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# Acknowledgement of Country and Indigenous History

Council acknowledges that the Shire of Serpentine Jarrahdale is in the traditional country of the Noongar people. We recognise their cultural heritage, beliefs, and continuing relationship with the land, and pay our respects to elders both past and present.

Whadjuck were the people of the Noongar leader Munday. His lands were the Beelo, which included the area known today as the Shire of Serpentine Jarrahdale. Munday and his wives Bugup and Kogan owned one tract of this land.

The tangle of scrub and swamp that covered the hills, slopes, and valleys was the kalleep (camp fires and grounds) of the Whadjuck people. They wandered over their lands during the six seasons, visiting, hunting and gathering, attending ceremonies, trading and exchanging according to the law which included the lore and customs within their family structure.

Traditional culture included the flora and fauna according to inherited kinship and land literacy was vital to the physical and spiritual survival of Munday's people. Adults were lifelong custodians and interpreters of the land, ensuring information and responsibility was passed on to the younger generations through song, story, dance, and ritual.

The Darling Scarp supported families that came together for corroborees at places like Gooralong, above the waterfalls on the Serpentine River. Whadjucks met with the Balardong and Binjareb people for ceremonial and cultural activities including marriage. Today, Noongar

people still walk, hunt and gather, camp, celebrate and communicate with all people in the area belonging to the great leader and warrior, Munday.

# Our Annual Report

The Shire of Serpentine Jarrahdale is happy to present this Annual Report which serves to document its activities and achievements throughout the 2017/18 financial year.

With an emphasis on best practice and continual improvement, the information in these pages sets out to provide a snapshot of the Shire's progress over this period with a focus on community, infrastructure, environment and strategic direction. It is organised to align with our Strategic Community Plan 2017-2027 and Corporate Business Plan 2017-2021. These plans highlight the strategic vision for Serpentine Jarrahdale based on the following themes:

People – a connected, thriving, active and safe community

Place – a protected and enhanced natural, rural and built environment

Prosperity – an innovative, commercially diverse and prosperous economy

Progressive – a resilient organisation demonstrating unified leadership and governance.

Our Annual Report focuses on the key projects delivered in 2017/18 under each theme, marking our continued progress towards realising our community vision — 'City living offering a rural lifestyle for a diverse community with abundant opportunities.'

Copies of the Strategic Community Plan 2017-2027 can be downloaded from our website. <http://www.sjshire.wa.gov.au/who-we-are/council-plans-and-publications/strategic-docs/>.

Our financial statements have been certified by an independent auditor.

# Shire President's Report

I am pleased to introduce the Shire of Serpentine Jarrahdale's 2017/2018 Annual Report.

## **A new direction**

The local government elections held in October last year brought about a change in Councillors with Councillor Rob Coales and Councillor Bill Denholm elected in the North Ward, Councillor Morgan Byas elected in the North West Ward and Councillor Keira McConkey elected in the Southern Ward. They joined existing Councillor Dave Gossage and Councillor Jacqui See in the North Ward, Councillor Dave Atwell (Deputy President) and myself in the Southern Ward and Councillor Sam Piipponen in the North West Ward.

I was extremely proud to be elected by the Council as Shire President in October and will work tirelessly over the next two years to enhance our municipality.

I offer thanks to the outgoing Councillors, John Erren who served as a Councillor from 2013 to 2017 including as Shire President from 2015 to 2017, Keith Ellis who served as a Councillor from 2013 to 2017 including as Shire President from 2013 to 2015 and Sandra Hawkins who served as a Councillor from 2013 to 2017.

## **Advocating for our priority projects**

Lobbying our priority projects to the State and Federal government has been a priority this year. The projects are integral to improving transport links, increasing local employment opportunities and addressing a number of our high-risk roads.

The \$505m Tonkin Highway extension from Thomas Road in Byford to South Western Highway in Mundijong remains a priority. Throughout the year the Shire has advocated for this project to Federal and State Governments and will continue to do so until the project is fully funded and a start date for the works is committed to by the State Government. I encourage the community to look at the political commitments being provided for the Tonkin Highway and assist the Shire in the advocacy.

The Metronet extension to Byford as announced by the State Government will make a significant contribution to addressing some of our community's needs. The Shire is advocating for the Metronet station in Byford to be placed in the Byford Town Centre, allowing for increased accessibility and development of the Town Centre as a hub for residents, as opposed to the isolated proposed location further north of the Byford Town Centre.

The Shire's commitment to economic development and the creation of local employment opportunities was realised with the rezoning and creation of West Mundijong Industrial Area. West Mundijong Industrial Area provides 440 hectares of industrial-zoned land and offers businesses the chance to be part of an innovative, prosperous and commercially diverse local economy that doesn't lose sight of its environmental values. We continue to advocate for the realignment of the existing freight rail line linking the Shire to commercial and industrial precincts across Perth and Peel.

It is vital that these projects progress as soon as practicable to allow us to achieve your vision for development and employment opportunities in our community, now and into the future.

### **Collaborating with our community**

June 2018 saw nearly a decade of collaborative work with the community realised, with the State Government handing over the site for the Keirnan Park Recreation Precinct. This is a major step towards creating a true community precinct that will meet the needs of local clubs and athletes well into the future. This community-defining project is planned to be delivered over six stages and projected to cost \$70-\$100 million.

In 2017/2018 the Shire invited the community to become a part of our strategic decision making processes through the establishment of a number of Advisory Committees.

The Economic Development Committee was established in June 2017 with the purpose of providing advice and input into the economic development of the Shire. The appointment of seven community members to the Committee was made in November 2017.

In November 2017, we adopted our Access and Inclusion Plan 2018-2022 and established an Access and Inclusion Advisory Committee. The Committee includes three community members who will assist us with their skills and experience. This will help us to continue implementing the actions identified in the Plan to create an inclusive community for all.

The Arts, Culture and Heritage Advisory Committee draws upon the significant experience and expertise of six community members as we work together to retain, enhance and capitalise on our unique history and culture.

### **Awards and achievements**

The Shire been working with the community on a number of informing strategies to guide future investment. These are an Equine Strategy, Tourism Strategy, Economic Development Strategy and Engineering analysis of road networks within the whole district. These strategies are important for us, as they will continue to guide investment decisions and consequently are the basis for funding applications to leverage investment into the district.

The Planning Institute of Australia WA recognised the community's vision for a sustainable, prosperous and inclusive community that retains a connection to nature by awarding the prestigious "Hard-won victory" Award for Planning Excellence to "SJ2050 – City living offering a rural lifestyle for a diverse community with abundant opportunities". The SJ2050 visioning process received the Award for its innovative approach to overcoming planning challenges and the application of planning tools which offered significant benefit to the community.

In February, the Shire was recognised for fostering a safe and inclusive community with a prestigious Gold Participation Award (Local Government) from Neighbourhood Watch WA. The award acknowledged the Shire's support of the Serpentine Jarrahdale Neighbourhood Watch – a volunteer group whose members take an active role in crime prevention and community safety.

On behalf of the Council, I would like to thank the Chief Executive Officer and Staff for the work they have undertaken throughout the year. Their commitment, enthusiasm and work ethic throughout the 2017/18 year is evident in the achievements contained in this report.

# Chief Executive Officer's Report

The 2017/18 year saw the Shire of Serpentine Jarrahdale local government elections, the composition of a new Council and employment of a new Executive Team bringing about a change in direction and leadership. We have embraced this direction and worked throughout the year on a demanding program of projects in one of Australia's fastest growing local governments.

This growth saw the creation of 260 new lots, applications for near on 1000 residential houses and 50 commercial developments with an estimated value of construction for the year of \$116 million.

## **A focus on capital projects and works**

To accommodate this rapid growth, significant emphasis was put upon ensuring capital projects were prioritised through to completion, and re-establishing processes to understand the growing roads and transport networks in the district. A significant issue facing the Shire is evaluating its road and transport networks and reinvesting in these networks to cater for forecast demand by commuter and business users while maintaining financial sustainability.

The \$18 million contract for Abernethy Road is the largest and most complex contract we've ever managed. Significant work has been undertaken in the last 12 months relocating utility services including Telstra, NBN, gas, power to make way for the road construction works which is anticipated to be completed by early 2019.

\$11m in capital works was undertaken to maintain roads, footpaths, public open space, sporting and community facilities. This work included full upgrades to eight existing roads and remedial works to nearly 11km of road throughout the Shire.

Five new footpaths were constructed to increase connectivity in our community between schools, commercial and residential precincts including; Gordin Way, South Western Highway and Bateman Street in Byford as well as Tonkin Street, Mundijong and Falls Road, Serpentine.

Percy's Park was enhanced as an attractive space for the community to enjoy with the completion of the toilets, additional bins and tree planting along the creek. Other parks and reserves throughout the Shire received new infrastructure such as BBQ's, signage, replacement shade sails and bins.

## **Advocating for SJ**

Political leadership at both a State and Commonwealth level have given further commitments for the development of the long awaited Tonkin Highway extension and the Byford Metronet proposals. We have advocated with significant effort for the Tonkin Highway, which is a 13.7 kilometre project to be managed by the State Government with Commonwealth support. This is of the utmost importance for the Shire's vision to further develop the West Mundijong Industrial Area and the associated intermodal zone and improve transport options in the Shire all of which will be supported by the Tonkin's construction.

## **Environment and safety**

Our environment is a prime motivator for many to call the Shire home. It is critical to our wellbeing and essential to our rural identity. We have continued to invest in our environment by building a strong financial and collaborative partnership with Landcare SJ through a contribution of \$200,000 per annum and our provincial partnership with the Shire's of Armadale and Gosnells through the 'Switch your Thinking' program.

Fire preparedness was again a focus in 2017/2018, and we were successful in gaining grant funding of \$250,000 to construct and install five 215,000 litre potable static water supply tanks in Jarrahdale and refurbish two existing tanks. It is testament to the community's commitment to bushfire safety and preparedness that 99% of the 13,000 firebreak inspections conducted this year, resulted in compliance. Furthermore, we saw a decrease in the number of fires attended by our Brigades.

### **An active and connected community**

Community participation and connection continues to be supported by a range of community events and activities including school holiday activities, Community Christmas, Paws in the Park, Thank a Volunteer Day, Library Lovers Day and Harmony Day, as well as supporting the great work of local community and sporting groups with grants totaling \$143,083.

A significant commitment to local sports was enabled through securing \$1.2m of funding for improvements at the Briggs Park lower oval. These works will include the installation of a subsoil drainage system, lighting and associated infrastructure. The grant will also allow for upgrades to the lighting and AFL goal posts on the upper oval.

Through the Kidsport program, we were able to support 334 of our young people to participate in local sports with financial assistance totaling \$48,482.

The Shire and Byford BMX Club worked in partnership to undertake a \$74,492 upgrade to the lighting at the Byford BMX track. This will ensure that riders can now undertake safe night time training and racing and has increased the clubs capacity to host competitions.

### **Looking ahead**

We are working on a strategic review of the Shire's Technology Management which will bring in house the ICT functions and the procurement of a new fully integrated business system resulting in a modernisation and uplift in service delivery to the community and ongoing cost savings as we move forward.

While there remains many areas for improvement to ensure the community sees value for its rate investment, I can say the staff are striving to work closely with Council and the community to realise the community's aspirations in a challenging environment.

# Our Shire

The Shire of Serpentine Jarrahdale is home to over 30,000 people. Living in three wards that include urban, suburban and rural communities. Forested hills and coastal flats make up our 905 square kilometres.

In 2016, during the creation of the SJ 2050 vision, our people told us that their country lifestyle and the natural environment was what they valued the most about living in SJ.

Our natural environment features many outstanding attractions for locals and visitors alike. SJ is a 45-minute drive from the Perth CBD and at the gateway to the bustling Peel region. Outstanding landscapes, unrivaled business investment and development opportunities await our visitors.

Serpentine Jarrahdale is continuing to grow, making it one of Australia's most exciting localities.

## QUICK FACTS

Shire of Serpentine Jarrahdale area:	905km <sup>2</sup>
Became the Shire of Serpentine Jarrahdale in:	July 1961
Estimated residential population <sup>1</sup> :	31,039
Number of rateable residential properties:	11,869
Total length of roads:	830km
Total area of reserves and public open space:	954+ hectares
Number of reserves and public open space we manage:	191
Number of Shire facilities:	99
Oldest building:	Timber Mill Rotunda – Jarrahdale – 1905
Council composition:	9 Councillors
Ward Structure:	3 wards – North, North West, Southern
Total capital works value for 2017/18:	\$11,576,185
Total operating revenue for 2017/18:	\$34,684,160
Total non-operating revenue for 2017/18:	\$4,325,601

<sup>1</sup> forecast.id data for the year end 30 June 2018.

# Our Elected Members

## 9 COUNCILLORS      3 WARDS

### Number of Electors

Ward	2016/17	2017/18
North	8,732	8,817
North West	3,750	3,792
Southern	4,715	4,840
<b>Total</b>	<b>17,197</b>	<b>17,449</b>

### Shire President Cr Michelle Rich

#### Southern Ward

Elected to Council in October 2015, Cr Michelle Rich is the Presiding Member of the Arts, Culture and Heritage Advisory Committee and represents Council on the CEO Employment Committee, Audit, Risk and Governance Committee, Economic Development Advisory Committee, Bush Fire Advisory Committee and the Local Emergency Management Committee.

A long-term resident of the Shire, Cr Rich and her husband have raised three children in the region and spent countless hours volunteering in school, sporting and community groups.

With a background in successful small business, Cr Rich brings a solid understanding of new business and environmental issues to the Shire. She is passionate about promoting the Shire as a tourism destination whilst encouraging economically sustainable, environmentally sound developments that protect the character, lifestyle and rural history of the area.

With a vision to create a new sporting and recreation precinct that will support the growing needs of the Shire and encourage a healthy lifestyle, Cr Rich has been working closely with Government and community groups to allocate land and funds to the project.

Above all, Cr Rich is working to ensure that strategic planning underpinned by strong policy creation and implementation is a priority of council to deliver real outcomes through involving, collaborating and empowering engagement with community.

## **Deputy Shire President Cr Dave Atwell**

Southern Ward

Elected to Council in 2015, Cr Dave Atwell is a family man, married with three sons and one grandson. He has lived in Mundijong his whole life and loves being a part of the district. His interests include various sports and fishing.

He is a life member of the Mundijong Centrals Senior and Junior Football clubs, and the Serpentine Jarrahdale Blues Cricket Club. He is very passionate about his local community, and has strong historical sporting and social ties to Serpentine Jarrahdale. He currently works his family farm, which was established by his father 70 years ago.

Cr Atwell is the Presiding Member of the CEO Employment Committee and represents Council on the Local Emergency Management Committee and the Serpentine Jarrahdale Cemeteries Working Group.

## **Councillor Morgan Byas**

North West Ward

Elected to Council in October 2017, Cr Byas is a lifelong Oakford resident and active volunteer with the local Neighbourhood Watch. Cr Byas represents Council on the Audit, Risk and Governance Committee, CEO Employment Committee, Rivers Regional Council, Community Grants Assessment Panel, Darling Range Regional Park Community Advisory Committee, Darling Downs Residents Association and is Chair of the Bushfire Advisory Committee.

Holding a Masters of Applied Psychology with a focus on organisational psychology, Cr Byas is a registered psychologist who partners with leaders and managers to help them grow exceptional teams and build effective people strategies. He has previously worked as a university lecturer and consultant, where he focused on leadership development and organisational strategy.

Cr Byas is passionate about working with the community and the Shire organisation to build an engaged Serpentine Jarrahdale that all ratepayers can be proud to pass on to the next generation.

## **Councillor Rob Coales**

North Ward

Elected to Council in October 2017, Cr Rob Coales lives in Byford with his wife and two teenage children, who all love the country feel of Serpentine Jarrahdale.

With nearly 20 years' experience in law enforcement and defence, Cr Coales holds a Bachelor of Arts from Murdoch University, a Diploma of Policing through the Australian Federal Police and a Graduate Certificate

of Transnational Crime Prevention from the University of Wollongong. He also served his country overseas with the Australian Army, and is a member of the Returned and Services League, the Royal United Services Institute and Australians for Constitutional Monarchy.

Cr Coales is the Presiding Member of the Access and Inclusion Advisory Committee and represents Council on the Audit, Risk and Governance Committee, Serpentine Jarrahdale Land Conservation District Committee, Metropolitan Regional Roads Sub Group, Youth Action Network and Byford Progress Association.

Cr Coales aims to increase the community's involvement in all Shire activities, and acknowledges that this will improve accountability. He has a passion for outdoor pursuits and to promote the Shire and the region for tourism, and investment.

### **Councillor Bill Denholm**

North Ward

Elected to Council in October 2017, Cr Bill Denholm is a long-term resident of Serpentine Jarrahdale, having lived in Byford for nearly 50 years. A local small business owner, Cr Denholm is married and his five children attended Byford Primary, Byford High School and SJ Grammar.

He is an active member of SJ's sporting community, and volunteers with local netball, football, and athletics groups. Cr Denholm represents Council on the Access and Inclusion Advisory Committee, Community Grants Assessment Panel, Youth Action Network, the Peel Trails Group, Rivers Regional Council, SJ Ratepayers Association, and SJ Trails Association.

Cr Denholm is a passionate and proud member of our community, who looks forward to a bright and promising future for Serpentine Jarrahdale.

### **Councillor Dave Gossage**

North Ward

Elected to Council in 2015, Councillor Dave Gossage is a qualified Aircraft Maintenance Engineer but in recent years has earned his living as both an employee and small business operator in the areas of risk and emergency management.

He is currently the Chair of the Serpentine Jarrahdale Grammar School Board, and was elected to his current position of President of the Association of Volunteer Bush Fire Brigades in 2016 after serving many years as an ordinary Committee Member and active volunteer bush fire brigade member. His long-standing passion for youth development, and building community resilience and capacity has also seen him thrive in a number of leadership roles with the Scouts and Rural Youth organisations.

Cr Gossage's family have been active members of the Serpentine Jarrahdale community for three generations and he and his family still enjoy the unique blend of country and city life the region offers.

He is proud to be on Council and is working hard to ensure the principles of good governance, sensible decision-making and transparency remain paramount every action the Shire takes for its residents.

### **Councillor Keira McConkey**

Southern Ward

Elected to Council in October 2017, Cr McConkey is a public relations professional who has held numerous roles in corporate relations and community engagement for both the corporate and not for profit sector.

Currently, Cr McConkey is responsible for developing and driving corporate partnerships on behalf of The Salvation Army, resulting in measurable social impact, enhanced corporate reputation, and improved employee and customer engagement.

Cr McConkey represents Council on the Audit Risk & Governance Committee as Deputy Presiding member, the Metro East Joint Development Assessment Panel, Arts Culture & Heritage Advisory, Community Grants Assessment Panel, Karnet Community Liaison Group, Keysbrook Mineral Sands Project Community Consultation Group, Mundijong Community Association and the Community Events Working Group.

Cr McConkey enjoys the rural feel and relaxed back drop that Serpentine Jarrahdale provides and is extremely proud to call this region home. Cr McConkey is a wife and mother and holds a Bachelor of Communication from Murdoch University, with majors in Public Relations and Journalism.

### **Councillor Sam Piipponen**

North West Ward

Elected to Council in 2015, Cr Piipponen represents Council on the CEO Employment Committee, Darling Downs Residents Association and Serpentine Jarrahdale Community Resource Centre Board and SJ Business Sub-Group.

