



SHIRE OF MUNDARING
Annual Report
2017/18



Lake Leschenaultia

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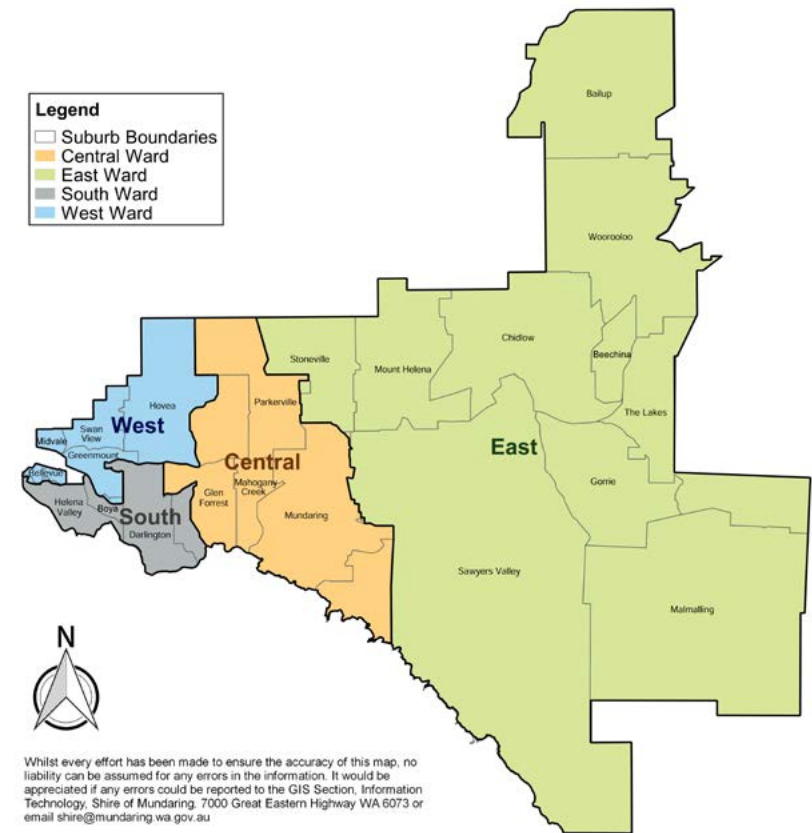
About the Shire of Mundaring

About the Shire of Mundaring

Shire of Mundaring is located on the eastern fringe of Perth, approximately 35 kilometres from the Perth CBD. The original inhabitants of the Mundaring area were the Noongar Aboriginal people. Mundaring is thought to be an Aboriginal word meaning “a high place on a high place” or “the place of the grass tree leaves”.

It encompasses a total land area of 644sqkm, of which nearly half is National Park, State Forest or water catchments. Townsites and locations include Bailup, Beechina, Bellevue (part), Boya, Chidlow, Darlington, Glen Forrest, Gorrie, Greenmount, Helena Valley, Hovea, Mahogany Creek, Malmalling, Midvale (part), Mount Helena, Mundaring, Parkerville, Sawyers Valley, Stoneville, Swan View (part), The Lakes and Wooroloo.

Shire of Mundaring has an Estimated Resident Population of 38,948 (Australian Bureau of Statistics, 2017). From 2011 to 2016 the population increased by 1628 people (4.5%). The largest industries are education and training, manufacturing, construction and retail trade. There are 3038 registered businesses as of 2017, creating 10,980 local jobs. Industrial precincts are in Mundaring and Midvale. Nearly 20,000 residents are employed (National Institute of Economic and Industry Research 2017).



Vision, Values & Priorities



Community vision

A sense of space, a sense of place



What we value

A peaceful lifestyle with amenity

Living in a safe place

Being part of a resilient, supportive and inclusive community

Living sustainably

Respect for the heritage and history of the area

Engaged, responsible leadership

Shire of Mundaring respectfully acknowledges the Noongar elders past and present and their people (specifically the Whadjuk people who are from this area) who are the traditional custodians of this land.



Year in Review

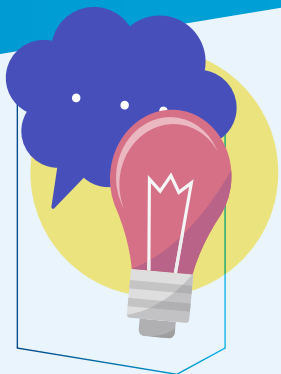
The Year in Review is a snapshot of **key achievements** carried out by Shire of Mundaring within the preceding 12 month period.

2017/18 Annual Report details the shire's progress against the strategic objectives outlined in the Strategic Community Plan 'A Sense of Space, a Sense of Place' 2016-2026. It also reports against measures set out in the Corporate Business Plan (2017/18 – 2020/21). These two plans form the Shire's blueprint for the future.

The Shire's vision is divided into four aspirational objectives. They are as follows:

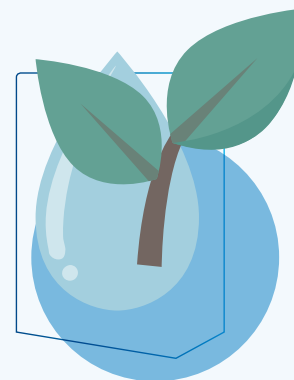
- Governance
- Community
- Natural Environment
- Built Environment

The table to follow highlights the shire's major achievements and challenges in 2017/18 against these four objectives. A detailed report on these achievements is available on page 22.



