



**AGENDA FOR THE
ANNUAL GENERAL MEETING
OF ELECTORS
TO BE HELD ON
WEDNESDAY**

10 February 2016

SHIRE OF MINGENEW

ANNUAL GENERAL MEETING OF ELECTORS NOTICE PAPER

10 February 2016

Madam President and Councillors,

An Annual General Meeting of Electors is called for Wednesday, 10 February 2016, in the Council Chambers, Victoria Street, Mingenew, commencing at 7.00 pm.

Martin Whitely
Chief Executive Officer

10 February 2016

MINGENEW SHIRE COUNCIL

DISCLAIMER

No responsibility whatsoever is implied or accepted by the Mingenew Shire Council for any act, omission or statement or intimation occurring during Council/Committee meetings or during formal/informal conversations with staff. The Mingenew Shire Council disclaims any liability for any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission or statement occurring during Council/Committee meetings or discussions. Any person or legal entity that acts or fails to act in reliance upon any statement does so at that person's or legal entity's own risk.

In particular and without derogating in any way from the broad disclaimer above, in any discussion regarding any planning application or application for a licence, any statement or limitation of approval made by a member or officer of Mingenew Shire Council during the course of any meeting is not intended to be and is not taken as notice of approval from the Mingenew Shire Council. The Mingenew Shire Council warns that anyone who has an application lodged with the Mingenew Shire Council must obtain and only should rely on **WRITTEN CONFIRMATION** of the outcome of the application, and any conditions attaching to the decision made by the Mingenew Shire Council in respect of the application.

CHIEF EXECUTIVE OFFICER

10 February 2016

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SHIRE OF MINGENEW

AGENDA FOR ORDINARY MEETING OF COUNCIL TO BE HELD IN COUNCIL CHAMBERS ON 10 February 2016 COMMENCING AT 7.00pm

- 1.0 DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS
- 2.0 RECORD OF ATTENDANCE/APOLOGIES
- 3.0 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE
- 4.0 DECLARATIONS OF INTEREST
- 5.0 CONFIRMATION OF PREVIOUS MEETING MINUTES

COUNCIL RECOMMENDATION ITEM 5.0

That the Minutes of the Annual General Meeting of Electors held 17 December 2014 be confirmed as a true and accurate record of proceedings.

- 6.0 REPORTS
 - 6.1 PRESIDENT'S REPORT
 - 6.2 CHIEF EXECUTIVE OFFICER'S REPORT
 - 6.3 OTHER OFFICER'S REPORTS
 - 6.4 AUDITOR'S REPORT
 - 6.5 ANNUAL FINANCIAL REPORT
- 7.0 GENERAL BUSINESS
- 8.0 CLOSURE



**MINUTES FOR THE
ANNUAL GENERAL MEETING
OF ELECTORS
HELD ON
WEDNESDAY**

17 December 2014

SHIRE OF MINGENEW

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SHIRE OF MINGENEW

MINUTES OF THE ANNUAL GENERAL MEETING OF ELECTORS HELD IN COUNCIL CHAMBERS ON 17 December 2014

1.0 DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

The Presiding Member, Cr Michelle Bagley, declared the meeting open at 6.00pm.

2.0 ATTENDANCE

MA Bagley	President	Rural Ward
PJ Gledhill	Deputy President	Rural Ward
MP Pearce	Councillor	Town Ward
AT Sobey	Councillor	Town Ward
HM Newton	Councillor	Town Ward
CR Lucken	Councillor	Town Ward
GJ Cosgrove	Councillor	Rural Ward

STAFF

MO Dacombe	Interim Chief Executive Officer
NS Jane	Manager of Finance and Administration
ML Criddle	Community Development Officer (Minutes)

ELECTORS

I Thomas
J Thomas

APOLOGIES

D Bagley

3.0 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Questions taken on notice will be dealt with at Item 7 – General Business.

4.0 DECLARATIONS OF INTEREST

Nil

5.0 CONFIRMATION OF PREVIOUS MEETING MINUTES

There were no questions regarding the previous Minutes.

141213 COUNCIL DECISION ITEM 5.1

Moved: Councillor Cr Newton

Seconded: Councillor Pearce

That the Minutes of the Annual General Meeting of Electors held 12 February 2014 be confirmed as a true and accurate record of proceedings.

CARRIED 7/0

6.0 REPORTS

6.1 PRESIDENT'S REPORT

141214 COUNCIL DECISION – ITEM 6.1

Moved: Councillor Gledhill

Seconded: Councillor Sobey

That the President's Report, as presented, be received.

CARRIED 7/0

6.2 CHIEF EXECUTIVE OFFICER'S REPORT

141215 COUNCIL DECISION – ITEM 6.2

Moved: Councillor Lucken

Seconded: Councillor Cosgrove

That the Chief Executive Officer's Report, as presented, be received.

CARRIED 7/0

6.3 EHO/WORKS MANAGER'S REPORT/STATUTORY REPORT

141216 COUNCIL DECISION – ITEM 6.3

Moved: Councillor Gledhill

Seconded: Councillor Pearce

That the EHO/Works Manager's report/statutory report, as presented, be received.

CARRIED 7/0

6.4 AUDITOR'S REPORT

141217 COUNCIL DECISION – ITEM 6.4

Moved: Councillor Newton

Seconded: Councillor Lucken

That the Auditor's Report, as presented, be received.

CARRIED 7/0

6.5 ANNUAL FINANCIAL REPORT

141218 COUNCIL DECISION – ITEM 6.5

Moved: Councillor Newton

Seconded: Councillor Gledhill

That the Annual Financial Report, as presented, be received.

CARRIED 7/0

7.0 GENERAL BUSINESS

Questions without notice from Mrs. Jill Thomas in relations to matters raised at the March Electors Meeting

Question

TELSTRA – Status of funding and construction of the Mobile Tower in Yandanooka and Arrino area

Answer

Telstra tower in Arrino will be constructed in May 2015 and Yandanooka tower will be towards the end of 2015.

These towers are at no cost to the Mingenew Shire as it is all funded by RCMP.

Question

Has there been an email system set up for Mingenew Residents to receive information on events happening with in Mingenew?

Answer

There hasn't been one set up as yet, the CDO will follow this up in the New Year and request all residents who would like to be on the emailing system to contact the Shire with the appropriate email address.

Question

Can the Agendas be put on the Website for public to see?

Answer

Yes, the Agendas can be and will get up dated in January with all missing Agendas from May 2014 onwards.

Questions on notice from Jill Thomas for December 2014 Elector Meeting

1. 2014/2015 Projects - the Yandanooka NE Road is listed for Full construction. Does this include the re bitumising of the road?

Answer: Yes

2. Accrued leave reserve - what are the plans to increase this reserve to cover long service leave retirements etc. I think i remember that a few years ago it was forecast that the shire would need to increase this reserve but it has decreased from 2013 to 2014.

Answer: The decrease in 2013/14 was due to several staff taking long service leave. There was also a modest addition to the reserve in 2013/14 of \$4642.

Interest earnings will be credited to the reserve in 2014/15 however budgetary constraints do not permit any other transfer to the reserve in the 2014/15 year.

Consideration will be made in future budgets to increase the funds held in this reserve.

3. Does the Shire have an ongoing maintenance plan for all the Shire buildings under its control? If there is one could it be published? If there is not one then could one be drawn up to avoid the deterioration that has occurred in some buildings over a long period of time?

Answer: There is one that was prepared previously that will be updated. The update will be done in conjunction with the Asset Management Plan review. The Asset Management Plan is a public document.

4. What plans are there for repairs to the Mingenew Hall? It is many months since we were informed that it had asbestos in it that had rendered it unsafe.

Answer: Peter Teakle has been commissioned to prepare concept plans for public comment.

5. Draft Mingenew Townsite Strategy. What did this poorly drawn up document cost? Has it been revised and has the revised edition been submitted to Council?

Answer: To complete the process of preparing the Mingenew Townsite Expansion Strategy has taken considerable time and resources. The quoted price for this project was \$38,000 and that is what has been paid. The Strategy is in its final stages prior to implementation.

This project was grant funded through the Department of Planning.

6. What Grants are available the Shire?

Answer: This varies depending on the funding bodies and their criteria.

Examples are: Midwest Development Commission

Royalties for Regions

Country Local Government Fund

Roads to Recovery

Lotterywest

Mid West Investment Plan

Regional Road Group

7. What applications for Grants have been made in the past 12 months?

Answer:

Lotterywest – Stage 2 Railway Station \$36,598 – Successful July 2014

Lotterywest – Mens Shed facility \$64,000 – Successful October 2014

Lotterywest – Museum Storeroom and Roads Board Building Roof \$25,000 -
Contribution from Museum \$5,000 Shire \$10,000 – Will be advised Early 2015

MWDC Community Chest Fund – Museum Kitchen - \$6780.25 Contribution from
Shire \$1000 – TBA 2015 (Pool of \$370k)

MWDC Regional Grant Scheme – Applications closed December 2014, TBA 2015
(Pool of \$1.1m)

Cemetery Grounds upgrade

Project Total \$149,610

Funds Requested from MWDC \$111,023

Shire Contribution \$16,095

Shire In-Kind \$22,492

Ambulance Set Down bay

Total project cost \$92,614

Funds Requested from MWDC \$25994

Shire contribution \$2,000

Silverchain Branch committee Contribution \$10,000

Irwin Sub Centre Contribution \$5,000 TBC

Shire In-Kind \$49,620

War Memorial Drive Upgrade

Project Total \$179697

Funds Requested from MWDC \$142,855

Shire contribution \$9612

Shire In-Kind \$27,230

Main Street Footpath upgrade

Project Total \$247,370

Funds requested from MWDC \$180,217

Shire contribution \$57,953

Shire In-Kind \$9,200

Men's Shed Ablution block and water connection

Project Total \$35,972.29

Fund Requested from MWDC \$34,472

Shire in-Kind \$1,500

Road project funding:

Roads to Recovery – 2014/15 program – To be confirmed

Yandanooka North East Road – Full Construction	\$346,590
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CLGF – To be confirmed

Depot Hill Road – Hot Mix Overlay on Crossing	\$72,250
Depot Hill Road – Information Bay Upgrade	\$44,100
Nanekine Road – Widen & Seal	\$111,518
Coalseam Road – Widen & Seal	\$106,363
Mingenew/Mullewa Rd – Reseal	\$50,000
Mingenew/Mullewa Rd – Culverts	\$56,167
Depot Hill Road – Reseal	\$70,500

Regional Road Group – Approved for 2014/15

Nanekine Road – Widen & Seal	\$174,722
Coalseam Road – Widen & Seal	\$267,041

Mingenew/Mullewa Road – Reseal	\$100,000
Mingenew/Mullewa Road – Culverts	\$112,333
Depot Hill Road – Reseal	\$211,500

MRWA Black Spot Funded Project

Yandanooka NE Road/Morawa Road Intersection	\$70,733
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It is pertinent to note that competition for grant funds is becoming increasingly competitive with the requests far outweighing the available funds.

8. How successful has the Shire been in obtaining these Grants?

Answer: Operating Grant income in 2013/14 was \$928,555 and Non-Operating Grant Income was \$1,787,618

9. Who on staff actually puts the applications together?

Answer: Grant applications are prepared by the administration team under the direction of the CEO



SHIRE OF MINGENEW

ANNUAL REPORT

2014/2015

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1. SHIRE PRESIDENTS REPORT

It is with great pleasure that I present my report on the activities of the Shire of Mingenew for the 2014/15 financial year. The 2014/15 financial year saw the Shire of Mingenew focused on service delivery and project completion. Completion of a number of important capital projects funded through the Royalties for Regions has added some much needed infrastructure within the Shire.

Road Program

Council continued to deliver a comprehensive road maintenance and construction program throughout the year with expenditure of \$1,480,683 spent on capital road works. Council delivered these projects on time and on budget, demonstrating the depth of skill and expertise within its workforce.

Some of the highlights of the road projects completed during the year included;

- 6km reseal on Depot Hill Road
- Refurbishing the Depot Hill Crossing Car park
- Hot mix overlay on the Depot Hill Rd Crossing Bridge
- 4.2km of widening and seal on the Coalseam Road
- 1.9km widening and seal on the Nanekine Road
- Completing the upgrade of culverts on the Mingenew Mullewa Road

These projects are major roads within the Shire that link visitors and residents to the region, enabling tourism and business opportunities and Council remains committed to maintaining and improving the road network within the Shire.

Housing

Construction of a single bedroom unit and a two bedroom unit were constructed on lots in Shenton Street and this will enable good accommodation to be offered to assist and attract staff for key positions. The key worker housing was made possible as a result of funding from the Country Local Government Fund, which is a spin off from the Royalties for Regions program.

Other Projects

During the year Council were able to successfully obtain through Lotterywest and the Midwest Development Commission which enabled the Shire to complete the purchase of a Men's Shed in Ernest Street and to upgrade to the Museum facilities. These projects add another dimension to the already diverse community facilities within the Shire.

Community Services

The Shire is pleased to support various programs and initiatives in which Council see as providing a valuable service to our community members. The Council have been fortunate to secure an agreement with Midwest Aero Medical Services for the provision of a visiting medical practitioner who comes to Mingenew on a weekly basis and the medical services continue to be well utilised by our residents.

A regular dental service is also provided courtesy to an agreement between the Shire and Karara Mining Ltd and provides another invaluable health service to our community. On another level, the ongoing vet program continues to be very well supported and provides free sterilisation together with micro-chipping and immunising at a modest cost to those who utilise the service.

Council are keen to pursue opportunities to work with other industry partners that will result in the provision of further services that can be well utilised by our community.

Finance

Council remains in a sound financial position. A key role of local government is the provision and maintenance of infrastructure that enables both economic and social activity in our community and the Shire have been very fortunate in the last 4-5 years to benefit substantially through the Royalties for Regions. While these funds are still available for regionally significant projects, it is important that the Shire explores new funding opportunities to allow the continuation of the good work already carried out.

