

# Annual Report 2016-17



History. Beauty. Prosperity.



# District Map



## Shire of Gingin

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# Contents

Shire of Gingin Councillors	02
Organisational Chart - Management	03
About Shire of Gingin	03
Five Year Key Summary of Statistics	04
Shire President's Report	05
Chief Executive Officer's Report	07
Strategic Community Plan Overview	09
Office of Chief Executive	23
Corporate and Community Services	27
Operations	31
Regulatory Services	33
Financial Report	39





# Shire of Gingin Councillors 2016 - 17



**Cr David Roe**  
Shire President



**Cr Ian (Sam) Collard**  
Deputy Shire President



**Cr Val Ammon**



**Cr Michael Aspinall**



**Cr Jan Court**



**Cr John Elgin**



**Cr Wayne Fewster**



**Cr Frank Peczka**



**Cr Sandie Smiles**



# Executive Management Team

## Organisational Chart



## About the Shire of Gingin

The Shire of Gingin is a predominantly rural area strategically located 84 kilometres north of Perth. The Shire covers an area of 3,223 square kilometres and is home to a population of approximately 5,400 residents. There are five townships within the Shire being Gingin, Guilderton, Lancelin, Ledge Point and Seabird. In addition to the townships there are six rural residential areas which include Woodridge, Sovereign Hill, Moondah Ridge, Seaview Park, Redfield Park and Ocean Farm.

Geographically the Shire stretches from the coastline across the flat sandy soils of the Swan Coastal Plain in the west to the hinterland and foothills of the Darling Scarp to the east.

The Shire's strategic location means that it is one of the fastest growing rural areas in Western Australia and it is anticipated that the Shire's population will grow by 40.7% to 6,577 by 2023, increasing to 7,879 (+58.35%) by 2031.

With a variety of medium and low density residential and rural locations, different areas within the Shire of Gingin have developed different roles within the housing market. The lower

coastal area tends to attract more mature and established families as well as retirees, while the upper coastal area attracts younger families along with retiree households.

Peri-urban growth and associated pressure on market gardening has resulted in the Shire broadening its focus from traditional broad acre to intensive horticulture. Agriculture is the Shire's primary economic contributor, accounting for 41.9% of business and some 137,145 ha of land. Local industries within the Shire include cattle and sheep grazing, apiaries, irrigated horticulture, viticulture, olive groves, aquaculture, piggeries, poultry farms, wineries, abattoirs, feedlots, and crayfishing.

In addition to rural industry the Shire's economy is also based around tourism, with coastal areas experiencing a large influx of people during the summer holiday season. As a result, the population of the four coastal townships – Guilderton, Seabird, Ledge Point and Lancelin – grows considerably, and can be in excess of 5,000 people at any given time.



# Five Year Key Summary of Statistics

	2012 - 13	2013 - 14	2014 - 15	2015 - 16	2016 - 17
<b>Shire of Gingin Population</b>	4,879 ID Forecast	4,975 ID Forecast	5,266 ID Forecast	5,368 ID Forecast	5,439 ID Forecast
Total number of rateable properties	5,229	5,233	5,298	5,319	5,326
Minimum general residential rate	777	831	889	951	980
Rates levied (excluding refuse)	\$5,922,040	\$6,386,653	\$6,867,678	\$7,448,146	\$7,661,438
Operating revenue	\$15,576,593	\$11,856,035	\$15,026,808	\$14,155,752	\$15,737,628
Total current assets	\$6,918,135	\$4,712,896	\$6,689,302	\$6,889,724	\$7,321,896
Capital grants revenue	\$2,726,859	\$1,577,494	\$2,599,897	\$3,589,599	\$2,400,330
Operating grants revenue	\$2,049,429	\$1,261,966	\$3,872,048	\$1,989,009	\$3,581,963
Debt service cover ratio	5.48	4.34	6.58	8.36	13.89
Full-time equivalent staff	54.4	52.8	52.6	54.9	57.8
Planning applications approved	100	120	109	108	122
Building applications approved	223	263	250	234	234
Licensed dogs registered <small>*Please note these figures represent dogs registered within respective year.</small>	*440	*461	1,462	1,133	1,089
Licensed cats registered	N/A	41	96	127	104
Waste services provided (weekly)	3,430	3,512	3,747	3,774	3,798
Library loans of books & other items	Gingin 2,211 Lancelin 2,248	Gingin 3,000 Lancelin 2,342	Gingin 4,356 Lancelin 2,260	Gingin 4,526 Lancelin 2,915	Gingin 4,451 Lancelin 2,358



# Shire President's Report



**Welcome to the Shire** of Gingin's Annual Report 2016-17.

During the 2016-17 financial year, we undertook another Community Perception Survey to ascertain our community's level of satisfaction with the Shire's services and facilities, as well as a number of community engagement workshops in preparation for developing the next Strategic Community Plan. Our community engagement process also included a youth survey and art competition.

I'm pleased to report the attendance and participation by Gingin Shire residents in these activities was high, the results of the survey were encouraging and, as a result, we are once again able to produce another meaningful Strategic Community Plan.

This Plan, which represents the community's wishes and aspirations for the future of our region, is the primary guiding document for Council to determine priorities for the delivery of services and projects going forward. It comprises the five focus areas of Community Wellbeing, Natural Environment, Built Environment, Local Business, and Leadership and Governance. Over the past 12 months we are pleased to have delivered a range of projects and services to support these areas. A number of key activities are summarised as follows:

## **Gingin Aquatic Centre Tiling Project**

The Gingin Aquatic Centre officially reopened in October 2016 with the completion of the pool's tiling and solar heating project. This work has given the pool a fresh new look making it an even better place for the community to exercise, cool off and socialise during the hot summer months.

The Department of Sport and Recreation, who originally contributed to the construction of the pool back in 2004, again provided funding for tiling of the pool bowl. The total cost of the tiling work was \$470,000 of which \$156,000 was DSR funded. Solar heating was also installed at a cost of \$50,000 with contributions from the Federal Government's Stronger Communities Program (\$20,000) and the Gingin Aquatic Club Inc (\$14,000).

Dignitaries to the opening included the Honourable Christian Porter MP Federal Member for Pearce and Minister for Social Services, the Honourable Martin Aldridge MLC, and Empire Oil and Gas Operations and Engineering Manager John Mastrocinque.

## **Changing Places Facility, Guilderton**

In April 2017 the Shire commenced construction of a new Changing Places facility in Guilderton. Changing Places are secure, clean facilities for people with disability who need space and assistance to use ablutions when out and about in the community.

The new facility will be located at the bottom of Edward Street next to the foreshore car park and will be a free-standing steel framed Colorbond-clad building. Construction is expected to be completed early in the 2017-18 financial year.

The total cost of the Guilderton Changing Places facility is \$121,000 - the Disability Services Commission (via WALGA) has provided \$110,000 grant funding, with the Shire providing the balance.

## **Ocean Farm Fire Shed**

A much needed new fire shed was constructed during 2016-17 for the Ocean Farm community. This stand-alone structure is a two bay design that houses two fire appliances, and has a meeting/training room, communications room, kitchen and disable-friendly showers and toilet facilities.

The shed was officially opened in November 2016 during a special community fête celebration and was attended by Shane Love MLA, the Hon Martin Aldridge, DFES Commissioner Wayne Gregson, along with Gingin Shire councillors, staff and numerous community members.

## **Lancelin South Caravan Park Redevelopment**

On 1 October 2016 the Shire of Gingin took over the management of the Lancelin South End Caravan Park following many years of the park being in private lease. The Shire, in partnership with Tourism WA, advertised an Expression of Interest for the potential redevelopment of the Park from suitably

qualified and experienced companies.

The successful proponent for the redevelopment of the Lancelin Caravan Park was Experience Holiday Parks Pty Ltd, a group of operators who also manage the Central Caravan Park at Ascot as well as the Mandurah Caravan and Tourist Park.

Experience Holiday Parks will be investing \$5 million over five years to develop the Park to a high coastal tourist destination standard which will include self-contained cabins, a fully enclosed heated swimming pool with public access, adventure playground, new ablution and camper kitchen facilities, road infrastructure and much more. This development will be a tremendous tourism asset to our coastal region.

Council also recommended the successful proponent take over interim management of the Park whilst negotiations continue with regard to a prospective lease. At the time of this Annual Report, a business plan is being prepared by the Shire and will be given Public Notice under the provisions of the *Local Government Act 1997*. In addition, the Shire will seek permission from the Minister for Lands to amend its Vesting Order at the site to enable a 21 year lease with a 21 year option to renew.

Work on Phase 1 of the redevelopment is expected to commence in early 2018 provided the relative approvals are granted.

## **Open Boat Launching Facility, Ledge Point**

At its November 2016 Council meeting, the Shire of Gingin endorsed Ledge Point as the preferred site for an open boat launching facility. The major contributing factor to the decision was navigational access through near-shore reefs - Ledge Point has the access required for this type of facility and also has the flexibility for expansion.

In addition, Council agreed to undertake preliminary design work and costings for development of Old Ledge Point Road, to link the town sites of Ledge Point and Lancelin should construction of the boat launching facility proceed.



Council also agreed to commission a concept design for a low level boat ramp to be located within Lancelin Bay in the vicinity of Department of Transport's existing fuel jetty. At the time of this Report, the Shire is investigating detailed design and tender specifications for the open boat launching facility, and will commence discussions with Department of Transport and the State Government to explore funding options.

This infrastructure will be a welcome boost to tourism, economic development and community wellbeing within the Shire, as well as becoming a major regional destination point.

#### Seabird Seawall

In the previous financial year the Shire received a \$2 million Royalties for Regions grant to fund a solution to the foreshore erosion issue at Seabird, with a seawall being the preferred option.

Neo Infrastructure Pty Ltd was awarded the contract and construction of the seawall finished in July 2017. The project to date has been very successful, with the 680 metre seawall preventing any further erosion of that section of coastline in Seabird.

#### Early Rates Incentive Scheme

2016-17 was the third year the Shire conducted an Early Rates Incentive competition and I'm pleased to report that 65% of rates were paid on or before the first instalment date of 15 September 2016 – this was a 12% increase over the previous year and an excellent response by our community.

In addition to providing our community an incentive to pay their rates sooner rather than later, the Early Rates Incentive Scheme is also a way we can promote our local businesses. Those local and regional businesses that sponsored the scheme were promoted by the Shire

throughout the year in various formats via print and electronic media, depending on sponsorship level.

This year we received a total of \$20,000 in sponsorship contributions. This made up 10 prize packages for 10 lucky ratepayers which included the \$5,000 Bendigo Bank major prize.

The past 12 months have once again been busy, challenging and productive, and I would like to express sincere thanks to my fellow councillors, Shire staff, and community members for all their support throughout the year.

Cr David Roe  
**Shire President**





# Chief Executive Officer's Report



The **2016-17 financial year** was an important one for the Shire in terms of self-assessment – to ensure we are continuing to improve how we serve our community, and on track with delivering the projects and services they have asked for.

We were able to achieve a sound understanding of how we are performing and what the community wants for the future via the results of another Community Perception Survey which was sent to all Gingin Shire residents in July 2016, a Youth Survey and Art Competition in October 2016, and from face-to-face feedback from our 'Cuppa & Chat' workshops in October and November 2016. These results have been instrumental in the development of the Shire's next Strategic Community Plan.

## Community Perception Survey Results

A highlight of key results is as follows:

### Key Performance Indicators

- 78% satisfied or very satisfied with the Shire as a **Place to Live**
- 76% satisfied or very satisfied with **Customer Service** provided by the Shire
- 57% rated the **Shire's Overall Performance** as good or excellent

### Top 3 - Source of Community Pride

1. The Shire's beautiful natural environment and rural setting (28.8%)
2. Laidback lifestyle (27.9%)
3. The Shire's coast and river (24.2%)

### Top 3 - Things the Shire could do to make a difference

1. Improve roads (13.4%)
2. Further encourage tourism (9.1%)
3. Improve footpaths and cycle ways (7.8%)

### Service Satisfaction

Since the previous survey conducted in 2014, the level of satisfaction with the Shire's services has improved across 15 of the 23 services measured in both years. These include Customer Service, Libraries, Parks and Reserves, and Shire Events.

Research Solutions, who conducted the survey for the Shire this year, prepared a report detailing the results which can be

found on the Shire's website.

## Strategic Community Plan Workshops, Youth Survey and Art Competition

In October and November 2016 we invited the community to attend one of five 'Cuppa & Chat' workshops held in different locations around the Shire so they could tell us what is important to them for the future.

We also wanted to hear from our young people so we developed a Youth Survey and Art Competition especially for them.

A total of 87 adults participated in the Cuppa & Chat workshops, and 104 children and young people participated in the Youth Survey and Art Competition. Their feedback was then incorporated into the Draft Strategic Community Plan 2017-2027 which was released for public comment in March 2017. The plan was adopted by Council on 20 June 2017 in time for implementation in the 2017-18 financial year.

## Coastal Hazard Risk Management Adaptation Planning

Another priority for the Shire was consulting community on coastal erosion management, which continues to be a major issue for the Shire of Gingin.

In May 2017 the Shire of Gingin, in partnership with the Shire of Dandaragan, hosted community engagement workshops in Lancelin and Jurien Bay where interested stakeholders had the opportunity to view and discuss coastal erosion hazard maps, provide information about the uses and values of coastal areas to inform future planning, and see examples of how other communities are adapting to coastal change. Coastal engineers, marine scientists, planners and Shire representatives were on hand to discuss the information in person.

In addition, both Shires released an online survey to ensure that the broad community's values and attitudes inform the design of short and long term coastal erosion management solutions.

Both Shires are preparing coastal adaptation plans to manage our respective coastal erosion hazards in accordance with *State Planning Policy 2.6*:

*Coastal Planning Policy* and feedback from community has been an important part of the planning process. Once the Shire of Gingin's CHRMAP has been finalised it will be available to the public.

## Youth Development Traineeship and Scholarship Program Funding

In December 2016 we were pleased to receive funding through the Department of Local Government and Communities – Country Local Government Fund (CLGF) for a Youth Development Traineeship and a Youth Development Scholarship.

The **Traineeship Program** provides support to young people, aged 24 years or under, to enable them to develop long-term employment skills and expose them to future employment opportunities and networks. It will provide them with hands-on experience and develop their confidence to undertake ongoing employment.

Funding to the amount of \$16,500 (\$15,000 toward wages and \$1,500 for trainee course fees) was approved for a Building Maintenance Youth Development Traineeship. The Shire of Gingin and the Bendigo Bank formed a partnership and agreed to contribute \$10,000 each toward the balance of costs associated with the 12 month traineeship.

The **Scholarship Program** provides funding for country local government employees, aged 30 years and under, to participate in nationally accredited training to build their knowledge, skills and leadership capacity.

Funding to the amount of \$2,560 was approved for the Shire to provide a Youth Development Scholarship for the undertaking of a Certificate IV in Local Government Administration by a Customer Service/Administration Officer.

Both these funding opportunities support "Improving the capacity of the workforce to better meet and service future needs" strategy of the Shire's Workforce Plan 2016 and is an exciting investment into the future of young people in the Shire. Not only will this initiative enable participants to gain valuable skills through real life experience, it will enable them to stay living in their local community through the provision of local job options.



**Grant Funding Acknowledgement**

During 2016-17, the Shire of Gingin received a total of \$299,440 in grant funding for a number of key projects. These included:

- Lotterywest – Ledge Point Playground \$50,000
- Community Sport & Recreation Facilities Fund (Minister for Sport & Recreation) – Ledge Point Country

Club resurfacing of synthetic green \$35,000

- Northern Agricultural Catchment Council – Seabird Rehabilitation Project \$10,000
- Bendigo Bank - 1st Aid training for volunteer transport drivers \$1,980

It has indeed been another big year and I'd like to extend my thanks to the Shire of Gingin Councillors and Executive

Management Team for their leadership and direction, and to all the staff who continue to do a wonderful job getting things done.



Jeremy Edwards  
**Chief Executive Officer**





# Strategic Community Plan Overview

## Our Community Vision and Aspirations

***“We are a progressive and caring community that celebrates its unique lifestyle and offers a welcoming place to live, work and visit.”***

Whether coastal or country, it is lifestyle that continues to be the primary reason why the community calls the Shire of Gingin home.

The following community aspirations and focus areas form the basis of the Shire of Gingin's Strategic Community Plan 2015-2025, which also includes focused objectives to help the Shire support the community in fulfilling these aspirations.

### Focus Area 1: Community Wellbeing

- **Community Aspiration:** An active and engaged community with a range of easily accessible services and facilities.
- **Shire Objective:** To support the Shire of Gingin's community to be inclusive, vibrant and healthy.

### Focus Area 2: Natural Environment

- **Community Aspiration:** A pristine environment which is protected for future generations.
- **Shire Objective:** To support a healthy natural environment.

### Focus Area 3: Built Environment

- **Community Aspiration:** Sustainable population growth and relevant infrastructure provision in all towns.
- **Shire Objective:** To effectively manage growth and provide for community.

### Focus Area 4: Local Business

- **Community Aspiration:** Strong economic growth and support with local employment opportunities.
- **Shire Objective:** To facilitate local business growth.

### Focus Area 5: Leadership and Governance

- **Community Aspiration:** Progressive and transparent leadership which is contemporary and involves the community in responsible governance.
- **Shire Objective:** To demonstrate effective leadership and governance.

## Strategic Community Plan – Implementation, Resourcing & Performance

The Shire of Gingin's Strategic Community Plan is implemented through the four year Corporate Business Plan, which is reviewed and updated annually. The Corporate Business Plan 2016-2020 includes a range of Actions for each of the Strategies identified in the Strategic Community Plan 2015-2025. The Shire's 2016-17 capital and operating major projects budget was aligned to these Actions along with projects identified in the Shire's long term financial planning documentation. In the 2016-17 financial year, 97 projects and 33 ongoing programs were planned for delivery. Across all the projects, 70% were successfully implemented as planned and 30% were either deferred, delayed or cancelled. All ongoing programs were successfully delivered.

The following pages list the Strategic Community Plan 2015-2025 Objectives, Outcomes and Strategies and their corresponding Corporate Business Plan Actions & Major Projects for the 2016-17 financial year. An overview of 2016-17 progress against these is provided, along with an outlook for the 2017-18 financial year.

Next financial year the Shire will be implementing its new Strategic Community Plan 2017-2027, which was adopted by Council on 20 June 2017.

# Overview of Strategic Community Plan Progress

## Community Wellbeing

Support the Shire of Gingin's community to be inclusive, vibrant and healthy.

### Outcome: Inclusive Community

Strategy Partner with age care providers to develop ageing in place services and accommodation.			
CBP	Actions & Major Projects	2016-17 Progress	2017-18 Outlook
Action	Develop land and facility options for the provision of aged care accommodation.	Ongoing negotiations with H&H in relation to an eco-lifestyle village.	Support an increase in the number of Independent Living Units available within the Shire in partnership with the private sector and/or through direct service provision.  Gingin Independent Living Units construction and sale.
Strategy Develop the Shire of Gingin as an age friendly community.			
CBP	Actions & Major Projects	2016-17 Progress	2017-18 Outlook
Action	Attract and support aged care services including in-home care and support.	The Gingin Community Transport initiative has successfully operated since February 2017.	Advocate for improved senior services.
Action	Provide age-friendly infrastructure.	Age Friendly infrastructure is considered as part of the Shire's Disability Access and Inclusion Plan mandate.	Improve the provision of age-friendly infrastructure for all, including Disability Access and Inclusion Planning.
Strategy Identify opportunities to engage with youth through the Shire's services and facilities.			
CBP	Actions & Major Projects	2016-17 Progress	2017-18 Outlook
Action	Develop a youth engagement/development policy or strategy.	Action for future years.	Develop and implement a Youth Services Strategy.
Action	Employ a Youth Development Officer.	Action for future years.	To be re-considered, if appropriate, following completion of the Youth Services Strategy.
Strategy Support community groups and volunteers.			
CBP	Actions & Major Projects	2016-17 Progress	2017-18 Outlook
Action	Appropriately resource Club Development Officer.	Club Development Officer employed for the financial year with support of Department of Sport and Recreation.	Ongoing support for the Club Development Officer in partnership with the Department of Sport and Recreation.
Action	Deliver a Community Grants Program to support the Shire's Strategic Objectives.	Community Grants Program successfully delivered.	Ongoing delivery of a Community Grants Program to support the Shire's Strategic Objectives.