Governance

- Implemented Information Communications Technology (ICT) at the new Mundaring Arena
- Responded to 16 Freedom of Information requests – all completed within the legislated timeframe
- Innovations in technology - developed and implemented several online user-friendly services
- Created Self-Serve systems at all libraries
- Improved Accessibility on Shire websites
- Efficiencies - Completed Major Review of Shire facilities



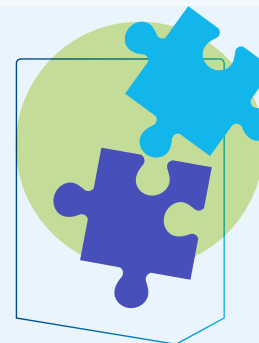
Natural Environment

- Free Environmental Community Workshops
- Waterwise and Firewise Demonstration Garden
- Aquatic Centre implemented Waterwise initiatives
- Educational campaign – Banning plastic bags
- Winter Burning Workshops
- Mundaring Environmental Art Project



Community

- New approach to Youth Services
- An Inclusive and Accessible Mundaring
- Launch of Naturally Mundaring tourism series
- Children's Services exceeds National Quality Standards
- Grants, Funding and Events
- Increase in Fire Hazard Inspections
- Developed Community-led model
- Significant increase in membership at both libraries



Built Environment

- Opening of Mundaring Arena
- Road Safety Projects
- Commercial Strategy Review
- Release of Draft Mundaring Activity Centre Plan
- Street Tree Policy
- Lobbying – Sub Regional Structure Plan
- Bushfire Risk Management Plan
- Facilitated NBN rollout



From the Shire President

On behalf of the Shire of Mundaring, I am pleased to present the 2017/18 Annual Report. This report illustrates the continuing trends of:

- Increasing community consultation and involvement
- Doing more for the community with less money

Community Leadership Strengthened

Mahogany Creek Hall and Tennis Courts are now managed by the Mahogany Creek Progress Association. The Chidlow Cats basketball team has a partnership agreement with the Shire to utilise the Chidlow Hard Courts as a basketball venue.

Mt Helena Residents and Ratepayers Association are assisting with the promotion and development of community usage of the Mt Helena Aquatic Centre.

Mundaring Tennis Club achieved a brilliant lighting upgrade through its fundraising efforts and by lobbying the State Government and partnering with the Shire. The Chidlow Community Garden's master plan was accepted by the Shire.

Mundaring Arena opened in May and the four user-group sporting codes are providing on-going support to the Arena staff.

Mt Helena and Darlington community groups incorporated youth involvement in the development of plans for skate parks. This reflects the Shire's new approach to youth development which is reliant on community groups working in partnership with the Shire and young people.

Greenmount Primary School's indigenous students supported a yarning circle of Elders and a smoking ceremony to mark the occasion of the permanent installation of the Aboriginal flag at the Shire Administration Building.

Technology Services Strengthened

Residents embraced on line applications for animal registrations and for Tree Canopy Understorey Program applications. Shire staff enhanced firebreak inspections through digital technology.

Environmental Policies Strengthened

Council endorsed an over-arching Environmental Sustainability Policy to inform a broad range of Shire decisions.

The Shire continued to develop its Bushfire Risk Management Plan.

Spending Prioritised

Council revised its financial plans in 2016/17 to align with the state-wide economic downturn. Hard questions were asked about the cost and relevance of all services and facilities. Significant savings

were identified. In 2017/18 Council continued to reduce the level of rate increases, while meeting the community's expectations of good amenities and services.

Notable achievements include the Helena Valley Tennis Club improvements, Darlington Hall access upgrade, unisex accessible toilet built at Brown Park and footpath built on Marlborough Road, Swan View.

Road safety was enhanced by building the Bilgoman Road and Marnie Road roundabout. Consultation with Helena College ensured a good result.

Following an extensive review, Council determined to continue to provide commercial operations at Lake Leschenaultia.

I thank my colleague Councillors, Shire CEO Jonathan Throssell and his staff and our Shire volunteers for their fine contributions in delivering safety, amenity, cohesiveness and vibrancy to the Shire of Mundaring.



Cr John Daw
Shire President

Council Information

Your Council

Elected Members

Our Shire comprises four wards with three Elected Members representing each ward. Following each local government election, Council elects a Shire President and Deputy Shire President. While each Elected Member represents a particular ward, their role is to consider the current and future interests of the entire Shire.



L-R Cr David Lavell, Cr Ian Green, Cr Darrell Jones, Cr James Martin, Cr Tony Brennan Cr Kate Driver, Cr Doug Jeans, Cr Toni Burbidge, Cr Stephen Fox, Cr Jason Russell, (seated Deputy Shire President Cr Lynn Fisher and Shire President Cr John Daw)

Council Meetings

Shire of Mundaring is committed to ensuring all Council meetings are carried out in accordance with legislative requirements and that the community has genuine opportunities to participate in the decision-making process.

Council generally holds one Ordinary Council Meeting each month. These meetings are held in an open environment, with the Shire's Meeting Procedures Local Law guiding how the meetings are conducted. In 2017/18, Council held 12 Ordinary Council Meetings, five Special Council Meetings and the annual Electors Meeting.

