



Shire of Collie



ANNUAL REPORT
2016/17

Prepared by:

Shire of Collie

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David Blurton

Chief Executive Officer

Shire of Collie is committed to being transparent and accountable in its reporting to the community. The Annual report 2016-17 is a primary means of informing the community about the council's performance, achievements and challenges during the financial year.

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1. Shire of Collie – Overview

In accordance with section 5.53 of the WA Local Government Act (1995) the Shire of Collie is required to prepare and adopt an Annual Report by no later than the 31st December each year.

The Shire of Collie is a medium sized local authority, with revenue totalling \$13.09m during 2016/17. The Shire covers an area of 1,685 sq. km, situated in the South West of Western Australia. Collie is a community with a rich heritage which has been derived from a unique mix of industrial, environmental, and social history. The breakup of Collie as a Local Government area highlights this with approximately 80% of the Local Government being taken up with State Forest, which leaves only the remaining 20% to be utilised for significant industrial activities and urban or rural developments.

Coal Mining, Power Generation and Bauxite Refining are key industries in the Collie area, employing more than 2,000 people directly in an average year. This number can as much as double in years when construction or expansion works are undertaken in one of the three major industries. The Collie Community embraces and encourages the development of these industries, recognising their importance to not only Collie, but the South West and Western Australia. In saying this, the Council and the Community are also very keen to be informed, consulted, and recognised by these major industries with respect to the role they play in an environmental, social, and economic sense. Council is especially eager to promote partnerships and long term mutually beneficial relationships with industry, which will provide benefit back to the Community of Collie.

Council is also encouraging the growth of tourism within the Shire by supporting the further development of the Motoring South West's Motorplex. Grant funding has been sought and the upgrade is expected to complete in the 2017/18 financial year.

2. The Shire of Collie – Council

Elected Members

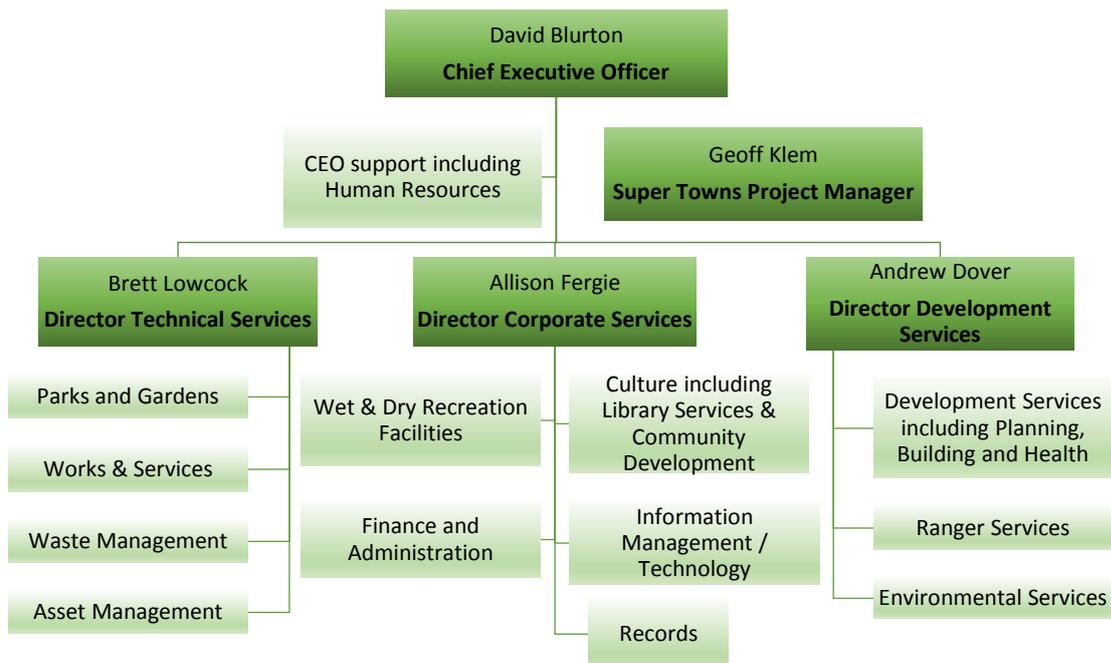
(at the year ending 30th June 2017)

Shire President	Cr Wayne Sanford
Deputy Shire President	Cr Glyn Yates
Cr Sarah Stanley	Cr Elysia Harverson
Cr Nola Green JP	Cr Gary Faries
Cr Jodie Hanns	Cr Ian Miffling JP
Cr John Piavanini	Cr Joe Italiano
Cr Neil Martin	

Council elected its new members in recent Election in October 2017

In accordance with the Local Government Act, Council appointed Mr David Blurton to the position of Chief Executive Officer on 16 June 2014.

The organisational chart below represents the overall current staffing structure which is in operation at the Shire of Collie. Management endeavours to continually develop the organisational structure to best meet the strategic objectives of Council.



Shire of Collie Organisational Chart as at 30 June 2017

3. Report from the Shire President

I am pleased to provide this report on the activities of the Shire of Collie Council for the 12-month period ending 30 June 2017.

This period has seen significant progress in projects and objectives identified as priorities within Council's strategic plan.

The infrastructure projects funded by the State Government for the Regional Centres Development Plan (Super Towns) were completed during the year and the Shire of Collie and its community is now seeing the benefits of the built aspect of the program's projects

The final stage of the Central Business District revitalisation was completed, including the completion of the Central Park. The built infrastructure component of Super Towns has significantly improved the amenity in that area. The Super Towns program has also offered an opportunity for significant investment into areas of economic, social and environmental priorities of the Council.

The Changing Places facility at the Collie Mine Workers Memorial Swimming Pool is a new facility for the community. Work commenced on the track extension project at the Collie Motorplex, which continues to be a significant asset for our community.

Work continued on the implementation of the Collie River Revitalisation plan, including efforts to manage and control the prolific growth of Nardoo in the Collie River.

The Shire's financial sustainability remains a key focus of Council. Financial capital and infrastructure capital is maintained over the long term through investment in roadwork, bridges, drainage, parks and other building improvement projects.

The improvement and constructions of community owned assets and infrastructure was made possible by funding received from Federal and State Governments through Federal Assistance Grants, Regional and Local Community Infrastructure Programs and Royalties for Regions Country Local Government Fund. Grants received through these allocations have enabled Council to undertake important and necessary asset maintenance and renewal, and are welcomed and appreciated.

Corporate investment partnerships have been key to the delivery of key projects for the betterment of our community. Funding was received from the Collie Community Bank branch of the Bendigo Bank, South West Development Commission, WA Local Government Association, Disability Services Commission, South32 Worsley Alumina, Bankwest, Southern Districts Estate Agency, Rotary Club of Collie and Donnybrook First National Real Estate. We

look forward to continued support from our corporate and industry stakeholders that operate in our community.

Council continues to support initiatives that grow our economic base and prosperity. The next stage of the Regional Centres Development Plan, as well as localised efforts, will focus on this area of economic development for our community.

Council has partnered with the South West Development Commission in the Collie Economic Development Taskforce, which is a key initiative to look at ways to broaden Collie's industry base and economy. Part of the Super Towns initiative, the project's aim is to develop an economic action plan to ensure Collie continues to thrive as a place to live, work and invest. We look forward to the community's involvement in this project and the outcomes that will provide opportunities for a sustainable economic future.

Council continues to have strong links and provides support to major and small industry within the town. The past 12 months have seen significant challenges for some of our major industry in difficult economic circumstances and Council has continued to keep itself informed in an effort to represent the community in the event of any impact.

The Council continues to have relationships with the Collie Chamber of Commerce and Industry and Bunbury Wellington Economic Alliance. The contributions of the business sector help sustain the economic base and foundation upon which a vibrant and successful community can exist.

I would like to extend a thank you to all Councillors and community members that participated in committees of Council over the past 12 months. Your contributions are appreciated and provide great assistance to Council in its decision-making process.

I would also like to thank the vast and varying community organisations that continue to provide worthy services to our community, as well as the individual volunteers that make those contributions possible.

The Collie Visitor Centre, Collie River Valley Marketing Inc, service clubs and many voluntary organisations have continued to provide important services to the community and continue to have important roles in the promotion of our great town.

On Australia Day, the Council once again recognised Collie's outstanding citizens. This year's Collie Citizen of the Year was awarded to Grahame Old, while the Young Citizen of the Year was awarded to Brianna Harrison-Brown. The Collie Community Group of the Year award was presented to the Collie Heritage & Menshed Group Inc, while the Collie Environmental Award of the Year was awarded to the Megan Cain. The Australia Day Awards Ceremony also

included National Service Award and Fire Service Award presentations to James Robert Jnr, David Snelgar, Ashley Davidson and Marshall Ellis-Smith.

We also celebrated the achievements of our sports participants with Hayley Digney being awarded the JL Mumme Senior Sports Person of the Year and Jake Avins receiving the Young Sports Person of the Year award. The Special Achievement Sport Award was presented to Cara Swan. The Robinson-Hannan Volunteer of the Year Award was introduced in 2016 and Kym Latham was the inaugural recipient of this award. All of these citizens are worthy recipients of their awards, and I congratulate them on their achievements.

The past year has provided the Council with the opportunity to engage with Local, State and Federal Members of Government. The assistance provided by those members has been greatly appreciated and the Council looks forward to continuing strong relationships to further advance areas of importance to our community. I would like to thank the Local Member for Collie Preston, Hon. Mick Murray MLA for his continued support of the Council and advocacy for the Collie community.

I would like to take the opportunity to acknowledge and thank our Chief Executive Officer Mr David Blurton. David and his team are to be commended for their efforts in delivering a budget and program that was balanced and achievable, ensuring that core services and community projects are delivered to a high quality and in a timely and efficient manner. David is supported by a strong team of staff and Councillors committed to achieving a high level of service to the community. The Council finds itself in a strong financial position and with the ability to progress areas of community importance with confidence.

I would also like to acknowledge the hard work and dedication of the outgoing Shire President Wayne Sanford, Deputy Shire President Glyn Yates as well as Councillors Green and Martin, all of whom have served this community well over their many years on this Council.

I would also like to thank my fellow Councillors for their contributions over the past year, and welcome newly elected members to their roles.

Collie has seen tremendous, tangible improvements over the past year, but there is still much to do in achieving the aspirations of the community.

A strong future in Collie depends on working collaboratively to achieve our goals.



Cr Sarah Stanley
SHIRE PRESIDENT

4. Report from the Chief Executive Officer

The Shire of Collie has enjoyed another successful year in 2016/17 with the completion of several important community projects and progression of a number of key strategic initiatives.

Council invested over \$7.0m in improving or expanding its asset base during the year with some of the more prominent projects including;

- Building improvement program \$245,000;
- Completion of the Collie Super Towns Project Expenditure, including Central Park and the Music Shell \$1.34m;
- Construction of the Changing Places facility at the Collie Mineworkers Memorial Pool \$120,000;
- Roadworks, footpaths, drainage, Parks & other infrastructure improvements including the Karak Trail \$4.13m
- Buildings, Plant & Equipment additions \$715,000

The Council also commenced a review of its Local Planning Strategy and Community Strategic Plan during the year. Both documents provide important strategic direction for the community and organisation moving forward and will involve extensive community consultation and engagement. These documents will be formally adopted in 2017/18.

The Council endorsed its Active Ageing Plan during the year which identifies actions and strategies required to support an aged friendly community. The Council also demonstrated its commitment to retaining the heritage and history of Collie by overseeing the restructure of the Coalfields Museum collection and operation. Council formed a Museum Advisory Committee comprised of a dedicated group of volunteers to focus on re-opening of the Coalfields Museum and the building was successfully opened on 1st July 2017. I would like to acknowledge the work of this group of volunteers for their hard work and commitment.

From a regional perspective, Council collaborated with the other Bunbury Wellington Local governments regarding waste management issues including progressing the Regional Waste site project and developing a Regional Tourism Strategy. This is an exciting project which aims to develop a brand for the region to promote the attractions of Collie and surrounding districts, thereby increasing tourist visits and spending.

Financial Performance

The Council completed the year in a sound financial position and received an unqualified audit report from its Auditors AMD Chartered Accountants.

Of note this year is a positive figure for Total Comprehensive Income of \$20,957,029 as shown in the Statement of Comprehensive Income. The major portion of this comprehensive income is due to changes on Revaluation of non-current assets. The comprehensive income excluding revaluation reserve is \$553,261 which is well above the original budget figure.

There are several reasons for this positive result. Councils efforts to reduce its expenditures on Employment cost, Depreciation and Materials and contracts are a major factor in positive surplus.

A quick measure of the Council's financial health is summarised on page 42 of the Annual Financial Report in the form of Financial Ratios. The Department of Local Government has introduced several new requirements as part of the Annual Reporting process and the Department uses these figures to assess the performance of each Council.

The Council meets the minimum standards set by the Department in four of the five indicators which is major improvement on last year. The only ratio which falls below the benchmarks set by the Department of Local Government is Operating Surplus Ratio.

I would like to acknowledge the efforts and support of the Executive Management Team comprising Mr Andrew Dover, Mr Brett Lowcock and Mrs Allison Fergie and Mr Geoff Klem for delivering the final stages of the Supertown projects. I would also like to thank Mr Khushwant Kumar as Finance Manager who has worked extremely hard to deliver the Annual Report and Budget documents.

Finally, I would like to thank the Elected Member group, in particular outgoing Shire President Wayne Sanford and Deputy President Glyn Yates for their support, guidance and advice over the past three years. I look forward to working closely with the new Council to ensure an exciting and prosperous 2017/18 for the Collie community.



David Blurton

CHIEF EXECUTIVE OFFICER

5. Strategic Plan – Our Progress

Our Vision expresses the intent of the Council and expresses what we are trying to achieve on behalf of the Community.

Collie – a vibrant, growing and sustainable community where people live, visit, and invest.

Our Mission expresses what we do, and who we are doing it for.

To provide appropriate services and infrastructure for an engaged community, both safely and sustainably.