Working closely with our partners and stakeholders is always important to the successful delivery of Shire services and the completion of projects and one of our focuses this year has been to continue to strengthen our regional relationships. Council is a member of a number of regional committees and initiatives. These alliances increase opportunities by leveraging resources through shared experiences or funding, including, but not limited to:

- Midwest Development Commission
- The Shire of Irwin for the provision of Building, Health and Planning services
- Mingenew/Morawa/Perenjori/Three Springs Local Emergency Management Committee

It is important that we continue to grow these and other relations with key stakeholders such as Main Roads, Department of Sport & Recreation and Lotterywest as we work towards regional collaboration to enable the Shire to secure funding opportunities to implement the future infrastructure needs of our community as outlined within the Community Strategic Plan.

Volunteers

I would like to express my gratitude to all the members of the volunteer bush fire brigades and in particular to the Fire Control Officers. These people provide an essential asset to our Shire and are an integral part of our community. Likewise, the efforts of all other volunteers are to be applauded. The events showcased within the Shire are testament of the hard work put in by a range of community members and the quality of these events held within the Shire is an absolute credit to all those involved.

Councillors & Staff

In closing, I would like to extend my appreciation to the dedicated Councillors of the Shire and to the support of our partners as we endeavour to make a positive difference to our Community. I would also like to record my appreciation to all of the Shire staff whose combined efforts really do make a difference.

Michelle Bagley

Shire President

2. CEO'S REPORT

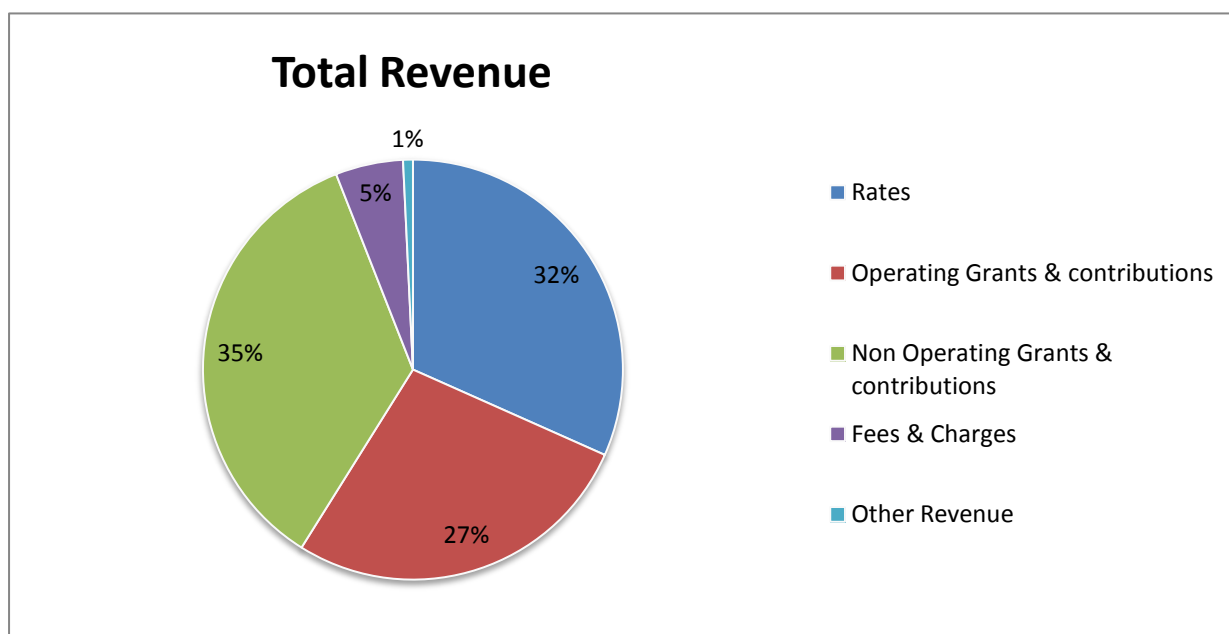
It is with much pleasure that I present my first report as the Chief Executive Officer of the Shire of Mingenew. Commencing the role in January 2015 I have now been able to oversee the implementation of the 2015/16 Budget and see this as a great platform to expand the financial prosperity of the Shire in the coming years.

Like any business, Local Government faces its challenges and one of the biggest challenges our Shire faces in the future is sourcing funding opportunities to maintain and provide new infrastructure needs for our community. Whilst Local Government is constantly facing scrutiny from State and Federal government, there are many avenues to be explored to provide opportunities to sustain and grow our community and I look forward to the challenge of pursuing such opportunities to deliver on those projects which the community consider important to our Shire.

Below is a summary of the 2014/15 financial year.

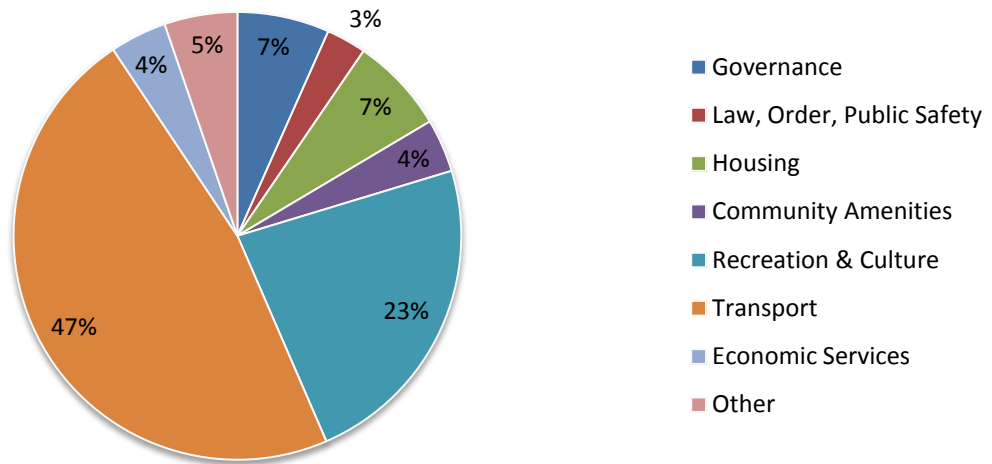
Finance

The Shire of Mingenew had a Total Operating Revenue of \$5.24m (including operating and capital grants) for the 2014/15 financial year. A significant 35% (\$1.84m) of the Shire's revenue for 2014/15 was Non-Operating Grants which helped to fund a number of key capital projects. Operating Grants and Contributions account for 27% of total revenue and Rates (32%) are also significant contributing factors to the total revenue figure. The remaining 6% of revenue comes from fees & charges, interest received and other miscellaneous services carried out by the Shire.



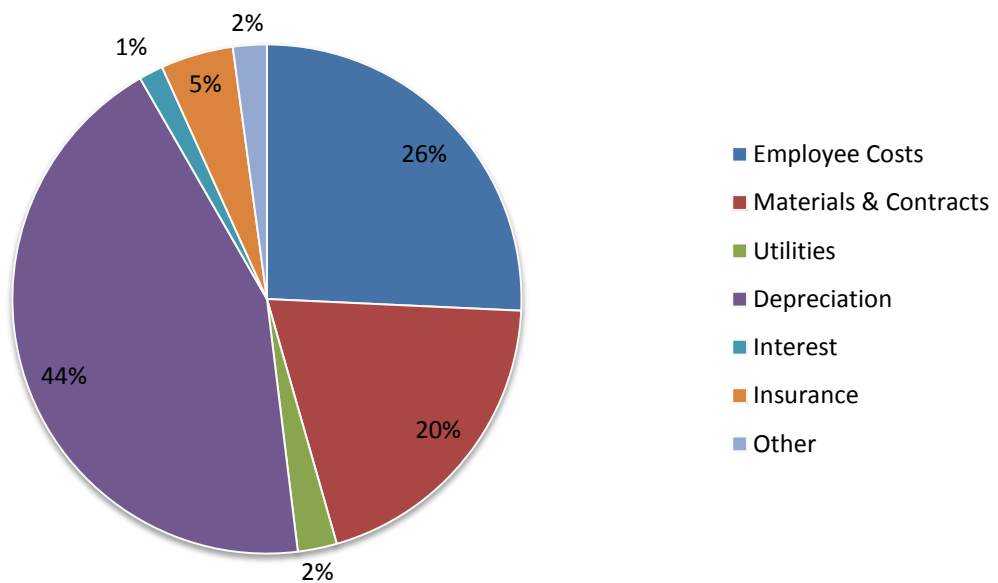
All of the Shire's revenue is spent providing infrastructure and services to enhance the everyday lives for you and your family. The Shire provides many services including maintenance and improvement of roads, parks and gardens, leisure services and other community projects. A significant amount of the Shire's resources (70%) are spent on maintaining road infrastructure and the provision of recreation services.

Expenditure by Program



When comparing the breakdown of these costs by nature and type a staggering 44% of all operating expenditure is attributed to depreciation charges. Depreciation is a non cash item and is attributed to the Shire having in excess of \$42m of assets, of which 91% is attributed to the Shire's road network and other related infrastructure. Other significant expenditure includes Employee Costs (26%) and Materials & Contracts (20%).

Expenditure by Nature & Type



In addition to the normal operating activities a number of significant capital works projects were undertaken during the 2014/15 financial year to the value of \$1.98m. Some of this year's capital works highlights include;

Transport	
Coalseam Road – 4.2km Widen & Reseal	\$410,856
Nanekine Road – 1.9km Realignment, Widen & Reseal	\$305,794
Yandanooka Melara Road – 3km gravel sheeting	\$85,752
Depot Hill Road – 6km Reseal	\$215,459
Mingenew Mullewa Road – Culvert Upgrade	\$170,085
Moore Street – Reconstruction	\$56,509
Depot Hill Road – Hotmix Bridge Crossing	\$70,377
Depot Hill – Information Bay Upgrade	\$44,310
Yarragadee Bridge Maintenance	\$164,129
Steel Drum Roller	\$152,450
Housing	
Construction of key worker housing	\$92,830
Recreation & Culture	
Men's Shed	\$95,651
Mingenew Museum	\$46,162

Reserve Funds

Council continues to maintain reserve accounts to help with major projects and plant and equipment purchases. As at 30 June 2014 the balance in the Reserve Accounts was \$271,963 comprised as listed below;

RESERVE	BALANCE
Land & Building Reserve	43,342
Sportsground Improvement Reserve	2,659
Plant Replacement Reserve	131,625
Accrued Leave Reserve	13,724
Aged Persons Units Reserve	19,739
Street Lighting Reserve	14,118
Painted Road Reserve	4,146
Environmental Rehabilitation Reserve	17,565
Industrial Area Development Reserve	5,159
RTC/PO/NAB Reserve	19,888
TOTAL	\$271,963

The above represents a minimal decrease from \$279,242 at 30 June 2014. A concerted effort will be made in the coming years to look at improving the level of our cash reserves to enable the provision of future acquisitions and development to take place as specified within the Shire's Community Strategic Plan.

Loan Liability

As at 30 June 2015 the outstanding principal on all loans was \$1,059,641. The increase from 2014 (\$1,038,061) is a result of the new loan raised for the purchase of the Steel Drum Roller.

Annual Audit

The annual audit was successfully completed for the 2014/15 financial year and a copy of the report is included within this Annual Report. The audit process went very smoothly and there were no material findings noted within the Auditors Report which is a credit to all those involved throughout the process.

Strategic Direction

The Shire's Strategic Plan, Long Term Financial Plan and Asset Management Plan will be the key focus for further development and community consultation over the next 12 months. This is to ensure that Council and the Shire Administration have the strategic tools to strive to meet the community's hopes and aspirations into the future.

Staff

The 2014/15 financial year saw a changing of the guard with the appointment of a new CEO and Manager of Administration & Finance during this period. I would like to acknowledge the efforts of all inside and outside staff over the past 12 months. It has been a challenging period for all staff and the Mingenew Shire team, which at times has been very resourced challenged, are to be commended for their efforts in providing the level of service carried out within the community.

Council

Finally, I would like acknowledge the efforts of the President, Deputy President and Councillors for their contribution to the Mingenew Community over the past 12 months. I have certainly found the Council to be very welcoming and supportive since my arrival and I look forward to continuing a successful working relationship with Council in future years to come.

Martin Whitely

Chief Executive Officer

3. COUNCILLORS



SHIRE PRESIDENT

Michelle Bagley



DEPUTY PRESIDENT

Peter Gledhill



COUNCILLOR

Marguerite Pearce



COUNCILLOR

Gary Cosgrove



COUNCILLOR

Helen Newton



COUNCILLOR

Alan Sobey



COUNCILLOR

Crispian Lucken

4. STAFF

Administration Staff

Chief Executive Officer	Martin Whitely
Manager, Finance & Administration	Nita Jane
Senior Finance Officer	Julie Borrett
Community Development Officer	Megan Criddle
Customer Service/Library Officer	Paulette Lucken

Works & Services Staff

Manager, Works and Services	Warren Borrett
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Road Construction & Maintenance Crew

Leading Hand/Grader Operator	Rocky Brennan
Grader Operator – Maintenance	Noel Page
Plant Operator	Edward Brennan
Plant Operator	Brady Brennan
Plant Operator	Phillip Greaves
Plant Operator	Robert Spice

Town Maintenance Crew

Leading Hand/Gardener	Robert Stephens
Gardener	Yvonne Woodbrook
Gardener	George Whitecross
Gardener	Michael Warren
Gardener	Clara Eaton
Cleaner	Fay Knock

5. 2014/15in Pictures



Reseal Depot Hill Road – Reseal 6 kilometres



New Roller





Mingenew Men's Shed – Opening



Moore Street Reconstruction



Moore Street Reconstruction



ANZAC – 100th Anniversary

6. STRATEGIC COMMUNITY PLAN

Strategic Community Plan 2012 – 2022

The Shire of Mingenew Strategic Community Plan reflects a vision for the future and is the principal strategic guide for planning and activities. Based on community engagement, the Shire has set out a vision for the future and captured the community's aspirations and values.

