatement of inventory on hand.

Recommendation

We recommend as a part of the year end reconciliation process of inventory on hand including fuel and materials be subject to a stocktake and reconciliation completed within Council's accounting software.

Management Comment

Rectified. Fuel reconciliations are now conducted weekly instead of monthly and ALL relevant general ledger accounts form part of the reconciliation.

APPENDIX 1
Audit Recommendations for the year ended 30 June 2016

8. NON RATEABLE PROPERTIES

Finding Rating: Minor

During our review of the non rateable properties listing provided at the time of audit, various private companies were identified as being included on the listing.

Our enquires indicated reasons for this included:

-) Private companies owning former titles which have subsequently been amalgamated;
-) Private companies which have had amendments to their property titles; and
-) One instance relating to a private company formally liquidated, dating back to 2002.

Implication

Non ratable property listing included incorrect land owner/property data.

Recommendation

We recommend the non ratable property listing be reviewed and amendments made as required, to ensure the listing included only genuine non ratable properties.

Management Comment

Non ratable property listing has been reviewed and amended as recommended.

5. CLOSURE

There being no further business President Cr K House closed the meeting at 2:40pm

12. STRATEGY AND GOVERNANCE

12.1	CODE OF CONDUCT
Proponent:	N/A
File Ref:	13.3.3
Date of Report:	7 November 2016
Business Unit:	Strategy and Governance
Officer:	Shelley Pike Chief Executive Officer
Disclosure of Interest:	Nil

ATTACHMENTS

- Code of Conduct

PURPOSE OF THE REPORT

To seek Council endorsement and adoption of the revised Code of Conduct.

BACKGROUND

The Shire of Gnowangerup's Code of Conduct (The Code) provides guidance to councillors, employees and contractors about what Council expects of them and what they can expect in return.

Conduct standards

The Code also informs the public of the standards they can expect when dealing with Council. Conduct standards relate to the following four recognised principles of ethical behaviour in the public sector:

- integrity and impartiality
- promoting the public good
- commitment to the system of government
- accountability and transparency

The Code guides Council's employees, councillors and contractors in applying these ethical principles in situations such as:

- customer service
- workplace relationships
- work practices and performance
- work environment
- conflicts of interest
- relationships with suppliers
- gifts, benefits and entertainment
- outside employment
- resources and assets
- confidentiality of information
- public comment and release of corporate information

The Code includes information about what to do if you feel there's been a Code of Conduct breach.

COMMENTS

The Code of Conduct was last reviewed in 2013. The Code should be reviewed regularly to ensure it reflects current legislation and practice. This review incorporates the intent of the *City of Perth Act 2016* relating to benefits and gifts.

CONSULTATION WITH THE COMMUNITY AND GOVERNMENT AGENCIES

Nil.

LEGAL AND STATUTORY REQUIREMENTS

Section 5.103 of the Local Government Act 1995 specifies the requirements for a Code of Conduct. In addition The City of Perth Act 2016 outlines the requirements in relation to Gifts and Benefits.

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

There are no financial requirements related to adopting the Code of Conduct.

STRATEGIC IMPLICATIONS

A Code of Conduct is part of good governance and is reflected in Goal 5 of the Strategic Community Plan: Proactive Leadership, Good Governance and Efficient Service Delivery.

IMPACT ON CAPACITY

Nil.

RISK MANAGEMENT CONSIDERATIONS

Council would not be compliant with the legislation if it failed to adopt a Code of Conduct.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

1. To adopt the Code of Conduct as presented.
2. To defer adopting the Code of Conduct so it can be workshopped with Council.

CONCLUSION

Manex reviewed the code and their changes have been incorporated into the document. In addition, extensive research in to the Codes of Conduct of a number of Western Australian local government authorities was also taken in to consideration when compiling the code.

VOTING REQUIREMENTS

Absolute Majority

COUNCIL RESOLUTION

Moved: Cr F Hmeljak

Seconded: Cr R House

1116.113 That Council adopt the Code of Conduct as presented.

UNANIMOUSLY CARRIED: 9/0



SHIRE OF GNOWANGERUP

CODE OF CONDUCT

OUR MISSION:

To demonstrate leadership in the provision of facilities, infrastructure and services that meets the needs of our community.

OUR VALUES

<i>Honesty</i>	through integrity, ethical behaviour and trustworthiness
<i>Responsibility</i>	through accountability, transparency and ownership
<i>Respect:</i>	of diversity and opinion through understanding and inclusiveness of all community groups
<i>Excellence</i>	by a continual pursuit of excellence
<i>Fairness</i>	through justice and equality
<i>Teamwork</i>	through collaboration, partnerships and a willingness to work together

PREAMBLE

The Code of Conduct provides Council Members and staff of the Shire of Gnowangerup with consistent guidelines for an acceptable standard of professional conduct. The Code addresses in a concise manner the broader issue of ethical responsibility and encourages greater transparency and accountability in individual Local Governments.

The Code of Conduct is complementary to the principles adopted in the Local Government Act 1995, Regulations and local laws which incorporate four fundamental aims:

- (a) better decision-making by local governments;
- (b) greater community participation in the decisions and affairs of local governments;
- (c) greater accountability of local governments to their communities; and
- (d) more efficient and effective local government.

The Code of Conduct has been developed to assist Council Members and staff to:

- (a) understand the standard of conduct that is expected of them;
- (b) enable them to fulfil their statutory duty to act honestly and exercise a reasonable degree of due care and diligence; and
- (c) act in ways that enhance public confidence in the integrity of local government.

STATUTORY ENVIRONMENT

This Code of Conduct observes the statutory requirements of the *Local Government Act 1995* (S5.103 - Codes of Conduct) and the *Local Government (Administration) Regulations 1996* (Regulations 34B and 34C).

RULES OF CONDUCT

Council Members acknowledge their activities, behaviour and statutory compliance obligations may be scrutinised in accordance with prescribed Rules of Conduct as described in the *Local Government Act 1995* and *Local Government (Rules of Conduct) Regulations 2007*.

ROLES

ROLE OF THE COUNCIL

The Role of the Council is in accordance with section 2.7 of the *Local Government Act 1995*:

- 2.7 Role of Council**
- 1) The Council –
 - (a) governs the local government’s affairs; and
 - (b) is responsible for the performance of the local government’s functions.
 - 2) Without limiting subsection (1), the council is to –
 - (a) oversee the allocation of the local government’s finances and resources; and
 - (b) determine the local government’s policies

[Section 2.7 amended by No.17 of 2009 s.4.]

ROLE OF COUNCIL MEMBERS

The primary role of a Council Member is to represent the community, and the effective translation of the community’s needs and aspirations into a direction and future for the Shire of Gnowangerup. This will be the focus of the Council Member’s public life.

The Role of a Council Member as set out in section 2.10 of the *Local Government Act 1995* follows:

- A Councillor -**
- (a) represents the interest of electors, ratepayers and residents of the district; and
 - (b) provides leadership and guidance to the community in the district; and
 - (c) facilitates communication between the community and the council; and
 - (d) participates in the local government’s decision-making processes at council and committee meetings; and
 - (e) performs such other functions as are given to a councillor by this Act or any other written law.

A Council Member is part of a team in which the community has placed its trust to make decisions on its behalf and the community is therefore entitled to expect high standards of conduct from its Council Members.

In fulfilling their various roles, Council Members’ activities will focus on:

- achieving a balance in the diversity of community views to develop an overall strategy for the future of the community;
- achieving sound financial management and accountability in relation to the Shire’s finances;
- ensuring that appropriate mechanisms are in place to deal with the prompt handling of resident’s concerns;
- working with other governments and organisations to achieve benefits for the community at both a local and regional level;
- being aware of the statutory obligations imposed on Council Members and the Shire.

In carrying out its functions, the Shire is to use its best endeavours to meet the needs of current and future generations through the integration of environmental protection, social advancement and economic prosperity.

ROLE OF STAFF

The role of staff is determined by the functions of the Chief Executive Officer as set out in section 5.41 of the *Local Government Act 1995*:

The CEO's functions are to -

- a) advise the council in relation to the functions of a local government under this Act and other written laws; and
- b) ensure that advice and information is available to the council so that informed decisions can be made; and
- c) cause council decisions to be implemented; and
- d) manage the day to day operations of the local government; and
- e) liaise with the mayor or president on the local government's affairs and the performance of the local government's functions; and
- f) speak on behalf of the local government if the mayor or president agrees; and
- g) be responsible for the employment, management supervision, direction and dismissal of other employees (subject to S5.37(2) in relation to senior employees); and
- h) ensure that records and documents of the local government are properly kept for the purpose of this Act and any other written law; and
- i) perform any other function specified or delegated by the local government or imposed under this Act or any other written law as a function to be performed by the CEO.

The CEO is responsible for the effective and efficient implementation of Council decisions and in turn all staff of the Shire are subject to the direction of the Chief Executive Officer.

Staff enable the functions of the Shire and Council to be performed, and they have an obligation to:

- give their attention to the business of Council while on duty;
- ensure that their work is carried out efficiently, economically and effectively;
- carry out lawful direction given by any person having authority to give such direction; and
- give effect to the lawful policies, decisions and practices of the Council, whether or not the employee agrees or approves of them.

RELATIONSHIPS BETWEEN COUNCIL MEMBERS AND STAFF

An effective Councillor will work as part of the Council team with the Chief Executive Officer and other members of staff. That teamwork will only occur if Council Members and staff have a mutual respect and co-operate with each other to achieve the Council's corporate goals and implement the Council's strategies. To achieve this, Council members and staff need to observe their statutory and professional obligations which include, but are not limited to, the following:

COUNCILLORS

- accept that their roll is a leadership, not a management or administrative one;
- acknowledge that they have no capacity to individually direct members of staff to carry out particular functions;
- refrain from publicly criticizing staff in a way that casts aspirations on their professional competence and credibility.

STAFF

- respect the role and position of Councillors and implement to their best ability the decisions of Council;
- acknowledge that individual Councillors have no capacity to direct staff or become involved in day to day operations of the Shire of Gnowangerup;
- will not actively involve Councillors in any work instruction, direction, conflict, dispute or issue arising from their employment with the Shire of Gnowangerup;
- refrain from publicly criticizing Council decisions and/or individual Councillors in public forums or in situations where their personal views would be reasonably misinterpreted as the views of the Shire's Management and/or Administration.

ROLE OF VOLUNTEERS AND CONTRACTORS ASSISTING THE SHIRE OF GNOWANGERUP

- Volunteers assisting the Shire of Gnowangerup, and contractors who work alongside existing staff, are also expected to comply with the principles and where relevant, specific provisions of this Code of Conduct.
- While the word staff has been used throughout this document, this should be read as applying to volunteers and contractors who work alongside existing staff as well.

CONFLICT AND DISCLOSURE OF INTEREST

GUIDING PRINCIPLES

The nature of the Shire's business is conducive to conflicts of interest between a Council Member and a staff member's personal interests and the performance of their public or professional duties.

Genuine or perceived conflicts of interest may arise from a number of sources, including friends, relatives, close associates, financial investments, past employment and the like.

Although there is no right way to identify conflict of interest, a good starting point is to consider the following principles:

- **Public duty versus private interests**
Do I have personal or private interests that may conflict, or be perceived to conflict with my public duty?
- **Potentialities**
Could there be benefits for me now, or in the future, that might cast doubt on my objectivity?
- **Perception**
How will my involvement in the decision/action be viewed by others? Are there risks associated for me/my organisation?
- **Proportionality**
Does my involvement in the decision appear fair and reasonable in all circumstances?
- **Presence of mind**
What are the consequences if I ignore a conflict of interest? What if my involvement was questioned publicly?
- **Promises**
Have I made any promises or commitments in relation to the matter? Do I stand to gain or lose from the proposed action/decision?

CONFLICT OF INTEREST

Council Members and staff will ensure that there is no actual (or perceived) conflict of interest between their personal interests and the impartial fulfilment of their professional duties.

Staff will not engage in private work with or for any person or body with an interest in a proposed or current contract with the Shire, without first making disclosure to the CEO. In this respect, it does not matter whether advantage is in fact obtained, as any appearance that private dealings could conflict with performance of duties must be scrupulously avoided.

Council Members and staff will lodge a written notice with the CEO describing an intention to undertake a dealing in land within the local government area or which may otherwise be in conflict with the Council's functions (other than purchasing the principal place of residence).

Council Members and staff who exercise recruitment or other discretionary functions will make disclosure before dealing with relatives or close friends and will disqualify themselves from dealing with those persons.

Staff will refrain from partisan political activities which could cast doubt on their neutrality and impartiality in acting in their professional capacity. An individual's rights to maintain their own political convictions are not impinged upon by this clause. It is recognised that such convictions cannot be a basis for discrimination and this is supported by anti-discrimination legislation.

FINANCIAL INTEREST

Council Members and staff must comply with the laws of governing financial interests, including the disclosure of financial interests set out in the *Local Government Act 1995*.

Sections 5.59 – 5.90 of the *Local Government Act 1995* establish the requirements for disclosure by Council Members or staff of financial interest (including proximity interests).

The responsibility is on Council Members and staff to identify possible financial interests (including proximity interests), to determine whether an interest exists, and whether any statutory exemption applies.

DISCLOSURE OF INTEREST

Employees

Regulation 34C of the *Local Government (Administration) Regulation 1996* contains the provisions relating to employees disclosing interests:

In this regulation –

- (1) **interest** means an interest that could, or could reasonably be perceived to, adversely affect the impartiality of the person having the interest and includes an interest arising from kinship, friendship or membership of an association.
- (2) A code of conduct is to contain a requirement that a person who is an employee and who has interest in any matter to be discussed at a council or committee meeting attended by the person disclose the nature of interest -
 - (a) in a written notice given to the CEO before the meeting;
 - or
 - (b) at the meeting immediately before the matter is discussed.
- (3) A code of conduct is to contain a requirement that a person who is an employee and who has given, or will give, advice in respect of any matter to be discussed at a council or committee meeting not attended by the person disclose the nature of any interest the person has in the matter -
 - (a) in a written notice given to the CEO before the meeting;
 - or
 - (b) at the time the advice is given.
- (4) A code of conduct is to exclude from a requirement made under subregulation (2) or (3) an interest referred to in section 5.60.
- (5) A code of conduct is to excuse a person from a requirement made under subregulation (2) or (3) to disclosed the nature of an interest if -
 - (a) the person’s failure to disclose occurs because the person did not know he or she had an interest in the matter; or
 - (b) the person’s failure to disclose occurs because the person did not know the matter in which he or she had an interest would be discussed at the meeting and the person discloses the nature of the interest as soon as possible after becoming aware of the discussion of a matter of that kind.
- (6) A code of conduct is to require that if, to comply with a requirement made under subregulation (2) or (3), a person who is an employee makes a disclosure in a written

notice given to the CEO before a meeting then -

- (a) before the meeting the CEO is to cause the notice to be given to the person who is to preside at the meeting ; and
- (b) immediately before a matter to which the disclosure relates is discussed at the meeting the person presiding is to bring the notice and its contents to the attention of the persons present.

(7) If:

- (a) to comply with a requirement made under subregulation (2), the nature of a person's interest in a matter is disclosed at a meeting ; or
- (b) a disclosure is made as described in subregulation (5)(b) at a meeting; or
- (c) to comply with a requirement made under subregulation (6)(b), a notice disclosing the nature of a person's interest in a matter is brought to the attention of the persons present at the meeting.

the nature of the interest is to be recorded in the minutes of the meeting.

[Regulation 34C inserted in Gazette 21 Aug 2007 p.4192-3]

Council Members

Regulation 11 of the *Local Government (Rules of Conduct) Regulations 2007* contains the provisions relating to Council Members disclosing interests –

11. Disclosure of Interest

(1) In this regulation –

interest means an interest that could, or could reasonably be perceived to, adversely affect the impartiality of the person having the interest and includes an interest arising from kinship, friendship or membership of an association.

(2) A person who is a council member and who has an interest in any matter to be discussed at a council or committee meeting attended by the member must disclose the nature of the interest –

- (a) in a written notice given to the CEO before the meeting;
or
- (b) at the meeting immediately before the matter is discussed.

(3) Subregulation (2) does not apply to an interest referred to in section 5.60 of the Act.

(4) Subregulation (2) does not apply if –

- (a) a person who is a council member fails to disclose an interest because the person did not know he or she had an interest in the matter; or
- (b) a person who is a council member fails to disclose an interest because the person did not know the matter in which he or she had an interest would be discussed at the meeting and the person disclosed the interest as soon as possible after the discussion began.

(5) If, under subregulation (2)(a), a person who is a council member discloses an interest in a written notice given to the CEO before a meeting then –

- (a) before the meeting the CEO is to cause the notice to be given to the person who is to preside at the meeting; and
- (b) at the meeting the person presiding is to bring the notice and its contents to

the attention of the persons present immediately before a matter to which the disclosure relates is discussed.

- (6) If —
- (a) under subregulation (2)(b) or (4)(b) a person's interest in a matter is disclosed at a meeting; or
 - (b) under subregulation (5)(b) notice of a person's interest in a matter is brought to the attention of the persons present at a meeting,
the nature of the interest is to be recorded in the minutes of the meeting.