Our Values highlight what will underpin Council (at executive and organisational level) behaviours and decisions.



Shire of Collie Values

The current Strategic Community Plan was extensively revamped by Council during the 2012/13 financial year. This gave Council the opportunity to re-assess their strategic goals along with ensuring that the plan met the requirements of the Department of Local Government and Communities integrated planning requirements. This was the sixth such plan endorsed by Council, the first being adopted in 1997. The Strategic Community Plan sets a direction for the Council to follow and provides a large number of strategies which the Council felt, if achieved, would ensure the goals and objectives of Council were met.

The next strategic community plan of the Shire is due and expected to be completed during 2017-18



Locomotive display at Collie visitor Centre

As part of Council's commitment to its values of transparency and accountability, the following is a summary of our achievements emanating from the Council's current Strategic Plan.

5.1 Key Objective 1.0 – OUR COMMUNITY

Our Goal:

A thriving, supportive and safe community

- *Health, education and family support services that are accessible and meet the needs of the community;*
- *Participation in sport, recreation and leisure opportunities;*
- *An active and supportive community;*
- *A growing community;*
- *A safe community.*

	2014	2015	2016	2017
Number of residential buildings approved (dwellings, new and additions over \$40,000)	40	23	12	10
Number of offences against property and person	228	250	244	223
Community satisfaction with the high school education facilities	62%	N/A	63.5%	N/A
Community satisfaction with health service	77%	N/A	76.8%	N/A

**Census figures from 2011 to 2016 demonstrated that the population in the Shire declined from 9,343 to 8,798 or 5.8%.*

In 2016/17 the Shire's building department approved 17 commercial applications (up from 10 in 2015/16) with a total value of \$1,610,806. The residential sector of the market had a total of 10 new dwellings/dwelling additions (down from 12) with a value greater than \$40,000, totalling \$1,553,465.



Central Park Opening Day December 2017

Central Park was officially opened in December 2016, with award winning local acts Sisters Doll and Kate Hindle performing on the evening, well supported by Vienna Frame from Bunbury. Further utilisation of Central Park was encouraged during the year with an outdoor cinema and family entertainment evening held on Australia Day. Both events were well attended by the public.

Harmony Day was again celebrated in March 2017 in Central Park and the Goods Shed. This continues to represent a day of cultural diversity and activities for youth.



Young Citizen of the Year Brianna Harrison-Brown with her mother

On 7 November 2016 the Shire of Collie was announced as the winner of the Excellence in Inclusive Community Design at the 10th National Disability Award. This award recognised the work completed by Council throughout the central business district, including the upgrade to the swimming pool precinct and pathways, building of Central Park, skate park, the art gallery and early education centre.

The Shire was recognised for creating environments that protect and support the health of children in Western Australia's sixth annual Local Government Children's Environment and Health Awards on Friday 9 December 2016, as the winner of the overall Best in WA, Regional Local Government for 2016. The Shire was also announced as the winner for the Planning Healthy Communities for Children, and Road and Active Transport Safety categories.

In November 2016 the Shire was named as a semi-finalist in the WA Regional Achievement and Community Awards for the Neath Park bicycle skills project and also a finalist in the WA Seniors Awards Local Government category.

Library Services in the Shire:

- **Library Reception Area:** In 2016/17 the library upgraded the front reception area. This has greatly improved the amenities for both staff and customers. There are new desks so that library patrons can sit with staff when dealing with lengthy enquiries. The desks also provide universal access. Increased storage space and more ergonomically friendly workspaces for staff has refreshed the back-office operations.



New look in Shire Library

- **Shire Website:** Information Services staff revamped the shire website with a fresh look. The website is mobile friendly and has a fresh, clean look and feel. The website now has capability for Add-ons such as integration to our financial system.
- **Library Meeting Room:** The meeting room was upgraded with the assistance of a grant from South32. There are new tables and chairs, with the tables able to be easily flipped up and wheeled away, making the room flexible for all types of meetings. A

large screen smart TV was added, along with a laptop computer and soundbar, allowing for presentations and conference calls via Skype.



Upgrades in Library meeting room

- **Little Libraries:** The Council was successful in the Aurizon Community Giving grants round, which enabled ten little libraries to be provided at various points around town. There are little libraries located at each of the primary schools, at the Ngalang Boodja Centre, the PCYC, Central Park, the community garden and the Scout Hall. Along the lines of 'Take a book, give a book' little libraries are entirely free for whoever would like to use them and have been very well received and embraced by the community.



One of the little libraries at Fairview Primary School

5.2 Key Objective 2.0 - OUR NATURAL ENVIRONMENT

Our Goal:

A protected and sustainable natural environment

- *A protected natural environment;*
- *Water resources sustainability;*
- *Effective waste diversion and recovery;*
- *Adaptation to climate change.*

	2014	2015	2016	2017	Target
Domestic waste cost per property	\$215	\$227	\$266	220	\$210
Community satisfaction with kerbside collection	86%	N/A	N/A	N/A	75%
Community perception of the Collie River	42%	N/A	51%	N/A	N/A

Collie is in a unique position with its significant major industry and extensive State Forest and National Parks within the Shire. To this end, environmental considerations are a high priority for the Shire of Collie.

Over the last seven years, Council through the Weeds and Waterways Advisory Committee has been implementing the Collie River Revitalisation Plan 2008. The Collie River remains a high priority for both the Council and the local community.

Management and control of the prolific growth of Nardoo (a native plant) in the 8km stretch of the Collie River through town, remained the primary focus of the River Revitalisation Plan. Nardoo heavily impacts the amenity and health of the river system; the growth of this plant has affected the biological diversity of the river and threatens the survival of a range of native aquatic plant and animal species.

The last four summers have seen a major Nardoo Treatment Program where the herbicide (Reglone) was applied to the aquatic plant mass; results from the treatment program to date have been spectacular. Nardoo has been brought under control using this herbicide, however small pockets of Nardoo still exist. Council's expectation is that this treatment program will continue, in a reduced format, over each subsequent summer period.



Nardoo Weed management in Collie river (status before the treatment process undertaken)

Council continues to work to ensure that Nardoo, similar weeds or algae do not reoccur in the Collie River. This includes the installation of Riffles and the construction of Bio-filtration Basins in the areas where storm water enters the river. A number of these Bio-filtration Basins have been installed with the largest recently installed treating approximately 1/5 of the storm water through town.



Collie river rehabilitation-Foreshore revegetation

5.3 Key Objective 3.0 - OUR BUILT ENVIRONMENT

Our Goal:

Infrastructure, land use and development that supports the needs of the community

- *Appropriate land use, development, and conservation of heritage;*
- *Attractive townscapes and streetscapes;*
- *A safe and reliable transport system;*
- *Council buildings and service related assets that support community needs;*
- *A sustainable asset and infrastructure base.*

	2014	2015	2016	2017	Target
Percentage of road network rated (Average condition rating or above)	71.0%	88.0%	83%	82%	62.5%
Road preservation performance	77.0%	64.2%	66.4%	75.5%	62.5%
Community perception of infrastructure adequacy	N/A	56%	71%	N/A	70%
Infrastructure Network Condition*					
Road Network Condition	-	-	-	75.5%	62.5%
Footpath Network Condition	-	-	-	59.9%	62.5%
Bridges Network Condition	-	-	-	59.4%	62.5%
Drainage Network Condition	-	-	-	63.2%	62.5%
Parks Network Condition	-	-	-	80.6%	62.5%

**Network Condition = Written Down Value/Replacement Value*

In order to be able to provide these services efficiently and effectively, the Council recognises the importance of forward planning. As a consequence, Council has developed extensive asset management plans, giving a greater understanding of its current asset base. During the previous year, these plans form the basis for future capital works financial planning, which will again be a key focus of the Council in the ensuing twelve months.

As part of the Council's commitment to being accountable, a list of the 2016/17 major works undertaken by the Council is provided in the table below.

Location	Type of works	Spending during the year (in \$)
Powerhouse Road	Reseal	32,600
Piavanini Road	Reseal	102,600
Mungalup Road	Reconstruction	618,000
Rowe Street	Construction/Seal	193,900
Burt Street	AC/Kerbing	44,700
Venn St (East)	AC/Kerbing	50,800
River Ave	AC/Kerb/Cul-de-sac	97,000
Inkerman Street	Widen/Seal/Kerb	58,000
Shannon Street (Cardiff)	Construction/Seal gravel	158,500
Traffic Calming devices	Install	15,700
Princep St North	Footpath	83,300
Throssell Street	Footpath	34,600
Lefroy Street (LH)	Footpath	13,000
Lefroy Street (RH)	Footpath	28,800
Throssell Street	Footpath	36,300
Atkinson St North	Footpath	6,600
Drainage improvements	Construction	103,200
Gravel Resheeting	Construction	105,000



Footpaths- Amenity block to Music shell

5.4 Key Objective 4.0 - OUR ECONOMY

Our Goal:

A strong and diversified economic base providing a range of business and employment opportunities

- *Local industrial development and diversification;*
- *A strong business and services sector;*
- *A growing tourism industry.*

Council has recognised the importance of diversifying the towns' economic base to reduce the reliance on the Coal Mining Industry. While this is the strategy, Collie is very fortunate to have an industry such as coal mining to underpin its economic base and the community is very proud of this heritage. A number of initiatives are being developed to assist in this diversification which has seen an expansion of the Collie Light Industrial Area, development of a heavy industrial site at Shotts, and continued development of niche tourism through the Lake Kepwari and Collie Motorplex developments. In addition, the major revitalisation of the Collie Central Business District (CBD) is completed during the year.

An important component of developing our economy is addressing the perceived leakage of employees who are choosing to live in areas situated closer to the coast, such as Eaton, Australind and Bunbury. Council has been working with major employers in the community highlighting this as a potential issue for the Collie Community, prospective employee package has been developed to market Collie as an attractive place to live to all potential employees.



Motorplex track extension project which Council is managing on behalf of Motoring Southwest

5.5 Key Objective 5.0 - OUR BUSINESS

Our Goal:

Good governance and an effective, efficient, and sustainable organisation

- *Good governance and leadership;*
- *Effective and efficient people and corporate services;*
- *Financial sustainability and accountability.*

	2015	2016	2017	Target	Variance 2017
Variation of budgeted and actual revenue	-16.81%	-18.25%	-1.79%	+/-5%	Negative Variance
Variation of budgeted and actual total expenditure (including capital)	-30.98%	-22.9%	-12.61%	+/-5%	Positive Variance
Rate Recovery	96%	91%	95%	95%	Within Target
Asset Consumption Ratio	71.80%	71.90%	100%	60%	Positive Variance
Asset Sustainability Ratio	384%	232%	139%	100%	Within Target
Asset Renewal Funding Ratio	173%	594%	94%	100%	6% Less than Target
Community perception with Council customer service	N/A	71%	N/A	> than Industry Average of year	N/A
Compliance with Department of Local Government Annual Compliance Audit	100%	100%	100%	100%	0%
Staff Turnover	10.23%	13.04%	13.48%	15%	1.52% less than Target

The 2016/17 financial year ended with total revenue being down 1.79% or around \$0.24million against budgeted projections. During the year the Shire received an advance payment of the Quarter 1 2017-18 Financial Assistance Grant of \$874k. Further, the Shire did not receive \$1.57million grant for MSW Motorplex upgrade which is now deferred for next year.

Total expenditure ended the year \$2.51 million under budget or 12.61%. The major reason for this is due to MSW Motorplex upgrade (\$1.57 million) which is delayed during the year and expected to continue in next year

A number of financial capacity measures have been developed to measure organisational health. As would be expected from a long-term view point, the Statement of Financial Position provides the basis for many of the measures such as the current ratio. The current ratio is a quick indication as to the liquidity of the Shire of Collie, being a measure of its current assets against its current liabilities. A ratio in excess of 100% indicates that the Council can meet its short term financial obligations. As is highlighted, the Council’s current ratio for the 2016/17 financial year was 112% which is well above the target set by the Department of Local Government and Communities (100%). Refer Figure 1:

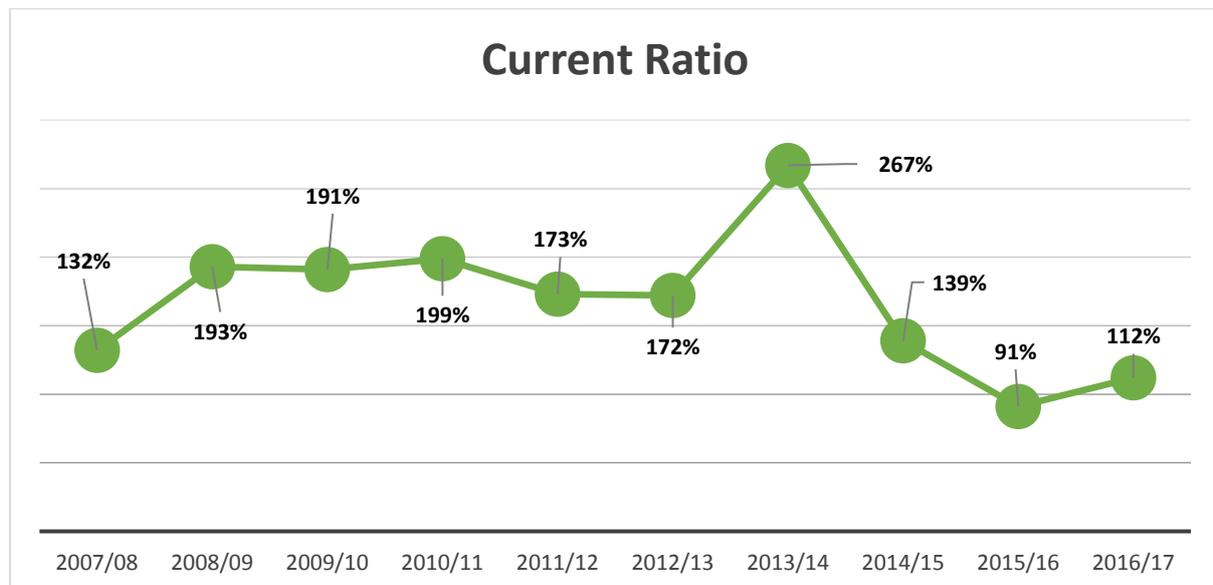


Figure 1: Current Ratio

Rate revenue is the single largest and most important source of revenue for the Shire of Collie. As a consequence, recovering rates is viewed as a high priority for the Council. This measurement improved significantly in the 2013/14 financial year due to the settlement of a long running legal dispute between the Valuer Generals Office and Bluewaters Power Station, and the recurring payment of rates for this property flowed through 2014/15, 2015/16 and 2016/17. Figure 2 shows the percentage of rates outstanding for each financial year, it should

be noted that this figure includes pensioner deferred rates which has been steadily increasing in recent times.