### Outcome: Vibrant Community

Strategy Support vibrant local and regional events.			
CBP	Actions & Major Projects	2016-17 Progress	2017-18 Outlook
Action	Partner and deliver a range of community events.	Annual Suite of Events successfully delivered.	Ongoing partnership and delivery of a range of community events.
Project	Partner and deliver a range of community events - within existing operational resources deliver Annual Suite of Events.	Annual Suite of Events successfully delivered.	Partner and deliver a range of community events.



## Outcome: Healthy Community

Strategy Advocate quality health services, facilities and programs.			
CBP	Actions & Major Projects	2016-17 Progress	2017-18 Outlook
Action	Lobby the State Government and health providers for the ongoing provision of a permanent local General Practitioner and Preventative Health Programs.	Ongoing research being undertaken into local government GP service models.	Work in partnership with health providers to improve access to medical services within the Shire.
Action	Shire supported GP Services.	Support provided for the 2016-17 financial year.	Ongoing delivery of General Practitioner Services.
Action	Deliver essential services in Bush Fire Prevention and Control, Ranger Services and Environmental Health to support law, order and public safety.	Successful ongoing service delivery.	Ongoing delivery of Local Emergency Services, Ranger Services and Environmental Health Services.
Project	Nilgen Fire Shed.	Project deferred due to contractor availability.	To be completed in 2017-18.
Project	Ocean Farm Fire Shed.	Project completed.	-

# Natural Environment

Support a healthy natural environment

## Outcome: Biodiversity Conserved

Strategy: Conserve natural environments and protect biodiversity.			
CBP	Actions & Major Projects	2016-17 Progress	2017-18 Outlook
Action	Implement the Coastal Management Policy and Action Plan.	Grace Darling Sand Renourishment completed. Seabird monitoring ongoing.	Ongoing. Coastal Adaptation and Protection - Ledge Point Wave Attenuation Project.
Project	Coastal Hazard Risk Management and Adaptation Planning.	Community survey undertaken.	Ongoing implementation of the Coastal Hazard Risk Management and Adaptation Plan.
Project	Seabird Erosion Project.	Completed, ongoing maintenance.	-
Project	Seabird Erosion Project - Seawall Extension.	Project completed, 12 month maintenance period.	-
Action	Review and implement governance systems to control vehicle access to beachfront.	Controlling vehicle access to beachfront areas is ongoing within existing operational resources.	Improve management of off-road vehicles to protect natural areas, resources and public safety.
Action	Encourage and support community landcare initiatives.	Environmental grants provided through the Community Grants Program.	Ongoing support for community landcare initiatives.
Action	Improve and develop the Shire's biodiversity conservation processes.	Significant progress towards completion of a Weed Register.	Improve the Shire's Conservation and Environmental Management service provision.

Strategy: Implement ground and surface water management strategies.			
CBP	Actions & Major Projects	2016-17 Progress	2017-18 Outlook
Action	Storm water management plans for towns within Shire of Gingin.	See major projects below.	Ongoing provision of Drainage Infrastructure. Marchmont drainage.
Project	Gingin Sporting Grounds Bank Stabilisation.	Deferred to 2017-18.	To be completed in 2017-18.
Project	Roe Street - Gingin Brook Road - Retention Basin Drainage Works.	Completed.	

## Outcome: Reduce Energy and Water Use, and Waste Generation

Strategy: Adopt environmentally sustainable best practice in the Shire's operations.			
CBP	Actions & Major Projects	2016-17 Progress	2017-18 Outlook
Action	Prepare draft Environmental Policy.	Action for future years.	Environmental priorities to be determined as part of the Corporate Business Planning process.

Strategy: Through innovative design and management reduce water and energy use in Shire run facilities and open space.			
CBP	Actions & Major Projects	2016-17 Progress	2017-18 Outlook
Action	Conduct water use and energy audits on Shire and community facilities, and increase use of solar power.	Officers continuing to audit electricity use of Shire. Solar panels were installed at the Shire of Gingin Administration Centre.	Ongoing implementation of the Solar Panel Program for Shire buildings.



<b>Strategy</b>			
<b>Plan for continuous improvement in Waste Management.</b>			
<b>CBP</b>	<b>Actions &amp; Major Projects</b>	<b>2016-17 Progress</b>	<b>2017-18 Outlook</b>
Action	Review current collection service and waste management to identify efficiencies and inefficiencies as part of the development of the Waste Management Plan.	The development of a Waste Management Plan and Implementation of Strategies for existing waste facilities is to be reviewed in 2017-18.	Develop and implement a Waste Management Plan in 2017-18.
Project	Wannamal Road West Local Waste Facility Study (fully funded through reserve).	Council approved scheme amendment in June 2017, pending Western Australian Planning Commission approval.	Ongoing.

# Built Environment

Effectively manage growth and provide for community

## Outcome: Meet Transport Infrastructure and Service Needs

<b>Strategy</b> Effective integrated transport planning and implementation in partnership with State and Federal Government Agencies.			
<b>CBP</b>	<b>Actions &amp; Major Projects</b>	<b>2016-17 Progress</b>	<b>2017-18 Outlook</b>
Action	Review and implement Forward Capital Roadworks Plan.	See projects below.	Maintain and expand existing Road and Path network.  Cowalla Road and Murray Road Bridges.
Project	Annual road program.	Completed, with the exception of Fynes Road and Dewar/Weld/Brockman St intersection.	Ongoing.
Project	Western Power street lighting – whole Shire.	Fully funded.	Ongoing.
Project	Roads to Recovery.	RTR projects completed.	Ongoing.
Action	Implement and review 10 year Pathway Plan.	Pathway expansion program completed.	Maintain and expand existing Road and Path network.
Action	In collaboration with the Wheatbelt Development Commission review transport needs and advocate State Government for improved transport networks through the Wheatbelt Integrated Transport Plan (advocacy).	The Shire has been working with the WDC and State Government to secure funding for this project.  The bus shelter on Gabbadah Drive and the Lancelin Community Bus Shed is completed.	Improve community and public transport infrastructure and services.
Action	Review Road Hierarchy Plan.	Action for future years.	To be completed as a Project in 2017-18.

## Outcome: Plan for Future Development

<b>Strategy</b> Plan for growth by developing land use planning strategies to meet current and future needs and protect the natural environment.			
<b>CBP</b>	<b>Actions &amp; Major Projects</b>	<b>2016-17 Progress</b>	<b>2017-18 Outlook</b>
Action	Review Town Planning Scheme 9.	Action for future years.	Ongoing review and implementation of Town Planning Strategies and Schemes. Next review due in 2018-19.
Action	Develop a Gingin Commercial/Town Centre Concept Plan.	Action deferred.	To be reconsidered in future years.
<b>Strategy</b> In partnership with relevant agencies facilitate diverse and affordable housing options.			
<b>CBP</b>	<b>Actions &amp; Major Projects</b>	<b>2016-17 Progress</b>	<b>2017-18 Outlook</b>
Action	Investigate and progress options for sewerage scheme in townsites to allow for diverse and affordable housing through density infill, and in line with the WDC 'Wheatbelt Blueprint'.	Future action.	Encourage connection to existing sewerage infrastructure and support town site sewerage expansions (subject to existing uptake and growth).
Action	Support existing partnership with Dept of Housing and consider new partnerships with other agencies to provide social/aged housing.	H & H gave a deputation to Council in June 2017 to progress the eco lifestyle initiative on Old Mooliabeenee Road. Negotiations around land acquisition is continuing.	Ongoing.

## Outcome: High Quality and Well Utilised Community Facilities and Assets

<b>Strategy</b> Plan for the future of Community Facilities and Public Open Space.			
<b>CBP</b>	<b>Actions &amp; Major Projects</b>	<b>2016-17 Progress</b>	<b>2017-18 Outlook</b>
Action	Develop and implement a Community Facilities Plan whilst continuing to maintain Community Facilities and Public Open Spaces.	Significant maintenance and development of community facilities undertaken. See major project below.	Maintain existing community infrastructure. Review Community Infrastructure Service Levels in consultation with community. Gingin - Hockey Field Bank Stabilisation; Ledge Point Playground Renewal; Lancelin - Lancelin Golf Course - Reticulation Expansion.
Project	Lancelin Sporting Complex Portable Building Design and Construction - Football Club (Pirates).	Completed.	
Action	Update and broaden detail in Asset Management Plan.	Asset Management Plan major review ongoing and carried forward to 2017-2018.	Implement and review Asset Management Plans.
Action	Maintain administration assets.	Administration assets maintenance undertaken as planned. See major project below.	Ongoing.
Project	Plant Replacement Program.	Completed as per Plant Committee and Council direction.	Ongoing.
<b>Strategy</b> Maintain and promote heritage sites as cultural assets.			
<b>CBP</b>	<b>Actions &amp; Major Projects</b>	<b>2016-17 Progress</b>	<b>2017-18 Outlook</b>
Action	Implement Local Heritage List and ensure specific management needs are noted within Asset Management Plan.	Local Heritage List is contained within the Asset Management Plan to ensure specific management needs are monitored.	Ongoing implementation and review of the Local Heritage List. Next review due in 2021-22.



# Local Business

## Facilitate Local Business Growth

### Outcome: Attract New Enterprise

Strategy			
Attract and develop a diverse range of tourism providers.			
CBP	Actions & Major Projects	2016-17 Progress	2017-18 Outlook
Action	Identify and prioritise actions to promote and support the development of tourism through the development of Tourism Strategy.	Successfully secured funding for the development of the Northern Growth Alliance Sub-Regional Tourism Strategy and available from July 1 2017.	Identify and prioritise actions to promote and support the development of tourism through the development of Tourism Strategy.
Action	Progress planning of options for recreational boating facilities in line with the WDC 'Central Coast Sub-Regional Economic Strategy'.	See major projects below.	In partnership with State and Federal Government invest in major community infrastructure projects that support tourism. Lancelin skate park bowl.
Project	Recreational Boating Facility - Shire of Gingin - design and feasibility.	Awaiting response from State Government in relation to Ledge Point option for Recreational Boating Facility.	Ongoing.
Project	Guilderton - Foreshore Boat Ramp Finger Jetty.	Completed.	-
Project	Guilderton Foreshore Car park Renewal Works.	Completed.	-
Action	Support the tourism industry through infrastructure provision and tourist accommodation.	Council at it's meeting of 20 June 2017 agreed to prepare and advertise a Business Plan to dispose of leasehold to Experience Holidays Pty Ltd for the site of the Lancelin South Caravan Park, Hopkins Street, Lancelin.	Expand, upgrade and maintain Community Facilities that support tourism and service the local community. Ongoing delivery of Shire owned Caravan Parks. Facilitate an increase in Tourist Accommodation. Lancelin - Lancelin South Caravan Park - Acquisition of Assets.
Project	Lancelin Foreshore Development - Cunliffe Street.	Project delayed, quotes obtained and project to be progressed in 2017-18.	Ongoing.
Project	Lancelin Foreshore Development - Hinchcliffe Street Recreational Area Construction.	Completed.	-
Strategy			
Develop and implement an Economic Development Strategy that implements the WDC Central Coast Sub-Regional Economic Strategy at a local level.			
CBP	Actions & Major Projects	2016-17 Progress	2017-18 Outlook
Action	Develop an Economic Development Strategy that encompasses tourism, agribusiness, local retail and industry.	See major project below.	Develop and implement an Economic Development Strategy and continue to support Economic Development programs.
Project	Wheatbelt Development Commission agri-industry processing hub site identification.	The WDC is the lead agency on the agri-industry processing hub identification project, which is expected to be completed by end of 2017.	Wheatbelt Development Commission agri-industry processing hub site identification - implementation.

<b>Strategy</b> <b>Develop and implement an Economic Development Strategy that implement the WDC Central Coast Sub-Regional Economic Strategy at a local level (continued).</b>			
<b>CBP</b>	<b>Actions &amp; Major Projects</b>	<b>2016-17 Progress</b>	<b>2017-18 Outlook</b>
Project	Wheatbelt Development Commission - Ag Lime Strategy.	The Ag Lime Strategy Report has been completed by the WDC.	-
Action	Investigate feasibility of employing an Economic Development Officer.	Not funded in 2017-18 – to be reconsidered in future years.	To be reconsidered.
Action	Encourage introduction of available commercial/industrial land to Shire.	Preparatory planning undertaken for Lancelin Plaza, including draft legal agreement with South West Aboriginal Land Sea Council.	Develop and improve the Shire's Commercial Centres. Support and facilitate commercial development consistent with the Shire's Objectives.
Action	Undertake streetscape enhancement projects of commercial centres.	Community consultation for Lancelin streetscape enhancement undertaken and with works to be undertaken in in 2017-2018.	Develop and improve the Shire's Commercial Centres.

## **Outcome: Grow Local Business, Employment and Training.**

<b>Strategy</b> <b>Facilitate local business to be prosperous and innovative through the development of local networks.</b>			
<b>CBP</b>	<b>Actions &amp; Major Projects</b>	<b>2016-17 Progress</b>	<b>2017-18 Outlook</b>
Action	Improve partnerships with CCI and Small Business Centre.	Regular meetings with between CEO and Lancelin CCI ongoing.	Ongoing as an operating project.
<b>Strategy</b> <b>Encourage Education and Training providers to host training opportunities to up-skill the local workforce.</b>			
<b>CBP</b>	<b>Actions &amp; Major Projects</b>	<b>2016-17 Progress</b>	<b>2017-18 Outlook</b>
Action	Support Community Resource Centres to deliver education and training, and provide work experience opportunities within the Shire.	Ongoing support provided by Shire.	Ongoing as an operating project.

# Leadership and Governance

Demonstrate Effective Leadership and Governance

## Outcome: Engaged and Informed Community

Strategy			
The community is appropriately engaged in and informed about the Shire's services, activities and decisions.			
CBP	Actions & Major Projects	2016-17 Progress	2017-18 Outlook
Action	Develop Community Engagement Framework, Policy and Staff Manual/Procedures.	Deferred to 2017-18.	Develop and maintain a Stakeholder and Community Engagement Policy.
Strategy			
Provide quality customer service and communicate regularly with the community.			
CBP	Actions & Major Projects	2016-17 Progress	2017-18 Outlook
Action	Develop Customer Service Charter including clarification of service standards (response times).	Completed.	-
Action	Develop a Communication/ Marketing Plan.	An operational Communications strategy was prepared.	Implement and maintain a Communications & Marketing Plan.
Action	Undertake Biennial Community Perception Survey.	The Biennial Community Perceptions Survey was completed.	Ongoing.

## Outcome: Accountable and Responsible Governance

Strategy			
Continue to develop and implement integrated planning and reporting for the long term financial sustainability of the organisation.			
CBP	Actions & Major Projects	2016-17 Progress	2017-18 Outlook
Action	Strengthen reporting processes.	Continuous improvement in reporting processes undertaken.	Implement and review the Shire's Strategic Community Plan and Corporate Business Plan.
Action	Integrate long term financial planning to resource the delivery of the Strategic Community Plan.	Long Term Financial Plan drafted and to be finalised in 1st quarter of 2017-18.	Implement and review the Long Term Financial Plan.
Action	Develop Service & Place Plans.	Action for future years.	Develop a program of Service Reviews and an approach to Service/Place Planning.
Action	Undertake a major review of the Strategic Community Plan.	Major review undertaken in consultation with community and a new Strategic Community Plan adopted 20 June 2017.	Implement and review the Shire's Strategic Community Plan and Corporate Business Plan.
Strategy			
Develop policy and strategy which supports sound decision making.			
CBP	Actions & Major Projects	2016-17 Progress	2017-18 Outlook
Action	Review of policy manual, delegation register, and local laws.	Ongoing reviews undertaken.	Operational project under Facilitate Good Governance.
Action	Enhance Councillor Induction Program.	Review of Induction Program undertaken.	Provide training and development opportunities to Elected Members.
Action	Improve delegation and gift registry transparency and accountability processes.	Gift Register available in accordance with legislative requirements.	-



Strategy			
<b>Implement the Reconciliation Action Plan 2014-2023.</b>			
CBP	Actions & Major Projects	2016-17 Progress	2017-18 Outlook
Action	Prioritise actions from Reconciliation Action Plan for implementation and commence implementation.	Reconciliation Action Plan reviewed and a new draft plan currently being finalised.	Ongoing.
Strategy			
<b>Implement Disability Access Inclusion Plan.</b>			
CBP	Actions & Major Projects	2016-17 Progress	2017-18 Outlook
Action	Prioritise actions from Disability Access and Inclusion Plan for implementation and commence implementation.	Reviewed DAIP Plan to be presented to Council in July 2017.	Prioritise and implement actions from the Disability Access and Inclusion Plan and the Age Friendly Communities Report.

## Outcome: A Progressive Organisation that Encourages Innovation and Collaboration

Strategy			
<b>Develop and implement a plan to ensure continuous improvement.</b>			
CBP	Actions & Major Projects	2016-17 Progress	2017-18 Outlook
Action	Explore implementation of business excellence framework as a quality assurance measure.	Training scheduled in Australian Business Excellence Framework for September 2017 and a staff member has been identified to attend.	Develop a program of Service Reviews and an approach to Service/Place Planning.
Strategy			
<b>Attract and retain the best staff to work at the Shire.</b>			
CBP	Actions & Major Projects	2016-17 Progress	2017-18 Outlook
Action	Annual review of Workforce Plan and prioritise and implement workforce strategies.	The review of the Workforce Plan has been deferred and will recommence following implementation of new structure 1 July 2017.	Implement and review the Workforce Plan.
Strategy			
<b>Foster a respectful corporate culture.</b>			
CBP	Actions & Major Projects	2016-17 Progress	2017-18 Outlook
Action	Review and update Code of Conduct.	Action for future years.	Operational project under review and maintain Human Resource Systems.
Action	Review of Corporate Values.	Action for future years.	Operational project under review and maintain Human Resource Systems.
Action	Develop Employee Recognition Program.	Action for future years.	Operational project under review and maintain Human Resource Systems.
Strategy			
<b>Proactively seek opportunities for collaborative service delivery with neighbouring local governments and the State Government.</b>			
CBP	Actions & Major Projects	2016-17 Progress	2017-18 Outlook
Action	Build relationships with current and future partners.	Continued and ongoing partnership development and networking with relevant stakeholders is undertaken as a matter of course to progress Shire and regional initiatives.	Maintain existing partnerships and develop new partnerships.

# Measuring Our Success

The Shire's Strategic Community Plan includes a number of Key Performance Indicators (KPIs) to measure progress against Objectives. It includes a mix of indicators measuring the performance of the Shire as well as Community Measures. These Community Measures are indicators of the broader environment that the Shire is seeking to influence in partnership with the community, the private sector and all levels of government.

Through 2016-17 the Shire continued to work towards the development of systems and processes to support the monitoring

of Key Performance Indicators. This process highlighted the need to further refine KPIs as part of the Major Review of the Strategic Community Plan which was undertaken in the 2016-17 financial year. The following table provides the most recent available data and commentary for each Key Performance Indicator. It also highlights changes in KPIs made during this period or planned for next financial year.

## Community Wellbeing

Key Performance Indicator	Current Result	Previous Result	Trend	Comment
Community satisfaction with the Shire as a place to live. (Community Measure)	Mostly Satisfied (2016)	Mostly Satisfied (2014)	-	Next Annual Report these measures will be replaced with Regional Competitiveness Index Indicators produced by Regional Institute of Australia.
Community satisfaction with quality of life. (Community Measure)	N/A	Mostly Satisfied (2014)	-	
Community satisfaction with Shire Events.	Mostly Satisfied (2016)	So/so (2014)	▲	This measure replaces 'increase attendance at local and regional events'.