### **Councillor Jacqui See**

North Ward

Elected to Council in 2015, Cr Jacqui See is the Principal and Solicitor of Byford Legal, a boutique law firm, which she has operated since November 2012. Cr See has a Bachelor of Laws, a Bachelor of Commerce (Finance Major), and a Diploma in Financial Advising.

Cr See has a varied work history and spent 12 years in the banking industry, where she forged a very unique and interesting career. Her final position in the bank, prior to leaving in 2000, was the Manager of Transaction Processing and Business Services. She has a strong background in leadership and management, and has been a champion for change and innovation in business practices.

Cr See is the Presiding Member of the Audit, Risk and Governance Committee and represents Council on the CEO Employment Committee, Economic Development

Advisory Committee, Neighbourhood Watch, South East Regional Energy Group and Youth Action Network. She is the Deputy Member for the Rivers Regional Council, Peel Zone Committee and Armadale Home Help. She is also the Board Chair and P&C President for the Byford Secondary College and a Board Member for the Byford and Districts Country Club.

### Shire of Serpentine Jarrahdale Councillor attendance – 1 July 2017 – 20 October 2017

Councillors	OCM (4)	SCM (1)	Audit, Risk and Governance Committee (2)	CEO Employment Committee (1)
Cr John Erren	4	1	2*	
Cr Keith Ellis	4	1	1 (Observer)	
Cr Sandra Hawkins	4	1	2*	1
Cr Michelle Rich	4	1	2*	1*
Cr Dave Atwell	4	1		1*
Cr Dave Gossage	4	1		1*
Cr Jacqui See	4	1	2*	1
Cr Sam Piipponen	3	1	1* (Deputy)	1*

\*Committee Member

### Shire of Serpentine Jarrahdale Councillor attendance – 23 October 2017 – 30 June 2018

Councillors	Annual General Meeting of Electors (1)	OCM (7)	SCM (9)	Audit, Risk and Governance Committee (3)	Economic Development Advisory Committee (2)	Arts, Culture and Heritage Committee (1)
Cr Michelle Rich	1	7	9	2*	2*	1*
Cr Dave Atwell	1	6	9			
Cr Rob Coales	1	6	9	3*		
Cr Bill Denholm	1	7	9			
Cr Dave Gossage	1	5	6			
Cr Jacqui See	1	7	8	3*	2*	
Cr Keira McConkey	1	7	7	3*		1*
Cr Morgan Byas	1	7	9	3*		
Cr Sam Piipponen	1	6	4			

\*Committee Member

# Shire Staff

Shire Officers come from a diverse range of backgrounds, and provide a wealth of knowledge across both local government and the private sectors. Many of our staff members are local to the area, meaning that they know what it's like to live, work, and enjoy the lifestyle Serpentine Jarrahdale has to offer.

## **STAFF- FTE**

(full time equivalent)

Development Services = 35

Community Services = 25.4

Infrastructure Services = 55.8

Corporate Services = 23.22

Executive Services = 7.02

**Total FTE = 146.26**

## **OUR CORPORATE VALUES**

We focus on the customer.

We do the right thing.

We work as a team.

We act safely.

## **OUR EXECUTIVE MANAGEMENT TEAM**

### **Kenn Donohoe**

Chief Executive Officer

Kenn oversees the whole organisation and provides leadership to Directors and the Executive Services team. Executive Services includes Human Resources and Economic Development, Tourism and Marketing.

### **Helen Sarcich**

Deputy CEO and Director Community Services

Community Services includes Community Development, Corporate Communications, Customer Services, Library Services and Community Facilities and Projects.

### **Andre Schonfeldt**

Director Development Services

Development Services includes Rangers and Emergency, Strategic Planning, Statutory Planning, Compliance, Environmental Health and Building.

### **Frazer Sullivan**

Director Corporate Services

Corporate Services includes Information Communication Technology, Governance and Financial Services.

### **Steven Harding**

Director Infrastructure Services

Infrastructure Services includes Infrastructure and Assets, Operations, Environment and Subdivisions.

# The 2017/18 Year in Review

The following pages summarise the Shire of Serpentine Jarrahdale's progress during the 2017/18 financial year in achieving the outcomes and objectives defined in our Strategic Community Plan 2017-2027 and Corporate Business Plan 2017-2021.

# People

The Shire of Serpentine Jarrahdale aspires to be a connected, thriving, active and safe community. The following is a summary of the progress made towards these objectives during 2017/18.

## Objective 1.1 A healthy, active, connected and inclusive community.

### Club Development

#### Social Media and Fundraising Workshops

During 2017, we held workshops for local community organisations which focused on Social Media and Fundraising. The tips and tools shared and learned will enable them to engage and grow their membership base, better target their marketing and apply the secrets of successful fundraising to use the best strategies for achieving their outcomes.

The Clubs and community groups that took advantage of these workshops include:

- Byford Bushrangers.
- Darling Downs Residents Association.
- Jarrahdale Primary School P&C.
- Oakford Volunteer Bushfire Brigade.
- Jarrahdale Heritage Society.
- Landcare Serpentine Jarrahdale.
- SJ Youth Advisory Group.
- Byford Taekwondo.
- Byford Bowling Club.
- Jarrahdale Fire Brigade.
- Byford Little Athletics.
- Heritage Country Choir.
- Lightweight Motor Cycle Club.
- Bendigo Bank.
- SJ Makerspace.

## **Volunteer Support**

### **Volunteer Recognition Program**

We celebrated volunteers from a local sporting clubs by rewarding them with a \$100 food and beverage voucher from a local restaurant of their choice. Volunteers are the backbone of our clubs, from scoring at games to canteen coordinator, coaching and umpiring.

We value all our sporting club volunteer's and this is a small way to show our appreciation. In 2017/2018, the following volunteers were recognised after being nominated by their club:

- July 2017 - Karina from Mundijong Centrals Junior Football Club.
- August 2017 - Rick and Dianne from Peel Metropolitan Horse and Pony Club.
- February 2018 - Sue from the Serpentine & Districts Golf Club.
- March 2018 - Fran from the Byford Tennis Club.
- April 2018 - Stacey from the Redbacks Floorball Club.

### **Emergency Service Volunteers - Annual Awards and Service Recognition**

In June 2018, we recognised our hard working and dedicated Emergency Service Volunteers at a dinner event held at the Serpentine Jarrahdale Community Recreation Centre.

Medals of Service were awarded to volunteers who contributed in excess of 5 years service with 3 awards given for 30 and 40 years service to the community. During the evening, awards were presented to the best new cadet as well as some lighthearted awards for bogging the fire appliance and unfortunate misadventures.

The most prestigious award of the night was the Meritorious Award, this year awarded to Belinda (Billy) Briscoe from Jarrahdale VBFB for outstanding leadership during her time as Acting Captain.

### **National Volunteer Week**

Supported by Volunteering WA and Lotterywest, we provided free coffee and cake to 140 local volunteers. Eight local business served volunteers from numerous community and sporting groups, including bushfire brigades, heritage groups, residents associations, Neighbourhood Watch and op shops.

### **Thank a Volunteer Day - December 2018.**

We invited all local volunteers to celebrate Thank a Volunteer Day with a Christmas lunch at the Byford Tavern. 130 volunteers from various community and sporting groups were celebrated and thanked and included volunteers from wildlife shelters, Justices of the Peace, service clubs, bushfire brigades, Neighbourhood Watch and Serpentine Jarrahdale Library Friends.

## **Community, Recreation and Sport Facilities**

### **Community Infrastructure Implementation Plan**

2017/2018 saw the finalisation of the Community Infrastructure Implementation Plan. This Plan identifies community facilities and infrastructure that needs developing for the growing population. The Plan follows on from the Community Infrastructure and Public Open Space Strategy adopted by Council in December 2016 and the SJ Real Choices community engagement, where the community told us their priorities for community infrastructure. This plan includes a Library and Community Centre in Byford, Briggs Park Oval upgrade and future youth facilities.

The Plan also identifies which infrastructure attracts developer contributions and which ones will require funding through Municipal Funds and/or Grants. In order for the Shire to meet its contribution toward this community infrastructure, the Shire has developed a rating strategy to yield the capital commitment required.

### **Keirnan Park Recreation Precinct**

One of the state's largest and most modern sport and recreation precincts moved a step closer in 2017/2018 with the acquisition of land for a regional sporting complex in Mundijong. A 63 hectare site south of Keirnan Street and west of South Western Highway was gifted to the Shire by the State Government in June 2018.

A future home for local sporting and community clubs, the Keirnan Park Recreation Precinct could accommodate football ovals, cricket pitches and nets, tennis, netball and basketball courts, hockey fields, swimming pools, a gymnasium, a national level BMX track and a range of other community and administrative facilities. Sporting clubs currently unable to operate locally because of inadequate or non-existent facilities will also have new opportunities.

### **Briggs Park Oval Upgrades**

We were successful in securing \$1 million of funding from the Community Sporting and Recreation Facilities Fund (CSRFF) and \$200,000 from Local Projects, Local Jobs. This funding is crucial to undertake works to Briggs Park in 2018/19. Works to the lower oval will include the installation of a subsoil drainage system, installation of sports lighting and a lighting control system and new sports infrastructure. This will allow for the lower oval to be utilised all year round. The Upper Oval will see the replacement of current lighting and AFL goal posts.

Significant work on design and cost schedules was put into this funding application in order for it to be successful and we look forward to this work being completed in 2018/2019.

### **BMX Lighting**

In collaboration with the Byford BMX Club, we upgraded the lighting at the BMX club in Byford. This enable safe night time racing and competition. The total project cost \$74,492 with the club contributing \$25,000.

## Other Community Infrastructure Works

An additional cricket net installed at Briggs Park brought the total number of nets available to the cricket club and community to five. This work also included the re-carpeting of the existing nets.

Serpentine Tennis Courts had three new nets installed and the Byford Skate Park was enhanced by lighting, furniture and railings.

## Access and Inclusion Plan 2018-2022

Consultation with the community was undertaken to update our Access and Inclusion Plan to provide a framework for improving access and inclusion for people with a disability in the Shire of Serpentine Jarrahdale. We also established the Access and Inclusion Advisory Committee which includes three community representatives.

As a result of this consultation process, key strategies were developed under each desired outcome as identified by the Disability Services Commission. These strategies will guide us towards improving access to our services, buildings and information.

## Facility Management

Shire staff commenced a review of facility usage to improve equitable access across all Shire facilities. During 2017/2018 staff managed 3,817 bookings for 14 community facilities and 13 sporting facilities. The Shire Community Bus was hired by 25 community groups through 72 bookings.

## Active Sporting Reserves

Works were undertaken at Clem Kentish, Kalimna, Mundijong, Briggs Park and Bill Hicks to add liquid fertiliser dosing units to the irrigation system. This has enabled us to prevent the soil becoming water repellent by injecting liquid Wetta Soil through the irrigation system along with Seasol providing micro nutrients to the Active Sporting Reserves. In previous years, granulated wetting agents have been used which has had limited effect in preventing water repellence and dry spots.

The benefits are already showing with Mundijong Oval looking fantastic over this past summer, owing to the soil not drying out or becoming water repellent. The addition of the Seasol has also helped in making the turf more resilient to disease. Normally summer season turf replacement works would normally cost between \$20,000 to \$30,000 on Mundijong Oval. This year there was no need for turf replacement works which has resulted in a considerable cost saving for the Shire.

## Parks

Over the year our operations team undertook a number of improvements, replacements and repairs to Shire parks. Some of these are listed below:

- At Sun Rays Reserve the area surrounding the playground received a revamp including planting trees, turf and shrubs, installation of a BBQ with seating and laying a new section of footpath.

- Rain Forest Reserve received a replacement solar light and a refurbished walk bridge.
- New park signage and replacement shade sails was completed at Byford Hall.
- Peppies Crescent Reserve now has a new BBQ.
- At Mundijong Linear Park, turf and irrigation was laid opposite the tavern. Timber sleepers around the playground areas were also replaced.
- A park bench that was stolen from Byford by the Brook was replaced.
- A new entry gate and concrete crossover was installed at Old Brickworks Reserve.
- Additional bins including a doggy bin dispenser, along with a new park entry gate and concrete crossover was added to Dagostino Reserve.
- At Woodland Grove Reserve, bollards were installed to prevent vehicle access and new trees were planted among the turfed areas.
- Toilets, a park entry gate, two additional bins, an extra doggy bin dispenser and planting of more trees in the creek area was completed at Percy's Park.
- Quine Reserve had a new a doggy bin dispenser installed.
- Two small walk bridges at Clondyke Reserve were replaced.

### **Community Grants and Sponsorships**

We supported your community groups and organisations by awarding \$143,083 of grant and sponsorship funding. Some of the groups who benefited where:

- Hugh Manning Tractor and Machinery Museum Inc. increased the chances of surviving a heart attack for visitors and volunteers at the museum. With funding through the Shire's Minor Grants, they purchased a new defibrillator and storage case, along with training in how to use it.
- Eq Cetera Inc. received Minor Grants funding to purchase Hippotherapy Saddle Sensory Pads and grooming kits. Hippotherapy is for clients with muscular, sensory or cognitive disabilities .
- Lions Club of Serpentine Jarrahdale received a Minor Grant enabling them to purchase 2 pull-up banners. These will promote their club and encourage others to join in and take a more active part in serving the community.
- Serpentine Golf Club received a Major Grant to construct a new entry statement for the club consisting of two limestone walls and increasing the driveway width to 6m.
- Byford Progress Association received a Major Grant to add a 1920's brickworker and barrow sculpture by artist Len Zuks to the Byford Art Trail.
- Serpentine Foothills Polocrosse Club was a major grant recipient , funding the installation of 60 new horse yards and nine new watering points at the Serpentine Sports Reserve.
- We approved 42 sporting travel grant applications to local athletes to compete in state, interstate and international competitions that added up to \$7,800.

- The year also saw sponsorship support of major community events – SJ Liveliighter Community Fair, Jarrahdale Log Chop and Country Fair, Food and Farm Fest and ANZAC Day Dawn Service to a total value of \$40,000.

## **KidSport**

In conjunction with the Department of Local Government, Sport and Cultural Industries Kidsport funding saw 334 vouchers issued to the value of \$48,482. These vouchers allow young people in our community to participate in sports by assisting with their fees. Clubs that the highest uptake of KidSport vouchers included:

- Mundijong Centrals Junior Football Club Inc.
- The Young Mens' Christian Association of Perth Inc (YMCA).
- Byford Bushrangers Inc.
- Serpentine Jarrahdale Netball Association.
- Byford Little Athletics Club.
- Byford Basketball Association Inc.
- Minions Netball Club.

## **Library Services**

A new Library Management System was implemented to improve and automate processes allowing our staff to give customers more time and direct assistance. Part of this system, the Online Catalogue gives library customers the ability to view the availability of books and non book items, view images and details of the materials available and easy access to renew or reserve items.

A self serve kiosk allows people to help themselves if they wish to by checking out and renewing their own books. This has been appreciated by library customers who like to work with technology or prefer not to wait to be served during our busier times.

Our school holiday programs continue to be popular and well attended. A number of activities were held Shire-wide and included; craft and sewing, meeting author Tim Bristow, science, coding, kite-making, musical experiences and Drippy the Dragon.

You attended:

- Community sew-a-thon to make Boomerang Bags with All Things Craft, the CWA, Mundijong Arts and Crafts and the Serpentine Jarrahdale Community Resource Centre.
- Visits by authors Juliet Marillier, Cyril Ayriss and Siobhan Timmer.
- Library Lovers Day and showed how much you love our Library by joining in the big hug!
- A presentation by Linton Reynolds on Serpentine Jarrahdale personnel who served in WW1.

- The Pop UP Libraries and National Simultaneous Storytime during Library Week.
- A seed saving workshop in collaboration with the Byford Glades Community Garden.

During Mental Health Week the Library hosted a Juke Box Lady event for adults in our community. Music and interaction created a welcoming atmosphere with time to meet other people and enjoy some singing and dancing. Music and singing are great stimulants for sharing memories and creating active conversation. It was a fun filled event enjoyed by those who attended.

This year we enjoyed making new connections with parents and babies through Baby Yoga and Baby Massage. This powerful bonding experience assists with early brain development through talking, body movements and play at the same time promoting the Better Beginnings Program to develop early literacy and the services available at the Library.

We visited your children through schools, kindergartens and child care centres for story time and continue to assist you by developing programs to support special literacy needs.

<b>2017 2018 STATISTICS</b>	
Total Library membership	3,505
Number of items borrowed	81,413
Number of programs	143
Program participants	1,520
Facebook Likes	1,061
Customer visits	31,903

## **Events**

The Community Barbeque Series continues to grow. These free community barbeques in the lead up to Christmas are part of a unique initiative to create safer, more inclusive neighbourhoods. It is a great opportunity for residents to speak with Shire employees, Neighbourhood Watch volunteers and local Police about strategies to promote safety and a sense of community as well as interact with neighbours, make new friends and establish meaningful connections with those who live nearby.

Residents attended 11 free community events including school holiday activities, Australia Day, Community Christmas, Paws in the Park, Wellness Series, ANZAC Day, Thank a Volunteer and Harmony Day.

- A Community Christmas was hosted for all Shire residents at Bill Hicks Reserve. Over 1000 residents enjoyed the free event with entertainment and support provided by local community groups and businesses.
- The inaugural Paws in the Park event celebrated our four legged residents and treated them to a free High Tea and dog wash. Their owners were able to join in the fun with face painting, bouncy castles and other doggy related stalls and vendors. The event was well attended and enjoyed by all.
- The Wellness series saw a series of 12 free movement and meditation sessions at locations across the Shire. Promoting health and wellbeing and the activation of Shire parks and reserves, events were well received by the community.
- To mark Harmony Day 2018, residents were invited to showcase their creative flair by designing spinning flowers from recycled plastic bottles. The free event was open to adults and children 12 and over and hosted by the Shire in conjunction with the Serpentine Jarrahdale Library Friends, Switch Your Thinking team and volunteers from the Mundijong Heritage Community Garden. Run by Mike Alvares of Kite Kinetics, the event was one of thousands across Australia celebrating cultural diversity at a national and local level. The workshop united residents in a fun, free project that allowed participants to make new friends and connections, while using creative skills to design some colourful pieces of community art.

We celebrated the high calibre of local sporting achievement at the inaugural Athlete Recognition Evening on Tuesday 10 October at Quarry Farm. Sixty-five local athletes representing 23 different sports were acknowledged at this special event, meeting likeminded people in the sporting community and hearing from inspirational guest speakers from the Peel Regional Academy of Sport. The guest speakers focused on motivating and providing assistance to our local athletes as they strive for success at national and international levels. The event celebrated the success of local athletes who had been supported by receiving a Sporting Travel Grant from the Shire in the last 18 months. These grants assist Shire residents with the travel expenses that are associated with being selected to compete in a national or international sporting competition.

Social service agencies from across the metropolitan area gathered at Byford Hall in April for a special community expo to promote locally-available support services. A joint initiative of the Shire and the Armadale Family Support Network (AFSN), the expo introduces residents to a wide range of social support services including those for parenting, mental health, domestic violence, and drug and alcohol support. Among the organisations represented were Communicare, Workpower, YMCA WA, Lifeline, RISE, Headspace, Anglicare and Richmond Wellbeing. The expo sought to raise awareness about the breadth of services available locally and show residents how to access support.