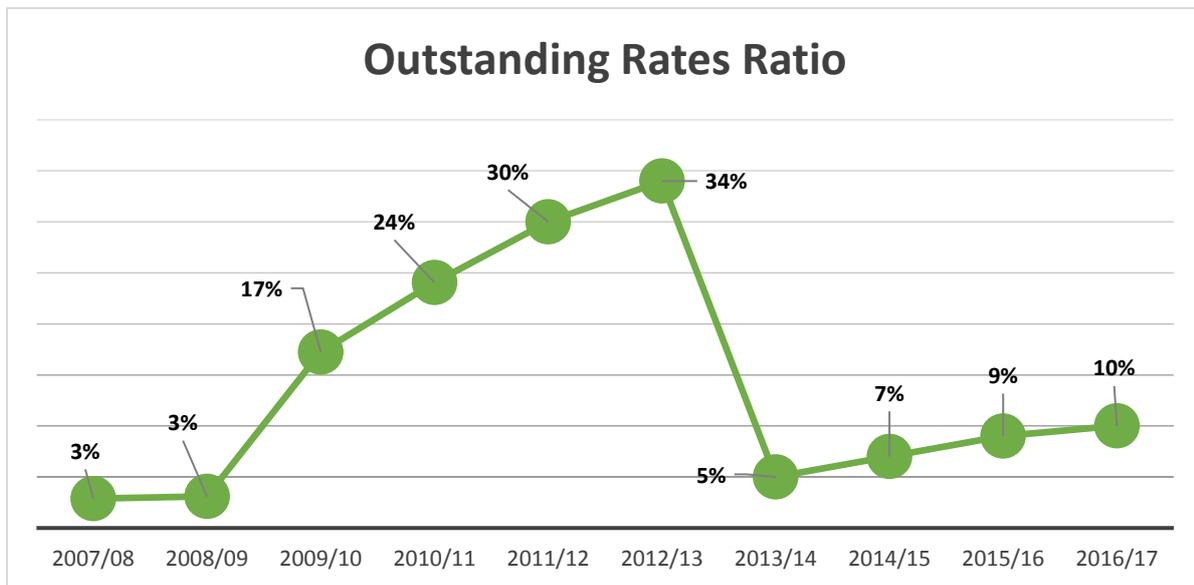


Figure 2: Outstanding Rates Ratio

For many years, debt has been viewed unfavourably by some parties within the local government industry. However, this attitude is slowly changing with an understanding that it is in fact a vital component of the organisations' capital structure and, if used correctly can be an important funding stream for the organisation. The debt service ratio indicates the proportion of Operating Revenue Council is using to service debt (Principal plus Interest). The total amount spent on servicing debt for the Shire of Collie during 2016/17 was \$202,776 which equates to a debt service ratio of 9.68. The positive debt service ratio generally means a surplus cashflow and availability of sufficient annual operating surplus to repay its debts. Figure3 illustrates Councils debt services ratio over the previous years.

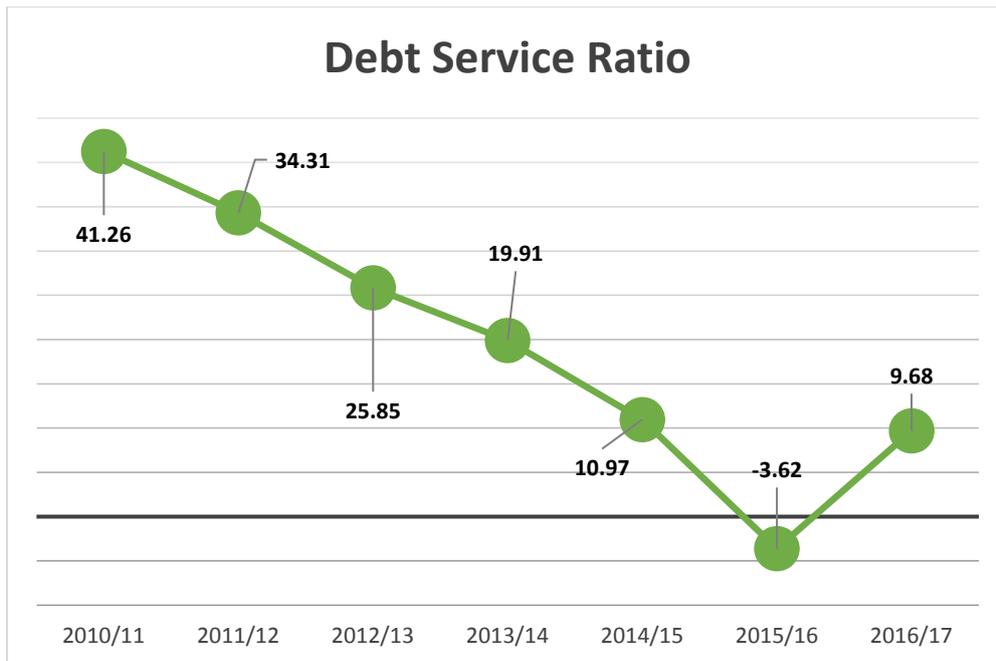


Figure 3: Debt Service Cover Ratio

Council's outstanding debt as at 30 June 2017 is \$1,258,320 which is line with the debt repayment timeline. Figure 4 illustrates the Councils' outstanding debt trend over the few years.

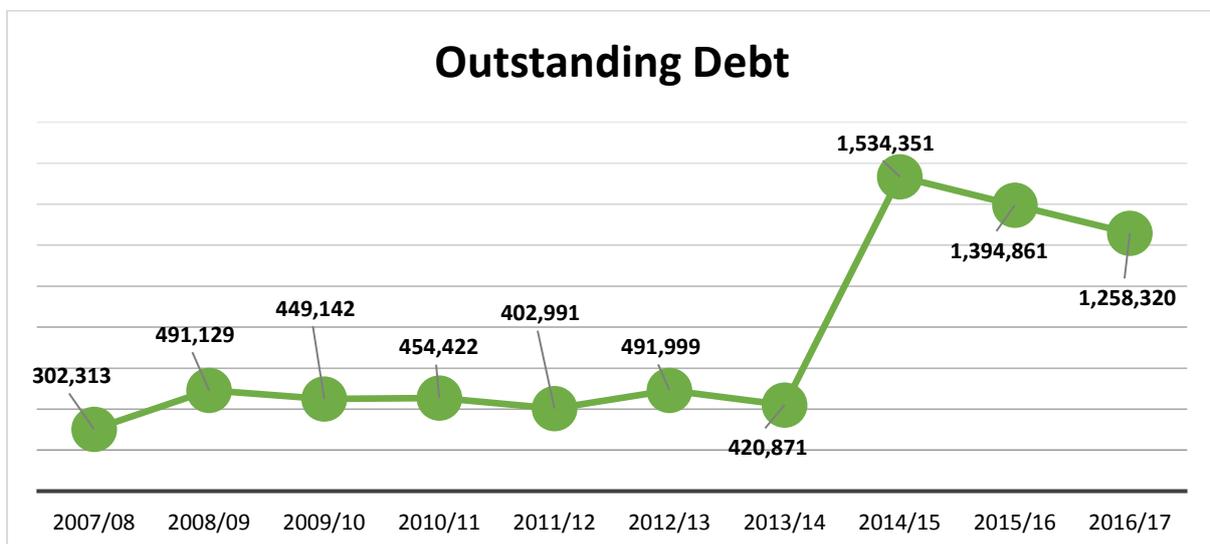


Figure 4: Outstanding Debts

Staff turnover for the 2016/17 year was 13.48% which is below the Councils target level of 15%. The Council is continually looking to develop strategies to retain and attract staff by competing on levels other than salary such as work life balance. Management is keen to ensure that the remuneration and benefits being offered by Council are at the forefront of local government in the region and the state.



Finance staff in Shire office

Human Resources

Performance Area	Key Indicator	Target	2016/17 Result
Workplace Safety	Lost Time Injury Rate	<15	there were 4 LTI's in 2016/17
Occupational Health and Safety Management	Percentage Compliance with AS 4801:2001 requirements	>76%	Independent assessment Scheduled for early 2018
Professional Development	Percentage Employee Satisfaction with professional development opportunities	>60%	63% This has not changed
Staff Turnover	Staff turnover rate	<15%	13.48%

The Council's Human Resource Staff continued to develop induction programs for new staff during 2016/17, which ensures that the Council's legal requirements in relation to Occupational Health and Safety are met, as well as ensuring the new employee, volunteer or

contractor is made aware of their rights and responsibilities as a Council employee/contractor. It is also a very important aspect of our cultural development. To this end the Chief Executive Officer has a short meeting between himself and the new staff, where issues such as cultural expectation are outlined. A lot of emphasis has been placed on occupational health and safety, development of policy and procedures and this is now finally showing positive results for the Council.

Executive Remuneration

The Shire's executive remuneration is assessed against skills, qualifications, experience and the responsibilities of the position. The figures below represent a cash base salary but do not include Housing allowance, vehicle benefit, non-monetary benefits such as professional memberships or superannuation.

Salary Range	Number of Executives
\$110,000-\$120,000	2
\$130,000-\$140,000	1
\$140,000-150,000	1

Financial Management

Performance Area	Key Indicator	Target	2016/17 Result
Budget Management - operating	Percentage Variance in actual year to date expenditure	<10%	Within Target
Budget Management - capital	Percentage Variance in actual year to date expenditure	<10%	-27.5% - as a result of not all projects complete at 30th June
Creditor Processing	Percentage of Creditors paid within 35 days	>90%	95%

Compliance

Performance Area	Key Indicator	Target	2016/17 Result
Building Licence Processing	Average Building licence processing time	<20 days	16 days
Development Application Processing	Average Development Application processing times	<30 days <40 days (non delegated decision)	26 days 31 days
Compliance Auditing	Percentage of elements within the annual audit return complied with	>90%	100%

6. Major Projects Moving Forward

During 2016-17 there are few Milestones which achieved by the Council:

- **Changing Place:** The Shire completed the construction of the Changing Place at the Collie Mineworkers Memorial Swimming Pool to provide equal access to facilities and allow those with disabilities to visit and participate fully in Collie life.
- **Wayfinding Signs:** The Shire designed, constructed and installed Wayfinding Signs for Collie CBD to facilitate visitors to locate facilities and improve the walkability of the town.
- **Heritage Survey:** The Municipal Heritage Inventory has been reviewed and updated approximately 150 Heritage Places on the Inventory (now Heritage Survey) following community consultation. The information is now accurate and up to date.
- **Cat Amnesty:** The number of cats registered have been increased substantially as a result of a cat amnesty, partnership with the Collie Vet and advertising campaign.



Collie Skate park in full swing

Future Projects:

The Council has identified a number of major projects within its Corporate Business Plan that either have commenced or will be undertaken in future financial years. These projects are in addition to the Shire's extensive asset renewal/upgrade programs. These projects include:

- Completion of the Collie Town Mountain Bike Trail
- Collie River Remediation
- Completion of the Collie Trails Strategy
- Completion of the Local Planning Strategy and the drafting of the Town Planning Scheme No. 6
- Construction of the RV & Truck Stop Ablutions Block and Dump Point
- Jack Mears Spring Rehabilitation

7. Compliance

Compliance is a growing issue for Local Governments throughout Western Australia. Increasingly, Councils are required to comply with an ever increasing and wide variety of Acts and Regulations of Parliament which provide a challenge, given that additional resources are rarely forthcoming to cope with the additional requirements. New and revised Act's introduced recently include the Building Regulations, and Planning and Development Regulations, both of which have increased compliance requirements. Bush Fire regulations have also increased compliance requirements for both the Council and landowner.

One of the important compliance issues the Council faces relates to the Local Government Act 1995 & Associated Regulations, the Australian Accounting Standards and the recently adopted International Financial Reporting Standards.

7.1 Local Government Act

The Department of Local Government requires that all Councils complete an Annual Statutory Compliance Return. It is pleasing that on completing this return in 2017 there were no instances where Council did not comply with the identified provisions of the Local Government Act and associated regulations. A copy of this compliance return is available from the Chief Executive Officer if members of the public wish to view this document.

7.2 Accounting Standards

In relation to compliance with the Australian Accounting Standards and the International Financial Reporting Standards, it is pleasing that once again Council has performed strongly with respect to compliance with these requirements. As per the auditor's report, as at the 30th June 2017 there were no instances of non-compliance or material matters that would indicate any adverse financial trends. The Interim and Annual Audits were again conducted by the Council's appointed auditor Mr Tim Partridge of AMD Chartered Accountants, Bunbury.

7.3 National Competition Policy

In accordance with the National Competition Policy (NCP) the Shire of Collie is required to ensure that it exposes service delivery operations which meet specific criteria to competition, and that Local Laws and Council policies do not unduly restrict competition. These obligations arise from the Competition Principles Agreement signed by the Commonwealth, Territory, and State Governments.

The Shire of Collie is required to report its progress in achieving National Competition Policy reforms in its Annual Report under the categories of;

- **Competitive Neutrality**

The Shire of Collie has not acquired any new entities in the 2016/17 financial year that require competitive neutrality testing.

- **Structural Reform**

The Shire of Collie did not privatise any activities in 2016/17 and hence there were no obligations for the Council with respect to structural reform under the NCP.

