



2017 Aerial View of Centenary Park with Skate Park, Kellerberrin WA

Shire of Kellerberrin

Annual Report

2016 / 2017

Adopted: 19th December 2017

MIN 228/17

President's Report 2016/17



President
Cr Rodney Forsyth

INTRODUCTION:

The 2016/17 year, was once again a busy and challenging year for both Council and myself, this has been my fourth year as president, a role in which I'm very proud and honoured to serve the Kellerberrin Community.

The year continued with renewal works to the road network and repairing flood damage from two declared storm events. Whilst securing adequate levels of road funding continue to be a struggle for regional Shires, the road renewal program will continue over the coming years.

The ongoing upgrade of Centenary Park and the completion of the Skate Park has gone particularly well with very pleasing results. The Skate Park has proven to be well utilised by the Shire's young people.

The Shire is also adding funds to its reserves in preparation for a significant upgrade to the Kellerberrin Swimming Pool complex.

COUNCILLORS:

I would like to express my sincere thanks to all Councillors for their continued dedicated and diligent commitment to their Council duties and responsibilities, particularly through some of the difficult issues dealt with by Council over the period under review. The resilience shown in planning for the future of the district will be reaped subsequently by generations to come.

FINANCES:

The financial position of the Shire of Kellerberrin continues to improve with considered Long Term Financial Planning. Council is required to demonstrate its ability to meet the Department of Local Governments financial ratios, although the means to achieve compliance are quite restrictive. Increasing own source revenues, primarily through Rates revenue, is the main mechanism to achieving full compliance, along with significantly reducing Shire services. Council has determined that Rate increases should be incremental and spread over the longer term, whilst every effort is made to maintain the services and facilities supplied to the Shire of Kellerberrin community.

Council, through its Audit Committee met with its auditor Moore Stephens following the on-site audit visit in early October and subsequent receipt of the 2017 Audit and Management reports. The overall financial performance of the operations of Council, as stated by its auditors is satisfactory and one that Council is pleased with in regards to its financial performance and position.

Council continues to endeavour to keep its plant in good order and condition and be mindful of its requirement to provide staff with reliable plant to ensure minimal downtime in the ongoing road construction and maintenance programmes.

Council has continued its commitment to prudent financial management with an annual review of its Long Term Financial Plan. The current plan adheres to all requirements from the State Government in meeting its financial ratio requirements and provides the Shire of Kellerberrin with renewed infrastructure and development to see the continued growth of Kellerberrin.

MAJOR PROJECTS:

The following information provides a summary of some the major projects listed as part of Council's "Capital Works Plan":

- **Central East Aged Care Alliance (CEACA)**

Council continues to progress the work with CEACA, Council has received positive news that it has been successful through CEACA for the development and construction of fourteen (14) Independent Living Units in Kellerberrin as a part of Stage One and Two of the CEACA Program. It is expected that works will commence in 2017 for the earthworks and construction.

- **Centenary Park Upgrade**

Council commenced the construction of the Centenary Park Upgrade including the new Skate Park. The Skate Park construction has been completed with the Centenary Park Nature Play area expected to be completed by the end of August 2017.

Council's staff has worked tirelessly to secure grants for the Centenary Park to ensure that maximum funding is received. Please note the below grants that Council has been successful in receiving to bring this project to the community of Kellerberrin.

Lotterywest	\$498,212
Wheatbelt Development Commission (WDC)	\$ 20,000
WDC Aged Friendly Communities	\$ 15,000
State National Resource Management Fund	\$ 11,533
Department of Sport and Recreation	\$ 95,000
National Stronger Regions Funding	\$310,470

- **Plant Renewal**

Council continues to ensure it that its plant and equipment is updated as per our Plant Replacement Program developed. Council this year purchased the following equipment as part of its Plant Replacement Program:

- Isuzu Dual Cab 4 tonne Tipper Truck

- **Medical Students**

The Shire of Kellerberrin has been instrumental in reinstating the Medical Students visit to the Regions to ensure that the Wheatbelt is being promoted as a place of works for GP's into the future.

The concept was presented to Wheatbelt East Regional Organisations of Council's (WEROC) of which Kellerberrin is a member to progress. I am very pleased to confirm that in 2018 the program will be reinstated bigger than it previously was with an additional two universities taking up the opportunity to visit the Wheatbelt.

- **Roadhouse Development**

Council has been working with United Fuels for the last twelve months through Development Applications, Drainage Plans and assistance with Main Roads regarding access.

This development will provide an additional economic resource to Kellerberrin with additional jobs and additional promotion of Kellerberrin. This development will compliment Kellerberrin and provide a service that the community has previously been lacking with that being a cash fuel services.

Council at this time would like to thank Great Southern Fuels for their support during this trying time and providing a great service to the community of which we believe will receive continued support into the future.

- **Hockey Oval Lighting**

The Shire of Kellerberrin in conjunction with the Kellerberrin Hockey Club upgraded its lighting to the Hockey Oval to ensure it is sufficient for additional night games providing flexibility in fixturing Friday night games freeing up weekends for all.

The Hockey Club were successful in receiving funding from CBH and Department of Sport and Recreation to progress this project and we congratulate them on their forward thinking and receipt of this funding to progress this project.

- **Kellerberrin Speedway**

The Shire of Kellerberrin has been working with the Kellerberrin Speedway with a grant application to the Wheatbelt Development Commission to upgrade to the current facilities. The original grant application was for \$180,000 however Council was only successful for \$100,000.

This has still enabled the project to continue which will see the track be upgraded including concrete barriers and fencing. This will enable the track to be classified as a grade 1 track and attract additional categories of cars to the track therefore enhancing the club.

Additionally the funds will upgrade the toilet facilities, the club house and provide an ablution block in pit lane. These works have commenced with track receiving Grade 1 status from the track and fence upgrade and new toilet block in pit lane. The club house and toilet block will be completed by the beginning of the 2018 season.

- **Industrial Land**

Council has received offers on the final two serviced lots in the Industrial Area. Council will now look to progress discussions with Landcorp on the opportunity to service additional lots in the Industrial Area for sale.

- **New Government Housing**

Council in early 2017 was approached by Government Housing of its ability to provide two new residences for Government Housing. The houses will be constructed by Council and then leased to Government Departments for the attraction and retention of staff. At the end of the lease period Council will then be in ownership of the houses. The current program will see a ten year lease with the ability to extend that by a further five years. At the end of this cycle the houses would nearly be fully repaid and owe Council no funds.

COMMUNITY:

Council continues its support of a number of community activities and initiatives including;

- Australia Day Awards and Volunteers Breakfast Function – Congratulations to all 2017 Australia Day award recipients whose efforts and commitment to the community assists in making a difference and who have been properly recognised in the Shire of Kellerberrin Australia Day Awards.
- RSL Anzac Day Service – Council has continued to support this major annual event and considers it essential that this event is supported by the Community to recognise the achievements of our Countrymen whose efforts and sacrifices make Australia and our Community a better place to live and work in.

Council works closely with the local volunteer fire and rescue members and the Lions Club to host this memorable and traditional event that has been supported by the Community at the Memorial Hall. This year's event was once again very successful.

- Other “non-recognised” volunteer contributions made by the Council towards various local organisations and groups including groups such as Regional Sports and Activities, The Kellerberrin Horse and Riding Club, Kellerberrin Speedway Club, Central Wheatbelt Harness Racing Club Inc., Kellerberrin Golf Club, Doodlakine Community Committee, Golden Grains Bowling Carnival, Royal Flying Doctor Service, Kellerberrin Football and Cricket Clubs, Community Arts Network WA and the Kellerberrin & Districts Agricultural Show Society.

APPRECIATION:

In summary I would like to acknowledge the following:

- My fellow Councillors. Without your support and dedication to the service of the Shire of Kellerberrin, much of what has been achieved over the period under review could not be achieved without your input and decision making to benefit our Shire and Community. We continue to be confronted by challenges and we have been able to make decisions that I believe benefit the majority of our Community. To all elected members, a huge Thank you.
- All the Staff led by the Chief Executive Officer. Thank you for your commitment, understanding and dedication to improving our Community and District in association with the elected members.
- All volunteers within the Community and District. A huge vote of thanks for your personal time and willingness to put your “hand up” in the best interests of our Community and to provide the Community with volunteer services that may not be there without your dedication and sacrifice.
- Bushfire Volunteer Services. To all those who participate on a volunteer basis and willingly provide input to improving the planning, administration and management of bushfire situations throughout the Shire, not only during the Bushfire season but throughout the year. A big thank you for your input and desire to make the Shire of Kellerberrin a much safer place. The example that you set is the envy of other Councils throughout the eastern Wheatbelt. Council continues to provide the necessary statutory and administrative support to contribute to the outstanding performance of our Volunteer Bushfire Services.
- Volunteer Fire and Rescue group and St John's Ambulance; who have demonstrated outstanding commitment and support to keeping our town infrastructure and district safe.

CR ROD FORSYTH

President

Chief Executive Officer's Report 2016/17



CEO
Mr Raymond Griffiths

INTRODUCTION:

The 2016/17 reporting period has again been busy with more and more focus being placed on compliance, future planning, asset management and the continual upgrading of these plans.

Council has continued a heavy focus on Road Construction/Upgrades and Maintenance. Council unfortunately in 2017 suffered a two flood events damaging roads in both the Northern and Southern aspects of the Shire, this has increased the workload of all Council's staff and contractors, however it has also provided us an opportunity to ensure that these roads are built to a new standard that Council is striving towards to sustain our gravel roads network into the future. I believe the ratepayers will appreciate the new Construction/Maintenance methods Council has undertaken as we believe with the new enhance drainage and road width the network should be maintained at a higher level than currently. It is unfortunate however that with this additional works Council's maintenance program is currently behind schedule. This is evident when travelling throughout the Shire. Please note we are progressing well and working towards ensuring our network is of high quality into the future.

COUNCIL AND COMMUNITY APPRECIATION:

I would like to pass on my sincere appreciation to the community members within the Shire of Kellerberrin as without your hard work, diligence and assistance throughout the year we as a Council would not have been able to perform to the level we have this year. This year has seen Council continue with the contractor gravel carting during busy time for Council which provides an additional revenue source to our local contractors.

This work has been readily accepted by all with it providing additional funds for up skilling and retaining staff.

Council continues to promote itself and try to ensure that it aligns itself with State and Federal Government Strategies and plans to ensure it puts itself strategically in the right place to secure additional funding for projects and community functions.

Council is working with its surrounding Local Government to market and promote itself statewide, identifying the opportunities and attraction of living in our District. This has been achieved in the annual Wheatbelt Regional Lift-out of the West Australian Newspaper, our Website, various Tourism Publications and various Media Releases on Community Events with our Regional ABC Radio and RadioWest Networks. Additionally Council has received signed up for the integration of a new "APP" which will promote the areas tourist stops, restaurants, camping facilities, accommodation facilities and the ability to book function rooms etc.

STAFF APPRECIATION:

I would like to sincerely thank all of the dedicated and committed staff employed by the Shire of Kellerberrin who continue to work diligently for the Community and Council. Council is fortunate to have a number of hard working and community minded employees across all levels of the organisation who continue to perform beyond the capacity required of such individuals.

I will continue to strive, during my tenure in the role of Chief Executive Officer with the Shire of Kellerberrin to contribute to a positive team environment and performance that will ensure that the community benefits from improved standards of customer service delivery.

GOVERNANCE REPORTING STANDARDS:

Local Government is governed by a number of various Acts of Legislation including the following Compliance and Statutory Reporting activities required for our Annual reporting processes and accountability;

- a) Freedom of Information (FOI) Statement (Freedom of Information Act 2003) – Council regularly meets on a monthly basis with a seven (7) Councillor Membership, except the month of January, to make decisions relating to Policy, Statutory and Forward Planning direction of the Shire.

All Meetings are open to the Public and the dates, times and venues are advertised annually as Public Information for the Community. Council maintains a number of records and registers including but not exclusive of; Town Planning Schemes, Financial Interest Register, Delegated Authority Register, Cemetery Register, Rate Book, Electoral Roll, Policy Manual, Local Laws, Minute Book, Gifts Register, Asset Register, Insurance Register, Keys Register, etc. Nominated Documents can be inspected free of charge upon application at the Office of Council 110 Massingham Street, Kellerberrin during normal Business Hours.

During the year of review, Council received one application for Freedom of Information and any application received is considered on the basis of not to contravene the privacy rights of the individuals and may be subject to a small administrative/copy charge for the enquiry.

The Shire of Kellerberrin received one application for Freedom of Information during the reporting period.

- b) Public Interest Disclosure (PID) – The Public Interest Disclosure Act was established by the Commissioner for Public Sector Standards under section 20 of the Public Interest Disclosure Act 2003. Local Government has been legislated with some responsibility under the mentioned Act including that any matters that relate to the Shire of Kellerberrin Staff or Councillors should be referred to the appointed Officer.

One of the principles of this new legislation is not just to provide protection to those who make disclosures (and those who are the subject of disclosures) but also encourages a system of transparency and accountability in the way government (parliamentarians) or government officials (public servants) act and utilise public monies.

The Shire of Kellerberrin had no Public Interest Disclosures during the reporting period.

- c) National Competition Policy (NCP) – In 1995 the Council of Australian Government entered into a number of agreements known as the *National Competition Policy*. The policy is a whole of Government approach to bring about reform in the public sector to encourage Government to become more competitive.

Local Government will mainly be affected where it operates significant business activities that compete or could compete with private sector business. Local Government will also be impacted where its local laws unnecessarily affect competition.

Local Government and more particularly the Shire of Kellerberrin is required to comply with certain policies contained within the national Competition Policy Statement and report on progress in connection with Competitive Neutrality Principles and review of Local Laws.

The Shire of Kellerberrin has completed the majority of its statutory requirement for reviewing its Local Laws in association with the Joint Parliamentary Standing Committee.

- d) Competitive Neutrality (CN) – The principle of “*competitive neutrality*” is that government businesses should not enjoy a competitive advantage, or suffer a disadvantage, simply as a result of their public sector ownership. Measures should be introduced to effectively neutralise any net competitive advantage flowing from government ownership.

Competitive Neutrality should apply to all business activities that generate a user pays income of over \$200,000 per annum, unless it can be shown it is not in the public interest. A public benefit test is used to determine if competitive neutrality is in the public interest.

The Shire of Kellerberrin does not control any business activity with a user pays income in excess of \$200,000.

- e) Record Keeping Plan (RKP) – The State Records Act 2000 is an Act to provide for the keeping of State Records and for related purposes. Section 19 of the Act requires that every government organisation must have a record keeping plan (RKP) that has been approved by the State Records Commission. A government organisation's including local government, record keeping plan sets out the matters about which records are to be created by the organisation and how it is to keep its records.

The record keeping plan comprises of a range of documents which, when assessed as a whole, provides an accurate reflection of the record keeping program within the organisation. More specifically, documentation regarding the organisation's record keeping system/s, disposal arrangements, policies, practices and processes will be essential components of the recordkeeping plan held by a local government. The inclusion of such documentation will constitute evidence of compliance.

The Shire of Kellerberrin currently complies with the requirements of the State Records Act 2000 and its requirements for a Record Keeping Plan.