## Natural Environment

Key Performance Indicator	Current Result	Previous Result	Trend	Comment
Reduce Shire of Gingin's energy use.	The Shire continues to work towards the identification of energy savings and the installation of solar panels.		-	Next Annual Report this measure will no longer be reported.
Community satisfaction with weekly rubbish collection.	Strong Satisfaction (2016)	Strong Satisfaction (2014)	▶	These measures replace 'Increase percentage of waste recycled in Shire of Gingin'.
Community satisfaction with local rubbish tips.	Mostly Satisfied (2016)	Mostly Satisfied (2014)	▶	
Community satisfaction with verge side green waste collection.	Mostly Satisfied (2016)	Low Satisfaction (2014)	▲	
Community satisfaction with conservation and environmental management.	So/so (2016)	Low Satisfaction (2014)	▲	This measure replaces 'Increase protection of high conservation value natural areas' and 'Improve native reserve condition'.



## Built Environment

Key Performance Indicator	Current Result	Previous Result	Trend	Comment
Community satisfaction with libraries.	Strong Satisfaction (2016)	Strong Satisfaction (2014)	▶	These measures replace 'Increase community satisfaction with Shire Assets'.
Community satisfaction with parks and reserves.	Strong Satisfaction (2016)	Strong Satisfaction (2014)	▲	
Community satisfaction with sport and recreation facilities.	Strong Satisfaction (2016)	Strong Satisfaction (2014)	▶	
Community satisfaction with community buildings.	Strong Satisfaction (2016)	So/so (2014)	▲	
Community satisfaction with management and control of traffic on local roads.	Mostly Satisfied (2016)	So/so (2014)	▲	
Community satisfaction with maintenance of unsealed roads.	So/so (2016)	Low Satisfaction (2014)	▲	
Community satisfaction with maintenance of sealed roads.	Low Satisfaction (2016)	Low Satisfaction (2014)	▶	
Increase community satisfaction with building and planning permits approvals.	Mostly Satisfied (2016)	Low Satisfaction (2014)	▲	
Increase kilometres of dedicated walk and cycle trails.	191 additional metres.	920 additional metres.		

## Local Business

Key Performance Indicator	Current Result	Previous Result	Trend	Comment
Number of tourists who visit the Shire of Gingin. (Community Measure)	556,000 (2016)	377,000 (2014)	▲	Next Annual Report these measures will be replaced with Regional Competitiveness Index Indicator for Local Economic Development Support produced by Regional Institute of Australia.
Average dollars spent per trip to the Shire of Gingin. (Community Measure)	\$139 (2016)	\$117 (2014)	▲	
Percentage share of WA visitors. (Community Measure)	2% (2016)	2% (2014)	-	

## Leadership & Governance

Key Performance Indicator	Current Result	Previous Result	Trend	Comment
Increase community satisfaction with the Shire of Gingin's overall performance.	Mostly Satisfied (2016)	Low Satisfaction (2014)	▲	This measure replaces 'the Shire as a governing organisation'.
Increase community satisfaction with the Shire's community consultation and engagement.	Low Satisfaction (2016)	Low Satisfaction (2014)	▶	These measures replace 'perception of how community is consulted about local issues'.
Increase community satisfaction with how the Shire informs community about local issues.	So/so (2016)	Low Satisfaction (2014)	▲	

## Financial Ratios

Overall the Shire's financial ratios achieve the Key Performance Indicator of 'indicating sound financial health.' Most of the ratios fall within acceptable ranges and three of seven meet and exceed the target set by State Government. The Shire continues to work towards improving financial ratios over the long term, both in performance and accuracy. The Operating Surplus Ratio, in particular, requires further attention and the Shire will continue to work towards improving it.

In 2016-2017 the Shire increased its asset management

capability with the creation of the new position of Executive Manager Assets. The Shire's approach to asset management has a significant impact on its financial sustainability and building this asset capability is critical. Over the next five years the Shire will be focusing on reviewing asset management plans, recording and management of capital expenditure and allocations for depreciation, maintenance, renewal and upgrade of assets. This is anticipated to improve the accuracy of financial ratios over time and provide more meaningful feedback on financial performance.

Financial Ratios	2016-17 (adjusted)	2015-16 (adjusted)	Performance 2016-17 Target	Gingin Trend	5 Year Regional Average	State Average
Current Ratio	1.31	1.52	≥1 ✓	▼	2.33	2.22
Asset Sustainability Ratio	1.00	1.79	≥1.1 ✗	▼	1.31	1.18
Debt Service Cover Ratio	11.15	11.04	≥10 ✓	▲	10.37	12.41
Operating Surplus Ratio	(0.14)	(0.17)	≥0.15 ✗	▼	(0.18)	(0.11)
Own Source Revenue Coverage Ratio	0.73	0.78	≥0.9 ✗	▼	0.54	0.67
Asset Consumption Ratio	0.96	0.97	≥0.75 ✓	▲	0.79	0.73
Asset Renewal Funding Ratio	0.93	0.46	≥1.05 ✗	▲	0.97	0.94

### Notes:

- Community Perceptions Survey results are sourced from the 2014 and 2016 Community Perceptions Survey commissioned by the Shire and conducted by Research Solutions in 2016 and Catalyse in 2014. Performance results are defined as follows: Strong Satisfaction 81-100%, Mostly Satisfied 56-80%, So/So Satisfaction 46-55%, Low Satisfaction 21-45%, Very Low Satisfaction 1-20%.
- Tourism data is sourced from Tourism Research Australia (2014 & 2016) Local Government Area Profiles, 2014 Gingin, WA. Published by Tourism Research Australia, Australian Government, Austrade.



# Office of the Chief Executive



## Governance

### Review of Policies

During the period 1 July 2016 to 30 June 2017, Council amended eight existing policies.

### Review of Delegations

In accordance with section 5.46 of the *Local Government Act 1995*, a review of the Shire's Delegation Register was undertaken during the period, with Council adopting the review at its meeting on 20 June 2017.

### Completion of Annual Returns

In accordance with section 5.76 of the *Local Government Act 1995*, Annual Returns were lodged by all relevant persons by the due date of 31 August 2016.

### Annual Compliance Audit Return

All local governments are required to carry out an Annual Compliance Audit for the period 1 January to 31 December as specified by the *Local Government Act 1995*. The return includes a range of compliance categories to be met by local governments.

The 2016 Annual Compliance Audit Return for the Shire of Gingin was received by Council at its meeting on 21 March 2017 and subsequently submitted to the Department of Local Government and Communities in accordance with Regulations 14 and 15 of the *Local Government (Audit) Regulations 1996*.

The audit, which was undertaken internally, found that the Shire's standard of compliance was once again very high, with only one instance of non-compliance out of a total of 87 items included in the Return. This equates to an achievement of 98.8% compliance, which is consistent with the results for 2015.

The one instance of non-compliance detected related to the

failure to record a delegation in the Shire's Delegated Authority Register.

At its meeting on 15 March 2016, Council delegated authority to the President and CEO to enter into negotiations with Neo Infrastructure to develop a scope of works and project delivery schedule in relation to the Seabird sea wall. This delegation was not recorded in the Delegated Authority Register.

The delegation was short-term in nature and expired upon completion of the project; however, it should have been included in the publicly available Delegated Authority Register while it was in effect.

The omission has been noted by Administration, and greater attention will be paid to this requirement for similar short term delegations in the future.

### Complaints of Minor Breach

In accordance with sections 5.53(2) and 5.121 of the *Local Government Act 1995*, the Annual Report is required to disclose the number of complaints of minor breach received each year.

Number of Complaints 2016-17	Outcome	Action Taken
Nil	-	-

## Human Resources

The Shire of Gingin has worked hard toward gaining a reputation for being an “Employer of Choice”. In the 2016-17 financial year the main emphasis was on an organisational restructure and integrated planning. New Occupational Health and Safety procedures were introduced for contractors employed by the Shire and Leadership and Workplace Behaviour training provided to staff.

The organisational restructure involved staff taking on new roles and responsibilities in several departments, and the following new positions were created:

- Compliance/Planning Officer
- Building Maintenance Officer
- Personal Assistant to Executive Manager Corporate and Community Services
- Building Maintenance Traineeship

The Shire was successful in attaining funding from the Department Local Government and Communities – Country Local Government Fund for a Building Maintenance Youth Development Traineeship

and entered into a partnership with the Bendigo Bank to enable us to offer a young community member this excellent opportunity. The Shire was also successful in applying for funding to offer a Youth Development Scholarship to a current young staff member to undertake a Certificate IV in Local Government (Administration). The Shire has also given an opportunity to nine local school children to undertake work experience in the Administration and Operations areas.

During 2016-17 the Shire had a Full Time Equivalent (FTE) staffing level of 57.8 persons. All newly advertised positions were again keenly sought after, with an ever increasing number of applications. The Shire receives “Expressions of Interest” for employment through the Shire’s website almost on a daily basis.

Factors such as population growth, increased planning development applications and an increase in the demand for Shire services will have a significant effect on the workforce and its capabilities in the future.

## Payment to Employees

In 2016-17 the number of employees at the Shire of Gingin who were entitled to an annual cash salary of \$100,000 or more was six (6). The table below also includes figures for 2015-16 financial year which were inadvertently omitted from the previous Annual Report 2015-16. The number of employees entitled to a cash salary of \$100,000 or more in 2015-16 was seven (7).

Salary Band \$	Number of Officers	
	2016-17	2015-16
100,000 – 110,000	1	0
110,000 – 120,000	1	4
120,000 – 130,000	1	1
130,000 – 140,000	1	0
140,000 – 150,000	0	0
150,000 – 160,000	0	1
160,000 – 170,000	0	0
170,000 – 180,000	2	1

## Strategic Planning and Development

### Lancelin South Caravan Park Major Land Transaction

In October 2016 the Shire undertook the day to day management of the Lancelin Caravan Park following the end of a 35 year leasehold to Esther Investments Pty Ltd. During this time an Expression of Interest was advertised seeking interested parties for the redevelopment and leasehold at the site. The Lancelin Caravan Park Evaluation and Selection Committee considered three Proposals and resolved to consider two parties. Following such evaluation Council agreed to enter into discussions with Experience Holiday Parks Pty Ltd for the redevelopment and

leasehold at the site for a proposed 21 year period with a 21 year optional period. This Proposal will be considered as a Major Land Transaction under s3.59 of the *Local Government Act 1995* and a Business Plan is to be prepared and advertised prior to Council entering into any business transaction. Experience Holiday Parks Pty Ltd have committed to improving the Park as a tourist destination and providing over \$5.7 million in infrastructure including connection to reticulated sewerage.

### Guilderton Caravan Park

The Guilderton Caravan Park continues to attract tourists and operates at maximum capacity over the summer months and long weekends. This year Council determined to include solar panels at the Park to assist with the reduction of the electricity account and has replaced all pipes and taps throughout the whole

Park. Other significant investment includes the ongoing chalet refurbishment and the installation of limestone retaining walls at the site. Council is currently considering future management of the Park whereby alternate management options will likely be presented in late 2017.

## Coastal Hazard Risk Management and Adaptation Plan (CHRMAP)

Cardo Pty Ltd was awarded grant funding provided primarily by the Department of Planning, Lands and Heritage to continue with the preparation of the Shire of Gingin CHRMAP process. The CHRMAP is a requirement imposed by State Government under the *Western Australian Planning Commission State Planning Policy 2.6 for Coastal Development* which requires local governments to undertake assessment in its coastal zones. As part of this process, all Shire of Gingin ratepayers who have land situated

in a coastal risk area have been notified by post and community workshops were organised in relation to the CHRMAP. The CHRMAP is still in draft format and is expected to be finalised by December 2017. Essentially, the CHRMAP is designed to identify coastal hazard risk areas and provide a response in relation to the adaptation mechanism adopted for future planning and development in those areas.

## Shire of Gingin Heritage List

In accordance with the provisions in the *Planning and Development Act 2005* the Shire has commenced the preparation of a Heritage List. The Heritage List is a register of important heritage properties in the Shire which will assist with the documentation

and, if applicable, the preservation of those sites. Laura Gray, a heritage consultant, has been engaged to assist with this process and the list will be completed by October 2017.

## Seabird Tourist Development

Council, at its June 2016 Ordinary Meeting, considered and initiated Scheme Amendment No.16 to its Local Planning Scheme No.9 to rezone Lot 2 at Breton Bay from a general rural zone to a tourist precinct.

The Proposal has been considered by the Office of Environmental Protection Authority prior to Public Notice being given and was adopted by Council on 20 June 2017. The Proposal is now to be considered by the Hon Minister for Planning, Lands and Heritage.

The landowners, The Golden Group Pty Ltd, propose to develop a caravan park, strata survey lots and a resort at the site adjacent to the coast.

## Wannamal Landfill Site

Council continued to investigate the Shire's freehold land at Lot 5490 Wannamal West Rd for the purposes of a landfill facility. Technical investigations have been undertaken including hydrology, flora and fauna studies.

Environmental Protection Authority, due to the excellent vegetation at the Lot which should not be developed. Further, Council agreed to sell the balance of the Lot with the excellent vegetation to the State Government for conservation purposes. In the event the development proceeds, it is likely that up to 130ha would be included in a Special Control Area with a landfill footprint of approximately 20ha.

The footprint of the landfill area has been reduced from 150Ha to 20Ha at the site, in consultation with the Office of the

## Lancelin Plaza

Eight lots of unallocated Crown Land comprise the eastern section of the Lancelin Commercial Centre commonly known as the Lancelin Plaza. Over the preceding years, Shire Administration has been liaising with State Government to have the land released for development. In the last two years consensus has been achieved in relation to a mutual Proposal for the Yued People to consider removing their Notice of Objection to take the land

in consultation with the South West Aboriginal Land Corporation (SWALC). Further, this year Council resolved to undertake a land swap with Government for the commercial land by offering the State Government Shire Lot 1023 Hopkins Street, Lancelin. Negotiations will continue and the Yued People are currently considering the Proposal.





# Corporate and Community Services



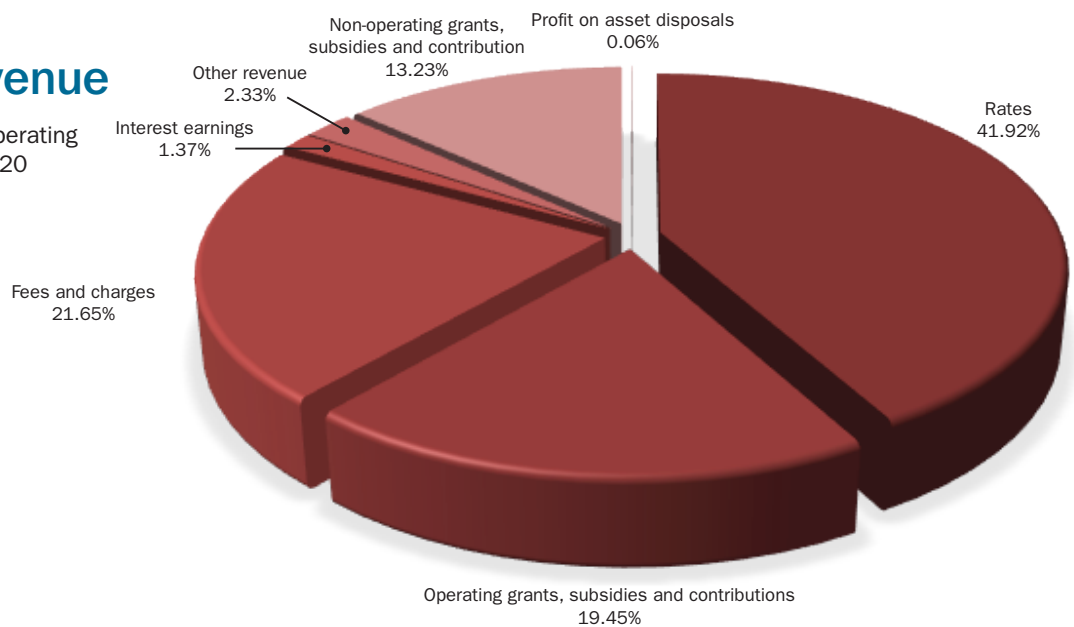
## Corporate Services

### Financial Review

The following tables provide a snapshot of the Shire of Gingin's major financial activities for 2016-17. For a more detailed explanation of these financial activities please refer to the Financial Report from page 39.

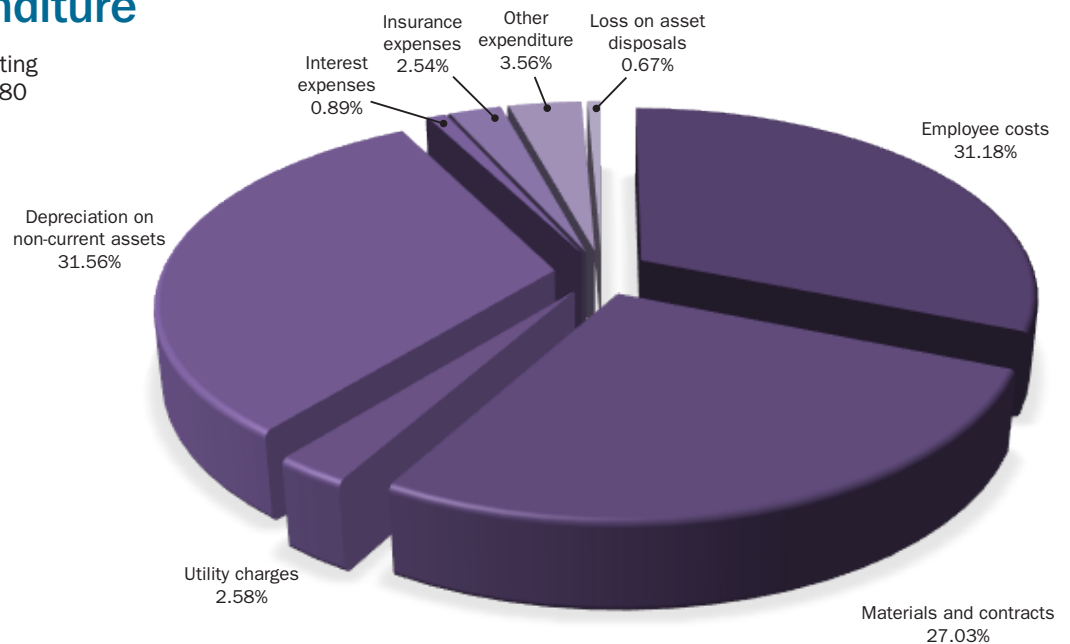
### Table 1 Operating Revenue

This graph represents the operating revenue totalling \$18,149,220 by percentage.



### Table 2 Operating Expenditure

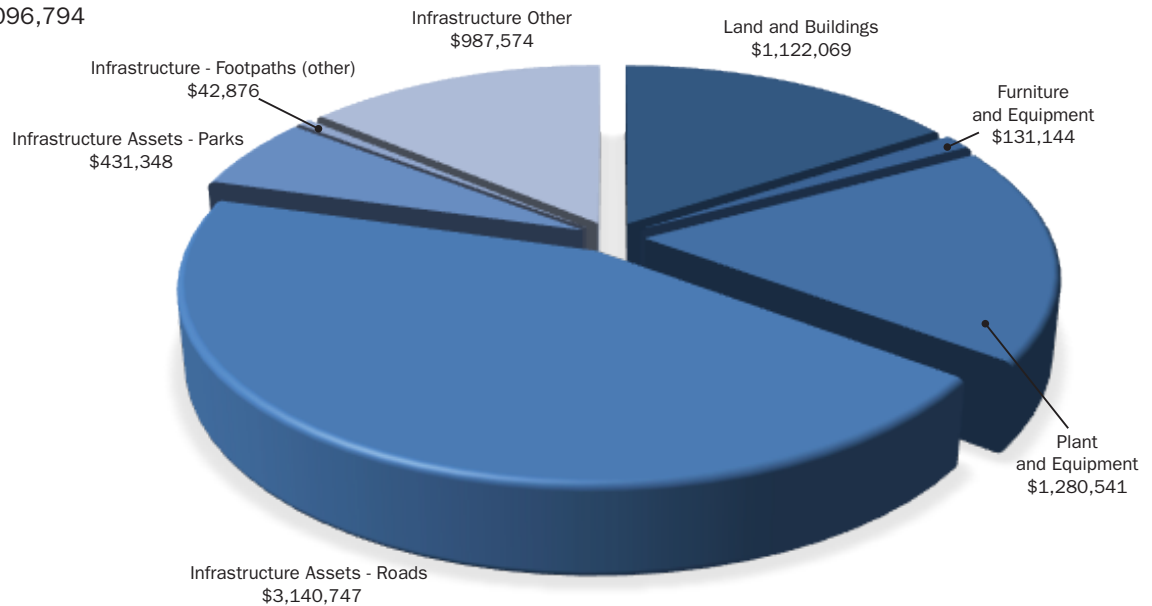
This graph represents the operating expenditure totalling \$16,468,480 by percentage.