7.4 State Record Keeping Act

In 2010 Council funded a new electronic record management system (Synergy Central Records Module) that integrates with other Synergy Modules used by the Shire of Collie such as Rates, Building and Health. Its introduction has seen overall improvements in work practices and record security. All records (excepting large format drawings) are digitized and available to staff from their workstations leading to a major reduction in the number of misplaced records.

The electronic record management system is monitored on a regular basis to ensure compliance with the State Records Act 2000 and 'Best Practices' are implemented.

2016 - 2017 Record Registration

The chart below depicts the Incoming, Outgoing, and Internal records created for the previous 5 financial years.

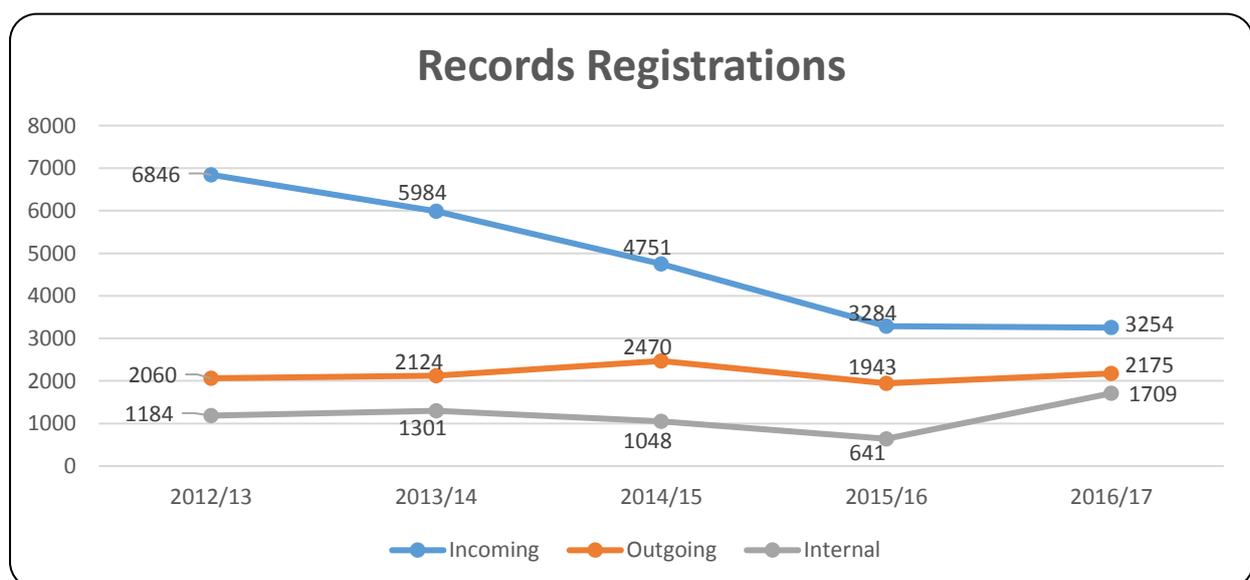


Figure 5: Records Registration over five financial years

The chart indicated an overall increase of 22% in the registration of all types of record for the financial year ending 30th June 2017. Of significance is the 267% increase in Internal registrations. This is due to the increased registration of File Notes by staff. Staff are being encouraged to register the gist of phone calls and conversations with clients on issues that may have an administrative, legal, fiscal, evidential or historical value.

Record Keeping Plan

This year has seen the finalisation of the Shire of Collie's new Record Keeping Plan. The plan was approved by the State Records Office (SRO) on the 17 March 2017 and adopted by Council on 9 May 2017. The new plan is good for 5 years unless major changes to our record keeping process or legislation take place before that time.

Records Training

In-house record training of new staff is an ongoing process. Additional training resources became available in 2016 in the form of on-line tutorials that can be utilised by staff. This on demand training has resulted in significant cost savings to the Shire.

Copies of the Elected Members Records Information Sheet has been provided to Elected Members. Staff continue to liaise and give advice to Elected Members regarding their recordkeeping needs.

Records Management: Plans and procedures which were developed and approved by the State Record office during 2016-17 are- Records Disaster Recovery Plan, Records Policies & Procedures, Records Conditions for Outsourcing, Record Keeping Plan, Start of the Maps and Drawings Scanning Project. During 2016-2017, Council funded the lease of a wide format plotter/scanner. This machine enables maps and drawings larger than A4 size to be scanned into the electronic record management system, thus providing life-long access to these vital records. This scanning capability, along with the development of an approved 'Digitisation Plan', will enable the Shire to meet the new State Records Office, Standard 8 - Managing Digital Information.

Future/Continuing Projects in Record Management:

During the next reporting period the following projects will continue or be expected to commence.

- Continuation of the Building File Archive project.
- Continuation of the rationalisation of the Synergy Names and Addresses module.
- Continuation of the review and consolidation of the 'Records Tip of the Week' for posting to the Shire's staff wiki.

- Continuation of the Archived Cemetery Records Registration project.
- Continuation of the Maps and Drawings Scanning Project
- Creation of Records Disaster Recovery Bins.
- Development of a “Digitisation Plan” and Procedures.

Summary

The Shire of Collie continues to expand the scope and improve the quality of its record keeping system. It is compliant with the State Records Act 2000, Local Government Act 1995, Shire of Collie Record Keeping Plan 2009, and the Shire of Collie Record Management Policy 2015 in regards to its record keeping obligations.

7.5 Freedom of Information

The WA Freedom of Information Act 1992 gives the public the right to access documents about their personal affairs and the activities of governments, agencies and ministers. It also gives the public the right to request that incorrect or misleading information held by an agency be amended or removed.

During the 2016-2017 financial year, the Shire of Collie has received and executed to completion 6 Freedom of Information applications with no appeals being lodged by an applicant. Of the 6 FOI applications, 2 were by staff seeking copies of information on their personal files. In their cases, all processing fee were waived as required under the Act.

The Act provides 45 days to complete FOI applications from the time of payment. Average completion time for was 21 days, with the longest time being 28 days.

Shire of Collie has met the obligations and spirit of the freedom of Information Act 1992, and is fully compliant with it.

7.6 Disability Access and Inclusion

The Disability Services Amendment Act (1999) requires Council to report the Disability Access and Inclusion Plan achievements within its Annual Report. The Disability Access and Inclusion Plan (DAIP) 2013-2017 was adopted by Council in 2013 and based on criteria set by the Disability Services Commission. An amendment to requirements set by the Disability Services Commission saw the Shire include an Addendum to the DAIP 2013-2017 to include Outcome 7: People with disability have the same opportunities as other people to obtain and maintain employment with the Shire of Collie. The Shire commenced a review of the DAIP in May 2017, with the updated Access and Inclusion Plan to be finalised in November/December 2017.

Council has established a committee which is dedicated to implementing the Council's Disability Access and Inclusion Plan. The following initiatives were undertaken by the Council during 2016/17.

- The public library upgraded their facilities which included new customer service furniture that can be accessed easily by people with wheelchairs and other mobility aids.
- The installation of accessible pathways at the locomotives display allow people of all abilities to now enjoy this very popular area.
- Construction of the Changing Places facility in the swimming pool precinct is well advanced.
- The completion of Central Park includes accessible stage, kiosk, tables and seating, play area and toilets. Central Park is adjacent to covered ACROD and parenting parking bays, the art gallery, and the seniors and Community Home Care centre.
- The upgrade of several main footpaths to dual use pathways has enabled the central business district to be circumnavigated by 2.4kms of dual use pathways, allowing access to all major facilities by every member of our community and visitors to town. There have also been changes made to pavement levels allowing better access to several businesses in this area.
- An upgrade to facilities at the caravan park commenced with additional work to continue to improve access as funding becomes available.
- Recently installed way finding signage included specific height and colour design for increased readability of the signs.
- During the year, the Shire, with the assistance of consultants, implemented stage one of a new and improved website which is more intuitive, accessible and easier to navigate.

7.7 Celebrations

Congratulations to the following 2017 Collie Australia Day Award recipients, awarded January 2017:

Grahame Old	Shire of Collie Citizen of the Year
Brianna Harrison-Brown	Shire of Collie Young Citizen of the Year
Collie Heritage & Menshed Group Inc	Shire of Collie Group of the Year Award
Megan Cain	Shire of Collie Environmental Award

Congratulations to the following winners of the 2016 Sports Person of the Year Awards:

Hayley Digney	Sports Person of the Year-JL Mumme Medal
Jake Avins	Young Sports Person of the Year
Cara Swan	Special Achievement Award
Kym Latham	Robinson-Hannan Volunteer of the Year Award

Many other individuals have also contributed to the Collie Community and while it is not possible to recognise them all, the Shire of Collie would certainly like to express its gratitude to these people and groups for their contribution to our community.



Collie Art Gallery- Main Exhibition area

8. Appendix – Annual Financial Report

Shire of Collie Financial Report For the year Ended 30th June 2017

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

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Principal place of business:
87 Throssell Street
COLLIE WA 6225

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

Signed as authorisation of issue on the 25th day of October 2017



David Blurton
Chief Executive Officer

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

	NOTE	2017 \$	2017 Budget \$	2016 \$
Revenue				
Rates	23	5,809,544	5,821,492	5,602,128
Operating grants, subsidies and contributions	30	3,225,618	2,212,353	1,245,255
Fees and charges	29	1,797,084	1,988,669	1,752,819
Service charges	26	0	0	241,974
Interest earnings	2(a)	197,556	215,000	273,807
Other revenue	2(a)	(129)	0	4,290
		<u>11,029,674</u>	<u>10,237,514</u>	<u>9,120,273</u>
Expenses				
Employee costs		(5,148,663)	(5,564,876)	(5,139,396)
Materials and contracts		(2,775,522)	(2,919,275)	(3,775,859)
Utility charges		(588,971)	(420,662)	(476,279)
Depreciation on non-current assets	2(a)	(3,401,504)	(3,492,068)	(3,285,026)
Interest expenses	2(a)	(66,235)	(66,233)	(74,472)
Insurance expenses		(406,504)	(448,096)	(409,258)
Other expenditure		(103,022)	(104,882)	(101,310)
		<u>(12,490,421)</u>	<u>(13,016,092)</u>	<u>(13,261,600)</u>
		(1,460,748)	(2,778,578)	(4,141,327)
Non-operating grants, subsidies and contributions	30	2,059,065	3,089,468	3,205,112
Profit on asset disposals	21	5,613	16,238	13,037
(Loss) on asset disposals	21	(50,670)	(18,277)	(5,028)
Net result		553,261	308,851	(928,206)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	13	20,403,769	0	681,295
Total other comprehensive income		20,403,769	0	681,295
Total comprehensive income		20,957,029	308,851	(246,910)

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

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

	NOTE	2017 \$	2017 Budget \$	2016 \$
Revenue	2(a)			
Governance		67,065	60,050	68,248
General purpose funding		8,586,125	7,756,492	6,679,777
Law, order, public safety		386,305	259,913	375,167
Health		48,648	44,020	38,414
Education and welfare		22,159	0	16,254
Housing		8,400	17,000	19,920
Community amenities		1,348,343	1,470,242	1,287,157
Recreation and culture		311,698	292,004	334,779
Transport		108,445	157,945	108,201
Economic services		44,598	62,540	58,493
Other property and services		97,888	117,308	133,866
		<u>11,029,674</u>	<u>10,237,514</u>	<u>9,120,276</u>
Expenses	2(a)			
Governance		(502,371)	(472,803)	(529,760)
General purpose funding		(253,800)	(248,556)	(311,090)
Law, order, public safety		(941,639)	(823,569)	(813,989)
Health		(204,827)	(214,708)	(208,454)
Education and welfare		(137,301)	(133,327)	(152,124)
Housing		(27,620)	(20,917)	(6,264)
Community amenities		(2,541,627)	(2,572,659)	(3,979,173)
Recreation and culture		(3,464,618)	(3,294,605)	(3,004,394)
Transport		(3,645,872)	(4,422,876)	(3,582,617)
Economic services		(606,485)	(611,966)	(613,471)
Other property and services		(98,026)	(133,873)	14,206
		<u>(12,424,186)</u>	<u>(12,949,859)</u>	<u>(13,187,130)</u>
Finance costs	2(a)			
Recreation and culture		(14,773)	(14,772)	(20,192)
Transport		(51,462)	(51,461)	(54,280)
		<u>(66,235)</u>	<u>(66,233)</u>	<u>(74,472)</u>
		(1,460,747)	(2,778,578)	(4,141,326)
Non-operating grants, subsidies and contributions	30	2,059,065	3,089,468	3,205,112
Profit on disposal of assets	21	5,613	16,238	13,037
(Loss) on disposal of assets	21	(50,670)	(18,277)	(5,028)
Net result		<u>553,261</u>	<u>308,851</u>	<u>(928,205)</u>
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	13	20,403,769	0	681,295
Total other comprehensive income		<u>20,403,769</u>	<u>0</u>	<u>681,295</u>
Total comprehensive income		<u><u>20,957,029</u></u>	<u><u>308,851</u></u>	<u><u>(246,910)</u></u>

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

SHIRE OF COLLIE
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2017

	NOTE	2017 \$	2016 \$
CURRENT ASSETS			
Cash and cash equivalents	3	2,973,403	4,435,130
Trade and other receivables	4	916,500	822,573
Inventories	5	10,252	13,865
TOTAL CURRENT ASSETS		<u>3,900,155</u>	<u>5,271,568</u>
NON-CURRENT ASSETS			
Other receivables	4	557,235	450,765
Property, plant and equipment	6	29,910,271	31,527,591
Infrastructure	7	139,271,223	115,968,055
TOTAL NON-CURRENT ASSETS		<u>169,738,729</u>	<u>147,946,411</u>
TOTAL ASSETS		<u>173,638,884</u>	<u>153,217,979</u>
CURRENT LIABILITIES			
Trade and other payables	8	611,387	998,125
Current portion of long term borrowings	9	133,054	136,542
Provisions	10	842,670	829,581
TOTAL CURRENT LIABILITIES		<u>1,587,111</u>	<u>1,964,248</u>
NON-CURRENT LIABILITIES			
Long term borrowings	9	1,125,266	1,258,320
Provisions	10	131,799	153,802
TOTAL NON-CURRENT LIABILITIES		<u>1,257,065</u>	<u>1,412,122</u>
TOTAL LIABILITIES		<u>2,844,176</u>	<u>3,376,370</u>
NET ASSETS		<u>170,794,708</u>	<u>149,841,609</u>
EQUITY			
Retained surplus		36,591,407	34,926,690
Reserves - cash backed	12	2,013,800	3,129,187
Revaluation surplus	13	132,189,501	111,785,732
TOTAL EQUITY		<u>170,794,708</u>	<u>149,841,609</u>