- f) Information on Payments to Employees – In accordance with section 5.53(2)(g) of the Local Government Act 1995 as amended, the Annual Report of a Local Government for a financial year is to contain the following information;
- (i) the number of employees of the local government entitled to an annual salary of \$100,000 or more;
- (ii) the number of those employees with an annual salary entitlement that falls within each band of \$10,000 in excess of \$100,000.

The Shire of Kellerberrin has one employee who receives an annual salary in the \$100,000 to \$110,000 band.

The Shire of Kellerberrin has one employee who receives an annual salary in the \$150,000 to \$160,000 band.

- g) Disability Service Plan (DSP) – Local Government under section 29(2) of the Disability Services Act 1993 is required to provide a summary report on Councils approach to assisting people with disabilities in our community as part of its Inclusiveness Planning summarised hereunder;

- Existing functions, services and facilities are adopted to meet the needs of people with disabilities.

Council continues to consider the needs of people with disabilities wherever possible

- Access to buildings and facilities are improved.

Current Public Buildings have modifications undertaken for improved access to Public Buildings

- Information is provided in the appropriate communications format.

Council remains mindful of communicating at the simplest and easy to read format for all of its residents.

- Staff awareness of the needs of people with disabilities in delivery of council service.

Staff remain aware to offer the appropriate assistance and advice to its residents on all occasions.

- Opportunities for people with disabilities to participate at public buildings owned by the Council.

Access standards to all of Council Public Buildings remain a priority for people with disabilities to access these Public Buildings including the free Bus Service for Business and Shopping needs of the Aged.

The Shire of Kellerberrin has reviewed its Disability Service Plan.

CHIEF EXECUTIVE OFFICER STATUTORY ROLE IN LOCAL GOVERNMENT:

Section 5.41 of the Local Government Act 1995 as amended, the functions of a CEO in a Local Government are to;

- (a) advise the Council in relation to the functions of a local government under this Act and other written laws;
- (b) ensure the advice and information is available to the council so that informed decisions can be made;
- (c) cause council decisions to be implemented;
- (d) manage the day to day operations of the local government;
- (e) liaise with the mayor or president on the local government's affairs and the performance of the local government functions;
- (f) speak on behalf of the local government if the mayor or president agrees;
- (g) be responsible for the employment, management, supervision, direction and dismissal of other employees (subject to section 5.37(2) in relation to senior employees;
- (h) ensure that records and documents of the local government are properly kept for the purposes of this Act and any other written law;
- (i) perform any other function specified or delegated by the local government or imposed under this Act or any other written law as a function to be performed by the CEO.

STAFF CHANGES:

The following is a summary of Staff resignations during the 2015/16 reporting period. I wish all staff that have moved on to other employment opportunities or stages in their lives the very best in their future and also extend a warm welcome to new staff members at the Shire of Kellerberrin.

Staff	Start/End Date	Years of Service	Position
J Ashby	18/02/2013 – 08/01/2016	3 years	Senior Finance Officer

DEPARTMENT AND MANAGERS' REPORTS:

Enclosed within this document are the various Managers and Administration Staff Reports that provide the Council and the Community with a greater summary detail of the activities and outcomes achieved throughout the year. I advise that not all program details and activities will be reported on as part of the annual report however, if you seek further information on any project or activities please contact me on 9045 4006.

COUNCIL AUDITOR:

Moore Stephens

Mr Greg Godwin (Auditor)

Mr D J Tomasi (Auditor)

Mr Wen-Shien Chai (Auditor)

COUNCIL BANKERS:

National Australia Bank

COUNCIL DEBT COLLECTION AGENT:

AMPAC

COUNCIL INSURERS:

Local Government Insurance Services

COUNCIL LAWYERS AND SOLICITORS:

McLeods

DLA Piper Australia

COUNCIL PROFESSIONAL ASSOCIATIONS

Western Australian Local Government Association (WALGA) – Council Members

Local Government Managers Association (WA) (LGMAWA) – Council Staff

RAYMOND GRIFFITHS

Chief Executive Officer

Deputy Chief Executive Officer's Report 2016/17

DCEO
Ms Karen Oborn

COMMUNITY DONATIONS

Council has been supportive towards helping our local not for profit community groups with financial support as per the following:

Central Wheatbelt Harness Racing Club

- Sponsorship of the Kellerberrin Cup \$3,000.00

Kellerberrin Agricultural Society

- Sponsorship of the 2016 Kellerberrin Ag Show \$3,100.00

LHAG

- Ladies Day Out 2016 \$ 6,905.00

Kellerberrin Bowling Club

- Sponsorship for the Golden Grain Bowling Carnival \$ 300.00

Doodlakine Bowling Club

- Contribution towards the Bowling Green upkeep \$ 3,000.00

Doodlakine Community Committee

- Contribution towards the roadside rubbish collection \$ 2,000.00

Kellerberrin CRC

- Contributions towards the CRC's operating costs \$ 25,205.00
(*excludes memberships & annual contributions*)

Kellerberrin CCI

- Contributions towards the Shop Local promotion \$ 100.00

RATES

Council in 2016/17 increased rates revenue from the 2015/16 financial year by 4.85%. A collection of 93.65% of Rates were received at the close of the 2016/2017 year. Rate Incentive Prizes were offered to ratepayers in order to encourage ratepayers to pay within the discount period. The prizes that were offered were at no cost to Council.

GENERAL PURPOSE GRANTS

Federal Assistance Grants (FAGS) are an important source of funding for Council as they are untied. During the 2016/17 financial year council received the following;

- General Purpose Grant \$ 1,991,918 (688,903 was an advance for 17/18)
- Roads Grant \$ 845,746 (298,211 was an advance for 17/18)

EMERGENCY SERVICES LEVY

Council in 2016/17 recorded income from ratepayers of \$60,734 collected on behalf of the Department of Fire and Emergency Services. Council, in 2016/17, received from the Department of Fire and Emergency Services \$28,580 to spend on upgrading and the up keeping off Council's Bush Fire Brigades equipment and resources.

STAFF CHANGES

During the year the following staff changes occurred in Councils Corporate Services Department. Jennine Ashby finished as the Senior Finance Officer on the 19th May 2017.

LEGISLATIVE COMPLIANCE

Fair Value Reporting has continued to be a major focus within the Corporate Services Department, during the 2016/17 year Council undertook a management review to value Councils Land and Buildings, as well as Roads. The result of this valuation was a net decrease in the carrying value of these classes of assets by ~\$4,355,700.

Risk Management and Internal Reporting have also been a major focus over the last 12 months. Regulation 17 states that an internal audit is to be carried out at least once every two years by an independent person and reported to the CEO and then to Council.

The Internal Audit is to cover the areas of Risk Management, Internal Controls and Legislative Compliance. Council has engaged the services of JT Professional Services PTY LTD to carry out the internal audit and produce the risk management report quarterly that is presented to the CEO and audit committee.

CAPITAL EXPENDITURE:

Plant and Equipment

	Actual (16/17)	Budget (16/17)	Actual (15/16)
Plant & Equipment (net)	\$703,358	\$563,446	\$662,608

The Shire of Kellerberrin in its Budget allocated funds towards the purchase of new Plant and Equipment and replacement of allocated vehicles.

The difference between budget and actual was fleet vehicle we traded in again prior to 30 June 2017 to avoid the changes made to stamp duty exemptions for Local Governments by the State Government (these were later rescinded).

The major plant purchases throughout 2016/17 included:

➤ Swimming Pool Panels	\$ 46,031
➤ Large Torro Mower	\$ 32,418
➤ Rec. Centre Generator	\$ 41,396
➤ Major Motors Pty Ltd purchase Isuzu Truck	\$ 58,128
➤ Dolly Tandem Axle	\$ 14,545
➤ Tipper Trailer	\$ 41,818
➤ Freightliner Coronado Day Cab	\$131,818
➤ Luigong Roller (prev. leased)	\$ 45,454
➤ Fleet Vehicles (5) changed over twice	\$291,750

Land and Buildings

	Actual (16/17)	Budget (16/17)	Actual (15/16)
Land and Buildings (excluding CEACA)	\$158,408	\$155,100	\$671,368

The Shire of Kellerberrin in its Budget allocated funds towards the improvement of land and buildings throughout the Shire.

Public Facilities

	Actual (16/17)	Budget (16/17)	Actual (15/16)
Public Facilities	\$1,238,505	\$915,268	\$256,226

Other Infrastructure major assets constructed throughout the 2016/17 year included:

- Centenary Park \$ 711,375
- Skate Park \$ 437,660

Roads

	Actual (16/17)	Budget (16/17)	Actual (15/16)
Roads	\$2,667,276	\$1,777,569	\$1,365,938
Footpaths	\$43,700	\$62,800	\$87,795

Major road works carried out during the 2016/17 financial year included:

- Wandrra Floodways \$ 357,294
- Baandee North Road \$ 548,430
- Mitchel Street \$ 366,889
- Kwolyin West Road \$ 370,518
- Renewal works other roads \$ 311,421

Karen Oborn

Deputy Chief Executive Officer

Manager Works and Services Report 2016/17

MWS
Mr Mick Jones

Workplace Safety

The Shire of Kellerberrin is pleased to advise that there have been no major incidents throughout 2016/17 reporting period. This is a credit to all teams which have taken control of their own safety in the Shire workplace. The teams have adopted safer working practices to ensure the safety of all team members comes first, thus providing a safer work environment. Team members training will continue to be a major focus for Council staff over the coming year, to ensure the Shire up-skills and develops staff.

Mitchell Street Kellerberrin (Roads to Recovery)

Council completed the upgrading of Mitchell Street. The majority of this work was conducted by council staff which included removal of the old surface, culvert work, clearing for footpaths, crossovers and the end result is a great road for the future.

Baandee North Road (Regional Road Group)

The Baandee North Road second section of 2km from the Great Eastern Highway was completed and the next section is planned for to start in September 2017. The shire hope to have this completed before the harvest and if this is not achieved it will completed early 2018.

Towns of Kellerberrin and Doodlakine.

Town crews have been kept busy in both towns with verge clean ups, block slashing, gardens, tree pruning, pot hole repairs, culvert cleaning, path construction, weeding, reticulation plus other adhoc work when requested.

Pool

Pool heating is up and running and working well, this will assist keeping the pool open for a longer season.

Caravan Park

The Caravan Park has received some upgrades with a new concrete pad for a patio camp kitchen area, this area will have a lime stone blocked wall surrounding it and a new BBQ and benches put in. The upgrading of the old gym into a camp kitchen, laundry and also games room is still on the agenda along with transportable self-contained accommodation for twenty guests plus the possibility of more powered sites will make the Kellerberrin Caravan Park very popular in the future. The extra units and sites will assist with any new business looking to move into in town requiring accommodation as it will have variable rates to suit requirements.

Maintenance Grading

Maintenance grading was decreased generally this year due to delays incurred on other road construction works. The Council continues to try very hard to get the graders out there when the conditions are ideal for grading but due to the amount of grading required we have formed a hierarchy of roads to help keep the main routes in good condition.

The roads are rated so some roads will get graded twice a year others once and others one every two years. Unfortunately due to some weather events our best intentions get altered but we endeavour to do the best we can.

Footpaths

A new footpath was constructed along Massingham street and also on Mitchell street as part of its upgrade.

Floodway construction

The Shire was hit in February with a major rain event which caused loss of housing, fences and more road and culvert damage. The Shire crews are still working at their best to repair all of the previous years damage, these along with the latest event in April. 2017/18 will also see this work being ongoing. The shire will endeavour to have all these completed as quickly as possible with minimum disruption to all rate payers and visitors, as possible. The Shire will endeavour to get the uncompleted ones trafficable for harvest.

Waste Transfer Station

The management of the site is still very important and rate payers must adhere to the rules posted so that recycling can be kept at a high level which reduces costs to the rate payers. The steel stockpile was cleared last year and is slowly creeping up to maximum allowable level and the clearing of this will be done before the end of 2018. The site to stay compliant with the licence in the future may require the site attendant to take photos of the load you are disposing of. The site attendant will advise you of which section of the site to unload your waste. Please put the waste where the attendant advises, if not followed could result in losing the Shires transfer station licence.

Town Pick up

The annual town rubbish verge pick up was cancelled mainly due to the safety of our staff and the costs and time associated with delivering the waste to Northam. This is because of the vast amount of manual handling requirements of this task and the risk of cuts from hidden sharp items including the increased risk of needle pricks; the decision was made to ensure the safety of Council staff.

However elderly and disabled rate payers can request assistance from the Shire to take large items to the transfer station.

Private Works

Private works haven't been that demanding this year with the main works being deliveries of sand, gravel, all in and mulch.

Mick Jones

Manager Works and Services

Manager Development Services Report

2016/17

The position of "Manager, Development Services" incorporates the roles of Environmental Health Officer, Building Surveyor and Town Planning Officer.

Health & Building Matters

All local governments are required to administer and enforce, when required, the provisions of both State and Federal government legislation as well as provide to those agencies various forms of data and other information on a regular basis. Whilst time consuming and often very complex there is little or no compensation paid to the local governments; and the trend has been to steadily increase this over time. Public Health, Planning & Building Control are three areas administered by this position and are well known to be functions of local government.

Pest Control

Each year Council engages the services of Pest Control companies to inspect and treat as is required all of Council's susceptible structures such as houses, public building, trees and certain road infrastructure. As an Environmental Health Officer it is my responsibility to ensure that persons who provide pest control services to the public are "Licensed Pest Control Operators" with Health Department of Western Australia.

Public Swimming Pool

As the Environmental Health Officer I am required to take and submit to the State Government's Water Examination Laboratory at the QE11 Hospital complex situated in Shenton Park a series of water samples taken from the three pools prior to the facility being able to open for the season. The samples must all produce results that show the water is safe. Samples are analysed for the presence of bacteria as well as for the presence of Amoeba.

Building Approvals

During the 2015/16 fiscal year 25 Building Permits were issued with a total value of \$1,649,304. The table below tabulates the approvals given: -

Type of Structure	2013/14	Value	2014/15	Value	2015/16	Value
Class 10 – garage/sheds etc	4	\$44,190	10	156,940	9	112,000
New Dwellings	3	\$466,337	1	400,000	1	300,000
Dwelling Alterations	6	\$153,284	4	147,557	9	110,014
Commercial		0	1	150,000	0	0
Industrial		0	2	768,260	2	575,190
Other	1	\$70,000	1	122,037	5	552,100
TOTALS:	14	\$733,811	19	1,744,794	26	\$1,649,304

Note: More than one building or structure maybe approved on a Building Permit.

<u>Legend to Table</u>	
New Dwellings:	Site constructed House, relocated house, Transportable House, etc.
Dwelling Alterations:	Additions made to existing house such as new Bathrooms, Bedrooms, Patios, Verandas, Re-roofs, Carports etcetera. Includes: Ancillary Accommodation units. (previously called Granny Flats).
Commercial:	New shops, fit-outs, etcetera
Industrial:	Structures and buildings associated with manufacturing business'.
Other:	Buildings such as toilet blocks, Incidental structures associated with public facilities. eg: Telecommunication, Sporting grounds.

Waste Disposal

During this reporting period Council incurred a total cost of \$307,946 for Waste disposal; last year it was \$268,467.