A strategic objective has been developed for each of the four key areas of community interest:

- Economic
- Environmental
- Social
- Civic leadership

Desired outcomes have been determined to achieve each of the four objectives after considering the Shire's current and future resources along with demographic trends.

Strategic plans are only effective if resourced adequately to ensure an outcome. The strategies will be prioritised and actions applied (after an assessment of available resources) through the development of the Corporate Business Plan and subsequently the Annual Budget.

Copies of the Strategic Community Plan 2012 – 2022 are available from the Shire's Administration Office or on Council's website at www.mingenew.wa.gov.au

COMMUNITY ASPIRATIONS AND VALUES

The community identified the following aspirations and values:

- Strong leaders, good decisions;
- Striving to be innovative and progressive;
- Respecting our environment and each other; and
- Proud independent community spirit.

OBJECTIVES & OUTCOMES

- 1 ECONOMIC**
To be a diverse and innovative economy with a range of local employment opportunities;
 - a. Increase the number of visitors and extend the tourism season within the region.
 - b. Increased availability of serviced residential, commercial and industrial land.
 - c. To maintain and increase the number of local businesses, industries and services that will provide a range of employment opportunities for the people of Mingenew.
 - d. Protect and enhance economic infrastructure.
 - e. Ensure the provision of adequate services to support economic growth.

2 ENVIRONMENT

A sustainable natural and built environment that meets current and future community needs;

- a. Our natural environment is enhanced, promoted, rehabilitated and leveraged so it continues to be an asset to our community.
- b. Our indigenous and cultural heritage is acknowledged.
- c. To retain Mingenew as an attractive town that is a comfortable and welcoming place to live and visit, and reflects our lifestyle values.
- d. To provide recognition and retention of places of heritage.
- e. Safe and functional road and ancillary infrastructure.
- f. Efficient usage of resources.

3 SOCIAL

A safe and welcoming community where everyone has the opportunity to contribute and belong;

- a. Maintain and increase population.
- b. Maintain the provision of high quality community infrastructure.
- c. Affordable housing options that respond to community needs.
- d. Improved community health and well-being.
- e. Improved capacity of education and training.
- f. Community events continue to be supported.
- g. Maintain a safe community environment.

4 CIVIC LEADERSHIP

A collaborative and innovative community with strong and vibrant leadership;

- a. A well informed and engaged community that actively participates.
- b. An open and accountable local government that is respected, professional and trustworthy.
- c. Improved partnerships.
- d. Long term planning and strategic management.
- e. Achieve a high level of compliance.

7. ANNUAL FINANCIAL STATEMENTS



SHIRE OF MINGENEW
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

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Principal place of business:

Victoria Street
PO Box 120
MINGENEW WA 6522

**SHIRE OF MINGENEW
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Mingenew being the annual financial report and other information for the financial year ended 30 June 2015 are in my opinion properly drawn up to present fairly the financial position of the Shire of Mingenew at 30th June 2015 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed as authorisation of issue on the

5TH

day of

NOVEMBER

2015



Martin Whitely
Chief Executive Officer

SHIRE OF MINGENEW
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2015

	NOTE	2014/15 \$	2014/15 Budget \$	2013/14 \$
Revenue				
Rates	22	1,657,864	1,618,296	1,473,879
Operating Grants, Subsidies and Contributions	28	1,426,474	1,032,319	928,555
Fees and Charges	27	272,587	424,351	448,398
Interest Earnings	2(a)	29,162	33,367	40,892
Other Revenue		7,124	8,000	12,270
		<u>3,393,211</u>	<u>3,116,333</u>	<u>2,903,994</u>
Expenses				
Employee Costs		(1,071,366)	(1,023,655)	(1,019,092)
Materials and Contracts		(826,199)	(927,390)	(1,823,296)
Utility Charges		(103,469)	(99,050)	(142,327)
Depreciation on Non-Current Assets	2(a)	(1,816,963)	(1,454,710)	(1,447,689)
Interest Expenses	2(a)	(64,156)	(64,527)	(64,513)
Insurance Expenses		(192,139)	(242,782)	(204,245)
Other Expenditure		(54,224)	(98,450)	(95,679)
		<u>(4,128,516)</u>	<u>(3,910,564)</u>	<u>(4,796,841)</u>
		(735,305)	(794,231)	(1,892,847)
Non-Operating Grants, Subsidies and Contributions	28	1,839,758	1,491,586	1,787,618
Profit on Asset Disposals	20	3,320	4,193	0
Loss on Asset Disposals	20	(35,123)	(11,460)	(31,319)
NET RESULT		1,072,650	690,088	(136,548)
Other Comprehensive Income				
Items not reclassified subsequently to profit & loss				
Changes on Revaluation of Non-Current Assets	12	(9,417,460)	0	4,713,033
Total Other Comprehensive Income		(9,417,460)	0	4,713,033
Total Comprehensive Income		(8,344,810)	690,088	4,576,485

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

SHIRE OF MINGENEW
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2015

	NOTE	2014/15 \$	2014/15 Budget \$	2013/14 \$
Revenue				
Governance		31,070	32,986	37,966
General Purpose Funding		2,576,776	2,258,372	1,789,942
Law, Order, Public Safety		33,940	27,100	32,642
Health		23,620	0	0
Education and Welfare		34,540	3,795	3,525
Housing		110,284	92,204	82,560
Community Amenities		67,286	56,979	37,946
Recreation and Culture		75,486	73,446	31,870
Transport		256,281	288,813	218,560
Economic Services		53,760	11,012	5,168
Other Property and Services		130,168	271,626	663,815
		<u>3,393,211</u>	<u>3,116,333</u>	<u>2,903,994</u>
Expenses				
Governance		(277,145)	(151,940)	(34,014)
General Purpose Funding		(63,452)	(55,096)	(224,902)
Law, Order, Public Safety		(101,143)	(99,789)	(97,727)
Health		(59,863)	(81,856)	(54,626)
Education and Welfare		(34,167)	(22,355)	(22,824)
Housing		(266,619)	(167,252)	(823,536)
Community Amenities		(159,959)	(136,322)	(126,854)
Recreation & Culture		(951,250)	(796,371)	(752,933)
Transport		(1,927,038)	(1,938,565)	(1,896,698)
Economic Services		(170,503)	(147,993)	(152,966)
Other Property and Services		(53,222)	(248,498)	(545,247)
		<u>(4,064,361)</u>	<u>(3,846,037)</u>	<u>(4,732,327)</u>
Financial Costs				
General Purpose Funding		(2,384)	0	(65)
Education and Welfare		(6,355)	(6,392)	(6,603)
Housing		(22,115)	(22,593)	(23,836)
Recreation & Culture		(6,101)	(6,137)	(6,339)
Transport		(27,201)	(29,405)	(27,671)
		<u>(64,156)</u>	<u>(64,527)</u>	<u>(64,514)</u>
Non-Operating Grants, Subsidies and Contributions				
Law, Order, Public Safety		388,690	0	0
Education and Welfare		64,000	0	0
Recreation & Culture		22,461	35,900	10,495
Transport		1,364,608	1,455,686	1,773,942
Other Property and Services		0	0	3,181
		<u>1,839,759</u>	<u>1,491,586</u>	<u>1,787,618</u>
Profit/(Loss) on Disposal of Assets				
Governance		3,320	4,193	(16,410)
Law, Order, Public Safety		(18,691)	0	0
Recreation & Culture		(8,051)	0	0
Transport		(8,381)	(11,460)	(14,909)
		<u>(31,803)</u>	<u>(7,267)</u>	<u>(31,319)</u>
Net Result		1,072,650	690,088	(136,548)
Other Comprehensive Income				
Items not reclassified subsequently to profit & loss				
Changes on revaluation of non-current assets	12	(9,417,460)	0	4,713,033
Total Other Comprehensive Income		(9,417,460)	0	4,713,033
Total Comprehensive Income		<u>(8,344,810)</u>	<u>690,088</u>	<u>4,576,485</u>

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

SHIRE OF MINGENEW
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2015

	NOTE	2015 \$	2014 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	1,084,154	304,786
Trade and Other Receivables	4	88,138	436,062
Inventories	5	49,419	60,708
TOTAL CURRENT ASSETS		<u>1,221,711</u>	<u>801,556</u>
NON-CURRENT ASSETS			
Inventories	5	50,000	50,000
Property, Plant and Equipment	6	11,138,778	11,466,125
Infrastructure	7	29,247,377	37,878,191
TOTAL NON-CURRENT ASSETS		<u>40,436,155</u>	<u>49,394,316</u>
TOTAL ASSETS		<u>41,657,866</u>	<u>50,195,872</u>
CURRENT LIABILITIES			
Trade and Other Payables	8	404,019	701,315
Current Portion of Long Term Borrowings	9	172,463	132,611
Provisions	10	239,905	225,457
TOTAL CURRENT LIABILITIES		<u>816,387</u>	<u>1,059,383</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	9	887,178	905,449
Provisions	10	90,452	22,381
TOTAL NON-CURRENT LIABILITIES		<u>977,630</u>	<u>927,830</u>
TOTAL LIABILITIES		<u>1,794,017</u>	<u>1,987,213</u>
		<u>39,863,849</u>	<u>48,208,659</u>
EQUITY			
Retained Surplus		29,057,128	27,977,199
Reserves - Cash Backed	11	271,963	279,242
Revaluation Surplus	12	10,534,758	19,952,218
TOTAL EQUITY		<u>39,863,849</u>	<u>48,208,659</u>

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

**SHIRE OF MINGENEW
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2015**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2013		28,186,971	206,018	15,239,185	43,632,174
Comprehensive Income					
Net Result		(136,548)	0	0	(136,548)
Changes on Revaluation of Non-Current Assets	12	0	0	4,713,033	4,713,033
Total Comprehensive Income		(136,548)	0	4,713,033	4,576,485
Transfers from/(to) Reserves		(73,224)	73,224	0	0
Balance as at 30 June 2014		27,977,199	279,242	19,952,218	48,208,659
Comprehensive Income					
Net Result		1,072,650	0	0	1,072,650
Changes on Revaluation of Non-Current Assets	12	0	0	(9,417,460)	(9,417,460)
Total Comprehensive Income		1,072,650	0	(9,417,460)	(8,344,810)
Transfers from/(to) Reserves		7,279	(7,279)	0	0
Balance as at 30 June 2015		29,057,128	271,963	10,534,758	39,863,849

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

**SHIRE OF MINGENEW
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2015**

	NOTE	2015 \$	2015 Budget \$	2014 \$
Cash Flows From Operating Activities				
Receipts				
Rates		1,631,706	1,618,296	1,476,505
Operating Grants, Subsidies and Contributions		1,754,438	1,223,919	943,975
Fees and Charges		272,587	424,351	448,398
Interest Earnings		29,162	33,367	40,892
Goods and Services Tax		46,118	2,631	298,052
Other Revenue		7,124	8,000	455,158
		<u>3,741,135</u>	<u>3,310,564</u>	<u>3,662,980</u>
Payments				
Employee Costs		(988,249)	(1,023,655)	(940,016)
Materials and Contracts		(1,079,159)	(1,017,847)	(1,294,642)
Utility Charges		(103,469)	(99,050)	(142,327)
Interest Expenses		(56,658)	(64,527)	(66,620)
Insurance Expenses		(192,139)	(242,782)	(204,245)
Goods and Services Tax		(41,143)	0	(336,562)
Other Expenditure		(54,225)	(98,450)	(538,567)
		<u>(2,515,042)</u>	<u>(2,546,311)</u>	<u>(3,522,979)</u>
Net Cash Provided By (Used In) Operating Activities	13(b)	<u>1,226,093</u>	<u>764,253</u>	<u>140,001</u>
Cash Flows from Investing Activities				
Payments for Purchase of Property, Plant & Equipment		(532,735)	(494,400)	(661,744)
Payments for Construction of Infrastructure		(1,474,414)	(1,803,085)	(1,771,780)
Non-Operating Grants, Subsidies and Contributions		1,425,760	1,491,586	1,787,618
Proceeds from Sale of Fixed Assets		113,082	131,700	124,091
Net Cash Provided by (Used in) Investment Activities		<u>(468,307)</u>	<u>(674,199)</u>	<u>(521,815)</u>
Cash Flows from Financing Activities				
Repayment of Debentures		(148,419)	(162,587)	(125,549)
Proceeds from New Debentures		170,000	170,000	0
Net Cash Provided By (Used In) Financing Activities		21,581	7,413	(125,549)
Net Increase (Decrease) in Cash Held		779,368	97,467	(507,363)
Cash at Beginning of Year		304,786	303,370	812,149
Cash and Cash Equivalents at the End of the Year	13(a)	<u>1,084,154</u>	<u>400,837</u>	<u>304,786</u>