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

**SHIRE OF COLLIE
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 1 July 2015		31,814,661	7,169,421	111,104,437	150,088,519
Comprehensive income					
Net result		(928,205)	0	0	(928,205)
Changes on revaluation of assets	13	<u>0</u>	<u>0</u>	<u>681,295</u>	<u>681,295</u>
Total comprehensive income		(928,205)	0	681,295	(246,910)
Transfers from/(to) reserves		4,040,234	(4,040,234)	0	0
Balance as at 30 June 2016		34,926,690	3,129,187	111,785,732	149,841,609
Comprehensive income					
Net result		553,261	0	0	553,261
Previous year adjustment		(3,929)	(2)	0	(3,931)
Changes on revaluation of assets	13	<u>0</u>	<u>0</u>	<u>20,403,769</u>	<u>20,403,769</u>
Total comprehensive income		549,332	(2)	20,403,769	20,953,099
Transfers from/(to) reserves		1,115,385	(1,115,385)	0	0
Balance as at 30 June 2017		<u>36,591,407</u>	<u>2,013,800</u>	<u>132,189,501</u>	<u>170,794,708</u>

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

SHIRE OF COLLIE
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		5,583,836	5,821,492	5,393,046
Operating grants, subsidies and contributions		3,271,948	2,212,351	1,604,951
Fees and charges		1,797,084	1,988,669	1,752,819
Reimbursements and recoveries		0	0	241,974
Interest earnings		197,556	215,000	283,343
Other revenue		(4,071)	0	4,290
		<u>10,846,353</u>	<u>10,237,512</u>	<u>9,280,423</u>
Payments				
Employee costs		(5,145,889)	(5,564,876)	(5,227,969)
Materials and contracts		(3,169,997)	(2,919,275)	(5,546,010)
Utility charges		(588,971)	(420,662)	(476,279)
Interest expenses		(66,573)	(66,233)	(75,391)
Insurance expenses		(406,504)	(448,096)	(409,258)
Goods and services tax		44,006	0	144,346
Other expenditure		(101,713)	(104,882)	(101,310)
		<u>(9,435,641)</u>	<u>(9,524,024)</u>	<u>(11,691,871)</u>
Net cash provided by (used in) operating activities	14(b)	<u>1,410,712</u>	<u>713,488</u>	<u>(2,411,448)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for development of Land held for resale		0	(170,776)	0
Payments for purchase of property, plant & equipment		(715,074)	(732,261)	(3,350,750)
Payments for construction of infrastructure		(4,133,523)	(5,962,427)	(4,388,780)
Non-operating grants, subsidies and contributions		2,059,065	3,089,468	3,205,112
Proceeds from sale of fixed assets		119,967	90,000	112,272
Net cash provided by (used in) investment activities		<u>(2,669,565)</u>	<u>(3,685,996)</u>	<u>(4,422,146)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of debentures		(136,542)	(136,543)	(139,490)
Proceeds from self supporting loans		(66,333)	29,259	42,630
Net cash provided by (used in) financing activities		<u>(202,875)</u>	<u>(107,284)</u>	<u>(96,860)</u>
Net increase (decrease) in cash held		(1,461,727)	(3,079,792)	(6,930,454)
Cash at beginning of year		4,435,130	4,286,956	11,365,584
Cash and cash equivalents at the end of the year	14(a)	<u>2,973,403</u>	<u>1,207,164</u>	<u>4,435,130</u>

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

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

NOTE	2017 Actual \$	2017 Budget \$	2016 Actual \$
Net current assets at start of financial year - surplus/(deficit)	1,129,506	879,243	2,451,622
	<u>1,129,506</u>	<u>879,243</u>	<u>2,451,622</u>
Revenue from operating activities (excluding rates)			
Governance	67,065	60,050	69,845
General purpose funding	2,764,214	1,935,000	1,077,649
Law, order, public safety	386,305	259,913	375,167
Health	48,648	44,020	38,414
Education and welfare	22,159	0	16,254
Housing	8,400	17,000	19,920
Community amenities	1,348,343	1,470,242	1,290,221
Recreation and culture	311,698	297,607	334,779
Transport	108,445	157,945	109,126
Economic services	44,598	73,175	58,493
Other property and services	103,501	117,308	141,316
	<u>5,213,376</u>	<u>4,432,260</u>	<u>3,531,184</u>
Expenditure from operating activities			
Governance	(502,371)	(472,803)	(529,759)
General purpose funding	(253,800)	(248,556)	(311,090)
Law, order, public safety	(941,639)	(823,569)	(815,679)
Health	(204,827)	(214,708)	(208,454)
Education and welfare	(137,301)	(133,327)	(152,124)
Housing	(27,620)	(20,917)	(6,264)
Community amenities	(2,541,627)	(2,572,659)	(3,979,173)
Recreation and culture	(3,494,255)	(3,319,079)	(3,024,586)
Transport	(3,717,452)	(4,474,337)	(3,640,234)
Economic services	(610,676)	(611,966)	(613,471)
Other property and services	(109,523)	(142,448)	14,206
	<u>(12,541,091)</u>	<u>(13,034,369)</u>	<u>(13,266,628)</u>
Operating activities excluded from budget			
(Profit) on disposal of assets	21	(5,613)	(16,238)
Loss on disposal of assets	21	50,670	18,277
Movement in deferred pensioner rates (non-current)		(40,166)	0
Movement in employee benefit provisions (non-current)		(22,003)	(113,871)
Depreciation and amortisation on assets	2(a)	3,401,504	3,492,068
Movement in stock		0	0
Movement in accrued interest		0	0
		<u>(2,813,817)</u>	<u>(4,342,630)</u>
Amount attributable to operating activities		<u>(2,813,817)</u>	<u>(3,993,850)</u>
INVESTING ACTIVITIES			
Non-operating grants, subsidies and contributions		2,059,065	3,089,468
Proceeds from disposal of assets	21	119,967	90,000
Purchase of land held for resale		0	(170,776)
Purchase of property, plant and equipment	6(b)	(715,074)	(732,261)
Purchase and construction of infrastructure	7(b)	(4,133,523)	(5,962,427)
		<u>(2,669,565)</u>	<u>(3,685,996)</u>
Amount attributable to investing activities		<u>(2,669,565)</u>	<u>(4,422,146)</u>
FINANCING ACTIVITIES			
Repayment of debentures	22(a)	(136,542)	(136,543)
Proceeds from self supporting loans		(66,333)	29,259
Transfers to reserves (restricted assets)	12	(278,580)	(223,777)
Transfers from reserves (restricted assets)	12	1,393,965	2,538,195
		<u>912,510</u>	<u>2,207,134</u>
Amount attributable to financing activities		<u>912,510</u>	<u>3,943,374</u>
Surplus(deficiency) before general rates		<u>(4,570,872)</u>	<u>(5,821,492)</u>
Total amount raised from general rates	23	5,809,544	5,821,492
Net current assets at June 30 c/fwd - surplus/(deficit)	24	<u><u>1,238,673</u></u>	<u><u>0</u></u>
		<u><u>1,238,673</u></u>	<u><u>1,129,506</u></u>

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

SHIRE OF COLLIE
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 20 to these financial statements.

(a) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

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

(b) Cash and Cash Equivalents

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Trade and Other Receivables

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

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

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

(d) Inventories

General

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

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

Land held for sale

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

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

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

(e) Fixed Assets

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

Mandatory requirement to revalue non-current assets

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

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Fixed Assets (Continued)

Land under control

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

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

Revaluation

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

Land under roads

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

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Fixed Assets (Continued)

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land, 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	50 years
Computer equipment	4 years
Furniture and internal equipment	6 years
Light vehicles	2 to 5 years
Light plant & (external) equipment	6 years
Heavy plant & (external) equipment	10 years
Roads- pavement	50 years
Roads- seal	25 years
Roads- kerbing	50 years
Formation	Infinite
Footpaths	25 years
Dual Use Footpaths	50 years
Parks - horticulture	10 to 20 years
Parks - arboriculture	20 to 60 years
Parks - furniture	10 to 60 years
Drainage	6 to 50 years
Bridges	90 years
Other Infrastructure	50 to 90 years

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fair Value of Assets and Liabilities

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

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

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

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

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

Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Income approach

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

Cost approach

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

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

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

(g) Financial Instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

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

Amortised cost is calculated as:

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Financial Instruments (Continued)

Classification and subsequent measurement (continued)

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

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

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Financial Instruments (Continued)

Impairment

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

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

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

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

Derecognition

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

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

(h) Impairment of Assets

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

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

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

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

(i) Trade and Other Payables

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Employee Benefits

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

(k) Borrowing Costs

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

(l) Provisions

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

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

(m) Leases

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

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Investment in Associates

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

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

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

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

(o) Interests in Joint Arrangements

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

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

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

(p) Rates, Grants, Donations and Other Contributions

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

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

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

(q) Superannuation

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Current and Non-Current Classification

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

(s) Rounding Off Figures

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

(t) Comparative Figures

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

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

(u) Budget Comparative Figures

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

Notes:

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

(w) Adoption of New and Revised Accounting Standards

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

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

<p>(i) AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities</p> <p>[AASB 10, 124 & 1049]</p>	<p>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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SHIRE OF COLLIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

2. REVENUE AND EXPENSES

	2017	2016
	\$	\$
(a) Net Result		
The Net result includes:		
(i) Charging as an expense:		
Auditors remuneration		
- Audit of the Annual Financial Report	7,400	14,000
- Other services	19,130	10,098
Depreciation		
Buildings - non-specialised	1,555	1,555
Buildings - specialised	342,746	405,581
Furniture and equipment	58,154	22,900
Plant and equipment	509,422	633,904
Infrastructure - Roads	1,750,684	1,729,912
Infrastructure - Footpaths	116,887	106,023
Infrastructure - Drainage	112,006	111,416
Infrastructure - Parks and Ovals	307,053	179,186
Infrastructure - Bridges	84,101	84,101
Infrastructure - Other	118,896	10,448
	<u>3,401,504</u>	<u>3,285,026</u>
Interest expenses (finance costs)		
Debentures (refer Note 22 (a))	66,235	74,472
	<u>66,235</u>	<u>74,472</u>
Rental charges		
- Operating leases	36,393	28,608
	<u>36,393</u>	<u>28,608</u>
(ii) Crediting as revenue:		
Other revenue		
Other	(129)	4,290
	<u>(129)</u>	<u>4,290</u>
	2017	2017
	Actual	Budget
	\$	\$
Interest earnings		2016
- Loans receivable - clubs/institutions	8,073	Actual
- Reserve funds	52,046	\$
- Other funds	32,243	8,366
Other interest revenue (refer note 28)	105,194	67,403
	<u>197,556</u>	115,401
	<u>197,556</u>	<u>82,637</u>
	<u>215,000</u>	<u>273,807</u>

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

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

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

COMMUNITY VISION

To provide appropriate services and infrastructure for an engaged community, both safety and sustainably.

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

GOVERNANCE

Objective:

Provision of financial, administrative and compliance services to the Shire. The costs and revenues associated with this function are those which are associated with the governing of the Shire, approximately 76% of the financial and administration services have been allocated to the other functions, recognising that these services are attributable to a range of Shire functions

GENERAL PURPOSE FUNDING

Objective:

This function records the revenues raised and expenditures incurred resultant from levying of land rates and grants received from the State Government through the local government grants commission. These grants relate to both local road and untied grant funds.

LAW, ORDER, PUBLIC SAFETY

Objective:

The Shire is committed to providing excellent service in the provision of animal and bushfire control. The Shire has two full time rangers to service the animal control for Collie, while our community has seven active bushfire brigades to which the Shire has a proven dedication to assisting.

HEALTH

Objective:

The Shire places an emphasis on pro-active health services within our community. The Shire's Health Officer has implemented many new strategies, such as the State Government food safe program, which encourages local food handling businesses to meet compliance standards set and display this fact on their premises.

EDUCATION AND WELFARE

Objective:

The Shire assists in the building maintenance of the Collie Margaretta Wilson Centre, which provides services to a range of residents in our community from the aged, youth and disadvantaged.

HOUSING

Objective:

The provision and maintenance of housing to Shire employees.

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

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

COMMUNITY AMENITIES

Objective:

Comprised of the Shire's waste management, planning and environmental functions. In recent years, major focuses include the River Revitalisation and the waste pick-ups contract.

RECREATION AND CULTURE

Objective:

This function incorporates activities such as library services, public swimming pool, recreational facilities, parks and gardens.

TRANSPORT

Objective:

This function covers the area of road construction and maintenance. The Shire has utilised a software package known as ROMAN. This package takes the guess work out of deciding which roads should be included on the annual road works program.

ECONOMIC SERVICES

Objective:

This function of the Shire provides for building statutory and tourism services.