- Each weekly Kerbside collection yields approximately 8 to 9 tonnes of waste; last year it was on average 6.5 to 7 tonnes of waste.
- Compared to the previous year this year's the weight of the kerbside collections by Avon Waste increased by approximately 25%. That is 304 tonnes to 404 tonnes.
- Compared to the previous year this year's the weight of the wastes in the skip bins at the Waste Transfer Station collections by Avon Waste decreased by circa 25%. That is 115 tonnes down to 75.5 tonnes.
- Northam's licensed disposal site is charging \$55.00 a tonne for disposal at their site. That is comprised of \$50.00 plus GST of \$5.00
- Avon Waste are emptying the 12 front lift bins on average every three weeks; last year it was on average every two weeks.

Recycling Station

In the middle of 2011 the bulk recycling station facility was moved to its current location situated at the School Carpark, in the vicinity of the Dryandra Aged Persons facility. Last year I reported that during the previous year several business' within the CBD area of town had made arrangements with "Avon Waste" to have their cardboard collected from their premises and that it was beginning to lessen the volumes going into the cardboard collection cage Council provides for the householders. There was also a reduction of cardboard going into the skip bins at the Waste Transfer Station. Each skip bin has a volume of 5.8m³ and costs approximately \$130.00 to have it emptied. Since that time Council Officers have visited and encouraged other business' and some Government Agencies to likewise make arrangements to have their waste cardboard collected and disposed of at their cost.

In 2016/17 the Shire has progressed two Local Planning Scheme Amendments. Amendment No.2 was initiated by the Western Australian Planning Commission and involved updating the Scheme text to reflect the Deemed Provisions outlined in the Planning and Development (Local Planning Schemes) Regulations which were introduced in 2015. Amendment No.3, which is in its final stages of completion, will result in changes to the Scheme text that allows for an additional dwelling to be located on land in the General Agriculture zone. In addition to this the Council has initiated a number of new local planning policies that aim to improve the planning systems and structures within the Shire. These policies relate to the use of Outbuildings, Sea Containers, Additional Dwellings and Repurposed and Second Hand Dwellings.

Garry Tucker

DEVELOPMENT SERVICES

Lewis York

TOWN PLANNER

Community Development Officer's Report 2016/17

CDO
Mrs Natasha
Giles

LOCAL HEALTH ADVISORY GROUP – LADIES DAY OUT

The Kellerberrin Local Health Advisory Group (LHAG) once again hosted a very successful and well supported “Ladies Day Out” function at the Kellerberrin and Districts Club on Wednesday, October 12th, 2016.

In all 120 ladies attended the event to listen to the various speakers, browse and buy from the many general interest stalls, eat the beautiful food that was prepared and served by Passenger Platform, catch up with old acquaintances and meet new ones as well as importantly just talk and enjoy each other's company.

KIDSPORT PROGRAM

The Kidsport program in Kellerberrin has grown in strength with more than 133 vouchers paid out during 2016/2017. The program covers the registration fees for approved sports for children that hold a valid health care card, concession card or whose family is experiencing some form of hardship. Each child is eligible up to \$200 per calendar year in funding. The main focus of the program is to get children involved in organised sport. The program is funded through Department of Sport and Recreation. The role of the Shire in this program is to process each child's application, ensure they meet the criteria of the program and then pay the funds directly to the sporting club.

AUSTRALIA DAY CELEBRATIONS

The annual Australia Day Breakfast was held on Thursday January 26th, 2017 at the Kellerberrin Memorial hall. This year we had similar numbers who RSVP'd to the event with roughly 150 people in attendance on the day.

Once again the Kellerberrin Agricultural Society prepared the breakfast with Shire Staff and Councillors manning the barbecues during the morning.

Congratulations to all nominees, especially to the following category winners;

- Joan Thorncroft – 2016 Citizen of the Year
- Shyra Coleman – 2016 Community Service Award
- Cheryle Scott – 2016 Community Service Award
- Mitchell Berliner – 2016 Community Achievers Award
- Kellerberrin Riding and Pony Club – 2016 Community Event of the Year Award

The Australia Day Award recipients were published in the Kellerberrin Pipeline.

COMMUNITY BUDGET SUBMISSIONS

The Shire of Kellerberrin once again invited local sporting and community groups to participate in its Annual Community Budget Submissions. Grants were available in the following categories:

- Community Donations (\$20,000) – Max \$2,000 per applicant. Examples of eligible projects under this category include a new initiative or a significant one off project, capital project and repairs or maintenance or improvement to Council owned/managed facilities.

- Public Relations (\$3,000) – Max \$300 per application. Examples of eligible projects under this category include public relations promotion through donations, sponsorships and waivers of fees and charges for Council owned/manager facilities.
- Community Grants (\$7,000) – Max \$3,000 per applicant. Examples of eligible projects under this category include organisation that provide services or programs to residents of the Shire on an ongoing basis.

Successful recipients this year where:

- Doodlakine Bowling Club
- Doodlakine Community Committee Inc
- Kellerberrin Community Men's Shed

KELLERBERRIN SPEEDWAY

The Shire has been working with Kellerberrin Speedway Committee to apply for funding to assist with upgrades to the track as well as the current facilities at the Speedway. Grants have been submitted to Department of Sport and Recreation – Community Sport & Recreation Facility Fund as well as Royalties for Regions – Wheatbelt Regional Grant, with \$100,000 grant received from the Wheatbelt Development Commission, with stage 1 of the project due to be completed mid to late 2017.

WEROC TOURIST APP

The WEROC Shires of Bruce Rock, Kellerberrin, Westonia, Yilgarn and Merredin have engaged the services of Peacock Digital to assist with the development of an app designed to promote and offer the used information on our combined shires. This app is predominately designed for tourists but would also be beneficial for use by locals as well. The app will have local business, service and tourist information as well as the ability to send notifications of and coming road closures, event information or harvest/vehicle movement bans. The app is a self-manageable app where each shire will have the ability to update their information at any time through our own individual webpages. The app will automatically update any changes once the user is in a service area.

CENTENARY PARK UPGRADE

The redevelopment of Centenary Park is progressing along, with Josh Byrne and Associates contracted to design concept plans for the playground portion of the upgrade. Plans have been developed and presented to Kellerberrin District High School, Seniors Group as well have been made available for the general public to comment on. With the only suggestion was to add a flying fox to the design to cater for older children.

The Shire was successful in receiving funding to undertake this project with expected completion date of August 2017.

Natasha Giles

Community Development Officer

Strategic Priorities Review 2016/17

As per Strategic Community Plan



Throughout 2016/17 the Shire of Kellerberrin's Strategic Community Plan and Corporate Business Plan assisted Council in its decision making process. This ensured the resources allocated were done so in accordance with the outcomes established throughout the Strategic Community Plan.

The Strategic Community Plan (SCP) was created with the significant community consultation and the document was adopted by Council in June 2013. In 2016 a major review of the SCP was undertaken, and the community was asked for submissions. The updated SCP was adopted by Council in February 2016. The document outlines four (4) main themes for the community with a total of eight (8) goals to be progressed towards.

There were no significant changes made to the Shire of Kellerberrin's Strategic Community Plan or the Corporate Business Plan during the 2015/16 Financial Year.

The following tables identify the themes and goals determined, along with how the Shire of Kellerberrin is progressing towards them, including what has occurred during in the last 12 months and what Council anticipates for the 2016/17 Financial Year.

<u>Theme 1: Lifestyle.</u> <i>To Create a comfortable, inviting and welcoming lifestyles that is in keeping with the natural environment and cultural and historical heritage of the Shire.</i>		
	2015/2016	2016/2017
1.1 We are a vibrant and viable, culturally diverse and engaging and unified community with strong links to history, culture and the creative arts.	<ul style="list-style-type: none"> • Australia Day Breakfast, including the Annual Citizen of the Year Awards. • ANZAC Day March along Massingham Street. • ANZAC Day Dawn Service held at the Hospital Memorial. • Assist Chamber Of Commerce with Annual Street Party. • Seniors Morning Tea. • Hosted the 2015 Regional Tidy Towns Award Luncheon. • Hosted Gym & Tonic Play • LHAG Ladies Day Out. 	<ul style="list-style-type: none"> • Australia Day Breakfast, including the Annual Citizen of the Year Awards. • ANZAC Day March along Massingham Street. • ANZAC Day Dawn Service held at the Hospital Memorial. • Assist Chamber Of Commerce with Annual Street Party. • Hosting the 2016 Regional Tidy Towns Award Luncheon. • Seniors Morning Tea. • LHAG Ladies Day Out. • Support for the redevelopment of the old scout hall for the Kellerberrin Noongar centre.
1.2 Our residents feel supported and cared for through the provision of a range of quality community services.	<ul style="list-style-type: none"> • Thank a Volunteer Day 	<ul style="list-style-type: none"> • Thank a Volunteer Day • Commencement of stage one, being 14 units of the aged housing project in Kellerberrin, delivered through CEACA and Royalties for Regions funding.

<p>1.3 Present a Shire with a high visual and aesthetic appeal to neighbouring Shire Councils and visitors.</p>	<ul style="list-style-type: none"> • Redevelopment of Centenary Park and the Skate Park. • Maintenance of Parks and Gardens. • Extension of footpath network around Dryandra. • Repaired footpath opposite LGA. • Administration efforts to clean up private yards throughout the town sites. 	<ul style="list-style-type: none"> • Completion of the Redevelopment of Centenary Park and the Skate Park. • Ongoing Maintenance of Parks and Gardens. • Construction of new footpath along Massingham Street. • Administration efforts to clean up private yards throughout the town sites and the introduction of a formal policy to enforce this community aspiration which has now been adopted by Council.
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<p><u>Theme 2: Sustainability</u></p> <p><i>To live in a region that promotes sustainable economic, social and environmental development and growth.</i></p>		
	2015/2016	2016/2017
<p>2.1 Provide sustainable and well managed community assets and infrastructure for the long term enjoyment by our residents and visitors.</p>	<ul style="list-style-type: none"> • Upgrade roads throughout the Shire, funded by Regional Road Group, Financial Assistance Grants and Roads to Recovery Programs. 	<ul style="list-style-type: none"> • Redevelopment of Centenary Park. • Continue to upgrade roads funded by Regional Road Group, Financial Assistance Grants and Roads to Recovery Programs. • Construction of 14 units through CEACA R4R Funding.
<p>2.2 We are a Shire that respects and aims to preserve the quality of the natural environment and rural landscape and promote environmentally sustainable initiatives.</p>	<ul style="list-style-type: none"> • Completion of storage Dam to collect water runoff from townsites. • Baiting for Control of Pests to continue. 	<ul style="list-style-type: none"> • Baiting for Control of Pests to continue.

<p><u>Theme 3: Leadership</u></p> <p><i>To be led by an open, honest and transparent government</i></p>		
	2015/2016	2016/2017
<p>3.1 Our Elected Representatives provide effective, respected and progressive leadership.</p>	<ul style="list-style-type: none"> • Council Meetings open to the public. • Regular emails distributed to the community regarding Shire information. • Council Matters Are published monthly. 	<ul style="list-style-type: none"> • Elected Representatives are active members of regional planning and development committees. • Council Meetings open to the public. • Regular emails distributed to the community regarding Shire information.

	<ul style="list-style-type: none"> Supporting Junior Fire Brigade in fundraising to go to the National Competition. Continued Sponsorship/support of Community Groups and Organisations. "Have Your Say" Meeting held in June before the budget is finalised. Continuation of Radio Interviews Held fortnightly. Supporting local sporting groups such as speedway, trots, hockey, football, netball. 	<ul style="list-style-type: none"> Council Matters Are published monthly. Elected Representatives attend seminars and networking events with ministerial representatives to advocate on behalf of Kellerberrin. Supporting Junior Fire Brigade in fundraising to go to the National Competition. Continued Sponsorship/support of Community Groups and Organisations. "Have Your Say" Meeting held in June before the budget is finalised. Continuation of Radio Interviews Held fortnightly. Supporting local sporting groups such as speedway, trots, hockey, football, netball.
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<u>Theme 4: Prosperity</u> <i>To develop a community that fosters and encourages long term prosperity and growth and presents a diverse range of opportunities.</i>		
	2015/2016	2016/2017
4.1 We are a sustainable, economically diverse and strong community.	<ul style="list-style-type: none"> Continue to utilise local contractors/suppliers wherever possible Advertise the Remaining Industrial Lots. Assisting the Chamber of Commerce to rejuvenate and assist them with administrative assistance as required. Attraction of New Businesses to town. 	<ul style="list-style-type: none"> Continue to utilise local contractors/suppliers wherever possible. Continue to advertise and sell the Remaining Industrial Lots. Attraction of New Businesses to town. Continued assistance to the Chamber of Commerce. Construction of 14 units through CEACA R4R Funding to provide increased housing opportunities.

Plan for the Future 2016/17

As per the Long Term Financial Plan



Throughout 2016/17 the Shire of Kellerberrin's Long Term Financial Plan (LTFP) assisted Council in its decision making process. As the LTFP is aligned to the Strategic Community Plan, this ensures that resources are allocated were in accordance with the outcomes established throughout the Strategic Community Plan. Below is an extract from the LTFP outlining the Shires Key Capital Projects for 2017 / 2018;

Capital Asset Purchases 2017/18 Budget							
Asset Name		Details	Account / Job #	Funding Source		Gross Purchase Price	Net Cost to Council
				Grants / Contributions	Trade In / Sale		
<u>Schedule 04 - Governance</u>							
Furn & Equip	IT, Server, PC, CCTV, GenSet Renew/Replace					74,000	\$74,000
Plant	Motor Vehicle (s)	KE1	042901			\$0	\$0
Trade	Trade Existing Vehicle	KE1	042037			\$0	\$0
Plant	Motor Vehicle (s)	KE002	042901			\$0	\$0
Trade	Trade Existing Vehicle	KE002	042037			\$0	\$0
	(completed MAY 2017)						
<u>Schedule 07 - Health</u>							
Plant	Motor Vehicle (s)	KE00	042901			\$0	\$0
Trade	Trade Existing Vehicle	KE00	042037			\$0	\$0
<u>Schedule 9 - Housing</u>							
Building	Renewal of MDS House					40,000	\$40,000
Building	Town site Housing					700,000	\$700,000
Building	Self Supporting Loon			(700,000)			-\$700,000
<u>Schedule 10 -Community Amenities</u>							
Infrastructure	Cemetery Upgrade		105902			30,000	\$30,000
Infrastructure	Contributions & Donations		105314	(5,000)			-\$5,000
Infrastructure	Massingham Public Toilets					20,500	\$20,500
Plant	12 Seater Communtiy Bus	Lottery Grant		(18,333)		55,000	\$36,667
<u>Schedule 11 - Recreation & Culture</u>							
Infrastructure	Caravan Park Upgrades	from 16/17	132900			52,100	\$52,100
Building	Building Renewals	various JOBS	113900			60,000	\$60,000
Furn & Equip	Hall Blinds	from 16/17	113901			3,000	\$3,000
Infrastructure	Minor Capex - Rec Cent & GSO		113305			100,000	\$100,000
Infrastructure	Centenary Park	from 16/17 acc				395,936	\$395,936
Infrastructure	Centenary Park Grant Balance	from 16/17 acc		(527,765)			-\$527,765
Building	Town Hall		113901			77,000	\$77,000
Infrastructure	Speedway	DSR Grant		(99,160)		110,160	\$11,000
<u>Schedule 12 - Transport</u>							
Infrastructure	Roads Program	incs Rd Mtce	Various			3,571,991	
Non Op. Revenue	Grant -Foot path - connected communities						
Non Op. Revenue	Grant -Main Roads Direct		122318	(131,975)			
Non Op. Revenue	Grant - Regional Road Group		122355	(376,667)			
Non Op. Revenue	Grant - Roads to Recovery		122356	(520,000)			
Non Op. Revenue	Grant - AGRN 2 New events YTD		122332	(1,727,475)			
Op. Revenue	Grant - FAGS Roads			(547,535)			\$268,339
Plant	Motor Vehicle (s)	KE2	122901			\$0	\$0
Trade	Trade Existing Vehicle	KE2	122037			\$0	\$0
	(completed JUNE 2017)						
Plant	Grader		122901			410,000	\$410,000
Plant	Canter Truck		122901			45,000	\$45,000
Plant	Fuel Trailer		122901			8,000	\$8,000
<u>Schedule 14 - Other Property & Services</u>							
Infrastructure	Hickley Street	pt b/f 16/17	C062			20,000	\$20,000
Infrastructure	Town Dam	defer	144023			\$0	\$0
Furn & Equip	Other Minor Workshop Equip		144023			7,000	\$7,000
				(4,653,910)	(20,000)	5,819,687	1,145,776