## Table 3 Capital Expenditure

This graph represents the capital expenditure totalling \$7,096,794



## Rates Levy

The Shire of Gingin's operating budget for 2016-17 was set at an estimated \$16.56 million. Of that figure, the rates levy set aimed to raise \$7.661 million towards the cost of providing the 100-plus Shire services to its community.

During the financial year the Shire was successful in levying \$7.661 million and collecting approximately 97 per cent of the rates levy set. This was achieved by working with ratepayers who

experienced difficulty in paying.

Unpaid rates arrears at 30 June 2017 stood at \$551,730 with \$253,492 of that total attributable to a single developer who has failed to pay rates for a number of years. The developer's property was repossessed and the arrears are continuing to be recovered from the sale of land.

## Emergency Services Levy

The Shire of Gingin also collected \$367,081 on behalf of the State Government for the Emergency Services Levy (ESL).

During 2016-17 the Shire received an ESL operating grant from the Department of Fire and Emergency Services (DFES) of

\$190,000 towards the cost of the Shire's Bush Fire Service, as well as a \$49,085 pre-payment for 2017-18.

## Audit Committee

The Audit Committee oversees the Shire of Gingin's audit processes. The Committee's Terms of Reference are to provide guidance, assistance and oversight to the Council in relation to the:

- Financial Audit
- Risk Management Framework
- Statutory Compliance Audit

The Audit Committee meets on an as-needs basis during the year, with the timing of each meeting coinciding with a particular aspect of the Shire's audit cycle. All recommendations made by the committee are referred to Council for consideration.

Four Audit Committee meetings were held during 2016-17: in July, September and November 2016, and March 2017.

## Community Development

### Doctor Support in Gingin and Lancelin

The Shire of Gingin continues to support the provision of GP services within the region. Specifically, the provision of doctors in both Gingin and Lancelin is made possible through the financial

support and sponsorship of Council. Although the cost is substantial, the community continues to rate the availability of GP services as a high priority.



## ***KidSport***

KidSport is a Department of Sport and Recreation (DSR) funded project which aims to engage kids in sport and clubs who may otherwise be excluded due to personal circumstance.

The Shire of Gingin continues to support this initiative by administering the DSR funds, where up to \$200 per eligible child

## ***Events – Shire-run working with the community***

### ***Seniors' Week***

Shire of Gingin hosted a luncheon to celebrate Seniors' Day at the Guilderton Country Club on 6 November 2016.

Attendees enjoyed a fun quiz and three course meal.

### ***Australia Day***

Every Australia Day the Shire of Gingin, in conjunction with the Neergabby Community Association, hosts a free event at the Neergabby Grounds to celebrate being Australian. This year's Australia Day celebration was another successful, well-attended event and included the Premier's Active Citizenship Awards, a citizenship ceremony, and a free breakfast.

### ***Summer Suite of Events***

The Shire partnered with Bendigo Bank to present a Summer Suite of Events throughout the Shire. The range of events offered has the potential to engage all members of the community, fostering an inclusive and 'community hub' environment.

## ***Events – Community-run with Shire support***

The Shire of Gingin continues to play an active role in supporting numerous community-run events within the region. During 2016-17 the Shire again supported the following events:

- Lancelin Ocean Classic
- John Bray Junior Fishing Competition
- Gingin British Car Day
- Lancelin P&C Monster Fete
- Gingin ANZAC Day Ceremony
- Ledge Point Sandcastle Competition
- Guilderton Music in the Park

## ***Event Management***

The holding of public and private events within the Shire continues to grow to a point where there are multiple events nearly every weekend. From weddings to sporting events to the filming of movies on location, this has meant that the Shire's reserves, beaches and community facilities are constantly booked and busy.

With the increase of events, the Shire has coordinated an event management process to efficiently manage the growth of community events within the region, but to also manage the

## ***Social Housing***

The Shire of Gingin has a total of 15 community/social housing units dedicated for pensioners/aged persons within the Shire.

Eleven two-bedroom units are located in Lancelin and are managed in a partnership arrangement with the Department of Housing to provide for those on a pension and/or concession, and aged 55 or over.

per calendar year is payable to clubs and groups. In the 2016-17 financial year the Shire had 84 KidSport approved vouchers totalling 10,399.

These events included:

- Arts in the Park, Gingin
- Gingin Triathlon (see below)
- Guilderton Music in the Park, Guilderton
- Party in the Park, Lancelin Ocean Classic week of events
- Jazz and Movie in the Park, Ledge Point

### ***Gingin and Lancelin Triathlons***

Over 120 participants took up the challenge of competing in the 2017 Gingin Triathlon which was held on Sunday 12 March 2017. Starting and finishing at the Gingin Aquatic Centre entrants had a choice of two courses which could be competed in teams or individually. The event was a huge success and a real boost to community spirit, with people of all ages and fitness levels getting involved.

In addition, the Shire hosted the inaugural Lancelin Triathlon on Sunday 19 February 2017. The event consisted two courses through the Lancelin townsite and attracted 70 participants.

- Lancelin CWA Easter Fair
- Gingin Science Festival
- Neergabby Fireworks Night
- Woodridge Spring Fair
- Ledge Point Polocrosse
- Gingin Carols in the Park

'risk' to event managers when undertaking an event. Following completion of an Event Application Form, which is easily accessible on the Shire's website, Shire staff can then guide the event manager through the Shire's requirements and provide support to effectively minimise risk associated with any given event.

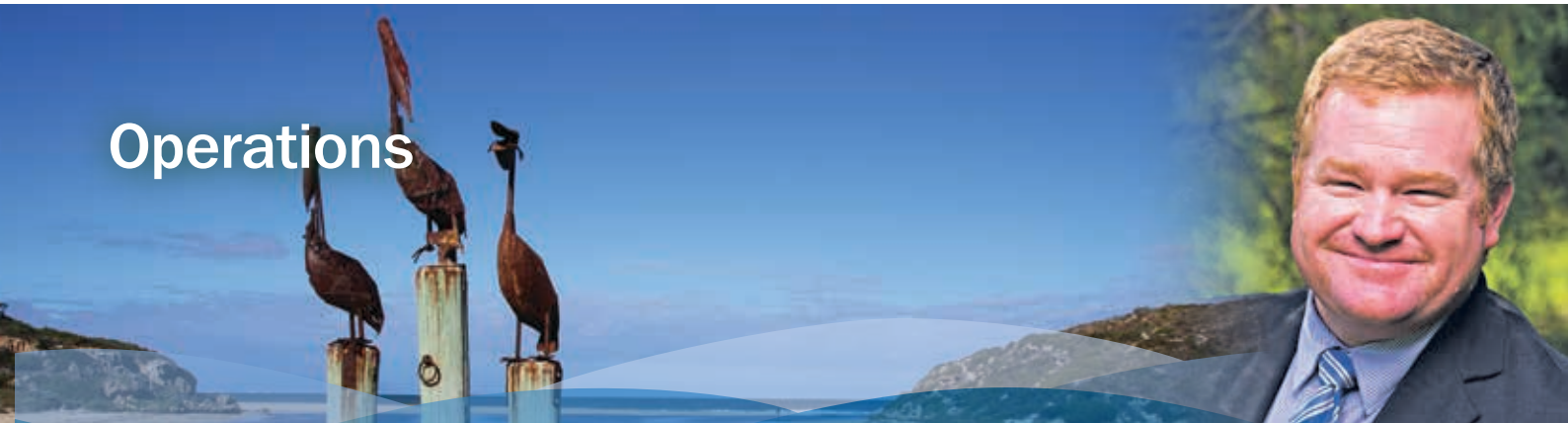
There are four units located in the Gingin town site and are managed solely by the Shire.

The occupancy rate for the units is 100%. If a unit becomes vacant it is quickly filled from waiting lists for each of the facilities.





# Operations



## Road Construction

In 2016-17 the Shire of Gingin spent \$3.321 million on road construction projects. Some of the major capital roadworks programs undertaken were:

• Gingin Brook Road (reconstruct road, widen road width and widen seal to 8m)	\$875,994
• Cullalla Road (resheet gravel road)	\$502,779
• Seabird Road (widen sealed road to 8m wide)	\$791,334
• Bennies Road (resheet gravel road)	\$384,986
• Melaleuca Avenue (reseal sealed road)	\$31,150
• Wowra Road and Mooliabeenee Road turning pocket	\$26,029
• Sovereign Hill Drive bus shelter	\$30,055

To assist with the road construction program for 2016-17 funding was received from the following areas:

• State Government (Regional Road Group and Direct Grant)	\$821,506
• Roads to Recovery (Federal Government) – various roads	\$922,343
• State Black Spot (State Government)	\$97,241

The Federal Government funded local governments in 2016-17 triple the amount of funding originally allocated to local governments. This additional funding was used to renew local road assets by resheeting sections of Cullalla Road and Bennies Road. These funds were also used for the replacement of a timber bridge on Murray Road and downgrading it to a culvert. This will remove this asset from the bridge register and greatly reduce the insurance costs while still maintaining river flow and user access.

The Shire has been working with State Government agencies, Main Roads WA and local agricultural lime producers regarding the movement of heavy haulage vehicles moving through the

Shire of Gingin. This includes working on a long term strategy for the heavy haulage vehicles on the Shire's roads for agricultural lime cartage.

The Shire of Gingin is continually looking for ways to increase the quantity and standard of work completed to ensure the roads assets are renewed and upgraded in a sustainable manner. The Shire is upgrading the major sealed roads connecting the Shire to other regions in a progressive manner to ensure these road assets are able to with stand current and projected future traffic volumes.

## Road Maintenance

The Shire of Gingin not only constructs roads and drains but maintains these assets so that the public can continue to utilise this infrastructure safely. The Shire of Gingin has 923km of roads with 494km of sealed road and 429km of unsealed roads

Ther \$2.576 million was spent on (but not limited to) the following areas:

• General Maintenance – Sealed Roads	\$799,089	(22% increase from 15-16)
• General Maintenance – Gravel Roads	\$503,444	(19% decrease from 15-16)
• Verge Maintenance	\$559,103	(6% decrease from 15-16)
• Traffic Signs and Equipment	\$54,350	(3% increase from 15-16)

The Shire's road associated assets are continually deteriorating and require increased maintenance annually. The Shire of Gingin endeavours to maintain these assets to the highest possible standards with the funds and resources at its disposal, and ensures that funds are spent in the most efficient possible manner.

spread over 3,325km<sup>2</sup>. For this financial year the Shire has spent approximately \$2.576 million on maintaining the Shire's road associated assets.

There was a marked increase in unsealed road maintenance due the increased heavy traffic utilising unsealed roads for an ever intensifying and diversifying agricultural and horticultural industry within the Shire.



## Parks, Gardens and Foreshore Maintenance

The Shire of Gingin has numerous areas of public open space to maintain across Shire covering five town sites and six rural living areas. The Shire spent over \$985,000 on maintaining these areas for public use. In addition, the Shire of Gingin

has a number of beaches and foreshores to maintain and has spent \$120,293 on these assets (a 38% decrease from 2015-16).

Expenditure for public space, beaches and foreshores maintenance during 2016-17 included:

• Granville Park (Gingin)	\$93,833	(20% increase from 15/16)
• Ledge Point Recreation Ground	\$27,599	(47% decrease from 15/16)
• Wangaree Park (Lancelin)	\$46,596	(14% decrease from 15/16)
• Gabbadah Park (Guilderton)	\$16,151	(20% decrease from 15/16)
• Grace Darling Park (Lancelin)	\$32,499	(36% decrease from 15/16)
• Guilderton Foreshore (excluding ablutions)	\$56,657	(negligible change from 15/16)
• Ledge Point Foreshore	\$8,105	(200% increase from 15/16)
• Seabird Foreshore	\$7,979	(700% decrease from 15/16)

At the start of the 2016-17 financial year the Shire went out to tender for the turf maintenance contract and in doing so reviewed the service levels for the public open spaces. As

can be seen above the park maintenance costs are reduced and yet the Shire has been able to maintain the amenity of these areas while reducing the cost to the ratepayers.

## Plant and Machinery Replacement

In 2016-17 the Shire of Gingin replaced a number of items of plant to assist with the completion of its Works Program and maintain a sustainable and economic fleet.

The Shire spent a total of \$1,117,090 on purchasing plant and machinery. The major items of new plant purchased in 2016-17 were:

• John Deere Grader	\$317,500
• Prime Mover Truck	\$207,000
• John Deere tractor	\$85,500
• Small vehicles (utes, sedans and wagons)	\$482,942



# Regulatory Services

Regulatory Services is responsible for the administration and delivery of a wide range of services such as Records Management, Ranger Services, Statutory Planning, Environmental Health and Building Services.

## Ranger Services

Shire Rangers are involved with community education, awareness and enforcement of various legislation namely the *Dog Act 1976*, *Local Government Act 1995* (sections 3.39, 9.11, 9.13, 9.15, 9.16), *Bushfires Act – Fire Control Officer, Litter Act, Control of Vehicles*

(*Off-road Areas*) Act and the Shire's Local Laws.

Within the 2016-17 period, Rangers issued the following infringements.

INFRINGEMENT TYPE	NUMBER ISSUED 2016-17
Fire	164
Camping	61
Dog/Cat	81
Stock	6
Litter	8
Off-Road Vehicle	53
Parking	327
Other	23

Regulatory Services conducted a review of its Dog Prohibited, Dog Exercise and Prohibited Vehicle areas within the Shire of Gingin, resulting in several changes being made to several Prohibited and Exercise areas. New signage was installed and a web link

with maps detailing Dog Prohibited, Dog Exercise and Vehicle Prohibited areas was completed in November 2016 making the information easily accessible for rate payers and general public.

## Building Services

During 2016-17 the Shire issued 234 building and demolition approvals with an estimated value of \$21.1 million. During that same period, the Shire also issued 53 permits for the installation of septic tanks.

On 8 December 2015 the Department of Fire and Emergency Services (DFES) Commissioner gazetted a map of declared Bush Fire Prone Zones across Western Australia. The gazettal of this map triggered the implementation of AS3959 and the Building in Bush Fire Prone Zone section of the Building Code of Australia. This now means all Class 1, 2, 3 & Class 10a buildings associated with a Class 1 structure that are within a designated bush fire

prone zone will require a Bushfire Attack Level Assessment (BAL).

A four month grace period was built into the legislation to allow time for the industry to put the appropriate measures in place and the legislation finally came into force on 8 April 2016.

Each applicant is now required to demonstrate compliance with the relevant sections of AS3959 pertinent to the BAL rating that their proposed development has been given by the assessor.

A large portion of the Shire of Gingin has been designated as Bush Fire Prone under the gazetted mapping.

# Environmental Health

Environmental Health Department's priorities are to administer public environmental health legislation, policy, and best practice measures in the community. It delivers its service in accordance with legislation, community needs and expectations in a

progressive and efficient manner, in the expectation that public health will be preserved and improved. This is supported by the vision, mission and values of the Shire's Strategic Community Plan.

## Free Online & Interactive Food Safety Training – I'M ALERT Food Safety

This training program assists food business managers in ensuring all staff are trained in this important area and thereby reducing any risk of food borne illness resulting from poor food handling practices. It remains a high priority for the Shire's Health

Department to have food handlers participate in the this program in the 2017-18 financial year. The I'M ALERT training is accessible via the Shire's website.

## Passage of Public Health Act 2016 Impact on Local Laws

Local governments have been advised that the *Public Health Act 2016* (Health Act) received Royal Assent on 25 July 2016. The Health Act is being implemented in stages and will eventually repeal and replace the *Health Act 1911*. When the Health Act

takes effect, it is expected that local governments will have the capacity to make health local laws under the *Local Government Act*, providing that particular matters are not already covered by the *Public Health Act* and associated Regulations.

## Overview of Local Government Reporting

The *Public Health Act* requires a local government to report on:

1. The performance of its functions under the *Public Health Act* and
2. Any proceedings for an offence undertaken under the *Public Health Act*.

## Performance of Functions

As the main enforcement agency of the *Public Health Act*, local governments will be required to report to the Chief Health Officer on their performance of functions under the *Public Health Act*.

Strategies that best support the Shire's activities and direction of the Health Department were:

- Reduce unnecessary barriers to new business and for the success of local business;
- Create opportunities for and access to social participation and inclusion in support of community health and wellbeing;
- Seek and implement best options for waste management and water usage;
- Provide education and communication on leading practices to the community;
- Focus on improved customer service, communication and consultation with government instrumentalities and primary producers.

## Lines of Business

- Food Safety
- Health Premises (food premises, residential, public buildings)
- Water Safety (recreational waters, pools)
- Environmental Concerns (noise, air quality, asbestos)
- Disease Prevention
- Waste Management
- Event Management
- Health Promotion
- Customer Service

Health Program	Statutory Function	Number
Safe accommodation	Lodging houses, caravan parks and public buildings	16
Safe Food	Food premises and temporary food stalls; and food sampling and food recalls	159
Safe Events	Event and festival compliance and public safety	31
Safe Disposal of Effluent	On-site effluent disposal and grey water re-use	236
Disease Control	Food poisoning investigations and notifiable diseases	5
Pollution Compliance	Environmental nuisances, community noise and environmental pollution	11



## Environmental Water Monitoring

The Shire participated in the annual Health Department WA Recreational Water Sampling (Bacteriological) Program during the period November 2016 – February 2017. Whilst the sampling program provides valuable information into the health of rivers being tested, it is also recognised that normal environmental conditions are essential for gauging the true health of the river.

## Stable Fly Complaints 2016-17

During 2016-17, the Shire received a total of **175** Stable Fly complaints. Officers from the Shire and DAFWA have maintained a vigilant approach to monitoring and pursuing complaints from the community. The Shire, in lobbying the Department of Agriculture

and Food Western Australia (DAFWA), was successful in providing a centralised reporting mechanism for all residents. DAFWA's ongoing commitment to provide an Officer at Gingin during 2016-17 has continued.

## Responsibilities under the BAM Act 2007

The Western Australian Department of Agriculture and Food (DAFWA) is the key agency responsible for the administration of *Biosecurity and Agriculture Management Act* (BAM Act) and the Biosecurity and Agriculture Management (Stable Fly) Management Plan.

Shared responsibility with shires to which the Management Plan relates is as follows:

- Monitor and react to public interactions through the Mobile App, PaDIS, and other electronic communications.
- Assist shires to respond to these interactions as appropriate.
- Keep a central data base of those interactions.
- Support and train shire inspectors acting under the BAM Act.
- Work on-ground with and mentor those inspectors as appropriate.
- Keep a central data base of inspections and regulatory actions carried out by shire and DAFWA officers.
- Progress remedial actions and prosecutions as necessary.
- Manage stakeholder relations.
- Manage education and communication with public and industry in association with shires.

DAFWA will look to the shires to deliver on-ground inspection duties and include the following actions:

- Responding to complaints from the public to shires and DAFWA.
- Gathering quality evidence that may lead to regulatory action under the SFMP.
- Issuing regulatory notices to entities.

## Recycling and Waste Management

During 2016-17 the Department Environment and Regulation made several visits to the Shire's landfill sites with the specific purpose of ensuring compliance with the license conditions for operation.

In 2016-17 the Shire introduced a number of initiatives designed to increase the amount of waste recycled and minimise the amount finding its way to landfill. These included providing households with a free tipping card for the disposal of household waste that

could be used on condition that the waste was separated into recycling categories for processing.