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

**SHIRE OF MINGENEW
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2015**

	NOTE	2015 Actual \$	2015 Budget \$	2014 Actual \$
Revenue				
Governance		34,390	37,179	37,966
General Purpose Funding		918,912	640,076	316,063
Law, Order, Public Safety		422,630	27,100	32,642
Health		23,620	0	0
Education and Welfare		98,540	3,795	3,525
Housing		110,284	92,204	82,560
Community Amenities		67,286	56,979	37,946
Recreation and Culture		97,947	109,346	42,365
Transport		1,620,889	1,733,039	2,435,390
Economic Services		53,760	11,012	5,168
Other Property and Services		130,168	271,626	666,996
		<u>3,578,426</u>	<u>2,982,356</u>	<u>3,660,621</u>
Expenses				
Governance		(277,145)	(151,940)	(50,424)
General Purpose Funding		(65,836)	(55,096)	(224,967)
Law, Order, Public Safety		(119,834)	(99,789)	(97,727)
Health		(59,863)	(81,856)	(54,626)
Education and Welfare		(40,522)	(28,747)	(29,427)
Housing		(288,734)	(189,845)	(847,372)
Community Amenities		(159,959)	(136,322)	(126,854)
Recreation and Culture		(965,402)	(802,508)	(759,272)
Transport		(1,962,620)	(1,967,970)	(2,382,166)
Economic Services		(170,503)	(147,993)	(152,966)
Other Property and Services		(53,222)	(248,498)	(545,247)
		<u>(4,163,640)</u>	<u>(3,910,564)</u>	<u>(5,271,048)</u>
Net Result Excluding Rates		(585,214)	(928,208)	(1,610,427)
Adjustments for Cash Budget Requirements:				
(Profit)/Loss on Asset Disposals	20	31,803	7,267	31,319
Donated Asset - Bushfire Equipment	2(a)	(413,998)	0	0
Change in value of Bridge	7(a)	35,871	0	0
Movement in Employee Benefit Provisions		82,520	0	33,672
Depreciation and Amortisation on Assets	2(a)	1,816,963	1,454,710	1,447,689
Capital Expenditure and Revenue				
Purchase Land and Buildings	6(a)	(273,982)	(176,700)	(418,717)
Purchase Furniture and Equipment	6(a)	(6,454)	0	(47,211)
Purchase Plant and Equipment	6(a)	(252,299)	(317,700)	(195,816)
Purchase Roads	7(a)	(1,480,683)	(1,803,085)	(1,300,144)
Purchase Footpaths	7(a)	0	0	(128,130)
Purchase Drainage	7(a)	0	0	(566)
Purchase Recreation	7(a)	(29,602)	0	(2,160)
Purchase Bridges	7(a)	0	0	(340,780)
Proceeds from Disposal of Fixed Assets	20	113,082	131,700	124,091
Repayment of Debentures	21(a)	(148,419)	(162,587)	(125,549)
Proceeds from New Debentures	21(a)	170,000	170,000	0
Transfers to Reserves (Restricted Assets)	11	(26,618)	(97,467)	(109,131)
Transfers from Reserves (Restricted Assets)	11	33,897	0	35,907
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	22(b)	(219,395)	33,967	912,679
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	22(b)	505,335	(69,807)	(219,395)
Total Amount Raised from General Rate	22(a)	<u>(1,657,864)</u>	<u>(1,618,296)</u>	<u>(1,473,879)</u>

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

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

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

Except for cash flow and rate setting information, the report has also 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.

Provision for impairment of receivables

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent revenue experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtors financial position.

Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent revenue experience, the ageing of inventories and other factors that affect inventory obsolescence.

Estimation of useful lives of assets

The Council determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and infrastructure. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

The Local Government Reporting

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

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

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

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Goods and Services Tax (GST)

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

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

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

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

(c) Cash and Cash Equivalents

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

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

(d) Trade and Other Receivables

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

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

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

(e) Inventories

General

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

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

Land Held for Sale

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

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

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

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets

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

Mandatory Requirement to Revalue Non-Current Assets

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

The amendments allow for a phasing in of fair value in relation to fixed assets over three years as follows:

- (a) for the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and
 - (b) for the financial year ending on 30 June 2014, the fair value of all of the assets of the local government -
 - (i) that are plant and equipment; and
 - (ii) that are -
 - (I) land and buildings; or-
 - (II) Infrastructure;
- and
- (c) for a financial year ending on or after 30 June 2015, the fair value of all of the assets of the local government.

Thereafter, in accordance with the regulations, each asset class must be revalued at least every 3 years.

In 2013, Council commenced the process of adopting Fair Value in accordance with the Regulations.

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

Land Under Control

In accordance with Local Government (Financial Management) Regulation 16(a), the Council 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.

Whilst they were initially recorded at cost, fair value at the date of acquisition was deemed cost as per AASB 116.

Consequently, these assets were initially recognised at cost but revalued along with other items of Land and Buildings at 30 June 2014.

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

Initial Recognition and Measurement between Mandatory Revaluation Dates

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

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

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

Revaluation

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

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

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 Council.

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

Depreciation

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

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

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

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

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

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

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

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

When revalued assets are disposed of, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

Capitalisation Threshold

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

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fair Value of Assets and Liabilities

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

Fair Value is the price that Council 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. 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 (i.e. the market with the greatest volume and level of activity for the asset or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

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

Fair Value Hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

The Council 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 Council are consistent with one or more of the following valuation approaches:

Market approach

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

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Income approach

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

Cost approach

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

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Council 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 and considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued at least every 3 years.

(h) Financial Instruments

Initial Recognition and Measurement

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

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

Classification and Subsequent Measurement

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

Amortised cost is calculated as:

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

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

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Classification and Subsequent Measurement (Continued)

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

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

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments that the Council 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 non-current assets, where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as non-current.

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

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

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Impairment

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

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

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

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

Derecognition

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

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

(i) Impairment of Assets

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

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

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

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

(j) Trade and Other Payables

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

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Employee Benefits

Short-Term Employee Benefits

Provision is made for the Council'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 Council'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 Council's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other Long-Term Employee Benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations or 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 Council's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Council does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(l) Borrowing Costs

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

(m) Provisions

Provisions are recognised when the Council 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.

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Leases

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

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

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

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

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

(o) Investment in Associates

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

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

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

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

(p) Interests in Joint Arrangements

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

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

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

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Revenue

Rates, Grants, Donations and Other Contributions

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

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

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

Fees and Charges

Revenue (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees

Service Charges

Service charges imposed under Division 6 of Part 6 of the Local Government Act 1995. Regulation 54 of the Local Government (Financial Management) Regulations identifies the charges which can be raised. These are television and radio rebroadcasting, underground electricity, property surveillance and security and water services. Excludes rubbish removal and charges for the provision of waste services

Interest earnings

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors

Other Revenue

Other revenue, which cannot be classified under the above headings, includes dividends, discounts, rebates, etc.

(r) Superannuation

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

(s) Current and Non-Current Classification

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where the Council 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 Council's intentions to release for sale.

(t) Rounding Off Figures

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

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Comparative Figures

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

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

(v) Budget Comparative Figures

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

**SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

	Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(i)	AASB 9 – Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)	December 2014	1 January 2018	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Shire, it is not anticipated the standard will have any material effect.
(ii)	AASB 2010 -7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)	September 2012	1 January 2018	Nil - The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Shire (refer (i) above).
	[AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]			

**SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(iii) AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2017	<p>This standard established principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.</p> <p>The effect of this Standard will depend upon the nature of future transactions the Shire has with those third parties it has dealings with. It may or may not be significant.</p>
(iv) AASB 2012-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments [Operative Date: Part C Financial Instruments - 1 January 2015]	December 2013	Refer title column	<p>Part C of this Standard makes consequential amendments to AASB 9 and numerous other Standards and amends the permissions around certain applications relating to financial liabilities reissued at fair value.</p> <p>As the bulk of changes relate either to editorial or reference changes it is not expected to have a significant impact on the Shire.</p>

**SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(v) AASB 2014 - 3: Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]	August 2014	1 January 2016	<p>This Standard amends AASB 11: Joint Arrangements to require the acquirer of an interest (both initial and additional) in a joint operation in which the activity constitutes a business, as defined in AASB 3: Business Combinations, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations.</p> <p>Since adoption of this Standard would impact only acquisitions of interests in joint operations on or after 1 January 2016, management believes it is impracticable at this stage to provide a reasonable estimate of such impact on the Shire's financial statements.</p>
(vi) AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation. [AASB 116 & 138]	August 2014	1 January 2016	<p>This Standard amends AASB 116 and AASB 138 to establish the principles for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. It also clarifies the use of revenue-based methods to calculate the depreciation of an asset is not appropriate nor is revenue generally an appropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.</p> <p>Given the Shire currently uses the expected pattern of consumption of the future economic benefits of an asset as the basis of calculation of depreciation, it is not expected to have a significant impact.</p>
(vii) AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	December 2014	1 January 2017	<p>Consequential changes to various Standards arising from the issuance of AASB 15.</p> <p>It will require changes to reflect the impact of AASB 15.</p>

**SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(viii) AASB 2015-2 Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101.	January 2015	1 January 2016	<p>This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements.</p> <p>This Standard also makes editorial and consequential amendments as a result of amendments to the Standards listed in the title column.</p> <p>It is not anticipated it will have any significant impact on disclosures</p>

**SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

	Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(ix)	AASB 2015-3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality/	January 2015	1 July 2015	<p>This Standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing it to be completely withdrawn.</p> <p>It is not anticipated it will have a significant impact as the principles of materiality remain largely unchanged.</p>
(x)	AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities. [AASB 10, 124 & 1049]	March 2015	1 July 2016	<p>The objective of this Standard is to extend the scope of AASB 124 Related Party Disclosures to include not-for-profit sector entities.</p> <p>The Standard is expected to have a significant disclosure impact on the financial report of the Shire as both Elected Members and Senior Management will be deemed to be Key Management Personnel and resultant disclosures will be necessary.</p>

Notes:

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

**SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Adoption of New and Revised Accounting Standards

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

These new and revised standards were:

- AASB 2011-7
- AASB 2012-3
- AASB 2013-3
- AASB 2013-8
- AASB 2013-9 Parts A & B

Most of the standards adopted had a minimal effect on the accounting and reporting practices of the Shire as they did not have a significant impact on the accounting or reporting practices or were either not applicable, largely editorial in nature, were revisions to help ensure consistency with presentation, recognition and measurement criteria of IFRSs or related to topics not relevant to operations.

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

2. REVENUE AND EXPENSES	2015	2014	
	\$	\$	
(a) Net Result			
The Net Result includes:			
(i) Charging as an Expense:			
Auditors Remuneration			
- Audit of the annual financial report	24,477	22,245	
- Interim audit	9,850	0	
- Project Acquital Audits	2,925	3,682	
	<u>37,252</u>	<u>25,927</u>	
Depreciation			
Non-Specialised Buildings	409,894	116,757	
Furniture and Equipment	49,095	54,180	
Plant and Equipment	253,406	233,224	
Bushfire Equipment	6,503	6,503	
Tools	1,247	1,506	
Roads	896,512	844,979	
Footpaths	42,224	40,379	
Drainage	5,675	5,664	
Recreation	1,099	0	
Bridges	151,308	144,497	
	<u>1,816,963</u>	<u>1,447,689</u>	
Interest Expenses (Finance Costs)			
Debentures (<i>refer Note 21.(a)</i>)	61,772	64,448	
Overdraft Interest	2,384	65	
	<u>64,156</u>	<u>64,513</u>	
Rental Charges			
- Operating Leases	18,755	3,880	
	<u>18,755</u>	<u>3,880</u>	
(ii) Crediting as Revenue:			
Significant Revenue			
Donation of Asset	413,999	0	
	<u>413,999</u>	<u>0</u>	
This significant revenue in 2015 relates to the supply of a Fire Truck by DFES.			
Other Revenue			
Other	7,124	12,270	
	<u>7,124</u>	<u>12,270</u>	
Reimbursements & Recoveries	406,784	603,603	
	2014/15	2014/15	2013/14
	Actual	Budget	Actual
	\$	\$	\$
Interest Earnings			
- Reserve Funds	6,618	6,867	12,431
- Other Funds	9,873	20,000	17,991
Other Interest Revenue (<i>refer note 26</i>)	12,672	6,500	10,470
	<u>29,162</u>	<u>33,367</u>	<u>40,892</u>

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

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

COMMUNITY VISION

Standing proud. Growing strong.

COMMUNITY ASPIRATIONS AND VALUES

Strong leaders, good decisions.
Striving to be innovative and progressive.
Respecting our environment and each other.
Proud independent community spirit.

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

GOVERNANCE

Objective:

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

Activities:

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

GENERAL PURPOSE FUNDING

Objective:

To collect revenue to allow for the provision of services.

Activities:

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

Objective:

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

Activities:

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

HEALTH

Objective:

To provide an operational framework for environmental and community health.

Activities:

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

EDUCATION AND WELFARE

Objective:

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

Activities:

Support of day care centre, Autumn Centre Senior Citizens.
Youth and seniors projects.

HOUSING

Objective:

To provide and maintain housing for staff, senior citizens and the community.

Activities:

Provision and maintenance of housing.

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

COMMUNITY AMENITIES

Objective:

To provide services required by the community.

Activities:

Rubbish collection services, operation of rubbish disposal sites, litter control, administration of town planning schemes, maintenance of the cemetery and public conveniences.

RECREATION AND CULTURE

Objective:

To establish and effectively manage infrastructure and resource which will help the social well being of the community.

Activities:

Maintenance of recreational and cultural facilities including the recreation centre and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.

TRANSPORT

Objective:

To provide safe, effective and efficient transport services to the community

Activities:

Construction and maintenance of roads, streets, footpaths, depots, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.

ECONOMIC SERVICES

Objective:

To help promote the shire and its economic wellbeing.

Activities:

Tourism and area promotion including support of the Tourist and Promotions group. Provision of rural services including weed control, vermin control and standpipes. Building Control. Drum Muster.

OTHER PROPERTY AND SERVICES

Objective:

To monitor and control council's overheads operating accounts.

Activities:

Private works operation, plant repair and operation costs and engineering operation costs.