Elected Members attendance at meetings during 2017-18 was as follows:

Number of Council Meetings attended			
Elected Member	Ordinary (12)	Special (5)	Electors (1)
Cr Daw	12	5	1
Cr Fisher	10	5	1
Cr Jeans	12	5	1
Cr Fox	12	5	1
Cr Brennan	11	5	1
Cr Martin	10	5	1
Cr Lavell	10	5	1

Elected Member	Ordinary (12)	Special (5)	Electors (1)
ELECTED ON 19 OCTOBER 2017			
Cr Jones	7	4	1
Cr Burbidge	8	4	1
Cr Driver	8	4	1
Cr Russell	8	4	1
Cr Green	8	4	1
RETIRED ON 19 OCTOBER 2017			
Cr Bertola	4	1	1
Cr Perks	4	1	1
Cr Clark	4	1	1
Cr Cuccaro	3	1	1
Cr Cook	3	1	1

Breaches

Minor breach complaints under section 5.121 in 2017/18 SP 59 of 2016: A complaint of minor breach was lodged by the CEO of Shire of Mundaring against Councillor Doug Jeans on 13 December 2016. The Local Government Standards Panel found that Councillor Jeans breached regulation 7(1)(a) of the Local Government (Rules of Conduct) Regulations 2007 on 2 December 2016 when accompanying, observing and supporting a Shire resident as she took photographs of documents without the Shire's knowledge. The Shire had made a decision under the *Freedom of Information Act 1992* that the resident could view the documents but not have copies of them. The Panel found that in supporting the resident in this way, knowing that the Shire had made the FOI decision, Councillor Jeans made improper use of his office as a councillor with the intention of gaining an advantage for the resident. The Panel censured Councillor Jeans for a breach of regulation 7(1)(a). A censure notice was published in the West Australian newspaper on 13 September 2017 and in the Echo Newspaper on 16 September 2017.

Committees

As well as attending Council meetings, Elected Members take part in external and internal committees. These are additional opportunities for Elected Members to have their input on issues important and relevant to their communities. Details are available on the Shire's website.



Our Organisation



From the Chief Executive

In the 2017/18 financial year, Shire of Mundaring aimed to deliver on strategic objectives outlined in our Strategic Community Plan. We are committed to building a better community, both now and for future generations. An example of this is our new Mundaring Arena which is the largest capital project the Shire has undertaken. The development of this state-of-the-art indoor sports facility was a collaborative effort between the Shire and three main local sporting associations. We were proud to be able to open its doors to the public several months ago.

The next phase of the Mundaring Town Initiative Masterplan is underway. The Masterplan, launched in 2017/18, provides a long-term blueprint for the town centre. Engagement with local businesses and residents is progressing to identify new ways of celebrating the unique character and identity of our town centre.

Our commitment to maintaining the natural environment continues. Council adopted a Street Tree Policy in June which aims to increase the street canopy cover within the Shire's road reserve and support biodiversity while enhancing the character and amenity of local streets.

One of our key priorities over the past 12 months has been to ensure we maintain a lower rating model for our residents. In order to achieve this, Council directed the Shire to undertake a major review of facilities in consultation with the community.

The review determined to reduce the operating hours at Mt Helena Pool, saving \$54,000pa; not to extend the Shared Use License Agreement with Department of Education for Mt Helena Recreation Centre, saving \$24,000pa; and also for the Shire to continue managing commercial activities at Lake Leschenaultia.

Also resulting from the review, a community management model was developed for Mahogany Creek Hall and Tennis Courts and a community partnership model for Chidlow Tennis Courts. These partnerships will enable relevant community groups to undertake the management and day-to-day operations of these facilities. They will also be in a position to give them a new lease of life.

I would like to thank and recognise the continued efforts and leadership of our Elected Members and Shire employees for their dedication to the community and the delivery of positive outcomes for residents and ratepayers.



Jonathan Throssell

Chief Executive Officer

Our Organisation

Shire roles and responsibilities are wide-ranging. We are responsible for providing strategic leadership and sustainable future planning, while also delivering a range of infrastructure and services needed for a growing community.

Local Governments in WA operate under the *Local Government Act 1995*. This Act directs the way the Shire and its Council function and the activities and services we provide to our local community.

The Shire and Council's responsibilities include;

- exercise community leadership
- provide appropriate services and facilities for the community
- properly manage and conserve the local environment
- involve and engage with our communities
- keep the local community informed about its activities
- ensure that provided services are managed efficiently and effectively
- have regard for the long term effects of its decisions, and
- be a responsible employer.

More than 100 other pieces of legislation also influence and affect the work of the Shire including the *Building Act 2011*, *Waste Avoidance and Resource Recovery Act 2007*, *Public Health Act 2016*, *Health (Miscellaneous Provisions) Act 1911*, *Bush Fires Act 1954*, *Dog Act 1976*, *Emergency Management Act 2005*, *Rates and Charges (Rebates and Deferments) Act 1992*, *Occupational Safety and Health Act 1984* and many other Acts and subsidiary legislation, such as Regulations made under various Acts and Shire of Mundaring Local Laws.

Our Code of Conduct

The *Local Government Act 1995* requires that every local government prepares or adopts a Code of Conduct to set out acceptable standards of ethical and professional behaviour expected to be observed by elected members, committee members and employees. The Shire's Code of Conduct, available on our website, outlines the principles, values and behaviours that the community is entitled to expect of all elected members, committee members and employees. Its intent is to document expected standards of conduct, not to control or prohibit any behaviour. Additionally, the *Local Government (Rules of Conduct) Regulations 2007* provide the disciplinary framework to deal with individual misconduct by elected members.

Executive Leadership Team

The Shire's four Directors and Chief Executive Officer (pictured) form the Executive Leadership Team. There are several components to their roles but primarily they are responsible for effectively leading and managing the following directorates:

- Strategic and Community Services
- Infrastructure Services
- Statutory Services
- Corporate Services

Our Directors provide strategic and operational advice to the CEO, Council and other Shire employees. The team is an integral part of budgeting, forward planning, governance and determining organisational risk.