INDEPENDENT LEGAL ADVICE TO BE SOUGHT IF IN DOUBT

If a Council Member is in doubt whether a conflict of interest exists, they should seek independent legal or other appropriate advice, including but not limited from the Department of Local Government (or equivalent) or the Western Australian Local Government Association (WALGA).

INFORMATION AND PERSONAL BENEFIT

USE OF CONFIDENTIAL INFORMATION

Council Members and staff will not use confidential information to gain improper advantage for themselves or for any person or organisation, in ways which are inconsistent with their obligation to act impartially and in good faith, or to improperly cause harm or detriment to any person or organisation.

Council Members and staff must not disclose to another person, written or oral information that is provided to them in confidence, or derived from a confidential document, or acquired at a closed Council or Committee Meeting which is not open to the public.

A closed meeting means a Council or Committee Meeting that is closed to members of the public under section 5.23(2) of the *Local Government Act 1995*.

INTELLECTUAL PROPERTY

The title to Intellectual Property in all duties relating to contracts of employment will be assigned to the Shire of Gnowangerup upon its creation unless otherwise agreed by separate contract with the Shire.

IMPROPER OR UNDUE INFLUENCE

Council Members and staff will not take advantage of their position to improperly influence other Councillors or staff in the performance of their duties or functions, in order to gain undue or improper (direct or indirect) advantage or gain for themselves or any other person or organisation.

GIFTS

In relation to acceptance of gifts, Council Members and staff are required to comply with the provisions of the Regulations. For staff, Regulation 34B of the *Local Government (Administration) Regulations 1996* applies. For Council Members Regulation 12 of the *Local Government (Rules of Conduct) Regulations 2007* applies.

Gifts – Employees –

The following definitions are provided under Regulation 34B of the *Local Government (Administration) Regulations 1996*:

- (1) In this regulation -
- activity involving a local government discretion** means an activity –
- a) that cannot be undertaken without an authorisation from the local government; or
 - b) by the way of a commercial dealing with the local government;
- gift** has the meaning given to that term in section 5.82(4) except that it does not include –
- a) a gift from a relative as defined in section 5.74(1); or
 - b) a gift that must be disclosed under regulation 30B of the *Local Government (Elections) Regulation 1997*; or
 - c) a gift from a statutory authority, government instrumentality or non-profit association for professional training;
- notifiable gift**, in relation to a person who is employee means –
- a) a gift worth between \$50 and \$300; or
 - b) a gift that is one of 2 or more gifts given to the employee by the same person within a period of 6 months that are in total worth between \$50 and \$300.
- prohibited gift** in relation to a person who is an employee, means –
- a) a gift worth \$300 or more; or
 - b) a gift that is one of 2 or more gifts given to the employee by the same person within a period of 6 months that are in total worth \$300 or more.
- (2) A code of conduct is to contain a requirement that a person who is an employee refrain from accepting a prohibited gift from a person who –
- (a) is undertaking or seeking to undertake an activity involving a local government discretion; or
 - (b) it is reasonable to believe is intending to undertake an activity involving a local government discretion.
- (3) A code of conduct is to contain a requirement that a person who is an employee and who accepts a notifiable gift from a person who –
- (a) is undertaking or seeking to undertake an activity involving a local government discretion; or
 - (b) it is reasonable to believe is intending to undertake an activity involving a local government discretion,
notify the CEO, in accordance with subregulation (4) and **within 10 days** of accepting

the gift, of the acceptance.

- (4) A code of conduct is to require that the notification of the acceptance of a notifiable gift be in writing and include —
- (a) the name of the person who gave the gift; and
 - (b) the date on which the gift was accepted; and
 - (c) a description, and the estimated value, of the gift; and
 - (d) the nature of the relationship between the person who is an employee and the person who gave the gift; and
 - (e) if the gift is a notifiable gift under paragraph (b) of the definition of notifiable gift in sub-regulation (1) (whether or not it is also a notifiable gift under paragraph (a) of that definition) —
 - (i) a description; and
 - (ii) the estimated value; and
 - (iii) the date of acceptance,

of each other gift accepted within the 6 month period.

- (5) A code of conduct is to require that the CEO maintain a register of notifiable gifts and record in it details of notifications given to comply with a requirement made under sub-regulation (3).

[Regulation 34B inserted in Gazette 21 Aug 2007 p.4190-1]

- ❖ In addition to the above, Section 5.82 (1)(b) of the *Local Government Act 1995* further requires that the address of the person giving the gift be recorded in the Gift Register.

Gifts – Council Members –

Regulation 12 of the Local Government (Rules of Conduct) Regulations 2007:

12. Gifts

(1) In this regulation —

activity involving a local government discretion means an activity —

- (a) that cannot be undertaken without an authorisation from the local government; or
- (b) by way of a commercial dealing with the local government;

gift has the meaning given to that term in section 5.82(4) of the Act except that it does not include —

- (a) a gift from a relative as defined in section 5.74(1) of the Act; or
- (b) a gift that must be disclosed under regulation 30B of the *Local Government (Elections) Regulations 1997*; or
- (c) a gift from a statutory authority, government instrumentality or non-profit association for professional training;

notifiable gift, in relation to a person who is a council member, means —

- (a) a gift worth between \$50 and \$300; or
- (b) a gift that is one of 2 or more gifts given to the council member by the same person within a period of 6 months that are in total worth between \$50 and \$300;

prohibited gift, in relation to a person who is a council member, means —

- (a) a gift worth \$300 or more; or
- (b) a gift that is one of 2 or more gifts given to the council member by the same person within a period of 6 months that are in total worth \$300 or more.

(2) A person who is a council member must not accept a prohibited gift from a person —

- (a) who is undertaking or seeking to undertake; or
- (b) who it is reasonable to believe is intending to undertake,

an activity involving a local government discretion.

(3) A person who is a council member and who accepts a notifiable gift from a person —

- (a) who is undertaking or seeking to undertake; or
- (b) who it is reasonable to believe is intending to undertake,

an activity involving a local government discretion must, **within 10 days** of accepting the gift, notify the CEO of the acceptance in accordance with sub-regulation (4).

(4) Notification of the acceptance of a notifiable gift is to be in writing and is to include —

- (a) the name of the person who gave the gift; and
- (b) the date on which the gift was accepted; and
- (c) a description, and the estimated value, of the gift; and
- (d) the nature of the relationship between the person who is a council member and the person who gave the gift; and
- (e) if the gift is a notifiable gift under paragraph (b) of the definition of “notifiable gift” (whether or not it is also a notifiable gift under paragraph (a) of that definition) —
 - (i) a description; and
 - (ii) the estimated value; and
 - (iii) the date of acceptance,of each other gift accepted within the 6 month period.

(5) The CEO must maintain a register of gifts in which details of notices received under sub-regulation (4) are recorded.

- ❖ In addition to the above, Section 5.82 (1)(b) of the *Local Government Act 1995* further requires that the address of the person giving the gift be recorded in the Gift Register.

GIFTS AND BENEFITS

- (i) Council Members and staff must not:
 - Seek or accept a bribe or other improper incentive, regardless of the amount or incentive.
 - By virtue of their position acquire a personal profit or advantage (other than a notifiable or hospitality gift that is permissible under this code).
- (ii) Council Members and staff must not seek or accept any payment, gift or benefit intended or likely to influence, or that could be reasonably perceived by an impartial observer as intended or likely to influence them to:
 - act in a particular way (including making a particular decision);

- fail to act in a particular circumstance;
 - otherwise deviate from the proper exercise of their official duties.
- (iii) No Council Member or member of staff may use any influence in relation to their position to offer an unfair advantage to anyone entering a Shire competition.
- (iv) All gifts of an alcoholic nature (with the exception of Hospitality Gifts) received by Council Members or staff, must be declared and recorded in the gifts register. At the discretion of the President, if received by Council Members and at the discretion of the CEO, if received by staff, these gifts may be passed on to the Shire for the use and benefit of the Shire.
- (v) Council Members and staff may accept acts of moderate hospitality from community related events or events related to the performance of their duties for the Shire. If applicable, these acts of hospitality must be promptly recorded in the relevant gifts register, which is kept by the Shire.

HOSPITALITY GIFTS

- (i) A “hospitality gift” is a gift (or a combination of gifts in any one annual return period – six months) with a value of less than \$50 and these are not required to be recorded in the Shire’s gift register. These gifts are not limited to, but may include items such as:
- Trinket gifts of an insignificant nature.
 - Minor items of apparel (eg. Ties, scarves, cuff-links, tie pins).
 - Minor items of promotional nature (eg. coasters, diaries, mouse pads, mugs, pens, pencils).
 - Provision of flowers, food or beverages.
 - Free or subsidised meals, of a modest nature, and/or beverages that have been arranged primarily for, or in connection with, the discussion of official business.
 - Free meals, of a modest nature, and/or beverages provided to persons who formally represent the Shire at work related events such as training, education sessions, workshops, etc.
 - Refreshments, of a modest nature, provided at conferences.
 - Invitations to appropriate out of hours “cocktail parties” or social functions organised by groups, such as, council committees and community organisations, or invitations by commercial stakeholders at industry based events attended by numerous government representatives.
- (ii) Where a Council Member’s or member of staff’s spouse is invited to attend an official function that is related to the Shire, with the Council Member or member of staff, the partner may accept “notifiable gifts” or moderate acts of hospitality.
- (iii) The acceptance of “notifiable gifts” and/or moderate acts of hospitality by a particular Council Member or member of staff from a person(s) or organisation on a frequent basis shall not be permitted.
- (iv) No company, organisation or individual with a proprietary or beneficial interest may pay or contribute to any expenses which the Shire has incurred associated with the inspection, evaluation or trial of any goods or services that the Shire is considering purchasing from them.
- (v) Where a gift(s) of a civic nature exceeds \$300 and is received from a visiting dignitary as part of civic/ceremonial protocols and/or customs, they can only be accepted on behalf of the Shire and shall become the property of the Shire.

This section does not apply to gifts received from a relative (as defined in section 5.74(1) of the Local Government Act 1995) or an electoral gift (to which other disclosure provisions apply).

CONTRIBUTIONS TO TRAVEL

The same reporting requirements apply to “Contributions to Travel” as for “Gifts”. The requirements are as per Section 5.83 of the *Local Government Act 1995*.

GENERAL CONDUCT OBLIGATIONS

High standards of professional conduct displayed by Council Members and staff, ensures that a positive image of the Shire is conveyed when interacting with stakeholders and the community. The conduct displayed should encourage fair, unbiased and lawful operations of the Shire.

PERSONAL BEHAVIOUR

- a) Council Members and staff will:
- act and be seen to act, properly and in accordance with the requirements of the law and the terms of this Code;
 - perform their duties impartially and in the best interests of the Shire of Gnowangerup uninfluenced by fear or favour;
 - act in good faith (i.e. honestly, for the proper purpose, and without exceeding their powers) in the interest of the Shire and the community;
 - make no allegations which are improper or derogatory (unless true and in the public interest) and refrain from any form of conduct, in the performance of their official or professional duties, which may cause any reasonable person unwarranted offence or embarrassment, and
 - always act in accordance with their obligation of fidelity to the Shire.
- b) Council Members will represent and promote the interests of the Shire, while recognising their special duty to facilitate communication between the community and the Council.

HONESTY AND INTEGRITY

Council Members and staff will:

- a) observe the highest standards of honesty and integrity, and avoid conduct which might suggest any departure from these standards;
- b) bring to the notice of the Shire President any dishonesty or possible dishonesty on the part of any Council Member, and in the case of an employee, to the Chief Executive Officer; and
- c) be frank and honest in their official dealings with each other.

PERFORMANCE OF DUTIES

- a) While on duty, staff will give their whole time and attention to the Shire of Gnowangerup's business and ensure that their work is carried out efficiently, economically and effectively, and that their standard of work reflects favourably both on them and on the Shire.
- b) Council Members and Committee Members will at all times exercise reasonable care and diligence in the performance of their duties, being consistent in their decision making but treating all matters on individual merits. Council Members and Committee Members will be as informed as possible about the functions of the Council, and treat all members of the community honestly and fairly.

COMPLIANCE WITH LAWFUL ORDERS

- a) Council Members and staff will comply with any lawful order given by any person having authority to make or give such an order, with any doubts as to the propriety of any such order being taken up with the superior of the person who gave the order and, if resolution cannot be achieved, with the Chief Executive Officer.
- b) Council Members and staff will give effect to the lawful policies of the Shire, whether or not they agree or approve of them.

ADMINISTRATIVE AND MANAGEMENT PRACTICES

Council Members and staff will ensure compliance with proper and reasonable administrative practices and conduct, and professional and reasonable management practices.

Council Members and staff shall at all times be mindful of their responsibility to maintain full and accurate records in the performance of their duties.

CORPORATE OBLIGATIONS

a) STANDARD OF DRESS

Council Members and staff are expected to comply with neat and respectable dress standards at all times. Accordingly:

- Council Members and staff will dress in a manner appropriate to their position, in particular when attending meetings or representing the Shire in an official capacity.
- Management reserves the right to adopt policies relating to corporate dress and to raise any issue of dress with individual staff.
- Management reserves the rights to prescribe appropriate Personal Protective Equipment (PPE).

b) COMMUNICATION AND PUBLIC RELATIONS

- The Shire President and the Chief Executive Officer (or their delegated nominees) are the only people authorised to represent the views of the Council or the Shire to the media.
- All aspects of communication by staff (including by phone, electronic means, written or in person) involving the Shire's activities should reflect the status and objectives of the Shire of Gnowangerup. Communications should be accurate, polite and professional.
- As a representative of the community, Councillors need to be not only responsive to community views, but to adequately communicate the attitudes and decisions of the Council. In doing so Councillors should acknowledge that:
 - as a member of the Council there is respect for the decision making processes of the Council which are based on a decision of the majority of the Council, and Councillors will publicly support Council's decision even if contrary to their own personal views.
 - information of a confidential nature ought not be communicated until it is no longer treated as confidential;
 - information relating to decisions of the Council on approvals, permits and so on ought only be communicated in an official capacity by a designated officer of the Council;

- information concerning adopted policies, procedures and decisions of the Council is conveyed accurately.

APPOINTMENTS TO COMMITTEES

As part of their representative role Council Members are often asked to represent the Council on committees of external organisations. It is important that Council Members:

- a) clearly understand the basis of their appointment;
- b) provide regular reports to Council on the activities of the organisation; and
- c) represent the views and decisions of Council.

HARASSMENT AND DISCRIMINATION

Council Members and staff must not harass, discriminate against, or support others who harass and discriminate against colleagues or members of the public. This includes, but is not limited to, harassment and discrimination on the grounds of sex, pregnancy, age, race (including colour, nationality, ethnic or religious background), political affiliation, marital status, disability, or sexual preference.

The Shire will ensure compliance with the principles and provisions of the *Equal Opportunity Act 1984 (WA)*. This commitment extends to ensuring that recruitment and selection, promotion and advancement will be solely on the basis of equity and fairness and that appointment will be based on merit.

All people have the right to work in an environment that is free from sexual harassment. Sexual harassment will not be tolerated at the Shire of Gnowangerup. Any council members or staff found to be committing sexual harassment will be subject to discipline and/or termination proceedings.

DEALING WITH COUNCIL PROPERTY

USE OF SHIRE RESOURCES

Council Members and staff will:

- a) be scrupulously honest in their use of the Shire of Gnowangerup's resources and shall not misuse them or permit their misuse (or the appearance of misuse) by any other person or organisation; and
- b) use the resources entrusted to them effectively and economically in the course of their duties; and
- c) not use the Shire of Gnowangerup's resources or equipment (including the services of Council staff) for private purposes (other than when supplied as part of a contract of employment), unless properly authorised to do so, and appropriate payments are made (as determined by the Chief Executive Officer); and
- d) avoid any action or situation which could create the impression that Shire property, official services or public facilities are being improperly used for their own or any other person's or organisation's private benefit; and
- e) not use the Shire's computer or telecommunications resources to access, search, download or communicate any material of an offensive, obscene, pornographic, threatening, abusive or defamatory nature.

TRAVELLING AND SUSTENANCE EXPENSES

Council Members and staff will only claim or accept travelling and sustenance expenses, arising out of travel related matters which have a direct bearing on the services, policies or business of the Shire in accordance with Shire policy and the provisions of the *Local Government Act 1995*.

Council Members and staff shall be diligent in ensuring that the expenses claimed in accordance with Council policy relate to their functions as a Council Member or member of staff, and are appropriately acquitted.

ACCESS TO INFORMATION

Staff will ensure that Council Members are given access to all information necessary for them to properly perform their functions and comply with their responsibilities as Members of Council.

Council Members will ensure that information provided will be used properly and to assist in the process of making reasonable and informed decisions on matters before the Council.

The *Local Government Act 1995* provides for access to information by Council Members which is detailed in sections 5.91 and 5.92.

REPORTING BREACHES AND MISCONDUCT

BREACHES OF THE CODE BY STAFF

Any person who has reason to believe that the personal behaviour of a member of staff breaches the standards of conduct as set out in the Code, may refer the matter to the CEO, who will consider the matter and deal with it in accordance with management protocols, procedures and any applicable law concerning members of staff.