Fire Control Officers

CHIEF FIRE CONTROL OFFICER & NTH KELLERBERRIN BUSH FIRE BRIGADE

Mr Ian McNeil	Home No.	9045 2042	Chn 1
P.O. Box 42	Fax No.		
KELLERBERRIN WA 6410	Mobile No.	0428 452 042	
Email: ikandwemcneil@bigpond.com			

DEPUTY CHIEF FIRE CONTROL OFFICER / DOODLAKINE BUSH FIRE BRIGADE

Mr Geoff Ryan	Home No.	9044 4033	Chn 13
Post Office	Fax No.	9044 4114	
DOODLAKINE WA 6411	Mobile No.	0427 544 033	
Email: gnjlryan@wn.com.au			

CENTRAL BUSH FIRE BRIGADE

Mr Kelvin Tiller	Home No.	9045 4561	Chn 1
P.O. Box 64	Fax No.	9045 4561	
KELLERBERRIN WA 6410	Mobile No.	0427 561 518	
Email: tillerkj@bigpond.com			

NORTH KELLERBERRIN BUSH FIRE BRIGADE

Mr Gavin Morgan	Home No.	9045 9015	Chn 9
P.O. Box 106	Fax No.	9045 9003	
KELLERBERRIN WA 6410	Mobile No.	0427 459 015	
Email: gavmorg@wn.com.au			

MT CAROLINE BUSH FIRE BRIGADE

Mr Murray McDonald	Home No.	9045 7025	Chn 34
P.O. Box 128	Fax No.	9045 7025	
KELLERBERRIN WA 6410	Mobile No.	0428 457 025	
Email: malarga1@bigpond.com			

DAADENNING CREEK BUSH FIRE BRIGADE

Mr Simon Tighe	Home No.	9045 4139	Chn 12
P.O. Box 62	Fax No.	9045 4139	
KELLERBERRIN WA 6410	Mobile No.	0439 965 006	
Email: smitghe@bigpond.com			

DOODLAKINE BUSH FIRE BRIGADE

Mr Kevin Walsh	Home No.	9045 8283	Chn 3
Goldfields Road	Fax No.		
DOODLAKINE WA 6411	Mobile No.	0428 458 283	
Email: walshkp@bigpond.com			

SHIRE OF KELLERBERRIN CEO

Mr Raymond Griffiths	Home No.	9045 4006	
Shire Office	Fax No.	9045 4437	
Kellerberrin WA 6410	Mobile No.	0417 927 637	
Email: ceo@kellerberrin.wa.gov.au			

SHIRE OF KELLERBERRIN BUSH FIRE REPEATERS

Kellerberrin	Chn 1
Baandee	Chn 4

Shire of Kellerberrin Administration Centre

Chief Executive Officer

Mr Raymond Griffiths
Tel A/H: 0417 927 637
Email: ceo@kellerberrin.wa.gov.au

Deputy Chief Executive Officer

Ms Karen Oborn
Tel A/H: 0429 103 720
Email: dceo@kellerberrin.wa.gov.au

Manager Works & Services

Mr Mick Jones
Tel A/H: 0428 454 619
Email: mws@kellerberrin.wa.gov.au

PA/ Community Development Officer

Mrs Natasha Giles
Email: cdo@kellerberrin.wa.gov.au

Personal Assistant

Mrs Hillary Jones
Email: pa@kellerberrin.wa.gov.au

Payroll / OHS Officer

Miss Codi Mullen
Email: payroll@kellerberrin.wa.gov.au

Customer Service Officer

Mrs Amanda Garlett
Email: shire@kellerberrin.wa.gov.au

Finance Officer

Miss Ashlee Hughes
Email: fo@kellerberrin.wa.gov.au

Planning Consultant

Mr Lewis York
Email: planning@kellerberrin.wa.gov.au

Manager Development Services

Mr Garry Tucker
Tel: 9045 4006
Email: mds@kellerberrin.wa.gov.au

**Situated at 110 Massingham Street,
Kellerberrin**

**PO Box 145
Kellerberrin WA 6410**

Office Hours

8.30 am to 4.30 pm
Monday to Friday

Telephone: (08) 9045 4006

Facsimile: (08) 9045 4437

Email: shire@kellerberrin.wa.gov.au

Website: www.kellerberrin.wa.gov.au



Shire Councillors



Shire President

Cr Rod Forsyth

PO Box 73

Kellerberrin WA 6410

Tel: (08) 9045 9017

Fax: (08) 9045 9027

Originally Elected: 2009

Term Expires: 2017



Deputy Shire President

Cr Scott O'Neill

PO Box 60

Kellerberrin WA 6410

Tel: (08) 9045 8168

Fax: (08) 9045 4509

Originally Elected: 2007

Term Expires: 2019



Member

Cr Wendy McNeil

PO Box 25

Kellerberrin WA 6410

Tel: (08) 9045 2042

Fax: (08) 9045 2004

Originally Elected: 2013

Term Expires: 2017

Member

Cr Dennis Reid

201 West Road

Yorkrakine WA 6409

Tel: (08) 9638 1049

Fax: N/A

Originally Elected: 2015

Term Expires: 2019



Member

Cr Matt Steber

PO Box 13

Doodlakine WA 6411

Tel: (08) 9045 8296

Fax: (08) 9045 8242

Originally Elected: 2013

Term Expires: 2017



Member

Cr Christie White

6 Bath Street

Kellerberrin WA 6410

Tel: 08 9045 5798

Fax: N/A

Originally Elected: 2015

Term Expires: 2019



Member

Cr David Leake

664 North Woolundra Road

Kellerberrin WA 6410

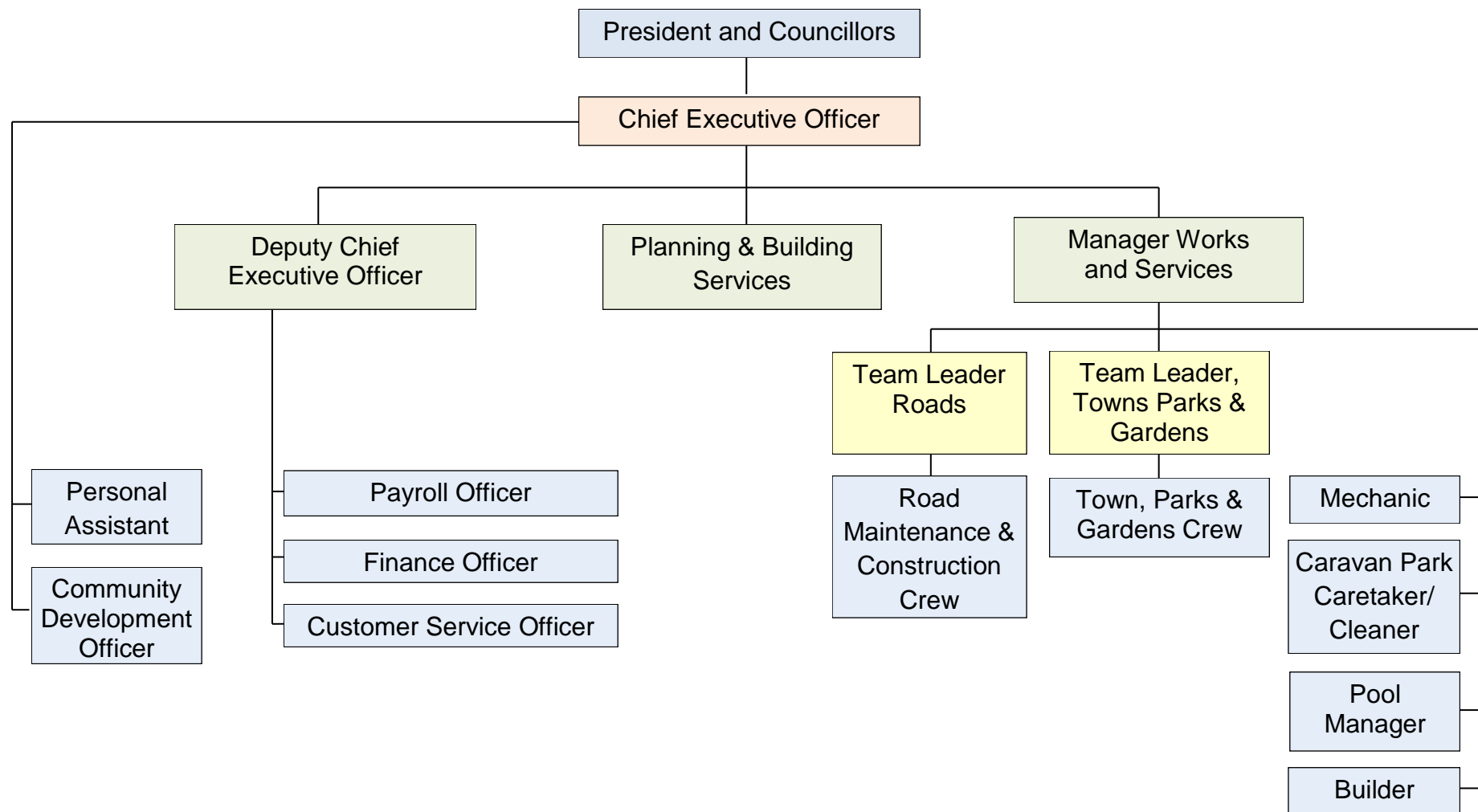
Tel: (08) 9045 8282

Fax: (08) 9045 8082

Originally Elected: 2015

Term Expires: 2019

Shire of Kellerberrin Organisational Structure



Shire at a Glance

SHIRE LOCATION

Centrally located in the Wheatbelt, just 202km east of Perth, Kellerberrin is a warm, charming community, steeped in a vibrant history dating back from its Indigenous people to European pioneers. Kellerberrin celebrated its centenary in 2008, Kellerberrin's longevity is attributed to the passion and commitment of its community, the beauty of its natural attractions and the fostering of new forms of artistic expression. Kellerberrin is a town where life is as rich as the landscape.

HISTORY OF THE SHIRE

In 1830, Ensign Dale led an exploration party from York which reached into the Shire of Kellerberrin. Through the years 1861-68, a number of grazing leases were taken up in the area. In 1864, an explorer named C.C. Hunt named a granite outcrop "Killaberrin", this was named after the Aboriginal name for a large ant colony "Keller" found in the vicinity of the hill. In 1877 four sheep stations in the district, Cuttening, Milligan, Mooranoppin and Mt Caroline, were established. The names of the first settlers were the Massinghams, Rippers, Leakes and Sewells.

ROADS AND AREA OF THE SHIRE

The Shire has a total area of 1852 square kilometres and has 877 kilometres of roads, of which 271 kms are sealed.

POPULATION

The Shire of Kellerberrin has a population of approximately 1181 as at March 2011 with a town population of approximately 900. The other townsite of the Shire is Doodlakine with an estimated population of 30. The Shire has 792 electors and 439 dwellings and the Council employs 26 people.

LOCAL INDUSTRIES

The local economy is based on wheat and sheep, being in the centre of the Wheatbelt region, along with manufacturing of wheat bins, augers, grain silos, boom sprays and camper trailers and general purpose trailers.

EDUCATION

Kellerberrin has within the Shire a Playgroup, Four-Year Olds, District High School to Year 10, Activ Foundation for the intellectually handicapped. A daily school bus service is provided for students opting to attend Year 11 and 12 at Merredin Senior High School.

TOURIST INFORMATION BAY

Situated in the main street car park, next to the train station. Information on the board includes a Shire map and townsite map. Information can also be obtained from the Shire Office or the Kellerberrin Community Resource Centre. A scenic lookout has been established at the top of the Kellerberrin Hill and provides a panoramic view of the townsite and surrounds.

RECREATION AND SPORTING FACILITIES

Kellerberrin has a large range of sporting clubs including;

Aquatic Club	Trotting
Junior Basketball	Netball (Jnr & Snr)
Bowls (Kellerberrin and Doodlakine)	Pistol Club
Cricket (Jnr & Snr)	Riding and Pony Club
Darts	Speedway
Football (Jnr & Snr)	Cuolahan Craft Group
Golf	Tennis (Jnr & Snr)
Hockey (Jnr & Snr)	

COMMUNITY GROUPS AND ORGANISATIONS

- Agricultural Society
- Blue Light Disco
- Chamber of Commerce
- Care of the Aged
- C.W.A.
- Historical Society
- Land Care
- Milligan Units
- Stud Breeders
- P & C (Kellerberrin)
- Red Cross
- RSL – Kellerberrin and Districts Branch
- St John Ambulance
- Volunteer Fire and Rescue
- W.A. Farmers Federation
- Lions Club

RECEPTION/SEMINAR VENUES

Kellerberrin Memorial Hall - situated on the corner of Massingham and Ripper Streets. Bookings can be made at the Shire Office.

Recreation and Leisure Centre, Cuolahan and Cattle Rooms– Situated at the Great Sports Ground. Bookings can be made through the Centre Manager.

CARAVAN PARK

Situated at Lot 404 George Street. A resident caretaker is on site. The park has 10 caravan sites all with power, and sites available for tents. There are also 9 single rooms and 1 double room on site with shared facilities. Laundry and phone/internet facilities are available.

Tel: 9045 5894

Mobile: 0428 138 474

AIRSTRIP

The Kellerberrin airstrip is located 1.5kms North of Kellerberrin on Mooranoppin Road. The airstrip is automatically illuminated by a VHF radio signal activated by the pilot (PALC).

SWIMMING POOL

Tel: 9045 4223 Manager – Peter Arthur. Situated in Hinckley Street. Open to the general public from October to April with a Manager in attendance at all times.

Season and family tickets are available and can be purchased at the Pool and Shire Office.