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

Grant/Contribution	Function/ Activity	Opening Balance ⁽¹⁾ 01/07/13 \$	Received ⁽²⁾ 2013/14 \$	Expended ⁽³⁾ 2013/14 \$	Closing Balance ⁽¹⁾ 30/06/14 \$	Received ⁽²⁾ 2014/15 \$	Expended ⁽³⁾ 2014/15 \$	Closing Balance 30/06/15 \$
Dept of Local Govt LTFP	Governance	8,000	0	0	8,000	0	(8,000)	0
Dept of Local Govt Strategic Planning	Governance	9,376	0	0	9,376	0	(9,376)	0
Royalties for Regions	Housing	933,111	0	(927,070)	6,041	0	(6,041)	0
DFES	Law, Order & Public Safety	2,545	0	0	2,545	0	(2,545)	0
Royalties for Regions - CLGF Regional (Depot Hill Rd)	Transport	0	333,111	(103,321)	229,790	0	(178,159)	51,631
Roads to Recovery	Transport	0	479,390	(427,390)	52,000	325,189	(242,941)	134,248
Roads to Recovery	Transport	0	0	0	0	200,000	(164,129)	35,871
Mid West Development Commission - Ambulance Set Down Bay	Health	0	0	0	0	23,400	0	23,400
Mid West Development Commission - Men's Shed Ablution	Education & Welfare	0	0	0	0	31,025	0	31,025
Office of Crime Prevention - Rural Watch	Law, Order & Public Safety	0	0	0	0	3,643	0	3,643
Royalties for Regions - 2012/13 CLGF (Mingenew Mullewa Rd)	Transport	0	0	0	0	283,823	(233,823)	50,000
Total		953,032	812,501	(1,457,781)	307,752	867,080	(845,014)	329,818

Notes:

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

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

	Note	2015 \$	2014 \$
3. CASH AND CASH EQUIVALENTS			
Unrestricted		464,823	(282,208)
Restricted		<u>619,332</u>	<u>586,994</u>
		<u><u>1,084,154</u></u>	<u><u>304,786</u></u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Leave Reserve	11	13,724	13,455
Plant Replacement Reserve	11	131,625	115,239
Land and Building Reserve	11	43,342	68,999
Sportsground Improvement Reserve	11	2,659	2,604
Aged Persons Units Reserve	11	19,739	19,330
Street Lighting Upgrade Reserve	11	14,118	13,826
Painted Road Reserve	11	4,146	4,056
Environmental Rehabilitation Reserve	11	17,565	17,201
Industrial Area Development Reserve	11	5,159	5,056
RTC/PO/NAB Reserve	11	19,887	19,476
Unspent Loans	21(b)	17,550	0
Unspent Grants	2(c)	<u>329,818</u>	<u>307,752</u>
		<u><u>619,332</u></u>	<u><u>586,994</u></u>
4. TRADE AND OTHER RECEIVABLES			
Current			
Rates Outstanding		34,985	8,827
Sundry Debtors		53,153	381,117
GST Receivable		0	46,118
		<u>88,138</u>	<u>436,062</u>
Non-Current			
		<u>0</u>	<u>0</u>
5. INVENTORIES			
Current			
Fuel and Materials		9,025	20,314
Land Held for Resale			
Development Costs		<u>40,394</u>	<u>40,394</u>
		<u><u>49,419</u></u>	<u><u>60,708</u></u>
Non-Current			
Land Held for Resale			
Development Costs		<u>50,000</u>	<u>50,000</u>
		<u><u>50,000</u></u>	<u><u>50,000</u></u>

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

	2015	2014
	\$	\$
6. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings		
Freehold Land at:		
- Independent Valuation 2014	<u>1,471,016</u>	<u>1,471,016</u>
	1,471,016	1,471,016
Land Vested In and Under the Control of Council at:		
- Independent Valuation 2014	<u>15,000</u>	<u>15,000</u>
	15,000	15,000
Total Land	<u>1,486,016</u>	<u>1,486,016</u>
Non-Specialised Buildings at:		
- Independent Valuation 2014	7,732,912	7,982,994
- Additions after Valuation - Cost	273,982	0
Less: Accumulated Depreciation	<u>(420,001)</u>	<u>0</u>
	7,586,893	7,982,994
Total Buildings	<u>7,586,893</u>	<u>7,982,994</u>
Total Land and Buildings	<u>9,072,909</u>	<u>9,469,010</u>
Furniture and Equipment at:		
- Management Valuation 2015	81,780	0
- Cost	0	887,450
Less Accumulated Depreciation	<u>0</u>	<u>(609,557)</u>
	81,780	277,893
Plant and Equipment at:		
- Management Valuation 2013	1,747,572	1,896,550
- Additions after Valuation - Cost	252,299	34,885
Less Accumulated Depreciation	<u>(487,359)</u>	<u>(277,542)</u>
	1,512,512	1,653,893
Bushfire Equipment at:		
- Management Valuation 2015	466,411	0
- Cost	0	97,789
Less Accumulated Depreciation	<u>0</u>	<u>(38,873)</u>
	466,411	58,916
Tools at:		
- Management Valuation 2015	5,166	0
- Cost	0	13,221
Less Accumulated Depreciation	<u>0</u>	<u>(6,808)</u>
	5,166	6,413
	<u>11,138,778</u>	<u>11,466,125</u>

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Land and Buildings:

The Shire's land and building were revalued at 30 June 2014.

The revaluation was carried out by independent valuers.

Valuations were made on the basis of Market Value, the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Plant and Equipment:

The Shire's plant and equipment were revalued at 30 June 2013.

Major plant and equipment were revalued by independent valuers.

Valuations were made on the basis of Market Value, the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

All other plant and equipment were subject to a management valuation.

The management revaluation had regard for the current replacement cost, condition assessment (Level 2 inputs in the fair value hierarchy), residual values and remaining estimated useful life (Level 3 inputs). Given the significance of the Level 3 inputs into the overall fair value measurement, the assets are deemed to have been valued using Level 3 inputs.

Furniture and Equipment

The Shire's furniture and equipment were revalued at 30 June 2015.

These assets were subject to a management valuation.

The management valuation had regard for the current replacement cost, condition assessment (Level 2 inputs in the fair value hierarchy), residual values and remaining useful life (Level 3 inputs). Given the significance of the Level 3 inputs into the overall fair value measurement, the assets are deemed to have been valued using Level 3 inputs.

Tools

The Shire's tools were revalued at 30 June 2015.

These assets were subject to a management valuation.

The management valuation had regard for the current replacement cost, condition assessment (Level 2 inputs in the fair value hierarchy), residual values and remaining useful life (Level 3 inputs). Given the significance of the Level 3 inputs into the overall fair value measurement, the assets are deemed to have been valued using Level 3 inputs.

Fire Fighting Equipment

The Shire's fire fighting equipment were revalued at 30 June 2015.

These assets were subject to a management valuation.

The management valuation had regard for the current replacement cost, condition assessment (Level 2 inputs in the fair value hierarchy), residual values and remaining useful life (Level 3 inputs). Given the significance of the Level 3 inputs into the overall fair value measurement, the assets are deemed to have been valued using Level 3 inputs.

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(a) Movements in Carrying Amounts

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

		Balance at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) \$	Transfer Between Classes \$	Depreciation (Expense) \$	Carrying Amount at the End of Year \$
Freehold Land	(Level 2)	1,471,016	0	0	0	0	0	1,471,016
Land Vested In and Under the Control of Council	(Level 3)	15,000	0	0	0	0	0	15,000
Total Land		1,486,016	0	0	0	0	0	1,486,016
Non-Specialised Buildings	(Level 2)	7,982,994	273,982	0	0	(260,189)	(409,894)	7,586,893
Total Buildings		7,982,994	273,982	0	0	(260,189)	(409,894)	7,586,893
Total Land and Buildings		9,469,010	273,982	0	0	(260,189)	(409,894)	9,072,909
Furniture and Equipment	(Level 3)	277,893	6,454		0	(153,472)	(49,095)	81,780
Plant and Equipment	(Level 2)	1,653,893	252,299	(136,834)	0	(3,440)	(253,406)	1,512,512
Bushfire Equipment	(Level 3)	58,916	413,998		0	0	(6,503)	466,411
Tools	(Level 3)	6,413	0	0	0	0	(1,247)	5,166
Total Property, Plant and Equipment		11,466,125	946,733	(136,834)	0	(417,101)	(720,145)	11,138,778

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

	2015 \$	2014 \$
7. INFRASTRUCTURE		
Roads		
- Management Valuation 2015	39,526,452	0
- Management Valuation 2011	0	36,747,786
- Additions after Valuation - Cost	0	4,016,900
Less Accumulated Depreciation	<u>(15,135,042)</u>	<u>(8,727,760)</u>
	24,391,410	32,036,926
Footpaths		
-Management Valuation 2015	834,860	0
- Management Valuation 2011	0	1,453,680
- Additions after Valuation - Cost	0	235,268
Less Accumulated Depreciation	<u>(573,712)</u>	<u>(1,355,844)</u>
	261,148	333,104
Drainage		
- Management Valuation 2015	184,000	0
- Management Valuation 2011	0	283,200
- Additions after Valuation - Cost	0	566
Less Accumulated Depreciation	<u>(46,000)</u>	<u>(201,446)</u>
	138,000	82,320
Recreation		
- Management Valuation 2015	948,800	0
- Additions after Valuation - Cost	0	77,721
- Cost	0	114,394
Less Accumulated Depreciation	<u>0</u>	<u>(33,860)</u>
	948,800	158,255
Other Infrastructure		
- Management Valuation 2015	119,500	0
- Cost	0	14,387
Less Accumulated Depreciation	<u>0</u>	<u>(4,285)</u>
	119,500	10,102
Airfields		
- Management Valuation 2015	147,420	0
- Cost	0	16,987
Less Accumulated Depreciation	<u>(45,360)</u>	<u>(16,987)</u>
	102,060	0
Bridges		
- Management Valuation 2015	6,812,250	0
- Management Valuation 2011	0	4,900,000
- Additions after Valuation - Cost	0	2,665,398
Less Accumulated Depreciation	<u>(3,525,791)</u>	<u>(2,307,914)</u>
	3,286,459	5,257,484
	<u>29,247,377</u>	<u>37,878,191</u>

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

7. INFRASTRUCTURE continued

Roads:

The Shire's Road Infrastructure were revalued in 2015 as part of the mandatory requirements embodied in Local Government (Financial Management) Regulation 17A.

Footpaths:

The Shire's Footpath Infrastructure were revalued in 2015 as part of the mandatory requirements embodied in Local Government (Financial Management) Regulation 17A.

Drainage:

The Shire's Drainage Infrastructure were revalued in 2015 as part of the mandatory requirements embodied in Local Government (Financial Management) Regulation 17A.

Recreation:

The Shire's Recreation Infrastructure were revalued in 2015 as part of the mandatory requirements embodied in Local Government (Financial Management) Regulation 17A.

Other:

The Shire's Other Infrastructure were revalued in 2015 as part of the mandatory requirements embodied in Local Government (Financial Management) Regulation 17A.

Airfields:

The Shire's Airfield Infrastructure were revalued in 2015 as part of the mandatory requirements embodied in Local Government (Financial Management) Regulation 17A.

Bridges:

The Shire's Bridges Infrastructure were revalued in 2015 as part of the mandatory requirements embodied in Local Government (Financial Management) Regulation 17A.

General Note

The Shire's Infrastructure was revalued as 30 June 2015 by Greenfield Technical Services, an independent specialist valuer.

All the valuations were made on the basis of depreciated cost value of similar assets adjusted for condition and comparability (Level 3 inputs in the fair value hierarchy.)

The revaluation of infrastructure assets in 2015 resulted in an overall reduction in asset value by \$9,417,460. (Refer to Note 12 for detail.)

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

7. INFRASTRUCTURE (Continued)

(a) Movements in Carrying Amounts

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

		Balance as at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) \$	Transfers Between Classes \$	Depreciation (Expense) \$	Carrying Amount at the End of Year \$
Roads	(Level 3)	32,036,926	1,480,683	0	(8,229,687)	0	(896,512)	24,391,410
Footpaths	(Level 3)	333,104	0	0	(29,732)	0	(42,224)	261,148
Drainage	(Level 3)	82,320	0	0	61,355	0	(5,675)	138,000
Recreation	(Level 3)	158,255	29,602	(8,051)	354,493	415,600	(1,099)	948,800
Other Infrastructure	(Level 3)	10,102	0	0	107,897	1,501	0	119,500
Airfields	(Level 3)	0	0	0	102,060	0	0	102,060
Bridges	(Level 3)	5,257,484	(35,871)	0	(1,783,846)	0	(151,308)	3,286,459
Total		<u>37,878,191</u>	<u>1,474,414</u>	<u>(8,051)</u>	<u>(9,417,460)</u>	<u>417,101</u>	<u>(1,096,818)</u>	<u>29,247,377</u>

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

	2014/15	2013/14
	\$	\$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	363,017	367,645
Accrued Interest on Debentures	16,480	17,236
Accrued Salaries and Wages	16,268	15,670
ATO Liabilities	0	41,143
Accrued Expenditure	8,254	259,621
	<u>404,019</u>	<u>701,315</u>

9. LONG-TERM BORROWINGS

Current		
Secured by Floating Charge Debentures	<u>172,463</u>	<u>132,611</u>
	<u>172,463</u>	<u>132,611</u>
Non-Current		
Secured by Floating Charge Debentures	<u>887,178</u>	<u>905,449</u>
	<u>887,178</u>	<u>905,449</u>

Additional detail on borrowings is provided in Note 21.