Any person who has a reason to believe that the personal behaviour of the CEO breaches the standards of conduct as set out in the Code, may refer the matter to the Shire President, who will consider the matter and deal with it in accordance with management protocols, procedures and any applicable law.

BREACHES OF CODE BY COUNCIL MEMBERS

A breach by a Council Member under the *Local Government (Rules of Conduct) Regulations 2007* may be reported to the CEO and will be dealt with under Part 5 Division 9 of the *Local Government Act 1995*.

Any person who has reason to believe that the personal behaviour of a Council Member breaches the standards of conduct set out in the Code, other than those matter set out in the *Local Government (Rules of Conduct) Regulations 2007*, may refer the matter to the CEO, who will consider the matter and deal with it accordingly as he or she sees fit.

REPORTING MISCONDUCT TO THE CORRUPTION AND CRIME COMMISSION

Misconduct means misconduct as defined in section 4 of the *Corruption, Crime and Misconduct Act 2003*. It can involve activities such as improper handling of conflicts of interest, abuse of position, unauthorised access to or disclosure of confidential information, biased or preferential employment practices, allegations involving improper practices concerning contracts and tendering and misappropriation of public fund or property.

Section 4 of the *Corruption, Crime and Misconduct Act 2003*:

4. Term used: misconduct

Misconduct occurs if —

- (a) a public officer corruptly acts or corruptly fails to act in the performance of the functions of the public officer's office or employment; or
- (b) a public officer corruptly takes advantage of the public officer's office or employment as a public officer to obtain a benefit for himself or herself or for another person or to cause a detriment to any person; or
- (c) a public officer whilst acting or purporting to act in his or her official capacity, commits an offence punishable by 2 or more years' imprisonment; or
- (d) a public officer engages in conduct that —
 - (i) adversely affects, or could adversely affect, directly or indirectly, the honest or impartial performance of the functions of a public authority or public officer whether or not the public officer was acting in their public officer capacity at the time of engaging in the conduct; or
 - (ii) constitutes or involves the performance of his or her functions in a manner that is not honest or impartial; or
 - (iii) constitutes or involves a breach of the trust placed in the public officer by reason of his or her office or employment as a public officer; or
 - (iv) involves the misuse of information or material that the public officer has

acquired in connection with his or her functions as a public officer, whether the misuse is for the benefit of the public officer or the benefit or detriment of another person,
and constitutes or could constitute —
(v) deleted]
(vi) a disciplinary offence providing reasonable grounds for the termination of a person's office or employment as a public service officer under the Public Sector Management Act 1994 (whether or not the public officer to whom the allegation relates is a public service officer or is a person whose office or employment could be terminated on the grounds of such conduct).
[Section 4 inserted by No. 78 of 2003 s. 6; amended by No. 35 of 2014 s. 7.]

The Chief Executive Officer has a statutory obligation to report, to the Corruption and Crime Commission:

- any allegations of misconduct; or
- any situation that otherwise comes to his or her attention involving misconduct,

where the CEO considers on reasonable grounds that misconduct may have occurred.

LEGISLATION AND ASSOCIATED DOCUMENTS RELATING TO THIS CODE

- (a) Local Government Act 1995
- (b) Local Government (Administration) Regulations 1996
- (c) Local Government (Rules of Conduct) Regulations 2007
- (d) Equal Opportunity Act 1984
- (e) Corruption, Crime and Misconduct Act 2003

REVIEW

This Code will be reviewed after each ordinary election of Council.

I (name) _____ have read and agree to comply with this Code of Conduct whilst employed by the Shire of Gnowangerup.

Signature: _____

Date: _____

12.2	GNOWANGERUP COMMUNITY GARDEN PROPOSAL, WHITEHEAD ROAD, GNOWANGERUP.
Location:	Lots 25 – 29 Whitehead Road, Gnowangerup
Proponent:	Cassandra Beeck on behalf of Gnowangerup Community Church
File Ref:	A1010
Date of Report:	7 November 2016
Business Unit:	Strategy & Governance
Officer:	Phil Shephard, Planning Officer
Disclosure of Interest:	Nil

ATTACHMENTS

- Proposed Gnowangerup Community Garden Plan

PURPOSE OF THE REPORT

To consider the proposal for a community garden on Whitehead Road, Gnowangerup and amending the present local planning scheme/reservation to facilitate its development.

BACKGROUND

The Gnowangerup Community Church has proposed the development of a community garden on their land.

COMMENTS

The development of a community garden including gardens, meeting/seating areas, live performances, active/passive recreation, community events etc. will significantly upgrade the present unused tennis court area/toilets and rejuvenate the area and add a significant resident and tourist attraction/facility to town. This initiative by the Gnowangerup Community Church is commended.

To facilitate the proposed development of the community garden and watertanks some changes to the present planning controls are recommended as follows:

- The Local Planning Scheme No. 2 includes the Church's land at Lots 25, 26 and 27 Whitehead Road within the Special Use zone with the only permitted use being as a place of public worship – church. If Council supports the proposal, the list of special uses for the lots should be expanded to include community purpose to cover the proposal.
- Lot 29 (Reserve 30961) is a Crown Reserve for parking and has been used and developed as an unsealed car park. The purpose of the reserve should also be expanded to include community purpose or similar that would enable any minor spill over of the project onto the land if required.

The proposed changes to facilitate the development of the community garden on the church land is considered straightforward and can be achieved through a simple scheme amendment. The proposals fit within the definition of community purpose which is defined in Local Planning Scheme No. 2 as follows:

“community purpose” means the use of premises designed or adapted primarily for the provision of educational, social or recreational facilities or services by organisations involved in activities for community benefit;

Following discussions with Councillors at the recent Briefing Session, the original proposal to locate the proposed watertanks (3@250kL each being with 8.7m in diameter and 2.9m high) on the adjoining parking reserve, has been changed to incorporate the tanks within the garden development site and probably as underground installations.

The tanks have been designed to store water from surrounding roofs (Gnowangerup CRC) and can store sufficient water supplies to accommodate reticulation of the proposed/future community gardens and the front lawn/garden areas at the Community Resource Centre.

Whilst it is acknowledged that the parking area has a fluctuating use pattern at present, the development of the community garden is more likely to generate additional visitor car parking requirements due to its expected success.

The request to complete a scheme amendment is ultimately for the WA Planning Commission and Minister for Planning to determine and the request to change the purpose for the parking reserve requires approval from the Department of Lands.

The proposal is being funded through Government agency grants and local community volunteer assistance.

CONSULTATION WITH THE COMMUNITY AND GOVERNMENT AGENCIES

The preparation of a scheme amendment requires public consultation to be undertaken as set out in the *Planning and Development (Local Planning Schemes) Regulations 2015*.

The change to the purpose of a Crown Reserve requires consultation with the Department of Lands.

LEGAL AND STATUTORY REQUIREMENTS

Planning and Development Act 2005 – the Shire of Gnowangerup LPS2 is an operative local planning scheme under the Act.

Planning and Development (Local Planning Schemes) Regulations 2015 - The preparation of a scheme amendment must comply with the Act and Regulations.

Land Administration Act 1997 - The Department of Lands is responsible for controlling the use of Crown Land in Western Australians in accordance with the Act and will ultimately determine any application to change a reserve purpose.

POLICY IMPLICATIONS

There are no Local Planning Policies that apply to this report.

IMPACT ON CAPACITY

Nil.

RISK MANAGEMENT CONSIDERATIONS

The item covers several risk areas to Council including strategy and planning, compliance and reputation functions. The organisational risk and proposed treatment or mitigation is summarised in the following table from the Shire's Risk Management Plan:

Risk Description	Risk Likelihood	Risk Consequence	Risk Classification	Risk Treatment
Council does not initiate the draft scheme amendment to include the community purpose use	Rare	Minor	Low	Risk acceptable with adequate controls, managed by routine procedures and subject to annual monitoring
Council does not support the change to the parking reserve purpose	Rare	Minor	Low	Risk acceptable with adequate controls, managed by routine procedures and subject to annual monitoring

FINANCIAL IMPLICATIONS

Staff request the Council agree for the preparation of amendment documents, processing and advertising costs to be met by Council, to support this community project being undertaken by the Gnowangerup Community Church (the estimated cost for this completing this work is between \$3-5,000).

The request to the Department of Lands to change to the reserve purpose does not require an application fee or charge to be paid by Council.

STRATEGIC IMPLICATIONS

The policy impacts on several items in the strategic plan as follows:

Strategic Focus	Community
Goal 1:	A thriving, supportive and safe community
Outcome 1.2:	Participation in sport, recreation and leisure opportunities
Strategy 1.2.1:	Provide and promote sport, recreation, leisure and library facilities and programs
Outcome 1.3:	A proactive and supportive community
Strategy 1.3.1:	Support community initiated and owned projects
Strategy 1.3.2:	Work in partnership with community groups to encourage volunteerism
Strategy 1.3.3:	Encourage the arts and cultural initiatives and events in the community

Strategic Focus	Natural Environment
Goal 2:	Natural assets that are protected and secured for future generations
Outcome 2.1:	A protected natural environment
Strategy 2.1.2:	Support community based environmental protection initiatives
Outcome 2.2:	Water resources security
Strategy 2.2.1:	Support and promote water resources security into the future
Strategy 2.2.2:	Protect and enhance water catchments and waterways

Strategic Focus	Built Environment and Infrastructure
Goals:	A built environment and infrastructure that supports the community and the economy
Outcome 3.1:	<ul style="list-style-type: none"> • Appropriate planning and development
Strategy 3.1.2	Provide planning and development advice on land developments.
Strategy 3.1.3	Ensure quality, consistent and responsive development and building assessment approval processes.

Strategic Focus	Governance and Organisation
Goals:	Proactive leadership, good governance and efficient service delivery
Outcome 5.1:	<ul style="list-style-type: none"> • Strategic governance and leadership
Strategy 5.1.5	Ensure compliance with Local Laws and statutory requirements.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

The Council has several options available to it, which are discussed below:

- 1 *Not support the proposals*
The Local Government can choose to not support the proposals. This would prevent the development of the community garden.
- 2 *Support the proposals*
The Local Government can choose to support the proposals and proceed with the scheme amendment and request to the Department of Lands. The Local Government can also make any changes to either element of the proposals considered necessary.
- 3 *Defer the proposal*
The Local Government may elect to defer the matter for a period and seek additional information or comment, if deemed necessary, before proceeding to make a decision.

CONCLUSION

The proposed community garden is considered to have merit and would greatly enhance the area and services/facilities available in Gnowangerup. The proponents are a local community group and the proposed scheme amendment and change to reserve purpose are recommended to enable the proposal to proceed.

VOTING REQUIREMENTS

Simple Majority.

COUNCIL RESOLUTION

Moved: Cr L Martin

Seconded: Cr B Gaze

1116.114 That Council:

- 1. In accordance with Section 72 of the *Planning and Development Act 2005*, amend the Shire of Gnowangerup Local Planning Scheme No. 2 – Amendment No. 11 by modifying Special Use No. 12 within Schedule 4 Special Use Zone as follows:**

No.	Description of land	Special use	Conditions
12.	Lots 25, 26 & 27 Whitehead Road and Aylmore Street, Gnowangerup	Place of public worship – church Community purpose	All use and development requires development approval.

- 2. Determine Amendment No. 11 is a standard amendment under the provisions of the *Planning and Development (Local Planning Schemes) Regulations 2015* on the basis it is:**
 - a) an amendment that would have minimal impact on land in the scheme area that is not subject of the amendment;**
 - b) an amendment that does not result in any significant environmental, social, economic or governance impacts on land in the scheme area; and**
 - c) any other amendment that is not a complex or basic amendment.**
- 3. Agree to meet the costs for the preparation of amendment documents by staff, including the processing and advertising costs to support this community project being undertaken by the Gnowangerup Community Church (to maximum of \$5,000) with costs being accommodated within existing budget allocations.**
- 4. Request the Department of Lands alter the purpose of Lot 29 (Reserve 30961) Whitehead Road, Gnowangerup to include parking and community purpose**

CARRIED: 7/2

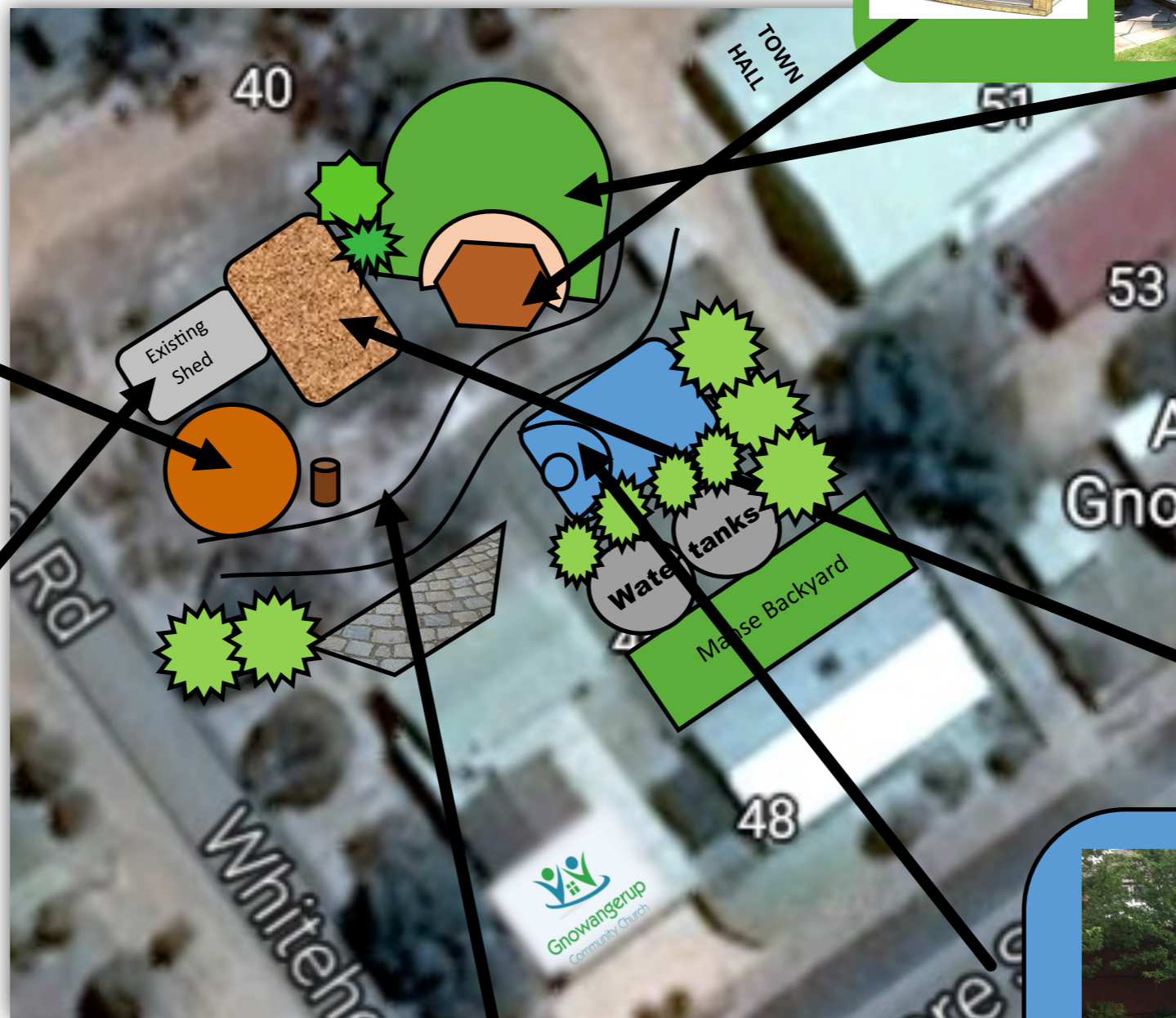


Proposed Gnowangerup Community Garden

(Suggestion: Brother Wright Community Space)



Yarning Circle



Community Vegie Patch



Possible uses...

Community Garden Stor-



Concept only. Pathway linking residential with main street, including a Community Garden.



12.3 CONSIDERATION OF SUBMISSIONS ON PROPOSED LOCAL PLANNING SCHEME NO. 2 – AMENDMENT NO. 10 TO ENABLE THE PROVISION OF A TAVERN LIQUOR LICENCE FOR BLUFF KNOLL CAFÉ 8620 CHESTER PASS ROAD, AMELUP.

Location: No 8620 (Lot 3) Chester Pass Road, Amelup
Proponent: Shire of Gnowangerup/Smithson Planning on behalf of CJax Pty Ltd (Chris & Jacqui Thomas)
File Ref: A556
Date of Report: 9 November 2016
Business Unit: Strategy & Governance
Officer: Phil Shephard, Planning Officer
Disclosure of Interest: Nil

ATTACHMENTS

- Schedule of Submissions
- Copy of submissions

PURPOSE OF THE REPORT

To consider the submissions received on the proposed scheme amendment for the Bluff Knoll Café, Amelup.

The recommendation is to adopt the attached Schedule of Submissions and recommendations and seek final approval to the amendment without modification.