## **Objective 1.2 A recognised culture and heritage.**

### **Public Art**

This year saw the establishment of an Arts, Culture and Heritage Advisory Committee, with its first meeting held in April 2018. We sought Expressions of Interest from members of the community with an interest and skills in the field. Six community delegates were appointed to the Committee. The Committee will assist by providing input and advice pertinent to the vision for arts, culture and heritage across the Shire and provide strategic input, advocacy and specialised knowledge to guide Council's efforts in promoting, supporting and growing these areas in the Shire of Serpentine Jarrahdale. Specific tasks of the Committee include:

- To provide input and advice on the development of a Shire of Serpentine Jarrahdale Public Art Policy and to make recommendations to Council relating to its implementation.
- To provide input and advice on the development of a Shire of Serpentine Jarrahdale Local Heritage Strategy.
- To provide input and advice on the development of a Style Guide for signage.
- Provide input and advice regarding the allocation of funds for arts, culture and heritage activities for the Shire's annual budget process.

## **Objective 1.3 A safe place to live.**

### **Environmental Health**

It has been a very exciting and active year serving our growing and vibrant SJ community. In particular, we have assisted keeping the community safe by:

- Providing information, responding to and investigating more than 1,300 technical enquiries and service requests.
- Assessing and assisting with new development and event applications, licenses, and requests for registrations and permits for health installations and new food business.
- Promoting hand hygiene workshops with local families at our very special library.
- Making available, free Food Safe training packs for local food business to support them improving food safety skills and knowledge.
- Initiating a mosquito monitoring and management plan to keep an eye on the growing number of man- made lakes and storm water systems.
- Undertaking an audit and investigation into onsite effluent disposal systems. A report provided the Western Australian Local Government Association (WALGA), and Department of Health, has prompted a state wide investigation and review of regulatory safeguards for new home owners and existing residents from a perceived drop in the standard of installations and maintenance of ATU's.
- Referring for public comment our Health & Wellbeing Strategy, which identifies longer-term objectives and health outcomes that can enable funding opportunities and support for local initiatives promoting healthy choices and physical activity. Our strategy was the

first Local Government public health plan in Western Australia following the gazettal of the new Public Health Act, late in 2016.

### **Quick Stats**

Responded to 1300 Technical enquiries. Processed 145 health applications.

Carried out 529 health risk assessments of local Shire businesses.

### **Bushfire and Emergency Management**

Our bushfire brigades were called to and attended 347 incident calls through the 2017/2018 financial year a decrease of 25% over the last few years. Our bushfire brigade members and their leadership team provided over 37,000 hours of invaluable service to the Shire's community through attending emergencies, conducting hazard reduction burning, training, community engagement, administration and maintenance.

The State Emergency Service unit attended 13 incidents for the 2017/2018 financial year. SES members provided 1,353 hours of service attending emergencies, community education, training and maintenance.

In response to the tragic events in Waroona we successfully applied for a Royalties for Regions/Peel Development Commission Grant to construct five 215,000L Potable Static Water Supplies (Tanks) in the Jarrahdale townsite and refurbished two existing 225,000L tanks. This provides 1.5 million litres of water to offer the town some level of resilience in the event of a fire threatening the townsite, while also providing the town with a potable supply for use in the event of a failure of the town's aging potable water supply.

The annual Firebreak Inspection was undertaken of the 13,000 properties within the Shire from December 2017 through to April 2018. Of those properties, only 324 came to notice or less than 2.5% with less than 1% receiving infringements. This shows our education programs and informative documents are having a positive effect on the awareness and preparedness of over 95% of landowners. The Office of Bushfire Risk Management (OBRM) has classified over 97% of the Shire as bushfire prone, which is why we take bushfire prevention very seriously.

We were successful in obtaining a \$4,000 grant through the All Western Australians Reducing Emergencies (AWARE) program to conduct a local emergency risk management project. We surveyed the community on a range of emergency management issues and received over 200 responses.

### **Community Safety and Crime Prevention**

We were recognised for fostering a safe and inclusive community with a prestigious Gold Participation Award (Local Government) from Neighbourhood Watch WA. The award acknowledges the Shire's support of the Serpentine Jarrahdale Neighbourhood Watch – a volunteer group whose members take an active role in crime prevention and community safety.

Run in conjunction with the Mundijong Police Station, the program provides residents with up-to-

date crime prevention and safety advice while facilitating open lines of communication with local police. It receives administrative support from the Shire, who also coordinate various community crime prevention events.

Neighbourhood Watch members meet monthly with Shire staff and police, and are active at many local events. Last year, members hosted seven community barbecues, and were a visible presence at the Mundijong Police Open Day and various community events.

Serpentine Jarrahdale Neighbourhood Watch is a collaborative approach to community safety involving residents, the Shire and local police. While crime prevention is obviously a focus, the program is about so much more. It offers a way for people to make a meaningful contribution to their community while also establishing friendships and building community spirit.

### **Building Assessment**

Our Building team processed and assessed a large number of applications against legislation to ensure we have safe, well built buildings for you to live in, visit and do business in. These included:

- Close to 1,000 residential developments.
- 50 Commercial developments including Aldi, Woolworths, KFC and McDonalds.
- Multiple childcare facilities and other new businesses.

The total estimated value of construction throughout the year was \$116,752,326.

We also carried out over 670 swimming pool safety barrier inspections. Thank you to those residents for their cooperation and positive support of this important community safety program.

### **Ranger Services**

The Ranger team actively patrolled school zone parking areas, creating positive feedback from the nearby residents, schools, and social media postings. Increased education, patrols and enforcement have improved safety around most schools. We also worked corroboratively with School Principals to achieve a safe environment for children and parents at school drop off and pick times.

An increase in general parking patrols has improved compliance by residents and visitors. Positive feedback has been received from residents for this work in keeping your streets safe for all users of footpaths and roads. Early and late patrols have provided a higher level of compliance outside of working hours and an increase in interaction with residents and visitors.

This year we;

- Issued 694 warnings to give people the chance to do better next time.
- Although we implement education programs and written warnings, we still had to issue 452 penalties.

You told us about illegal rubbish dumping and problems with builders waste. In response we

contacted builders to emphasised compliance with the Shire's Building Site Waste Local Law and received strong positive feedback. We stepped up patrols, undertook litter reduction programs and successfully prosecuted offenders.

We undertook a complete renewal of the annual licencing and audit processes for extractive industries within the Shire to ensure licence compliance.

A number of animals were lost and found during 2017/2018 and we:

- Reunited 82 lost dogs with their owners and found fur-ever homes for 21.
- Reunited 3 lost cats with their owners and found fur-ever homes for 17.
- Reunited 11 cows with their owners.
- Reunited 11 sheep with their owners.
- Reunited 4 horses with their owners.

## Place

**The Shire of Serpentine Jarrahdale aims to be a protected and enhanced natural, rural and built environment. The following is a summary of the progress made towards these objectives during 2017/18.**

### **Objective 2.1 A diverse, well planned and built environment.**

#### **Land Use Planning**

##### **Applications and Planning Compliance**

A total of 12,841 planning enquiries were received as well as a total of 549 development applications ranging from single dwellings, to commercial and industrial developments, patios and outbuildings. These applications are valued up to \$72 million.

80% of the applications were determined within the statutory time frame. The remainder were determined outside these requirements due to agreements to extend the timeframes in order for the applicant to provide the Shire with additional required information.

Shire Officers attended 25 State Administrative Tribunal (SAT) matters. A number of these matters were resolved by mediation and reconsideration orders by the SAT. Two of the matters were heard at a full hearing where Officers represented the Shire. At both hearings, SAT affirmed the Officer and Council decisions. No matters during the year were overturned.

During the 2017/18 financial year, the Shire's only Planning Compliance Officer processed a total of 119 complaints and 1,443 enquiries ranging from unauthorised structures, illegal fill and use of land. Additionally, 283 Form 2 audit approvals were registered for further compliance investigation. As such, a total of 402 compliance matters were registered with the Shire for further investigation.

## **West Mundijong Industrial Area (WMIA)**

In Feb 2018 the WMIA was zoned for industrial development. This 440 hectares quickly saw the establishment of a new business with 4 new businesses on the way. It is estimated the WMIA will bring an extra 10,000 jobs to our community.

## **Shaping SJ**

Nearly 1400 residents and stakeholders have had their say on a range of topics pertinent to the Shire of Serpentine Jarrahdale's future during the largest community consultation process ever undertaken by the Shire.

This involved hosting a series of community workshops, stakeholder meetings and engagement surveys to canvass opinion and process feedback. Consideration was given to appropriate local land use, as well as transportation options, infrastructure and services required for vibrant, efficient suburbs of the future. The process, known as Shaping SJ, received 1189 direct survey responses in under three months. It included 29 engagement workshops and meetings with members of the public, landowners, industry groups, local businesses, community stakeholders and government agencies. As part of the engagement surveys, residents were asked to help identify challenges and opportunities across nine themes: activities and events, community facilities, dogs, education and training, employment, environment, equine, sport and recreation and transport.

As part of Shaping SJ we initiated Social Pinpoint, an interactive online platform that allowed residents to provide comment on the main projects and issues from the local planning strategies. Users were able to drag and drop an "I Like" or "Dislike" pin on an area and then leave a comment on it.

## **SJ2050 Award**

We won the prestigious Planning Institute of Australia WA "Hard won victory" Award for Planning Excellence for "SJ2050 – City living offering a rural lifestyle for a diverse community with abundant opportunities".

The SJ2050 visioning process defied the odds, bringing together a community that was hurting from historical differences, incredibly fast-paced growth, a low economic and rates base and tumultuous change resulting from the transition from a rural to an urban area in the space of a few years. The outcomes of the final online survey captured a statistically representative sample of the Serpentine Jarrahdale community with 341 respondents, evenly represented across all age groups. The Shire and community of Serpentine Jarrahdale is committed to the SJ 2050 future - the cover of the document represents us stepping into this future; onwards and upwards yet respecting our heritage to achieve an inclusive, integrated, connected, equitable and innovative future based on our core values, community aspirations and visionary outcomes.

## **Planning Framework Review**

We undertook the development of draft planning frameworks for Byford, Mundijong, Serpentine and Jarrahdale. This involved a review of all current structure plans, development contribution plans and other supporting planning documents in order to align them with the SJ2050 vision, Strategic Community Plan and Corporate Business Plan within the State Planning Framework

and the Shire's own local planning framework.

Shire Officers completed a Shire-wide statutory planning document review and presented the Local Planning Strategy and Local Planning Scheme No.3 to the Department of Planning for consent to advertise formally. The Local Planning Strategy was drafted in accordance with the Local Planning Manual 2010, published by the West Australian Planning Commission (WAPC) as the guiding document for all local planning strategies and local planning schemes within Western Australia. It incorporates a vision, principles, strategy objectives and a strategic plan to address the key opportunities, issues and challenges within the Shire and a spatial plan of strategic land uses, infrastructure, and natural resources and, land use categories that contain the objectives, strategies and actions required to implement the plan. It is the precursor to the approval of the Shire's new Local Planning Scheme. The extensive review of the Rural Strategy 2013 was finalised with approval by the Western Australian Planning Commission. The overall purpose of the Rural Strategy is to preserve and enhance the Shire's rural character and its role as an important economic contributor to the Shire and broader region. The Rural Strategy Review 2013 aims to provide a framework for development in the absence of a Local Planning Strategy and was assessed by Council as such. The Rural Strategy is therefore a significant strategic document and is used as a primary resource to assess statutory applications.

The full suite of 35 Local Planning Policies that supplement the Town Planning Scheme and regulate land uses in the local government area received a full review and an additional nine Policies were agreed to.

### **Subdivision Management**

The number of new lots created this year was down on previous years but at 260 new lots, still represents a significant number of new land for development. Subdivision Management involves many technical Officers working to process 73 applications for scheme amendment, local development plans and subdivisions, which will help our community grow towards a population of 50,000.

Officers provided technical advice and assessed:

- 13 event applications, 17 civil plans (amending four), and 336 planning applications.
- 494 building completions.
- Six storm water plans, 12 water management plans, and six traffic management plans.
- 202 crossovers.
- 26 condition clearances.

### **Objective 2.2 A sustainable natural environment.**

#### **Parks and Reserves Management**

We have been managing invasive species of both the plant and animal kind on a variety of Shire reserves across the localities, with much of the focus being on the reserves that contain high quality native vegetation with some control of weeds located on our road reserves. Some of the weeds that we have focused on controlling include: Cottonbush; Blackberry; Arum Lily;

Watsonia; Bridle Creeper; Lovegrass; Veldt Grass and Patersons Curse.

In addition, Environmental Officers continue to work with our Emergency Services in conducting fuel load assessments and hazard reduction burns in selected reserves when appropriate conditions allow. Our rotational Dieback control program, saw relevant reserves mapped and treated to control the spread of this pathogen in our natural areas.

We continue to work collaboratively with Landcare SJ and a wide variety of community groups who improve the environment through revegetating areas of degraded Shire reserves. We also continue to support the fantastic work that the various community and “friends of” groups do within our community to help keep our natural reserves in great condition.

### **Trails Strategy**

Trails build a connection between people and our local natural environment – creating a sense of ownership and belonging. In 2017/18 we have been heavily involved in the development of the Regional Peel Trails Master Plan review. All of the local governments in the Peel region have been pulling together local information about trails that will ultimately feed into the Peel Trails Strategy and local trails strategies.

From the trail surveys undertaken, approximately 495 km of a variety of sanctioned trails (walking, mountain bikes, equestrian, and 2 WD trails) have been identified within the Shire of Serpentine Jarrahdale. Of this total, we currently manage approximately 122 km of those trails.

As always, we work closely with the community through the local SJ Trails Incorporated group, which includes representatives of a variety of local groups and the other government agencies that manage and maintain the trails in our Shire. Congratulations are extended to the Jarrahdale Heritage Society who coordinated 340 volunteer hours to reestablish the walk from the Prisoner of War Camp to Sullivan’s Rock (Balmoral Trail).

We also provided local government representation on the Statewide implementation committee for the Western Australian Horse Trails Strategy.

### **Bridle Paths**

Bridle paths continue to be an important part of the Shire acting as a direct connection between localities. These linkages are important for the equine disciplines, but are regularly used by other members of the community.

These trails have an annual maintenance program which includes spraying and slashing. The Darling Downs Residents Association assist us by maintaining a selected area of trails and open area.

### **Landcare SJ**

We strengthened support for Landcare SJ through committing additional funding to their organisation. This has allowed them to continue to excel in delivering the fantastic environmental and community work through revegetation and community education.

### **Peel Harvey Biosecurity Group**

We continue to support biosecurity on private properties within the Shire, through an annual

contribution to the Peel Harvey Biosecurity Group. This group is a Registered Biosecurity Group and works closely with the Department of Primary Industry and Regional Development for control and compliance. We are actively involved in the identification of properties that are non-compliant with large infestations of weeds.

### **Natural Asset Management**

2017/2018 saw a call for public input into a bold new strategy to create cleaner, greener and a more sustainable future for neighbourhoods.

Submissions were taken to help shape the Shire's first Urban and Rural Forest Strategy – a framework for managing, protecting and retaining trees and native flora. The strategy promotes the creation of cool, shady, livable suburbs where healthy, mature trees are retained and new ones are planted.

The Urban and Rural Forest Strategy was a progressive move aimed at promoting the economic, environmental and social benefits of tree canopy cover.

The Urban and Rural Forest Strategy will also address planning requirements governing the removal of established trees and native plants from private and public land.

### **Waste Management & Recycling**

Through a tendering process, the Shire appointed Cleanaway for general waste collection allowing us to get better service and value for money.

We identified a need for a Waste Management Strategy to sustainably manage our increasing population's demand for waste services. A consultant has been appointed and the Strategy is anticipated to complete by June 2019.

In 2017/2018 we:

- Collected 676 tonnes of green waste.
- Collected 1,142 tonnes of hard waste (large items that cannot fit in a regular bin).
- Collected 7,916 tonnes of general waste (household and commercial waste).
- Helped you to recycle 2,461 tonnes of reusable waste.
- Took 8,836 tonnes of waste to land-fill.
- Collected 516,528 waste bins annually.
- Collected 522,312 recycle bins annually.
- Collected 17,952 commercial waste bins annually.
- Collected 4,464 commercial recycle bins annually.

# Prosperity

The Shire of Serpentine Jarrahdale strives to have an innovative, commercially diverse and prosperous economy. The following is a summary of the progress made towards these objectives during 2017/18.

## **Objective 3.1 A commercially diverse and prosperous economy.**

### **Economic Development**

In 2017/2018 we actively supported this objective by:

- Driving the strategic direction for local economic development by producing the Economic Development Strategy 2018-2023, and establishing the Economic Development Advisory Committee. Expressions of Interest were sought with five community representatives appointed to the Committee.
- Hosting over 250 face to face meetings with potential investors, developers and new business relocators, signifying the growing importance of Serpentine Jarrahdale as an attractive investment destination for the private sector.
- Developing and implementing a new Traineeship program that saw two young locals join the Shire to complete nationally accredited Certificate III in Business Administration during their one year traineeships.
- Promoted the diverse range of career opportunities available in local government at the Curtin Careers Expo.
- Worked as an active member of the Peel Regional Leadership Forum to promote economic and social development in the shire in a Peel regional approach with the City of Mandurah, Shire of Waroona, Shire of Murray and Shire of Boddington.

## **Objective 3.2 A vibrant tourist destination experience.**

### **Tourism**

This year saw the commencement of a major strategic review of local tourism opportunities, which will inform a tourism strategy in 2018/19. The principal aims of a tourism strategy is to:

- Identify opportunities for development of new and upgrading of existing tourism product to meet future visitor expectations and demands.
- Identify the need for new investment and infrastructure that supports the development of tourism in the Shire.
- Provide relevant, research based information on current and future tourism supply and demand.
- Provide recommendations on the focused priorities for engagement with key industry stakeholders, potential investors, tourists and the community.

- See many more tourists visit Serpentine Jarrahdale to discover and enjoy the many fabulous attractions we have to offer, just an hour away from 2 million people.

### **Objective 3.3 An innovative, connected transport network.**

#### **Road Maintenance**

The community told us that maintenance of transport infrastructure is a high priority, so in 2017/2018 we completed maintenance and bitumen repairs to roads, verges, gravel roads and road shoulders.

A full upgrade to existing roads (drainage, shoulders and road) were carried out on:

- Lowlands Rd, 1.18km from Summerfield Rd.
- Henderson Rd, 1.53km of road east from Punrak Rd.
- Bateman St – between Soldiers Rd and Gordin Way.
- Orton Rd – between Kargotich Rd and King Rd.
- Gossage Rd – 600m from Hopkinson Road.
- Elliott Rd - 1300m from the South Western Highway.
- King Rd – between Jackson Rd and Boomerang Rd.

Resurfacing of the roads (roads only) were carried out on:

- Briggs Rd, Byford, between Abernethy Rd and Thomas Rd (length=220m), installation of slow points and pavement stabilisation works.
- Clifton St, Byford, between Catherine St and Mary St (length=230m), kerb upgrade and asphalt overlay.
- Edward Crescent, Byford, between South Cr and Bradshaw Rd (length=350m), kerb upgrade and asphalt overlay.
- Alice Rd, Cardup, between Redcliffe Rd and Cardup Siding Rd (length=480m), pavement stabilisation works.
- Kiln Rd, Karrakup, vegetation pruning and road stabilisation works (length=1500m).
- Soldiers Rd, Cardup, between Bushlark St and Karbro Dr (length=990m), single coat seal.
- Marsh Court, Jarrahdale, from Medulla Rd entire length (length=570m), single coat seal.
- Jarraglen Rise, Jarrahdale, entire road (length=650m), shoulder upgrade and single coat seal.
- Tonkin St, Mundijong, between Paterson St to Baskerville Rd (length=500m), shoulder upgrade and single coat seal.
- Rapids Rd, Serpentine, between Gull Rd to Rowe Rd (length=600m), shoulder repair, crack patching and sealing.
- Mason Crt, Serpentine, entire road length (length=300m), shoulder repair and single coat seal.
- Nicholson Rd, Intersection Rowley Rd (length=300m), asphalt repair.