More importantly, the Shire progressed the roll out of a new two-bin coloured lid waste service to those residents currently receiving waste collection by Avon Waste: a red lid bin for general household waste and a yellow lid bin for recyclables. This would replace the old one-bin system and is expected to be implemented by September 2017.

What we recycled this year:

Metal	12 tonnes	Greenwaste	493
Glass	57 tonnes	Aluminium Cans	3.26 tonnes
Mixed Paper	5.188 tonnes	Non Ferrous Metals	13.5 tonnes
Cardboard	71.93 tonnes	Used Oil	12,950 litres (total for Gingin, Lancelin & Seabird)
Newspaper	8.789 tonnes	Radiators	0.021 tonnes
HDEP Plastic	5.742 tonnes	Motors	1.160 tonnes
Plastic Film	6.7 tonnes	Cars	16 tonnes
PET Plastic	3.020 tonnes	Drum Muster	3,859 containers
Batteries	10.847 tonnes		

# Statutory Planning

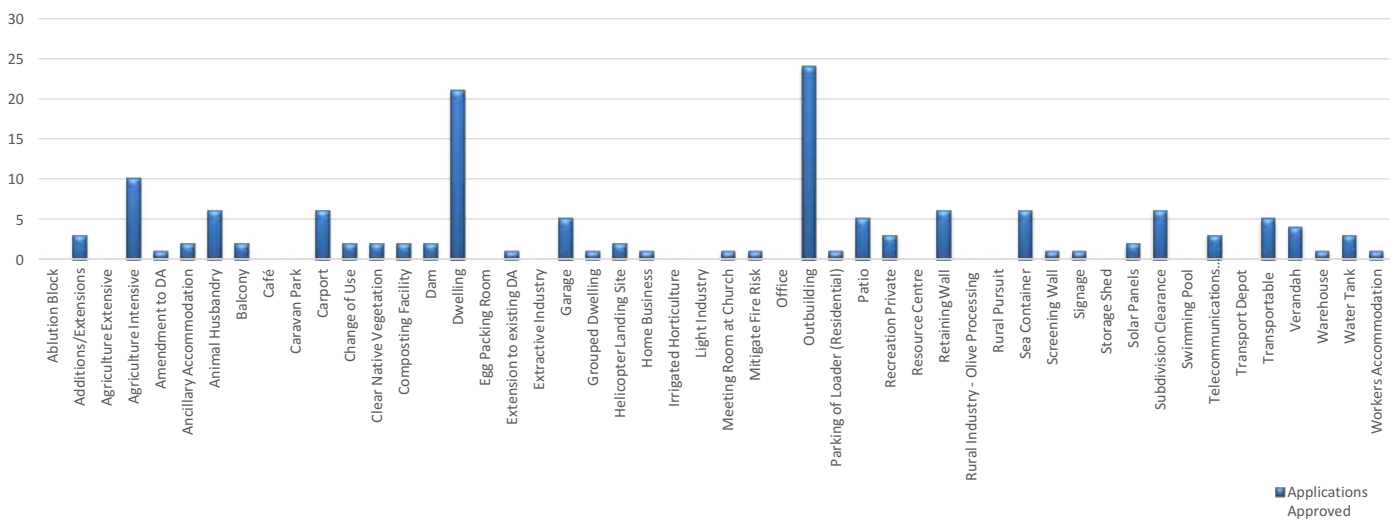
The Shire of Gingin's Statutory Planning Department, otherwise known as town planning, consists of development control or development management - the part of the planning process that is concerned with the regulation and management of changes to land use and development.

Planning coordinates land use and development by balancing economic, social and environmental issues.

Planning legislation, policy and statutory processes guide decisions that shape communities and provide quality of life for people living in those communities.

During 2016-17 the Statutory Planning Department received 143 development approvals and processed 122 of these applications. Below is a graph indicating the various types of applications received during 2016-17:

## Development Applications Approved 1 July 2016 - 30 June 2017



# Statutory Reporting

Statutory reporting is the mandatory submission of specific information required by government legislation.

## Record Keeping

The *State Records Act 2000* requires all government organisations to include in their Annual Report a statement on their compliance with its Recordkeeping Plan. All employees of the Shire of Gingin are legally required to comply with the contents of this Plan. Reviews of the Recordkeeping Plan are required to be carried out not less than once every five years. The efficiency and effectiveness of the Shire's Recordkeeping procedures was reviewed during 2016-17 and a revised Recordkeeping Plan was submitted to the State Records Commission (RKP 2017016). The procedures resulting from the review were compliant and subsequently approved by the SRC.

The Shire of Gingin's electronic management system, SynergySoft Central Records, enables reliable, secure recording and access of documents. Records Officers appraise, retain and dispose of records in accordance with the General Disposal Authority for Local Government Records. SynergySoft is regularly updated. Also during 2016-17, an improved and updated website was introduced and customer service requests can be lodged on-line. Also during the 2016-17 financial year, over 21,000 records were captured.

A customer service module was installed in 2013 and professional training conducted with all staff. The customer service module enables the recording and response details of all customer service requests received by telephone, electronic mail and hard copy correspondence.

Every new employee who is required to use the recordkeeping/information management system is required to attend a records induction training session at commencement of duties. The induction sessions are delivered by experienced Records Officers. Further training is available to all officers on a one-to-one basis. Compulsory, in-house record keeping training sessions are held for all employees to ensure sound understanding and awareness of recordkeeping responsibilities. Responsibilities of records management of electronic communications are included in the Shire of Gingin's Operational Policy Manual. Records Officers also attend external training.

The Shire of Gingin will continue to work towards improving recordkeeping practises and electronic document management aiming to reduce the use and storing of paper records.

## Freedom of Information

The Shire of Gingin's information is available through a range of mediums. An Application for Access to Documents form is available on the Shire's website or on request. A request may

also be lodged in writing. During 2016-17 the Shire received three (3) Freedom of Information requests.

## Disability Access and Inclusion

The Shire of Gingin is committed to furthering the principles and objectives of the *Disability Services Act 1993*, with a particular focus on the six outcomes identified in the Disability Services Regulations 2004. The guiding principle is inclusion for all people. The DAIP was last reviewed in 2014, with seven outcomes, 22

strategies and 32 tasks that were identified and agreed for implementation over the life of the plan.

The DAIP is next scheduled for review 2017-18.

## Equal Employment Opportunity

The Shire of Gingin is committed to providing a workplace where every individual is treated with respect in an environment free from discrimination and harassment.

Equal Employment Opportunity policy, the Shire implemented several operational HR policies to include grievances and complaints as well as policies to cover discrimination, harassment and bullying in the workplace.

The Shire reviewed its obligations under the *Western Australian Equal Opportunity Act 1984* during 2016-17. In addition, to its

## National Competition Policy and Competitive Neutrality (Under CPA)

The Competition Principles Agreement (CPA) is a contractual agreement between Federal Government and all States and Territory Governments. The CPA aims to ensure all public enterprises operate in a transparent manner and in the best interests of the public.

Under the CPA, public enterprises are required to review their operations to ensure they have no competitive advantages or disadvantages as a result of their public status.

## Competitive Neutrality

During 2016-17 the Shire of Gingin met its obligations under the National Competition Policy. Competitive neutrality addresses the potential advantages and disadvantages the Shire would have as a public enterprise compared to businesses operating within the private sector.

Listed below are all activities provided by the Shire through an open tendering process that would fall within the definition of the CPA:

1. Provision of Tender for the operation of Guilderton Caravan Park contracted to Mr Geoffrey Allan Liddelow.
2. Domestic waste collection and collection of waste with parks and reserves contracted to Avon Waste.

Local Government is only required to implement these principles to the extent that the benefits far outweigh the costs with respect to individual activities exceeding \$500,000 in income.







# Financial Report

## Contents

Statement by Chief Executive Officer	2
Statement of Comprehensive Income by Nature or Type	3
Statement of Comprehensive Income by Program	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Rate Setting Statement	8
Notes to and Forming Part of the Financial Report	9
Independent Auditor's Report	60
Supplementary Ratio Information	62

**SHIRE OF GINGIN  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2017**

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

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

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

Signed as authorisation of issue on the fourteenth day of November 2017.



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Jeremy Edwards  
Chief Executive Officer

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

	NOTE	2017 \$	2017 Budget \$	2016 \$
<b>Revenue</b>				
Rates	23	7,607,280	7,589,839	7,365,055
Operating grants, subsidies and contributions	30	3,530,315	1,665,577	1,989,009
Fees and charges	29	3,929,417	4,359,644	3,790,659
Interest earnings	2(a)	248,495	259,000	301,402
Other revenue	2(a)	422,121	181,841	709,627
		<u>15,737,628</u>	<u>14,055,901</u>	<u>14,155,752</u>
<b>Expenses</b>				
Employee costs		(5,134,612)	(5,014,557)	(4,952,205)
Materials and contracts		(4,451,523)	(4,543,972)	(4,779,347)
Utility charges		(424,219)	(486,811)	(479,045)
Depreciation on non-current assets	2(a)	(5,196,832)	(3,488,127)	(4,268,267)
Interest expenses	2(a)	(146,964)	(147,193)	(152,396)
Insurance expenses		(417,944)	(416,422)	(473,940)
Other expenditure		(585,984)	(687,985)	(643,290)
		<u>(16,358,078)</u>	<u>(14,785,067)</u>	<u>(15,748,490)</u>
		(620,450)	(729,166)	(1,592,738)
Non-operating grants, subsidies and contributions	30	2,400,330	2,434,924	3,589,599
Profit on asset disposals	21	11,262	84,882	464,139
(Loss) on asset disposals	21	(110,402)	(145,564)	(64,595)
(Loss) on revaluation of furniture and equipment		0	0	(113,273)
<b>Net result</b>		<b>1,680,740</b>	<b>1,645,076</b>	<b>2,283,132</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	13	1,363,794	0	226,172
<b>Total other comprehensive income</b>		<b>1,363,794</b>	<b>0</b>	<b>226,172</b>
<b>Total comprehensive income</b>		<b>3,044,534</b>	<b>1,645,076</b>	<b>2,509,304</b>

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



**SHIRE OF GINGIN**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

	NOTE	2017 \$	2017 Budget \$	2016 \$
<b>Revenue</b>	2(a)			
Governance		534	10,000	5,845
General purpose funding		10,555,255	8,748,355	8,542,000
Law, order, public safety		455,538	412,731	365,570
Health		246,157	263,000	268,767
Education and welfare		127,217	122,000	108,102
Housing		24,280	26,000	28,937
Community amenities		1,698,483	1,779,028	2,286,140
Recreation and culture		225,105	160,645	364,280
Transport		272,103	233,500	50,001
Economic services		1,983,912	1,950,071	1,699,873
Other property and services		149,044	350,571	436,237
		<u>15,737,628</u>	<u>14,055,901</u>	<u>14,155,752</u>
<b>Expenses</b>	2(a)			
Governance		(1,026,405)	(1,077,144)	(1,062,752)
General purpose funding		(432,296)	(408,097)	(395,394)
Law, order, public safety		(1,200,083)	(1,024,079)	(1,570,640)
Health		(840,294)	(653,171)	(743,526)
Education and welfare		(197,622)	(188,803)	(166,913)
Housing		(32,609)	(20,439)	(33,354)
Community amenities		(2,315,043)	(2,130,970)	(2,312,856)
Recreation and culture		(3,240,995)	(2,674,483)	(2,937,315)
Transport		(4,891,934)	(4,029,237)	(4,696,405)
Economic services		(1,643,406)	(1,806,172)	(1,449,950)
Other property and services		(390,427)	(625,279)	(226,989)
		<u>(16,211,114)</u>	<u>(14,637,874)</u>	<u>(15,596,094)</u>
<b>Finance costs</b>	2(a)			
Health		(14,134)	(14,766)	(15,606)
Education and welfare		0	0	(730)
Community amenities		(36,685)	(35,080)	(32,772)
Recreation and culture		(77,031)	(77,678)	(79,605)
Economic services		(842)	(982)	(1,224)
Other property and services		(18,272)	(18,687)	(22,459)
		<u>(146,964)</u>	<u>(147,193)</u>	<u>(152,396)</u>
		<u>(620,450)</u>	<u>(729,166)</u>	<u>(1,592,738)</u>
Non-operating grants, subsidies and contributions	30	2,400,330	2,434,924	3,589,599
Profit on disposal of assets	21	11,262	84,882	464,139
(Loss) on disposal of assets	21	(110,402)	(145,564)	(64,595)
(Loss) on revaluation of furniture and equipment		0	0	(113,273)
<b>Net result</b>		<u>1,680,740</u>	<u>1,645,076</u>	<u>2,283,132</u>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	13	1,363,794	0	226,172
<b>Total other comprehensive income</b>		<u>1,363,794</u>	<u>0</u>	<u>226,172</u>
<b>Total comprehensive income</b>		<u>3,044,534</u>	<u>1,645,076</u>	<u>2,509,304</u>

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

**SHIRE OF GINGIN**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30TH JUNE 2017**

	NOTE	2017 \$	2016 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	5,234,835	4,951,202
Trade and other receivables	4	2,060,348	1,904,042
Inventories	5	26,713	34,480
<b>TOTAL CURRENT ASSETS</b>		<b>7,321,896</b>	<b>6,889,724</b>
<b>NON-CURRENT ASSETS</b>			
Other receivables	4	148,898	168,323
Property, plant and equipment	6	50,996,789	54,797,950
Infrastructure	7	103,442,072	96,865,205
<b>TOTAL NON-CURRENT ASSETS</b>		<b>154,587,759</b>	<b>151,831,478</b>
<b>TOTAL ASSETS</b>		<b>161,909,655</b>	<b>158,721,202</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	1,406,313	1,309,824
Current portion of long term borrowings	9	207,047	176,438
Provisions	10	612,655	703,202
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,226,015</b>	<b>2,189,464</b>
<b>NON-CURRENT LIABILITIES</b>			
Long term borrowings	9	2,202,180	2,204,806
Provisions	10	262,497	152,503
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>2,464,677</b>	<b>2,357,309</b>
<b>TOTAL LIABILITIES</b>		<b>4,690,692</b>	<b>4,546,773</b>
<b>NET ASSETS</b>		<b>157,218,963</b>	<b>154,174,429</b>
<b>EQUITY</b>			
Retained surplus		46,317,865	45,394,984
Reserves - cash backed	12	3,330,023	2,572,164
Revaluation surplus	13	107,571,075	106,207,281
<b>TOTAL EQUITY</b>		<b>157,218,963</b>	<b>154,174,429</b>

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

**SHIRE OF GINGIN**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2015</b>		43,588,586	2,095,430	105,981,109	151,665,125
Comprehensive income					
Net result		2,283,132	0	0	2,283,132
Changes on revaluation of assets				226,172	226,172
Total comprehensive income	13	<u>2,283,132</u>	<u>0</u>	<u>226,172</u>	<u>2,509,304</u>
Transfers from/(to) reserves		(476,734)	476,734	0	0
<b>Balance as at 30 June 2016</b>		<b>45,394,984</b>	<b>2,572,164</b>	<b>106,207,281</b>	<b>154,174,429</b>
Comprehensive income					
Net result		1,680,740	0	0	1,680,740
Changes on revaluation of assets		0	0	1,363,794	1,363,794
Total comprehensive income	13	<u>1,680,740</u>	<u>0</u>	<u>1,363,794</u>	<u>3,044,534</u>
Transfers from/(to) reserves		(757,859)	757,859	0	0
Rounding Correction		0	0	0	0
<b>Balance as at 30 June 2017</b>		<b>46,317,865</b>	<b>3,330,023</b>	<b>107,571,075</b>	<b>157,218,963</b>

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



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

	NOTE	2017 Actual \$	2017 Budget \$	2016 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		7,450,911	7,739,839	7,324,302
Operating grants, subsidies and contributions		3,581,963	1,665,577	1,989,009
Fees and charges		3,777,027	4,509,644	3,751,033
Interest earnings		248,495	259,000	301,402
Goods and services tax		1,204,061	151,939	1,293,548
Other revenue		402,116	181,841	713,625
		<u>16,664,573</u>	<u>14,507,840</u>	<u>15,372,919</u>
<b>Payments</b>				
Employee costs		(5,100,295)	(5,185,156)	(4,763,694)
Materials and contracts		(4,463,952)	(4,655,451)	(4,060,187)
Utility charges		(424,219)	(486,811)	(479,045)
Interest expenses		(146,920)	(147,193)	(152,701)
Insurance expenses		(417,944)	(416,422)	(473,940)
Goods and services tax		(1,102,360)	0	(1,464,629)
Other expenditure		(484,216)	(687,700)	(647,289)
		<u>(12,139,906)</u>	<u>(11,578,733)</u>	<u>(12,041,485)</u>
<b>Net cash provided by (used in) operating activities</b>	14(b)	4,524,667	2,929,107	3,331,434
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment		(2,494,249)	(2,963,957)	(1,743,761)
Payments for construction of infrastructure		(4,602,545)	(5,966,347)	(6,162,938)
Non-operating grants, subsidies and contributions		2,400,330	2,434,924	3,589,599
Proceeds from sale of fixed assets		388,909	675,318	957,581
Proceeds from advances		10,621	9,996	11,657
<b>Net cash provided by (used in) investment activities</b>		<u>(4,296,934)</u>	<u>(5,810,066)</u>	<u>(3,347,863)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of debentures		(185,913)	(187,783)	(220,733)
Proceeds from self supporting loans		27,916	27,916	43,318
Proceeds from new debentures		213,897	213,897	150,000
<b>Net cash provided by (used in) financing activities</b>		<u>55,900</u>	<u>54,030</u>	<u>(27,415)</u>
<b>Net increase (decrease) in cash held</b>		283,633	(2,826,929)	(43,844)
Cash at beginning of year		4,951,202	5,556,281	4,995,045
<b>Cash and cash equivalents at the end of the year</b>	14(a)	<u><u>5,234,835</u></u>	<u><u>2,729,352</u></u>	<u><u>4,951,202</u></u>

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

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

NOTE	2017 Actual \$	2017 Budget \$	2016 Actual \$
<b>Net current assets at start of financial year - surplus/(deficit)</b>	2,265,998	1,556,418	3,419,426
	<u>2,265,998</u>	<u>1,556,418</u>	<u>3,419,426</u>
<b>Revenue from operating activities (excluding rates)</b>			
Governance	534	10,000	5,845
General purpose funding	2,989,344	1,178,916	1,180,943
Law, order, public safety	463,144	412,731	365,570
Health	246,157	263,000	268,767
Education and welfare	127,217	122,000	108,102
Housing	24,280	26,000	28,937
Community amenities	1,698,483	1,779,028	2,286,140
Recreation and culture	225,105	162,145	364,280
Transport	275,759	299,048	66,438
Economic services	1,983,912	1,952,661	1,699,873
Other property and services	149,044	365,815	883,939
	<u>8,182,979</u>	<u>6,571,344</u>	<u>7,258,834</u>
<b>Expenditure from operating activities</b>			
Governance	(1,026,405)	(408,097)	(1,063,202)
General purpose funding	(432,296)	(1,077,144)	(395,394)
Law, order, public safety	(1,214,960)	(1,030,068)	(1,575,896)
Health	(854,428)	(675,974)	(767,762)
Education and welfare	(197,622)	(188,803)	(167,643)
Housing	(32,609)	(20,439)	(33,354)
Community amenities	(2,351,728)	(2,174,087)	(2,349,650)
Recreation and culture	(3,318,026)	(2,752,161)	(3,016,920)
Transport	(4,954,572)	(4,152,738)	(4,739,984)
Economic services	(1,651,930)	(1,807,154)	(1,453,832)
Other property and services	(433,904)	(643,966)	(249,448)
	<u>(16,468,480)</u>	<u>(14,930,631)</u>	<u>(15,813,085)</u>
<b>Operating activities excluded from budget</b>			
(Profit) on disposal of assets	21	(11,262)	(84,882)
Loss on disposal of assets	21	110,402	145,564
Movement in deferred pensioner rates (non-current)		(21,689)	0
Movement in employee benefit provisions (non-current)		109,994	0
Depreciation on assets	2(a)	5,196,832	3,488,127
<b>Amount attributable to operating activities</b>		<u>(635,226)</u>	<u>(3,254,060)</u>
<b>INVESTING ACTIVITIES</b>			
Non-operating grants, subsidies and contributions		2,400,330	2,434,924
Proceeds from disposal of assets	21	388,909	675,318
Repayment of advances to community groups		10,621	9,996
Purchase of property, plant and equipment	6(b)	(2,494,249)	(2,963,957)
Purchase and construction of infrastructure	7(b)	(4,602,545)	(5,966,347)
<b>Amount attributable to investing activities</b>		<u>(4,296,934)</u>	<u>(5,810,066)</u>
<b>FINANCING ACTIVITIES</b>			
Repayment of debentures	22(a)	(185,913)	(187,783)
Proceeds from new debentures	22(a)	213,897	213,897
Proceeds from self supporting loans		27,916	27,916
Transfers from Restricted Cash		0	1,011,914
Transfers to reserves (restricted assets)	12	(1,019,186)	(161,258)
Transfers from reserves (restricted assets)	12	261,327	590,000
<b>Amount attributable to financing activities</b>		<u>(701,959)</u>	<u>1,494,686</u>
<b>Surplus(deficiency) before general rates</b>		<u>(5,634,119)</u>	<u>(7,569,439)</u>
<b>Total amount raised from general rates</b>	23	<u>7,565,911</u>	<u>7,569,439</u>
<b>Net current assets at June 30 c/fwd - surplus/(deficit)</b>	24	<u><u>1,931,792</u></u>	<u><u>(0)</u></u>
		<u><u>2,265,998</u></u>	<u><u>3,419,426</u></u>