Shire of Mundaring's Executive Leadership Team, L-R Director Strategic & Community Services Megan Griffiths, Director Infrastructure Services Shane Purdy, Director Statutory Services Mark Luzi, Chief Executive Officer Jonathan Throssell, Director Corporate Services Paul O'Connor

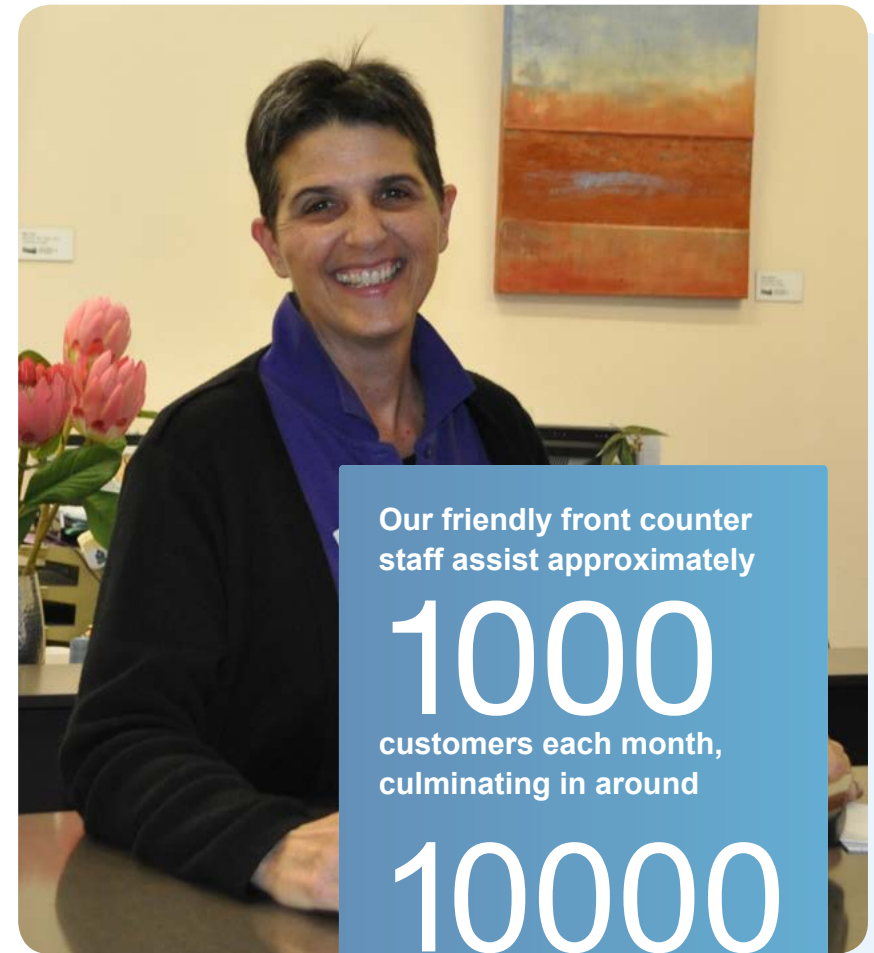
Employee Profile

The approved organisational structure is 211 full-time employees in 2017/18. The figure incorporates 40 full-time equivalents who deliver services to the community, which are funded through grants and service fees. Our workforce comprises both temporary and casual workers. Many employees are also residents which demonstrates the value of our organisation as a local employer.

Our People

Workplace Philosophy

Shire of Mundaring's ethos encourages the workforce to collaborate and synergise in an environment of continuous improvement. The Shire's core values, Code of Conduct, competency framework and performance review process collaboratively create the foundation for a sound workplace philosophy.



Our friendly front counter staff assist approximately

1000

customers each month, culminating in around

10000

people over the course of the year.

Employee Turnover

Comparative employee turnover has remained consistently low for the last five years as reflected below:

- 2017/18 - 10.17%
- 2016/17 – 12.45%
- 2015/16 – 9.54%
- 2014/15 – 10.57%

Turnover is effected by an ageing workforce and is likely to increase over the next few years.