10. PROVISIONS

Analysis of Total Provisions

Current	239,905	225,457
Non-Current	<u>90,452</u>	<u>22,381</u>
	<u>330,357</u>	<u>247,838</u>

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2014	123,334	124,504	247,838
Additional provision	93,857	72,752	166,609
Amounts used	<u>(81,628)</u>	<u>(2,462)</u>	<u>(84,090)</u>
Balance at 30 June 2015	<u>135,563</u>	<u>194,794</u>	<u>330,357</u>

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

	2014/15 \$	2014/15 Budget \$	2013/14 \$
11. RESERVES - CASH BACKED			
(a) Leave Reserve			
Opening Balance	13,455	13,456	44,720
Amount Set Aside / Transfer to Reserve	269	236	4,642
Amount Used / Transfer from Reserve	0	0	(35,907)
	<u>13,724</u>	<u>13,692</u>	<u>13,455</u>
(b) Plant Replacement Reserve			
Opening Balance	115,239	68,999	14,304
Amount Set Aside / Transfer to Reserve	22,964	42,322	100,935
Amount Used / Transfer from Reserve	(6,578)	0	0
	<u>131,625</u>	<u>111,321</u>	<u>115,239</u>
(c) Land and Building Reserve			
Opening Balance	68,999	2,604	67,371
Amount Set Aside / Transfer to Reserve	1,662	65	1,628
Amount Used / Transfer from Reserve	(27,319)	0	0
	<u>43,342</u>	<u>2,669</u>	<u>68,999</u>
(d) Sportsground Improvement Reserve			
Opening Balance	2,604	115,239	2,542
Amount Set Aside / Transfer to Reserve	55	52,875	62
Amount Used / Transfer from Reserve	0	0	0
	<u>2,659</u>	<u>168,114</u>	<u>2,604</u>
(e) Aged Persons Units Reserve			
Opening Balance	19,330	19,330	18,874
Amount Set Aside / Transfer to Reserve	409	482	456
Amount Used / Transfer from Reserve	0	0	0
	<u>19,739</u>	<u>19,812</u>	<u>19,330</u>
(f) Street Lighting Upgrade Reserve			
Opening Balance	13,826	13,825	13,499
Amount Set Aside / Transfer to Reserve	292	345	327
Amount Used / Transfer from Reserve	0	0	0
	<u>14,118</u>	<u>14,170</u>	<u>13,826</u>
(g) Painted Road Reserve			
Opening Balance	4,056	4,057	3,961
Amount Set Aside / Transfer to Reserve	90	101	95
Amount Used / Transfer from Reserve	0	0	0
	<u>4,146</u>	<u>4,158</u>	<u>4,056</u>
(h) Environmental Rehabilitation Reserve			
Opening Balance	17,201	17,201	16,795
Amount Set Aside / Transfer to Reserve	364	429	406
Amount Used / Transfer from Reserve	0	0	0
	<u>17,565</u>	<u>17,630</u>	<u>17,201</u>

	2014/15 \$	2014/15 Budget \$	2013/14 \$
11. RESERVES - CASH BACKED continued			
(i) Industrial Area Development Reserve			
Opening Balance	5,056	5,056	4,936
Amount Set Aside / Transfer to Reserve	103	126	120
Amount Used / Transfer from Reserve	0	0	0
	<u>5,159</u>	<u>5,182</u>	<u>5,056</u>
(j) RTC/PO/NAB Reserve			
Opening Balance	19,476	19,476	19,016
Amount Set Aside / Transfer to Reserve	412	486	460
Amount Used / Transfer from Reserve	0	0	0
	<u>19,888</u>	<u>19,962</u>	<u>19,476</u>
TOTAL RESERVES	<u>271,963</u>	<u>376,710</u>	<u>279,242</u>
Total Opening Balance	279,242	279,243	206,018
Total Amount Set Aside / Transfer to Reserve	26,618	97,467	109,131
Total Amount Used / Transfer from Reserve	(33,897)	0	(35,907)
TOTAL RESERVES	<u>271,963</u>	<u>376,710</u>	<u>279,242</u>

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

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

11. RESERVES - CASH BACKED (continued)

In accordance with council resolutions in relation to each reserve account, the purpose for which the funds are set aside are as follows:

- (a)** Accrued Leave Reserve
 - to be used to fund annual and long service leave requirements
- (b)** Plant Replacement Reserve
 - to be used for the purchase of plant.
- (c)** Land and Building Reserve
 - to be used for the acquisition, construction and maintenance of land and buildings.
- (d)** Sportsground Improvement Reserve
 - to be used for the improvement of the sportsground.
- (e)** Aged Persons Units Reserve
 - to be used for the funding of future operating shortfalls of the aged persons units in accordance with the management agreement Council has with Department of Housing.
- (f)** Street Lighting Upgrade Reserve
 - to be used for the upgrade of street lights in the town of Mingenew.
- (g)** Painted Road Reserve
 - to be used for the painted road project.
- (h)** Environmental Rehabilitation Reserve
 - to be used for the rehabilitation of gravel pits.
- (i)** Industrial Area Development Reserve
 - to be used for the development of the industrial area.
- (j)** RTC/PO/NAB Reserve
 - to be used for the maintenance and upkeep of the Rural Transaction Centre.

The Reserves are not expected to be used within a set period as further transfers to the reserve accounts are expected as funds are utilised.

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

12. REVALUATION SURPLUS	2015	2014
	\$	\$
Revaluation surpluses have arisen on revaluation of the following classes of non-current assets:		
(a) Land & Buildings		
Opening Balance	4,713,033	4,713,033
Revaluation Increment	0	(0)
Revaluation Decrement	0	0
	<u>4,713,033</u>	<u>4,713,033</u>
(b) Roads		
Opening Balance	11,790,072	11,790,072
Revaluation Increment	0	0
Revaluation Decrement	(8,229,688)	0
	<u>3,560,385</u>	<u>11,790,072</u>
(c) Footpaths		
Opening Balance	128,817	128,817
Revaluation Increment	(0)	(0)
Revaluation Decrement	(29,732)	0
	<u>99,085</u>	<u>128,817</u>
(d) Drainage		
Opening Balance	70,699	70,699
Revaluation Increment	61,355	(0)
Revaluation Decrement	0	0
	<u>132,054</u>	<u>70,699</u>
(e) Bridges		
Opening Balance	2,953,170	2,953,170
Revaluation Increment	0	0
Revaluation Decrement	(1,783,846)	0
	<u>1,169,324</u>	<u>2,953,170</u>
(f) Plant & Equipment		
Opening Balance	296,427	296,427
Revaluation Increment	0	(0)
Revaluation Decrement	0	0
	<u>296,427</u>	<u>296,427</u>
(g) Infrastructure - Recreation		
Opening Balance	0	0
Revaluation Increment	354,493	0
Revaluation Decrement	0	0
	<u>354,493</u>	<u>0</u>
(h) Infrastructure - Other		
Opening Balance	0	0
Revaluation Increment	107,897	0
Revaluation Decrement	0	0
	<u>107,897</u>	<u>0</u>
(i) Infrastructure - Airfield		
Opening Balance	0	0
Revaluation Increment	102,060	0
Revaluation Decrement	0	0
	<u>102,060</u>	<u>0</u>
TOTAL ASSET REVALUATION SURPLUS	<u><u>10,534,758</u></u>	<u><u>19,952,218</u></u>

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

13. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	2014/15 \$	2014/15 Budget \$	2013/14 \$
Cash and Cash Equivalents	<u>1,084,154</u>	<u>400,837</u>	<u>304,786</u>

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

Net Result	1,072,651	690,088	(136,548)
Depreciation	1,816,963	1,454,710	1,447,689
(Profit)/Loss on Sale of Asset	31,803	7,267	31,319
(Increase)/Decrease in Receivables	347,924	194,231	(20,464)
(Increase)/Decrease in Inventories	11,289	468	6,837
Increase/(Decrease) in Payables	(297,298)	(90,925)	565,116
Increase/(Decrease) in Employee Provisions	82,519	0	33,670
Grants Contributions for the Development of Assets	(1,839,758)	(1,491,586)	(1,787,618)
Loss on Revaluation of Fixed Assets	0		
Non-Current Assets recognised due to changes in legislative requirements	0	0	0
Net Cash from Operating Activities	<u>1,226,093</u>	<u>764,253</u>	<u>140,001</u>

	2015 \$	2014 \$
(c) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank Overdraft limit	400,000	400,000
Bank Overdraft at Balance Date	0	0
Credit Card limit	14,500	14,500
Credit Card Balance at Balance Date	<u>1,378</u>	<u>0</u>
Total Amount of Credit Unused	<u>413,122</u>	<u>414,500</u>
Loan Facilities		
Loan Facilities - Current	172,463	132,611
Loan Facilities - Non-Current	<u>887,178</u>	<u>905,449</u>
Total Facilities in Use at Balance Date	<u>1,059,641</u>	<u>1,038,060</u>
Unused Loan Facilities at Balance Date	<u>NIL</u>	<u>NIL</u>

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

14. CONTINGENT LIABILITIES

Contaminated Sites Disclosure

Lot 6272 on Deposited Plan 217619 and Lot 11884 on Deposited Plan 240331 are vested with the Shire of Mingenew and operated as a waste management facility. The site is located within the Mingenew Water Reserve. A Water Corporation production bore is located in the southern portion of Lot 6272. The site was reported to DER under the Contaminated Sites Act 2003 on 13 March 2007 on the basis that the site was used as a landfill. On 11 June 2007, the Shire was notified that the site had been classified as *possibly contaminated - investigation required* under section 13 of the CS Act. This classification requires that the site be assessed in accordance with the guidance set out in DER's Contaminated Sites Guidelines and the National Environment Protection (Assessment of Site Contamination) Measure 1999 to determine whether contamination is present at the site that poses a risk of harm to human health, the environment or Environmental values. To date no investigations, monitoring or management of contamination has been undertaken at the site.

Until the Shire conducts an investigation to determine the presence and scope of contamination, assess the risk and agree with the DER the need and criteria for remediation, the Shire is unable to accurately quantify its clean-up liabilities for potentially contaminated sites. The Shire will progressively monitor the sites and undertake site investigations and remediation on a risk based approach. This approach is consistent with DER guidelines.

15. CAPITAL AND LEASING COMMITMENTS	2015	2014
	\$	\$
(a) Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	9,506	17,402
- later than one year but not later than five years	10,088	19,594
- later than five years	0	0
	19,594	36,996

(b) Capital Expenditure Commitments

The Shire did not have any future capital expenditure commitments at the reporting date.

16. JOINT VENTURE ARRANGEMENTS

In 1997/98, Council in conjunction with Homeswest, constructed 3 two bedroom and 1 one bedroom Aged Persons' Units in the Mingenew townsite. The terms of the joint venture agreement provided for Council to contribute \$59,136 which equates to an equity of 13.92%. Council has subsequently capitalised expenditure on the units.

The recalculated equity % for Council is 18.53%. Fair Value assessment of the property was undertaken in 2013/2014 along with all other Council Land and Building Assets.

The amount shown below is 18.53% of the fair value of \$630,000

Non-Current Assets	2015	2014
	\$	\$
Land & Buildings - Independent valuation 2014	117,110	117,110
Land & Buildings - cost	0	0
Less: Accumulated Depreciation	(3,491)	0
	113,619	117,110

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2015	2014
	\$	\$
Governance	448,126	521,559
General Purpose Funding	34,985	21,739
Law, Order, Public Safety	519,760	161,986
Health	58,400	35,000
Education and Welfare	797,551	694,435
Housing	1,974,700	1,925,885
Community Amenities	343,154	313,669
Recreation and Culture	3,883,716	3,555,564
Transport	29,101,697	38,734,185
Economic Services	1,199,036	1,296,542
Other Property and Services	1,472,244	1,503,565
Unallocated	1,824,497	1,431,743
	<u>41,657,866</u>	<u>50,195,872</u>

18. FINANCIAL RATIOS

	2015	2014	2013
Current Ratio	0.75	0.50	0.33
Asset Sustainability Ratio	1.10	1.49	3.09
Debt Service Cover Ratio	5.33	(2.17)	2.54
Operating Surplus Ratio	(0.32)	(0.75)	(0.51)
Own Source Revenue Coverage Ratio	0.57	0.49	0.54

The above ratios are calculated as follows:

Current Ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset Sustainability Ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{Depreciation expenses}}$
Debt Service Cover Ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating Surplus Ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own Source Revenue Coverage Ratio	$\frac{\text{own source operating revenue}}{\text{operating expenses}}$

Notes:

Information relating to the **Asset Consumption Ratio** and the **Asset Renewal Funding Ratio** can be found at Supplementary Ratio Information on Page 66 of this document.

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

19. TRUST FUNDS

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

	Balance 1 July 2014 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30 June 2015 \$
BCITF Levy	241	2,147	(2,147)	241
BRB Levy	376	1,455	(1,455)	376
Centenary/Autumn Committee	1,734	0	0	1,734
Community Bus	2,060	1,500	(600)	2,960
ANZAC Day	795	0	0	795
Industrial Land Bonds	1,000	0	0	1,000
Mid West Industry Road Safety Alliance	41,371	70,950	(64,979)	47,342
Mingenew Cemetery Group	366	0	0	366
Other Bonds	3,633	513	(300)	3,846
Rates Incentive Prizes	0	100	0	100
Rec Centre Kitchen Upgrade	2,000	0	0	2,000
Sinosteel Community Trust Fund	63,415	0	0	63,415
Tree Planter - LCDC	288	0	0	288
Weary Dunlop Memorial	1,906	0	0	1,906
Mingenew P & C - NBN Rental	0	5,836	0	5,836
Joan Trust	0	8,600	0	8,600
Youth Advisory Council	1,811	0	0	1,811
	<u>120,996</u>			<u>142,616</u>