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

**SHIRE OF GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**BASIS OF PREPARATION**

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

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

**CRITICAL ACCOUNTING ESTIMATES**

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

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

**THE LOCAL GOVERNMENT REPORTING ENTITY**

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

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

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

**(a) Goods and Services Tax (GST)**

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

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

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

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

**(b) Cash and Cash Equivalents**

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

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



**SHIRE OF GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(c) Trade and Other Receivables**

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

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

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

**(d) Inventories**

***General***

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

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

***Land held for sale***

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

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

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

**(e) Fixed Assets**

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

***Mandatory requirement to revalue non-current assets***

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

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

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

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

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

**SHIRE OF GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(e) Fixed Assets (Continued)**

***Land under control***

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

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

***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 GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(e) Fixed Assets (Continued)**

***Depreciation***

The depreciable amount of all fixed assets including buildings but excluding freehold land and roads, on a straight-line basis over the individual asset's useful life from the time the asset is held are depreciated 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	50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Parks	5 to 25 years
Infrastructure Other	5 to 25 years
Carparks (sealed)	40 years
Tools	4 to 10 years
Bridges	50 to 100 years
Sealed roads and streets (reducing balance)	
formation	Not depreciated
pavement	50 years
seal	
- bituminous seals	25 years
- asphalt surfaces	25 years
Gravel roads (reducing balance)	
formation	Not depreciated
pavement	50 years
gravel sheet	12 years
Formed roads - unsealed (reducing balance)	
formation	Not depreciated
pavement	50 years
Footpaths - slab (reducing balance)	40 years
Sewerage piping (reducing balance)	80 years
Water supply piping and drainage systems (reducing balance)	85 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.

**SHIRE OF GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

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

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

***Fair value hierarchy***

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

**Level 1**

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

**Level 2**

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

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

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

***Valuation techniques***

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

**Market approach**

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



**SHIRE OF GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(f) 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.

**(g) Financial Instruments**

***Initial recognition and measurement***

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

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

***Classification and subsequent measurement***

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

Amortised cost is calculated as:

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

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

**SHIRE OF GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(g) Financial Instruments (Continued)**

***Classification and subsequent measurement (continued)***

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

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

*(ii) Loans and receivables*

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

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

*(iii) Held-to-maturity investments*

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

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

*(iv) Available-for-sale financial assets*

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

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

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

*(v) Financial liabilities*

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

**SHIRE OF GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(g) Financial Instruments (Continued)**

***Impairment***

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

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

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

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

***Derecognition***

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

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

**(h) Impairment of Assets**

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

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

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

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

**(i) Trade and Other Payables**

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

**SHIRE OF GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(j) Employee Benefits**

**Short-term employee benefits**

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

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

**Other long-term employee benefits**

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

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

**(k) Borrowing Costs**

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

**(l) Provisions**

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

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

**(m) Leases**

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

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

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

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

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



**SHIRE OF GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(n) 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.

**(o) 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.

**(p) 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.

**(q) Rounding Off Figures**

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

**(r) 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.

**(s) 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 GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

Notes:

<sup>(1)</sup> Applicable to reporting periods commencing on or after the given date.

**SHIRE OF GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

Title	Issued / Compiled	Applicable <sup>(1)</sup>	Impact
(iv) AASB 1058 Income of Not-for-Profit Entities (incorporating AASB 2016-7 and AASB 2016-8)	December 2016	1 January 2019	<p>These standards are likely to have a significant impact on the income recognition for NFP's. Key areas for consideration are:</p> <ul style="list-style-type: none"> <li>- Assets received below fair value;</li> <li>- Transfers received to acquire or construct non-financial assets;</li> <li>- Grants received;</li> <li>- Prepaid rates;</li> <li>- Leases entered into at below market rates; and</li> <li>- Volunteer services.</li> </ul> <p>Whilst it is not possible to quantify the financial impact (or if it is material) of these key areas until the details of future transactions are known, they will all have application to the Shire's operations.</p>

**Notes:**

<sup>(1)</sup> Applicable to reporting periods commencing on or after the given date.

**(w) Adoption of New and Revised Accounting Standards**

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

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

- (i) AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities

[AASB 10, 124 & 1049]

The objective of this Standard was to extend the scope of AASB 124 *Related Party Disclosures* to include not-for-profit sector entities.

The Standard has had a significant disclosure impact on the financial report of the Shire as both Elected Members and Senior Management are deemed to be Key Management Personnel and resultant disclosures in accordance to AASB 124 have been necessary.

**SHIRE OF GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

<b>2. REVENUE AND EXPENSES</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Net Result</b>		
The Net result includes:		
(i) Charging as an expense:		
<b>Auditors remuneration</b>		
- Audit of the Annual Financial Report	22,987	24,489
- Other Services	11,290	23,682
<b>Depreciation</b>		
Buildings - non-specialised	43,751	43,452
Buildings - specialised	579,384	554,664
Furniture and equipment	33,503	115,695
Plant and equipment	1,026,489	730,743
Tools	3,623	14,935
Infrastructure - Roads	2,310,260	2,295,714
Infrastructure - Footpaths	5,552	0
Infrastructure - Parks and Ovals	833,024	422,992
Infrastructure - Other	221,725	20,885
Infrastructure - Bridges	139,521	69,187
	<u>5,196,832</u>	<u>4,268,267</u>
<b>Interest expenses (finance costs)</b>		
Debentures (refer Note 22 (a))	146,964	152,396
	<u>146,964</u>	<u>152,396</u>
<b>Rental charges</b>		
- Operating leases	27,711	10,366
	<u>27,711</u>	<u>10,366</u>
(ii) Crediting as revenue:		
<b>Significant revenue</b>		
Federal Assistance Grants	913,393	0
	<u>913,393</u>	<u>0</u>

The significant revenue in 2017 relates to the pre payment of the Federal Assistance Grant paid by the Grants Commission.

<b>Other revenue</b>		
Reimbursements and recoveries	270,184	519,056
Other	151,937	190,571
	<u>422,121</u>	<u>709,627</u>

	<b>2017</b>	<b>2017</b>	<b>2016</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Interest earnings</b>			
-Self supporting loans	2,625	0	9,690
- Loans receivable - clubs/institutions	3,343	0	4,054
- Reserve funds	45,393	45,000	47,465
- Other funds	70,108	100,000	123,741
Other interest revenue (refer note 28)	127,026	114,000	116,452
	<u>248,495</u>	<u>259,000</u>	<u>301,402</u>



**SHIRE OF GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**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**

We are a welcoming and progressive community that celebrates its diversity and unique rural and coastal environment.

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

**GOVERNANCE**

**Objective:**

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

**Activities:**

Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.

**GENERAL PURPOSE FUNDING**

**Objective:**

To collect revenue to allow for the provision of services.

**Activities:**

Rates and general purpose government grants, interest revenue and associated expenses pertaining to the acquisitions of such revenues.

**LAW, ORDER, PUBLIC SAFETY**

**Objective:**

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

**Activities:**

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

**HEALTH**

**Objective:**

To provide an operational framework for environmental and community health.

**Activities:**

Inspection of food outlets and their control, noise control and waste disposal compliance.

**EDUCATION AND WELFARE**

**Objective:**

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

**Activities:**

Maintenance of playgroup centre, aged care housing and Wangaree Community Centre.  
Provision and maintenance of youth services.

**HOUSING**

**Objective:**

To provide and maintain staff and other housing.

**Activities:**

Provision and maintenance of staff and other housing.

**SHIRE OF GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**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 resources 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 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 two caravan parks. Provision of rural services including weed control, vermin control and standpipes. Building Control.

**OTHER PROPERTY AND SERVICES**

**Objective:**

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

**Activities:**

Private works operation, plant repair and operation costs, engineering costs, administration costs allocated and other unclassified works and services.

**SHIRE OF GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**2. REVENUE AND EXPENSES (Continued)**

**(c) Conditions Over Grants/Contributions**

Grant/Contribution	Opening Balance <sup>(1)</sup> 1/07/15 \$	Received <sup>(2)</sup> 2015/16 \$	Expended <sup>(3)</sup> 2015/16 \$	Closing Balance <sup>(1)</sup> 30/06/16 \$	Received <sup>(2)</sup> 2016/17 \$	Expended <sup>(3)</sup> 2016/17 \$	Closing Balance 30/06/17 \$
<b>Governance</b>							
Shire Golf Day	0	1,530	(1,530)	0	0	0	0
<b>Law, order, public safety</b>							
Driver Revivor	554	0	0	554	0	0	554
Lower Coastal Fire Control	25,194	0	0	25,194	0	0	25,194
Redfield Park Fire Control	4,738	0	0	4,738	0	0	4,738
FESA Unspent Grant	0	0	0	0	8,675	0	8,675
<b>Health</b>							
Gingin Logo Plates	6,266	454	0	6,720	318	0	7,038
Gingin Ambulance	12,000	6,000	0	18,000	6,000	0	24,000
Lancelin Ambulance	30,000	15,000	(45,000)	0	15,000	0	15,000
Nabaroo Water	2,047	0	0	2,047	0	0	2,047
<b>Education and welfare</b>							
Community Bus Replacement	141,076	0	0	141,076	0	0	141,076
Lancelin Aged Accommodation Long Term Me	79,445	0	0	79,445	5,500	0	84,945
<b>Community amenities</b>							
Coastal Hazard Risk Management Plan	48,000	25,914	(26,792)	47,122	0	(12,122)	35,000
Seabird Erosion Project	0	2,013,392	(1,356,694)	656,698	0	(637,343)	19,355
Seabird Progress Association Seawall Extens	0	18,182	0	18,182	0	(18,182)	0
Sovereign Hill POS	4,385	0	0	4,385	0	0	4,385
Seabird Hall	106,970	0	(106,970)	0	0	0	0
Price Lot 30 Planning Condition	23,000	0	0	23,000	0	0	23,000
Lancelin Sand Nourishment & Seabird Monito	0	22,500	0	22,500	0	(14,113)	8,387
Coastal Inundation	0	0	0	0	5,000	0	5,000
<b>Recreation and culture</b>							
Concept Plan for Granville Park Gingin	5,000	0	0	5,000	0	0	5,000
DOLG Unspent LA Off-Road	11,478	0	0	11,478	0	0	11,478

**SHIRE OF GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**2. REVENUE AND EXPENSES (Continued)**

**(c) Conditions Over Grants/Contributions**

	Opening Balance <sup>(1)</sup> 1/07/15	Received <sup>(2)</sup> 2015/16	Expended <sup>(3)</sup> 2015/16	Closing Balance <sup>(1)</sup> 30/06/16	Received <sup>(2)</sup> 2016/17	Expended <sup>(3)</sup> 2016/17	Closing Balance 30/06/17
<b>Grant/Contribution</b>	\$	\$	\$	\$	\$	\$	\$
Edgar Subdivision	2,750	0	0	2,750	0	0	2,750
Gingin Swimming Pool	9,707	0	0	9,707	0	(9,707)	0
Gingin Swimming Pool	2,654	0	0	2,654	0	(2,654)	0
Lancelin Public Open Space	14,800	0	0	14,800	0	0	14,800
<b>Transport</b>							
Battle Axe LA3 & LA90	2,640	0	0	2,640	0	0	2,640
Bendigo Bank Contribution	2,251	0	0	2,251	0	0	2,251
Towards Parking Area	3,000	0	0	3,000	0	0	3,000
Chitna Road	645,000	0	(645,000)	0	0	0	0
CLGF R4R Unspent	16,000	0	0	16,000	0	0	16,000
Cowalla Road Upgrade	0	45,000	0	45,000	0	0	45,000
Cullalla Road Upgrade	750	0	0	750	0	0	750
Dewar GB Roads	2,500	0	0	2,500	0	0	2,500
Donaldson Subdivision	1,280	0	0	1,280	0	0	1,280
Harris M Subdivision	38,020	0	0	38,020	0	0	38,020
Ledge Point Footpaths	87,290	0	0	87,290	0	(9,275)	78,015
Schofield - Cheriton and Brockman Streets	1,181	0	0	1,181	0	0	1,181
Teal Park Roads	107	0	0	107	0	0	107
Whakea Road Upgrade	6,746	0	0	6,746	0	0	6,746
Lancelin Footpaths	0	0	0	0	190,000	0	190,000
Main Roads Unspent Bridge Grant	0	0	0	0	0	0	0
<b>Economic services</b>							
Lancelin Ratepayers and Residents Bench Se	79	0	0	79	0	0	79
<b>Other property and services</b>							
Wheatbelt Development Commission	290,588	75,000	(140,588)	225,000	0	(145,000)	80,000
<b>Total</b>	<b>1,627,496</b>	<b>2,222,972</b>	<b>(2,322,574)</b>	<b>1,527,894</b>	<b>230,493</b>	<b>(848,396)</b>	<b>909,991</b>



**SHIRE OF GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**2. REVENUE AND EXPENSES (Continued)**

**(c) Conditions Over Grants/Contributions**

**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 GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

	Note	2017 \$	2016 \$
<b>3. CASH AND CASH EQUIVALENTS</b>			
Unrestricted		994,821	851,144
Reserves Restricted		3,330,023	2,572,164
Restricted Cash		909,991	1,527,894
		<u>5,234,835</u>	<u>4,951,202</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Long Service Leave, Sick Leave, Staff Contingency	12	513,063	356,637
Office Equipment Replacement	12	17,486	17,210
Plant and Equipment Replacement	12	153,129	150,708
Land and Buildings General	12	753,210	801,200
Guilderton Caravan Park Recreation	12	222,713	120,316
Shire Recreational Development	12	204,379	151,204
Redfield Park Public Open Space	12	29,762	29,283
Ocean Farm Recreation	12	36,564	35,986
Tip Rationalisation	12	697,171	686,147
Lancelin Community Sporting Club	12	49,002	32,708
Community Infrastructure	12	87,429	86,046
Staff Housing	12	31,740	31,238
Future Infrastructure	12	531,524	73,481
Guilderton Country Club Reserve	12	2,851	0
		<u>3,330,023</u>	<u>2,572,164</u>
Unspent grants	2(c)	909,991	1,527,894
		<u>4,240,014</u>	<u>4,100,058</u>

**SHIRE OF GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>4. TRADE AND OTHER RECEIVABLES</b>		
<b>Current</b>		
Rates outstanding	734,625	599,945
Sundry debtors	961,626	931,679
GST receivable	118,666	220,367
Loans receivable - clubs/institutions	29,831	27,916
Prepayments	79,727	12,643
Legal Costs - recovery of rates	74,778	55,427
Rubbish Fees	48,635	44,620
Rates other charges	1,178	825
Loans - advances to community groups	11,282	10,620
	<u>2,060,348</u>	<u>1,904,042</u>
<b>Non-current</b>		
Rates outstanding - pensioners	107,559	85,870
Loans receivable - clubs/institutions	6,353	36,184
Loans - advances to community groups	34,986	46,269
	<u>148,898</u>	<u>168,323</u>
Information with respect to the impairment or otherwise of the totals of rates outstanding and sundry debtors is as follows:		
<b>Rates outstanding</b>	<u>734,625</u>	<u>599,945</u>
Includes:		
Past due and not impaired	734,625	599,945
Impaired	<u>0</u>	<u>0</u>
<b>Sundry debtors</b>	<u>961,626</u>	<u>931,679</u>
Includes:		
Past due and not impaired	211,558	149,069
Impaired	<u>0</u>	<u>0</u>
<b>5. INVENTORIES</b>		
<b>Current</b>		
Fuel and materials	16,714	24,452
History books	9,999	10,028
	<u>26,713</u>	<u>34,480</u>

**SHIRE OF GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

	2017 \$	2016 \$
<b>(a). PROPERTY, PLANT AND EQUIPMENT</b>		
Land		
- Independent valuation 2013 - level 2	0	7,285,000
- Independent valuation 2013 - level 3	0	8,772,000
- Independent valuation 2013 - level 3	0	60,324
- Additions after valuation - cost	0	65,071
- Independent valuation 2017 - level 2	15,302,000	0
- Independent valuation 2017 - level 3	1,590,000	0
	<u>16,892,000</u>	<u>16,182,395</u>
Land - vested in and under the control of Council at:		
- Independent valuation 2013 - level 3	0	3,823,555
- Independent valuation 2017 - level 3	3,823,555	0
	<u>3,823,555</u>	<u>3,823,555</u>
	<u>20,715,555</u>	<u>20,005,950</u>
Buildings - non-specialised at:		
- Independent valuation 2013 - level 2	0	1,170,000
- Management valuation 2013 - level 2	0	946,000
- Additions after valuation - cost	0	43,156
- Independent valuation 2017 - level 2	1,135,000	0
- Independent valuation 2017 - level 3	512,700	0
- Management valuation 2017 - level 3	18,129	0
- Transfer to Infrastructure Other	(18,129)	0
Buildings - non-specialised - Less: accumulated depreciation	0	(128,683)
	<u>1,647,700</u>	<u>2,030,473</u>
Buildings - specialised at:		
- Independent valuation 2013 - level 3	0	26,469,452
- Additions after valuation - cost	0	2,529,326
- Independent valuation 2017 - level 3	23,404,900	0
- Management valuation 2017 - level 3	5,466,275	0
- Transfers to Infrastructure Other	(5,466,275)	0
Buildings - specialised - Less: accumulated depreciation	0	(1,644,255)
	<u>23,404,900</u>	<u>27,354,523</u>
	<u>25,052,600</u>	<u>29,384,996</u>
Total land and buildings	<u>45,768,155</u>	<u>49,390,946</u>



**SHIRE OF GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

	2017 \$	2016 \$
<b>6 (a). PROPERTY, PLANT AND EQUIPMENT (continued)</b>		
Furniture and equipment at:		
- Independant valuation 2016 - level 3	183,800	183,800
- Additions after valuation - cost	91,639	0
Furniture and equipment - Less: accumulated depreciation	<u>(33,503)</u>	<u>0</u>
	241,936	183,800
Plant and equipment at:		
- Independent valuation 2016 - level 2	2,856,251	2,960,400
- Independent valuation 2016 - level 3	1,057,950	1,559,950
- Management valuation 2016 - level 2	558,007	558,007
- Management valuation 2016 - level 3	131,947	131,947
- Additions after valuation - cost	1,280,541	0
Plant and equipment - Less: accumulated depreciation	<u>(907,275)</u>	<u>0</u>
	4,977,421	5,210,304
Tools at:		
-Independent valuation 2016 - level 3	12,900	12,900
Less: accumulated depreciation	<u>(3,623)</u>	<u>0</u>
	9,277	12,900
	<u>50,996,789</u>	<u>54,797,950</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 GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**PROPERTY, PLANT AND EQUIPMENT (Continued)**