*Our people are our
greatest asset.*

Chief Executive Jonathan Throssell, Shire of Mundaring



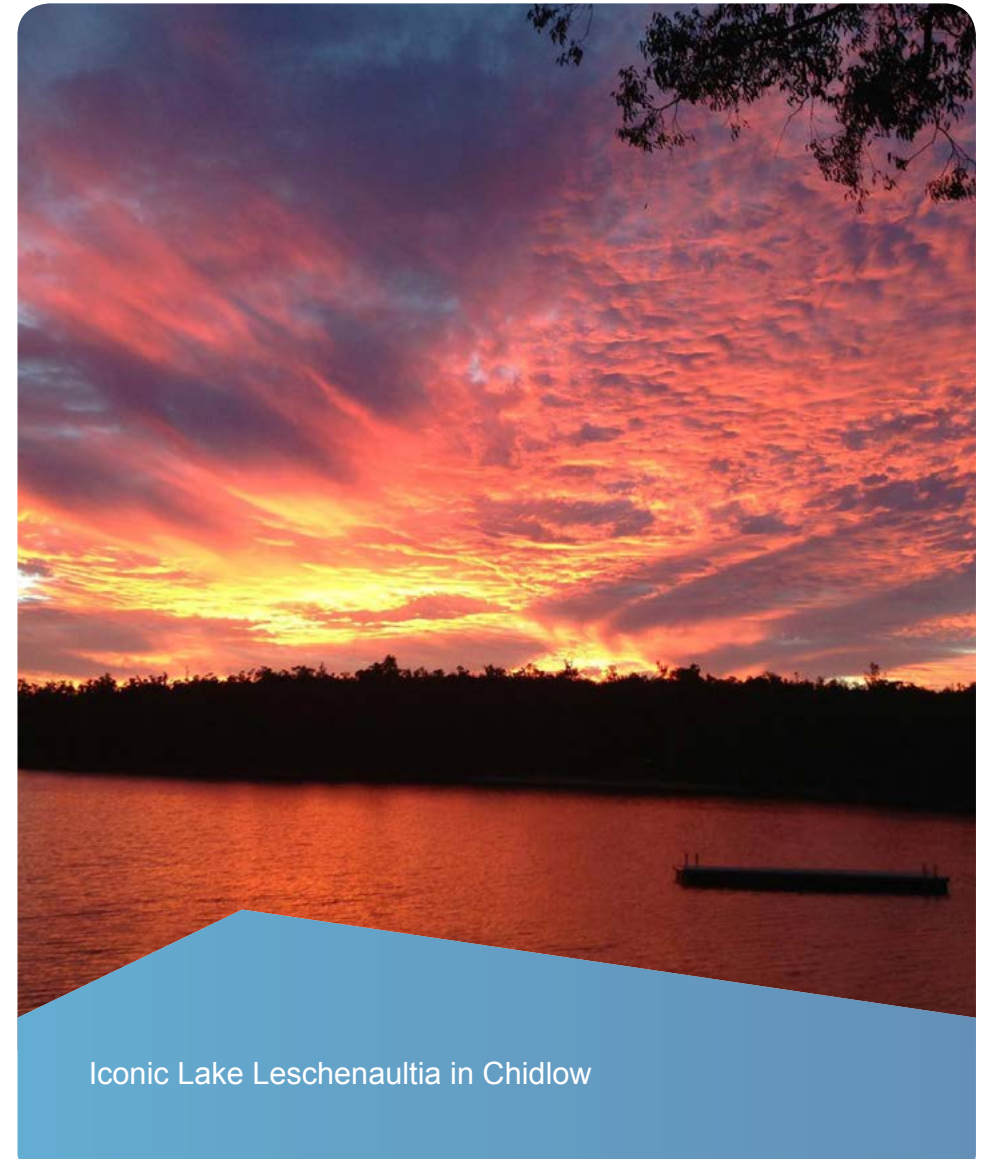
The Reflections Café Team at Lake Leschenaultia received an Excellence in Tourism award for the third consecutive year.

Salaries

The *Local Government (Administration) Regulations 1996* require local governments to state in their annual report the number of employees with a salary of more than \$100,000. During 2017/18, 17 Shire of Mundaring employees were entitled to an annual cash salary of \$100,000 or more as stated in the following categories:

Breakdown of employees earning over \$100,000 as follows

Salary Range	No. of employees
\$100,000 – 109,999	0
\$110,000 - \$119,999	1
\$120,000 - \$129,000	5
\$130,000 - \$139,999	3
\$140,000 - \$149,999	3
\$150,000 - \$159,999	0
\$160,000 - \$169,999	1
\$170,000 - \$179,999	2
\$180,000 - \$189,999	2
\$250,000 - \$259,999	1



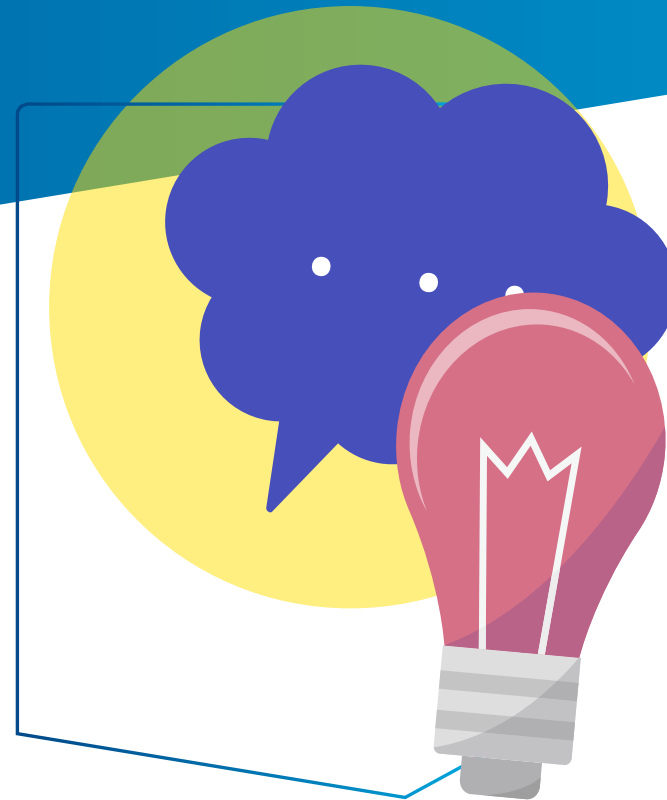
Iconic Lake Leschenaultia in Chidlow



Strategic Community Plan Highlights

Governance

- **A fiscally responsible Shire that prioritises spending appropriately**
- **Transparent, responsive and engaged processes for Shire decision-making**



Governance

Accountability and Governance

Achievement of best practice in corporate governance is a major responsibility of Council. It entails the consideration and approval of Shire policies, strategic direction and resources allocation as well as monitoring the Shire's performance, progress towards targets and use of resources.

Internal Audit

The Shire's Light Fleet Management system was the subject of an internal audit during 2017/18. The process identified specific areas in which costs could be reduced.

Freedom of Information

Shire of Mundaring has a Freedom of Information Statement prepared in accordance with the *Freedom of Information Act 1992*. A total of 16 Freedom of Information requests were received in this reporting period and were completed during the legislative timeframe.

Occupational Health and Safety

The Shire continues to provide a safe and healthy workplace. It has met its moral and legal responsibilities under the *Occupational Health and Safety Act 1984*. A review of operational practices was progressing during the reporting timeframe.