OPENING HOURS

Monday	5.30 a.m. to 7.30 a.m. 12.00 p.m. to 6.00 p.m
Tuesday	5.30 a.m. to 7.30 a.m. 12.00 p.m. to 6.00 p.m.
Wednesday	5.30 a.m. to 7.30 a.m. 12.00 p.m. to 5.00 p.m. (Aquatic Club only after 5pm)
Thurs, Fri	5.30 a.m. to 7.30 a.m. 12.00 p.m. to 6.00 p.m.
Saturday	12.00pm. to 6.00 p.m.
Sunday	1.00 p.m. to 6.00 p.m.

AGED PERSONS FACILITIES

Milligan Units - There are 12 units in Cornell Close and 6 units in Gregory Street which are fully self-contained.

Dryandra Frail Aged Hostel - located on the corner of Moore and Leake Streets, the Hostel can accommodate 47 persons.

WASTE TRANSFER FACILITY

Situated 5 kms South of Kellerberrin on Inverarity Road, this facility is open from Friday to Monday from 8am to 5pm.

COMMUNITY BUS

Council has for hire a 25 Seat Mitsubishi Rosa Community Bus. For bookings, please contact the Shire Office.



PRIVATE WORKS

The Shire's range of modern plant and equipment operated by trained and experienced staff is available for private works hire. Current hire rates for graders, loaders, trucks and other plant are available from the Shire office.

HEALTH, BUILDING, PLANNING AND WASTE MANAGEMENT

The Manager Development Services can be contacted at the Shire Office for any matters concerning health, building, planning issues or waste management issues or queries.

MOSQUITO CONTROL

To assist in controlling mosquitoes, the following preventative measures should be taken;

- Ensure that all e-duct vents to plumbing installations are fitted with a mosquito proof cowl.
- Remove all rubbish, which may hold water from around the yard e.g. old drums, tyres and disused containers.
- Ensure all gutters are clean.
- Ensure that water tanks have a properly fitted lid and treat water with paraffin or kerosene in sufficient quantity to provide a film of oil across the surface.

DOG REGISTRATION

Dog Registrations become due on 1 November, each year.

Dog Registration Fees:

- *Unsterilised dog or bitch*
\$50.00 for one year
\$120.00 for three years
\$250.00 for Lifetime Registration
- *Sterilised dog or bitch*
\$20.00 for one year
\$42.50 for three years
\$100.00 for Lifetime Registration
- Farm dogs
¼ of fee
- Pensioners
½ of fee

Dog owners have an obligation to keep their dogs under control at all times. Dogs wandering at large present a nuisance and a danger to the public. The Shire Ranger carries out dog patrols and responds to complaints. From the 1st November 2015 all dogs are required to be microchipped.

The Dog Act provides heavy penalties for owners whose dogs are impounded.

CAT REGISTRATION

Registration for all cats came into force from 1 November 2013. It is a requirement of the Cat Act 2011 and the Cat Regulations 2012 that all cats be sterilised, microchipped and registered from this date forward.

Cat Registration Fees:

1 year	\$ 20.00
1 year – pensioner	\$ 10.00
3 years	\$ 42.50
3 years – pensioner	\$ 21.25
Life Registration	\$100.00

Life Registration – pensioner \$ 50.00

People wishing to register their cats for the purposes of breeding are encouraged to contact Council staff for further information on the matter.

RUBBISH REMOVAL SERVICE

Council provides a weekly kerbside collection of household rubbish from the 240 litre MGB (Mobile Garbage Bin). The MGB pick-up service is provided under contract by Avon Waste on Fridays.

Please Note: Do not leave your MGB bin permanently at the kerb. The MGB is the property of the Shire of Kellerberrin. Therefore replacement of a stolen or damaged bin may be at your expense. The bin has a serial number stamped on the side, this number is recorded against your property address. If you vacate the house the MGB must remain. A new bin will be provided at your new address within the area serviced by the shire.

CHEMIST

Kellerberrin Pharmacy – Massingham Street. Phone 9045 4306

CHURCHES

St John's Anglican Church – Sewell Street

Uniting Church – Sewell Street

St Joseph's Catholic Church – James Street

People's Baptist Church – Hammond Street

COMMUNITY HEALTH

Located at the Kellerberrin Memorial Hospital. Phone 9045 4671.

RESIDENT DOCTOR

Surgery located at 13 Moore Street (next to Hospital). Phone 9045 4301.

HOSPITAL

Located in Gregory Street. Phone 9045 6222.

HOME HELP/EXTENDED CARE

Administered by the Kellerberrin Memorial Hospital. Phone 9045 6222.

HOME AND COMMUNITY CARE

Administered by the Kellerberrin Memorial Hospital. Phone 9045 6222.

IMMUNISATION

Held at the Kellerberrin Memorial Hospital between 1p.m. and 2p.m. on the third Tuesday of each month.

MEALS ON WHEELS

Administered by Kellerberrin Memorial Hospital. Phone 9045 6222.

NEWSPAPER

"Pipeline" Newsletter. P.O. Box 180, Kellerberrin. Contributions can be dropped in at the Kellerberrin Community Resource Centre.

PHYSIOTHERAPIST

Located at Hospital. Phone 9045 6222.

PODIATRIST

Located at Hospital. Phone 9045 6222.

POLICE

Kellerberrin Police Station located in Massingham Street, Kellerberrin. Phone 9045 6000.

ROYAL FLYING DOCTOR SERVICE

The Shire of Kellerberrin is serviced by RFDS. Hospital - 9045 6222.

ST JOHN AMBULANCE

Volunteer St John's Ambulance Association based in Ripper Street, Kellerberrin. Contact the Hospital on 9045 6222. For enquiries regarding the St John Ambulance Association contact 9045 4052.

TELSTRA

Faults and reports Tel: 13 22 03

TRANSPORT

TRANSWA: "Prospector" and "Avon Link" train trips: bookings can made at the "Kellerberrin Community Resource Centre". Tel: (08) 90454991. Fax: (08) 90454992.

VOLUNTEER FIRE AND RESCUE

W.A. Fire and Rescue Fire Station located in Leake Street (opposite the East Crossing). Tel: 000. For enquiries regarding the Fire and Rescue, Tel: 9045 4383.

VOLUNTEER BUSH FIRE BRIGADES

Contact Shire on 9045 4006 or any Fire Control Officer (page 24) in emergencies.

Chief Fire Control Officer – Mr Ian McNeil 9045 2042.

WATER CORPORATION

Faults and Reports – Tel: Merredin 9041 0200

SYNERGY

Faults and Reports – Tel: Merredin 9041 0126 Fax: 9041 2429

HOW DO WE RECYCLE?

Storage cages for cardboard products as well as two enclosed steel skip bins for co-mingled recyclables are installed in Centenary Park, situated off Leake Street Kellerberrin. It is provided by Council for receipt of recyclable materials emanating from households. Council also contracts "Avon Waste" to routinely clear the bins.

However it is sometimes necessary to have them cleared on an adhoc basis, when they fill before the scheduled clearance is due. 'Avon Waste' then transports the recyclables to a Materials Recovery Facility in Perth.

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

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Principal place of business:
110 Massingham Street
Kellerberrin WA 6410

SHIRE OF KELLERBERRIN
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 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 2016 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed as authorisation of issue on the 6th day of December 2017



Raymond Griffiths
Chief Executive Officer

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

	NOTE	2017 Actual \$	2017 Budget \$	2016 Actual \$
Revenue				
Rates	22	1,883,035	1,855,536	1,750,737
Operating grants, subsidies and contributions	29	3,118,409	2,352,690	1,106,861
Fees and charges	28	642,525	476,347	614,738
Interest earnings	2(a)	34,854	32,320	34,062
Other revenue	2(a)	370,319	55,596	340,089
		<u>6,049,142</u>	<u>4,772,489</u>	<u>3,846,486</u>
Expenses				
Employee costs		(1,780,685)	(1,847,568)	(1,867,712)
Materials and contracts		(429,583)	(763,757)	(887,149)
Utility charges		(329,694)	(292,001)	(302,748)
Depreciation on non-current assets	2(a)	(2,366,262)	(2,088,558)	(2,439,625)
Interest expenses	2(a)	(94,169)	(92,128)	(111,354)
Insurance expenses		(176,113)	(155,765)	(169,857)
Other expenditure		(73,187)	(79,949)	(68,410)
		<u>(5,249,693)</u>	<u>(5,319,726)</u>	<u>(5,846,854)</u>
		799,449	(547,237)	(2,000,369)
Non-operating grants, subsidies and contributions				
	29	2,454,630	5,643,700	1,146,232
Profit on asset disposals	20	46,761	21,464	17,180
(Loss) on asset disposals	20	(11,815)	(9,978)	(10,088)
Assets written off prior to revaluation		0	0	(281,974)
Net result		<u>3,289,025</u>	<u>5,107,949</u>	<u>(1,129,019)</u>
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	12	(5,437,636)	0	152,105
Total other comprehensive income		<u>(5,437,636)</u>	<u>0</u>	<u>152,105</u>
Total comprehensive income		<u>(2,148,611)</u>	<u>5,107,949</u>	<u>(976,913)</u>

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

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

	NOTE	2017 Actual \$	2017 Budget \$	2016 Actual \$
Revenue	2(a)			
Governance		60,246	25,934	26,914
General purpose funding		4,820,403	3,182,878	2,755,378
Law, order, public safety		41,160	35,444	40,977
Health		9,347	6,416	6,342
Education and welfare		4,002	5,200	0
Housing		2,553	0	2,186
Community amenities		155,377	130,691	143,488
Recreation and culture		154,696	729,548	99,365
Transport		171,450	179,565	159,710
Economic services		289,482	73,408	76,701
Other property and services		348,104	403,405	535,425
		<u>6,056,820</u>	<u>4,772,489</u>	<u>3,846,486</u>
Expenses	2(a)			
Governance		(559,170)	(587,447)	(540,148)
General purpose funding		(174,557)	(176,957)	(152,580)
Law, order, public safety		(101,557)	(102,404)	(108,120)
Health		(138,330)	(147,814)	(139,285)
Education and welfare		(11,796)	(11,051)	(15,346)
Housing		(10,287)	0	(1,128)
Community amenities		(453,648)	(446,194)	(453,921)
Recreation and culture		(1,039,953)	(1,030,484)	(1,003,717)
Transport		(1,979,527)	(2,048,482)	(2,513,091)
Economic services		(526,664)	(344,567)	(338,084)
Other property and services		(167,713)	(334,198)	(470,078)
		<u>(5,163,202)</u>	<u>(5,229,598)</u>	<u>(5,735,498)</u>
Finance costs	2(a)			
Governance		0	0	(93)
Community amenities		0	0	(266)
Recreation and culture		(77,229)	(80,828)	(97,171)
Transport		(3,498)	(4,370)	(6,740)
Other property and services		(13,442)	(4,930)	(7,086)
		<u>(94,169)</u>	<u>(90,128)</u>	<u>(111,356)</u>
Non-operating grants, subsidies and contributions	29	2,454,630	5,643,700	1,146,232
Profit on asset disposals	20	46,761	21,464	17,180
(Loss) on asset disposals	20	(11,815)	(9,978)	(10,088)
Assets written off prior to revaluation	6(b)	0	0	(281,974)
Net result		<u>3,289,025</u>	<u>5,107,949</u>	<u>(1,129,019)</u>
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	12	(5,437,636)	0	152,105
Total comprehensive income		<u><u>(2,148,611)</u></u>	<u><u>5,107,949</u></u>	<u><u>(976,913)</u></u>

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

**SHIRE OF KELLERBERRIN
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30TH JUNE 2017**

	NOTE	2017 \$	2016 \$
CURRENT ASSETS			
Cash and cash equivalents	3	1,244,153	614,456
Trade and other receivables	4	1,323,704	358,629
Inventories	5	3,784	3,784
TOTAL CURRENT ASSETS		<u>2,571,641</u>	<u>976,869</u>
NON-CURRENT ASSETS			
Other receivables	4	22,557	22,557
Inventories	5	221,215	221,215
Property, plant and equipment	6	16,284,852	16,411,130
Infrastructure	7	50,318,040	53,622,805
TOTAL NON-CURRENT ASSETS		<u>66,846,664</u>	<u>70,277,707</u>
TOTAL ASSETS		<u>69,418,305</u>	<u>71,254,576</u>
CURRENT LIABILITIES			
Trade and other payables	8	519,088	397,656
Current portion of long term borrowings	9	141,390	101,938
Provisions	10	216,040	284,836
TOTAL CURRENT LIABILITIES		<u>876,518</u>	<u>784,430</u>
NON-CURRENT LIABILITIES			
Long term borrowings	9	1,597,025	1,365,746
Provisions	10	18,318	29,345
TOTAL NON-CURRENT LIABILITIES		<u>1,615,343</u>	<u>1,395,091</u>
TOTAL LIABILITIES		<u>2,491,861</u>	<u>2,179,521</u>
NET ASSETS		<u>66,926,444</u>	<u>69,075,055</u>
EQUITY			
Retained surplus		27,966,411	24,778,323
Reserves - Cash Backed	11	610,881	509,944
Revaluation surplus	12	38,349,152	43,786,788
TOTAL EQUITY		<u>66,926,444</u>	<u>69,075,055</u>

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

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

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 30 June 2015		25,928,130	501,699	43,634,683	70,064,512
Comprehensive income					
Net result		(1,129,019)	0	0	(1,129,019)
Changes on revaluation of assets	12	0	0	152,105	152,105
Total comprehensive income		(1,129,019)	0	152,105	(976,914)
**Prior year adjustment		(12,543)	0	0	(12,543)
Transfers from/(to) reserves		(8,245)	8,245	0	0
Balance as at 30 June 2016		24,778,323	509,944	43,786,788	69,075,055
Comprehensive income					
Net result		3,289,025	0	0	3,289,025
Changes on revaluation of assets	12	0	0	(5,437,636)	(5,437,636)
Total comprehensive income		3,289,025	0	(5,437,636)	(2,148,611)
Transfers from/(to) reserves		(100,937)	100,937	0	0
Balance as at 30 June 2017		27,966,411	610,881	38,349,152	66,926,444

**This is a reversal of a prior year accrual that was incorrectly posted.

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

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

	NOTE	2017 Actual \$	2017 Budget \$	2016 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		1,871,775	1,855,536	1,751,461
Operating grants, subsidies and contributions		2,235,490	2,650,229	1,932,528
Fees and charges		642,525	476,347	614,299
Interest earnings		34,854	32,320	34,501
Goods and services tax		237,067	0	127,371
Other revenue		358,681	55,596	269,195
		<u>5,380,392</u>	<u>5,070,028</u>	<u>4,729,355</u>
Payments				
Employee costs		(1,823,714)	(1,847,568)	(1,914,070)
Materials and contracts		(340,776)	(984,756)	(916,854)
Utility charges		(329,694)	(292,001)	(302,748)
Interest expenses		(98,338)	(92,128)	(106,791)
Insurance expenses		(176,113)	(155,765)	(169,857)
Goods and services tax		(296,325)	0	(293,191)
Other expenditure		(73,187)	(79,948)	(68,409)
		<u>(3,138,147)</u>	<u>(3,452,166)</u>	<u>(3,771,920)</u>
Net cash provided by (used in) operating activities	13(b)	2,242,245	1,617,862	957,435
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment		(1,043,675)	(4,818,938)	(405,087)
Payments for construction of infrastructure		(3,709,020)	(2,755,055)	(1,680,049)
Non-operating grants, subsidies and contributions		2,454,630	5,643,700	1,146,232
Proceeds from sale of fixed assets		414,786	174,256	130,628
Net cash provided by (used in) investment activities		<u>(1,883,279)</u>	<u>(1,756,037)</u>	<u>(808,276)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of debentures		(110,069)	(101,938)	(105,663)
Proceeds of new debentures		380,800	380,800	0
Net cash provided by (used in) financing activities		<u>270,731</u>	<u>278,862</u>	<u>(105,663)</u>
Net increase (decrease) in cash held		629,697	140,687	43,496
Cash at beginning of year		614,456	614,132	570,960
Cash and cash equivalents at the end of the year	13(a)	<u>1,244,153</u>	<u>754,819</u>	<u>614,456</u>