**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 (Losses)/ Reversals Through to Profit or Loss	Impairment (Losses)/ Reversals	Depreciation (Expense)	Transfers	Carrying Amount at the End of Year
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	16,182,395	0	0	709,605	0	0	0	0	16,892,000
Land - vested in and under the control of Council	3,823,555	0	0	0	0	0	0	0	3,823,555
<b>Total land</b>	<b>20,005,950</b>	<b>0</b>	<b>0</b>	<b>709,605</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20,715,555</b>
Buildings - non-specialised	2,030,473	21,566	0	(360,588)	0	0	(43,751)	0	1,647,700
Buildings - specialised	27,354,523	1,100,503	(1,115)	1,014,777	0	0	(579,384)	(5,484,404)	23,404,900
<b>Total buildings</b>	<b>29,384,996</b>	<b>1,122,069</b>	<b>(1,115)</b>	<b>654,189</b>	<b>0</b>	<b>0</b>	<b>(623,135)</b>	<b>(5,484,404)</b>	<b>25,052,600</b>
<b>Total land and buildings</b>	<b>49,390,946</b>	<b>1,122,069</b>	<b>(1,115)</b>	<b>1,363,794</b>	<b>0</b>	<b>0</b>	<b>(623,135)</b>	<b>(5,484,404)</b>	<b>45,768,155</b>
Furniture and equipment	183,800	91,639	0	0	0	0	(33,503)	0	241,936
Plant and equipment	5,210,304	1,280,541	(486,934)	0	0	0	(1,026,489)	0	4,977,421
Tools	12,900	0	0	0	0	0	(3,623)	0	9,277
<b>Total property, plant and equipment</b>	<b>54,797,950</b>	<b>2,494,249</b>	<b>(488,049)</b>	<b>1,363,794</b>	<b>0</b>	<b>0</b>	<b>(1,686,750)</b>	<b>(5,484,404)</b>	<b>50,996,789</b>

**SHIRE OF GINGIN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2017**

**6. 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
<b>Land</b>					
Land - freehold land	2	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2017	Price per hectare
Land - freehold land	3	Improvements to land valued using cost approach using depreciated replacement cost	Independent registered valuers	June 2017	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Land - vested in and under the control of Council	3	Improvements to land valued using cost approach using depreciated replacement cost	Management Valuation	June 2017	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Buildings - non-specialised	2	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2017	Price per square metre
Buildings - non-specialised	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2017	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Buildings - specialised	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2017	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Furniture and equipment</b>					
	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2016	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Plant and equipment</b>					
Independent and Management Valuation	2	Market approach using recent observable market data for similar properties	Independent registered valuers and Management Valuation	June 2016	Price per item
Independent and Management Valuation	3	Cost approach using depreciated replacement cost	Independent registered valuers and Management Valuation	June 2016	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Tools	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2016	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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 GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>7 (a). INFRASTRUCTURE</b>		
Infrastructure - Roads		
- Management valuation 2015 - level 3	78,515,455	78,515,455
- Additions after valuation - cost	6,273,870	3,133,123
- Transfer to Plant and Equipment	(5,969)	(5,969)
Infrastructure - Roads - Less: accumulated depreciation	<u>(4,605,974)</u>	<u>(2,295,714)</u>
	80,177,382	79,346,895
Infrastructure - Footpaths		
- Management valuation 2015 - level 3	77,090	77,090
- Transfer from Parks	53,382	53,382
- Additions after valuation - cost	42,876	0
Infrastructure - Footpaths - Less: accumulated depreciation	<u>(5,552)</u>	<u>0</u>
	167,796	130,472
Infrastructure - Parks and Ovals		
- Independent valuation 2015 - level 3	12,256,600	12,256,600
- Additions after valuation - cost	2,044,766	1,613,418
- Transfer to Footpaths	(53,382)	(53,382)
Infrastructure - Parks and Ovals - Less: accumulated depreciation	<u>(1,256,016)</u>	<u>(422,992)</u>
	12,991,968	13,393,644
Infrastructure - Other		
- Independent valuation 2015 - level 3	1,340,266	1,340,266
- Additions after valuation - cost	987,574	0
- Transfer from Specialised and Non Specialised Buildings	5,484,404	0
Infrastructure - Other - Less: accumulated depreciation	<u>(242,610)</u>	<u>(20,885)</u>
	7,569,634	1,319,381
Infrastructure - Bridges		
- Management valuation 2015 - level 3	2,744,000	2,744,000
Infrastructure - Bridges - Less: accumulated depreciation	<u>(208,708)</u>	<u>(69,187)</u>
	2,535,292	2,674,813
	<u>103,442,072</u>	<u>96,865,205</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 GINGIN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2017

**7. 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	79,346,895	3,140,747	0	0	0	0	(2,310,260)	0	80,177,382
Infrastructure - Footpaths	130,472	42,876	0	0	0	0	(5,552)	0	167,796
Infrastructure - Parks and Ovals	13,393,644	431,348	0	0	0	0	(833,024)	0	12,991,968
Infrastructure - Other	1,319,381	987,574	0	0	0	0	(221,725)	5,484,404	7,569,634
Infrastructure - Bridges	2,674,813	0	0	0	0	0	(139,521)	0	2,535,292
<b>Total infrastructure</b>	<b>96,865,205</b>	<b>4,602,545</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(3,510,082)</b>	<b>5,484,404</b>	<b>103,442,072</b>

**SHIRE OF GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**7. INFRASTRUCTURE (Continued)**

**(c) Fair Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of valuation</b>	<b>Date of last Valuation</b>	<b>Inputs used</b>
<b>Infrastructure - Roads</b>	3	Cost approach using depreciated replacement	Management Valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3).
<b>Infrastructure - Footpaths</b>	3	Cost approach using depreciated replacement	Management Valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3).
<b>Infrastructure - Drainage</b>	3	Cost approach using depreciated replacement	Management Valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3).
<b>Infrastructure - Parks and Ovals</b>	3	Cost approach using depreciated replacement	Independent registered valuers	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3).
<b>Infrastructure - Other</b>	3	Cost approach using depreciated replacement	Independent registered valuers	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3).
<b>Infrastructure - Bridges</b>	3	Cost approach using depreciated replacement	Independent registered valuers	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3).

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 GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>8. TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Sundry creditors	1,164,462	1,094,717
Accrued interest on debentures	30,606	30,562
Accrued salaries and wages	0	32,389
ATO liabilities	144,639	97,380
Other	66,606	54,776
	<u>1,406,313</u>	<u>1,309,824</u>
<b>9. LONG-TERM BORROWINGS</b>		
<b>Current</b>		
Secured by floating charge		
Debentures	207,047	176,438
	<u>207,047</u>	<u>176,438</u>
<b>Non-current</b>		
Secured by floating charge		
Debentures	2,202,180	2,204,806
	<u>2,202,180</u>	<u>2,204,806</u>

Additional detail on borrowings is provided in Note 22.

**10. PROVISIONS**

	<b>Provision for Annual Leave \$</b>	<b>Provision for Long Service Leave \$</b>	<b>Provision for Sick Leave \$</b>	<b>Total \$</b>
<b>Opening balance at 1 July 2016</b>				
Current provisions	298,895	364,134	40,173	703,202
Non-current provisions	0	120,513	31,990	152,503
	<u>298,895</u>	<u>484,647</u>	<u>72,163</u>	<u>855,705</u>
Additional provision	8,249	4,317	6,881	19,447
<b>Balance at 30 June 2017</b>	<u>307,144</u>	<u>488,964</u>	<u>79,044</u>	<u>875,152</u>
<b>Comprises</b>				
Current	307,144	266,065	39,446	612,655
Non-current	0	222,899	39,598	262,497
	<u>307,144</u>	<u>488,964</u>	<u>79,044</u>	<u>875,152</u>

**SHIRE OF GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**12. RESERVES - CASH BACKED**

	Actual 2017 Opening Balance \$	Actual 2017 Transfer to \$	Actual 2017 Transfer (from) \$	Actual 2017 Closing Balance \$	Budget 2017 Opening Balance \$	Budget 2017 Transfer to \$	Budget 2017 Transfer (from) \$	Budget 2017 Closing Balance \$	Actual 2016 Opening Balance \$	Actual 2016 Transfer to \$	Actual 2016 Transfer (from) \$	Actual 2016 Closing Balance \$
Long Service Leave, Sick Leave, Staff Contingency	356,637	156,426	0	513,063	355,494	6,141	0	361,635	440,377	8,579	(92,319)	356,637
Office Equipment Replacement	17,210	276	0	17,486	17,166	426	0	17,592	16,881	329	0	17,210
Plant and Equipment Replacement	150,708	2,421	0	153,129	150,323	24,149	0	174,472	147,827	2,881	0	150,708
Land and Buildings General	801,200	113,337	(161,327)	753,210	798,786	14,077	(380,000)	432,863	279,089	668,488	(146,377)	801,200
Guilderton Caravan Park Recreation	120,316	102,397	0	222,713	120,009	2,115	0	122,124	118,016	2,300	0	120,316
Shire Recreational Development	151,204	153,175	(100,000)	204,379	215,653	3,800	(100,000)	119,453	212,073	4,131	(65,000)	151,204
Redfield Park Public Open Space	29,283	479	0	29,762	41,191	726	0	41,917	40,507	789	(12,013)	29,283
Ocean Farm Recreation	35,986	578	0	36,564	35,894	633	0	36,527	35,298	688	0	35,986
Tip Rationalisation	686,147	11,024	0	697,171	684,398	12,062	(110,000)	586,460	673,034	13,113	0	686,147
Lancelin Community Sporting Club	32,708	16,294	0	49,002	17,578	12,810	0	30,388	17,285	15,423	0	32,708
Community Infrastructure	86,046	1,383	0	87,429	85,827	1,513	0	87,340	84,402	1,644	0	86,046
Staff Housing	31,238	502	0	31,740	31,158	549	0	31,707	30,641	597	0	31,238
Future Infrastructure	73,481	458,043	0	531,524	0	76,797	0	76,797	0	73,481	0	73,481
Guilderton Country Club Reserve	0	2,851	0	2,851	0	5,460	0	5,460	0	0	0	0
	2,572,164	1,019,186	(261,327)	3,330,023	2,553,477	161,258	(590,000)	2,124,735	2,095,430	792,443	(315,709)	2,572,164

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.

**SHIRE OF GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**12. RESERVES - CASH BACKED**

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
Long Service Leave, Sick Leave, Staff Contingency		Used to fund annual leave, long service leave, sick leave, redundancy/retirement and staff contingency.
Office Equipment Replacement		Used for the acquisition and/or replacement of major items of office equipment (including computer system).
Plant and Equipment Replacement		Used for the purchase of major plant and equipment.
Land and Buildings General		Used for the replacement and/or acquisition of land and buildings.
Guilderton Caravan Park Recreation		Used for the development of Guilderton Caravan Park facilities.
Shire Recreational Development		Used for the development of Shire Recreational facilities.
Redfield Park Public Open Space		Used for the development of Public Open Space within the Redfield Park subdivision.
Ocean Farm Recreation		Used for the development of recreation and community facilities within the Ocean Farm subdivision.
Tip Rationalisation		Used for rationalisation of rubbish tip facilities within the Shire.
Lancelin Community Sporting Club		Used in developing building and other associated infrastructure at the Lancelin Community Sporting Club and are to be spent upon request from the club
Community Infrastructure		Used to assist in the financing of community facilities.
Staff Housing		Used for the renewal, refurbishment, replacement and upgrading of Staff Housing.
Future Infrastructure		Used to fund future infrastructure construction, purchase, additions and/or renewals
Guilderton Country Club Reserve		Used to fund the development of the Guilderton Country Club and are to be spent upon request from the Club, and approval from Council.



**SHIRE OF GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**13. REVALUATION SURPLUS**

	2017 Opening Balance \$	2017 Revaluation Increment \$	2017 Revaluation (Decrement) \$	2017 Total Movement on Revaluation \$	2017 Closing Balance \$	2016 Opening Balance \$	2016 Revaluation Increment \$	2016 Revaluation (Decrement) \$	2016 Total Movement on Revaluation \$	2016 Closing Balance \$
Land and buildings	26,962,334	1,363,794	0	1,363,794	28,326,128	26,962,334	0	0	0	26,962,334
Furniture and equipment	0	0	0	0	0	240,123	0	(240,123)	(240,123)	0
Plant and equipment	2,429,366	0	0	0	2,429,366	1,980,911	448,455	0	448,455	2,429,366
Tools	62,540	0	0	0	62,540	44,700	17,840	0	17,840	62,540
Revaluation surplus - Infrastructure - Roads	66,046,298	0	0	0	66,046,298	66,046,298	0	0	0	66,046,298
Revaluation surplus - Infrastructure - Parks and Ovals	7,962,743	0	0	0	7,962,743	7,962,743	0	0	0	7,962,743
Revaluation surplus - Infrastructure - Bridges	2,744,000	0	0	0	2,744,000	2,744,000	0	0	0	2,744,000
	106,207,281	1,363,794	0	1,363,794	107,571,075	105,981,109	466,295	(240,123)	226,172	106,207,281

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 GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**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:

	<b>2017</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
Cash and cash equivalents	<u>5,234,835</u>	<u>2,729,352</u>	<u>4,951,202</u>
<b>(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>			
Net result	1,680,740	1,645,076	2,283,132
Non-cash flows in Net result:			
Depreciation	5,196,832	3,488,127	4,268,267
(Profit)/Loss on sale of asset	99,140	60,682	(399,544)
Loss on revaluation of fixed assets	0	0	113,273
Changes in assets and liabilities:			
(Increase)/Decrease in receivables	(175,418)	651,939	(251,461)
(Increase)/Decrease in inventories	7,767	0	16
Increase/(Decrease) in payables	96,489	(491,193)	804,577
Increase/(Decrease) in provisions	19,447	9,400	102,773
Grants contributions for the development of assets	<u>(2,400,330)</u>	<u>(2,434,924)</u>	<u>(3,589,599)</u>
Net cash from operating activities	<u>4,524,667</u>	<u>2,929,107</u>	<u>3,331,434</u>
<b>(c) Undrawn Borrowing Facilities</b>			
	<b>2017</b>		<b>2016</b>
	<b>\$</b>		<b>\$</b>
<b>Credit Standby Arrangements</b>			
Bank overdraft limit	500,000		500,000
Bank overdraft at balance date	0		0
Credit card limit	33,000		29,000
Credit card balance at balance date	<u>(3,463)</u>		<u>(4,948)</u>
<b>Total amount of credit unused</b>	<u>529,537</u>		<u>524,052</u>
<b>Loan facilities</b>			
Loan facilities - current	207,047		176,438
Loan facilities - non-current	<u>2,202,180</u>		<u>2,204,806</u>
<b>Total facilities in use at balance date</b>	<u>2,409,227</u>		<u>2,381,244</u>
<b>Unused loan facilities at balance date</b>	<u>NIL</u>		<u>NIL</u>

**SHIRE OF GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**15. CONTINGENT LIABILITIES**

The Shire does not have any contingent liabilities.

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>16. CAPITAL AND LEASING COMMITMENTS</b>		
<b>(a) Operating Lease Commitments</b>		
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	27,711	19,124
- later than one year but not later than five years	106,297	9,218
- later than five years	0	0
	<u>134,008</u>	<u>28,342</u>
<b>(b) Capital Expenditure Commitments</b>		
Contracted for:		
- capital expenditure projects	<u>129,778</u>	<u>1,052,367</u>
Payable:		
- not later than one year	<u>129,778</u>	<u>1,052,367</u>
Murray Road Bridge Works		
- Balance of the Construction of Murray Road Bridge	129,778	0
Seabird Erosion Project		
- Balance of the Construction of Seabird Seawall	0	874,835
Ocean Farm Fire Shed		
- Construction of new fire shed	0	177,532
	<u>129,778</u>	<u>1,052,367</u>
<b>17. JOINT VENTURE ARRANGEMENTS</b>		
The Shire is not involved in any joint venture arrangements.		
<b>18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY</b>		
	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Governance	4,940	2,800
General purpose funding	918,137	742,067
Law, order, public safety	2,272,804	2,742,245
Health	779,725	792,420
Education and welfare	2,812,030	1,299,986
Community amenities	2,241,616	1,585,227
Recreation and culture	33,449,229	34,025,524
Transport	83,733,662	83,381,976
Economic services	2,375,370	2,085,925
Other property and services	26,511,481	26,116,942
Unallocated	6,810,661	5,946,090
	<u>161,909,655</u>	<u>158,721,202</u>

**SHIRE OF GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

19. FINANCIAL RATIOS	2017	2016	2015
Current ratio	1.87	1.52	3.24
Asset sustainability ratio	1.00	1.79	0.89
Debt service cover ratio	13.89	8.36	6.57
Operating surplus ratio	(0.06)	(0.11)	0.09
Own source revenue coverage ratio	0.73	0.78	0.77

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 62 of this document.

- (a) Three of the 2017 ratios disclosed above were distorted by the early receipt of half of the allocation of the 2017-18 Financial Assistance Grant in June 2017.

The early payment of the grant increased operating revenue in 2017 by \$913,393.

- (b) Two of the 2016 and three of the 2015 ratios disclosed above were distorted by the early receipt of half of the allocation of the 2015-16 Financial Assistance Grant on 30 June 2015 and loss on revaluation -\$113,273 for furniture and equipment on 30 June 2016.

- (c) If recognised in the year to which the allocation related, the calculations in the 2017, 2016 and 2015 columns above would be as follows:

	2017	2016	2015
Current ratio	1.31	1.52	2.26
Debt service cover ratio	11.15	11.04	5.40
Operating surplus ratio	(0.14)	(0.17)	0.00

**SHIRE OF GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**20. TRUST FUNDS**

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

	1 July 2016 \$	Amounts Received \$	Amounts Paid (\$)	30 June 2017 \$
Bonds, Tenders etc	5,800	8,417	5,100	9,117
Car Parking Cash in Lieu	11,482	1,532	0	13,014
Community Groups	3,592	716	15	4,293
D Wedge Trust	4,858	1,520	63	6,315
Excavation Bonds	20,000	6,096	0	26,096
Footpath Bonds	5,240	742	0	5,982
Landscaping Bonds	41,635	8,132	0	49,767
Old Junction Hotel Restoration	1,318	425	0	1,743
Other Bonds/Trusts	13,527	9,270	1,340	21,457
Public Open Space	30,000	4,465	0	34,465
Rehabilitation Bonds	64,842	20,990	0	85,831
Second Hand Buildings	34,500	13,139	0	47,639
Staff Trust	11,633	30,776	25,529	16,880
Subdivision Bonds	169,067	38,071	0	207,138
Tree Planting Bonds	0	5,456	0	5,456
Trust Interest	173,450	4,628	178,079	0
	<u>590,944</u>	<u>154,375</u>	<u>210,125</u>	<u>535,193</u>



**SHIRE OF GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**21. DISPOSALS OF ASSETS - 2016/17 FINANCIAL YEAR**

The following assets were disposed of during the year.