BACKGROUND

Council at its 24 August 2016 meeting (Resolution 0816.92) resolved to initiate the scheme amendment proposal as follows:

That Council

- 1) In accordance with Section 72 of the Planning and Development Act 2005, amend the Shire of Gnowangerup Local Planning Scheme No. 2 – Amendment No. 10 by: 1) deleting ‘/Tavern’ in the use class ‘Hotel / Tavern’ in Table 1 – Zoning Table; and*
- 2) Inserting the following additional text to Table 3 – Amelup SCA Zoning Table:*

	Use	Use Class
23	Tavern	D

- 3) Determine Amendment No. 10 is a standard amendment under the provisions of the Planning and Development (Local Planning Schemes) Regulations 2015 on the basis it is:*
 - a) an amendment that is consistent with a local planning strategy for the scheme that has been endorsed by the Commission i.e. Amelup Planning Strategy;*
 - b) an amendment that would have minimal impact on land in the scheme area that is not subject of the amendment;*

- c) *an amendment that does not result in any significant environmental, social, economic or governance impacts on land in the scheme area;*
- d) *any other amendment that is not a complex or basic amendment.*

The draft scheme amendment was referred to the Environmental Protection Authority (EPA) as required under section 81 of the *Planning and Development Act 2005*. The EPA advised (Submission 1) that the scheme amendment was not required to be formally assessed and it is not necessary to provide any advice or recommendations on the amendment proposal.

The draft scheme amendment was determined to be a standard amendment and following the EPA's advice, notice of the amendment was advertised for public comment (Thursday 15 September 2016 – Friday 28 October 2016) including direct referral to adjoining landowners, relevant Government agencies including Department of Aboriginal Affairs, Department of Environmental Regulation, Department of Fire and Emergency Services, Department of Health, Main Roads WA, Department of Parks and Wildlife, Department of Water, Western Power and WA Planning Commission for a period of 43-days (42-day minimum required) as set out in the *Planning and Development (Local Planning Schemes) Regulations 2015*.

COMMENTS

At the close of the submission period, a total of 7 submissions were received and these are contained in the attached Schedule of Submissions. The Schedule of Submissions contains details of the name/address of the submitter, their capacity/interest in making the submission, summary of submission and response and recommendation for each submission.

The submissions do not oppose the draft scheme amendment and there are no modifications required to address the issues raised in the submissions received.

The completion of this scheme amendment will enable the operators of the Bluff Knoll Café to apply for development approval from the Shire to use and develop part of the premises as a tavern. As noted in the submissions, the operators will be required to obtain a Tavern liquor license from the Department of Racing, Gaming and Liquor and comply with their requirements set out in any license granted.

The scheme amendment is now required to be forwarded to the WA Planning Commission and Minister for Planning for approval etc.

WA Planning Commission staff have questioned why the scheme amendment does not include the tavern use as a discretionary use within the entire scheme area. Staff have advised that the amendment discussed this within the document and the Council:

- Supports a future tavern proposal within the Amelup Tourist Activity Node (as this is what the adopted planning strategy envisages which is to provide for tourist activities/facilities in the area); and
- Does not support the discretionary proposition for tavern proposals within the entire general agriculture zone in the Shire. Whilst it is not expected that the Shire will receive other future applications for either a hotel or tavern, given the lack of any previous

applications and the townships already having established long-standing liquor outlets, an application can still be accepted and considered by the Council.

Based on the above conversations, the amendment may require modifications to be acceptable to the WA Planning Commission and Minister for Planning prior to being granted final approval. The CEO is delegated to accept modifications required unless they directly conflict with Council's intentions. If required by the WA Planning Commission or Minister, the inclusion of hotel and/or tavern as a discretionary use within the general agriculture zone is not considered to be contrary to Council's intentions, it simply represents a different approach.

CONSULTATION WITH THE COMMUNITY AND GOVERNMENT AGENCIES

The draft scheme amendment was referred to the EPA and then advertised as a standard amendment for a minimum period of 42-days as set out in the *Planning and Development (Local Planning Schemes) Regulations 2015* as follows:

- (a) publish the notice in a newspaper circulating in the scheme area;
- (b) display a copy of the notice in the offices of the local government for the period for making submissions set out in the notice;
- (c) give a copy of the notice to each public authority that the local government considers is likely to be affected by the amendment;
- (d) publish a copy of the notice and the amendment on the website of the local government;
- (e) advertise the scheme as directed by the Commission and in any other way the local government considers appropriate.

The draft scheme amendment document was made available for inspection by the public during office hours at the office of the local government during the submission period.

LEGAL AND STATUTORY REQUIREMENTS

Planning and Development Act 2005 – the Shire of Gnowangerup LPS2 is an operative local planning scheme under the Act.

Planning and Development (Local Planning Schemes) Regulations 2015 - The preparation of a scheme amendment must comply with the Act and Regulations.

Liquor Licensing Act 1998 - The Department of Racing, Gaming and Liquor is responsible for regulating the provision of liquor licensing in Western Australians in accordance with the Act and will ultimately determine any application for granting of a new Tavern Liquor Licence.

POLICY IMPLICATIONS

There are no Local Planning Policies that apply to this report.

IMPACT ON CAPACITY

Nil.

RISK MANAGEMENT CONSIDERATIONS

The item covers several risk areas to Council including strategy and planning, compliance and reputation functions. The organisational risk and proposed treatment or mitigation is summarised in the following table from the Shire's Risk Management Plan:

Risk Description	Risk Likelihood	Risk Consequence	Risk Classification	Risk Treatment
Council does not support final approval to the draft scheme amendment	Rare	Minor	Low	Risk acceptable with adequate controls, managed by routine procedures and subject to annual monitoring

FINANCIAL IMPLICATIONS

The Shire will recoup the cost incurred by staff in administering the scheme amendment process, advertising costs etc. in accordance with adopted 2016/17 Schedule of Fees and Charges.

STRATEGIC IMPLICATIONS

The policy impacts on a number of items in the strategic plan as follows:

Strategic Focus	Built Environment and Infrastructure
Goals:	A built environment and infrastructure that supports the community and the economy
Outcome 3.1:	<ul style="list-style-type: none">• Appropriate planning and development
Strategy 3.1.2	Provide planning and development advice on land developments.
Strategy 3.1.3	Ensure quality, consistent and responsive development and building assessment approval processes.

Strategic Focus	Governance and Organisation
Goals:	Proactive leadership, good governance and efficient service delivery
Outcome 5.1:	<ul style="list-style-type: none">• Strategic governance and leadership
Strategy 5.1.5	Ensure compliance with Local Laws and statutory requirements.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

The Council has a number of options available to it, which are discussed below:

1 Not support the proposal

The Local Government can choose to not support the proposed scheme amendment. This would be contrary to previous decisions supporting the proposal and the direction and recommendations in the Shire's adopted Local Planning Strategy.

2 Support the proposal

The Local Government can choose to support the proposed scheme amendment, as is, or make any changes considered necessary.

3 *Defer the proposal*

The Local Government may elect to defer the matter for a period and seek additional information or comment, if deemed necessary, before proceeding to make a decision.

CONCLUSION

The proposed scheme amendment has been advertised for submissions and no objections or adverse comment were received. Final approval from the WA Planning Commission and Minister for Planning for the scheme amendment should now be requested.

VOTING REQUIREMENTS

Simple Majority.

COUNCIL RESOLUTION

Moved: Cr S Hmeljak

Seconded: Cr B Gaze

1116.115 That Council in accordance with Regulation 50 of the *Planning and Development (Local Planning Schemes) Regulations 2015* and the *Planning and Development Act 2005* resolves to adopt the attached Schedule of Submissions and recommendation on each submission and to seek final approval to Amendment 10 to the Shire of Gnowangerup Local Planning Scheme No. 2 without modification.

UNANIMOUSLY CARRIED: 9/0

SHIRE OF GNOWANGERUP LOCAL PLANNING SCHEME No. 2

AMENDMENT No. 10

SCHEDULE OF SUBMISSIONS

No.	Name/Address of Submitter	Summary of Submission	Planning Comment	Submission Recommendation
1	Environmental Protection Authority Locked Bag 33 Cloister's Square PERTH WA 6850 (Government agency)	Scheme amendment not required to be formally assessed and it is not necessary to provide any advice or recommendations.	Comments noted.	The submission be noted.
2	Department of Aboriginal Affairs PO Box 3153 EAST PERTH WA 6892 (Government agency)	The Department has reviewed the proposal and advises there are 5 registered sites and 3 lodged places within the tourist corridor along Chester Pass Road in the Amelup Planning Strategy reflecting the Aboriginal heritage of the area.	Comments noted. The sites mentioned in the submissions are not affected by the scheme amendment proposal.	The submission be noted.
3	Department of Environmental Regulation Locked Bag 33 Cloister's Square PERTH WA 6850 (Government agency)	The Department has no comment on the proposed scheme amendment under the <i>Environmental Protection Act 1986</i> and the <i>Contaminated Sites Act 2003</i> .	Comments noted.	The submission be noted.
4	Department of Parks and Wildlife South Coast Region 120 Albany Highway ALBANY WA 6330 (Government agency)	The Department has no objections to the proposed scheme amendment.	Comments noted.	The submission be noted.
5	Main Roads WA Great Southern Region PO Box 503 ALBANY WA 6331 (Government agency)	Advise no objection to the proposed scheme amendment and will ensure the future developments will not impact on the safety/efficiency of Chester Pass Road. They advise:	Comments noted. The scheme amendment proposal deals with a tavern use/development and liquor license within the existing premises. It does not deal with the chalets, although the comments requiring referral of a	The submission be noted.

SHIRE OF GNOWANGERUP LOCAL PLANNING SCHEME No. 2

AMENDMENT No. 10

SCHEDULE OF SUBMISSIONS

No.	Name/Address of Submitter	Summary of Submission	Planning Comment	Submission Recommendation
		<ul style="list-style-type: none"> • Future chalet development will require the driveway access to Chester Pass Road to be approved at the development approval stage by Main Roads WA. • The access shall be rationalised, upgraded and bitumen sealed to their satisfaction at the proponents cost. 	future chalet application to MRWA is acknowledged.	
6	Department of Water PO Box K822 PERTH WA 6842 (Government agency)	The Department advise the proposal has no water resource-related issues and has no comment to make on the proposed scheme amendment.	Comments noted.	The submission be noted.
7	Department of Health PO Box 8172 PERTH BC WA 6849 (Government agency)	Provides the following comments: <ul style="list-style-type: none"> • Request the Shire support reducing adverse health effects of alcohol, such as requiring the operators to provide evidence of completing training courses. • No objection to the proposed scheme amendment subject to demonstrated suitability for on-site effluent disposal at development stage. 	Comments noted. The Department of Racing, Gaming and Liquor control the sale and supply of alcohol in WA through licensing of premises and the operators will be required by the Department to complete the recognised training courses as a condition of their liquor license. It is not a Shire planning requirement under Local Planning Scheme No. 2 or normal development approval condition.	The submission be noted.



Chief Executive Officer
Shire of Gnowangerup
28 Yougenup Road
GNOWANGERUP WA 6335

Your Ref:
Our Ref: CMS16247
Enquiries: Angela Coletti, 6145 0800
Email: Angela.Coletti@epa.wa.gov.au

Dear Sir/Madam

DECISION UNDER SECTION 48A(1)(a)
Environmental Protection Act 1986

SCHEME: Shire of Gnowangerup - Local Planning Scheme
2 - Amendment 10
LOCATION: 8620 Chester Pass Road Amelup
RESPONSIBLE AUTHORITY: Shire of Gnowangerup
DECISION: Referral Examined, Preliminary Investigations
and Inquiries Conducted. Scheme Amendment
Not to be Assessed Under Part IV of EP Act. No
Advice Given. (No Appeals)

Thank you for referring the above scheme to the Environmental Protection Authority (EPA).

After consideration of the information provided by you, the EPA considers that the proposed scheme should not be assessed under Part IV Division 3 of the *Environmental Protection Act 1986* (EP Act) and that it is not necessary to provide any advice or recommendations.

Please note the following:

- For the purposes of Part IV of the EP Act, the scheme is defined as an assessed scheme. In relation to the implementation of the scheme, please note the requirements of Part IV Division 4 of the EP Act.
- There is no appeal right in respect of the EPA's decision to not assess the scheme.



ENQUIRIES : Ryan Crawford- Ph 6551 8091

OUR REF: 2007/0296

YOUR REF: A556

Chief Executive Officer
Shire of Gnowangerup

gnpshire@gnowangerup.wa.gov.au

Dear Sir/Madam

**PROPOSED LOCAL PLANNING SCHEME NO. 2 - AMENDMENT NO. 10 TO
ENABLE THE PROVISION OF A TAVERN LIQUOR LICENCE FOR BLUFF
KNOLL CAFE 8620 CHESTER PASS ROAD, AMELUP**

I am writing in response to the letter from Mr Phil Shephard to the Department of Aboriginal Affairs (DAA) dated 2 September 2016. Thank you for providing the opportunity to comment on the above proposed amendment (the Proposal).

DAA has reviewed the relevant information and notes that the Resolution to Prepare Amendment to Local Planning Scheme that accompanied the letter indicates that the proposed amendment will not result in any significant environmental, social, economic or governance impacts on land in the scheme area.

It is also noted that page eight of the Scheme Amendment document (the Amendment Document) that accompanied the letter advises that a search of DAA's Register of Aboriginal Sites and Objects did not identify any "known sites of Aboriginal cultural significance directly associated with the subject land".

Please be advised that the Strategic Development Corridor Designated Tourist Drive as shown in Figure 6 on page 13 of the Amendment Document appears to overlap with the following known Aboriginal heritage places:

- Registered site DAA 605 (Amelup North 1);
- Registered site DAA 606 (Amelup North 2);
- Registered site DAA 607 (Amelup North 3);
- Registered site DAA 608 (Amelup South 1);
- Lodged place DAA 609 (Amelup South 2);
- Lodged place DAA 610 (Amelup South 3); and
- Lodged place DAA 17993 (Ameup South Artefact Scatter 1).

Aboriginal heritage places with a Lodged status are places where information on these places has been provided to DAA but is yet to be assessed against the criteria

in section 5 of the *Aboriginal Heritage Act 1972* (the AHA). Registered sites are places where information provided to DAA has been determined as meeting the criteria within section 5 of the AHA and these places are protected under the AHA.

DAA has released Aboriginal Heritage Due Diligence Guidelines (the Guidelines) to assist land owners and developers with planning and considering Aboriginal heritage in relation to proposed works. A copy of the Guidelines can be found on the DAA website at: <http://www.daa.wa.gov.au/heritage/land-use/>.

Please contact Mr Ryan Crawford, Senior Advice and Approvals Officer DAA on (08) 6551 8091 or via email at Ryan.Crawford@daa.wa.gov.au should you require further information.

Yours sincerely



Cesar Rodriguez
MANAGER, ADVICE AND APPROVALS

17 September 2016

Phil & Genya Shephard

From: Abbey Sergeant <Abbey.Sergeant@gnowangerup.wa.gov.au>
Sent: Monday, 19 September 2016 12:19 PM
To: shephard64@westnet.com.au; Phil Shephard
Subject: FW: Your Ref: A556 - Proposed Local Planning Scheme No 2 Amendment 10 - Provision of tavern liquor licence for Bluff Knoll Cafe - 8620 Chester Pass Road Amelup

From: DER-Advice Coordinator [mailto:Advice.Coordinator@DER.wa.gov.au]
Sent: Wednesday, 14 September 2016 10:10 AM
To: Kirsty Boyd <Kirsty.Boyd@gnowangerup.wa.gov.au>
Subject: Your Ref: A556 - Proposed Local Planning Scheme No 2 Amendment 10 - Provision of tavern liquor licence for Bluff Knoll Cafe - 8620 Chester Pass Road Amelup

Attention: Mr Phil Shephard

I refer to the correspondence dated 2 September 2016 inviting comment from the Department of Environment Regulation (DER) on the above Local Planning Scheme amendment.

DER has no comment on this matter in reference to regulatory responsibilities under the *Environmental Protection Act 1986* and the *Contaminated Sites Act 2003*.

Should you have any enquiries, please contact Adam Harbeck, DER's Acting Planning and Advice Coordinator, on 6467 5383.

Kind Regards,
Cassie Chew
Executive Officer, Office of the Director General
Department of Environment Regulation | The Atrium
168 St Georges Terrace Perth 6000 | Locked Bag 33, Cloisters Square
Ph 6467 5591 | cassandra.chew@der.wa.gov.au

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Your ref: A556
Our ref: 2016/003538
Enquiries: Deon Utber
Phone: (08) 9842 4500
Email: deon.utber@dpaw.wa.gov.au

Phil Shephard
Town Planner
Shire of Gnowangerup
28 Yougenup Road
GNOWANGERUP WA 6335



Dear Mr Shephard

PROPOSED LOCAL PLANNING SCHEME NO. 2 - AMENDMENT NO. 10 TO ENABLE THE PROVISION OF A TAVERN LIQUOR LICENCE FOR BLUFF KNOLL CAFÉ 8620 CHESTER PASS ROAD, AMELUP

Thank you for your letter dated 2 September 2016 regarding the proposed scheme amendment to provide for a tavern liquor licence at the Bluff Knoll Cafe. The South Coast Regional Office of the Department of Parks and Wildlife does not have any objections to this proposal.