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

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

	NOTE	2017 Actual \$	2017 Budget \$	2016 Actual \$
Net current assets at 1 July b/fwd - surplus/(deficit)		69,272	162,000	571,195
		<u>69,272</u>	<u>162,000</u>	<u>571,195</u>
Revenue from operating activities (excluding rates)				
Governance		56,796	37,420	33,928
General purpose funding		2,937,368	1,230,843	1,023,164
Law, order, public safety		41,160	35,444	50,977
Health		9,347	6,416	6,342
Education and welfare		4,002	5,200	0
Housing		2,553	0	2,292
Community amenities		155,377	130,692	143,488
Recreation and culture		155,150	729,548	99,365
Transport		213,529	276,065	168,783
Economic services		289,482	73,408	76,701
Other property and services		348,104	403,405	507,995
		<u>4,212,868</u>	<u>2,928,441</u>	<u>2,113,035</u>
Expenditure from operating activities				
Governance		(562,685)	(587,447)	(540,242)
General purpose funding		(174,557)	(176,957)	(152,580)
Law, order, public safety		(101,557)	(102,404)	(108,120)
Health		(146,629)	(147,814)	(139,285)
Education and welfare		(11,796)	(11,051)	(15,346)
Housing		(10,287)	0	(1,128)
Community amenities		(453,648)	(446,194)	(454,187)
Recreation and culture		(1,117,182)	(1,111,676)	(1,382,862)
Transport		(1,975,347)	(2,052,853)	(2,529,919)
Economic services		(526,664)	(349,497)	(338,084)
Other property and services		(181,158)	(333,834)	(477,164)
		<u>(5,261,510)</u>	<u>(5,319,727)</u>	<u>(6,138,916)</u>
Operating activities excluded from budget				
(Profit) on disposal of assets	20	(46,761)	(11,486)	(17,180)
Loss on disposal of assets	20	11,815	0	10,089
Assets written off prior to revalue		0	0	281,974
Movement in deferred pensioner rates (non-current)		0	0	(2,223)
Movement in employee benefit provisions (non-current)		(79,823)	0	(11,282)
Depreciation and amortisation on assets	2(a)	2,366,262	2,088,558	2,439,625
Amount attributable to operating activities		<u>1,272,123</u>	<u>2,077,072</u>	<u>2,701,003</u>
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	29	2,454,630	5,643,700	1,146,232
Purchase of Land and Buildings	6(b)	(158,415)	(4,322,000)	(32,534)
Purchase of Plant and Equipment	6(b)	(841,642)	(477,566)	(358,393)
Purchase of Furniture and Equipment	6(b)	(43,618)	(34,500)	(14,160)
Purchase of Infrastructure Assets - Roads	7(b)	(2,667,276)	(1,839,787)	(1,365,937)
Purchase of Infrastructure Assets - Other	7(b)	(1,041,744)	(915,268)	(314,112)
Proceeds from Disposal of Assets	20	414,786	174,256	130,628
Amount attributable to investing activities		<u>(1,883,279)</u>	<u>(1,771,165)</u>	<u>(808,276)</u>
FINANCING ACTIVITIES				
Repayment of debentures	21	(110,069)	(101,938)	(111,262)
Proceeds from new debentures	21	380,800	380,800	0
Transfers to reserves (restricted assets)	11	(230,937)	(211,018)	(112,678)
Transfers from reserves (restricted assets)	11	130,000	0	104,435
Amount attributable to financing activities		<u>169,794</u>	<u>67,844</u>	<u>(119,505)</u>
Surplus(deficiency) before general rates		<u>(441,362)</u>	<u>(1,855,536)</u>	<u>(1,681,465)</u>
Total amount raised from general rates		<u>1,883,035</u>	<u>1,855,536</u>	<u>1,750,737</u>
Net current assets at June 30 c/fwd - surplus/(deficit)	23	<u><u>1,441,673</u></u>	<u><u>0</u></u>	<u><u>69,272</u></u>

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

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

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

Critical accounting estimates

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

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

The local government reporting entity

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 19 to these financial statements.

(b) Goods and Services Tax (GST)

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

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

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

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

(c) Cash and Cash Equivalents

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Trade and Other Receivables

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

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

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

(e) Inventories

General

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

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

Land held for sale

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

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

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

(f) Fixed Assets

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

Mandatory requirement to revalue non-current assets

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

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

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

Thereafter, each asset class must be revalued in accordance with the regulatory framework established and 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 KELLERBERRIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

Land under control

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

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

Initial recognition and measurement between mandatory revaluation dates

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

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets 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 KELLERBERRIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

Depreciation

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

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

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

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

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

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

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

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

Capitalisation Threshold

Expenditure on items of equipment under \$5,000 is not capitalised. Rather, it is recorded on an asset inventory listing. However if seen fit by the DCEO these assets may be capitalised.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fair Value of Assets and Liabilities

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

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

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

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

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

Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

(h) Financial Instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

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

Amortised cost is calculated as:

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Classification and subsequent measurement (continued)

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

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

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Impairment

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

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

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

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

Derecognition

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

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

(i) Impairment of Assets

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

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

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

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

(j) Trade and Other Payables

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Employee Benefits

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

(l) Borrowing Costs

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

(m) Provisions

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

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

(n) Leases

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

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Investment in Associates

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

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

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

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

(p) Interests in Joint Arrangements

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

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

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Shire's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 16.

(q) Rates, Grants, Donations and Other Contributions

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

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

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

(r) Superannuation

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Current and Non-Current Classification

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

(t) Rounding Off Figures

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

(u) Comparative Figures

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

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

(v) Budget Comparative Figures

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

Notes:

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

(x) Adoption of New and Revised Accounting Standards

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

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	<p>The objective of this Standard was to extend the scope of AASB 124 <i>Related Party Disclosures</i> to include not-for-profit sector entities.</p> <p>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.</p>
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[AASB 10, 124 & 1049]

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

2 REVENUE AND EXPENSES

(a) Net Result

The Net result includes:

(i) Charging as an expense:

Significant expense

Transport	0	0
Recreation & Culture	0	281,974

Represented by:

Assets written off prior to Asset Revaluation	0	281,974
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Auditors remuneration

- Audit of the Annual Financial Report	37,978	14,784
- Assist with finalisation of the Annual Financial Report	9,905	11,363
- Grant Acquittals	5,615	1,980

Depreciation

Buildings - nonspecialised	102,454	39,900
Buildings - specialised	202,331	264,306
Furniture and Equipment	23,668	35,954
Plant and Equipment	185,391	326,447
Roads	1,624,156	1,558,575
Footpaths	13,218	10,904
Drainage	8,485	8,488
Public Facilities	206,559	195,051
	<u>2,366,262</u>	<u>2,439,625</u>

Interest expenses (finance costs)

Debentures (refer Note 21 (a))	93,136	111,262
Interest on Overdraft	1,033	92
	<u>94,169</u>	<u>111,354</u>

Rental charges

- Operating leases	57,799	117,642
	<u>57,799</u>	<u>117,642</u>

(ii) Crediting as revenue:

Significant revenue

Recreation & Culture	1,033,000	0
Transport	1,493,517	0
	<u>2,526,517</u>	<u>0</u>

Represented by:

Grant - NSRF	310,000	0
Grant -DSR	100,000	0
Grant - Regional Development Australia	124,788	0
Grant - Lottery west	498,212	0
Grant - Regional Road Group	375,581	0
Grant - Wandrra Funding	516,203	0
Grant - Roads to recovery	601,733	0
	<u>2,526,517</u>	<u>0</u>

	2017 Actual \$	2017 Budget \$	2016 Actual \$
Interest earnings			
- Reserve funds	15,868	12,294	8,439
- Other funds	675	8,760	14,720
Other interest revenue -refer note 27	18,311	11,266	10,902
	<u>34,854</u>	<u>32,320</u>	<u>34,062</u>

SHIRE OF KELLERBERRIN
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.

SHIRE OF KELLERBERRIN COMMUNITY VISION AND COUNCIL'S ROLE

The community's vision for the future is based on there interlinked elements:

Introducing lifestyle choice, international culture and sustainable agriculture.

Council's role in achieving the vision is:

*To provide proactive leadership to protect the future of our district,
in partnership with the community.*

Council operations as disclosed in this budget encompass the following service orientated activities/programs:

GOVERNANCE

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

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

GENERAL PURPOSE FUNDING

Objective: To collect revenue to allow for the provision of services.

Activities: Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

Objective: To provide services to help ensure a safer community.

Activities: Supervision of various by-laws, fire prevention, emergency services and animal control.

HEALTH

Objective: To provide an operational framework for good community health.

Activities: Food quality and pest control, immunisation services.

EDUCATION AND WELFARE

Objective: To meet the needs of the community in these areas.

Activities: Provision of Pre School Facilities.

COMMUNITY AMENITIES

Objective: Provide services required by the community.

Activities: Rubbish collection services, operation of tips, noise control, administration of town planning scheme, maintenance of cemetery and provision of Land Care services.

RECREATION AND CULTURE

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

Activities: Maintenance of halls, aquatic centre, recreation centre, reserves and parks, library.

TRANSPORT

Objective: To provide effective and efficient transport services to the community.

Activities: Construction and maintenance of streets, roads, bridges; cleaning and lighting of streets, depot maintenance, licensing services and airstrip maintenance.

ECONOMIC SERVICES

Objective: To help promote the Shire and improve its economic wellbeing.

Activities: The regulation and provision of tourism, area promotion, building control, sale yards, noxious weeds, vermin control and standpipes.

OTHER PROPERTY & SERVICES

Objective: To monitor and control council's overheads operating accounts.

Activities: Private works operations, plant repairs and operations costs.

SHIRE OF KELLERBERRIN
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 ⁽¹⁾ 01/07/15	Received ⁽²⁾ 15/16	Expended ⁽³⁾ 15/16	Closing Balance ⁽¹⁾ 30/06/16	Received ⁽²⁾ 16/17	Expended ⁽³⁾ 16/17	Closing Balance 30/06/17
Grant/Contribution	Function/ Activity	\$	\$	\$	\$	\$	\$	\$
NSRF Centenary Park	Recreation	0	0	0	0	938,000	(938,000)	0
MRDWA & WANDRRA Funds	Transport	0	0	0	0	1,516,630	(1,516,630)	0
Control of Feral Pests	Environment	5,582	0	(5,582)	0	0	0	0
WDC Centenary Park	Recreation	20,000	0	(20,000)	0	0	0	0
WDC Disabled Communities Grant	Recreation	55,000	0	0	55,000	0	(55,000)	0
BFB Generator Grant & North Kellerberrin contribution	Law & Order	13,000	0	(13,000)	0	0	0	0
LHAG Ladies Day Expenditure	Community Amenities	8,255	0	(8,255)	0	0	0	0
Water Corporation (DAM)	Economic Services	0	10,000	(10,000)	0	0	0	0
Natural Disaster Resilience Program	Law & Order	0	10,000	(10,000)	0	0	0	0
Total		101,837	20,000	(66,837)	55,000	2,454,630	(2,509,630)	0

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

	Note	2017 \$	2016 \$
3. CASH AND CASH EQUIVALENTS			
Unrestricted		633,272	104,513
Restricted		610,881	509,943
		<u>1,244,153</u>	<u>614,456</u>

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

Leave Reserve	11	41,118	21,118
Plant Replacement Reserve	11	138	138
Special Projects Reserve	11	44,055	43,037
Housing Reserve	11	57,618	57,618
Community Bus Reserve	11	63,334	63,334
Swimming Pool Reserve	11	376,074	302,154
Pathways Reserve	11	1,044	1,044
Sport & Recreation Reserve	11	27,500	21,500
		<u>610,881</u>	<u>509,943</u>

4. TRADE AND OTHER RECEIVABLES

Current			
Rates Outstanding		119,403	108,143
Sundry Debtors		88,931	249,980
Accrued Income		1,043,968	0
GST Receivable		59,764	506
Other receivables		11,638	0
		<u>1,323,704</u>	<u>358,629</u>
Non-Current			
Rates Outstanding - Pensioners		22,557	22,557
		<u>22,557</u>	<u>22,557</u>

Information with respect to the impairment or otherwise of the total of rates outstanding and sundry debtors as follows:

Rates outstanding	119,403	108,143
Includes:		
Past due and not impaired	119,403	108,143
Impaired	0	0
Sundry debtors	88,931	249,980
Includes:		
Past due and not impaired	27,087	51,573
Impaired	0	0

5. INVENTORIES

Current			
Fuel and Materials		3,784	3,784
		<u>3,784</u>	<u>3,784</u>
Non-Current			
Land Held for Resale		221,215	221,215
		<u>221,215</u>	<u>221,215</u>

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

	2017 \$	2016 \$
6. PROPERTY, PLANT AND EQUIPMENT		
(a)		
Land and Buildings		
Freehold Land at:		
- Independent Valuation 2017	1,477,500	0
- Independent Valuation 2014	0	1,316,000
- Additions after Valuation - Cost	0	42,512
	<u>1,477,500</u>	<u>1,358,512</u>
Land Vested In and Under the Control of Council at:		
- Management Valuation 2017	153,000	0
- Independent Valuation 2014	0	153,000
	<u>153,000</u>	<u>153,000</u>
Total Land	<u>1,630,500</u>	<u>1,511,512</u>
Non-Specialised Buildings at:		
- Independent Valuation 2017	1,637,554	0
- Independent Valuation 2014	0	1,487,000
- Additions after Valuation - Cost	0	485,907
Less: Accumulated Depreciation	0	(76,754)
	<u>1,637,554</u>	<u>1,896,153</u>
Specialised Buildings at:		
- Independent Valuation 2017	10,849,596	0
- Independent Valuation 2014	0	11,684,000
- Additions after Valuation - Cost	0	206,954
- Assets written off	0	(240,000)
Less: Accumulated Depreciation	0	(518,330)
	<u>10,849,596</u>	<u>11,132,624</u>
Total Buildings	<u>12,487,150</u>	<u>13,028,777</u>
Total Land and Buildings	<u>14,117,650</u>	<u>14,540,289</u>
Furniture and Equipment at:		
- Management Valuation 2016	191,500	191,500
- Additions after Valuation - Cost	43,618	0
Less Accumulated Depreciation	(23,668)	0
	<u>211,450</u>	<u>191,500</u>
Plant and Equipment at:		
- Management Valuation 2016	1,288,112	1,679,341
- Additions after Valuation - Cost	841,642	0
Less Accumulated Depreciation	(174,002)	0
	<u>1,955,752</u>	<u>1,679,341</u>
	<u>16,284,852</u>	<u>16,411,130</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 KELLERBERRIN