Pavement stabilisation and reseal works to existing roads were carried out on:

- Wright Road (length=250m).
- Soldiers Road (length=80m).
- Kargotich Road (length=3.1 km).
- Baigup Loop (length=300m).

### **Upgrades to Existing Bridges**

- Gooralong Brook – Jarrahdale Road Bridge - \$66,668 of Federal (2/3) and State Government (1/3) was spent to repair the bridge.
- Richardson Street – Removal of existing timber frame bridge and construction of new steel frame bridge at a cost of \$850,540. The benefits of the steel frame is low inspection and maintenance cost.

### **Drainage**

Significant drainage repairs, maintenance and upgrades were carried out on:

- Tonkin Street, Mundijong – upgrade of existing drainage.
- Soldiers Road / Cardup Siding Road intersection – repair pit and replace damaged pipe.
- Clondyke Drive / South Western Highway intersection – additional connection within two pits.
- Bateman Street - upgrade drainage by burying the drainage pipes along the northern side of the road.
- Gossage Road – culvert renewal works.
- Other minor drainage works.

### **Footpaths & Cycleways**

Work was undertaken to develop a holistic program aimed at improving interconnectivity between the community and places of interest in the shire. This included work on kerbs and footpaths to the value of \$150,000 including:

Construction of new Footpaths:

- Tonkin Street, Mundijong – new connection.
- Gordin Way, Byford – connect school, commercial and residential precincts.
- Falls Rd, Serpentine – connection between Serpentine Falls Park Home and Tourist Village and Serpentine Town.
- South Western Highway, Byford – new path connecting commercial precinct to residential areas.
- Bateman Street, Byford – new path connecting residential area, schools and sport activity centers.

Renewals of existing footpaths:

- Jarrahdale Rd 3.87km, 2m width.
- Cockram St between Butcher St and Paterson St, 780m 2.5m width.

### **Kingsbury Drive Overpass**

In September 2017, Council resolved to permit Alcoa of Australia to construct a bridge over Kingsbury Drive. The bridge will allow heavy vehicle access across Kingsbury Drive to their respective mine sites. Shire Officers undertook the assessment and approvals of the Traffic Management Plan, provided technical specifications for the reinstatement of Kingsbury Drive upon completion, assisted with queries relating to drainage and road widening and continue to monitor the quality assurance of the road construction works.

### **Objective 3.4 An innovation centre of excellence.**

#### **Economic Development**

Seven community members were appointed to the Economic Development Advisory Committee in November 2017 to work with Council to achieve economic development outcomes for the Shire.

There is an amazing opportunity to be a key mover and shaker in the proposed Whitby Drone Research Hub and Innovation Centre of Excellence. We are partnering with leaders such as Murdoch University, Edith Cowan University and Regional Development Australia Perth, to bring to life a transformational high technology centre that will link up with trendsetters such as defence industries, oil and gas, mining and aviation. The centre is envisaged to be a leader in drone technology, pilot training and certification and research. This will be a multi-million dollar enterprise which when built could employ up to 200 people.

## **Progressive**

**The Shire of Serpentine Jarrahdale aims to be a resilient organisation demonstrating unified leadership and governance. The following is a summary of the progress made towards these objectives during 2017/18.**

### **Objective 4.1 A resilient, efficient and effective organisation.**

#### **Customer Service**

In May 2018, we renovated the reception area to improve functionality and the overall customer experience at the Administration Office. The space now has multiple work stations, allowing for quicker customer response times. Implementing cashiering across all front counter service areas has enabled staff to address a greater number of customer enquiries with a single point of contact. This renovation included the addition of two new consulting rooms to assist with

confidential customer enquiries including one with relevant IT infrastructure for optimal customer support.

Our Customer Service Team took 12,478 of your phone calls and served 7,000 of you at our Administration Centre - an average of 28 people visit our office per day.

In 2017/2018 our Records team:

- Distributed 7,247 of your letters.
- Received 19,504 of your emails.
- Recorded 4,892 letters, applications, forms, submissions and questions that you dropped off to our Administration Centre.

### **Communications Marketing & Media**

In 2017/2018 we:

- Engaged with you on Facebook more than 109,000 times.
- Reached nearly 1.2 million people through our Facebook page.
- Sent e-newsletters to 3,321 subscribers.
- Communicated with you each month through the Scarp Voice.
- Liaised with the media by sending 64 media releases and responding to 62 media enquiries.

### **Objective 4.2 A strategically focused Council.**

#### **Partnerships & Advocacy**

We are committed to strategic forward thinking and leveraging opportunities in existing and future partnerships to enhance and maximise efforts to advocate and lobby for more funding, resources and better services.

To complement our advocacy tactics we actively collaborated with neighbouring local governments for the advancement of mutually beneficial projects such as the extension of Tonkin Highway and Byford Metronet.

We raised the profile of the Shire with other government agencies and private sectors, resulting in major project funding commitments such as the extension of Tonkin Highway and Byford Metronet, and increasing large private investments.

We represented local government on the Across Government Advisory Group on WA food borne illness reduction strategy.

We gained support from WALGA to formalise a statewide working group on the effectiveness of aerobic treatment units (ATU's)

## Governance & Compliance

Significant reviews were undertaken into Shire governance and compliance early in 2017/2018. As a result of these reviews, improvements to process and procedure were implemented.

Moving forward, we will be appointing an Internal Auditor in 2018/2019 to meet contemporary government standards which will lead to significant business efficiency and cost reductions.

Implementation of a centre lead procurement process as opposed to a decentralised model, has led to a significant and active focus on the procurement function. This has yielded cost savings in excess of a million dollars in the first months of operation.

We saw a big improvement in data for asset management purposes and truth in financial reporting as a result of work undertaken in Asset revaluation and data pickup.

2017/2018 also saw the establishment of an Audit, Risk and Governance Committee in accordance with the *Local Government Act 1995*. This Committee comprises Councillors and two independent community representatives who work on all matters relating to:

- The integrity of the Shire's financial statements.
- Compliance with legal and statutory requirements.
- External audit.
- Internal audit.
- Risk Management Framework.

## Delegated Authority & Council Policies

The *Local Government Act 1995* requires that the Shire's Delegated Authority Register be reviewed annually. A report on the Council's statutory delegations was considered by Council at a Special Council Meeting held on 19 December 2017.

A full review of Council Policies was undertaken in 2017/2018 with the following new Policies adopted:

- 1.1.12 Habitual or Vexatious Complainants,
- 1.1.14 - Forums of Council - Policy Concept Forums, Question & Answer Agenda Forums and Workshops,
- 1.1.17 – Refreshment and Alcohol Policy,
- 1.1.18 – Complaint Resolution,
- 1.3.3 – Social Media (New),
- 2.1.12 – Street Trees,
- 3.2.10 – Significant Accounting Policies,
- 3.2.12 – Draft Borrowings,
- 3.2.13 – Cash Reserves,
- 3.3.1 – Customer Service,
- 3.3.2 - Panels of Pre-Qualified Suppliers,
- 4.1.2 – Waiving and Refunding of Fees.

# Statutory Reports

## **RECORD KEEPING STATEMENT**

Annual reviews are conducted on all record keeping procedures and policies, any resulting amendments are authorised and communicated to staff and Councillors.

Audits are completed on a regular basis of all documents recorded to ensure compliance with the Shire of Serpentine Jarrahdale titling and naming conventions and correct registration. Staff are advised of amendments to records and offered additional assistance or training if required.

The Chief Executive Officer must instigate a comprehensive review of the Shire of Serpentine Jarrahdale's Record Keeping Plan a minimum of once every five years, evaluating effectiveness and efficiency. A full copy of the resulting report must be provided to all relevant stakeholders and made available to all staff.

As part of staff induction, the roles and responsibilities of every employee, in relation to compliance with the record keeping plan, are addressed. New staff are provided with relevant literature regarding compliance to the State Records Act and within five days of commencement participate in induction sessions on the correct recording of all documents. Ongoing training sessions are conducted by Information Services, which are able to be more detailed and focused on the needs and work practices of the user. Refresher one-on-one training is also available on request. Future training offered will be more comprehensive with the inclusion of a dedicated Trainer to cover all aspects of system and compliance training requirements.

## **FREEDOM OF INFORMATION**

As a public authority the Shire has an obligation to provide certain information under the provisions of the *Freedom of Information Act 1992* (FOI). During the 2017/2018 year, 18 requests were received for information under FOI.

## **REGISTER OF COMPLAINTS**

During 2017/2018 there were no complaints of minor breaches that resulted in action as per Section 5.121 of the *Local Government Act 1995*.

## **DISABILITY ACCESS AND INCLUSION**

In 2017/2018 we reviewed our Access and Inclusion Plan and Access and Inclusion Implementation Plan (DAIP) for the period 2018-2022. These plans were adopted by Council at its ordinary meeting of 27 November 2017.

Of the 26 strategies across the seven outcome areas in the Shire's Access and Inclusion Implementation Plan identified for completion in the 2017/18 financial year, 17 were implemented. The nine outcomes not implemented are intended to be achieved in the 2018/2019 financial year.

Key achievements include:

- The establishment of the Access and Inclusion Advisory Committee to oversee the progress and achievements of the Access and Inclusion Implementation Plan.
- The attendance of interpreters at appropriate Shire organised events and workshops (on request).
- An annual allocation of funds to address access issues at Shire owned and managed community facilities.
- Works were undertaken to address access issues between the Shire Administration building and the Mundijong Public Library.

These achievements are mostly the result of strategies from Outcome One (relating to services and events), Outcome Six (relating to consultation) and Outcome Two (relating to accessibility of buildings and facilities).

We have fulfilled our obligations under the Disability Services Act 1993 by reporting on progress against the strategies outlined for completion in the 2017/18 financial year to achieve each of the seven outcome areas.

Level of achievement	Outcome 1 Services & Events	Outcome 2 Buildings and Other Facilities	Outcome 3 Information	Outcome 4 Level and Quality of Service	Outcome 5 Complaints	Outcome 6 Consultation	Outcome 7 Employment
Number of strategies planned:	6	4	4	4	2	3	3
Strategies implemented and highly effective:	2	0	1	0	0	0	0
Strategies implemented and somewhat effective:	2	1	1	2	0	3	1
Strategies implemented but ineffective:	0	1	0	0	0	0	0
Strategies implemented but not evaluated:	1	1	0	0	1	0	0
Strategies not implemented:	1	1	2	2	1	0	2

## NATIONAL COMPETITION POLICY STATEMENT

The Federal and State governments have a Competition Principals Agreement in place, which is binding on local government.

The Agreement requires the Shire to carry out a number of procedures and include a report on

the matter in each year's Annual Report. The three areas that affect local government are:

1. **Competitive neutrality**  
To remove benefits (and costs) which accrue to government business as a result of their public ownership.
2. **Structural reform**  
Local government is required to reform the structure of publicly owned monopoly businesses where it is proposed to introduce competition.
3. **Legislation review**  
To review legislation that restricts competition.

The full requirements of the package are contained in a statement issued by the Department of Local Government, Sport, and Cultural Industries.

### **Competitive Neutrality**

There are several tests to apply that assist in determining if there is a 'significant business enterprise':

1. Does the activity receive revenue from external sources that exceeds \$200,000 per annum? (In determining this amount, Council has been advised to disregard grant income, internal charges, and statutory fees.)
2. Would the benefits to be realised from the implementation of competitive neutrality exceed the costs?
- 3.

From an examination of the revenue statement of the Shire for the preceding period, there is no activity that satisfies this first part of the test, and accordingly the principles of competitive neutrality do not apply to any Council activities.

### **Structural Reform**

In this area, Council has no monopoly activities. What is basic to the function of restructuring public monopolies is the splitting or division of the regulatory role from the service provision role.

To address the question of monopoly, the following test has been applied to each activity:

1. **Definition:** In regards to this service, does Council have 'exclusive or near exclusive control of the market supply of this service?'
2. **Dual function:** Does Council have both a regulatory and supply function in this area of activity?

### **Legislation Review**

Council has a portfolio of local laws (previously known as by-laws) which may or may not conflict with the Competition Principles Agreement. These local laws will be reviewed to ensure compliance with the reporting requirements.

As a result of the review, a report will be produced which provides the following information regarding existing local laws:

- Statement of objective to be specified for each local law.
- Statement of possible restrictions that may result as a consequence of the application of

the local law.

- Statement of likely effects on the restriction of competition.
- Statement of costs and benefits of the restrictions.
- Statement of proposal for alternatives.

In conducting the review, in particular concerning provision of services, Council will consider the effect of local laws with regard to how they:

- Regulate the entry and exit of participants in various markets.
- Control pricing or production levels.
- Regulate the price of goods or services used in various production processes.
- Regulate the quality, amount, or location of goods and service delivery.
- Regulate advertising and promotional activities.
- Confer benefits on particular classes of competitors.
- Allow only one entity to supply a good or service.
- Require producers of goods or services to sell to a single entity.
- Limit the number of actual or potential producers of goods or services in a market.
- Limit the output of an entity.
- Limit the number of people that can be engaged in an occupation or activity.

The finding of the review will be implemented, on a staged basis over time, by the repeal of inappropriate provisions and the adoption of new local laws where necessary.

## Statement of Salaries

	2018	2017	2016
210,000 - 219,999		1	1
200,000 – 209,999	1		
190,000 -199,999			
180,000 - 189,999			
170,000 - 179,999			
160,000 - 169,999	3		
150,000 - 159,999			
140,000 - 149,999	1	3	3
130,000 - 139,999			
120,000 - 129,999	6	1	1
110,000 - 119,999	8	6	1
100,000 -109,999	1	3	2

# 2018/2019 - the Year Ahead

We continue to be one of the fastest growing local government in Western Australia. While being a hyper-growth Council provides a wealth of opportunities to lead the way across our State in terms of innovation, we also face significant challenges. We will continue to lobby the State and Federal Governments to bolster our ability to provide key community facilities, services, and programs.

Our community will benefit in a number of ways across the 2018/2019 financial year, as we focus on improving our buildings, community facilities, infrastructure, and public open spaces.

- Investment in constructing new buildings and facilities, and renewing existing ones.
- Upgrade of Briggs Park Lower Oval at a cost of \$4.5m.
- \$2.9m budgeted for routine maintenance programs, ensuring that we maintain the natural beauty of our public open spaces.
- \$13.3m in new road, footpath and drainage infrastructure and renewal programs, and \$3m on routine maintenance programs.

We will work to build capacity in and support our community by:

- Continuing to support community groups and individuals in the Shire through a range of grants.
- Transitioning Youth Services to an in-house model and deliver on outcomes for our youth.
- Undertaking a consultative process to determine what sports will be located at Kiernan Park Recreation Precinct.
- Protecting the biodiversity of significant areas of bush land, as well as supporting Landcare SJ by way of a cash contribution, the provision of office space and administrative support. We will also maintain the free verge plant scheme.
- Supporting our fire and emergency services volunteers.

Plans and strategies are important by providing direction for the future. In 2018/2019 we will work on the following plans and strategies and will strengthen our community's vision for the Shire:

- Urban & Rural Forrest Strategy.
- Ageing Well Strategy.
- BMX Relocation Feasibility Study.
- Tourism Strategy.
- Equine Strategy.
- Local Development Strategies.
- Sport and Active Recreation Plan

- Local Planning Strategies.
- Integrated Water Management Strategy.
- Local Area Cycling and Walking Plan.
- Public Art Strategy.

We look forward to reporting on these achievements and more in 2018/2019.

# Financial Report 2017 - 2018

**SHIRE OF SERPENTINE JARRAHDALÉ**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2018**

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Principal place of business:  
6 Paterson Street  
Mundijong WA 6123

SHIRE OF SERPENTINE JARRAHDALE  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Serpentine Jarrahdale for the financial year ended 30 June 2018 is based on proper accounts and records to present fairly the financial position of the Shire of Serpentine Jarrahdale and the results of the operations for the financial year then ended in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed as authorisation of issue on the

6

day of 11

2018



\_\_\_\_\_  
KR Donohoe  
Chief Executive Officer

**STATEMENT OF COMPREHENSIVE INCOME  
BY NATURE OR TYPE  
FOR THE YEAR ENDED 30TH JUNE 2018**

	NOTE	2018 Actual \$	2018 Budget \$	2017 Actual \$
<b>Revenue</b>				
Rates	21	21,048,793	21,965,297	20,383,470
Operating grants, subsidies and contributions	2(a)	3,630,698	2,051,123	4,639,865
Fees and charges	2(a)	6,184,900	6,744,274	5,651,354
Interest earnings	2(a)	941,738	754,000	834,114
Other revenue	2(a)	832,322	871,067	1,038,644
		<u>32,638,451</u>	<u>32,385,761</u>	<u>32,547,447</u>
<b>Expenses</b>				
Employee costs		(13,915,741)	(14,904,524)	(12,602,161)
Materials and contracts		(12,855,250)	(14,102,794)	(12,348,600)
Utility charges		(974,300)	(934,423)	(1,154,264)
Depreciation on non-current assets	11(b)	(6,306,178)	(5,305,661)	(5,601,257)
Interest expenses	2(b)	(79,796)	(118,160)	(85,681)
Insurance expenses		(421,982)	(411,916)	(449,482)
Other expenditure		(910,769)	(1,205,723)	(133,046)
		<u>(35,464,016)</u>	<u>(36,983,201)</u>	<u>(32,374,491)</u>
		<u>(2,825,565)</u>	<u>(4,597,440)</u>	<u>172,956</u>
Non-operating grants, subsidies and contributions	2(a)	4,325,601	7,646,905	4,839,778
Profit on asset disposals	11(a)	4,305	49,686	5,553
(Loss) on asset disposals	11(a)	(58,915)	(27,788)	(77,430)
<b>Net result</b>		<b>1,445,426</b>	<b>3,071,363</b>	<b>4,940,857</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	12(a)	138,691,450	0	(1,732,314)
Changes on subsequent measurement of available for sale financial assets	12(b)	(5,040)	0	(3,780)
<b>Total other comprehensive income</b>		<b>138,686,410</b>	<b>0</b>	<b>(1,736,094)</b>
<b>Total comprehensive income</b>		<b>140,131,836</b>	<b>3,071,363</b>	<b>3,204,763</b>