OTHER PROPERTY AND SERVICES

Objective:

This function covers the costs of the engineering and plant administration costs. These costs are fully allocated throughout the various schedules as overhead on the Shire works

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

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

Grant/Contribution	Opening	Received ⁽²⁾	Expended ⁽³⁾	Closing	Received ⁽²⁾	Expended ⁽³⁾	Closing
	Balance ⁽¹⁾			Balance ⁽¹⁾			Balance
	1/07/15	2015/16	2015/16	30/06/16	2016/17	2016/17	30/06/17
	\$	\$	\$	\$	\$	\$	\$
Governance							
Workforce Planning Grant	3,515	0	(3,515)	0	0	0	0
Law, order, public safety							
Fire Risk Treatment Works Plan	21,529	0	(13,505)	8,024	0	(8,024)	0
Cat Sterilisation Grant	4,546	0	(4,546)	0	0	0	0
Urban Interface BushFire Hazard Reduction	0	8,000	(11,535)	(3,535)	8,000	(4,465)	0
Bushfire Risk Management Pilot Project	0	154,749	(78,800)	75,949	83,393	(144,371)	14,971
SES Light Tanker	0	44,063	(44,063)	0	0	0	0
Williams Road BFB Light Tanker	0	11,363	(11,363)	0	0	0	0
Thermal Cameras	0	3,788	(3,788)	0	0	0	0
Bushfire Mitigation Grant	0	0	0	0	8,031		8,031
Health							
Tobacco Control Grant	1,342	0	(1,342)	0	0	0	0
Education and welfare							
CRV Alcohol Think Again Grant	13,200	0	(10,691)	2,509	0	(2,509)	0
AMP Grant	(100)	100	0	0	0	0	0
Community amenities							
Youth Grant	11,106	2,500	(6,264)	7,342			7,342
Cemetery Garden Upgrade	302	0	(302)	0	0	0	0
RFR Supertowns	(21,713)	5,483,581	(5,235,452)	226,416	0	(226,416)	0
Central Park Event	0	0	0	0	30,000	(17,509)	12,491
Music In the Park	0	0	0	0	1,000	(1,000)	0
Recreation and culture							
Sport for All Kids	12,982	50,000	(30,413)	32,569	45,000	(25,959)	51,610
Get Health, Get Active, Feel Great Grant	1,048	0	(1,048)	0	0	0	0
SWDC- Age Friendly Community Study	0	15,000	0	15,000	0	(15,000)	0
Domestic Violence	0	2,330	(932)	1,398	0	(1,398)	0
DLGC-Age Friendly Communities	0	10,000	0	10,000	0	(10,000)	0
Organics Bins		70,000	(70,000)	0	0	0	0

National Science Week	0	950	0	950	0	(765)	185	
Community Video Conferencing & First Aid Room	0	5,000	0	5,000	0	(5,000)	0	
Sport for All-Kidsport	0	50,000	(30,413)	19,587	0	(19,587)	0	
DSR Community Pool Revitalisation	0	32,000	0	32,000	32,000	(33,201)	30,799	
DSR Pool Redevelopment	0	250,000	(250,000)	0	0	0	0	
Townsite Mountain Bike Trail	0	0	0	0	107,500	(22,844)	84,656	
Swimming Pool Capital Grant	0	0	0	0	77,800	(77,800)	0	
Supertowns	0	0	0	0	199,790	(199,790)	0	
Transport								
Cycling Infrastructure Plan	0	10,000	(10,000)	0	0	0	0	
Country Pathways	0	159,660	(159,660)	0	0	0	0	
Total		<u><u>47,757</u></u>	<u><u>6,363,084</u></u>	<u><u>(5,977,632)</u></u>	<u><u>433,209</u></u>	<u><u>592,514</u></u>	<u><u>(815,638)</u></u>	<u><u>210,085</u></u>

Notes:

- (1) - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.
- (2) - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.
- (3) - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.

SHIRE OF COLLIE
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		749,516	872,734
Restricted		<u>2,223,887</u>	<u>3,562,396</u>
		<u>2,973,403</u>	<u>4,435,130</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Reserves cash backed - Leave Reserve	12	89,593	87,919
Reserves cash backed - Building Reserve	12	26,149	52,078
Reserves cash backed - Plant Reserve	12	83,742	103,904
Reserves cash backed - Waste Reserve	12	478,550	391,218
Reserves cash backed - Revaluation Reserve	12	25,346	2,114
Reserves cash backed - Airstrip Reserve	12	2,154	0
Reserves cash backed - Depot Relocation Reserve	12	0	66,581
Reserves cash backed - Swimming Pool Heat Pump R	12	80,014	0
Reserves cash backed - Election Reserve	12	12,166	35,309
Reserves cash backed - Swimming Pool Reserve	12	35,981	167,706
Reserves cash backed - River Revitalisation Reserve	12	68,896	978,700
Reserves cash backed - Supertowns Reserve	12	0	1,241,741
Reserves cash backed - MSW Upgrade Reserve	12	1,058,975	1,916
Reserves cash backed - Roche Park Reserve	12	1,952	0
Reserves cash backed - Legal Reserve	12	50,284	0
Unspent grants	2(c)	<u>210,085</u>	<u>433,209</u>
		<u>2,223,887</u>	<u>3,562,396</u>

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

	2017	2016
	\$	\$
4. TRADE AND OTHER RECEIVABLES		
Current		
Rates outstanding	839,894	654,352
Sundry debtors	18,171	64,501
GST receivable	0	44,006
Loans receivable - clubs/institutions	20,292	29,257
Advances Receivables- clubs/Institutions	8,994	0
Prepaid Expense	27,856	27,856
Accrued Income	1,496	2,601
Staff Salary sacrifice	(203)	0
	<u>916,500</u>	<u>822,573</u>
Non-current		
Rates outstanding - pensioners	377,963	337,797
Loans receivable - clubs/institutions	92,676	112,968
Advances Receivables- clubs/Institutions	86,596	0
	<u>557,235</u>	<u>450,765</u>

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

Rates outstanding	<u>839,894</u>	<u>654,352</u>
Includes:		
Past due and not impaired	0	0
Impaired	0	0
	<u>0</u>	<u>0</u>
Sundry debtors	<u>18,171</u>	<u>64,501</u>
Includes:		
Past due and not impaired	0	0
Impaired	0	0
	<u>0</u>	<u>0</u>

5. INVENTORIES

Current		
Fuel and materials	8,907	9,747
Kiosk supplies-Roche Park	1,345	4,118
	<u>10,252</u>	<u>13,865</u>
	<u>0</u>	<u>0</u>

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

	2017	2016
	\$	\$
6 (a). PROPERTY, PLANT AND EQUIPMENT		
Land		
- Independent valuation 2014 - level 2	0	1,765,000
- Independent valuation 2017 - level 2	960,000	0
- Independent valuation 2017 - level 3	2,355,000	0
	3,315,000	1,765,000
	3,315,000	1,765,000
Buildings - non-specialised at:		
- Independent valuation 2014 - level 2	0	137,000
- Independent valuation 2017 - level 3	130,000	0
- Additions after valuation - cost	0	743
Buildings - non-specialised - Less: accumulated depreciation	0	(3,096)
	130,000	134,647
Buildings - specialised at:		
- Independent valuation 2014 - level 3	0	17,051,704
- Independent valuation 2017 - level 3	21,775,000	0
- Additions after valuation - cost	0	8,356,181
Buildings - specialised - Less: accumulated depreciation	0	(727,406)
	21,775,000	24,680,479
	21,905,000	24,815,126
Total land and buildings	25,220,000	26,580,126
Furniture and equipment at:		
- Management valuation 2016 - level 2	651,620	664,272
Furniture and equipment - Less: accumulated depreciation	(58,154)	0
	593,466	664,272
Plant and equipment at:		
- Management valuation 2016 - level 2	4,595,653	4,283,193
Plant and equipment - Less: accumulated depreciation	(498,848)	0
	4,096,805	4,283,193
	29,910,271	31,527,591

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 COLLIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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 \$	Revaluation (Losses)/ Reversals Through to Profit or Loss \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Transfers \$	Carrying Amount at the End of Year \$
Land - freehold land	1,765,000	0	0	1,550,000			0	0	3,315,000
Total land	1,765,000			1,550,000			0	0	3,315,000
Buildings - non-specialised	134,647	0	0	(3,092)			(1,555)	0	130,000
Buildings - specialised	24,680,479	137,972	0	688,289			(342,746)	(3,388,993)	21,775,000
Total buildings	24,815,126	137,972	0	685,197	0	0	(344,301)	(3,388,993)	21,905,000
Total land and buildings	26,580,126	137,972	0	2,235,197	0	0	(344,301)	(3,388,993)	25,220,000
Furniture and equipment	664,272	8,639	0	0			(58,154)	(21,292)	593,466
Plant and equipment	4,283,194	568,463	(165,024)	0			(509,422)	(80,405)	4,096,805
Total property, plant and equipment	31,527,592	715,074	(165,024)	2,235,197	0	0	(911,877)	(3,490,690)	29,910,271

SHIRE OF COLLIE
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
Land					
Land - freehold land	2 &3	Cost approach using depreciated replacement cost	External Valuation	June 2017	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Land - vested in and under the control of Council	3	Cost approach using depreciated replacement cost	External Valuation	June 2017	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Buildings - non-specialised	3	Cost approach using depreciated replacement cost	External Valuation	June 2017	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Buildings - specialised	3	Cost approach using depreciated replacement cost	External Valuation	June 2017	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Furniture and equipment	3	Cost approach using depreciated replacement cost	Internal Valuation	June 2016	Purchase costs and current condition (Level 2, residual values and remaining useful life assessments (Level 3) inputs
Plant and equipment					
- Management valuation 2013					
- Management valuation 2016	2	Market approach using recent observable market data for similar assets	Internal 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 COLLIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

	2017	2016
	\$	\$
7 (a). INFRASTRUCTURE		
Infrastructure - Roads		
- Management valuation 2013 - level 3	0	130,666,759
- Independent valuation 2017 - level 3	108,943,323	0
- Additions after valuation - cost	0	6,408,485
Infrastructure - Roads - Less: accumulated depreciation	<u>0</u>	<u>(50,158,644)</u>
	108,943,323	86,916,600
Infrastructure - Footpaths		
- Management valuation 2013 - level 3	0	5,130,944
- Independent valuation 2017 - level 3	3,455,228	0
- Additions after valuation - cost	0	591,964
Infrastructure - User defined 2 - Less: accumulated depreciation	<u>0</u>	<u>(2,253,946)</u>
	3,455,228	3,468,962
Infrastructure - Drainage		
- Management valuation 2013 - level 3	0	9,915,704
- Independent valuation 2017 - level 3	7,203,874	0
- Additions after valuation - cost	0	146,219
Infrastructure - User defined 3 - Less: accumulated depreciation	<u>0</u>	<u>(3,562,187)</u>
	7,203,874	6,499,736
Infrastructure - Parks and Ovals		
- Management valuation 2015 - level 3	0	9,287,747
- Independent valuation 2017 - level 3	9,064,787	0
- Additions after valuation - cost	0	1,961,767
Infrastructure - User defined 4 - Less: accumulated depreciation	<u>0</u>	<u>(179,186)</u>
	9,064,787	11,070,328
Infrastructure - Bridges		
- Management valuation 2014 - level 3	0	7,298,987
- Independent valuation 2017 - level 3	5,732,058	0
- Additions after valuation - cost	0	277,663
Infrastructure - User defined 5 - Less: accumulated depreciation	<u>0</u>	<u>(176,154)</u>
	5,732,058	7,400,496
Infrastructure - Other		
- Management valuation 2015 - level 3	0	609,814
- Management valuation 2017 - level 3	4,871,953	0
- Additions after valuation - cost	0	12,567
Infrastructure - User defined 6 - Less: accumulated depreciation	<u>0</u>	<u>(10,448)</u>
	4,871,953	611,933
	<u>139,271,223</u>	<u>115,968,055</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 COLLIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

7. INFRASTRUCTURE (Continued)

(b) Movements in Carrying Amounts

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

	Balance as at the Beginning of the Year	Additions	(Disposals)	Revaluation Increments/ (Decrements) Transferred to Revaluation	Revaluation (Loss)/ Reversal Transferred to Profit or Loss	Impairment (Losses)/ Reversals	Depreciation (Expense)	Transfers	Carrying Amount at the End of the Year
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Infrastructure - Roads	86,916,600	2,272,323	0	21,505,081			(1,750,684)	0	108,943,323
Infrastructure - Footpaths	3,468,963	218,965	0	(115,816)			(116,887)	0	3,455,228
Infrastructure - Drainage	6,499,737	103,219	0	712,921			(112,006)	0	7,203,874
Infrastructure - Parks and Ovals	11,070,328	1,122,319	0	(2,357,679)			(307,053)	(463,126)	9,064,787
Infrastructure - Bridges	7,400,496	0	0	(1,584,339)			(84,101)	0	5,732,058
Infrastructure - Other	611,933	416,697	0	8,403			(118,896)	3,953,817	4,871,953
Total infrastructure	<u>115,968,057</u>	<u>4,133,523</u>	<u>0</u>	<u>18,168,572</u>	<u>0</u>	<u>0</u>	<u>(2,489,627)</u>	<u>3,490,691</u>	<u>139,271,223</u>

SHIRE OF COLLIE
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
Infrastructure - Roads	3	Cost approach using depreciated replacement cost	External Valuation	June 2017	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Infrastructure - Footpaths	3	Cost approach using depreciated replacement cost	External Valuation	June 2017	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Infrastructure - Drainage	3	Cost approach using depreciated replacement cost	External Valuation	June 2017	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Infrastructure - Parks and Ovals	3	Cost approach using depreciated replacement cost	External Valuation	June 2017	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Infrastructure - Bridges	3	Cost approach using depreciated replacement cost	External Valuation	June 2017	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Infrastructure - Other	3	Cost approach using depreciated replacement cost	Management Valuation	June 2017	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 COLLIE
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	559,288	964,840
Accrued interest on debentures	1,740	2,078
Accrued salaries and wages	42,895	31,207
Others	7,464	0
	<u>611,387</u>	<u>998,125</u>

9. LONG-TERM BORROWINGS

Current

Secured by floating charge		
Debentures	133,054	136,542
	<u>133,054</u>	<u>136,542</u>

Non-current

Secured by floating charge		
Debentures	1,125,266	1,258,320
	<u>1,125,266</u>	<u>1,258,320</u>

Additional detail on borrowings is provided in Note 22.