FOR THE YEAR ENDED 30TH JUNE 2017

6 PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Movements in Carrying Amounts

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

		Balance at the Beginning of the Year	Additions	(Disposals)	Revaluation Increments/ (Decrements) Transferred to	Revaluation (Losses)/ Reversals Through to	Assets Written Off/ Reversals	Depreciation (Expense)	Transfers	Carrying Amount at the End of Year
		\$	\$	\$	\$	\$	\$	\$	\$	\$
Freehold Land	(level 2)	1,358,512	0	0	118,988	0	0	0	0	1,477,500
Land Vested in and under the control of Council	(level 3)	153,000	0	0	0	0	0	0	0	153,000
Total land		1,511,512	0	0	118,988	0	0	0	0	1,630,500
Non- specialised buildings	(level 2)	1,896,153	0	0	(221,965)	0	0	(102,454)	65,820	1,637,554
Specialised buildings	(level 3)	11,132,624	158,415	0	(173,292)	0	0	(202,331)	(65,820)	10,849,596
Total buildings		13,028,777	158,415	0	(395,257)	0	0	(304,785)	0	12,487,150
Total land and buildings		14,540,289	158,415	0	(276,269)	0	0	(304,785)	0	14,117,650
Furniture & Equipment	(level 3)	191,500	43,618	0	0	0	0	(23,668)	0	211,450
Plant & Equipment	(level 2)	1,679,341	841,642	(379,840)	0	0	0	(185,391)	0	1,955,752
Total property, plant and equipment		16,411,130	1,043,675	(379,840)	(276,269)	0	0	(513,844)	0	16,284,852

SHIRE OF KELLERBERRIN
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
Freehold Land	Level 2	Market approach using recent observable market data for properties and the income approach using the discounted cashflow methodology	Independent registered valuers	June 2017	Price per hectare/market borrowing rate
Land Vested in and under the control of Council	Level 3	Cost approach and 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
Non- specialised buildings	Level 2	Market approach using recent observable market data for properties and the income approach using the discounted cashflow methodology	Independent registered valuers	June 2017	Price per square metre (level 2), market borrowing rate
Specialised buildings	Level 3	Cost approach and 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
Furniture & Equipment	Level 3	Cost approach using depreciated replacement cost	Management valuation	June 2016	Purchase costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs
Plant & Equipment	Level 3	Cost approach using depreciated replacement cost	Management valuation	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 KELLERBERRIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

	2017 \$	2016 \$
7 INFRASTRUCTURE		
(a)		
Roads		
- Independent Valuation 2017	39,125,051	73,381,045
- Additions After Valuation- Cost	0	7,346,939
Less Accumulated Depreciation	0	(32,646,088)
	<u>39,125,051</u>	<u>48,081,896</u>
 Footpaths		
- Independent Valuation 2017	592,886	0
- Management Valuation 2015	0	311,000
- Additions After Valuation- Cost	0	88,241
Less Accumulated Depreciation	0	(12,565)
	<u>592,886</u>	<u>386,676</u>
 Drainage		
- Independent Valuation 2017	5,259,557	0
- Management Valuation 2015	0	615,000
Less Accumulated Depreciation	0	(9,905)
	<u>5,259,557</u>	<u>605,095</u>
 Public Facilities		
- Management Valuation 2015	4,325,600	4,325,600
- Additions After Valuation- Cost	1,450,629	452,662
Less Accumulated Depreciation	(435,683)	(229,124)
	<u>5,340,546</u>	<u>4,549,138</u>
	<u><u>50,318,040</u></u>	<u><u>53,622,805</u></u>

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

SHIRE OF KELLERBERRIN
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 (Loss)/ Reversal Transferred to	Impairment (Losses)/ Reversals	Depreciation (Expense)	Transfers	Carrying Amount at the End of the Year
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Roads	48,081,896	2,667,276	0	(9,999,966)	0	0	(1,624,155)	0	39,125,051
Footpaths	386,676	43,777	0	175,652	0	0	(13,219)	0	592,886
Drainage	605,095	0	0	4,662,947	0	0	(8,485)	0	5,259,557
Public Facilities	4,549,138	997,967	0	0	0	0	(206,559)	0	5,340,546
Other Infrastructure	0	0	0	0	0	0	0	0	0
Total infrastructure	53,622,805	3,709,020	0	(5,161,367)	0	0	(1,852,418)	0	50,318,040

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

7. INFRASTRUCTURE (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Roads	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2017	Construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs
Footpaths	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2017	Construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs
Drainage	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2017	Construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs
Public Facilities	Level 3	Cost approach using depreciated replacement cost	Independent valuation	March 2015	Construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs

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

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

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

	2017 \$	2016 \$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	175,664	334,233
Accrued Interest on Debentures	5,338	9,507
Income in Advance	24,732	51,601
Accrued Salaries and Wages	0	2,315
ATO Liabilities	39,109	0
Accrued Expenses	274,245	0
	<u>519,088</u>	<u>397,656</u>

9. LONG-TERM BORROWINGS

Current		
Secured by Floating Charge Debentures	141,390	101,938
	<u>141,390</u>	<u>101,938</u>
Non-Current		
Secured by Floating Charge Debentures	1,597,025	1,365,746
	<u>1,597,025</u>	<u>1,365,746</u>

Additional detail on borrowings is provided in Note 22.

10. PROVISIONS

Analysis of Total Provisions			
Current		216,040	284,836
Non-Current		18,318	29,346
		<u>234,358</u>	<u>314,182</u>
	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2016	148,063	166,119	314,182
Net amounts used	(45,282)	(34,542)	(79,824)
Balance at 30 June 2017	<u>102,781</u>	<u>131,577</u>	<u>234,358</u>

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

11. 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 \$
Leave Reserve	21,118	20,000	0	41,118	21,118	20,000	0	41,118	21,118	0	0	21,118
Plant Replacement Reserve	138	0	0	138	138	65,000	0	65,138	39,537	0	(39,399)	138
Special Projects Reserve	43,037	131,018	(130,000)	44,055	43,037	36,018	0	79,055	0	43,037	0	43,037
Child Health Reserve	0	0	0	0	0	0	0	0	3,234	0	(3,234)	0
Information Technology Reserve	0	0	0	0	0	0	0	0	6,087	0	(6,087)	0
Lake Baandee Reserve	0	0	0	0	0	0	0	0	217	0	(217)	0
Housing Reserve	57,618	0	0	57,618	57,618	0	0	57,618	57,618	0	0	57,618
UHF Repeater Reserve	0	0	0	0	0	0	0	0	2,380	0	(2,380)	0
Community Bus Reserve	63,334	0	0	63,334	63,334	0	0	63,334	43,334	20,000	0	63,334
History Book Reserve	0	0	0	0	0	0	0	0	19,200	0	(19,200)	0
Youth Development Reserve	0	0	0	0	0	0	0	0	11,919	0	(11,919)	0
Swimming Pool Reserve	302,154	73,920	0	376,074	301,930	90,000	0	391,930	254,512	47,642	0	302,154
Pathways Reserve	1,044	0	0	1,044	1,044	0	0	1,044	23,044	0	(22,000)	1,044
Sport & Recreation Reserve	21,500	6,000	0	27,500	21,500	0	0	21,500	19,500	2,000	0	21,500
	509,943	230,938	(130,000)	610,881	509,719	211,018	0	720,737	501,700	112,679	(104,436)	509,943

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

11. RESERVES - CASH BACKED (CONTINUED)

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
Leave Reserve	2026	- to be used to fund employees' long service leave.
Plant Replacement Reserve	As LTFP	- to be used for the future purchase of plant and machinery
Special Projects Reserve	As LTFP	- to be used for future purchase of assets.
Housing Reserve	As LTFP	- to be used for the provision of staff housing.
Community Bus Reserve	As LTFP	- to be used to subsidise the replacement of the Community Bus.
Swimming Pool Reserve	As LTFP	- to be used to improve the Swimming Pool facilities.
Pathways Reserve	As LTFP	- to be used to fund construction/renewal of footpaths
Sport & Recreation Reserve	As LTFP	- to be used to improve the Sport and Recreation Facilities

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

12. REVALUATION SURPLUS

	2017			2017			2017			2016			2016		
	Opening Balance	Revaluation Increment	Revaluation Decrement	Movement on Revaluation	Closing Balance	2017 Closing Balance	2016 Opening Balance	Revaluation Increment	Revaluation Decrement	Movement on Revaluation	2016 Total	2016 Closing Balance			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$			
Land & Buildings	5,011,892	0	(276,269)	(276,269)	4,735,623	4,735,623	5,011,892	0	0	0	0	5,011,892			
Plant & Equipment	268,746	0	0	0	268,746	268,746	175,128	0	93,618	93,618	93,618	268,746			
Furniture & Equipment	78,476	0	0	0	78,476	78,476	29,989	48,487	0	48,487	48,487	78,476			
Roads	36,540,533	0	(9,999,966)	(9,999,966)	26,540,567	26,540,567	36,540,533	0	0	0	0	36,540,533			
Infra - Not Roads	1,887,141	4,838,599	0	4,838,599	6,725,740	6,725,740	1,877,141	10,000	0	10,000	10,000	1,887,141			
	43,786,788	4,838,599	(10,276,235)	(5,437,636)	38,349,152	38,349,152	43,634,683	58,487	93,618	152,105	152,105	43,786,788			

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

13. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	2017 \$	2017 Budget \$	2016 \$
Cash and cash equivalents	<u>1,244,153</u>	<u>754,819</u>	<u>614,456</u>
(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	3,289,025	5,107,949	(1,129,019)
Non-cash flows in Net result:			
Depreciation	2,366,262	2,088,558	2,439,625
(Profit)/Loss on sale of asset	(34,946)	(11,486)	(7,092)
Assets written off	0	0	281,974
Changes in assets and liabilities:			
(Increase)/Decrease in receivables	(965,075)	337,548	550,620
(Increase)/Decrease in inventories	0	0	5,188
Increase/(Decrease) in payables	121,432	(261,006)	(33,396)
Increase/(Decrease) in provisions	(79,823)	0	(4,233)
Grants contributions for the development of assets	<u>(2,454,630)</u>	<u>(5,643,700)</u>	<u>(1,146,232)</u>
Net cash from operating activities	<u>2,242,245</u>	<u>1,617,862</u>	<u>957,435</u>

	2017 \$	2016 \$
(c) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank overdraft limit	500,000	500,000
Bank overdraft at balance date	0	0
Credit card limit	15,000	15,000
Credit card balance at balance date	<u>(1,235)</u>	<u>(518)</u>
Total amount of credit unused	<u>513,765</u>	<u>514,482</u>
Loan facilities		
Loan facilities - current	141,390	101,938
Loan facilities - non-current	<u>1,597,025</u>	<u>1,365,746</u>
Total facilities in use at balance date	<u>1,738,415</u>	<u>1,467,684</u>
Unused loan facilities at balance date	<u>NIL</u>	<u>NIL</u>

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

14. CONTINGENT LIABILITIES

The Shire did not have any contingent liabilities at the date of reporting.

15. CAPITAL AND LEASING COMMITMENTS

2017 **2016**
\$ **\$**

(a) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the accounts.

Payable:

- not later than one year	6,700	37,521
- later than one year but not later than five years	0	0
	<u>6,700</u>	<u>37,521</u>

(b) Capital Expenditure Commitments

Contracted for:

- capital expenditure project	<u>281,643</u>	<u>0</u>
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Payable:

- not later than one year	281,643	0
- later than one year but not later than five years	0	0
	<u>281,643</u>	<u>0</u>

The capital expenditure project outstanding at the end of the current reporting period represents the redevelopment of Centenary Park.

16. JOINT VENTURE ARRANGEMENTS

The Shire is not involved in any joint venture arrangements.

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

2017 **2016**
\$ **\$**

Governance	977,951	2,048,580
Law, order, public safety	345,220	378,811
Health	331,383	371,292
Education and welfare	190,000	191,120
Housing	3,377,715	2,036,496
Community amenities	531,388	509,012
Recreation and culture	12,493,793	11,726,195
Transport	49,037,479	50,716,634
Economic services	608,590	950,817
Other property and services	1,421,408	2,315,092
Unallocated	103,378	10,526
	<u>69,418,305</u>	<u>71,254,576</u>

SHIRE OF KELLERBERRIN
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	2017	2016	2015
18. FINANCIAL RATIOS			
Current ratio	2.347	0.540	1.365
Asset sustainability ratio	1.503	0.855	2.181
Debt service cover ratio	16.132	1.271	10.527
Operating surplus ratio	0.280	(0.825)	0.135
Own source revenue coverage ratio	0.566	0.449	0.640

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 54 of this document.

2017

The Current, Debt Service cover and Operating Surplus ratios disclosed above are distorted by the early receipt of half of the allocation of the 2017-18 Financial Assistance Grants in June 2017. The early payment of the grant increased operating revenue in 2017 by \$984,381.

2016

The Debt Service cover and Operating Surplus ratios disclosed above are distorted by the early receipt of half of the allocation of the 2015-16 Financial Assistance Grants on 30 June 2015. The early payment of the grant increased operating revenue in 2015 and decreased operating revenue in 2016 by \$942,783.

The Own Source Coverage ratio as disclosed above, was distorted by an item of significant expense being the assets written off prior to assets revaluation, amounting to \$281,974.

2015

The Current ratio, as disclosed above, was distorted by an item of significant revenue relating to the early payment of the 2015/16 Financial Assistance Grants of \$942,783 which was received prior to year end.

The Debt Service Cover ratio and Operating Surplus ratio, as disclosed above, were distorted by the item of significant revenue detailed above, as well as items of significant expense being the loss on revaluation of fixed assets amounting to \$465,389 and assets written off prior to assets revaluation amounting to \$464,198.

The Own Source Coverage ratio, as disclosed above, was distorted by the items of significant expense, being the loss on revaluation of fixed assets amounting to \$465,389 and assets written off prior to assets revaluation amounting to \$464,198.