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

**STATEMENT OF COMPREHENSIVE INCOME  
BY PROGRAM  
FOR THE YEAR ENDED 30TH JUNE 2018**

OCM135.1/11/18

	NOTE	2018 Actual	2018 Budget	2017 Actual
		\$	\$	\$
<b>Revenue</b>	2(a)			
Governance		160	0	0
General purpose funding		24,964,669	24,311,558	25,567,779
Law, order, public safety		704,875	537,760	559,042
Health		160,286	181,650	174,811
Education and welfare		8,190	500	621
Community amenities		4,870,964	5,217,154	4,120,029
Recreation and culture		625,392	385,565	400,371
Transport		314,266	504,052	487,904
Economic services		647,253	784,670	774,114
Other property and services		342,396	462,852	462,776
		<b>32,638,451</b>	<b>32,385,761</b>	<b>32,547,447</b>
<b>Expenses</b>	2(a)			
Governance		(1,639,257)	(2,178,612)	(2,615,830)
General purpose funding		(741,428)	(860,398)	(750,706)
Law, order, public safety		(2,634,866)	(2,655,175)	(2,054,997)
Health		(980,947)	(1,112,124)	(854,845)
Education and welfare		(41,295)	(20,639)	(21,526)
Community amenities		(9,497,891)	(10,573,181)	(8,216,396)
Recreation and culture		(8,459,051)	(7,975,618)	(6,198,806)
Transport		(8,530,847)	(8,340,611)	(8,751,358)
Economic services		(2,495,962)	(2,726,943)	(2,385,050)
Other property and services		(362,676)	(421,740)	(439,296)
		<b>(35,384,220)</b>	<b>(36,865,041)</b>	<b>(32,288,810)</b>
<b>Finance Costs</b>	2(a)			
Governance		(34,098)	(31,181)	(36,337)
Recreation and culture		(35,064)	(31,742)	(49,344)
Transport		(10,634)	(55,237)	0
		<b>(79,796)</b>	<b>(118,160)</b>	<b>(85,681)</b>
		<b>(2,825,565)</b>	<b>(4,597,440)</b>	<b>172,956</b>
Non-operating grants, subsidies and contributions	2	4,325,601	7,646,905	4,839,778
Profit on disposal of assets	11(a)	4,305	49,686	5,553
(Loss) on disposal of assets	11(a)	(58,915)	(27,788)	(77,430)
		<b>4,270,991</b>	<b>7,668,803</b>	<b>4,767,901</b>
<b>Net result</b>		<b>1,445,426</b>	<b>3,071,363</b>	<b>4,940,857</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	12(a)	138,691,450	0	(1,732,314)
Changes on subsequent measurement of available for sale financial assets	12(b)	(5,040)	0	(3,780)
<b>Total other comprehensive income</b>		<b>138,686,410</b>	<b>0</b>	<b>(1,736,094)</b>
<b>Total comprehensive income</b>		<b>140,131,836</b>	<b>3,071,363</b>	<b>3,204,763</b>

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

**STATEMENT OF FINANCIAL POSITION  
AS AT 30TH JUNE 2018**

OCM135.1/11/18

	NOTE	2018	2017
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	21,775,333	24,589,346
Trade and other receivables	6	2,261,385	1,960,726
Inventories	7	26,947	61,421
<b>TOTAL CURRENT ASSETS</b>		<b>24,063,665</b>	<b>26,611,493</b>
<b>NON-CURRENT ASSETS</b>			
Other receivables	6	149,504	149,784
Investments	4	17,885	22,925
Property, plant and equipment	8(a)	43,173,116	43,124,169
Infrastructure	9(a)	358,609,486	214,921,372
Investment Property	10	747,182	0
<b>TOTAL NON-CURRENT ASSETS</b>		<b>402,697,173</b>	<b>258,218,250</b>
<b>TOTAL ASSETS</b>		<b>426,760,838</b>	<b>284,829,743</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	1,798,376	2,123,421
Current portion of long term borrowings	14(a)	668,942	408,519
Provisions	15	1,703,605	1,926,618
<b>TOTAL CURRENT LIABILITIES</b>		<b>4,170,923</b>	<b>4,458,558</b>
<b>NON-CURRENT LIABILITIES</b>			
Long term borrowings	14(a)	3,048,421	955,439
Provisions	15	246,248	252,336
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>3,294,669</b>	<b>1,207,775</b>
<b>TOTAL LIABILITIES</b>		<b>7,465,592</b>	<b>5,666,333</b>
<b>NET ASSETS</b>		<b>419,295,246</b>	<b>279,163,410</b>
<b>EQUITY</b>			
Retained surplus		95,912,567	92,336,281
Reserves - cash/investment backed	5	17,223,437	19,354,297
Revaluation surplus	12(a)	306,173,582	167,482,132
Financial assets revaluation surplus	12(b)	(14,340)	(9,300)
<b>TOTAL EQUITY</b>		<b>419,295,246</b>	<b>279,163,410</b>

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

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30TH JUNE 2018

OCM135.1/11/18

	NOTE	RETAINED SURPLUS	RESERVES CASH/INVESTMENT BACKED	REVALUATION SURPLUS	FINANCIAL ASSETS REVALUATION SURPLUS	TOTAL EQUITY
		\$	\$	\$		\$
<b>Balance as at 1 July 2016</b>		<b>100,646,210</b>	<b>6,103,511</b>	<b>169,214,446</b>	<b>(5,520)</b>	<b>275,958,647</b>
Comprehensive income						
Net result		4,940,857	0	0	0	4,940,857
Changes on revaluation of assets	12(a)	0	0	(1,732,314)	(3,780)	(1,736,094)
Total comprehensive income		4,940,857	0	(1,732,314)	(3,780)	3,204,763
Transfers from/(to) reserves		(13,250,786)	13,250,786	0	0	0
<b>Balance as at 30 June 2017</b>		<b>92,336,281</b>	<b>19,354,297</b>	<b>167,482,132</b>	<b>(9,300)</b>	<b>279,163,410</b>
Comprehensive income						
Net result		1,445,426	0	0	0	1,445,426
Changes on revaluation of assets	12(a)	0	0	138,691,450	(5,040)	138,686,410
Total comprehensive income		1,445,426	0	138,691,450	(5,040)	140,131,836
Transfers from/(to) reserves		2,130,860	(2,130,860)	0	0	0
<b>Balance as at 30 June 2018</b>		<b>95,912,567</b>	<b>17,223,437</b>	<b>306,173,582</b>	<b>(14,340)</b>	<b>419,295,246</b>

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

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30TH JUNE 2018**

	NOTE	2018 Actual	2018 Budget	2017 Actual
		\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		20,779,682	22,165,297	20,022,881
Operating grants, subsidies and contributions		3,619,996	2,136,123	5,565,139
Fees and charges		6,184,900	6,744,274	5,651,354
Interest earnings		941,738	754,000	834,114
Goods and services tax		2,505,522	0	1,331,399
Other revenue		832,322	871,067	1,032,863
		34,864,160	32,670,761	34,437,750
<b>Payments</b>				
Employee costs		(14,144,842)	(15,271,506)	(13,041,879)
Materials and contracts		(13,156,288)	(14,339,555)	(12,112,023)
Utility charges		(974,300)	(934,423)	(1,154,264)
Interest expenses		(69,329)	(118,160)	(85,791)
Insurance expenses		(421,982)	(411,916)	(449,482)
Goods and services tax		(2,526,088)	0	(1,351,942)
Other expenditure		(910,769)	(1,205,723)	(133,047)
		(32,203,598)	(32,281,283)	(28,328,428)
<b>Net cash provided by (used in) operating activities</b>	16	2,660,562	389,478	6,109,322
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of Investment Property		(747,182)	0	0
Payments for purchase of property, plant & equipment		(1,992,041)	(2,484,274)	(1,529,000)
Payments for construction of infrastructure		(9,584,144)	(19,610,703)	(3,626,581)
Non-operating grants, subsidies and contributions		4,325,601	7,646,905	4,839,778
Proceeds from sale of fixed assets		169,786	449,000	308,340
<b>Net cash provided by (used in) investment activities</b>		(7,827,980)	(13,999,072)	(7,463)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of long term borrowings		(408,519)	(547,756)	(386,723)
Proceeds from new long term borrowings		2,761,924	2,761,924	0
<b>Net cash provided by (used in) financing activities</b>		2,353,405	2,214,168	(386,723)
<b>Net increase (decrease) in cash held</b>		(2,814,013)	(11,395,426)	5,715,136
Cash at beginning of year		24,589,346	24,012,456	18,874,210
<b>Cash and cash equivalents at the end of the year</b>	16	21,775,333	12,617,030	24,589,346

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

**RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2018**

OCM135.1/11/18

	NOTE	2018 Actual	2018 Budget	2017 Actual
		\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>		3,105,535	2,735,736	2,235,294
		3,105,535	2,735,736	2,235,294
<b>Revenue from operating activities (excluding rates)</b>				
Governance		160	0	0
General purpose funding		3,915,876	2,346,260	5,184,309
Law, order, public safety		704,875	548,474	559,042
Health		160,286	185,307	174,811
Education and welfare		8,190	500	621
Community amenities		4,870,964	5,222,813	4,120,029
Recreation and culture		625,392	385,565	400,371
Transport		316,057	511,751	488,536
Economic services		647,253	791,968	774,114
Other property and services		344,910	477,510	467,697
		11,593,963	10,470,148	12,169,530
<b>Expenditure from operating activities</b>				
Governance		(1,673,355)	(2,211,075)	(2,653,532)
General purpose funding		(741,428)	(860,398)	(750,706)
Law, order, public safety		(2,654,004)	(2,656,432)	(2,108,167)
Health		(980,947)	(1,112,124)	(854,845)
Education and welfare		(41,295)	(20,639)	(21,526)
Community amenities		(9,497,892)	(10,583,434)	(8,216,396)
Recreation and culture		(8,494,115)	(8,010,246)	(6,248,150)
Transport		(8,570,732)	(8,401,904)	(8,767,840)
Economic services		(2,495,962)	(2,726,943)	(2,385,050)
Other property and services		(373,202)	(427,795)	(445,708)
		(35,522,932)	(37,010,990)	(32,451,920)
<b>Operating activities excluded</b>				
(Profit) on disposal of assets	11(a)	(4,305)	(49,686)	(5,553)
Loss on disposal of assets	11(a)	58,915	27,788	77,430
Prior year transfer between Capital Works in Progress and Inventory		31,881	0	0
Movement in deferred pensioner rates (non-current)		280	0	(6,752)
Movement in employee benefit provisions (non-current)		(6,088)	0	(5,725)
Depreciation and amortisation on assets	11(b)	6,306,178	5,305,661	5,601,257
<b>Amount attributable to operating activities</b>		(14,436,573)	(18,521,343)	(12,386,439)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions		4,325,601	7,646,905	4,839,778
Proceeds from disposal of assets	11(a)	169,786	449,000	308,340
Purchase of investment property		(747,182)	0	0
Purchase of property, plant and equipment	8(b)	(1,992,041)	(2,484,274)	(1,529,000)
Purchase and construction of infrastructure	9(b)	(9,584,144)	(19,610,703)	(3,626,581)
<b>Amount attributable to investing activities</b>		(7,827,980)	(13,999,072)	(7,463)
<b>FINANCING ACTIVITIES</b>				
Repayment of long term borrowings	14(a)	(408,519)	(547,756)	(386,723)
Proceeds from new long term borrowings	14(b)	2,761,924	2,761,924	0
Increase/(decrease) in financial asset		(5,040)	0	(3,780)
Transfers to reserves (restricted assets)	5	(4,893,992)	(4,513,176)	(14,951,556)
Transfers from reserves (restricted assets)	5	7,024,852	12,849,867	1,700,770
Transfers to restricted cash		(2,145,924)	0	(1,980,439)
Transfers from restricted cash		9,458	0	10,737,695
<b>Amount attributable to financing activities</b>		2,342,759	10,550,859	(4,884,033)
<b>Surplus(deficiency) before general rates</b>		(19,921,794)	(21,969,556)	(17,277,935)
<b>Total amount raised from general rates</b>	21	21,048,793	21,965,297	20,383,470
<b>Net current assets at June 30 c/fwd - surplus/(deficit)</b>	22	<b>1,126,999</b>	<b>(4,259)</b>	<b>3,105,535</b>

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

## 1. 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. Accounting policies which have been adopted in the preparation of this financial report 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 24 to these financial statements.

### AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY 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.

**2. REVENUE AND EXPENSES**

(a) Revenue	2018 Actual	2017 Actual
	\$	\$
<b>Other revenue</b>		
Reimbursements and recoveries	831,162	925,032
Other	1,160	113,612
	832,322	1,038,644
<b>Fees and Charges</b>		
General purpose funding	195,343	235,069
Law, order, public safety	173,729	152,183
Health	72,809	63,311
Education and welfare	811	621
Community amenities	4,870,964	4,114,762
Recreation and culture	71,777	71,499
Transport	162,455	237,294
Economic services	622,989	764,921
Other property and services	14,023	11,694
	6,184,900	5,651,354

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

## 2. REVENUE AND EXPENSES (Continued)

### (a) Revenue (Continued)

#### Grant Revenue

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

	2018	2017
	\$	\$
<b>Operating grants, subsidies and contributions</b>		
General purpose funding	2,572,362	3,846,202
Law, order, public safety	530,081	403,114
Education and welfare	7,379	0
Community amenities	0	5,266
Recreation and culture	361,027	125,883
Transport	150,881	250,207
Economic services	8,968	9,193
	<b>3,630,698</b>	<b>4,639,865</b>
<b>Non-operating grants, subsidies and contributions</b>		
Law, order, public safety	431,382	753,470
Community amenities	112,273	520,542
Recreation and culture	50,000	296,468
Transport	3,731,946	3,269,298
	<b>4,325,601</b>	<b>4,839,778</b>
<b>Total grants, subsidies and contributions</b>	<b>7,956,299</b>	<b>9,479,643</b>

#### SIGNIFICANT ACCOUNTING POLICIES

##### Grants, Donations and Other Contributions

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

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

**Grants, Donations and Other Contributions (Continued)**  
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 20. 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 period.

#### Interest earnings

- Reserve funds	389,827	260,000	304,895
- Other funds	171,503	200,000	201,653
Other interest revenue (refer note 26(e))	380,408	294,000	327,566
	<b>941,738</b>	<b>754,000</b>	<b>834,114</b>

	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
	389,827	260,000	304,895
	171,503	200,000	201,653
	380,408	294,000	327,566
	<b>941,738</b>	<b>754,000</b>	<b>834,114</b>

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

**Auditors remuneration**

- Audit of the Annual Financial Report
- Consultancy Services
- Other Services

**Interest expenses (finance costs)**

- Long term borrowings (refer Note 14(a) )

**Rental charges**

- Operating leases

	2018	2017
	\$	\$
	21,146	30,820
	20,764	61,664
	5,925	7,571
	47,835	100,055
	79,796	85,681
	79,796	85,681
	882,665	864,282
	882,665	864,282

### 3. CASH AND CASH EQUIVALENTS

	NOTE	2018 \$	2017 \$
Unrestricted		2,340,648	5,165,307
Restricted Cash		19,434,685	19,424,039
		<b>21,775,333</b>	<b>24,589,346</b>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Reserves cash backed - Administration Building	5	135,201	296,173
Reserves cash backed - Briggs Park	5	156,097	162,431
Reserves cash backed - Buildings Asset Management	5	841,036	851,169
Reserves cash backed - Byford BMX Track	5	273,004	330,594
Reserves cash backed - Byford Developer Contribution Fund	5	7,035,645	7,480,762
Reserves cash backed - Byford Locality Funding	5	0	33,505
Reserves cash backed - Car Parking Reserve	5	87,273	0
Reserves cash backed - Committed Works	5	81,017	1,212,470
Reserves cash backed - Community Facilities	5	283,227	278,176
Reserves cash backed - Community Grants	5	425,399	0
Reserves cash backed - Drainage Asset Management Reserve	5	285,138	0
Reserves cash backed - Emergency Management Fund	5	254,540	250,000
Reserves cash backed - Fire Asset Management Reserve	5	28,307	0
Reserves cash backed - Footpaths Asset Management	5	40,879	0
Reserves cash backed - Investment	5	664,229	651,419
Reserves cash backed - Jarrahdale Communications Tower	5	179,662	157,358
Reserves cash backed - Jarrahdale Community Infrastructure	5	50,000	0
Reserves cash backed - Jarrahdale Locality Funding	5	0	96,455
Reserves cash backed - Keysbrook Locality Funding	5	0	63,461
Reserves cash backed - Leave Reserve	5	315,607	309,978
Reserves cash backed - Light Fleet & Plant Acquisition	5	1,271,515	1,023,081
Reserves cash backed - Miscellaneous Developer Contribution	5	955,321	1,150,683
Reserves cash backed - Multi Use Trails	5	17,765	17,448
Reserves cash backed - Mundijong Locality Funding	5	0	93,915
Reserves cash backed - Mundijong Whitby Shire Contribution	5	201,816	100,000
Reserves cash backed - Oakford Locality Funding	5	0	128,530
Reserves cash backed - Parks & Gardens Asset Management	5	199,558	65,630
Reserves cash backed - Public Art	5	17,500	0
Reserves cash backed - Renewable Energy	5	33,150	32,559
Reserves cash backed - Road Asset Management	5	776,987	365,728
Reserves cash backed - Serpentine Jarrahdale Locality Funding	5	27,274	26,788
Reserves cash backed - Serpentine Jarrahdale Sporting Precinct	5	392,837	385,831
Reserves cash backed - Serpentine Locality Funding	5	0	100,572
Reserves cash backed - Tourism	5	14,373	8,156
Reserves cash backed - Unspent Grants & Contributions	5	0	1,475,773
Reserves cash backed - Waste	5	2,161,220	2,122,675
Reserves cash backed - Workers Compensation Premium	5	0	60,077
Unspent Borrowings	14	517,737	0
Unspent Grants, Contributions & Subsidies	20	1,711,371	92,642
		<b>19,434,685</b>	<b>19,424,039</b>

### SIGNIFICANT ACCOUNTING POLICIES

#### 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

#### Cash and cash equivalents (Continued)

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

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

#### 4. INVESTMENTS

**Available for Sale Financial Assets Comprises of:**

Unlisted Investments  
Listed Investments

At the beginning of the year  
Revaluation to revaluation reserve  
Other property and services

At the end of the year

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

Investment 5  
Tourism 5

2018	2017
\$	\$
10,025	10,025
7,860	12,900
17,885	22,925
22,925	26,705
(5,040)	(3,780)
(5,040)	(3,780)
17,885	22,925

10,000	10,000
7,860	12,900
17,860	22,900

#### SIGNIFICANT ACCOUNTING POLICIES

##### Classification and subsequent measurement

(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) 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.

(iii) 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.

##### 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).

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.

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.

#### SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Impairment (Continued)

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.

##### 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:

- the amount in which the financial asset or financial liability is measured at initial recognition;
- less principal repayments and any reduction for impairment; and
- 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.