Yours sincerely

Deon Utber
For Greg Mair
REGIONAL MANAGER

14 October 2016

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Enquiries: Main Roads Great Southern on 9892 0555
Our Ref: 04/13079 D16#570081
Your Ref: A556

22 September 2016

Shelly Pike
Chief Executive Officer
Shire of Gnowangerup
28 Yougenup Rd
GNOWANGERUP WA 6335

By Email: gnpshire@gnowangerup.wa.gov.au

Attn: Kyran Thorpe

Dear Shelly

SHIRE OF GNOWANGERUP – LOCAL PLANNING SCHEME NO.2 – AMMENDMENT NO.10 TO ENABLE THE PROVISION OF A TAVERN LIQUOR LICENCE FOR BLUFF KNOLL CAFÉ 8620 CHESTER PASS ROAD, AMELUP.

MAIN ROADS REFERANCE: ALBANY – LAKE GRACE ROAD M001 76.59 TO 76.68 SLK.

Thank you for your letter dated 2 September 2016 seeking Main Roads comment to the proposed scheme amendment No 10.

Main Roads has no in principal objections to this proposal but will seek to ensure that the development of a tavern / chalet accommodation adjacent to Chester Pass Rd will not significantly impact the safe and efficient operation of this important regional road link and for this reason Main Roads has the following comments and requests they be incorporated in any relevant special conditions imposed upon the amendment:

1. The development of accommodation at the site will constitute a significant change of use for driveway accesses from Chester Pass Road, during the development stage of the proposed accommodation Main Roads approval must be obtained for driveway access arrangements from Chester Pass Road.
2. Main Roads requirements for driveway accesses at this location may include but not be limited to:
 - i) Rationalisation of access points (one access only from Chester Pass Road).
 - ii) Upgrading of the access crossover design to accommodate the type of vehicle utilising the crossover. (Eg: 36.5m road trains).
 - iii) Bitumen sealing of the access crossover.
 - iv) The proponent shall be responsible for all costs associated with the required access crossover improvements.

5



mainroads
WESTERN AUSTRALIA

If you require any further information please contact Chris Grant on 9892 0524.

Yours sincerely

Lindsay McCartin
NETWORK MANAGER
Metro South Region, Great Southern



Your ref: A556
Our ref: CEDW256/16, RF2997 / PA 9951
Enquiries: Karen McKeough, Ph 9841 0128

Mr Phil Shephard
Town Planner
Shire of Gnowangerup
28 Youngenup Rd
GNOWANGERUP WA 6335



Dear Mr Shephard

LOCAL PLANNING SCHEME NO.2 – AMENDMENT NO.10

The Department of Water has received the proposal to amend the Shire of Gnowangerup Local Planning Scheme to permit a liquor licence at the Bluff Knoll Café. There are no water resource-related issues in this proposal and the Department has no comment to make on the proposal.

I draw your attention to the Department’s new on-line planning referral system, Water Online. Water Online allows for the electronic lodgement of requests for planning advice via the customer portal at www.water.wa.gov.au. Water Online provides the fastest and most efficient process for submitting referrals or requests for planning advice, and I recommend that the Shire of Gnowangerup submits future planning advice requests through this service.

If you have any questions regarding the Water Online portal please contact 1800 508 885 (select option 2) or email your enquiry to planning.enquiries@water.wa.gov.au.

If you wish to correspond with the Department of Water on other matters or as a follow-up to this requests, the Department’s South Coast regional office is best placed to assist, with correspondence addressed to PO Box 525, Albany WA 6331.

Yours sincerely

Mike Rowe
DIRECTOR GENERAL

24 October 2016

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Government of **Western Australia**
Department of **Health**

Your Ref: A556
Our Ref: EHB-02334 EHB16/1406
Contact: Vic Andrich 9388 4978

Ms Shelley Pike
Chief Executive Officer
Shire of Gnowangerup
28 Yougenup Road
GNOWANGERUP WA 6335

Attention: Phil Shephard, Town Planner



Dear Ms Pike

LOCAL PLANNING SCHEME NO. 2 – AMENDMENT No. 10 TO ENABLE THE PROVISION OF A TAVERN LIQUOR LICENCE FOR BLUFF KNOLL CAFÉ – 8620 CHESTER PASS ROAD, AMELUP

Thank you for your letter dated 2 September 2016 requesting comment from the Department of Health (DOH) on the above amendment.

The DOH provides the following comment:

The DOH requests that the Shire of Gnowangerup considers appropriate measures to reduce adverse health effects of alcohol, such as including a requirement that the operators provide evidence they have completed the *'Responsible Service of Alcohol'* training.

Nevertheless, the DOH has no objection to the amendment subject to demonstration of site suitability for wastewater disposal on proposed lots at the development stage.

Should you have queries or require further information please contact Vic Andrich on 9388 4978 or vic.andrich@health.wa.gov.au

Yours sincerely

Dr Michael Lindsay
**A/DIRECTOR
ENVIRONMENTAL HEALTH DIRECTORATE**

17 October 2016

7

Environmental Health Directorate
All correspondence PO Box 8172 Perth Business Centre Western Australia 6849
Grace Vaughan House 227 Stubbs Terrace Shenton Park WA 6008
Telephone (08) 9388 4999 Fax (08) 9388 4955
www.health.wa.gov.au
28 684 750 332

12.4	INFRASTRUCTURE SERVICING AND SALE OF PT. LOT 556 YOUGENUP ROAD, GNOWANGERUP TO LANDMARK.
Location:	Pt. Lot 556 Yougenup Road, Gnowangerup
Proponent:	Landmark
File Ref:	A6395
Date of Report:	15 November 2016
Business Unit:	Strategy & Governance
Officer:	Shelley Pike, Chief Executive Officer and Phil Shephard, Planning Officer
Disclosure of Interest:	Nil

ATTACHMENTS

- Lot 556 Yougenup Road Structure Plan

PURPOSE OF THE REPORT

To consider the subdivision of Pt. Lot 556 Yougenup Road, Gnowangerup to create 1 new lot and its proposed sale to Landmark.

BACKGROUND

The Shire has been pursuing the planning and subdivision of Lot 556 Yougenup Road for additional light/service industry land within Gnowangerup and has completed a Structure Plan for the land.

The Shire needs to now undertake the provision of servicing infrastructure (road/drainage, water, electricity and telecommunications) to the lot to enable its development and then advertising the land for sale.

COMMENTS

For the proposal to proceed, the Shire needs to engage the services of a Consulting Civil Engineer to manage and coordinate the project which would include: project coordination and civil design, survey and lodgement, communication/water/electrical design, tender documentation, contract administration, geotechnical investigation, Fire Management Plan, Urban Water Management Plan, landscaping etc.

The costs to engage a Consulting Engineer to complete the project are expected to be between \$48,000 - \$75,000 based on indicative estimates provided by Perth/Albany engineering consultancies. The costs to construct the road/drainage and provide water, electricity, telecommunications, fire management and landscaping to the lot are expected to be between \$150,000 – \$225,000 based on estimates from Albany based road construction companies. The final costs can only be determined upon design work being completed and quotes being received.

As Councillors are aware, whilst the purchase price of the land from the Department of Lands was minimal, these servicing costs exceed the valuation for the lot provided to the Shire. The development of the proposed lot including the provision of a new road and services will

however enable the Shire to have available for future sale the adjacent lot (on the opposite side of the new subdivisional road) and this would be expected to assist to recoup the funds expended.

Negotiations between the Chief Executive Officer and Landmark for the purchase of the land are currently underway.

The purchase of the lot will enable Landmark to relocate their existing agribusiness which has outgrown its present site in Gnowangerup and continue to provide their goods and services to rural producers.

The sale will be subject to the disposal of property sections of the *Local Government Act 1995* (section 3.58) which involves inviting community comment prior to the Council making the final decision to sell the land.

CONSULTATION WITH THE COMMUNITY AND GOVERNMENT AGENCIES

Department of Lands, Engineering Consultants, Landmark, Councillor Briefing Sessions.

The development of servicing infrastructure to the lot will require the approval of Main Roads WA (road and intersection), Water Corporation (water supply), Telstra (telecommunications), Western Power (power supply, street lighting) and Department of Water (UWMP).

LEGAL AND STATUTORY REQUIREMENTS

Local Government Act 1995 - The disposal of any land owned by the Shire is required to comply with the s3.58 'Disposing of Property' of the Act as follows:

3.58. Disposing of property

- (1) *In this section -*
dispose includes to sell, lease, or otherwise dispose of, whether absolutely or not;
property includes the whole or any part of the interest of a local government in property, but does not include money.
- (2) *Except as stated in this section, a local government can only dispose of property to -*
 - (a) *the highest bidder at public auction; or*
 - (b) *the person who at public tender called by the local government makes what is, in the opinion of the local government, the most acceptable tender, whether or not it is the highest tender.*
- (3) *A local government can dispose of property other than under subsection (2) if, before agreeing to dispose of the property -*
 - (a) *it gives local public notice of the proposed disposition -*
 - (i) *describing the property concerned; and*
 - (ii) *giving details of the proposed disposition; and*
 - (iii) *inviting submissions to be made to the local government before a date to be specified in the notice, being a date not less than 2 weeks after the notice is first given;**and*

- (b) *it considers any submissions made to it before the date specified in the notice and, if its decision is made by the council or a committee, the decision and the reasons for it are recorded in the minutes of the meeting at which the decision was made.*
- (4) *The details of a proposed disposition that are required by subsection (3)(a)(ii) include -*
- (a) *the names of all other parties concerned; and*
 - (b) *the consideration to be received by the local government for the disposition; and*
 - (c) *the market value of the disposition -*
 - (i) *as ascertained by a valuation carried out not more than 6 months before the proposed disposition; or*
 - (ii) *as declared by a resolution of the local government on the basis of a valuation carried out more than 6 months before the proposed disposition that the local government believes to be a true indication of the value at the time of the proposed disposition.*
- (5) *This section does not apply to -*
- (a) *a disposition of an interest in land under the Land Administration Act 1997 section 189 or 190; or*
 - (b) *a disposition of property in the course of carrying on a trading undertaking as defined in section 3.59; or*
 - (c) *anything that the local government provides to a particular person, for a fee or otherwise, in the performance of a function that it has under any written law; or*
 - (d) *any other disposition that is excluded by regulations from the application of this section.*

POLICY IMPLICATIONS

There are no Local Planning Policies that apply to this report.

IMPACT ON CAPACITY

Nil.

RISK MANAGEMENT CONSIDERATIONS

The item covers several risk areas to Council including strategy and planning, compliance and reputation functions. The organisational risk and proposed treatment or mitigation is summarised in the following table from the Shire's Risk Management Plan:

Risk Description	Risk Likelihood	Risk Consequence	Risk Classification	Risk Treatment
Council does not agree to the sale of the lot	Rare	Minor	Low	Risk acceptable with adequate controls, managed by routine procedures and subject to annual monitoring
Council does not service the lot	Rare	Minor	Low	Risk acceptable with adequate controls, managed by routine procedures and subject to annual monitoring

FINANCIAL IMPLICATIONS

The Land Development Reserve Fund has a budget expenditure amount of \$300,000 in 2016/2017.

The funds received from the sale of the Lot 556 would be placed in the Land Development Reserve Fund 91025. Any shortfall following the sale of the lot would be met by funds from the Land Development Reserve Fund.

STRATEGIC IMPLICATIONS

The policy impacts on several items in the strategic plan as follows:

Strategic Focus	Built Environment and Infrastructure
Goals:	A built environment and infrastructure that supports the community and the economy
Outcome 3.1:	<ul style="list-style-type: none">• Appropriate planning and development
Strategy 3.1.2	Provide planning and development advice on land developments.
Strategy 3.1.3	Ensure quality, consistent and responsive development and building assessment approval processes.

Strategic Focus	Local Economy and Business
Goals:	A strong and diverse economy
Outcome 4.1:	A vibrant and growing economic base
Strategy 4.1.1:	Investigate economic development opportunities to broaden the economic base
Strategy 4.1.2:	Promote and support local industry development initiatives
Strategy 4.1.3	Ensure the provision of service commercial and industrial land
Outcome 4.2:	Viable businesses providing local employment
Strategy 4.2.1:	Attract new businesses and assist where possible the expansion of existing businesses
Strategy 4.2.2:	Develop and strengthen relationships with local businesses

Strategic Focus	Governance and Organisation
Goals:	Proactive leadership, good governance and efficient service delivery
Outcome 5.1:	<ul style="list-style-type: none">• Strategic governance and leadership
Strategy 5.1.5	Ensure compliance with Local Laws and statutory requirements.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

The Council has a number of options available to it, which are discussed below:

- 1 *Not support the proposals*
The Local Government can choose to not support the proposals. This would prevent the development of Lot 556.
- 2 *Support the proposals*
The Local Government can choose to support the proposals and proceed with the scheme amendment and request to the Department of Lands. The Local Government can also make any changes to either element of the proposals considered necessary.
- 3 *Defer the proposal*
The Local Government may elect to defer the matter for a period and seek additional information or comment, if deemed necessary, before proceeding to make a decision.

CONCLUSION

The proposed development would enhance the growth of business in the Shire and is well situated next to Ratten and Slater.

VOTING REQUIREMENTS

Simple Majority.

COUNCIL RESOLUTION

Moved: Cr F Hmeljak

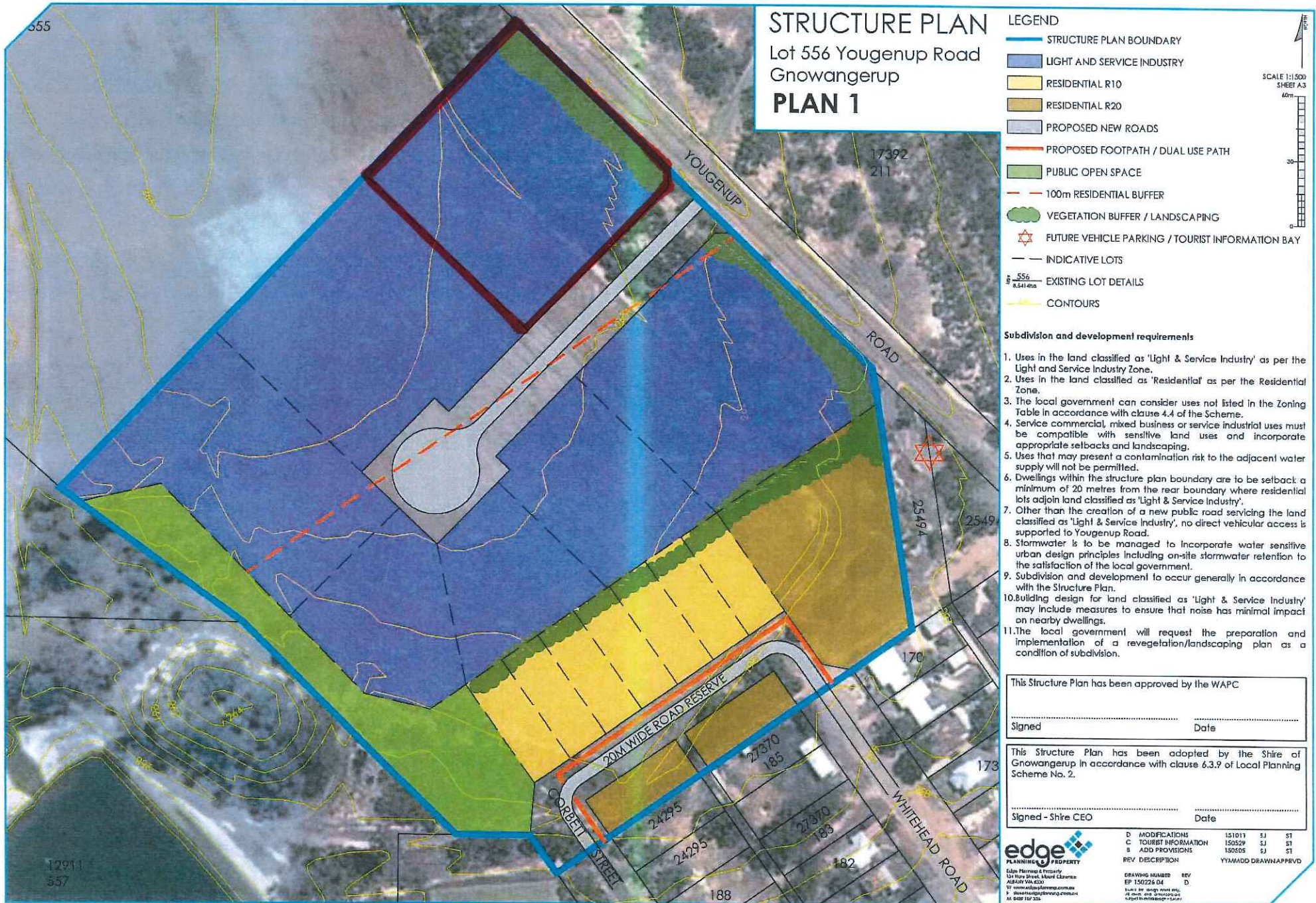
Seconded: Cr R House

1116.116 That Council:

1. **Approve the expenditure of funds from the Land Development Reserve Account 91025 for the engineering consultancy (maximum \$75,000) and development works (maximum \$225,000) for the subdivision of Pt. Lot 556 Yougenup Road, Gnowangerup and staff proceed to obtain quotes to complete these tasks.**
2. **In accordance with section 3.58 (3) of the *Local Government Act 1995* advertise its intention to sell Pt Lot 556 Yougenup Road, Gnowangerup to Landmark for the amount agreed with Landmark. That if no adverse comments are received during the community consultation process required through s3.58 of the Act, the Chief Executive Officer be authorised to execute the sale to Landmark.**