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

20. DISPOSALS OF ASSETS - 2014/15 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Plant & Equipment						
Governance						
CEO Vehicle		40,511		44,500	0	3,989
Admin & Finance Vehicle (A# 0659)	30,771	32,796	34,091	33,000	3,320	204
Law, Order, Public Safety						
Fire Truck (A# 0530)	44,000	0	25,309	0	(18,691)	0
Transport						
Works Manager Vehicle (A# 0657)	35,400	37,971	34,182	34,200	(1,218)	(3,771)
Vibe Roller (A# 0431)	26,663	27,689	19,500	20,000	(7,163)	(7,689)
Furniture & Equipment						
Governance						
Microfiche Reader (A# 0086)	0	0	0	0	0	0
Office Chair (A# 0156)	0	0	0	0	0	0
Computer Desk (A# 0157)	0	0	0	0	0	0
Refrigerator (A# 0163)	0	0	0	0	0	0
Phone Cabinet (A# 0167)	0	0	0	0	0	0
Refrigerator (A# 0176)	0	0	0	0	0	0
Executive Chairs (A# 0179)	0	0	0	0	0	0
Typists Chairs (A# 0180)	0	0	0	0	0	0
Chair (A# 0184)	0	0	0	0	0	0
Desk (A# 0185)	0	0	0	0	0	0
Jarraah Cabinet (A# 0275)	0	0	0	0	0	0
Green Book Chair (A# 0299)	0	0	0	0	0	0
Computer Hardware (A# 0301)	0	0	0	0	0	0
Hewlett Packard Printer (A# 0302)	0	0	0	0	0	0
Typist & Office Chairs (A# 0327)	0	0	0	0	0	0
Toshiba Notebook (A# 0420)	0	0	0	0	0	0
Air Conditioner (A# 0456)	0	0	0	0	0	0
Dictaphone (A# 0471)	0	0	0	0	0	0
Fax Machine (A# 0472)	0	0	0	0	0	0
Photocopier (A# 0523)	0	0	0	0	0	0
Computer (A# 0549)	0	0	0	0	0	0
Computer (A# 0550)	0	0	0	0	0	0
Laptop (A# 0556)	0	0	0	0	0	0
Printer (A# 0564)	0	0	0	0	0	0
Computer (A# 0565)	0	0	0	0	0	0
Computer (A# 0566)	0	0	0	0	0	0
Answering Machine (A# 0567)	0	0	0	0	0	0
Computer (A# 0596)	0	0	0	0	0	0
Computer (A# 0597)	0	0	0	0	0	0
Notebook Computer (A# F0402)	0	0	0	0	0	0
Laptop Computer (A# F0404)	0	0	0	0	0	0
Laptop Computer (A# F0405)	0	0	0	0	0	0
Laptop Computer (A# F0412)	0	0	0	0	0	0

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

20. DISPOSALS OF ASSETS - 2014/15 FINANCIAL YEAR continued

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Recreation and Culture						
Chairs (A# 0085)	0	0	0	0	0	0
Stakka Chairs (A# 0098)	0	0	0	0	0	0
Bain Marie (A# 0099)	0	0	0	0	0	0
Portable Power Board (A# 0102)	0	0	0	0	0	0
Tables (A# 0105)	0	0	0	0	0	0
Chairs (A# 0106)	0	0	0	0	0	0
Desk (A# 0107)	0	0	0	0	0	0
Stoves (A# 0108)	0	0	0	0	0	0
Freezer (A# 0109)	0	0	0	0	0	0
Refrigerator (A# 0110)	0	0	0	0	0	0
PA System/Airconditioner (A# 0112)	0	0	0	0	0	0
Mobile Food Bar (A# 0123)	0	0	0	0	0	0
Piano - Yandy Hall (A# 0128)	0	0	0	0	0	0
Simpson Wall Oven (A# 0132)	0	0	0	0	0	0
Bramel Polisher (A# 0134)	0	0	0	0	0	0
Pie Warmer (A# 0139)	0	0	0	0	0	0
Refrigerator (A# 0140)	0	0	0	0	0	0
Refrigerator (A# 0149)	0	0	0	0	0	0
Library Shelving (A# 0166)	0	0	0	0	0	0
Library Furniture (A# 0182)	0	0	0	0	0	0
Microwave/Cupboard/Toys (A# 0329)	0	0	0	0	0	0
Vacuum Cleaner (A# 0466)	0	0	0	0	0	0
Bush Fire Equipment						
Law, Order, Public Safety						
Hand Held Radios (A# 0083)	0		0		0	0
Land & Buildings						
Housing						
Breezair Air Conditioner (A# 0325)	0	0	0	0	0	0
Breezair Air Conditioner (A# 0326)	0	0	0	0	0	0
Transport						
AK7 Air Conditioner (A# 0247)	0	0	0	0	0	0

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

20. DISPOSALS OF ASSETS - 2014/15 FINANCIAL YEAR continued

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Infrastructure - Recreation						
Recreation and Culture						
Basketball Scoreboards (A# 0100)	0	0	0	0	0	0
Basketball Backboards (A# 0104)	490	0	0	0	(490)	0
Race Club Fixtures (A# 0202)	38	0	0	0	(38)	0
Sportsground Seats (A# 0215)	0	0	0	0	0	0
Bride Street Parkland (A#0216)	0	0	0	0	0	0
Golf Course Signs (A# 0219)	3,631	0	0	0	(3,631)	0
Cecil Newton Park (A# 0228)	0	0	0	0	0	0
Playground Equipment (A# 0333)	0	0	0	0	0	0
Park Furniture (A# 0403)	1,048	0	0	0	(1,048)	0
Spring Street Park (A# 0412)	0	0	0	0	0	0
Basketball Backboards (A# 0426)	1,011	0	0	0	(1,011)	0
Reticulation (A# 0538)	0	0	0	0	0	0
Playground Equipment (A# 0547)	0	0	0	0	0	0
Mingenew Entry Statements (A# 0557)	0	0	0	0	0	0
Reticulation (A# 0571)	0	0	0	0	0	0
Frankland Bin Surrounds (A# 0581)	0	0	0	0	0	0
Cecil Newton Park (A# 774)	0	0	0	0	0	0
Playground Equipment (A# 799)	0	0	0	0	0	0
Frankland Bin Surrounds (A# F1002)	0	0	0	0	0	0
Infrastructure Recreation (A# IRA01)	0	0	0	0	0	0
					0	0
Other Property and Services						
Westrail Area (A# 0440)	0	0	0	0	0	0
					0	0
Tools						
Recreation and Culture						
Brushcutter (A# 0637)	0	0	0	0	0	0
					0	0
	143,051	138,967	113,082	131,700	(29,970)	(7,267)

Profit	3,320	(7,267)
Loss	(35,123)	0
	<u>(31,803)</u>	<u>(7,267)</u>

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

21. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Principal 1 July 2014 \$	New Loans \$	Principal Repayments		Principal 30 June 2015		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Education and Welfare								
Loan 137 - Senior Citizens Buildings	106,030		4,517	4,517	101,513 0	101,513	6,355	6,392
Housing								
Loan 133 - Triplex	93,708		9,941	9,941	83,767	83,767	6,032	6,233
Loan 134 - SC Housing	62,443		4,999	4,999	57,444	57,444	3,726	3,801
Loan 136 - Staff Housing	132,539		9,019	6,819	123,520	125,720	8,326	8,414
Loan 142 - Staff Housing	83,751		8,748	8,748	75,003	75,003	4,031	4,145
Recreation and Culture								
Loan 138 - Pavilion Fitout	101,788		2,136	4,336	99,652 0	97,452	6,101	6,137
Transport								
Loan 139 - Roller	66,256		13,107	13,107	53,149	53,149	3,958	4,207
Loan 141 - Grader	150,860		21,506	21,506	129,354	129,354	8,643	9,052
Loan 143 - 2 x Trucks	156,936		49,891	49,891	107,045	107,045	6,309	6,968
Loan 144 - Side Tipping Trailer	83,751		8,748	8,748	75,003	75,003	4,031	4,145
Loan 145 - Drum Roller		170,000	15,808	29,972	154,192	140,023	4,261	5,033
	1,038,062	170,000	148,419	162,584	1,059,641	1,045,473	61,772	64,527

All loan repayments were financed by general purpose revenue.

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

21. INFORMATION ON BORROWINGS (Continued)

(b) New Debentures - 2014/15

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges	Interest Rate %	Amount Used		Balance Unspent
	Actual \$	Budget \$						Actual \$	Budget \$	
Loan 145 - Drum Roller	170,000	170,000	WA Treasury	Debenture	5	185,843	3.21	152,450	170,000	17,550
	170,000	170,000				185,843		152,450	170,000	17,550

(c) Unspent Debentures

The Shire had \$17,550 of unspent debentures as at 30 June 2015. Refer Note 21(b) for details.

(d) Overdraft

Council established an overdraft facility of \$400,000 to assist with short term liquidity requirements. The balance of the bank overdraft at 1 July 2014 and 30 June 2015 was \$nil.

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

22. RATING INFORMATION - 2014/15 FINANCIAL YEAR

(a) Rates	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
RATE TYPE											
Differential General Rate / General Rate											
GRV - Mingenew - Residential	12.3858	133	1,301,144	161,157	2,790	82	164,029	161,157	0	0	161,157
GRV - Mingenew - Commercial	12.3858	18	396,860	49,154	0	0	49,154	49,154	0	0	49,154
GRV - Yandanooka	6.1988	2	14,716	912	115	0	1,027	912	0	0	912
UV - Rural	1.3510	127	97,543,500	1,317,812	206	0	1,318,018	1,317,812	0	0	1,317,812
UV - Mining	30.0000	9	63,470	19,041	6,148	15	25,204	19,041	0	0	19,041
											0
Sub-Totals		289	99,319,690	1,548,076	9,259	97	1,557,432	1,548,076	0	0	1,548,076
Minimum Payment	Minimum \$										
GRV - Mingenew - Residential	600	77	82,422	46,200	(1,402)	0	44,798	46,200	0	0	46,200
GRV - Mingenew - Commercial	600	14	26,269	8,400	0	0	8,400	8,400	0	0	8,400
GRV - Yandanooka	320	1	840	320	0	0	320	320	0	0	320
UV - Rural	600	18	473,600	10,800	(320)	0	10,480	10,800	0	0	10,800
UV - Mining	750	6	7,198	4,500	333	0	4,833	4,500	0	0	4,500
							0				0
Sub-Totals		116	590,329	70,220	(1,389)	0	68,831	70,220	0	0	70,220
Ex-Gratia Rates							1,626,263				1,618,296
Discounts (refer note 25.)							31,601				0
Total Amount Raised From General Rate Specified Area Rate (refer note 23.)							0				0
Totals							1,657,864				1,618,296
							0				0
							1,657,864				1,618,296

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

22. RATING INFORMATION - 2014/15 FINANCIAL YEAR (Continued)

(b) Information on Surplus/(Deficit) Brought Forward

	2014/15 (30 June 2015 Carried Forward) \$	2014/15 (1 July 2014 Brought Forward) \$	2013/14 (30 June 2014 Carried Forward) \$
Surplus/(Deficit) 1 July 14 Brought Forward	<u>505,335</u>	<u>(219,395)</u>	<u>(219,395)</u>
Comprises:			
Cash and Cash Equivalents			
Unrestricted	482,373	(282,208)	(282,208)
Restricted	601,782	586,994	586,994
Receivables			
Rates Outstanding	34,985	8,827	8,827
Sundry Debtors	53,153	381,117	381,117
GST Receivable	0	46,118	46,118
Inventories			
Fuel and Materials	9,025	20,314	20,314
Land Held for Resale Development Costs	40,394	40,394	40,394
Less:			
Trade and other Payables			
Sundry Creditors	(363,018)	(367,645)	(367,645)
Accrued Interest on Debentures	(16,480)	(17,236)	(17,236)
Accrued Salaries and Wages	(16,268)	(15,670)	(15,670)
ATO Liabilities	0	(41,143)	(41,143)
Accrued Expenditure	(8,254)	(259,621)	(259,621)
Current Portion of Long Term Borrowings			
Secured by Floating Charge Debentures	(172,463)	(132,611)	(132,611)
Provisions			
Provision for Annual Leave	(135,563)	(123,334)	(123,334)
Provision for Long Service Leave	(104,342)	(102,123)	(102,123)
Net Current Assets	<u>405,324</u>	<u>(257,827)</u>	<u>(257,827)</u>
Less:			
Reserves - Restricted Cash	(271,964)	(279,242)	(279,242)
Land Held for Resale			
Cost of Acquisition		0	0
Development Costs	(40,394)	(40,394)	(40,394)
Add:			
Secured by Floating Charge Debentures	172,463	132,611	132,611
Provision for Annual Leave	135,563	123,334	123,334
Provision for Long Service Leave	104,342	102,123	102,123
Surplus/(Deficit)	<u><u>505,335</u></u>	<u><u>(219,395)</u></u>	<u><u>(219,395)</u></u>

Difference

There was no difference between the Surplus/(Deficit) 1 July 2014 Brought Forward position used in the 2015 audited financial report and the Surplus/(Deficit) Carried Forward position as disclosed in the 2014 audited financial report.

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

23. SPECIFIED AREA RATE - 2014/15 FINANCIAL YEAR

The Shire did not impose any Specified Area Rates.

24. SERVICE CHARGES - 2014/15 FINANCIAL YEAR

The Shire did not impose any service charges.

**25. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2014/15 FINANCIAL YEAR**

No discounts or incentive scheme were offered for the early payment of rates in the 2014/15 financial year.

26. INTEREST, CHARGES AND INSTALMENTS - 2014/15 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates & ESL	11.00%		12,595	11,400
Interest on Instalments Plan	5.50%		77	0
Charges on Instalment Plan		15	2,340	6,500
Pensioner Deferred Rate Interest	0		0	0
			15,012	17,900

Ratepayers had three options of paying rates:

Option 1 (Full Payment)

Full amount of rates and charges including arrears to be paid on or before 17 September 2014 or 35 days after the date of service appearing on the rate notice, whichever is the later.

Option 2 (Two Instalments)

First instalment to be received on or before 17 September 2014 or 35 days after the date of service appearing on the rate notice, whichever is the later and is to include all arrears and half of the current rates and charges. The second instalment is to be made on or before the 19 November 2014.

Option 3 (Four Instalments)

First instalment to be received on or before 17 September 2014 or 35 days after the date of service appearing on the rate notice, whichever is the later and is to include all arrears and quarter of the current rates and charges. The second, third and fourth instalments are to be made on or before the 19 November 2014, 21 January 2015 and 25 March 2015 respectively or the date on the instalments notices, whichever is the later.

The costs of the instalment plans comprises simple interest of 5.5% pa calculated from the date the first instalment is due, together with an administration fee of \$15.00 for each instalment notice (ie \$45 for Option 3).

Total interest received was \$12,672.