10. PROVISIONS

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2016			
Current provisions	450,624	378,957	829,581
Non-current provisions	0	153,802	153,802
	<u>450,624</u>	<u>532,759</u>	<u>983,383</u>
Additional provision	5,557	(14,471)	(8,914)
Balance at 30 June 2017	<u>456,181</u>	<u>518,288</u>	<u>974,469</u>
Comprises			
Current	456,181	386,489	842,670
Non-current	0	131,799	131,799
	<u>456,181</u>	<u>518,288</u>	<u>974,469</u>

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

12. RESERVES - CASH BACKED

	Actual 2017 Opening Balance \$	Actual 2017 Transfer to \$	Actual 2017 Transfer (from) \$	Actual 2017 Closing Balance \$	Budget 2017 Opening Balance \$	Budget 2017 Transfer to \$	Budget 2017 Transfer (from) \$	Budget 2017 Closing Balance \$	Actual 2016 Opening Balance \$	Actual 2016 Transfer to \$	Actual 2016 Transfer (from) \$	Actual 2016 Closing Balance \$
Reserves cash backed - Leave Reserve	87,919	1,674		89,593	87,886	2,000	0	89,886	86,005	8,098	(6,184)	87,919
Reserves cash backed - Building Reserve	52,078	38,346	(64,275)	26,149	92,601	2,455	(64,275)	30,781	231,827	21,634	(201,383)	52,078
Reserves cash backed - Plant Reserve	103,904	12,514	(32,676)	83,742	103,726	2,300	(21,949)	84,077	62,363	45,731	(4,190)	103,904
Reserves cash backed - Waste Reserve	391,218	87,332	0	478,550	391,088	123,227	(25,000)	489,315	388,599	37,827	(35,208)	391,218
Reserves cash backed - Revaluation Reserve	0	25,346	0	25,346	0	25,600	0	25,600	21,615	2,027	(23,642)	0
Reserves cash backed - Airstrip Reserve	2,114	40	0	2,154	2,113	50	0	2,163	2,068	195	(149)	2,114
Reserves cash backed - Swimming Pool Heat Pump Reserve	66,581	13,434	0	80,015	101,781	22,350	(8,000)	116,131	65,131	6,133	(4,683)	66,581
Reserves cash backed - Election Reserve	0	12,166	0	12,166	0	12,300	0	12,300	20,241	1,898	(22,139)	0
Reserves cash backed - Swimming Pool Reserve	35,310	672	0	35,982	0	0	0	0	14,901	21,480	(1,071)	35,310
Reserves cash backed - River Revitalisation Reserve	167,706	2,851	(101,660)	68,897	167,930	2,846	(170,776)	0	246,393	23,004	(101,691)	167,706
Reserves cash backed - Supertowns Reserve	978,700	10,936	(989,636)	0	976,239	2,000	(978,239)	0	4,747,539	2,661,076	(6,429,915)	978,700
Reserves cash backed - MSW Upgrade Reserve	1,241,741	22,948	(205,718)	1,058,972	1,241,357	28,599	(1,269,956)	0	1,241,586	117,069	(116,914)	1,241,741
Reserves cash backed - Roche Park Reserve	1,916	37	0	1,953	2,053	50	0	2,103	41,153	3,722	(42,959)	1,916
Reserves cash backed - Legal Reserve	0	50,284	0	50,284	0	0	0	0	0	0	0	0
	<u>3,129,187</u>	<u>278,580</u>	<u>(1,393,965)</u>	<u>2,013,802</u>	<u>3,166,774</u>	<u>223,777</u>	<u>(2,538,195)</u>	<u>852,356</u>	<u>7,169,421</u>	<u>2,949,894</u>	<u>(6,990,128)</u>	<u>3,129,187</u>

All of the reserve accounts are supported by money held in financial institutions and match the amount shown as restricted cash in Note 3 to this financial report.

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

12. RESERVES - CASH BACKED

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
Reserves cash backed - Leave Reserve		To be used to assist in the funding of annual and long service leave. The reserve is not expected to be utilised within a set period as further transfers to the reserve account will be made as the funds are utilised.
Reserves cash backed - Building Reserve		To be used to assist in the maintenance of Council owned buildings. The reserve is not expected to be utilised within a set period as further transfers to the reserve account will be made as the funds are utilised. This reserve is designed to spread the impact on rates over future financial years.
Reserves cash backed - Plant Reserve		To be used to assist the plant replacement program as established in Council's Plant Replacement Program. The reserve is not expected to be utilised within a set period as further transfers to the reserve account will be made as the funds are utilised.
Reserves cash backed - Waste Reserve		To be used to assist Council's Waste Management Program. The reserve is not expected to be utilised within a set period as further transfers to the reserve account will be made as the funds are utilised.
Reserves cash backed - Revaluation Reserve		Established to minimise the impact of the Valuer Generals cost associated with rates revaluations every 3 years. This reserve is to ensure the impact is spread over 3 years.
Reserves cash backed - Airstrip Reserve		To be used to conduct maintenance works as required at the Collie Airstrip. It is indefinite when this will be utilised.
Reserves cash backed - Swimming Pool Heat Pump Reserve		Established to distribute the impact of replacing the swimming pool heat pumps in the future.
Reserves cash backed - Election Reserve		Established to even out the impact of Local Government elections.
Reserves cash backed - Swimming Pool Reserve		Established to fund the Swimming Pool Redevelopment Project
Reserves cash backed - River Revitalisation Reserve		Established to fund recommendations emanating from Council's Collie river revitalisation plan. It is expected the reserve to be utilised in 2017/18
Reserves cash backed - Supertowns Reserve		Established to hold grant funding for the Supertowns CBD redevelopment project. This reserve has been fully utilised in 2016/17.
Reserves cash backed - MSW Upgrade Reserve		This reserve holds funds from both grant and Council revenue for the upgrade of the MSW complex. It is expected for this reserve to be utilised
Reserves cash backed - Roche Park Reserve		To be used for capital improvements at Roche Park. This reserve has been reopened to assist with the implementation of Roche Park Business
Reserves cash backed - Legal Reserve		Established to minimise the impact of legal proceedings.

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

13. REVALUATION SURPLUS

	2017	2017	2017	2017	2017	2016	2016	2016	2016	2016
	Opening	Revaluation	Revaluation	Movement on	Closing	Opening	Revaluation	Revaluation	Movement on	Closing
	Balance	Increment	(Decrement)	Revaluation	Balance	Balance	Increment	(Decrement)	Revaluation	Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land and buildings	15,096,331	2,235,197	0	2,235,197	17,331,528	15,096,331			0	15,096,331
Revaluation surplus - Furniture and equipment	85,189	0	0	0	85,189	74,467	10,722		10,722	85,189
Revaluation surplus - Plant and equipment	987,176	0	0	0	987,176	316,603	670,573		670,573	987,176
Revaluation surplus - Infrastructure - Roads	70,920,988	21,505,081	0	21,505,081	92,426,069	70,920,988			0	70,920,988
Revaluation surplus - Infrastructure - Footpaths	560,404	0	(115,816)	(115,816)	444,588	560,404			0	560,404
Revaluation surplus - Infrastructure - Drainage	6,959,518	712,921	0	712,921	7,672,439	6,959,518			0	6,959,518
Revaluation surplus - Infrastructure - Parks and Ovals	6,302,604	0	(2,357,679)	(2,357,679)	3,944,925	6,302,604			0	6,302,604
Revaluation surplus - Infrastructure - Bridges	10,639,419	0	(1,584,339)	(1,584,339)	9,055,080	10,639,419			0	10,639,419
Revaluation surplus - Infrastructure - Other	234,103	8,403	0	8,403	242,506	234,103			0	234,103
	<u>111,785,732</u>	<u>24,461,601</u>	<u>(4,057,833)</u>	<u>20,403,769</u>	<u>132,189,501</u>	<u>111,104,437</u>	<u>681,295</u>	<u>0</u>	<u>681,295</u>	<u>111,785,732</u>

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

14. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	2017	2017	2016
	\$	Budget	\$
		\$	
Cash and cash equivalents	<u>2,973,403</u>	<u>1,207,164</u>	<u>4,435,130</u>

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

Net result	553,261	308,851	(928,206)
Non-cash flows in Net result:			
Depreciation	3,401,504	3,492,068	3,285,026
(Profit)/Loss on sale of asset	45,057	2,039	(8,009)
Changes in assets and liabilities:			
(Increase)/Decrease in receivables	(138,005)	0	304,495
(Increase)/Decrease in inventories	3,613	0	(7,173)
Increase/(Decrease) in payables	(386,738)	0	(1,930,532)
Increase/(Decrease) in provisions	(8,914)	0	78,062
Grants contributions for the development of assets	<u>(2,059,065)</u>	<u>(3,089,470)</u>	<u>(3,205,112)</u>
Net cash from operating activities	<u>1,410,712</u>	<u>713,488</u>	<u>(2,411,449)</u>

(c) Undrawn Borrowing Facilities

	2017	2016
	\$	\$
Credit Standby Arrangements		
Bank overdraft limit	0	0
Bank overdraft at balance date	0	0
Credit card limit	5,000	5,000
Credit card balance at balance date	<u>(22)</u>	<u>(638)</u>
Total amount of credit unused	<u>4,978</u>	<u>4,362</u>
Loan facilities		
Loan facilities - current	133,054	136,542
Loan facilities - non-current	<u>1,125,266</u>	<u>1,258,320</u>
Total facilities in use at balance date	<u>1,258,320</u>	<u>1,394,862</u>
Unused loan facilities at balance date	<u>NIL</u>	<u>NIL</u>

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

15. CONTINGENT LIABILITIES

The Shire has one matter in which a costs order may be made against the Shire if the Shire is unsuccessful. The prosecution in the Collie Magistrates Court where the other party was charged with an offence of having contravened the Shire's Planning Scheme. The charge was dismissed. However, on appeal the Supreme Court set aside the Magistrate's decision and imposed a conviction. The other party has subsequently appealed to the Court of Appeal. If the other party is successful in the Court of Appeal, the Shire will be liable for the costs of between \$70,000 and \$100,000.

16. 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	39,126	24,079
- later than one year but not later than five years	72,887	50,489
- later than five years	0	0
	112,013	74,568

(b) Capital Expenditure Commitments

Contracted for:		
- capital expenditure projects	47,810	183,423
- plant & equipment purchases		
Payable:		
- not later than one year	47,810	183,423

The capital expenditure project outstanding at the end of the current reporting period represents the construction of the new recreation centre and purchase of a new truck (the prior year commitment was for the construction of the new recreation centre).

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

17. JOINT VENTURE ARRANGEMENTS

The Shire is not involved in any joint venture arrangements.

18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2017	2016
	\$	\$
Governance	1,624,524	1,700,579
General purpose funding	4,191,260	5,427,278
Law, order, public safety	1,629,806	1,747,568
Health	49,427	44,000
Education and welfare	3,410,000	3,929,780
Community amenities	11,046,604	5,557,375
Recreation and culture	21,892,493	26,051,049
Transport	128,965,861	108,487,001
Other property and services	828,908	273,349
	<u>173,638,884</u>	<u>153,217,979</u>

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

	2017	2016	2015
19. FINANCIAL RATIOS			
Current ratio	1.12	0.91	1.39
Asset sustainability ratio	1.39	2.32	3.84
Debt service cover ratio	9.68	(3.62)	10.97
Operating surplus ratio	(0.19)	(0.52)	(0.27)
Own source revenue coverage ratio	0.62	0.59	0.60

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 61 of this document.

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

20. TRUST FUNDS

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

	1 July 2016	Amounts Received	Amounts Paid	30 June 2017
	\$	\$	(\$)	\$
General Suspense Other	210,972	22,253	(52,486)	180,739
General Suspense Cont to Works	75,920	50,659	(51,866)	74,713
Public Open Spaces	45,486	397		45,883
Non Council Control	52,709	27,724	(150)	80,283
	<u>385,087</u>			<u>381,618</u>

21. DISPOSALS OF ASSETS - 2016/17 FINANCIAL YEAR

The following assets were disposed of during the year.

	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss	Budget Net Book Value	Budget Sale Proceeds	Budget Profit	Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$
Plant and Equipment								
Recreation and culture								
2013 Holden Colorado 4x2 Crew Cab Ute-109CO	27,045	12,182	-	14,864	11,861	16,000	4,139	-
Squirrel Cherry Picker - CO16168					6,536	8,000	1,464	-
Transport								
Isuzu FRR500M Tipper - CO3064	33,755	13,636	-	20,118	24,702	15,000	-	9,702
Road Broom						2,000		
Economic services								
Toyota Camry Atara - 107CO	13,736	9,545	-	4,191	4,365	15,000	10,635	-
Other property and services								
Ford Territory-100CO	23,315	11,818	-	11,497	24,854	18,000	-	6,854
Holden Colorado-103CO	26,569	32,182	5,613	-	17,721	16,000	-	1,721
JCB Bobcat warranty replacment	40,604	40,604	-	-	-	-		
	<u>165,024</u>	<u>119,967</u>	<u>5,613</u>	<u>(50,670)</u>	<u>90,039</u>	<u>90,000</u>	<u>16,238</u>	<u>(18,277)</u>

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

22. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Principal	New	Principal		Principal		Interest	
	1 July		Loans	Repayments	Repayments	30 June 2017	Repayments	Repayments
	2016		Actual	Budget	Actual	Budget	Actual	Budget
	\$	\$	\$	\$	\$	\$	\$	\$
Recreation and culture								
112 Bowling Club (Self Supporting)	9,820	0	9,820	9,822	0	(2)	337	337
113 Railway Institute	39,874	0	19,256	19,256	20,618	20,618	2,719	2,719
114 Purchase of Lot 2887	83,443	0	26,113	26,113	57,330	57,330	5,428	5,427
115 Collie Race Club (Self Supporting)	28,603	0	5,076	5,077	23,527	23,526	1,796	1,796
116 Coalfields Hockey (Self Supporting)	103,801	0	14,360	14,360	89,441	89,441	4,493	4,493
Transport								
117 Depot Relocation	1,129,320	0	61,915	61,915	1,067,405	1,067,405	51,462	51,461
	1,394,861	0	136,541	136,543	1,258,320	1,258,318	66,235	66,233
Self Supporting Loans								
Recreation and culture								
112 Bowling Club (Self Supporting)	9,820	0	9,820	9,822	0	(2)	337	337
115 Collie Race Club (Self Supporting)	28,603	0	5,076	5,077	23,527	23,526	1,796	1,796
116 Coalfields Hockey (Self Supporting)	103,801	0	14,360	14,360	89,441	89,441	4,493	4,493
	142,224	0	29,256	29,259	112,968	112,965	6,626	6,626
Debentures Repayments	1,394,861	0	136,541	136,543	1,258,320	1,258,318	66,235	66,233