UNANIMOUSLY CARRIED: 9/0

— proposed area



STRUCTURE PLAN

Lot 556 Yougenup Road
Gnowangerup

PLAN 1

- LEGEND**
- STRUCTURE PLAN BOUNDARY
 - LIGHT AND SERVICE INDUSTRY
 - RESIDENTIAL R10
 - RESIDENTIAL R20
 - PROPOSED NEW ROADS
 - - - PROPOSED FOOTPATH / DUAL USE PATH
 - PUBLIC OPEN SPACE
 - VEGETATION BUFFER / LANDSCAPING
 - ☆ FUTURE VEHICLE PARKING / TOURIST INFORMATION BAY
 - - - INDICATIVE LOTS
 - EXISTING LOT DETAILS
 - CONTOURS

- Subdivision and development requirements**
1. Uses in the land classified as 'Light & Service Industry' as per the Light and Service Industry Zone.
 2. Uses in the land classified as 'Residential' as per the Residential Zone.
 3. The local government can consider uses not listed in the Zoning Table in accordance with clause 4.4 of the Scheme.
 4. Service commercial, mixed business or service industrial uses must be compatible with sensitive land uses and incorporate appropriate setbacks and landscaping.
 5. Uses that may present a contamination risk to the adjacent water supply will not be permitted.
 6. Dwellings within the structure plan boundary are to be setback a minimum of 20 metres from the rear boundary where residential lots adjoin land classified as 'Light & Service Industry'.
 7. Other than the creation of a new public road servicing the land classified as 'Light & Service Industry', no direct vehicular access is supported to Yougenup Road.
 8. Stormwater is to be managed to incorporate water sensitive urban design principles including on-site stormwater retention to the satisfaction of the local government.
 9. Subdivision and development to occur generally in accordance with the Structure Plan.
 10. Building design for land classified as 'Light & Service Industry' may include measures to ensure that noise has minimal impact on nearby dwellings.
 11. The local government will request the preparation and implementation of a revegetation/landscaping plan as a condition of subdivision.

This Structure Plan has been approved by the WAPC

Signed _____ Date _____

This Structure Plan has been adopted by the Shire of Gnowangerup in accordance with clause 6.3.9 of Local Planning Scheme No. 2.

Signed - Shire CEO _____ Date _____

edge PLANNING & PROPERTY	D MODIFICATIONS	151011	SJ	ST
Edge Planning & Property 124 Rye Street, Mount Clemons Murray Hill QLD W www.edgeplanning.com.au E info@edgeplanning.com.au M 0818 101 334	C TOURIST INFORMATION	150529	SJ	ST
	S ADD PROVISIONS	150525	SJ	ST
	REV DESCRIPTION	YIMADD DRAWING APPROV		
	DRAWING NUMBER	REV		
	EP 150226 DA	D		

Phil Shephard left the meeting 4:19pm

13. CORPORATE SERVICES & COMMUNITY DEVELOPMENT

13.1	NEW POLICIES FOR INCLUSION IN THE POLICY MANUAL – PERSONAL DEVICES POLICY
Location:	N/A
Proponent:	N/A
File Ref:	
Date of Report:	7 November 2016
Business Unit:	Corporate Services & Community Development
Officer:	Vin Fordham Lamont
Disclosure of Interest:	Nil

ATTACHMENTS

- Personal Devices Policy
- Acceptance of Personal Devices Policy Form

PURPOSE OF THE REPORT

To present Council with a Personal Devices policy for adoption and inclusion in the Policy Manual.

BACKGROUND

Between the 16 and 19 May this year, AMD Chartered Accountants conducted the 4-yearly Financial Management Systems Review for the Shire. AMD's ensuing report, dated 22 June, included a recommendation that:

- "a policy and procedure in respect to personal devices be documented, approved, implemented and monitored on an ongoing basis".

The stated implication was the risk that the Shire of Gnowangerup's IT systems and confidentiality of information may be compromised as the Shire does not have documented policy or procedure in respect to Bring your Own Devices (personal devices including smartphones, tablets, memory sticks, etc, owned by employees) which may be utilised to receive emails or connect to Council's IT network.

The auditors suggested that the risk rating for this issue was at a medium level.

COMMENTS

Whilst management considers the risk to be low, we followed the recommendation and requested AMD to assist with the development of a Personal Devices policy for use within the Shire. The policy is now presented to Council for adoption and inclusion in our Policy Manual.

CONSULTATION WITH THE COMMUNITY AND GOVERNMENT AGENCIES

Nil

LEGAL AND STATUTORY REQUIREMENTS

Local Government Act 1995

Part 2 Constitution of local government

Division 2 Local governments and councils of local governments

2.7. Role of council

- (1) The council —
 - (a) governs the local government's affairs; and
 - (b) is responsible for the performance of the local government's functions.
 - (2) Without limiting subsection (1), the council is to —
 - (a) oversee the allocation of the local government's finances and resources; and
 - (b) determine the local government's policies.
- [Section 2.7 amended by No. 17 of 2009 s. 4.]*

POLICY IMPLICATIONS

The new Personal Devices policy will be added to the Policy Manual.

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

Nil

RISK MANAGEMENT CONSIDERATIONS:

Nil

IMPACT ON CAPACITY

Nil

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Nil

VOTING REQUIREMENTS

Absolute Majority

OFFICER RECOMMENDATION

That Council adopt the Personal Devices policy and endorse its inclusion in the Policy Manual.

COUNCIL RESOLUTION

Moved: Cr F Gaze

Seconded: Cr S Hmeljak

1116.117 That Council lay this item on the table until the December Council Meeting to investigate if the content can be included as part of the code of conduct

UNANIMOUSLY CARRIED: 9/0

Personal Devices Policy

Purpose

The purpose of this policy is to allow you to use a personal device for work purpose if you wish to do so, while also ensuring you take steps to minimise the risk of unauthorised access to the Shire of Gnowangerup's systems and data.

Scope

This policy applies to employees of the Shire of Gnowangerup (the Shire) wanting to use a personal device for work purposes, including permanent and temporary staff and contractors.

It affects any device or accompanying media that you may use to access the systems and data of the Shire, whether they are used within or outside your standard working hours.

ACCEPTANCE OF PERSONAL DEVICES POLICY

I acknowledge and agree to the requirements of the Shire of Gnowangerup’s Personal Devices policy.

As a requirement of the policy, I undertake to ensure that my Personal Device is appropriately secured from loss, theft or use by persons not authorised to utilise the device.

I also agree to surrender limited authority over the device for the sole purpose of protecting the Shire’s data and access on the device. As specified in the policy (and associated procedure), this authority includes permission to wipe the device in the event of loss or disposal.

As required in the policy, I acknowledge that I am responsible for replacing, maintaining and obtaining technical support for my device; except in the case of applications that the Shire of Gnowangerup has provided.

As specified in the policy, I understand that access to the Shire of Gnowangerup’s systems and data is provided at the sole discretion of the Shire of Gnowangerup and may be revoked at any time and for any reason.

I have read and understood the terms of this acceptance form and the requirements of the Shire of Gnowangerup’s Personal Devices policy and I will ensure that I adhere to these conditions at all times.

Employee Signature:

Employee Name (print):

Authorised by (print:

Signature:

Date:

14. INFRASTRUCTURE AND ASSET MANAGEMENT

Nil

15. STATUTORY COMPLIANCE

Nil

16. FINANCE

16.1 ACCOUNTS FOR PAYMENT AND AUTHORISATION – OCTOBER 2016

Location: Shire of Gnowangerup
File Ref: 12.14.1
Date of Report: 14 November 2016
Business Unit: Finance
Officer: CA Shaddick – Senior Finance Officer
Disclosure of Interest: Nil

ATTACHMENT

- October 2016 Cheque Listing

COMMENTS

The October 2016 cheque list is attached as follows

FUND	AMOUNT
Municipal Fund	\$ 442,237.35
Trust Fund	\$ 750.00
Credit Card	\$ 3,984.72
TOTAL	\$ 446,972.07

COUNCIL RESOLUTION

Moved: Cr S Hmeljak

Seconded: Cr F Gaze

1116.118 That the Schedule of Accounts: Municipal Fund Cheques 26836 – 26854, EFT 11418 – EFT 11523, Click Super DD totalling \$442,237.35 Trust Fund Cheques 798 – 803 totalling \$750.00 and Corporate Credit Card totalling \$3,984.72 be approved.

UNANIMOUSLY CARRIED: 9/0

Chq/EFT	Date	Name	Description	Amount
798	4/10/2016	MR TRAVIS HAWKINS	Refund of Bond for Early Morning Swimming Key #9	\$ 50.00
799	12/10/2016	B D COVENTRY	Refund of Bond for Hall Hire - Funeral Service 23/09/2016	\$ 50.00
800	24/10/2016	SANDRA CURNOW	Replacement of Cheque 742 dated 24/06/2015 Refund of Bond	\$ 50.00
801	24/10/2016	ELLIOT RICHARDSON	Replacement of Cheque 741 dated 18/06/2015 Refund of Bond	\$ 50.00
802	24/10/2016	GNOWANGERUP CRC	Refund of Bond for Outdoor Cinema equipment	\$ 500.00
803	24/10/2016	MATHEW CHAMBERS	Refund of Bond for Early Morning Swimming Key	\$ 50.00
TOTAL TRUST ACCOUNT				\$ 750.00
EFT11418	5/10/2016	Air Liquide	Cylinder fee G, E, D	\$ 128.05
EFT11419	5/10/2016	Australia Day Council of W.A.	Australia Day Council Citizen of the Year Registration fee	\$ 247.50
EFT11420	5/10/2016	BGL Solutions	Landscaping around Carpark including Kerbing	\$ 11,113.03 F
			Dingo Mini loader hire for works at Pool	\$ 349.25 F
			Maintenance of swimming pool grounds	\$ 1,295.71
			Installation of drainage at Pool Carpark, repairs to retic	\$ 3,010.26 P
EFT11421	5/10/2016	Best Office Systems	Minimum charge as per agreement 23/08/2016 - 23/09/2016	\$ 49.50
EFT11422	5/10/2016	Bunnings Albany	Landscaping - Coolabah Screen Panels	\$ 1,812.60 F
			Drill for Workshop	\$ 511.24
			Pallett racking & other items for Pool	\$ 1,276.30 P
			Glass fencing panels for Pool	\$ 957.51 F
EFT11423	5/10/2016	Courier Australia	Freight	\$ 109.08

EFT11424	5/10/2016 FM Construction (WA) Pty Ltd	Stage 2 - (3) 5x5m shades shelters and(1) 20x5m shade shelter	\$ 25,221.90	F
EFT11425	5/10/2016 Gaia Civil	Rehabilitation of gravel pit - Old Ongerup Road	\$ 5,500.00	W
EFT11426	5/10/2016 Gnowangerup Community Resource Centre	Advertising in Roundup Cleaning, telephone, electricity and amenities	\$ 1,063.55 \$ 685.61	
EFT11427	5/10/2016 Gnowangerup Fuel Supplies	Fuel for shire vehicles Fuel for SES vehicles	\$ 1,356.67 \$ 92.97	F
EFT11428	5/10/2016 Gnowangerup Newsagency	Subscriptions for September	\$ 63.20	
EFT11429	5/10/2016 Jason Sign Makers	No entry signs for Gnowangerup Swimming Pool	\$ 79.20	
EFT11430	5/10/2016 Landgate	Land Enquiry x17	\$ 49.70	
EFT11431	5/10/2016 Marketforce	Advertising Great Southern Herald & Albany Advertiser	\$ 2,021.49	
EFT11432	5/10/2016 Messagemedia	698 messages sent in September	\$ 138.20	
EFT11433	5/10/2016 Metrocount	Welded battery pack for Traffic Counters	\$ 198.00	
EFT11434	5/10/2016 Olumayokun Oluyede	Cash subsidy as per contract for September 2016	\$ 11,000.00	
EFT11435	5/10/2016 Online Safety Systems Pty Ltd	Plant Assessor monthly access fee	\$ 308.00	
EFT11436	5/10/2016 Public Libraries Western Australia	PLWA Membership 2016/2017	\$ 165.00	
EFT11437	5/10/2016 Ray Ford Signs	Supply of directional signage for Pool	\$ 4,081.00	P
EFT11438	5/10/2016 Royal Life Saving Society WA Inc	Lifeguard Polo Shirt L/S X	\$ 210.78	

EFT11439	5/10/2016 Southern Tool And Fastener Co	2 x whipa snippers and extra heads	\$ 1,576.30
EFT11440	5/10/2016 Staples Australia Pty Limited	Stationery and Office items	\$ 137.83
EFT11441	5/10/2016 Star Sales & Service	Blades for Husqvarna mower	\$ 339.80
EFT11442	5/10/2016 Trailblazers	Uniform for Depot staff	\$ 356.00
EFT11443	5/10/2016 WA Contract Ranger Services	Ranger Services 15/09, 19/09 plus travel	\$ 911.62
EFT11444	5/10/2016 Warren Blackwood Waste	Bins pick up 01/09, 08/09, 15/09, 22/09, 29/09	\$ 6,871.25
EFT11445	10/10/2016 Admin Social Club	Payroll deductions	\$ 80.00
EFT11446	10/10/2016 Black And Gold Social Club	Payroll deductions	\$ 115.00
EFT11447	12/10/2016 Albany Lock Services	Blue GMK keys and extra keys for Shire buildings	\$ 277.20
EFT11448	12/10/2016 Armadillo Group	Hydraulic hose for repairs to John Deere Grader	\$ 165.84
EFT11449	12/10/2016 Busters Bounce & Games Party Hire	Deposit for slides and bouncy castle for Pool opening	\$ 450.00
EFT11450	12/10/2016 Courier Australia	Freight	\$ 41.22
EFT11451	12/10/2016 DL Consulting	Prepare audit work papers for Annual Audit	\$ 9,995.70
EFT11452	12/10/2016 Department of Fire and Emergency Services	2016/17 Emergency Services Levy for Shire Properties	\$ 2,698.00
EFT11453	12/10/2016 Dymocks Albany	Books for stock	\$ 137.94
EFT11454	12/10/2016 Edwards Motors Pty Ltd	Purchase of Colorado Trailblazer	\$ 41,942.00
		Trade in GN.002	- \$ 12,500.00

EFT11455	12/10/2016	Environmental Monitoring Systems Pty Ltd	Environmental Health Services for July 2016	\$	5,100.08	
EFT11456	12/10/2016	Gnowangerup Fuel Supplies	Installation of new sight gauge at the Ongerup Depot	\$	200.00	
EFT11457	12/10/2016	Great Southern Toyota	Purchase of Prado DSL WGN A/T GXL Trade in Mazda GN.001	\$ - \$	61,000.00 28,000.00	
EFT11458	12/10/2016	Hanson Construction Materials	34.20 tonne 50mm aggregate for Landscaping at Pool	\$	2,673.00	F
EFT11459	12/10/2016	Katanning H Hardware	Laser level 77r with tripod and staf for Salt-River Road	\$	3,215.99	
EFT11460	12/10/2016	Landgate	Rural UV Chargable Sch R2016/4	\$	344.35	
EFT11461	12/10/2016	Landmark Operations - Gnowangerup	Droppers and star pickets for Salt River Road	\$	382.57	
EFT11462	12/10/2016	M & MP Builders	Supply and Install Roller Door Female and Male Change Rooms Creche door alterations Fix and finish Bridge and install glass panels	\$ \$ \$	10,288.66 1,559.74 3,618.46	F F F
EFT11463	12/10/2016	Ongerup Tyres & Automotive	Strip and fit 16.9.28 tyre to rim John Deere Backhoe	\$	82.50	
EFT11464	12/10/2016	Pallinup Logistics Pty Ltd	Push & Stockpile 7700 meters of gravel	\$	9,070.60	
EFT11465	12/10/2016	Ratten & Slater Machinery	3 x spindle @ \$363 each for John Deere Mower	\$	1,089.00	
EFT11466	12/10/2016	Ray Ford Signs	Restricted Fire Signs for 2016-17 season	\$	3,062.40	
EFT11467	12/10/2016	Royal Life Saving Society WA Inc	Royal Life Saving Watch Around Water Registration Fee	\$	282.00	
EFT11468	12/10/2016	S L R Enterprises	Remove tank from Iveco Stralis GN.004 for repairs	\$	548.11	
EFT11469	12/10/2016	Sadlers Butchers	Council and staff training catering	\$	488.00	