	Actual Net Book Value \$	Actual Sale Proceeds \$	Actual Profit \$	Actual Loss \$	Budget Net Book Value \$	Budget Sale Proceeds \$	Budget Profit \$	Budget Loss \$
<b>Plant and Equipment</b>								
Law, order, public safety								
Isuzu D-Max Utility GG005	30,008	24,545	0	(5,463)	32,989	27,000	0	(5,989)
Sale of GG072	7,394	15,000	7,606	0	0	0	0	0
Sale of GG070	28,959	19,546	0	(9,413)	0	0	0	0
Health								
Isuzu MUX 6GG	0	0	0	0	28,037	20,000	0	(8,037)
Community amenities								
Isuzu MUX 4GG	0	0	0	0	28,037	20,000	0	(8,037)
Recreation and culture								
Mower GG096	0	0	0	0	0	1,500	1,500	0
Transport								
Isuzu D-Max Utility 9GG	29,329	23,636	0	(5,693)	29,029	29,000	0	(29)
Caterpillar Grader GG001	129,637	120,000	0	(9,637)	151,254	95,000	0	(56,254)
John Deere Tractor GG012	0	0	0	0	30,659	45,000	14,341	0
Mercedes Benz Prime Mover GG028	0	0	0	0	61,222	70,000	8,778	0
Mercedes Benz Prime Mover GG045	0	0	0	0	61,222	75,000	13,778	0
Isuzu D-Max Utility GG013	0	0	0	0	17,555	25,000	7,445	0
Isuzu D-Max Utility GG020	0	0	0	0	16,522	24,000	7,478	0
Isuzu D-Max Utility GG043	32,000	22,546	0	(9,454)	37,960	27,000	0	(10,960)
Volkswagon Transporter Van GG009	0	0	0	0	31,531	21,000	0	(10,531)
Isuzu D-Max Utility GG033	29,261	21,818	0	(7,443)	20,136	27,000	6,864	0
Isuzu D-Max Utility GG050	32,500	22,273	0	(10,227)	38,523	24,000	0	(14,523)
Isuzu D-Max Utility GG017	29,054	21,818	0	(7,236)	20,136	27,000	6,864	0
Isuzu D-Max Utility 5GG	42,948	30,000	0	(12,948)	42,948	21,000	0	(21,948)
Low Loader GG037	13,344	17,000	3,656	0	29,256	20,000	0	(9,256)
Economic services								
Utility GG044	17,500	9,818	0	(7,682)	7,228	9,818	2,590	0
Other property and services								
Toyota Prado 0GG	65,000	40,909	0	(24,091)	51,756	67,000	15,244	0
Reception Counter	1,115	0	0	(1,115)	0	0	0	0
	<b>488,049</b>	<b>388,909</b>	<b>11,262</b>	<b>(110,402)</b>	<b>736,000</b>	<b>675,318</b>	<b>84,882</b>	<b>(145,564)</b>

**SHIRE OF GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**22. INFORMATION ON BORROWINGS**

(a) Repayments - Debentures

Particulars	Principal	New	Principal		Principal		Interest		
	1 July 2016		Loans	Repayments	Repayments	Actual	Budget	Actual	Budget
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Health</b>									
L100 GG Medical Centre	232,452	0	22,887	22,887	209,565	209,565	14,134	14,766	
<b>Community amenities</b>									
L111 Tip Rationalisation Site	499,452	0	14,578	14,578	484,874	484,874	31,804	32,182	
L127 Seabird Sea Wall	0	213,897	9,475	9,383	204,422	204,514	4,881	2,898	
<b>Recreation and culture</b>									
L114 Gu C/Club	490,488	0	26,991	28,952	463,497	461,536	34,327	34,548	
L119 LP C/Club & Granville Ctr	16,317	0	7,870	7,871	8,446	8,446	970	1,034	
L120 Regional Hardcourt Facility	340,087	0	17,115	17,115	322,972	322,972	22,399	22,437	
L124A Regional Hardcourt Facility	330,479	0	17,854	17,854	312,625	312,625	13,412	13,466	
L126 Swimming Pool Tiling	150,000	0	13,010	13,010	136,990	136,990	4,383	4,550	
<b>Other property and services</b>									
L118 Office Extensions	32,505	0	15,679	15,679	16,826	16,826	1,932	2,060	
L123 Lot 44 Weld Street GG	225,364	0	12,538	12,538	212,826	212,826	15,290	15,471	
	2,317,144	213,897	157,997	159,867	2,373,043	2,371,174	143,532	143,412	

**SHIRE OF GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**22. INFORMATION ON BORROWINGS**

(a) Repayments - Debentures

Particulars	Principal 1 July 2016 \$	New Loans \$	Principal Repayments		Principal 30 June 2017		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Self Supporting Loans</b>								
<b>Recreation and culture</b>								
L115 Gu C/Club	25,992	0	12,538	12,538	13,453	13,453	1,540	1,643
<b>Economic services</b>								
L103 Gingin Sale Yards	17,982	0	5,642	5,642	12,340	12,340	841	982
<b>Other property and services</b>								
L93 LA Angling/Aquatic	20,126	0	9,736	9,736	10,391	10,391	1,051	1,156
	64,100	0	27,916	27,916	36,184	36,184	3,432	3,781
	<b>2,381,244</b>	<b>213,897</b>	<b>185,913</b>	<b>187,783</b>	<b>2,409,227</b>	<b>2,407,358</b>	<b>146,964</b>	<b>147,193</b>

Self supporting loans are financed by payments from third parties.

All other loan repayments were financed by general purpose revenue.

**SHIRE OF GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**22. INFORMATION ON BORROWINGS (Continued)**

(b) New Debentures - 2016/17

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges \$	Interest Rate %	Amount Used		Balance Unspent \$
	Actual \$	Budget \$						Actual \$	Budget \$	
Loan 127 - Seabird Seawall Extension	213,897	213,897	WATC	Debenture	10	31,728	2.71%	213,897	213,897	0
	<u>213,897</u>	<u>213,897</u>				<u>31,728</u>		<u>213,897</u>	<u>213,897</u>	<u>0</u>

(c) Unspent Debentures

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

(d) Overdraft

Council has not utilised an overdraft facility during the financial year although an overdraft facility of \$500,000 with the Bendigo Bank does exist. The balance of the bank overdraft at 1 July 2016 and 30 June 2017 was \$nil.

**SHIRE OF GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**23. RATING INFORMATION - 2016/17 FINANCIAL YEAR**

<b>RATE TYPE</b>	<b>Rate in \$</b>	<b>Number of Properties</b>	<b>Rateable Value \$</b>	<b>Rate Revenue \$</b>	<b>Total Revenue \$</b>	<b>Rate Revenue \$</b>	<b>Budget Total Revenue \$</b>
<b>Differential general rate</b>							
<b>Gross rental value valuations</b>							
GRV - Townsites & Other	0.0821	2,666	43,323,597	3,555,264	3,555,264	3,555,264	3,555,264
<b>Unimproved value valuations</b>							
UV - Rural	0.0044	423	289,227,000	1,280,408	1,280,408	1,280,409	1,280,409
UV - Intensive	0.0083	118	64,543,000	535,901	535,901	535,901	535,901
<b>Sub-Total</b>		<b>3,207</b>	<b>397,093,597</b>	<b>5,371,573</b>	<b>5,371,573</b>	<b>5,371,574</b>	<b>5,371,574</b>
<b>Minimum payment</b>	<b>Minimum \$</b>						
<b>Gross rental value valuations</b>							
GRV - Townsites & Other	980	1,630	10,885,868	1,597,400	1,597,400	1,597,400	1,597,400
<b>Unimproved value valuations</b>							
UV - Rural	1,238	394	75,600,064	487,772	487,772	487,772	487,772
UV - Intensive	2,201	93	15,554,347	204,693	204,693	204,693	204,693
<b>Sub-Total</b>		<b>2,117</b>	<b>102,040,279</b>	<b>2,289,865</b>	<b>2,289,865</b>	<b>2,289,865</b>	<b>2,289,865</b>
<b>Totals</b>		<b>5,324</b>	<b>499,133,876</b>	<b>7,661,438</b>	<b>7,661,438</b>	<b>7,661,439</b>	<b>7,661,439</b>
Concessions (refer note 27)				(95,527)			(92,000)
<b>Total amount raised from general rate</b>				<b>7,565,911</b>			<b>7,569,439</b>
Ex-gratia rates				4,119			0
Interim Rates				20,490			20,000
Back Rates				16,760			1,000
Rates Written Off				0			(600)
<b>Totals</b>				<b>7,607,280</b>			<b>7,589,839</b>



**SHIRE OF GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**24. NET CURRENT ASSETS**

Composition of net current assets

	<b>2017</b> <b>(30 June 2017</b> <b>Carried</b> <b>Forward)</b> <b>\$</b>	<b>2017</b> <b>(1 July 2016</b> <b>Brought</b> <b>Forward)</b> <b>\$</b>	<b>2016</b> <b>(30 June 2016</b> <b>Carried</b> <b>Forward)</b> <b>\$</b>
<b>Surplus 1 July 16 brought forward</b>	1,931,792	2,265,998	2,265,998
<b>CURRENT ASSETS</b>			
Cash and cash equivalents			
Unrestricted	994,821	851,145	851,144
Restricted Cash	909,991	1,527,894	1,527,894
Reserves Restricted	3,330,023	2,572,164	2,572,164
Receivables			
Rates outstanding	734,625	599,945	599,945
Sundry debtors	961,626	931,679	931,680
GST receivable	118,666	220,367	220,367
Loans receivable - clubs/institutions	29,831	27,916	27,916
Loans - advances to community groups	11,282	10,620	10,620
Prepayments	79,727	12,643	12,643
Rates other charges	1,178	825	825
Rubbish fees	48,635	44,620	44,620
ESL outstanding	0	0	0
Legal Costs - recovery of rates	74,778	55,427	55,427
Inventories			
Fuel and materials	16,714	24,452	24,452
History books	9,999	10,028	10,028
<b>LESS: CURRENT LIABILITIES</b>			
Trade and other payables			
Sundry creditors	(1,164,462)	(1,094,718)	(1,094,718)
Accrued interest on debentures	(30,606)	(30,562)	(30,562)
Accrued salaries and wages	0	(32,389)	(32,389)
ATO liabilities	(144,639)	(97,380)	(97,380)
Prepayments	(66,606)	(54,776)	(54,776)
Current portion of long term borrowings			
Secured by floating charge	(207,047)	(176,438)	(176,438)
Provisions			
Provision for annual leave	(307,144)	(298,895)	(298,895)
Provision for long service leave	(266,065)	(364,134)	(364,134)
Provision for sick leave	(39,446)	(40,173)	(40,173)
<b>Unadjusted net current assets</b>	<b>5,095,881</b>	<b>4,700,260</b>	<b>4,700,260</b>
<b>Adjustments</b>			
Less: Reserves - restricted cash	(3,330,023)	(2,572,164)	(2,572,164)
Less: Loans receivable - clubs/institutions	(29,831)	(27,916)	(27,916)
Less: Loans advances to community groups	(11,282)	(10,620)	(10,620)
Add: Secured by floating charge	207,047	176,438	176,438
<b>Adjusted net current assets - surplus</b>	<b>1,931,792</b>	<b>2,265,998</b>	<b>2,265,998</b>

**Difference**

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

**SHIRE OF GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**25. SPECIFIED AREA RATE - 2016/17 FINANCIAL YEAR**

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

**26. SERVICE CHARGES - 2016/17 FINANCIAL YEAR**

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

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

**Waivers or Concessions**

<b>Rate or Fee and Charge to which the Waiver or Concession is Granted</b>	<b>Type</b>	<b>%</b>	<b>Actual \$</b>	<b>Budget \$</b>
Rates Concession for Split Use Differential UV General properties with a mix of non-intensive and intensive use on a property	Concession	Based on the area of land on the property used for non-intensive purposes.	95,527	92,000
			<u>95,527</u>	<u>92,000</u>

**Rate or Fee and Charge to which the Waiver or Concession is Granted**  
 Rates Concession for Split Use Differential UV General properties with a mix of non-intensive and intensive use on a property

**Circumstances in which the Waiver or Concession is Granted and to whom it was available**  
 A concession is granted based on the area of land used for non-intensive rural purposes. The rates concession is calculated by determining the percentage of the property used for intensive purposes, the balance being non-intensive.

**Objects of the Waiver or Concession**  
 To ensure that the rates paid for a property appropriately reflect the use of the property. The concession is provided for split use differentially rated rural properties where there is a mixed use of non-intensive and intensive use on that property and where less than 75% of the property is classified as Intensive Use.

**Reasons for the Waiver or Concession**  
 Property owners within the Shire carry on a variety of mixed uses on their land, with some using less than 75% of their land for non-intensive rural uses. The concession provides for these situations by ensuring the property owner only pays the relevant rates applicable to the use of the land.

SHIRE OF GINGIN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2017

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

	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
<b>Instalment Options</b>				
<b>Option One</b>				
Single full payment	14 September 16	0		11.00%
<b>Option Two</b>				
First Instalment	14 September 16	0		
Second Instalment	16 January 17	5	5.50%	11.00%
<b>Option Three</b>				
First Instalment	14 September 16	0	5.50%	11.00%
Second Instalment	14 November 16	5	5.50%	11.00%
Third Instalment	16 January 17	5	5.50%	11.00%
Fourth Instalment	16 March 17	5	5.50%	11.00%
			<b>Revenue</b>	<b>Budgeted Revenue</b>
			\$	\$
			100,440	87,000
			26,586	27,000
			19,240	20,000
			146,266	134,000

Interest on unpaid rates  
Interest on instalment plan  
Charges on instalment plan

**SHIRE OF GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

<b>29. FEES &amp; CHARGES</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
General purpose funding	19,240	20,335
Law, order, public safety	80,967	75,646
Health	244,473	248,860
Education and welfare	109,009	108,102
Housing	19,480	28,937
Community amenities	1,484,376	1,620,102
Recreation and culture	70,040	52,842
Economic services	1,878,126	1,588,001
Other property and services	23,706	47,834
	<u>3,929,417</u>	<u>3,790,659</u>

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

**30. GRANT REVENUE**

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

<b>By Nature or Type:</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Operating grants, subsidies and contributions</b>		
Governance	500	0
General purpose funding	2,611,998	819,263
Law, order, public safety	277,452	172,626
Education and welfare	18,500	0
Community amenities	178,238	649,803
Recreation and culture	131,661	183,862
Transport	197,103	150,000
Economic services	36,500	13,000
Other property and services	78,363	455
	<u>3,530,315</u>	<u>1,989,009</u>
<b>Non-operating grants, subsidies and contributions</b>		
Law, order, public safety	307,276	0
Education and welfare	0	30,000
Community amenities	0	1,417,016
Recreation and culture	350,308	74,836
Transport	1,742,746	2,067,747
	<u>2,400,330</u>	<u>3,589,599</u>
	<u>5,930,645</u>	<u>5,578,608</u>

**31. EMPLOYEE NUMBERS**

The number of full-time equivalent employees at balance date

<u>58</u>	<u>55</u>
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**32. ELECTED MEMBERS REMUNERATION**

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

	<b>2017</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
Meeting Fees	78,000	78,000	76,834
President's allowance	15,800	15,800	15,600
Deputy President's allowance	3,950	3,950	3,900
Travelling expenses	15,485	12,000	12,699
IT Allowance	18,540	18,540	17,884
Conferences/Training	10,059	16,600	13,149
	<u>141,834</u>	<u>144,890</u>	<u>140,066</u>

**SHIRE OF GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**33. RELATED PARTY TRANSACTIONS**

**Key Management Personnel (KMP) Compensation Disclosure**

	<b>2017</b>
	<b>\$</b>
The total of remuneration paid to KMP of the Shire during the year are as follows:	
Short-term employee benefits	974,574
Post-employment benefits	123,146
Other long-term benefits	24,299
Termination benefits	42,434
	1,164,453

**Short-term employee benefits**

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

**Post-employment benefits**

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

**Other long-term benefits**

These amounts represent long service benefits accruing during the year.

**Termination benefits**

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

**Related Parties**

**The Shire's main related parties are as follows:**

*i. Key management personnel*

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

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

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

**Transactions with related parties**

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

The following transactions occurred with related parties:

**Associated companies/individuals:**

Purchase of goods and services

**Joint venture entities:**

**Amounts outstanding from related parties:**

Trade and other receivables

**Amounts payable to related parties:**

**2017**  
**\$**

484,793

3,000

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



**SHIRE OF GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**34. MAJOR LAND TRANSACTIONS**

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

**35. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

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

**SHIRE OF GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**36. FINANCIAL RISK MANAGEMENT**

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

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

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

*The Shire held the following financial instruments at balance date:*

	Carrying Value		Fair Value	
	2017	2016	2017	2016
	\$	\$	\$	\$
<b>Financial assets</b>				
Cash and cash equivalents	5,234,835	4,951,202	5,234,835	4,951,202
Receivables	2,209,246	2,072,365	2,209,246	2,072,365
	<u>7,444,081</u>	<u>7,023,567</u>	<u>7,444,081</u>	<u>7,023,567</u>
<b>Financial liabilities</b>				
Payables	1,406,313	1,309,824	1,406,313	1,309,824
Borrowings	2,409,227	2,381,244	2,801,421	2,901,445
	<u>3,815,540</u>	<u>3,691,068</u>	<u>4,207,734</u>	<u>4,211,269</u>

Fair value is determined as follows:

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

**SHIRE OF GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**36. FINANCIAL RISK MANAGEMENT (Continued)**

**(a) Cash and Cash Equivalents**

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

Cash is 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.

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Impact of a 1% <sup>(1)</sup> movement in interest rates on cash		
- Equity	52,348	49,512
- Statement of Comprehensive Income	52,348	49,512

*Notes:*

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

**SHIRE OF GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**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:

	<b>2017</b>	<b>2016</b>
Percentage of rates and annual charges		
- Current	0%	0%
- Overdue	100%	100%
Percentage of other receivables		
- Current	78%	84%
- Overdue	22%	16%

**SHIRE OF GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**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:

	<u>2017</u>					<u>2016</u>				
	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
Payables	1,406,313	0	0	1,406,313	1,406,313	1,309,824	0	0	1,309,824	1,309,824
Borrowings	345,102	1,153,843	1,818,732	3,317,677	2,409,227	320,733	1,114,811	1,971,820	3,407,364	2,381,244
	<u>1,751,415</u>	<u>1,153,843</u>	<u>1,818,732</u>	<u>4,723,990</u>	<u>3,815,540</u>	<u>1,630,557</u>	<u>1,114,811</u>	<u>1,971,820</u>	<u>4,717,188</u>	<u>3,691,068</u>



**SHIRE OF GINGIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**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
\$	\$	\$	\$	\$	\$	\$	\$	%
<b>Year ended 30 June 2017</b>								
<b>Borrowings</b>								
<b>Fixed rate</b>								
Debentures	49,116	12,340	0	0	0	2,347,771	2,409,227	5.86%
Weighted average Effective interest rate	7.04%	6.02%	0.00%	0.00%	0.00%	5.84%		
<b>Year ended 30 June 2016</b>								
<b>Borrowings</b>								
<b>Fixed rate</b>								
Debentures	0	94,940	17,982	0	0	2,268,322	2,381,244	6.17%
Weighted average Effective interest rate	0.00%	7.04%	5.92%	0.00%	0.00%	6.14%		

## **INDEPENDENT AUDITOR'S REPORT TO THE ELECTORS OF THE SHIRE OF GINGIN**

### **Opinion on the Audit of the Financial Report**

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

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

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

### **Basis for Opinion**

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

### **Report on Other Legal and Regulatory Requirements**

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

- a) There are no matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- b) No matters indicating non-compliance with Part 6 of the *Local Government Act 1995 (as amended)*, the *Local Government (Financial Management) Regulations 1996 (as amended)* or applicable financial controls of any other written law were noted during the course of our audit.
- c) In relation to the Supplementary Ratio Information presented at page 62 of this report, we have reviewed the calculations as presented and nothing has come to our attention to suggest it is not supported by:
  - i. verifiable information; and
  - ii. reasonable assumptions.
- d) All necessary information and explanations were obtained by us.
- e) All audit procedures were satisfactorily completed in conducting our audit

## **INDEPENDENT AUDITOR'S REPORT TO THE ELECTORS OF THE SHIRE OF GINGIN (CONTINUED)**

### ***Other Information***

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

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

### ***Responsibilities of Management and Council for the Financial Report***

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

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Report***

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

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

MOORE STEPHENS  
CHARTERED ACCOUNTANTS



GREG GODWIN  
PARTNER

Date: 16 November 2017  
Perth, WA

**SHIRE OF GINGIN  
SUPPLEMENTARY RATIO INFORMATION  
FOR THE YEAR ENDED 30TH JUNE 2017**

**RATIO INFORMATION**

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

	2017	2016	2015
Asset consumption ratio	0.96	0.97	0.98
Asset renewal funding ratio	0.93	0.46	0.45

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

## Notes



## Notes