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

	2017	2016	2015
Current ratio	1.169	N/A	0.238
Debt service cover ratio	11.312	6.914	10.472
Operating surplus ratio	(0.050)	(0.381)	0.132
Own source revenue coverage ratio	N/A	0.471	0.739

SHIRE OF KELLERBERRIN
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FOR THE YEAR ENDED 30TH JUNE 2017

19. 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:

	2016	Amounts Received	Amounts Paid	2017
	\$	\$	(\$)	\$
Police Licencing	2,656	849,402	(848,566)	3,492
Pre-paid Rates Receipts	25,652	1,648	0	27,300
BCITF Levy	45	11,662	0	11,707
Builing Services Levy	123	8,706	0	8,829
Community Bus Bond	3,000	800	(400)	3,400
Housing Bonds	1,704	0	0	1,704
Cuolahan/Cottle Room Bond	4,600	0	0	4,600
Hall Bonds	2,240	4,350	(2,700)	3,890
Equipment Hire	0	100	(50)	50
Unclaimed Monies Account	2,536	100	(100)	2,536
Key Bond	8,495	3,220	(1,500)	10,215
Rec Centre Bond	0	656	0	656
Bushfire Brigade Funds	327	0	0	327
Football Club Monies	6,973	0	(6,973)	0
	<u>58,351</u>	<u>880,643</u>	<u>(860,289)</u>	<u>78,705</u>

20. DISPOSALS OF ASSETS - 2016/17 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Governance						
KE1 (Toyota Prado)	55,933	51,557	53,727	59,100	(2,206)	7,543
KE1 (Toyota Prado)	58,027	0	57,273	0	(754)	0
KE1 (Toyota Prado)	59,773	0	64,000	0	4,227	0
KE002 (caprice)	39,124	35,771	36,645	44,156	(2,479)	8,385
KE002 (klugger)	43,077	0	45,000	0	1,923	0
Health						
KE003	16,711	18,725	12,727	14,000	(3,984)	(4,725)
KE00	16,711	19,253	12,396	14,000	(4,315)	(5,253)
Rec Culture						
Misc	0	0	455	0	455	0
Transport						
KE2 (Ford Territory)	44,236	37,463	45,000	43,000	764	5,537
KE2 (Ranger)	42,824	0	57,131	0	14,307	0
Tandem Dolly	3,424	0	3,750	0	326	0
KE529	0	0	23,136	0	23,136	0
Water Tanker	0	0	3,546	0	3,546	0
	<u>379,840</u>	<u>162,770</u>	<u>414,786</u>	<u>174,256</u>	<u>34,946</u>	<u>11,486</u>

24. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Principal 01 Jul 16	2017 Principal Repayments		2017 Principal Outstanding		2017 Interest Repayments	
		Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Loan 116A - Purchase Plant 08/09							
- John Deere Grader	89,811	28,314	28,314	61,497	61,496	4,370	4,370
Loan 117 - Staff Housing							
- Unit 1 Hinckley Street	89,310	20,435	20,435	68,875	68,875	4,930	4,930
Loan 118 - Recreation Centre							
- Rec Centre Redevelopment	1,288,563	53,189	53,189	1,235,374	1,235,374	80,828	80,828
Loan 119 -CEACA							
- Land development	0	8,131	0	372,669	380,800	3,008	0
	1,467,684	110,069	101,938	1,738,415	1,746,545	93,136	90,128

All debenture repayments were financed by general purpose revenue.

(b) New Debentures

Particulars/Purpose	Amount Borrowed		Institution	Term (Years)	Interest & Charges \$	Interest Rate %	Amount Used Actual \$	Balance Unspent \$
	Actual \$	Budget \$						
Contribution to the construction of 14 seniors units	380,800	380,800	WATC	10	64,820	3.16%	(380,800)	0
	<u>380,800</u>	<u>380,800</u>			<u>64,820</u>		<u>(380,800)</u>	<u>0</u>

(c) Unspent Debentures

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

(d) Overdraft

The Shire has an overdraft facility of \$500,000 with National Australia Bank.
This facility remained unused as at 30 June 2017 and 30 June 2016.

SHIRE OF KELLERBERRIN
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22. RATING INFORMATION - 2016 /17 FINANCIAL YEAR

RATE TYPE		Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Total Revenue \$
Differential general rate / general rate											
General Rate											
GRV Kellerberrin Residential		0.127237	326	2,667,937	339,460	(891)	0	338,569	338,485	0	338,481
GRV Other Residential		0.127237	7	46,240	5,883	44	0	5,927	5,883	0	5,883
GRV Kellerberrin Commercial		0.127237	22	323,652	41,181	(904)	0	40,277	45,900	0	45,900
GRV Other Commercial		0.127237	2	21,060	2,680	0	0	2,680	2,680	0	2,680
Unimproved Value Valuations											
UV Rural		0.022133	289	61,696,800	1,363,161	0	0	1,363,161	1,363,194	0	1,363,194
Sub-Totals											
		Minimum \$	646	64,755,689	1,752,364	(1,751)	0	1,750,614	1,756,142	0	1,756,138
Minimum Payment											
GRV Kellerberrin Residential		\$ 678.00	60	87,412	40,680	0	0	40,680	40,680	0	40,680
GRV Other Residential		\$ 678.00	23	16,153	15,594	0	0	15,594	15,594	0	15,594
GRV Kellerberrin Commercial		\$ 678.00	33	26,387	22,374	0	0	22,374	21,696	0	21,696
GRV Other Commercial		\$ 678.00	3	5,370	2,034	0	0	2,034	2,034	0	2,034
Unimproved Value Valuations											
UV Rural		\$ 678.00	49	404,000	33,222	(9,438)	0	23,784	33,222	0	33,222
UV Mining Tenements		\$ 678.00	1	2,722	678			678	678	0	678
Sub-Totals											
			169	542,044	114,582	(9,438)	0	105,144	113,904	0	113,904
Ex-Gratia Rates											
Discounts (refer note)								1,855,758			1,870,042
Total Amount Raised From General Rate								51,936			22,894
Specified Area Rate (refer note)								(24,659)			(37,400)
Totals								1,883,035			1,855,536
								0			0
								1,883,035			1,855,536

SHIRE OF KELLERBERRIN
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FOR THE YEAR ENDED 30TH JUNE 2017

23. NET CURRENT ASSETS

Composition of net current assets

	2017 (30 June 2017 Carried Forward) \$	2017 (1 July 2016 Brought Forward) \$	2016 (30 June 2016 Carried Forward) \$
Surplus/(Deficit)	<u>1,441,672</u>	<u>69,272</u>	<u>69,272</u>
Comprises:			
Cash and Cash Equivalents			
Unrestricted	633,272	49,513	49,513
Restricted	610,881	564,943	564,943
Receivables			
Rates Outstanding	119,403	108,143	108,143
Sundry Debtors	88,931	249,981	249,981
Accrued income	1,043,968		
GST Receivable	59,764	506	506
Other receivables	11,638	0	0
Inventories			
Fuel and Materials	3,784	3,784	3,784
Land Held By the Shire - (NCA)	221,215	221,215	221,215
	<u>2,792,856</u>	<u>1,198,085</u>	<u>1,198,085</u>
Less:			
Trade and other Payables			
Sundry Creditors	(175,664)	(334,233)	(334,233)
Accrued Interest on Debentures	(5,338)	(9,507)	(9,507)
Accrued Salaries and Wages	0	(2,315)	(2,315)
ATO Liabilities	(39,109)	0	0
Payment in Advance	(24,732)	(51,601)	(51,601)
Accrued Expenses	(274,245)	0	0
Current Portion of Long Term Borrowings			
Secured by Floating Charge Debentures	(141,390)	(101,938)	(101,938)
	<u>(660,478)</u>	<u>(499,594)</u>	<u>(499,594)</u>
Net Current Assets	<u>2,132,378</u>	<u>698,491</u>	<u>698,491</u>
Less:			
Reserves - Restricted Cash	(610,881)	(509,943)	(509,943)
Land Held By the Shire - (NCA)	(221,215)	(221,215)	(221,215)
Add:			
Current Portion of Long Term Borrowings			
Secured by Floating Charge Debentures	141,390	101,938	101,938
Adjusted net current assets - surplus/(deficit)	<u>1,441,672</u>	<u>69,272</u>	<u>69,272</u>

Difference

There was no difference between the Surplus/(Deficit) 1 July 2016 Brought Forward position used in the 2017 audited financial report and the Surplus/(Deficit) Carried Forward position as disclosed in the 2016 audited financial report.

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

24. SPECIFIED AREA RATE - 2016/17 FINANCIAL YEAR

The Shire did not impose any Specified Area Rates.

25. SERVICE CHARGES - 2016/17 FINANCIAL YEAR

The Shire did not impose any service charges.

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

			2017	2017
	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
General Rates	Discount	2.00%	18,557	26,010
Minimum Rate	Discount	2.00%	6,102	11,390
			24,659	37,400
Photocopy Charge	Waiver		0	0
Rate Assessment	Write-Off	N/A	0	0

A discount on rates is granted to all who pay their rates in full within 35 days of the date of service appearing on the rate notice.

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

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%	N/A	9,779	9,000
Interest on Instalments Plan	5.50%	N/A	6,125	1,800
Charges on Instalment Plan	N/A	5	1,905	1,800
Interest on ESL Charges	11.00%	N/A	502	466
			18,311	13,066

Ratepayers had the option of paying rates in four equal instalments, due on 31 August 2016, 2 November 2016, 11 January 2017 and 14 March 2017. Administration charges and interest applied for the final three instalments.

SHIRE OF KELLERBERRIN
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28. FEES & CHARGES	2017	2016
	\$	\$
Governance	30	4,000
General purpose funding	63,200	61,052
Law, order, public safety	6,008	6,793
Health	9,347	6,342
Education & Welfare	3,909	0
Community amenities	155,377	137,966
Recreation and culture	24,089	22,417
Transport	6,785	7,189
Economic services	97,780	73,350
Other property and services	276,000	295,630
	<u>642,525</u>	<u>614,738</u>

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

29. GRANT REVENUE

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

	2017	2016
	\$	\$
By Nature or Type:		
Operating grants, subsidies and contributions		
Governance	61,238	0
General purpose funding	2,837,664	907,767
Law, order, public safety	35,153	34,184
Community amenities	0	5,202
Recreation and culture	54,649	39,440
Transport	129,705	119,600
Economic services	0	636
Other property and services	0	31
	<u>3,118,409</u>	<u>1,106,861</u>
Non-operating grants, subsidies and contributions		
General purpose funding	0	18,523
Law, order, public safety	0	10,000
Recreation and culture	938,000	0
Transport	1,516,630	1,107,709
Other property and services	0	10,000
	<u>2,454,630</u>	<u>1,146,232</u>

30. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

<u>27</u>	<u>27</u>
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SHIRE OF KELLERBERRIN
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FOR THE YEAR ENDED 30TH JUNE 2017

31. ELECTED MEMBERS REMUNERATION	2017	2017	2016
	\$	Budget	\$
The following fees, expenses and allowances were paid to council members and/or the president.			
Meeting Fees	15,850	20,350	16,050
President's allowance	5,000	5,000	2,000
Travelling expenses	3,700	3,850	3,400
	<u>24,550</u>	<u>29,200</u>	<u>21,450</u>

32 RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

2017
\$

The total of remuneration paid to KMP of the Shire during the year are as follows:

Short-term employee benefits	409,055
Post-employment benefits	38,909
Other long-term benefits	10,110
Termination benefits	0
	<u>458,074</u>

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

Termination benefits

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

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Entities subject to significant influence by the Shire

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

iii. Joint venture entities accounted for under the equity method

The Shire has no joint venture entities.

SHIRE OF KELLERBERRIN
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32. RELATED PARTY TRANSACTIONS (Continued)

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:

	2017
	\$
Associated companies/individuals:	
Sale of goods and services	3,030
Purchase of goods and services	117,998
Joint venture entities:	
Distributions received from joint venture entities	0
Amounts outstanding from related parties:	
Trade and other receivables	0
Loans to associated entities	0
Loans to key management personnel	0
Amounts payable to related parties:	
Trade and other payables	0
Loans from associated entities	0

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.

33. MAJOR LAND TRANSACTIONS

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

34. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

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

SHIRE OF KELLERBERRIN
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35. 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 Council.

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

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

The Shire held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2017	2016	2017	2016
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	1,244,153	614,456	1,244,153	614,456
Receivables	1,323,704	358,629	1,323,704	358,629
	<u>2,567,857</u>	<u>973,085</u>	<u>2,567,857</u>	<u>973,085</u>
Financial liabilities				
Payables	519,088	397,656	519,088	397,656
Borrowings	1,738,415	1,467,684	2,009,266	1,268,836
	<u>2,257,503</u>	<u>1,865,340</u>	<u>2,528,354</u>	<u>1,666,492</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 KELLERBERRIN
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35. 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). The Shire has an investment policy and the policy is subject to review by Council. An Investment Report is provided to Council on a monthly basis setting out the make-up and performance of the portfolio.

Cash is 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 registered commercial banks. The Shire also seeks advice from independent advisers (where applicable) before placing any cash and investments.

	2017 \$	2016 \$
Impact of a 1% ⁽¹⁾ movement in interest rates on cash		
- Equity	12,442	6,145
- Statement of Comprehensive Income	12,442	6,145

Notes:

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

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

35. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

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

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

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

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

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

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

	2017	2016
Percentage of rates and annual charges		
- Current	0%	0%
- Overdue	100%	100%
Percentage of other receivables		
- Current	98%	73%
- Overdue	2%	27%

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

35. 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. Council 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 Council's Payables and Borrowings are set out in the Liquidity Sensitivity Table below:

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<u>2017</u>					
Payables	519,088	0	0	519,088	519,088
Borrowings	236,628	797,728	1,428,956	2,463,312	1,738,415
	<u>755,716</u>	<u>797,728</u>	<u>1,428,956</u>	<u>2,982,400</u>	<u>2,257,503</u>
<u>2016</u>					
Payables	397,656	0	0	397,656	397,656
Borrowings	101,938	660,105	1,413,227	2,175,270	1,467,684
	<u>499,594</u>	<u>660,105</u>	<u>1,413,227</u>	<u>2,572,926</u>	<u>1,865,340</u>

SHIRE OF KELLERBERRIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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35. 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. Council 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 %
2017								
Borrowings								
Fixed rate								
Debentures	0	61,497	68,875	0	0	1,608,043	1,738,415	5.66%
Weighted average Effective interest rate		5.51%	5.85%			5.63%		
2016								
Borrowings								
Fixed rate								
Debentures	0	0	89,810	89,310	0	1,288,563	1,467,684	5.45%
Weighted average Effective interest rate			6.14%	6.20%		4.01%		

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

Opinion on the Audit of the Financial Report

We have audited the accompanying financial report of the Shire of Kellerberrin (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 Kellerberrin 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

During the course of the audit we became aware of the following instance where the Shire did not comply with the *Local Government (Financial Management) Regulations 1996 (as amended)*:

Monthly Statement of Financial Activity

The monthly statements of financial activity for July 2016 and November 2016 did not contain explanations for material variances between the year-to-date actual amount and budget estimates as required by Local Government (Financial Management) Regulation 34(2)(b).

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) Except as detailed above, no other matters indicating non-compliance with Part 6 of the *Local Government Act 1995 (as amended)*, the *Local Government (Financial Management) Regulations 1996 (as amended)* or applicable financial controls of any other written law were noted during the course of our audit.
- c) In relation to the Supplementary Ratio Information presented at page 53 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 KELLERBERRIN (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 this financial report that gives a true and fair view in accordance with Australian Accounting Standards, *the Local Government Act 1995 (as amended)* and the *Local Government (Financial Management) Regulations 1996 (as amended)* and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

MOORE STEPHENS
CHARTERED ACCOUNTANTS



WEN-SHIEN CHAI
PARTNER

Date: 7 December 2017
Perth, WA

**SHIRE OF KELLERBERRIN
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	0.571	0.576	0.570
Asset renewal funding ratio	0.800	1.057	1.072

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