EFT11470	12/10/2016	Shire Of Katanning	Hire of excavator for Demolition at Borden Arts Crafts Building	\$	1,393.00	
EFT11471	12/10/2016	Southern Cross Austereo Television	Live Radio Broadcast at the Official Opening	\$	1,336.50	
EFT11472	12/10/2016	Staples Australia Pty Limited	Stationery and cleaning products	\$	255.76	
EFT11473	12/10/2016	Star Sales & Service	Sawchain h38 3/8lp .043 100ft	\$	554.80	
EFT11474	12/10/2016	Supreme Heating	Materials & installation of the Electrical Interlocker system	\$	1,978.00	P
EFT11475	12/10/2016	Talis Consultants Pty Ltd	Asset Management Framework	\$	9,846.49	
EFT11476	12/10/2016	Tambellup Post Cafe	DSR Club Development Meeting and Zone Meeting catering	\$	1,306.36	
EFT11477	12/10/2016	Visimax Safety Products	6 x Permit Books in Duplicate for BFB	\$	128.20	F
EFT11478	19/10/2016	Abbey Sergeant	Professional clothing items	\$	191.67	
EFT11479	19/10/2016	Albany Mapping & Surveying Services	Survey & design Ong CBH entrance upgrade to comply RAV 7	\$	5,025.02	
EFT11480	19/10/2016	BGL Solutions	Slashing & weed spraying at Ongerup Waste Ponds	\$	1,225.40	
			Monthly contract gardening	\$	8,166.73	
EFT11481	19/10/2016	Becks Transport	Freight for Pool furniture and equipment	\$	1,546.06	F
EFT11482	19/10/2016	Boxwood Hill Combined Sporting Club	Sports Club Fees for 2 members	\$	33.00	F
EFT11483	19/10/2016	Courier Australia	Freight	\$	26.06	
EFT11484	19/10/2016	Department of Environment Regulation DER	Tracking form - septic	\$	42.50	
EFT11485	19/10/2016	Farmworks Australia Pty Ltd	Toolbox for Isuzu D-Max GN.037	\$	217.20	
			Various hardware items	\$	247.43	

EFT11486	19/10/2016	Gnowangerup Pistol Club	4138 drums collected for drum muster	\$	1,034.50	R
EFT11487	19/10/2016	Hughans Saw Service	Set of blades for Wilson Saw	\$	3,630.00	
EFT11488	19/10/2016	Jerramungup Electrical Service	Replace and supply tube lights at CRC building Replace led batten in Reception Dr Surgery	\$	387.99 256.43	
EFT11489	19/10/2016	Kleenheat Gas	Facility Fee/Cylinder service charge for Ong Hall & Complex	\$	138.60	
EFT11490	19/10/2016	Landgate	Copy of Deeds Memorial Book	\$	80.45	
EFT11491	19/10/2016	Landmark Products Ltd	Drinking Water Fountain	\$	1,644.50	F
EFT11492	19/10/2016	Leisure Institute Of Western Australia Aquatics	Supply Pool Inflatable, Rule of Play" sign, High Pressure Blower	\$	2,212.10	F
EFT11493	19/10/2016	Mount Autoequip Services Pty Ltd	G scan update 1 yr subscription s/n AS633016	\$	810.15	
EFT11494	19/10/2016	Officeworks	Office chair to comply with OHS	\$	297.00	
EFT11495	19/10/2016	Road Signs Australia	Rubber wheel stops for Swimming Pool Car Park	\$	1,159.40	
EFT11496	19/10/2016	Shire of Cuballing	Building Surveyor Services for September 2016	\$	4,126.40	
EFT11497	19/10/2016	Staples Australia Pty Limited	First aid items for Pool	\$	12.18	
EFT11498	19/10/2016	Unisite Group Pty Ltd	Barbeco Grillex Double BBQ Unit Deluxe Finish Colour	\$	7,755.00	F
EFT11499	19/10/2016	WA Contract Ranger Services	Ranger Services 30/09, 07/10, 10/10/2016	\$	1,589.50	
EFT11500	19/10/2016	Warren Blackwood Waste	Compact Landfill and Gnowangerup Landfill Site 10/9/16	\$	1,100.00	
EFT11501	27/10/2016	Admin Social Club	Payroll deductions	\$	80.00	

EFT11502	27/10/2016	Albany Lock Services	Salto Keyless Entry System for the Pool	\$	7,017.76	F
EFT11503	27/10/2016	Albany Printers	Envelopes	\$	370.00	
EFT11504	27/10/2016	Australia Post	Postage for September	\$	1,118.80	
EFT11505	27/10/2016	Black And Gold Social Club	Payroll deductions	\$	155.00	
EFT11506	27/10/2016	Boot Rock Bobtrak	Reimburse overpayment made on Rec No 18996	\$	64.60	
EFT11507	27/10/2016	Bunnings Albany	Measuring tape x 2 and laser measurer	\$	175.64	
EFT11508	27/10/2016	Courier Australia	Freight	\$	33.32	
EFT11509	27/10/2016	Department of Environment Regulation DER	Waste tracking form - Septic	\$	85.00	
EFT11510	27/10/2016	Dhu South Electrical	Installation of Electrical Power Points at Pool	\$	1,375.00	
EFT11511	27/10/2016	G & M Detergents	Rental Service Agreement 2016/17	\$	2,123.00	
EFT11512	27/10/2016	Gnowangerup Building Supplies	Blue metal for bitumen patching	\$	886.06	
EFT11513	27/10/2016	J. Blackwood & Son Pty Limited	Lifting key pack - Grease Traps	\$	514.76	
EFT11514	27/10/2016	Jerramungup Electrical Service	New submersible pump for bore at Highdenup Road	\$	3,416.13	
EFT11515	27/10/2016	Katanning Plant Hire and Concrete Supplies	Supply concrete at Swimming Pool Car Park	\$	9,979.20	F
EFT11516	27/10/2016	LGISWA	Workers Comp Insurance 2nd Instalment	\$	25,987.50	
			Public Liability 2nd Instalment	\$	14,435.42	
			Property Insurance 2nd Instalment	\$	34,184.58	

EFT11517	27/10/2016	Landgate	SLIP subscription	\$	2,468.40
EFT11518	27/10/2016	Leasechoice Pty Ltd	Copier Management Plan - Billing Period Sept 2016	\$	25.29
EFT11519	27/10/2016	Leisure Institute Of Western Australia Aquatics	20th Annual Country Pool Managers Aquatics Seminar	\$	210.00
EFT11520	27/10/2016	Marketforce	Death Notice for Steve McDonald	\$	72.16
EFT11521	27/10/2016	Ongerup Farm Supplies - Mick Creagh	Gladiator Optimax 540 (Roundup) 20 lt	\$	757.50
EFT11522	27/10/2016	P L Bolto & Co	Valuation of a portion of Lot 556 Yougenup Road	\$	572.00
EFT11523	27/10/2016	Staples Australia Pty Limited	Pool Stationery and Cleaning Products	\$	786.78
26836	5/10/2016	McLeods Barristers and Solicitors	Ongoing legal expenses - Building Act Prosecution	\$	339.50
26837	5/10/2016	Western Australian Local Government Assoc	Payroll Award Interpretation Training	\$	544.50
26838	10/10/2016	Australian Taxation Office	BAS payment for September 2016	\$	12,784.00
26839	10/10/2016	MEU	Payroll deductions	\$	164.00
26840	12/10/2016	Gnowangerup IGA	Consumables	\$	292.44
26841	12/10/2016	BTW Contracting Pty Ltd	Jets for spraying unit	\$	134.00
26842	12/10/2016	Synergy	Streetlights supply period 31 days to 24/09/2016	\$	3,503.80
26843	12/10/2016	Telstra	Directory charges, usage service and equipment	\$	1,273.25
26844	19/10/2016	McLeods Barristers and Solicitors	Agreement between CBH and Shire - Ex Gratia Rates	\$	4,606.07
26845	19/10/2016	Reece Australia Pty Ltd	3 x 20 mtr rolls ag drain for sump behind retaining wall Pool Rd	\$	358.72

26846	19/10/2016	Synergy	Supply period 63 days to 06/10/2016	\$	65.10
26847	19/10/2016	Telstra	Usage, service and equipment	\$	59.84
26848	27/10/2016	B K W Co-operative Ltd	2 small extension cords and 1 (10m) long extension cord	\$	33.80
26849	27/10/2016	MEU	Payroll deductions	\$	164.00
26850	27/10/2016	Powerquest Pty Ltd	Supply and erect Communications Tower for Gnowangerup SES	\$	20,493.00 F
26851	27/10/2016	Shire of Murray	Recoup of LSL Liability - Dean Unsworth	\$	7,533.50
26852	27/10/2016	Telstra	Data packs and mobile phone contracts	\$	854.25
26853	27/10/2016	WA Regional Plumbing	Relocate LP Gas Bottles and first stage regulator at Complex	\$	1,023.00
26854	27/10/2016	Water Corporation	Water use charges	\$	217.70
DD3682.1	5/10/2016	Walgs Plan	Superannuation contributions	\$	6,968.69
DD3682.2	5/10/2016	SMSF	Superannuation contributions	\$	563.62
DD3682.3	5/10/2016	Colonial FirstWrap Plus Personal Super	Superannuation contributions	\$	627.19
DD3682.4	5/10/2016	Prime Super	Superannuation contributions	\$	211.58
DD3682.5	5/10/2016	Australian Super	Superannuation contributions	\$	154.16
DD3682.6	5/10/2016	Bendigo SmartOptions Super	Superannuation contributions	\$	67.52
DD3682.7	5/10/2016	BT Super For Life	Superannuation contributions	\$	312.13

DD3692.1	19/10/2016	Walgs Plan	Superannuation contributions	\$	1,716.10
DD3693.1	19/10/2016	Walgs Plan	Superannuation contributions	\$	7,161.10
DD3693.2	19/10/2016	SMSF	Superannuation contributions	\$	563.62
DD3693.3	19/10/2016	Colonial FirstWrap Plus Personal Super	Superannuation contributions	\$	627.19
DD3693.4	19/10/2016	Prime Super	Superannuation contributions	\$	211.58
DD3693.5	19/10/2016	Australian Super	Superannuation contributions	\$	154.16
DD3693.6	19/10/2016	Bendigo SmartOptions Super	Superannuation contributions	\$	53.80
DD3693.7	19/10/2016	BT Super For Life	Superannuation contributions	\$	312.13
TOTAL MUNICIPAL ACCOUNT				\$	442,493.78
	12/09/2016	Telstra	DCEO Home Internet	\$	65.00
	20/09/2016	Esplanade Fremantle	Accomodation and attendance for Waste Conference	\$	728.50
	27/09/2016	Yuldoo Bedfordale	Fuel for GN.001	\$	36.89
	19/09/2016	The Murray Hotel	Accomodation for Award Interpretation training	\$	219.00
	22/09/2016	Shire of Gnowangerup	License and plate transfer GN.001	\$	389.80
	30/09/2016	RLSSWA	Life Guard Training	\$	560.00
	3/10/2016	Telstra	Mobile Pre Paid for Pool Manager	\$	49.00
	3/10/2016	Shire of Gnowangerup	License Renewal as per EBA	\$	41.80

4/10/2016 Shire of Gnowangerup	Plate Remake GN.0046	\$ 29.20
5/10/2016 Westnet	Shire Internet	\$ 508.33
10/10/2016 Click Business	Business Cards for John Skinner	\$ 59.20
10/10/2016 Three Chimneys B&B	SEGRA Conference accomodation	\$ 1,280.00
10/10/2016 Card Fee	Monthly Card Fee	\$ 18.00
	TOTAL CORPORATE CREDIT CARD	\$ 3,984.72

CERTIFICATE OF SENIOR FINANCE OFFICER

I HEREBY CERTIFY THE FOLLOWING SCHEDULE OF ACCOUNTS:

TOTAL FOR MUNICIPAL FUND: EFT11418 - 11523 Cheque 26836 - 26854 DD Clicksuper = \$442,237.35

TOTAL FOR TRUST FUND: Cheque 798 - 803 \$750.00

TOTAL FOR CREDIT CARD: \$3,984.72

CHIEF EXECUTIVE OFFICER

- F Fully Grant Funded
- P Partial Grant Funded
- R Other Funding (Reimbursements)
- W Main Roads Flood Damage

16.2 **OCTOBER 2016 MONTHLY FINANCIAL REPORT**

Location: Shire of Gnowangerup
File Ref: 12.14.1
Date of Report: 14 November 2016
Business Unit: Finance
Officer: D. Long - Finance Consultant
C. Shaddick – Senior Finance Officer
Disclosure of Interest: Nil

ATTACHMENTS

- Monthly Financial Statements for period 31 October 2016 including;
 - Statement of Financial Activity to 31 October 2016.
 - Report on Material Differences.
 - Comprehensive Income by Program and Nature & Type
 - Statement of Financial Position.
 - Statement of Cash Flows.
 - Current Assets and Liabilities.

SUMMARY

Adoption of the October 2016 Monthly Financial Report

COMMENTS

Presented to Council is the Financial Statement to 31 October 2016 subject to change as a result of end of year procedures and audit process.

CONSULTATION

Nil

STATUTORY ENVIRONMENT

Local Government Financial Regulations (1996) 22, 32 and 43 apply.

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple Majority

COUNCIL RESOLUTION

Moved: Cr S Lance

Seconded: Cr F Gaze

1116.119 That the October 2016 Monthly Financial Report be received and noted.

UNANIMOUSLY CARRIED: 9/0

SHIRE OF GNOWANGERUP

MONTHLY FINANCIAL REPORT

31 OCTOBER 2016

SHIRE OF GNOWANGERUP
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDING 31 OCTOBER 2016

NOTES	2016-17 ANNUAL BUDGET	2016-17 JULY - OCT BUDGET	2016-17 YTD ACTUAL
EXPENDITURE (Excluding Finance Costs)	\$	\$	\$
General Purpose Funding	(95,228)	(33,466)	(18,538)
Governance	(975,521)	(376,183)	(220,038)
Law, Order, Public Safety	(271,423)	(91,908)	(73,875)
Health	(234,667)	(66,424)	(67,284)
Education and Welfare	(24,639)	(15,094)	(5,666)
Housing	(62,785)	(27,443)	(5,519)
Community Amenities	(556,000)	(194,086)	(102,515)
Recreation and Culture	(1,506,816)	(571,552)	(229,551)
Transport	(3,441,381)	(1,300,812)	(739,103)
Economic Services	(108,281)	(36,155)	(19,803)
Other Property and Services	(168,671)	(118,365)	(140,637)
	(7,445,412)	(2,831,490)	(1,622,528)
REVENUE			
General Purpose Funding	4,923,955	3,902,127	3,917,139
Governance	450	230	1,544
Law, Order, Public Safety	51,108	17,576	18,586
Health	300	0	45
Education and Welfare	13,000	3,968	1,273
Housing	72,280	26,021	27,040
Community Amenities	278,633	253,055	259,105
Recreation and Culture	62,920	650	18,298
Transport	142,835	142,770	415,065
Economic Services	19,832	2,410	2,575
Other Property & Services	104,100	41,489	73,982
	5,669,413	4,390,295	4,734,650
<i>Increase(Decrease)</i>	(1,775,999)	1,558,805	3,112,122
FINANCE COSTS			
General Purpose Funding	0		0
Housing	(25,256)	0	(10,397)
Community Amenities	(1,882)	0	0
Recreation & Culture	(33,875)	0	(3,456)
Economic Services	0	0	0
Other Property & Services	0	0	0
Total Finance Costs	(61,013)	0	(13,852)
NON-OPERATING REVENUE			
General Purpose Funding	0	0	0
Law, Order & Public Safety	0		0
Recreation & Culture	326,495	0	100,000
Transport	936,605	0	11,499
Economic Services	0	0	0
Total Non-Operating Revenue	1,263,100	0	111,499
PROFIT/(LOSS) ON SALE OF ASSETS			
Law, Order & Public Safety	0	0	0
Health	0	0	0
Community Amenities	0	0	0
Transport Profit	0	0	0
Transport Loss	0	0	0
Other Property & Services Profit	0	0	0
Other Property & Services Loss	0	0	0
Total Profit/(Loss)	0	0	0
NET RESULT	(573,912)	1,558,805	3,209,768
Other Comprehensive Income			
Changes on revaluation of non-current assets	0	0	0
Total Abnormal Items	0	0	0
TOTAL COMPREHENSIVE INCOME	(573,912)	1,558,805	3,209,768