##### 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.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

5 RESERVES - CASH/INVESTMENT BACKED

	2018 Actual Opening Balance	2018 Actual Transfer to	2018 Actual Transfer (from)	2018 Actual Closing Balance	2018 Budget Opening Balance	2018 Budget Transfer to	2018 Budget Transfer (from)	2018 Budget Closing Balance	2017 Actual Opening Balance	2017 Actual Transfer to	2017 Actual Transfer (from)	2017 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Reserves cash backed - Administration Building	296,173	5,378	(166,350)	135,201	279,011	3,756	(270,000)	12,767	1,809	324,389	(30,025)	296,173
Reserves cash backed - Briggs Park	162,431	2,950	(9,284)	156,097	162,431	2,187	(100,000)	64,618	0	180,813	(18,382)	162,431
Reserves cash backed - Buildings Asset Management	851,169	205,680	(215,813)	841,036	846,605	201,621	(340,224)	708,002	761,687	120,348	(30,866)	851,169
Reserves cash backed - Byford BMX Track	330,594	6,003	(63,593)	273,004	328,613	4,424	(20,000)	313,037	330,787	8,836	(9,029)	330,594
Reserves cash backed - Byford Developer Contribution Fund	7,480,762	314,845	(759,962)	7,035,645	7,511,190	101,115	(5,036,809)	2,575,496	0	7,480,762	0	7,480,762
Reserves cash backed - Byford Locality Funding	33,505	0	(33,505)	0	33,485	0	(33,485)	0	3,414	30,091	0	33,505
Reserves cash backed - Car Parking Reserve	0	87,273	0	87,273	0	0	0	0	0	0	0	0
Reserves cash backed - Committed Works	1,212,470	0	(1,131,453)	81,017	1,332,599	0	(1,332,599)	0	0	1,212,470	0	1,212,470
Reserves cash backed - Community Facilities	278,176	5,051	0	283,227	276,553	3,723	0	280,276	270,938	7,238	0	278,176
Reserves cash backed - Community Grants	0	523,482	(98,083)	425,399	0	590,115	(214,000)	376,115	0	0	0	0
Reserves cash backed - Drainage Asset Management Reserve	0	450,000	(164,862)	285,138	0	451,481	(340,000)	111,481	0	0	0	0
Reserves cash backed - Emergency Management Fund	250,000	4,540	0	254,540	250,000	3,365	0	253,365	130,024	119,976	0	250,000
Reserves cash backed - Fire Asset Management Reserve	0	46,652	(18,345)	28,307	0	53,076	(20,000)	33,076	0	0	0	0
Reserves cash backed - Footpaths Asset Management	0	140,800	(99,921)	40,879	0	140,800	(140,800)	0	0	125,000	(125,000)	0
Reserves cash backed - Investment	661,419	12,810	0	674,229	657,355	8,849	0	666,204	643,625	17,794	0	661,419
Reserves cash backed - Jarrahdale Communications Tower	157,358	64,852	(42,548)	179,662	155,031	53,787	(43,130)	165,688	141,135	58,071	(41,848)	157,358
Reserves cash backed - Jarrahdale Community Infrastructure	0	50,000	0	50,000	0	0	0	0	0	0	0	0
Reserves cash backed - Jarrahdale Locality Funding	96,455	0	(96,455)	0	96,067	0	(96,067)	0	64,726	31,729	0	96,455
Reserves cash backed - Keysbrook Locality Funding	63,461	0	(63,461)	0	63,265	0	(63,265)	0	32,590	30,871	0	63,461
Reserves cash backed - Leave Reserve	309,978	5,629	0	315,607	358,455	4,825	(250,000)	113,280	459,652	12,279	(161,953)	309,978
Reserves cash backed - Light Fleet & Plant Acquisition	1,023,081	486,646	(238,212)	1,271,515	740,763	451,914	(509,200)	683,477	800,699	436,409	(214,027)	1,023,081
Reserves cash backed - Miscellaneous Developer Contribution	1,150,683	46,510	(241,872)	955,321	972,089	13,083	(25,000)	960,172		1,150,683	0	1,150,683
Reserves cash backed - Multi Use Trails	17,448	317	0	17,765	17,346	234	0	17,580	16,994	454	0	17,448
Reserves cash backed - Mundijong Locality Funding	93,915	0	(93,915)	0	93,542	0	(93,542)	0	62,252	31,663	0	93,915
Reserves cash backed - Mundijong Whitby Shire Contribution	100,000	101,816	0	201,816	100,000	101,346	0	201,346	0	100,000	0	100,000
Reserves cash backed - Oakford Locality Funding	128,530	0	(128,530)	0	127,955	0	(127,955)	0	95,966	32,564	0	128,530
Reserves cash backed - Parks & Gardens Asset Management	65,630	226,792	(92,864)	199,558	215,630	228,503	(225,600)	218,533	0	105,000	(39,370)	65,630
Reserves cash backed - Public Art	0	17,500	0	17,500	0	0	0	0	0	0	0	0
Reserves cash backed - Renewable Energy	32,559	591	0	33,150	32,369	436	0	32,805	31,712	847	0	32,559
Reserves cash backed - Road Asset Management	365,728	2,040,661	(1,629,402)	776,987	595,485	2,042,036	(2,034,020)	603,501	0	1,387,348	(1,021,620)	365,728
Reserves cash backed - Serpentine Jarrahdale Locality Funding	26,788	486	0	27,274	26,632	357	0	26,989	26,091	697	0	26,788
Reserves cash backed - Serpentine Jarrahdale Sporting Precinct	385,831	7,006	0	392,837	384,018	5,169	0	389,187	302,744	83,087	0	385,831
Reserves cash backed - Serpentine Locality Funding	100,572	0	(100,572)	0	108,760	0	(108,760)	0	77,161	32,061	(8,650)	100,572
Reserves cash backed - Tourism	21,056	1,177	0	22,233	13,125	177	(13,302)	0	16,680	4,376	0	21,056
Reserves cash backed - Unspent Grants & Contributions	1,475,773	0	(1,475,773)	0	1,327,281	17,867	(1,277,382)	67,766	0	1,475,773	0	1,475,773
Reserves cash backed - Waste	2,122,675	38,545	0	2,161,220	2,149,078	28,930	(75,000)	2,103,008	1,774,312	348,363	0	2,122,675
Reserves cash backed - Workers Compensation Premium	60,077	0	(60,077)	0	59,727	0	(59,727)	0	58,514	1,563	0	60,077
	19,354,297	4,893,992	(7,024,852)	17,223,437	19,314,460	4,513,176	(12,849,867)	10,977,769	6,103,512	14,951,556	(1,700,770)	19,354,297

All of the reserve accounts are supported by available for sale investments and/or money held in financial institutions and match the restricted cash in Note 3 and restricted investments in Note 4 of this financial report.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

**5 RESERVES - CASH/INVESTMENT BACKED (continued)**

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

<b>Name of Reserve</b>	<b>Anticipated date of use</b>	<b>Purpose of the reserve</b>
Reserves cash backed - Administration Building	Ongoing	To provide for the building accommodation requirements of the Administration.
Reserves cash backed - Briggs Park	2019	To provide for the future Briggs Park development as per the Briggs Park Master Plan.
Reserves cash backed - Buildings Asset Management	Ongoing	To provide for asset renewal expenditure for assets that have reached the end of their useful life.
Reserves cash backed - Byford BMX Track		To provide for the future Byford BMX track.
Reserves cash backed - Byford Developer Contribution Fund	Future Date	To provide for future community infrastructure funded from the Byford Developer Contribution Plan.
Reserves cash backed - Byford Locality Funding	Closed	To provide funds for community purposes as per the Locality Funding for Townscape Projects Policy.
Reserves cash backed - Car Parking Reserve	Future Date	To provide for future public car parking infrastructure funded from Developer contributions for cash-in-lieu of car parking.
Reserves cash backed - Committed Works	2019	To transfer unspent municipal funded expenditure on specific projects, to enable identification of carryover expenditure into the next financial year.
Reserves cash backed - Community Facilities	2019	This reserve is for the establishment of additional facilities in the community
Reserves cash backed - Community Grants	Future Date	To provide funds for individuals and community groups to build capacity within the community, encourage volunteering and youth development, and deliver sustainable, accessible and demonstrated social, environmental and economic benefits.
Reserves cash backed - Drainage Asset Management Reserve	Ongoing	To ensure minimal funding gap to asset management plan requirements.
Reserves cash backed - Emergency Management Fund	Ongoing	To provide for unanticipated significant emergency services events or plant repairs
Reserves cash backed - Fire Asset Management Reserve	Ongoing	To provide for the future additions and maintenance required for fire fighting assets and mitigation strategies.
Reserves cash backed - Footpaths Asset Management	Ongoing	To provide for asset renewal expenditure for assets that have reached the end of their useful life.
Reserves cash backed - Investment	Future Date	To support economic, subdivision and tourism development opportunities for the Shire.
Reserves cash backed - Jarrahdale Communications Tower	Future Date	To provide for the upgrades and maintenance of the tower when required.
Reserves cash backed - Jarrahdale Community Infrastructure	Future Date	To provide funds for the upgrade, renewal or replacement of community assets in the Jarrahdale locality.
Reserves cash backed - Jarrahdale Locality Funding	Closed	To provide funds for community purposes as per the Locality Funding for Townscape Projects Policy.
Reserves cash backed - Keysbrook Locality Funding	Closed	To provide funds for community purposes as per the Locality Funding for Townscape Projects Policy.
Reserves cash backed - Leave Reserve	2019	To be used to fund annual, sick (including depot EBA) and long service leave requirements.
Reserves cash backed - Light Fleet & Plant Acquisition	Ongoing	To provide for the replacement of Light Fleet, Plant and Equipment as required under the replacement and acquisition program.
Reserves cash backed - Miscellaneous Developer Contribution	Future Dates	To be used to fund capital works and administration as per each agreement
Reserves cash backed - Multi Use Trails	Future Date	To allow for the construction of Multi Use Trails.
Reserves cash backed - Mundijong Locality Funding	Closed	To provide funds for community purposes as per the Locality Funding for Townscape Projects Policy.
Reserves cash backed - Mundijong Whitby Shire Contribution	Future Dates	To provide towards the future contribution requirements of the Mundijong Whitby Community Development Contribution Scheme.
Reserves cash backed - Oakford Locality Funding	Closed	To provide funds for community purposes as per the Locality Funding for Townscape Projects Policy.
Reserves cash backed - Parks & Gardens Asset Management	Ongoing	To provide for asset renewal expenditure for assets that have reached the end of their useful life.
Reserves cash backed - Public Art	Future Date	Public art development and provision.
Reserves cash backed - Renewable Energy	Future Date	This reserve is to allow Council to undertake renewable energy projects.
Reserves cash backed - Road Asset Management	Ongoing	To provide for asset renewal expenditure for assets that have reached the end of their useful life.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

**5 RESERVES - CASH/INVESTMENT BACKED (continued)**

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

Reserves cash backed - Serpentine Jarrahdale Locality Funding	Future Date	Council initiated townscape related projects in the Serpentine Jarrahdale Shire.
Reserves cash backed - Serpentine Jarrahdale Sporting Precinct	Closed	To provide funds for the Serpentine Jarrahdale Regional Sporting Precinct when grant applications require contribution funding.
Reserves cash backed - Serpentine Locality Funding	Closed	To provide funds for community purposes as per the Locality Funding for Townscape Projects Policy.
Reserves cash backed - Tourism	Future Date	To fund the implementation of the tourism strategy and development of tourism throughout the district and region.
Reserves cash backed - Unspent Grants & Contributions	Closed	To restrict unspent grants & contributions.
Reserves cash backed - Waste	Future Date	To provide for waste management requirements and future waste infrastructure.
Reserves cash backed - Workers Compensation Premium	Closed	To transfer any surplus funds returned to the Shire as a result of good performance from the workers compensation insurer to assist in funding possible future compensation claims that exceed budget allocation.



## 7. INVENTORIES

### Current

Fuel & Materials  
History Books  
Inventory

2018	2017
\$	\$
9,539	9,562
2,321	2,321
15,087	49,538
26,947	61,421

### SIGNIFICANT ACCOUNTING POLICIES

#### 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.

**8 (a). PROPERTY, PLANT AND EQUIPMENT**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Land and buildings		
Land - freehold land at:		
- Independent valuation 2017 - level 3	5,870,000	5,870,000
- Independent valuation 2017 - level 2	280,000	280,000
	<u>6,150,000</u>	<u>6,150,000</u>
Land - vested in and under the control of Council at:		
- Independent valuation 2017 - level 3	760,000	760,000
	<u>760,000</u>	<u>760,000</u>
Total land	<u>6,910,000</u>	<u>6,910,000</u>
Buildings - specialised at:		
- Independent valuation 2017 - level 3	31,597,125	31,597,125
- Management valuation 2017 - level 3	837,444	115,440
Less: accumulated depreciation	(1,250,630)	0
	<u>31,183,939</u>	<u>31,712,565</u>
Total buildings	<u>31,183,939</u>	<u>31,712,565</u>
Total land and buildings	<u>38,093,939</u>	<u>38,622,565</u>
Furniture and equipment at:		
- Management valuation 2016 - level 3	40,876	14,712
Less: accumulated depreciation	(14,712)	(14,712)
	<u>26,164</u>	<u>0</u>
Plant and equipment at:		
- Management valuation 2016 - level 3	1,653,443	1,515,081
- Independent valuation 2016 - level 2	590,400	590,400
- Independent valuation 2016 - level 3	1,289,101	1,289,101
Less: accumulated depreciation	(587,868)	(284,062)
	<u>2,945,076</u>	<u>3,110,520</u>

**8 (a). PROPERTY, PLANT AND EQUIPMENT (Continued)**

	2018	2017
	\$	\$
Motor Vehicles at:		
- Management valuation 2016 - level 2	1,236,748	975,468
- Independent valuation 2016 - level 2	120,000	120,000
- Independent valuation 2016 - level 3	411,000	411,000
Less: accumulated depreciation	(218,659)	(115,384)
	1,549,089	1,391,084
Computer Equipment at:		
- Management valuation 2016 - level 3	1,200	1,200
Less: accumulated depreciation	(1,200)	(1,200)
	0	0
Capital Works in Progress at:		
- Additions after valuation - cost	558,848	0
Less: accumulated depreciation	0	0
	558,848	0
<b>Total property, plant and equipment</b>	<b>43,173,116</b>	<b>43,124,169</b>

8. 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.

	Land - freehold land	Land - vested in and under the control of Council	Total land	Buildings - specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Motor Vehicles	Computer Equipment	Capital Works in Progress	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2016</b>	6,693,750	907,628	7,601,378	32,957,752	32,957,752	40,559,130	14,712	2,429,483	1,619,328	1,200	175,853	44,799,706
Additions	0	0	0	280,970	280,970	280,970	0	1,053,861	194,169	0	0	1,529,000
(Disposals)	0	0	0	0	0	0	0	(127,054)	(253,163)	0	0	(380,217)
Revaluation increments/ (decrements) transferred to revaluation surplus	(543,750)	(147,628)	(691,378)	(1,040,936)	(1,040,936)	(1,732,314)	0	0	0	0	0	(1,732,314)
Depreciation (expense)	0	0	0	(523,496)	(523,496)	(523,496)	(14,712)	(292,770)	(122,250)	(1,200)	0	(954,428)
Transfers	0	0	0	38,275	38,275	38,275	0	47,000	(47,000)	0	(175,853)	(137,578)
<b>Carrying amount at 30 June 2017</b>	6,150,000	760,000	6,910,000	31,712,565	31,712,565	38,622,565	0	3,110,520	1,391,084	0	0	43,124,169
Additions	0	0	0	722,004	722,004	722,004	26,164	296,995	388,030	0	558,848	1,992,041
(Disposals)	0	0	0	0	0	0	0	(119,458)	(104,938)	0	0	(224,396)
Depreciation (expense)	0	0	0	(1,250,630)	(1,250,630)	(1,250,630)	0	(342,981)	(125,087)	0	0	(1,718,698)
Transfers	0	0	0	0	0	0	0	0	0	0	0	0
<b>Carrying amount at 30 June 2018</b>	6,150,000	760,000	6,910,000	31,183,939	31,183,939	38,093,939	26,164	2,945,076	1,549,089	0	558,848	43,173,116

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
<b>Land and buildings</b>					
Land - freehold land	3	Cost approach	Independent Valuers	Jun-17	Improvements to land using construction costs and current condition (level 2) , residual values and remaining useful life assessments (level 3) inputs.
Land - freehold land	2	Market approach using recent observable market data for similar properties	Independent Valuers	Jun-17	Price per hectare
Land - vested in and under the control of Council	3	Cost approach	Independent Valuers	Jun-17	Improvements to land using construction costs and current condition (level 2) , residual values and remaining useful life assessments (level 3) inputs.
Buildings - specialised	3	Cost approach using depreciated replacement cost	Independent Valuers/ Management Valuation	Jun-17	Construction costs and curret condition (level 2), residual values and remaining useful life assessments (level 3) inputs
<b>Furniture and equipment</b>	3	Cost approach using depreciated replacement cost	Management Valuation	Jun-16	Purchase costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs
<b>Plant and equipment</b>					
- Management valuation 2016	3	Cost approach using depreciated replacement cost	Management Valuation/ Independent Valuation	Jun-16	Purchase costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs
- Independent valuation 2016	2	Sales comparison approach	Independent Valuers	Jun-16	Comparison to sales of similar items that have been transacted in the market
<b>Motor Vehicles</b>	2	Market approach using recent observable market data for similar assets	Management Valuation/ Independent Valuation	Jun-16	Price per item

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

**(c) Fair Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of Valuation</b>	<b>Date of Last Valuation</b>	<b>Inputs Used</b>
<b>Computer Equipment</b>	3	Cost approach using depreciated replacement cost	Management Valuation	Jun-16	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.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**9. (a) INFRASTRUCTURE**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Infrastructure - Roads		
- Management valuation 2015 - level 3	0	179,843,403
- Management valuation 2018 - level 3	239,582,831	0
Less: accumulated depreciation	0	(7,787,712)
	<u>239,582,831</u>	<u>172,055,691</u>
Infrastructure - Footpaths		
- Management valuation 2015 - level 3	0	10,999,338
- Management valuation 2018 - level 3	19,361,079	0
Less: accumulated depreciation	0	(355,226)
	<u>19,361,079</u>	<u>10,644,112</u>
Infrastructure - Drainage		
- Management valuation 2015 - level 3	0	18,755,936
- Management valuation 2018 - level 3	68,988,411	0
Less: accumulated depreciation	0	(547,205)
	<u>68,988,411</u>	<u>18,208,731</u>
Infrastructure - Parks & Ovals		
- Management valuation 2015 - level 3	0	14,571,964
- Management valuation 2018 - level 3	30,677,165	0
Less: accumulated depreciation	0	(559,126)
	<u>30,677,165</u>	<u>14,012,838</u>
<b>Total infrastructure</b>	<u><b>358,609,486</b></u>	<u><b>214,921,372</b></u>

## 9. 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.

	Infrastructure - Roads	Infrastructure - Footpaths	Infrastructure - Drainage	Infrastructure - Parks & Ovals	Total Infrastructure
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2016</b>	172,583,486	10,621,411	18,482,355	14,148,671	215,835,923
Additions	3,387,483	201,658	0	37,440	3,626,581
Depreciation (Expense)	(3,915,278)	(178,957)	(273,624)	(278,970)	(4,646,829)
Transfers	0	0	0	105,697	105,697
<b>Carrying amount at 30 June 2017</b>	172,055,691	10,644,112	18,208,731	14,012,838	214,921,372
Additions	8,920,891	256,131	176,774	230,348	9,584,144
Increments/(Decrements) Transferred to Revaluation Surplus	62,478,434	8,642,447	50,876,530	16,694,039	138,691,450
Depreciation (Expense)	(3,872,185)	(181,611)	(273,624)	(260,060)	(4,587,480)
<b>Carrying amount at 30 June 2018</b>	239,582,831	19,361,079	68,988,411	30,677,165	358,609,486

## 9. INFRASTRUCTURE (Continued)

### (c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last	Inputs Used
Infrastructure - Roads	3	Cost approach using depreciated replacement cost	Management Valuation	Jun-18	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	Management Valuation	Jun-18	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	Management Valuation	Jun-18	Construction costs and current condition (level 2) residual values and remaining useful life assessments (level 3) inputs
Infrastructure - Parks & Ovals	3	Cost approach using depreciated replacement cost	Management Valuation	Jun-18	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.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**10. INVESTMENT PROPERTY**

Investment property

**Movements in Carrying Amounts**

Balance at the beginning of the year

Additions

Fair value gains/(losses)

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
	747,182	0
	0	0
	747,182	0
	0	0
	<u>747,182</u>	<u>0</u>

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**11. FIXED ASSETS**

**SIGNIFICANT ACCOUNTING POLICIES**

**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.

**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.

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. See Note 12(a) for further details in relation to initial recognition of assets contributed by developers.

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, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework.

**Revaluation**

The fair value of fixed assets is determined at least every three years in accordance with the regulatory framework. At the end of each 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.