Information Management

Information Management Services provides record keeping services as per the *State Records Act 2000*. Shire of Mundaring deals with a large amount of sensitive, commercial and confidential information. Therefore a key area of focus is the responsible management and disclosure of information. The majority of information retained by the Shire is stored in an electronic format.

Digital Innovations

The Shire's Information and Technology (IT) team continue to provide a high standard of service through the management of the organisation's systems and services. This creates more efficient and effective services for our customers.

Self-Serve Check-out at Libraries

Both libraries in the Shire, Katharine Susannah Prichard Library and Albert Facey Memorial Library use technology known as radio frequency identification (RFID) which is connected to a cloud-based library management system. Katharine Susannah Prichard Library offers customers self-serve checkouts as well as an after-hours chute for book returns. The time it takes to scan books has significantly decreased due to the shared RFID technology used by both libraries. This relatively new system has created a much faster and efficient stocktake process.



Online Firebreak Inspections

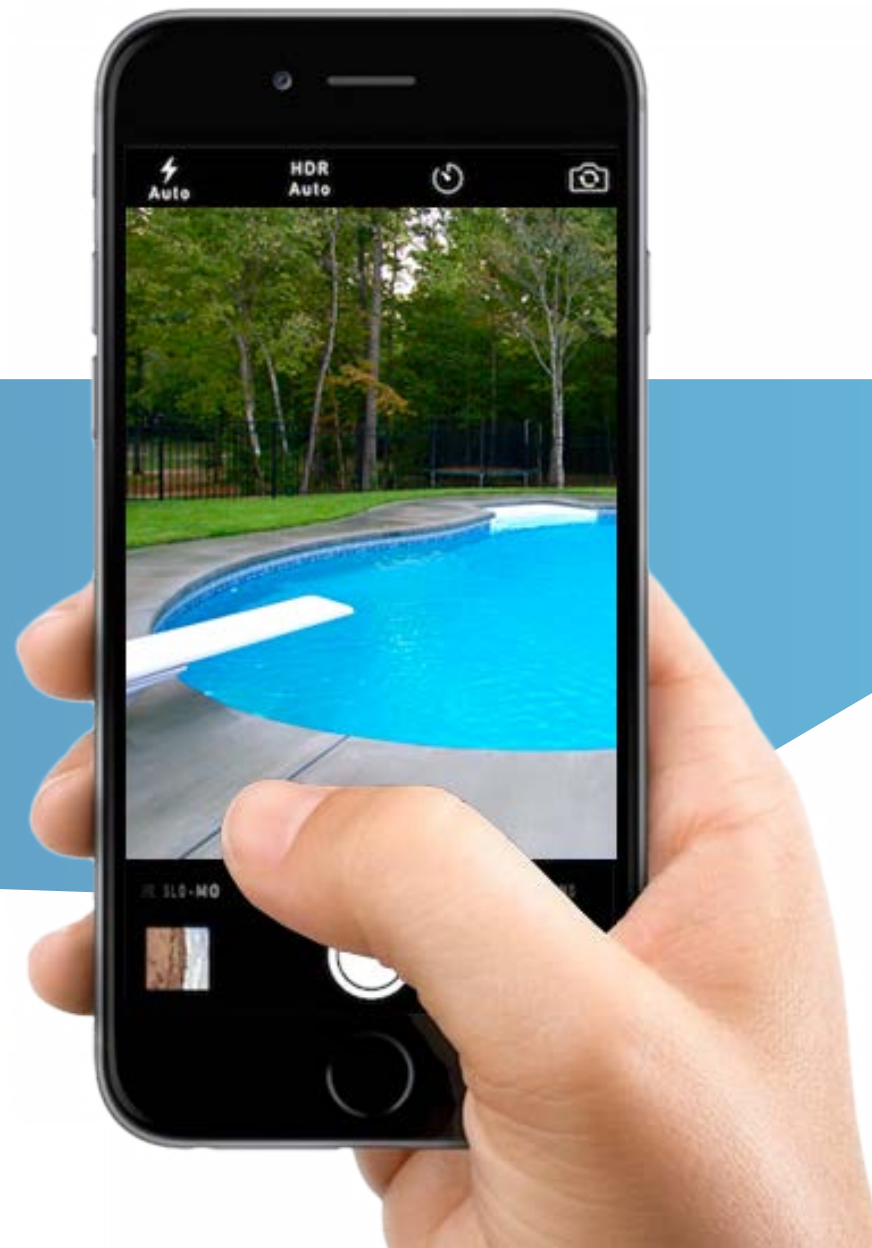
Firebreak inspections can now be carried out in the field via a mobile device, as a result of the development of a custom-built application by the Shire's IT team. The application links to property and geographic systems and colour coding of the status of firebreaks, and makes the assessment process straightforward and efficient. Inspections can be carried out in bulk, which has led to more than three times the usual amount of inspections being completed in the 2017 firebreak season.

Digital Pool Inspections

Pool inspections are now carried out electronically onsite, using mobile devices thanks to a browser-based application custom-built by the Shire's IT team, browser-based application by the Shire's IT team. With links to property and information as well as direct access to the internal network, this new application has brought efficiencies and provides opportunity for increasing the number of pool inspections per day. Other administrative processes, such as letter writing, analytics and reports, can also be automatically created, saving both time and money. A highlight of the new application is its ability to notify Pool Inspectors if a dog is on a particular property, ensuring safety is a priority.

Mapping Application Upgrade

A recent upgrade of the mapping system used by the Shire has increased the quality of information dispersed to community groups such as Volunteers, Fire Brigades and Friends Groups. The enhanced features, as a result of the upgrade, include better quality aerial imagery, improved mobile capability and more effective tools to create maps, annotations and digital reports. The State Government's Open Data Policy has allowed the Shire to capitalise on the land information provided by Landgate.