SHIRE OF GNOWANGERUP
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE/TYPE
FOR THE PERIOD ENDING 31 OCTOBER 2016

	2016-17 BUDGET	2016-17 ACTUAL
Expenses		
Employee Costs	(2,157,869)	(653,792)
Materials and Contracts	(1,900,603)	(718,772)
Utility Charges	(165,006)	(40,051)
Depreciation on Non-Current Assets	(2,656,214)	0
Interest Expenses	(61,013)	(13,852)
Insurance Expenses	(201,010)	(156,833)
Other Expenditure	(364,711)	(53,080)
	(7,506,425)	(1,636,381)
Revenue		
Rates	3,469,308	3,725,728
Operating Grants, Subsidies and Contributions	904,811	484,505
Fees and Charges	277,068	153,687
Service Charges	0	0
Interest Earnings	84,860	26,782
Other Revenue	63,271	343,949
	4,799,318	4,734,650
	(2,707,107)	3,098,269
Non-Operating Grants, Subsidies & Contributions	1,837,639	111,499
Fair Value Adjustments to financial assets at fair value through profit/loss	0	0
Profit on Asset Disposals	0	0
Loss on Asset Disposals	0	0
	1,837,639	111,499
Net Result	(869,468)	3,209,768
Other Comprehensive Income		
Changes on revaluation of non-current assets	0	0
Total Other Comprehensive Income	0	0
TOTAL COMPREHENSIVE INCOME	(869,468)	3,209,768

SHIRE OF GNOWANGERUP
STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDING 31 OCTOBER 2016

	Note	2015-16 ACTUAL \$	2016-17 ACTUAL \$	Variance \$
Current assets				
Unrestricted Cash & Cash Equivalents		622,843	2,606,755	1,983,912
Restricted Cash & Cash Equivalents		1,782,080	1,806,840	24,760
Trade and other receivables		579,002	1,155,654	576,652
Inventories		16,879	20,123	3,244
Other assets		0	0	0
Total current assets		3,000,804	5,589,372	2,588,568
Non-current assets				
Trade and other receivables		298,422	298,422	0
LG House Unit Trust		6,186	6,186	0
Property, infrastructure, plant and equipment		28,154,071	29,342,420	1,188,349
Infrastructure Assets		124,386,355	124,577,250	190,895
Total non-current assets		152,845,034	154,224,279	1,379,245
Total assets		155,845,839	159,813,651	3,967,813
Current liabilities				
Trade and other payables		169,320	146,800	22,520
Interest-bearing loans and borrowings		0	128,816	-128,816
Provisions		239,249	253,218	-13,969
Total current liabilities		408,569	528,834	-120,265
Non-current liabilities				
Interest-bearing loans and borrowings		1,311,421	1,125,813	185,608
Provisions		45,109	45,109	0
Total non-current liabilities		1,356,530	1,170,922	185,608
Total liabilities		1,765,100	1,699,756	65,344
Net assets		154,080,739	158,113,896	4,033,157
Equity				
Retained surplus		42,519,134	42,482,888	-36,246
Net Result		-344,443	3,209,768	3,554,211
Reserve - asset revaluation		110,124,444	110,627,519	503,075
Reserve - Cash backed		1,781,604	1,793,720	12,116
Total equity		154,080,739	158,113,896	4,033,157

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

**SHIRE OF GNOWANGERUP
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDING 31 OCTOBER 2016**

	Note	2015-16 ACTUAL \$	2016-17 BUDGET \$	2016-17 ACTUAL \$
Cash Flows from operating activities				
Payments				
Employee Costs		(1,956,582)	(2,109,103)	(667,701)
Materials & Contracts		(1,726,612)	(2,067,115)	(726,392)
Utilities (gas, electricity, water, etc)		(142,692)	(165,006)	(40,051)
Insurance		(178,991)	(201,010)	(156,833)
Interest Expense		(77,336)	(61,013)	(13,852)
Goods and Services Tax Paid		52,830	(81,693)	0
Other Expenses		(224,780)	(364,711)	(57,788)
		(4,254,163)	(5,049,651)	(1,662,618)
Receipts				
Rates		3,423,145	3,702,378	2,879,382
Operating Grants & Subsidies		924,977	1,535,584	484,505
Contributions, Reimbursements & Donations		0	-	0
Fees and Charges		326,808	573,968	472,411
Interest Earnings		145,683	89,500	26,782
Goods and Services Tax		11	60,523	(52,830)
Other		160,289	63,486	343,949
		4,980,913	\$6,025,439	4,154,198
Net Cash flows from Operating Activities	9	726,750	975,788	2,491,581
Cash flows from investing activities				
Payments				
Purchase of Land		0	0	0
Purchase of Buildings		(2,280,007)	(697,025)	(297,546)
Purchase Plant and Equipment		(648,829)	(463,000)	(93,584)
Purchase Furniture and Equipment		(10,809)	(42,909)	(11,682)
Purchase Road Infrastructure Assets		(1,289,300)	(1,654,981)	(159,781)
Purchase of Footpath Assets		(18,922)	(5,000)	(702)
Purchase Aerodrome Assets		(40,742)	0	0
Purchase Drainage Assets		(3,740)	(5,000)	0
Purchase Sewerage Assets		(1,239)	(150,000)	(11,092)
Purchase Parks & Ovals Assets		0	(9,000)	0
Purchase Other Infrastructure Assets		(16,751)	0	0
Purchase Solid Waste Assets		(235)	(45,000)	0
Receipts				
Proceeds from Sale of Assets		172,773	187,000	36,818
Non-Operating grants used for Development of Assets		1,499,514	1,263,100	111,499
		(2,638,289)	(1,621,815)	(426,069)
Cash flows from financing activities				
Repayment of Debentures		(202,834)	(185,607)	(56,792)
Advances to Community Groups		0	0	0
Revenue from Self Supporting Loans		54,067	29,306	0
Proceeds from New Debentures		0	0	0
Net cash flows from financing activities		(148,767)	(156,301)	(56,792)
Net increase/(decrease) in cash held		(2,060,306)	(802,328)	2,008,719
Cash at the Beginning of Reporting Period		4,465,229	2,404,923	2,404,876
Cash at the End of Reporting Period	9	2,404,923	1,602,595	4,413,595

**SHIRE OF GNOWANGERUP
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDING 31 OCTOBER 2016**

Notes

	2015-16 ACTUAL \$	2016-17 BUDGET \$	2016-17 ACTUAL \$
RECONCILIATION OF CASH			
Cash at Bank	2,404,343	1,602,015	4,413,015
Cash on Hand	580	580	580
TOTAL CASH	2,404,923	1,602,595	4,413,595
RECONCILIATION OF NET CASH USED IN OPERATING ACTIVITIES TO OPERATING RESULT			
Net Result (As per Comprehensive Income Statement)	10,702	(573,912)	3,209,768
Add back Depreciation	2,571,267	2,656,214	-
(Gain)/Loss on Disposal of Assets	68,519	-	-
Self Supporting Loan Principal Reimbursements	0	-	-
Contributions for the Development of Assets	(1,499,514)	(1,263,100)	(111,499)
Changes in Assets and Liabilities			
(Increase)/Decrease in Inventory	11,307	-	388
(Increase)/Decrease in Receivables	(401,469)	321,025	(523,954)
Increase/(Decrease) in Accounts Payable	(67,421)	(213,205)	(75,589)
Increase/(Decrease) in Prepayments	-	-	-
Increase/(Decrease) in Employee Provisions	33,359	48,766	(7,534)
Increase/(Decrease) in Accrued Expenses	-	-	-
Rounding	-	0	0
NET CASH FROM/(USED) IN OPERATING ACTIVITIES	726,750	975,788	2,491,581

**SHIRE OF GNOWANGERUP
FINANCIAL ACTIVITY STATEMENT
FOR THE PERIOD ENDING 31 OCTOBER 2016**

	2015-16	2016-17	2016-17	2016-17
	ACTUAL	ANNUAL BUDGET	JULY- OCT BUDGET	JULY- OCT ACTUAL
OPERATING REVENUE	\$	\$	\$	\$
General Purpose Funding	4,122,326	4,923,955	3,902,127	3,917,139
Governance	7,961	450	230	1,544
Law, Order Public Safety	111,894	51,108	17,576	18,586
Health	329	300	0	45
Education and Welfare	12,979	13,000	3,968	1,273
Housing	83,254	72,280	26,021	27,040
Community Amenities	279,527	278,633	253,055	259,105
Recreation and Culture	263,086	62,920	650	18,298
Transport	379,529	142,835	142,770	415,065
Economic Services	20,068	19,832	2,410	2,575
Other Property and Services	207,913	104,100	41,489	73,982
	5,488,866	5,669,413	4,390,295	4,734,650
LESS OPERATING EXPENDITURE				
General Purpose Funding	42,713	(95,228)	(33,466)	(18,538)
Governance	(815,347)	(975,521)	(376,183)	(220,038)
Law, Order, Public Safety	(276,174)	(271,423)	(91,908)	(73,875)
Health	(219,029)	(234,667)	(66,424)	(67,284)
Education and Welfare	(21,055)	(24,639)	(15,094)	(5,666)
Housing	(75,861)	(88,041)	(27,443)	(15,915)
Community Amenities	(423,119)	(557,882)	(194,086)	(102,515)
Recreation and Culture	(1,228,488)	(1,540,691)	(571,552)	(233,007)
Transport	(3,002,137)	(3,441,381)	(1,300,812)	(739,103)
Economic Services	(87,626)	(108,281)	(36,155)	(19,803)
Other Property & Services	(607,113)	(168,671)	(118,365)	(140,637)
	(6,713,236)	(7,506,425)	(2,831,489)	(1,636,381)
<i>Increase(Decrease)</i>	(1,224,370)	(1,837,012)	1,558,806	3,098,269
ADD				
Movement in Employee Benefits (Non-current)	15,883	48,766	0	0
Movement in Deferred Pensioners (Non-current)	(19,648)	0	0	0
Movement in SS Loan (Non-current)	0	0	0	0
(Profit)/ Loss on the disposal of assets	13,719	0	0	0
Depreciation Written Back	2,364,124	2,656,214	885,051	0
	2,374,079	2,704,980	885,051	0
<i>Sub Total</i>	1,149,709	867,968	2,443,856	3,098,269
LESS CAPITAL PROGRAMME				
Purchase Buildings	(2,280,007)	(697,025)	(320,525)	(308,355)
Infrastructure Assets - Roads	(1,289,300)	(1,654,981)	(517,990)	(159,781)
Infrastructure Assets - Footpaths	(18,922)	(5,000)	0	(702)
Infrastructure Assets - Aerodromes	(40,742)	0	0	0
Infrastructure Assets - Drainage	(3,740)	(5,000)	0	0
Infrastructure Assets - Sewerage	(1,239)	(150,000)	(52,500)	(11,092)
Infrastructure Assets - Parks & Ovals	0	(9,000)	(9,000)	0
Infrastructure Assets - Solid Waste	(2,735)	(45,000)	0	0
Infrastructure Assets - Other	(16,751)	0	0	0
Purchase Plant and Equipment	(648,829)	(463,000)	0	(93,584)
Purchase Furniture and Equipment	(10,809)	(42,909)	(3,000)	(873)
Proceeds from Sale of Assets	172,773	187,000	0	36,818
Contributions for the Development of Assets	1,499,514	1,263,100	405,816	111,499
Repayment of Debt - Loan Principal	(202,834)	(185,607)	(12,621)	(56,792)
Self Supporting Loan Principal Income	54,067	29,306	0	0
Transfer to Reserves	(196,682)	(157,000)	(9,330)	(3,875)
	(2,986,237)	(1,935,116)	(519,149)	(486,736)
Plus Rounding				
<i>Sub Total</i>	(1,836,529)	(1,067,148)	1,924,707	2,611,533
FUNDING FROM				
Transfer from Reserves	356,893	351,148	1,148	0
Loans Raised	0	0	0	0
Estimated Opening Surplus at 1 July	2,260,960	716,000	716,000	754,796
Closing Funds	0	0	0	0
	2,617,853	1,067,148	717,148	754,796
NET SURPLUS/(DEFICIT)	781,325	(0)	2,641,855	3,366,329

NOTE 1			
CURRENT RATIO		Current Assets 2,875,577	3.28
		Current Liabiliti 877,088	
Ratios greater than one indicate that Council has sufficient current assets to meet it's short term current liabilities.			
NOTE 2 - VARIANCES EXPLAINED			
	REVENUE	\$ VARIANCE	% VARIANCE
General Purpose Funding			
Variance within 10%			Variance not > 10%
		15,012	
Governance			
Reimbursement of Legal Fees from Homes For The Aged Loan Agreement		1,314	85.13%
Law Order & Public Safety -			
Dog registration income higher than anticipated/SES overspend 15/16 reimbursed		1,010	#VALUE!
Health			
Business Registration received, not budgeted		45	(100.00%)
Education & Welfare			
Mowing Contract received annually budgeted monthly income		(2,695)	(211.76%)
Housing			
Variance within 10%			Variance not > 10%
		1,019	
Community Amenities			
Variance within 10%			Variance not > 10%
		6,050	
Recreation & Culture			
Kidsport Grant received and Trust transfer item 0716:84		17,648	(96.45%)
Transport			
WANDRRA claim 4 received		272,295	(65.60%)
Economic Service			
Variance within 10%			Variance not > 10%
		165	
Other Property and Services			
Workers Compensation reimbursements not anticipated for reporting period		32,493	43.92%
EXPENDITURE			
		\$ VARIANCE	% VARIANCE
General Purpose funding			
Administration allocations less than anticipated for reporting period		14,928	80.53%
Governance			
Strategy, Governance and Conference expenses not expended as anticipated		156,145	70.96%
Law Order & Public Safety -			
Depreciation allocations not posted until Audit completed		18,033	24.41%
Health			
Depreciation allocations not posted until Audit completed			Variance not > 10%
		(860)	
Education & Welfare			
Education Mowing contract costs less than anticipated/ depn to be allocated		9,429	166.42%
Housing			
Depreciation allocations not posted until Audit completed		11,528	72.43%
Community Amenities			
Depreciation allocations not posted until Audit completed		91,571	89.32%
Recreation & Culture			
Depreciation allocations not posted until Audit completed		338,545	145.29%
Transport			
Depreciation allocations not posted until Audit completed		561,709	76.00%
Economic Service			
Building Services less than anticipated for reporting period		16,352	82.58%
Other Property & Services			
OHS Admin costs higher than anticipated for reporting period		(22,272)	(15.84%)

CAPITAL EXPENDITURE		
<u>Furniture & Equipment</u>		
Council Chambers Equipment - Councillor iPads, Replace Monitors, Video Conferencing	0	
Doctors Surgery - Computer Equipment	0	
Swimming Pool Computer Equipment to be finalised	2,127	
Administration Computer Equipment	0	
Total (Over)/Under Budget	2,127	243.75%
<u>Land & Buildings</u>		
Medical Centre - New Hot Water System - Planned for early 2017	2,000	
20 McDonald St - Remove Pool and new Retaining Wall/ pool removed earlier than anticipated, complete in November	(5,808)	
9 Yougenup Road - Replace ensuite bathroom, work commenced approx 40% completed	25,000	
Land Development - New Residence	0	
Swimming Pool Construction - Landscaping & toilet refurbish/ landscaping completed	298	
Old Swimming Pool Decommission - Planned for early 2017	10,000	
Gnp Sporting Complex - Refinish floor	0	
Old Art & Craft Shed demolition/ demolition completed earlier than anticipated	(19,321)	
Old Gnp Gaol Renewals	0	
Total (Over)/Under Budget	12,170	Variance not > 10%
<u>Plant & Equipment</u>		
Doctors Vehicle Replacement	0	
Tip Truck Rreplacement GN-007	0	
Minor Plant Purchases -	<i>NB</i> 0	
Utility Replacement GN-010	0	
Utility Replacement GN-003	0	
Utility Replacement GN-016	0	
Utility Replacement GN-046	0	
CEO Vehicle Replacement anticipated	(55,455)	
MCS Vehicle Replacement - purchased earlier than anticipated	(38,129)	
Total (Over)/Under Budget	(93,584)	(100.00%)
<u>Road Construction</u>		
Roads to Recovery - progressing	201,046	
Regional Road Group Projects - progressing	40,500	
Council Road Projects - Some projects not yet started	116,663	
Total (Over)/Under Budget	157,163	224.19%
<u>Footpath Construction</u>		
Footpath Construction - should be maintenance works to be corrected	(702)	
Total (Over)/Under Budget	(702)	0.00%
<u>Drainage Infrastructure</u>		
Drainage Infrastructure	0	
Total (Over)/Under Budget	0	#DIV/0!
<u>Sewerage Infrastructure</u>		
Ongerup Effluent Scheme - Work commenced approx 20% completed, anticipate completion in November	41,408	
Total (Over)/Under Budget	41,408	-100.00%
<u>Parks & Ovals Infrastructure</u>		
Gnp, Borden & Ongerup Main Street Renewals - Anticipate work to start in February 2017	9,000	
Total (Over)/Under Budget	9,000	0.00%

Solid Waste Infrastructure

Ongerup Landfill	0	
Borden Landfill	0	
Gnp Landfill	0	
Total (Over)/Under Budget	<u><u>0</u></u>	#DIV/0!

Note: (NB) = No Budget Provision Made

17. CONFIDENTIAL ITEMS

Nil.

OTHER BUSINESS AND CLOSING PROCEDURES

18. URGENT BUSINESS INTRODUCED BY DECISION OF COUNCIL

Nil.

19. MOTION OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil.

20. DATE OF NEXT MEETING

That the next Ordinary Council Meeting will be held on the 21st December 2016.

21. CLOSURE

The Shire President thanked council and staff for their time and declared the meeting closed at 4:36 pm.