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 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.

**Investment Property**

The local government values its investment property at fair value being the amounts which the properties could be exchanged, at arm's length, between knowledgeable and willing parties whom are not over-eager, based on current prices and reflecting market conditions at reporting date.

**11. FIXED ASSETS (Continued)**

**(a) Disposals of Assets**

The following assets were disposed of during the year.

	<b>Actual Net Book Value</b>	<b>Actual Sale Proceeds</b>	<b>Actual Profit</b>	<b>Actual Loss</b>	<b>Budget Net Book Value</b>	<b>Budget Sale Proceeds</b>	<b>Budget Profit</b>	<b>Budget Loss</b>
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Plant, equipment &amp; motor vehicles</b>								
<b>Governance</b>								
Plant & Motor Vehicles	0	0	0	0	24,482	23,200	0	(1,282)
<b>Law, order, public safety</b>								
Plant & Motor Vehicles	55,137	36,000	0	(19,137)	63,842	73,300	10,715	(1,257)
<b>Health</b>								
Plant & Motor Vehicles	0	0	0	0	19,543	23,200	3,657	0
<b>Community amenities</b>								
Plant & Motor Vehicles	0	0	0	0	73,594	69,000	5,659	(10,253)
<b>Recreation and culture</b>								
Plant & Motor Vehicles	0	0	0	0	49,286	46,400	0	(2,886)
<b>Transport</b>								
Plant & Motor Vehicles	58,461	31,000	1,791	(29,252)	76,156	77,800	7,699	(6,055)
<b>Economic services</b>								
Plant & Motor Vehicles	0	0	0	0	15,902	23,200	7,298	0
<b>Other property and services</b>								
Plant & Motor Vehicles	110,798	102,786	2,514	(10,526)	104,297	112,900	14,658	(6,055)
	<b>224,396</b>	<b>169,786</b>	<b>4,305</b>	<b>(58,915)</b>	<b>427,102</b>	<b>449,000</b>	<b>49,686</b>	<b>(27,788)</b>

**(b) Depreciation**

	<b>2018</b>	<b>2017</b>
	\$	\$
Buildings - specialised	1,250,630	523,496
Furniture and equipment	0	14,712
Plant and equipment	342,981	292,770
Motor Vehicles	125,087	122,250
Computer Equipment	0	1,200
Infrastructure - Roads	3,872,185	3,915,278
Infrastructure - Footpaths	181,611	178,957
Infrastructure - Drainage	273,624	273,624
Infrastructure - Parks & Ovals	260,060	278,970
	<b>6,306,178</b>	<b>5,601,257</b>

## 11. FIXED ASSETS (Continued)

### (b) Depreciation (Continued)

#### SIGNIFICANT ACCOUNTING POLICIES

##### 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.

##### Depreciation rates

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

Land	Not depreciated
Buildings	
Structural	50 - 100 years
Internal Fit-Out	15 - 25 years
Mechanical Services	25 - 35 years
Security	15 years
Fire systems	15 years
Other Building Structures	15 - 25 years
Plant and Equipment	5 - 15 years
Motor Vehicles	2 - 5 years
Furniture and Equipment	4 - 10 years
Computer Equipment	2 - 5 years
Roads	
Subgrade	Not depreciated
Pavement	
Unsealed	5 - 10 years
Urban and Regional	60 - 100 years
Surface	5 - 20 years
Surface Water Channel	
Kerbing	20 - 40 years
Drains	8 - 15 years
Drainage	
Culvert	80 years
Stormwater Drainage	50 - 100 years
Footpaths	40 - 80 years
Parks and Reserves	
Land	Not depreciated
Softscapes	50 years
Hardscapes	40 - 80 years
Reticulation	10 - 20 years
Parks Furniture	10 - 20 years
Lighting	15 - 25 years
Other Structures	10 - 40 years

##### Depreciation (Continued)

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.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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12(a). REVALUATION SURPLUS

	2018 Opening Balance	2018 Revaluation Increment	2018 Revaluation (Decrement)	2018 Total Movement on Revaluation	2018 Closing Balance	2017 Opening Balance	2017 Revaluation Increment	2017 Revaluation (Decrement)	2017 Total Movement on Revaluation	2017 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land	5,381,214	0	0	0	5,381,214	6,072,592	0	(691,378)	(691,378)	5,381,214
Revaluation surplus - Buildings - non-specialised	12,081,190	0	0	0	12,081,190	13,122,126	0	(1,040,936)	(1,040,936)	12,081,190
Revaluation surplus - Furniture and equipment	45,243	0	0	0	45,243	45,243	0	0	0	45,243
Revaluation surplus - Plant and equipment	17,648	0	0	0	17,648	17,648	0	0	0	17,648
Revaluation surplus - Computer Equipment	6,246	0	0	0	6,246	6,246	0	0	0	6,246
Revaluation surplus - Infrastructure - Roads	114,062,446	62,478,434	0	62,478,434	176,540,880	114,062,446	0	0	0	114,062,446
Revaluation surplus - Infrastructure - Footpaths	8,103,689	8,642,447	0	8,642,447	16,746,136	8,103,689	0	0	0	8,103,689
Revaluation surplus - Infrastructure - Drainage	17,051,509	50,876,530	0	50,876,530	67,928,039	17,051,509	0	0	0	17,051,509
Revaluation surplus - Infrastructure - Parks & Ovals	10,732,947	16,694,039	0	16,694,039	27,426,986	10,732,947	0	0	0	10,732,947
	167,482,132	138,691,450	0	138,691,450	306,173,582	169,214,446	0	(1,732,314)	(1,732,314)	167,482,132

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.

The revaluation increment includes assets contributed by developers in the current and previous years. Accounting Standard AASB 1004 - Contributions paragraph 12(c) allows recognition of contributions as income when, and only when, the amount of the contribution can be measured reliably. As council's systems have historically not recorded sufficient information to identify contributed assets and their fair value at the point of transfer, initial recognition of contributed assets has been deferred until a valuation exercise was completed in June 2018.

Whilst contributed assets have been measured reliably in total at 30 June 2018, as the allocation between financial years is not possible, the revenue for any given financial year does not meet the criteria for revenue recognition in AASB 1004 paragraph 12(c).

12(b). REVALUATION SURPLUS

	2018 Opening Balance	2018 Revaluation Increment	2018 Revaluation (Decrement)	2018 Total Movement on Revaluation	2018 Closing Balance	2017 Opening Balance	2017 Revaluation Increment	2017 Revaluation (Decrement)	2017 Total Movement on Revaluation	2017 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets	(9,300)	0	(5,040)	(5,040)	(14,340)	(5,520)	0	(3,780)	(3,780)	(9,300)
	(9,300)	0	(5,040)	(5,040)	(14,340)	(5,520)	0	(3,780)	(3,780)	(9,300)

### 13. TRADE AND OTHER PAYABLES

**Current**

Sundry creditors  
Accrued interest on long term borrowings

	2018	2017
	\$	\$
	1,787,360	2,122,872
	11,016	549
	1,798,376	2,123,421

### SIGNIFICANT ACCOUNTING POLICIES

**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

**Trade and other payables (Continued)**

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.

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#### 14. INFORMATION ON BORROWINGS

##### (a) Repayments - Borrowings

Particulars	Principal	New Loans	Principal Repayments		Principal 30 June 2018		Interest Repayments	
	1 July 2017		Actual	Budget	Actual	Budget	Actual	Budget
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Governance</b>								
Loan 117 Council Chambers Refurbishment	753,802	0	112,486	113,627	641,316	640,175	34,098	31,181
<b>Recreation and culture</b>								
Loan 91 Recreation Centre	610,156	0	296,033	296,033	314,123	314,123	35,064	31,742
<b>Transport</b>								
Loan 121 Abernethy Road	0	2,761,924	0	138,096	2,761,924	2,623,828	10,634	55,238
	1,363,958	2,761,924	408,519	547,756	3,717,363	3,578,126	79,796	118,161

All loan repayments were financed by general purpose revenue.

##### Borrowings

	2018	2017
	\$	\$
Current	668,942	408,519
Non-current	3,048,421	955,439
	3,717,363	1,363,958

##### (b) New Borrowings - 2017/18

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term Years	Total Interest & Charges	Interest Rate	Amount (Used)		Balance Unspent
	Actual	Budget						Actual	Budget	
	\$	\$				\$	%	\$	\$	\$
Construction of Abernethy Road	2,761,924	2,761,924	WATC	Debenture	10	10,634	3.20%	2,244,187	2,761,924	517,737
	2,761,924	2,761,924				10,634		2,244,187	2,761,924	517,737

##### (c) Unspent Borrowings

Particulars	Date Borrowed	Balance 1 July 17	Borrowed During Year	Expended During Year	Balance 30 June 18
Construction of Abernethy Road	May 18	0	2,761,924	(2,244,187)	517,737
		0	2,761,924	(2,244,187)	517,737

##### (d) Undrawn Borrowing Facilities

###### Credit Standby Arrangements

	2018	2017
	\$	\$
Bank overdraft limit	100,000	100,000
Bank overdraft at balance date	0	0
Credit card limit	25,000	29,000
Credit card balance at balance date	(1,264)	(2,089)
<b>Total amount of credit unused</b>	123,736	126,911

###### Loan facilities

Loan facilities - current	668,942	408,519
Loan facilities - non-current	3,048,421	955,439
<b>Total facilities in use at balance date</b>	3,717,363	1,363,958

###### Unused loan facilities at balance date

NIL NIL

#### SIGNIFICANT ACCOUNTING POLICIES

##### Financial liabilities

Financial liabilities are recognised at fair value when the Shire becomes a party to the contractual provisions to the instrument.

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

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.

##### 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.

## 15. PROVISIONS

	Provision for Annual Leave	Provision for Sick Leave	Provision for Long Service Leave	Total
	\$		\$	\$
<b>Opening balance at 1 July 2017</b>				
Current provisions	989,908	130,001	806,709	1,926,618
Non-current provisions	0	0	252,336	252,336
	989,908		1,059,045	2,178,954
Additional provision	(6,089)	(43,650)	(179,362)	(229,101)
<b>Balance at 30 June 2018</b>	983,819	86,351	879,683	1,949,853
<b>Comprises</b>				
Current	983,819	86,351	633,435	1,703,605
Non-current	0	0	246,248	246,248
	983,819	86,351	879,683	1,949,853

### SIGNIFICANT ACCOUNTING POLICIES

#### 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

##### Other long-term employee benefits (Continued)

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.

##### 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.

## 16. NOTES TO THE STATEMENT OF CASH FLOWS

### Reconciliation of Cash

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

	<b>2018 Actual</b>	<b>2018 Budget</b>	<b>2017 Actual</b>
	\$	\$	\$
Cash and cash equivalents	21,775,333	12,617,030	24,589,346
<b>Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>			
Net result	1,445,426	3,071,363	4,940,857
Non-cash flows in Net result:			
Depreciation	6,306,178	5,305,661	5,601,257
(Profit)/loss on sale of asset	54,610	(21,898)	71,877
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(300,379)	285,000	538,361
(Increase)/decrease in inventories	34,474	12,100	(20,662)
Increase/(decrease) in payables	(325,045)	(248,861)	(491,013)
Increase/(decrease) in provisions	(229,101)	(366,982)	308,423
Grants contributions for the development of assets	(4,325,601)	(7,646,905)	(4,839,778)
Net cash from operating activities	2,660,562	389,478	6,109,322

**17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Governance	2,220,223	3,487,951
General purpose funding	9,827,461	12,753,734
Law, order, public safety	4,229,554	4,019,525
Health	500,000	500,000
Education and welfare	24,600	25,035
Community amenities	11,442,106	3,349,332
Recreation and culture	58,495,107	41,395,758
Transport	333,472,018	215,519,806
Economic services	621,307	614,511
Other property and services	5,928,462	3,164,091
	<b>426,760,838</b>	<b>284,829,743</b>

## 18. CAPITAL AND LEASING COMMITMENTS

### (a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects
- plant & equipment purchases

Payable:

- not later than one year

	2018	2017
	\$	\$
	9,054,944	12,111,635
	0	0
	9,054,944	12,111,635

The capital expenditure contracted but not yet spent at the end of the current reporting period relates to the following projects:

Percy's Park Toilet	0	25,546
Abernethy Road - Relocation of Services (Telstra)	0	2,569,575
Briggs Park Skate Park	15,739	315,043
Abernethy Road Upgrade Construction - WBHO Tender	8,032,526	9,201,471
Kalimna Cricket Net	20,676	0
Rowley Road - East of Blair Road	37,302	0
Wright Road	43,410	0
Rowley Road - West of Blair Road	24,081	0
Masters Road - South of Rowley Road	36,546	0
Kargotich Road - North of Lowlands Road	19,747	0
Abernethy Road - Downer EDI	824,917	0
	9,054,944	12,111,635

### (b) Operating Lease Commitments

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

Payable:

- not later than one year
- later than one year but not later than five years
- later than five years

	437,655	603,164
	366,523	576,866
	0	0
	804,178	1,180,030

## SIGNIFICANT ACCOUNTING POLICIES

### 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.

### Leases (Continued)

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 on a straight line basis over the base term.

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

## 19. RELATED PARTY TRANSACTIONS

### Elected Members Remuneration

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

	<b>2018 Actual</b>	<b>2018 Budget</b>	<b>2017 Actual</b>
	\$	\$	\$
Meeting Fees	169,007	214,814	150,375
Mayor/President's allowance	50,600	62,727	36,591
Deputy Mayor/President's allowance	12,692	15,682	9,148
Travelling expenses	10,844	35,000	17,763
Telecommunications allowance	30,389	31,500	30,632
	<b>273,532</b>	<b>359,723</b>	<b>244,509</b>

### Key Management Personnel (KMP) Compensation Disclosure

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

	<b>2018</b>	<b>2017</b>
	\$	\$
Short-term employee benefits	985,323	830,913
Post-employment benefits	82,364	146,544
Other long-term benefits	19,348	10,996
Termination benefits	0	341,175
	<b>1,087,035</b>	<b>1,329,628</b>

#### *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 above.

#### *Post-employment benefits*

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

#### *Other long-term benefits*

These amounts represent long service benefits accruing during the year.

### Termination benefits

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

### Transactions with related parties

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

No outstanding balances or provisions for doubtful debts or guaranties exist in relation to related parties at year end.

The following transactions occurred with related parties:

	<b>2018</b>	<b>2017</b>
	\$	\$
Sale of goods and services	1,996	187,190
Purchase of goods and services	70	66,965

### 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.

20. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	Opening Balance <sup>(1)</sup> 1/07/16	Received <sup>(2)</sup> 2016/17	Expended <sup>(3)</sup> 2016/17	Closing Balance <sup>(1)</sup> 30/06/17	Received <sup>(2)</sup> 2017/18	Expended <sup>(3)</sup> 2017/18	Closing Balance 30/06/18
	\$	\$	\$	\$	\$	\$	\$
<b>Governance</b>							
Byford Youth Forum	9,323	134	0	9,457	285	(9,742)	0
<b>Law, order, public safety</b>							
Emergency Services - Cadets	3,906	0	0	3,906	0	0	3,906
Emergency Services - Family Fun Day	5,844	1,800	0	7,644	0	0	7,644
FESA Operating Grant Q1 16/17	97,593	0	(97,593)	0	0	0	0
Fire Contributions from Developers	70,868	0	(30,000)	40,868	0	(40,868)	0
Royalties for Regions - Peel Development Commission	0	116,350	0	116,350	0	(116,350)	0
Fire Services Grant	0	0	0	0	200,000	(5,150)	194,850
DFES Operating Grant Q1 18/19	0	0	0	0	99,373	0	99,373
<b>Community amenities</b>							
Environmental Works - TTREE Transfer	69,556	0	0	69,556	0	0	69,556
Briggs Park - Local Jobs, Local Projects	0	0	0	0	200,000	0	200,000
Public Art Fund	0	0	0	0	17,500	0	17,500
<b>Recreation and culture</b>							
Byford & Districts Country Club	0	5,836	0	5,836	0	(5,836)	0
Darling Downs Developer Cont	11,202	216	(11,418)	0	0	0	0
Senior's Grant	0	0	0	0	10,000	0	10,000
SJ Rec Centre - Byford Sports & Rec Council	2,079	0	0	2,079	0	0	2,079
<b>Transport</b>							
17 Clifton St. Byford - Laneway Cont	23,344	598	0	23,942	178	0	24,120
Blackspot Funding	28,373	0	(25,965)	2,408	0	0	2,408
Byford by the Scarp	208,989	0	(7,985)	201,004	0	(201,004)	0
Byford Central Stage 6A	13,527	353	0	13,880	3,846	0	17,726
Byford Developer Contributions	6,955,242	602,980	(77,460)	7,480,762	314,844	(759,962)	7,035,644
Drainage Cont - Thomas Road (Rivermoon)	66,330	1,716	0	68,046	506	0	68,552
L3 Thomas Road, Byford - Maint Landscaping	28,283	725	0	29,008	216	0	29,224
L3 Thomas Road, Byford - Maint Water Quality	73,109	1,873	0	74,982	558	0	75,540
L40 Beenyup Road, Byford - Laneway cont	29,724	775	0	30,499	218	0	30,717
L7 Beenyup Road, Byford - Laneway cont	29,858	777	0	30,635	218	0	30,853
L88 South West Hwy - Laneway cont	30,030	770	0	30,800	229	0	31,029
Thomas Road Design - Main Roads Grant	17,713	0	(11,869)	5,844	0	(5,844)	0
Regional Road Group Funding	439,282	0	(324,088)	115,194	0	(115,194)	0
Rivermoon Drainage Contribution	133,262	3,422	0	136,684	0	0	136,684
Rivermoon Landscape Contribution	458,361	11,973	0	470,334	638	0	470,972

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20. CONDITIONS OVER GRANTS/CONTRIBUTIONS (continued)

Grant/Contribution	Opening			Closing			Closing
	Balance <sup>(1)</sup> 1/07/16	Received <sup>(2)</sup> 2016/17	Expended <sup>(3)</sup> 2016/17	Balance <sup>(1)</sup> 30/06/17	Received <sup>(2)</sup> 2017/18	Expended <sup>(3)</sup> 2017/18	Balance 30/06/18
	\$	\$	\$	\$	\$	\$	\$
Special Projects - Bridges	0	917,208	0	917,208	0	(66,668)	850,540
Roads to Recovery Medulla Road	0	48,946	0	48,946	0	(48,946)	0
Roads to Recovery Kiln Road	0	73,000	0	73,000	0	(73,000)	0
Roads to Recovery Linton Street	0	85,000	0	85,000	25,000	(110,000)	0
Roads to Recovery Gossage Road	0	84,299	0	84,299	391,826	(350,540)	125,585
Megara Fifteen - Turning Point Soldiers/Abernethy Road	0	21,688	0	21,688	0	(21,688)	0
Regional Road Group Soliders Road - Daisy & Bushlar	0	0	0	0	145,431	0	145,431
Roads to Recovery Marsh Road	0	0	0	0	22,770	(22,770)	0
Cash in Lieu Car Parking	0	0	0	0	87,273	0	87,273
L12 Gull Road	0	0	0	0	10,035	0	10,035
Huizenga - Corbel Lane, Byford	0	0	0	0	1,420	0	1,420
<b>Economic services</b>							
Tourism WA Camping Dump Point	44,100	0	(44,100)	0	0	0	0
<b>Total</b>	<b>8,849,898</b>	<b>1,980,439</b>	<b>(630,478)</b>	<b>10,199,859</b>	<b>1,532,364</b>	<b>(1,953,562)</b>	<b>9,778,661</b>
	<b>Note</b>	<b>2017</b>	<b>2018</b>				
Portion of unexpended grants/contributions held in Reserve Funds		10,107,217	8,067,290				
Portion of unexpended grants/contributions held in Municipal Funds	3	92,642	1,711,371				
		10,199,859	9,778,661				