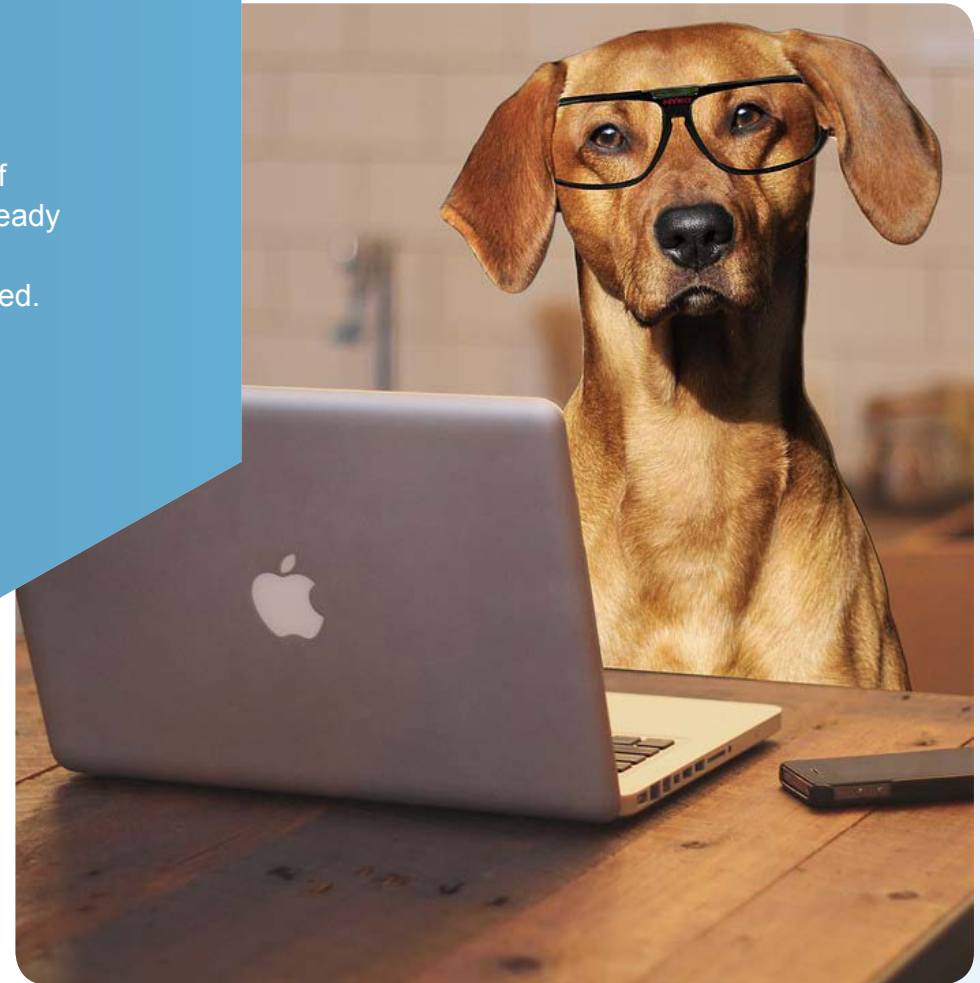


Online Application for Animal Registration

An application developed by the Shire's IT team allows animal owners to complete an online form to start the registration process for their pets. The user-friendly system has led to a significant increase in the number of applications since it was implemented in October 2017. The Shire has already processed 600 submissions. The online form has created a more efficient process by removing much of the manual administration previously required.

Online Job Applications

The ability to apply for jobs online is built within the Shire's website. This user-friendly system has created a simple and fluid process for applicants as there is no longer a requirement to print, complete, scan and deliver applications. The online system has also achieved internal efficiencies through centralising information, creating a streamlined process and reducing manual administrative tasks. This custom-built application leverages off the Shire's Microsoft-centric application platform, with no additional cost for development, licensing and support.



Online Application for Tree Canopy Understorey Program

The Shire has a long-standing commitment to provide seedlings to the community. An online Expression of Interest form has been available for many years, the Shire's internal IT team has enhanced it to provide the latest list of seedlings and additional ways to gather important information to inform the decision making process to continue with this program. Here they can find all the relevant information to make informed decisions. The internal custom-build system is linked to geographic information. This online process allows visibility of every application and every seedling allocated to a particular piece of land. This centralised system has reduced administrative tasks associated with the process therefore improving internal efficiencies.