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

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

22. INFORMATION ON BORROWINGS (Continued)

(b) New Debentures - 2016/17

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

(c) Unspent Debentures

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

(d) Overdraft

The Shire did not have any overdraft facility as at 30 June 2017

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

23. RATING INFORMATION - 2016/17 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
Differential general rate / general rate											
Gross rental value valuations											
Gross Rental Valuations-Developed	0.080450	2,335	45,564,226	3,665,642			3,665,642	3,663,354			3,663,354
Gross Rental Valuations-Vacant	0.080450	22	440,360	35,427			35,427	35,427			35,427
Interim & Back Rates					15,871		15,871		27,000		27,000
Unimproved value valuations											
Unimproved Valuations	0.005010	324	99,633,000	499,161			499,161	499,161			499,161
Sub-Total		2,681	145,637,586	4,200,230	15,871	0	4,216,101	4,197,942	27,000	0	4,224,942
Minimum payment	\$										
Gross rental value valuations											
Gross Rental Valuations-Developed	910	1,393	14,202,612	1,267,630			1,267,630	1,267,630			1,267,630
Gross Rental Valuations-Vacant	740	202	551,353	149,480			149,480	149,480			149,480
Unimproved value valuations											
Unimproved Valuations	740	255	14,321,614	188,700			188,700	188,700			188,700
Sub-Total		1,850	29,075,579	1,605,810	0	0	1,605,810	1,605,810	0	0	1,605,810
<hr/>											
Total amount raised from general rate		4,531	174,713,165	5,806,040	15,871	0	5,821,911	5,803,752	27,000	0	5,830,752
Ex-gratia rates							740				740
Rates Written Off							(13,107)	(12,367)			(10,000)
Totals							<u>5,809,544</u>				<u>5,821,492</u>
							5,809,544				

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

24. NET CURRENT ASSETS

Composition of net current assets

	2017	2017	2016
	(30 June 2017 Carried Forward) \$	(1 July 2016 Brought Forward) \$	(30 June 2016 Carried Forward) \$
Surplus/(Deficit) 1 July 16 brought forward	<u>1,238,673</u>	<u>1,129,506</u>	<u>1,129,506</u>
CURRENT ASSETS			
Cash and cash equivalents			
Unrestricted	749,516	872,734	872,734
Restricted	2,223,887	3,562,396	3,562,396
Receivables			
Rates outstanding	839,894	654,352	654,352
Sundry debtors	18,171	64,501	64,501
GST receivable	0	44,006	44,006
Loans receivable - clubs/institutions	29,286	29,257	29,257
Prepaid Expense	27,856	27,856	27,856
Accrued Income	1,496	2,601	2,601
Staff Salary sacrifice	(203)	0	0
Inventories			
Fuel and materials	8,907	9,747	9,747
Kiosk supplies-Roche Park	1,345	4,118	4,118
LESS: CURRENT LIABILITIES			
Trade and other payables			
Sundry creditors	354	(964,840)	(964,840)
Accrued interest on debentures	(1,740)	(2,078)	(2,078)
Accrued salaries and wages	(42,895)	(31,207)	(31,207)
Accrued Expenses	(559,642)	0	0
Others	(1,382)	0	0
Current portion of long term borrowings			
Secured by floating charge	(133,054)	(136,542)	(136,542)
Provisions			
Provision for annual leave	(5,557)	(64,588)	(64,588)
Provision for long service leave	(7,532)	79,095	79,095
Unadjusted net current assets	3,148,707	4,151,408	4,151,408
Adjustments			
Less: Reserves - restricted cash	(2,013,802)	(3,129,187)	(3,129,187)
Less: Loans receivable - clubs/institutions	(29,286)	(29,257)	(29,257)
Add: Secured by floating charge	133,054	136,542	136,542
Adjusted net current assets - surplus/(deficit)	<u>1,238,673</u>	<u>1,129,506</u>	<u>1,129,506</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 COLLIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017**

25. SPECIFIED AREA RATE - 2016/17 FINANCIAL YEAR

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

26. SERVICE CHARGES - 2016/17 FINANCIAL YEAR

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

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

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

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount %	Discount \$
A3977- Collie RSL	Concession	100.00%	1,088
A3990- CWA Collie	Concession	100.00%	910
A4337 & A5321- Riverview Residence	Concession	100.00%	36,228
A4779- North Collie Hall	Concession	100.00%	910
A150-Collie Pioneer	Concession	100.00%	910
A987- Ngalang Bodja	Concession	100.00%	2,518
A5043- Collie Italian Club	Concession	100.00%	7,904
A995- Energy West Hall	Concession	100.00%	1,924
A4813- Red Cross Shop	Concession	100.00%	1,464

Rate or Fee and Charge to which the Waiver or Concession is Granted

Circumstances in which the Waiver or Concession is Granted and to whom it was available

Objects of the Waiver or Concession

Reasons for the Waiver or Concession

Rates	A3977- Collie RSL	Community benefit	Charitable Organisation-Community Benefit
Rates	A3990- CWA Collie	Community benefit	Charitable Organisation-Community Benefit
Rates	A4337 & A5321- Riverview Residence	Community benefit	Charitable Organisation-Community Benefit
Rates	A4779- North Collie Hall	Community benefit	Charitable Organisation-Community Benefit
Rates	A150-Collie Pioneer	Community benefit	Charitable Organisation-Community Benefit
Rates	A987- Ngalang Bodja	Community benefit	Charitable Organisation-Community Benefit
Rates	A5043- Collie Italian Club	Community benefit	Charitable Organisation-Community Benefit
Rates	A995- Energy West Hall	Community benefit	Charitable Organisation-Community Benefit
Rates	A4813- Red Cross Shop	Community benefit	Charitable Organisation-Community Benefit

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

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

	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Instalment Options				
Option One				
Single full payment	12/09/2016	0	0.00%	10.00%
Option Two				
First Instalment	12/09/2016	0	5.00%	10.00%
Second Instalment	15/11/2016	5	5.00%	10.00%
Third Instalment	16/01/2017	5	5.00%	10.00%
Fourth Instalment	21/03/2017	5	5.00%	10.00%
			Revenue	Budgeted
			\$	Revenue
Interest on unpaid rates			105,194	85,000
Charges on instalment plan			40,303	48,000
			<u>145,497</u>	<u>133,000</u>

SHIRE OF COLLIE
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FOR THE YEAR ENDED 30TH JUNE 2017

29. FEES & CHARGES	2017	2016
	\$	\$
Governance	10,146	12,797
General purpose funding	56,832	61,371
Law, order, public safety	98,704	77,907
Health	9,460	915
Community amenities	1,317,343	1,257,327
Recreation and culture	249,920	266,705
Transport	0	-500
Economic services	26,291	41,057
Other property and services	28,389	35,240
	<u>1,797,084</u>	<u>1,752,819</u>

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

30. GRANT REVENUE

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

By Nature or Type:	2017	2016
	\$	\$
Operating grants, subsidies and contributions		
Governance	57,048	0
General purpose funding	2,530,266	750,837
Law, order, public safety	287,601	299,838
Health	39,187	0
Education and welfare	22,159	100
Housing	8,400	0
Community amenities	31,000	29,830
Recreation and culture	53,706	55,950
Transport	108,445	108,700
Economic services	18,307	0
Other property and services	69,499	0
	<u>3,225,618</u>	<u>1,245,255</u>
Non-operating grants, subsidies and contributions		
Law, order, public safety	0	59,214
Community amenities	0	70,000
Recreation and culture	417,090	1,982,000
Transport	1,641,975	1,093,898
	<u>2,059,065</u>	<u>3,205,112</u>
	<u>5,284,683</u>	<u>4,450,367</u>

31. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

74	75
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32. ELECTED MEMBERS REMUNERATION

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

	2017	2017	2016
	\$	Budget	\$
Meeting Fees	83,732	83,732	82,500
President's allowance	2,040	2,040	2,000
Deputy President's allowance	510	510	500
Travelling expenses	342	0	0
Telecommunications allowance	6,600	6,600	6,600
	<u>93,224</u>	<u>92,882</u>	<u>91,600</u>

SHIRE OF COLLIE
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FOR THE YEAR ENDED 30TH JUNE 2017

33. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

	2017
	\$
The total of remuneration paid to KMP of the Shire during the year are as follows:	
Short-term employee benefits	595,365
Post-employment benefits	76,025
Other long-term benefits	13,996
	685,386
	685,386

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.

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

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:	
Purchase of goods and services	36,544
Joint venture entities:	0
Amounts outstanding from related parties:	0
Amounts payable to related parties:	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.

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

34. MAJOR LAND TRANSACTIONS

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

35. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

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

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

36. FINANCIAL RISK MANAGEMENT

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

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

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

The Shire held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2017	2016	2017	2016
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	2,973,403	4,435,130	2,973,403	4,435,130
Receivables	<u>1,473,735</u>	<u>1,273,338</u>	<u>1,473,735</u>	<u>1,273,338</u>
	<u><u>4,447,138</u></u>	<u><u>5,708,468</u></u>	<u><u>4,447,138</u></u>	<u><u>5,708,468</u></u>
Financial liabilities				
Payables	611,387	998,125	611,387	998,125
Borrowings	<u>1,258,320</u>	<u>1,394,862</u>	<u>1,258,320</u>	<u>1,394,862</u>
	<u><u>1,869,707</u></u>	<u><u>2,392,987</u></u>	<u><u>1,869,707</u></u>	<u><u>2,392,987</u></u>

Fair value is determined as follows:

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

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

36. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

Financial assets at fair value through profit and loss

Available-for-sale financial assets

Held-to-maturity investments

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

The major risk associated with investments is price risk - the risk that the capital value of investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments of their issuers or factors affecting similar instruments traded in a market.

Cash and investments are also subject to interest rate risk - the risk that movements in interest rates could affect returns.

Another risk associated with cash is credit risk – the risk that a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to the Shire.

The Shire manages these risks by diversifying its portfolio and only investing in investments authorised by *Local Government (Financial Management) Regulation 19C*. Council also seeks advice from independent advisers (where considered necessary) before placing any cash and investments.

	2017	2016
	\$	\$
Impact of a 1% ⁽¹⁾ movement in interest rates on cash		
- Equity	29,734	44,351
- Statement of Comprehensive Income	29,734	44,351

Notes:

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

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

36. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

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

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

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

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

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

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

	2017	2016
Percentage of rates and annual charges		
- Current	68.96%	65.95%
- Overdue	31.04%	34.05%
Percentage of other receivables		
- Current	17.78%	51.39%
- Overdue	82.22%	48.61%

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

Opinion

We have audited the accompanying financial report of the Shire of Collie which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity, the rate setting statement, and the statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes, and the Chief Executive Officer's statement.

In our opinion, the accompanying financial report of the Shire of Collie:

- (i) gives a true and fair view, in all material respects, of the financial position of the Shire of Collie as at 30 June 2017, and of its financial performance and its cash flows for the year then ended;
- (ii) complies with Australian Accounting Standards; and
- (iii) is prepared in accordance with the requirements of the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996.

Report on Other Legal and Regulatory Requirements

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

- (i) There are no matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire of Collie;
- (ii) There are no other matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law noted during the course of our audit;
- (iii) The asset consumption ratio and the asset renewal funding ratio included in the annual financial report are supported by verifiable information and reasonable assumptions;
- (iv) All necessary information and explanations were obtained by us; and
- (v) All audit procedures were satisfactorily completed during our audit.

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 company in accordance with the ethical requirements 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.

Other Information

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

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

Responsibilities of Management and Council for the Financial Report

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

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

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 the financial report.

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

AMD Chartered Accountants



TIM PARTRIDGE
Director

28-30 Wellington Street, Bunbury, Western Australia

Dated this 25th day of October 2017

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

36. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables

Borrowings

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

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

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<u>2017</u>					
Payables	611,387	0	0	611,387	611,387
Borrowings	<u>133,054</u>	<u>484,352</u>	<u>640,913</u>	<u>1,258,320</u>	<u>1,258,320</u>
	<u>744,441</u>	<u>484,352</u>	<u>640,913</u>	<u>1,869,707</u>	<u>1,869,707</u>
<u>2016</u>					
Payables	998,125	0	0	998,125	998,125
Borrowings	<u>193,592</u>	<u>730,042</u>	<u>853,803</u>	<u>1,777,437</u>	<u>1,394,862</u>
	<u>1,191,717</u>	<u>730,042</u>	<u>853,803</u>	<u>2,775,562</u>	<u>2,392,987</u>

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

36. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables

Borrowings (continued)

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

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

	<1 year	>1<2 years	>2<3 years	>3<4 years	>4<5 years	>5 years	Total	Weighted Average Effective Interest Rate
	\$	\$	\$	\$	\$	\$	\$	%
<u>Year ended 30 June 2017</u>								
Borrowings								
Fixed rate								
Debentures	20,618	57,329	-	23,526	-	1,156,847	1,258,320	4.15%
Weighted average Effective interest rate	6.95%	6.28%	0.00%	5.89%	0.00%	3.87%		
<u>Year ended 30 June 2016</u>								
Borrowings								
Fixed rate								
Debentures	9,821	39,874	83,442	-	28,603	1,233,122	1,394,862	4.16%
Weighted average Effective interest rate	6.08%	6.95%	6.28%	0.00%	5.89%	3.87%		

**SHIRE OF COLLIE
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	1.00	0.72	0.72
Asset renewal funding ratio	0.94	8.97	1.73

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