**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.

## 21. RATING INFORMATION

### (a) Rates

RATE TYPE	Rate in \$	Number of Properties	Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rates \$	Budget Total Revenue \$
<b>Differential general rate / general rate</b>											
<b>Gross rental valuations</b>											
GRV Improved	0.0876	6,526	135,025,657	11,457,746	538,458	0	11,996,204	11,757,068	1,100,000	0	12,857,068
GRV Vacant	0.1342	151	3,401,980	456,440	14,467	0	470,907	619,285	0	0	619,285
<b>Unimproved valuations</b>											
UV General	0.0036	2,838	1,828,440,000	6,390,837	271,912	0	6,662,749	6,621,136	0	0	6,621,136
<b>Sub-Total</b>		9,515	1,966,867,637	18,305,023	911,642	0	19,216,665	18,997,489	1,100,000	0	20,097,489
<b>Minimum payment</b>	<b>Minimum \$</b>										
<b>Gross rental valuations</b>											
GRV Improved	1,200	289	3,519,544	346,800	0	0	346,800	342,000	0	0	342,000
GRV Vacant	1,300	834	4,660,840	1,084,200	0	0	1,084,200	1,092,000	0	0	1,092,000
<b>Unimproved valuations</b>											
UV General	1,300	485	133,621,908	630,500	0	0	630,500	663,000	0	0	663,000
<b>Sub-Total</b>		1,608	141,802,292	2,061,500	0	0	2,061,500	2,097,000	0	0	2,097,000
		11,123	2,108,669,929	20,366,523	911,642	0	21,278,165	21,094,489	1,100,000	0	22,194,489
Discounts/concessions (refer note 20 (b))							(229,372)				(229,192)
<b>Total amount raised from general rate</b>							21,048,793				21,965,297

### SIGNIFICANT ACCOUNTING POLICIES

#### Rates

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

21. RATING INFORMATION (Continued)

(b) Discounts, Incentives, Concessions, & Write-offs

Rates Discounts

Rate or Fee Discount Granted	Discount %	Discount \$	Actual \$	Budget \$	Circumstances in which Discount is Granted
General rates	0.00%	2,000	2,000	2,000	Two prizes of \$1000 each, for payment of rates in full by 4.30 on 14th September 2017. By paying on time rate payers automatically go in the draw to win.
			2,000	2,000	

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount %	Discount \$	Actual \$	Budget \$
UV General	Farmland Concession	31.00%	0	226,753	226,573
UV General	Conservation Concession	50.00%	0	619	619
				227,372	227,192

21. RATING INFORMATION (Continued)

(b) Discounts, Incentives, Concessions, & Write-offs (Continued)

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
UV General - Farmland Concession	Where properties meet the Council SEG1 farmland Concession Policy criteria.	Council considers ratepayers eligible for the concession and maintain the rural character of the area in line with the strategic goals of Council.	This concession is in line with the vision category Financial Sustainability, Council provides a rate concession to properties maintaining genuine farming interests. It ensures that Council is protecting and developing appropriate agricultural and horticultural industries and pursuits within the Shire.
UV General - Conservation Concession	Where properties meet the conservation eligibility criteria.	Conservation zoning allows landowners with areas of high conservation value to receive reductions in council rates. The initiative has been established by Council to reward landowners who have retained and maintained bushland and wetland.	Council recognises that nature conservation on private land is essential to maintaining the quality of life that all residents of the Shire and Serpentine River Catchment area enjoy. Landowners must demonstrate to Council that their bush land and/or wetland area is of high conservation value by meeting the criteria.

21. RATING INFORMATION (Continued)

(c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan	Instalment Plan	Unpaid Rates
		Admin Charge	Interest Rate	Interest Rate
		\$	%	%
<b>Option One</b>				
Single full payment	14-Sep-17	0	0.00%	0.00%
<b>Option Two</b>				
First instalment	14-Sep-17	0	0.00%	0.00%
Second instalment	14-Nov-17	10	5.50%	11.00%
<b>Option Three</b>				
First instalment	14-Sep-17	0	0.00%	0.00%
Second instalment	14-Nov-17	10	5.50%	11.00%
Third instalment	16-Jan-18	10	5.50%	11.00%
Fourth instalment	20-Mar-18	10	5.50%	11.00%

	2018	2018 Budget
	\$	\$
Interest on unpaid rates	263,517	179,000
Interest on instalment plan	116,891	115,000
Charges on instalment plan	108,303	125,000
	<b>488,711</b>	<b>419,000</b>

## 22. NET CURRENT ASSETS

Composition of net current assets

	2018 2018 Carried Forward)	2018 (1 July 2017 Brought Forward)	2017 (30 June 2017 Carried Forward)
	\$	\$	\$
<b>Surplus/(Deficit) 1 July 17 brought forward</b>	1,126,999	3,105,535	3,105,535
<b>CURRENT ASSETS</b>			
Cash and cash equivalents			
Unrestricted	2,340,648	5,165,307	5,165,307
Restricted - Reserves	17,205,577	19,331,397	19,331,397
Restricted cash - unspent borrowings	517,737	0	0
Restricted cash - unspent grants, contributions & subsidies	1,711,371	92,642	92,642
Receivables			
Rates outstanding	1,723,830	1,454,439	1,454,439
Sundry debtors	234,545	214,907	214,907
GST receivable	259,448	238,882	238,882
Prepayments	43,562	52,498	52,498
Inventories			
Fuel & Materials	9,539	9,562	9,562
History Books	2,321	2,321	2,321
Inventory	15,087	17,657	17,657
<b>LESS: CURRENT LIABILITIES</b>			
Trade and other payables			
Sundry creditors	(1,787,360)	(2,122,871)	(2,122,871)
Accrued interest on long term borrowings	(11,016)	(549)	(549)
Current portion of long term borrowings	(668,942)	(408,519)	(408,519)
Provisions			
Provision for annual leave	(983,819)	(989,908)	(989,908)
Provision for sick leave	(86,351)	(130,001)	(130,001)
Provision for long service leave	(633,435)	(806,709)	(806,709)
<b>Unadjusted net current assets</b>	19,892,742	22,121,055	22,121,055
<b>Adjustments</b>			
Less: Reserves	(17,205,577)	(19,331,397)	(19,331,397)
Less: Restricted cash - unspent borrowings	(517,737)	0	0
Less: Restricted cash - unspent grants, contributions & subsidies	(1,711,371)	(92,642)	(92,642)
Add: Current portion of long term borrowings	668,942	408,519	408,519
<b>Adjusted net current assets - surplus/(deficit)</b>	1,126,999	3,105,535	3,105,535

### Difference

There was no difference between the surplus/(deficit) 1 July 2017 brought forward position used in the 2018 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2017 audited financial report.

## 23. 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	
	2018	2017	2018	2017
	\$	\$	\$	\$
<b>Financial assets</b>				
Cash and cash equivalents	21,775,333	24,589,346	21,775,333	24,589,346
Investments	17,885	22,925	17,885	22,925
Receivables	2,410,889	2,110,510	2,410,889	2,110,510
	<u>24,204,107</u>	<u>26,722,781</u>	<u>24,204,107</u>	<u>26,722,781</u>
<b>Financial liabilities</b>				
Payables	1,798,376	2,123,421	1,798,376	2,123,421
Borrowings	3,717,363	1,363,958	3,852,675	1,437,102
	<u>5,515,739</u>	<u>3,487,379</u>	<u>5,651,051</u>	<u>3,560,523</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.

## 23. FINANCIAL RISK MANAGEMENT (Continued)

### (a) Cash and Cash Equivalents

Available-for-sale financial assets

The Shire's objective is to maximise its return on cash whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash portfolio. 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 or factors affecting similar instruments traded in a market.

Cash is subject to interest rate risk - the risk that movements in interest rates could affect returns.

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

The Shire manages these risks by diversifying its portfolio and only investing in investments authorised by Local Government (Financial Management) Regulation 19C.

	2018	2017
Impact of a 10% <sup>(1)</sup> movement in price of investments	\$	\$
- Equity	1,789	2,293
- Statement of Comprehensive Income	1,789	2,293
Impact of a 1% <sup>(1)</sup> movement in interest rates on cash		
- Equity	217,753	245,893
- Statement of Comprehensive Income	217,753	245,893

*Notes:*

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

## 23. FINANCIAL RISK MANAGEMENT (Continued)

### (b) Receivables

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

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

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

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

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

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

	<b>2018</b>	<b>2017</b>
	%	%
Percentage of rates and annual charges		
- Current	0.00%	0.00%
- Overdue	100.00%	100.00%
Percentage of other receivables		
- Current	61.58%	78.30%
- Overdue	38.42%	21.70%

## 23. FINANCIAL RISK MANAGEMENT (Continued)

### (c) Payables and 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
	\$	\$	\$	\$	\$
<b>2018</b>					
Payables	1,798,376	0	0	1,798,376	1,798,376
Borrowings	796,412	1,878,432	1,624,605	4,299,449	3,717,363
	<u>2,594,788</u>	<u>1,878,432</u>	<u>1,624,605</u>	<u>6,097,825</u>	<u>5,515,739</u>
<b>2017</b>					
Payables	2,123,421	0	0	2,123,421	2,123,420
Borrowings	473,183	907,604	144,807	1,525,594	1,363,958
	<u>2,596,604</u>	<u>907,604</u>	<u>144,807</u>	<u>3,649,015</u>	<u>3,487,378</u>

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:

Year ended 30 June 2018	<1 year	>1<2 years	>2<3 years	>3<4 years	>4<5 years	>5 years	Total	Weighted Average Effective Interest Rate
	\$	\$	\$	\$	\$	\$	\$	
<b>Borrowings</b>								
<b>Fixed rate</b>								
Long term borrowings	314,123	0	0	0	641,316	2,761,924	3,717,363	3.64%
Weighted average Effective interest rate	6.02%	0.00%	0.00%	0.00%	4.36%	3.20%		
<b>Year ended 30 June 2017</b>								
<b>Borrowings</b>								
<b>Fixed rate</b>								
Long term borrowings	0	610,156	0	0	0	753,802	1,363,958	5.10%
Weighted average Effective interest rate	0.00%	6.02%	0.00%	0.00%	0.00%	4.36%		

## 24. 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 2017	Amounts Received	Amounts Paid	30 June 2018
	\$	\$	\$	\$
Maintenance Bonds	67,731	95,780	(17,909)	145,602
Builders Registration Board Levy	15,040	196,315	(211,355)	0
BCTIF Collections	10,662	194,968	(205,630)	0
Footpath Bonds	417,768	435,979	(411,364)	442,383
Halls / Ovals Bonds	25,035	39,150	(38,850)	25,335
Sundry Bonds	21,801	11,334	(8,166)	24,969
Road Closures / Street Events	2,180	0	0	2,180
Fence Bonds	906	0	0	906
Excavation Bonds	28,242	256	0	28,498
Cash in Lieu of Public Open Space	299,527	2,707	0	302,234
Capital Projects Retention Funds	156,498	312,968	(123,324)	346,142
Temporary Accommodation	1,000	2,000	0	3,000
Development Assessment Panel	0	22,740	(22,740)	0
Subdivision Clearance Bonds	3,600	281,129	(195,310)	89,419
SJ Tourism Association Trust	4,566	41	0	4,607
	<u>1,054,556</u>	<u>1,595,367</u>	<u>(1,234,648)</u>	<u>1,415,275</u>

## 25. 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:

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

Notes:

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

## 25. 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"> <li>- Assets received below fair value;</li> <li>- Transfers received to acquire or construct non-financial assets;</li> <li>- Grants received;</li> <li>- Prepaid rates;</li> <li>- Leases entered into at below market rates; and</li> <li>- Volunteer services.</li> </ul> <p>Whilst it is not possible to quantify the financial impact (or if it is material) of these key areas until the details of future transactions are known, they will all have application to the Shire's operations.</p>

Notes:

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

### Adoption of New and Revised Accounting Standar

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

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

(i)	AASB 2016-4 Amendments to Australian Accounting Standards - Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities		1 January 2017
(ii)	AASB 2016-7 Amendments to Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities		1 January 2017

## 26. SIGNIFICANT ACCOUNTING POLICIES

### 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) 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.

### c) Rounding off figures

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

### d) 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.

### e) 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.

### f) 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.

### g) Fair value of assets and liabilities

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.

### h) 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.

#### 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.

### i) Impairment of assets

In accordance with Australian Accounting Standards the Shire's cash generating non-specialised 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 specialised assets such as roads, drains, public buildings and the like, no annual assessment is required. Rather AASB 116.31 applies and revaluations need only be made with sufficient regulatory to ensure the carrying value does not differ materially from that which would be determined using fair value at the ends of the reporting period.

## 27. ACTIVITIES/PROGRAMS

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

<b>PROGRAM NAME</b>	<b>OBJECTIVE</b>	<b>ACTIVITIES</b>
<b>GOVERNANCE</b>	To provide a decision making process for the efficient allocation of scarce resources.	Members of Council and Chief Executive Office.
<b>GENERAL PURPOSE FUNDING</b>	To collect revenue to allow for the provision of services.	Rate revenue, late payment penalty, general purpose grants, untied road grants, commissions, interest on investments, reimbursements and banking costs.
<b>LAW, ORDER, PUBLIC SAFETY</b>	To provide services to help ensure a safer and environmentally conscious community.	Volunteer bushfire brigades, fire prevention, animal control, emergency management and public safety.
<b>HEALTH</b>	To provide an operational framework for environmental and community health.	Health services including infant health, inspection of premises, pest control, and preventative maintenance.
<b>EDUCATION AND WELFARE</b>	To provide services to disadvantaged persons, the elderly, children and youth.	Pre-schools, community services and family centres.
<b>COMMUNITY AMENITIES</b>	To provide services required by the community.	Waste management including household refuse and recycling, bulk verge green and hard waste collections, environmental and sustainability, town planning, public conveniences and cemeteries.
<b>RECREATION AND CULTURE</b>	To establish and effectively manage infrastructure and resource which will help the social wellbeing of the community.	Provision of facilities and support of organisations with leisure activities and sport including halls, sports grounds, parks and gardens, community development and the Mundijong Library.
<b>TRANSPORT</b>	To provide safe, effective and efficient transport services to the community.	Construction and maintenance of roads, bridges, footpaths, Council depot, purchases of plant and equipment and engineering design.
<b>ECONOMIC SERVICES</b>	To help promote the shire and its economic wellbeing.	Rural services such as weed control of reserves, tourism and area promotion, management of building applications and economic development.
<b>OTHER PROPERTY AND SERVICES</b>	To monitor and control overhead operating accounts.	Private works, public works overheads, plant operation, Jarrahdale Heritage Park development, finance and administration costs.

**28. FINANCIAL RATIOS**

	2018	2017	2016
Current ratio	1.28	1.73	1.55
Asset consumption ratio	0.77	0.96	0.98
Asset renewal funding ratio	0.46	0.67	0.56
Asset sustainability ratio	0.66	0.64	0.71
Debt service cover ratio	7.18	12.25	8.90
Operating surplus ratio	(0.10)	0.00	(0.06)
Own source revenue coverage ratio	0.82	0.86	0.87

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

Three of the ratios disclosed above were distorted by the early receipt of Financial Assistance Grants.

	2017/18	2016/17	2015/16
	\$	\$	\$
Amount of Financial Assistance Grant received during the year relating to the subsequent year.	1,361,462	1,334,613	0
Amount of Financial Assistance Grant received in prior year relating to current year.	1,334,613	0	1,229,318

If the events detailed above did not occur, the impacted ratios in the 2018, 2017 and 2016 columns above would be as follows:

	2018	2017	2016
Current ratio	0.90	1.41	1.25
Debt service cover ratio	7.12	9.43	11.50
Operating surplus ratio	(0.10)	(0.04)	(0.01)

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**INDEPENDENT AUDITOR'S REPORT  
TO THE COUNCILLORS OF THE SHIRE OF SERPENTINE JARRAHDALE**

**REPORT ON THE AUDIT OF THE FINANCIAL REPORT**

**Opinion**

We have audited the accompanying financial report of the Shire of Serpentine Jarrahdale (the Shire), which comprises the Statement of Financial Position as at 30 June 2018, Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and the Rate Setting Statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Statement by Chief Executive Officer.

In our opinion, the financial report of the Shire of Serpentine Jarrahdale:

- a) is based on proper accounts and reports; and
- b) fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2018 and its financial position at the end of that period in accordance with the Local Government Act 1995 (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

**Basis for Opinion**

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

**Emphasis of Matters**

**Basis of Preparation**

We draw attention to Note 1 to the financial report, which describes the basis of preparation. The financial report has been prepared for the purpose of fulfilling the Shire's financial reporting responsibilities under the Act. Regulation 16 of the Local Government (Financial Management) Regulations 1996 (Regulations), does not allow a local government to recognise some categories of land, including land under roads, as assets in the annual financial report. Our opinion is not modified in respect of this matter.

**Recognition of Assets Contributed by Developers**

We draw attention to Note 12 (a) to the financial report, which describes the reason for the recognition of assets contributed by developers through the revaluation surplus rather than revenue as prescribed by paragraph 12 of AASB 1004: *Contributions*. Our opinion is not modified in respect of this matter.

**INDEPENDENT AUDITOR'S REPORT  
TO THE COUNCILLORS OF THE SHIRE OF SERPENTINE JARRAHDALE (CONTINUED)**

*REPORT ON THE AUDIT OF THE FINANCIAL REPORT (CONTINUED)*

**Responsibilities of the Chief Executive Officer and Council for the Financial Report**

The Chief Executive Officer (CEO) of the Shire is responsible for the preparation and fair presentation of the annual financial report in accordance with the requirements of the Act, the Regulations and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards. The CEO is also responsible for such internal control as the CEO determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for assessing the Shire's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the State government has made decisions affecting the continued existence of the Shire.

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

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

Our objectives of the audit 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Shire's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the CEO.
- Conclude on the appropriateness of the CEO's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Shire's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report, as we cannot predict future events or conditions that may have an impact.

**INDEPENDENT AUDITOR'S REPORT  
TO THE COUNCILLORS OF THE SHIRE OF SERPENTINE JARRAHDALE (CONTINUED)**

**Auditor's Responsibilities for the Audit of the Financial Report (Continued)**

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council and the CEO regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

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

- In our opinion, the following matters indicate a significant adverse trend in the financial position of the Shire:
  - The Operating Surplus Ratio, the Asset Sustainability Ratio and the Asset Renewal Funding Ratio have been below the DLGSCI standard for the past 3 years; and
  - The Current Ratio for 2017-18 is below the DLGSCI standard, below its level for the 2 prior years and is more than 10% below last year's ratio.
- All required information and explanations were obtained by us.
- All audit procedures were satisfactorily completed in conducting our audit
- In my opinion, the asset consumption ratio and the asset renewal ratio included in the annual financial report were supported by verifiable information and reasonable assumptions

**MATTERS RELATING TO THE ELECTRONIC PUBLICATION OF THE AUDITED FINANCIAL REPORT**

This auditor's report relates to the annual financial report of the Shire of Serpentine Jarrahdale for the year ended 30 June 2018 included on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

MOORE STEPHENS  
CHARTERED ACCOUNTANTS



GREG GODWIN  
PARTNER

Date: 6 November 2018  
Perth, WA