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

27. FEES & CHARGES	2014/15	2013/14
	\$	\$
Governance	15,168	16,269
General Purpose Funding	14,440	16,430
Law, Order, Public Safety	2,723	0
Health	3	3,470
Education and Welfare	3,187	80,252
Housing	90,459	37,631
Community Amenities	65,640	27,474
Recreation and Culture	31,338	11,363
Transport	15,282	3,803
Economic Services	12,906	12,893
Other Property and Services	21,440	238,813
	<u>272,587</u>	<u>448,398</u>

The following amendments were made to Fees & Charges during the year:

	<u>Adopted Budget</u>	<u>Revised</u>
Aged Persons Units - 1 bedroom	\$85 per week	As calculated when applying
Aged Persons Units - 2 bedroom	\$120 per week	the requirements of the JV Agreement

These changes were adopted at the Council meeting held on 18th February 2015, resolution number 9.2.3

28. GRANT REVENUE

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

By Nature or Type:	2014/15	2013/14
	\$	\$
Operating Grants, Subsidies and Contributions	1,426,474	928,555
Non-Operating Grants, Subsidies and Contributions	1,839,758	1,787,618
	<u>3,266,233</u>	<u>2,716,173</u>
By Program:		
Governance	16,361	17,055
General Purpose Funding	881,276	266,397
Law, Order, Public Safety	419,831	30,125
Health	23,618	0
Education and Welfare	95,352	55
Housing	17,755	9
Community Amenities	0	0
Recreation and Culture	66,554	14,730
Transport	1,602,393	1,979,978
Economic Services	40,353	687
Other Property and Services	102,740	407,139
	<u>3,266,233</u>	<u>2,716,173</u>

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

29. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

	18		20
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30. ELECTED MEMBERS REMUNERATION

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

	2014/15 \$	2014/15 Budget \$	2013/14 \$
Meeting Fees	27,078	27,500	26,506
President's Allowance	7,000	7,000	7,000
Deputy President's Allowance	1,750	1,750	1,731
Travelling Expenses	0	1,000	0
	35,828	37,250	35,237

31. MAJOR LAND TRANSACTIONS

Council did not participate in any major land transactions during the 2014/15 financial year.

32. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Council did not participate in any trading undertakings or major trading undertakings during the 2014/15 financial year.

33. SUBSEQUENT EVENTS

Events that occur between the end of the reporting period (ending 30 June 2015 and the date when the financial statements are "authorised for issue") have been taken into account in preparing these statements.

Council has adopted the date of receipt of the Auditors' Report as the applicable "authorised for issue" date relating to these General Purpose Financial Statements.

Events that occur after the Reporting Period represent one of two types:

- i. Events that provide evidence of conditions that existed at the Reporting Period

These financial statements (and the figures therein) incorporate all "adjusting events" that provided evidence of conditions that existed at 30 June 2015.

- ii. Events that provide evidence of conditions that arose after the Reporting Period

The Council is not aware of any material or significant 'non-adjusting events' that should be disclosed.

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

34. FINANCIAL RISK MANAGEMENT

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

Council 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 Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2015	2014	2015	2014
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	1,084,154	304,786	1,084,154	304,786
Receivables	88,138	436,062	88,138	436,062
	<u>1,172,292</u>	<u>740,848</u>	<u>1,172,292</u>	<u>740,848</u>
Financial Liabilities				
Payables	404,019	701,315	404,019	701,315
Borrowings	1,059,641	1,038,060	1,059,641	910,928
	<u>1,463,660</u>	<u>1,739,375</u>	<u>1,463,660</u>	<u>1,612,243</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.

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

34. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

Financial assets at fair value through profit and loss

Available-for-sale financial assets

Held-to-maturity investments

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

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

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

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

Council manages these risks by diversifying its portfolio and only investing in registered commercial banks. Council also seeks advice from independent advisers (where applicable) before placing any cash and investments.

	2015	2014
	\$	\$
Impact of a 1% ⁽¹⁾ movement in interest rates on cash		
- Equity	6,776	8,450
- Statement of Comprehensive Income	6,776 ⁽²⁾	8,450 ^(*)

Notes:

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

⁽²⁾ Maximum impact.

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

34. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

Council'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. Council 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 Council to recover these debts as a secured charge over the land – that is, the land can be sold to recover the debt. Council 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.

Council 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 Council's credit risk at balance date was:

	2015	2014
Percentage of Rates and Annual Charges		
- Current	0%	0%
- Overdue	100%	100%
Percentage of Other Receivables		
- Current	93%	83%
- Overdue	7%	17%

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

34. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables

Borrowings

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

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

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<u>2015</u>					
Payables	404,019	0	0	404,019	404,019
Borrowings	229,018	871,516	405,469	1,506,004	1,059,641
	<u>633,037</u>	<u>871,516</u>	<u>405,469</u>	<u>1,910,023</u>	<u>1,463,660</u>
<u>2014</u>					
Payables	706,100	0	0	706,100	701,315
Borrowings	192,105	646,044	523,627	1,361,776	1,038,060
	<u>898,205</u>	<u>646,044</u>	<u>523,627</u>	<u>2,067,876</u>	<u>1,739,375</u>

SHIRE OF MINGENEW
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

34. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables
Borrowings (Continued)

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

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

	<u><1 year</u>	<u>>1<2 years</u>	<u>>2<3 years</u>	<u>>3<4 years</u>	<u>>4<5 years</u>	<u>>5 years</u>	<u>Total</u>	<u>Weighted Average Effective Interest Rate</u>
	\$	\$	\$	\$	\$	\$	\$	%
<u>Year Ended 30 June 2015</u>								
Borrowings								
Fixed Rate								
Debentures	0	107,044	0	53,149	283,546	615,902	1,059,641	5.49%
Weighted Average Effective Interest Rate	0.00%	4.72%	0.00%	6.56%	4.54%	5.97%		
<u>Year Ended 30 June 2014</u>								
Borrowings								
Fixed Rate								
Debentures	0	0	156,936	0	66,256	814,869	1,038,061	5.84%
Weighted Average Effective Interest Rate	0.00%	0.00%	4.72%	0.00%	6.60%	5.99%		



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INDEPENDENT AUDITOR'S REPORT TO THE RATEPAYERS OF THE SHIRE OF MINGENEW

Report on the Financial Report

We have audited the financial report of the Shire of Mingenew, which comprises the statement of financial position as at 30 June 2015 and the statements of comprehensive income, statement of changes in equity, statement of cash flows and rate setting statement for the year ended on that date and a summary of significant accounting policies and other explanatory notes and the statement by the Chief Executive Officer.

Chief Executive Officer's Responsibility for the Financial Report

The Chief Executive Officer is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Local Government Act 1995* and the *Local Government (Financial Management) Regulations 1996*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. Our audit has been conducted in accordance with Australian Auditing Standards. Those standards require that we comply with the relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Chief Executive Officer, as well as evaluating the overall presentation of the financial report.

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We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Local Government Act 1995* Part 6, the Regulations under that Act and Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the Shire of Mingenew's financial position and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

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

Auditor's opinion on the Financial Report

In our opinion, the financial report of the Shire of Mingenew:

- (i) gives a true and fair view of the financial position of the Shire of Mingenew as at 30 June 2015 and of its financial performance for the year ended on that date;
- (ii) complies with the *Local Government Act 1995* Part 6 and the Regulations under that Act and Australian Accounting Standards (including the Australian Accounting Interpretations); and
- (iii) in relation to the Supplementary Ratio Information presented in the financial report, we have reviewed the calculations as presented and in our opinion these are based on verifiable information and reasonable assumptions.

Report on Statutory Compliance

We did not during the course of our audit become aware of any instances where the Shire of Mingenew did not comply with the requirements of the *Local Government Act 1995* and the *Local Government (Financial Management) Regulations 1996* as they relate to the financial report.

A handwritten signature in blue ink that reads 'RSM'.

RSM AUSTRALIA PTY LTD

A handwritten signature in blue ink that reads 'D Wall'.

D WALL
Director

Perth, WA
Dated: 5 November 2015

**SHIRE OF MINGENEW
SUPPLEMENTARY RATIO INFORMATION
FOR THE YEAR ENDED 30TH JUNE 2015**

RATIO INFORMATION

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

	2015	2014	2013
Asset Consumption Ratio	0.51	0.76	0.61
Asset Renewal Funding Ratio	0.92	0.89	1.02

The above ratios are calculated as follows:

Asset Consumption Ratio
$$\frac{\text{depreciated replacement costs of assets}}{\text{current replacement cost of depreciable assets}}$$

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

N/A - In keeping with amendments to Local Government (Financial Management) Regulations 50, comparatives for the two preceeding years (being 2012 and 2011) have not been reported as financial information is not available.

8. STATUTORY REPORTING

Employees Remuneration

For the purpose of Regulation 19B of the Local Government (Administration) Regulations 1996 the following is required to be contained in Council's Annual Report.

The number of employees of the Local Government entitled to an annual salary of \$100,000 or more and the number of those employees with an annual salary entitlement that fall within each band of \$10,000 over \$100,000.

Salary Range	2015	2014
\$140,000 - \$149,999	1	1

National Competition Policy

In 1995 the Council of Australian Governments entered into a number of agreements, collectively known as the National Competition Policy.

Local government is affected mainly where it operates significant business activities which compete, or could compete, with private sector businesses. Local government will also be affected where local laws unnecessarily affect competition.

The shire is required to comply with certain policies contained with the National Competition Policy Statement and report on progress in connection with Competitive Neutrality Principles and review of Local Laws.

The Shire of Mingenew is not considered a natural monopoly, nor does it conduct any business activities that can be considered a public monopoly. Therefore the principle of Structural Reform of Public Monopolies does not apply to the Shire of Mingenew.

Competitive Neutrality

These principles have been designed to ensure that a Local Authority has no unfair advantage over any competitor in the market place.

The principles also only apply to business activities that receive more than \$200,000 in annual income, of which the Shire of Mingenew has none, and therefore do not apply the Shire of Mingenew.

Legislative Review

All Local Governments are required to assess which of their Local Laws might impact on competition and conduct a review of each to determine how any restrictive practices might be overcome.

The Annual Report is to include a statement of which Local Laws have been reviewed, the conclusions of those reviews, and a forward strategy for all Local Laws still to be reviewed.

No new Local Laws were created during 2014/15 nor any existing Local Laws reviewed.

Freedom of Information

The Shire of Mingenew has a requirement to comply with the Freedom of Information Act. A Freedom of Information Statement for 2013 was adopted by Council at their meeting held in October 2013. This was amended in December 2014. The Information Statement is published by Council in accordance with the requirements of Section 96 of the Freedom of Information Act 1992 (Western Australia). The Council is pleased to comply with the legislation and welcomes enquiries. A copy of this statement is available from the Shire's Administration Office.

During the 2014/15 financial year no applications were received for information under the terms of this legislation.

Record Keeping Plan

The State Records Act 2000 requires all government organisations to include in their Annual Report, a statement on that organisation's compliance with its recordkeeping plan.

Principle 6 of the State Records Commission SRC Standard 2 – Recordkeeping Plans Act requires Council to comment on the following five compliance requirements:

1. The efficiency and effectiveness of the organisation's recordkeeping systems is evaluated not less than once every 5 years.
2. The organisation conducts a recordkeeping training program.
3. The efficiency and effectiveness of the recordkeeping training program is reviewed from time to time.
4. The organisation's induction program addresses employee roles and responsibilities in regard to their compliance with the organisation's recordkeeping plan.
5. The organisation includes within its Annual Report an appropriate section that addresses Points 1 – 4.

Comments:

The Shire of Mingenew undertook a comprehensive evaluation of its Record Keeping Plan. This resulted in the preparation of an amended Record Keeping Plan which was submitted to the State Records Office in April 2015.

Several recordkeeping training sessions have been undertaken in 2014/15 to improve staff awareness of their responsibilities in regards to recordkeeping.

The efficiency and effectiveness of the record keeping training programme was reviewed and continues to be reviewed.

Roles and responsibilities regarding recordkeeping are outlined in position descriptions and inductions.

Public Interest Disclosures

The Public Interest Disclosure Act 2003 facilitates the disclosure of public interest information, and provides protection for those making such disclosure and those who are the subject of disclosures. The Act provides a system for the matters disclosed to be investigated and for appropriate action to be taken.

There were no Public Interest Disclosures reported to the Shire of Mingenew during the reporting period.

Disability Access and Inclusion Plan

Under the *Disability Services Act 1993*, all Western Australian local governments are required to develop and implement a Disability Access and Inclusion Plan (DAIP), addressing six desired outcomes, to be reviewed on an annual basis and reported on to the Disability Services Commission (DSC) by 31 July each year.

Council adopted a DAIP in June 2007 for implementation in July 2007. This was reviewed in August 2014

- 1 Council is continually adapting our existing services to give people with disabilities the same opportunities as other people to access the services of, and any events organised by the Shire.
- 2 Council also continues with improvement to buildings and footpath infrastructure to assist both wheelchair and gopher access.
- 3 Wherever possible people with disabilities can receive information from the Shire in a format that will enable them to access the information as readily as other people are able to access it. This includes a comprehensive website and the ability the change documents to large font size.
- 4 The Staff are always encouraged to be aware of the needs of people with disabilities to ensure they receive the same level and quality of service as other people receive. We are also working with our contractors to ensure they are aware of their responsibilities.
- 5 People with disabilities have the same opportunities as other people to make complaints to the staff. This can be via written letters, email, SMS or verbally.
- 6 Council provides many ways for people to participate in public consultation and we are more than happy to discuss any grievances community members may have regarding the services available to the disabled.

A review was conducted to ascertain the progress on the implementation of the Plan. The DAIP is now a document for ongoing assessment and implementation of the activities that have been listed.

Register of Complaints

The Shire of Mingenew did not receive any complaints in the 2014/15 financial year and therefore has no entries in the Register of Complaints, as required under section 5.121 of the Local Government Act 1995.

Local Laws

The Local Government Act 1995 requires all existing Local Laws to be reviewed every eight years. A review is due and is intended to be carried out during the 2015/16 year.