Free Public Wi-Fi

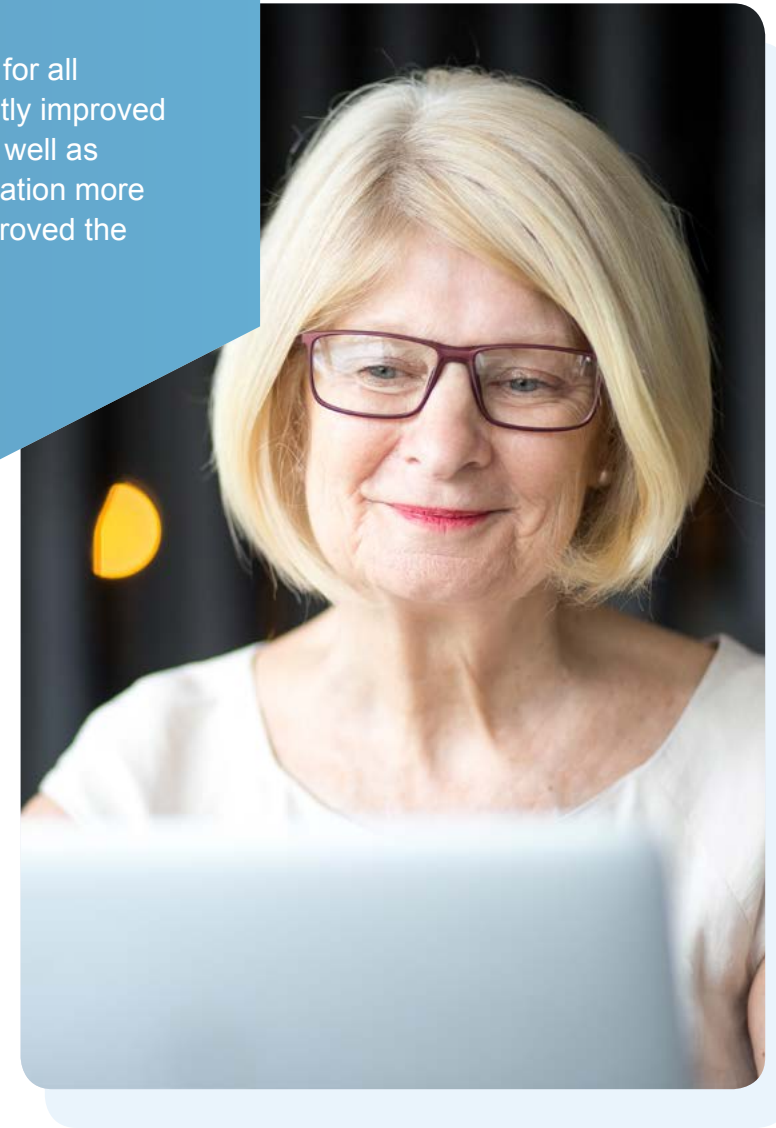
Free Wi-Fi is available at the Shire's Administration Office, Operations Centre, Libraries, Mundaring Arena, Swan View Youth Centre and the Hub of the Hills. This service is delivered through a complex and secure solution built within the Shire's internal network. It is a very popular service which has recorded more than 200 sessions a month at the libraries. There are also benefits for employees as they are able to connect their laptops or mobile devices to the internal network from any of these locations. This has provided efficiencies at meetings and training facilitation, with no extra data communication cost. The system is managed in-house.



Accessibility Improvements for Public Websites

The Shire has a strong commitment to ensure our websites are usable and accessible for all members of our community. Accessibility to several Shire websites has been significantly improved following an external review. These include an upgrade to the text-to-speech player as well as increasing the size of icons. Colour schemes have also been amended to make information more accessible for the entire community. New hyperlinks and text for images have also improved the experience for screen readers.

“Internal process improvement has been achieved through centralising information, creating a streamlined process and reducing manual administrative tasks. This has led to a faster and more efficient turnaround time for processing job applications.”



Efficiencies - Review of Shire Facilities

As part of the 2017/18 Corporate Business Plan, Council directed the Shire to review service levels across the organisation in order to be able to maintain a lower rating model. For this to be achieved several facilities across the Shire were reviewed.

Council resolved to reduce the operating hours at Mt Helena Aquatic Centre to peak use times, creating a saving of \$54,000pa. A decision not to extend the shared use license agreement with Department of Education, previously in place for Mt Helena Recreation Centre, created a saving of \$24,000pa. There is no impact on the community as they can continue to use the recreation facility by booking directly through the local school.

A community management model was developed for Mahogany Creek Hall and Tennis Courts and a community partnership model was created in regards to Chidlow Hard Courts. These developments arose following the Shire's announcement it planned to decommission the facilities due to low usage. Commercial operations at Lake Leschenaultia were also considered during the review. However Council resolved to continue the Shire management of all activities. This provides the Shire with greater control over the services offered such as catering, canoe hire and campground activities.



All commercial operations at Lake Leschenaultia, in Chidlow, will continue to be managed by the Shire

Community

- **A community that is prepared for bush fire and other natural disasters**
- **Residents of all ages, needs and backgrounds are engaged and supported by their community**
- **A strong and localised community spirit**
- **A place of vibrant culture and arts**
- **Flourishing local business**



Community

Emergency Management

Fire Hazard Inspection Officers

There has been a marked increase in the amount of property inspections carried out during the reporting timeframe. The Shire's Hazard Inspection Officers provide helpful advice to many residents and ratepayers about how to best protect their property in the event of a bushfire, in particular the requirement to comply with the firebreak/fuel load notice.

Community Safety (Rangers)

The Shire's Community Safety team has continued to provide effective communication and education about pet-related matters throughout the community. There has been significant work carried out in

implementing the new rules pertaining to designated dog exercise areas in the Shire and also where they are prohibited.

Fire Protection Officers

Several planned burns were successfully completed in 2017/18 by the Shire's Fire Protection Officers, with the assistance of local volunteer bushfire brigades. Officers also completed weed removal as per the Hazard Reduction Burning Schedule as well as the installation of fire breaks on Shire reserves.

“Results from the 2017 Community Perceptions Survey indicate the majority of residents interviewed are Satisfied or Very Satisfied with bushfire prevention control in the Shire, achieving a **79% satisfaction rate**.”

Bushfire Risk Management Plan

The Community Safety and Emergency Management team is making steady progress towards the development of a Bush Fire Risk Management Plan (BRMP). The plan is being prepared in consultation with the Department of Fire & Emergency Services (DFES). It will identify bushfire risks throughout the Shire as well as valuable assets deemed to be at risk. Also incorporated in the plan will be a recognised risk rating scale, treatment strategies and the responsibilities of land owners in relation to bushfire risk. Once complete, the draft plan will be reviewed by DFES officers and presented to Shire of Mundaring Council for review and formal adoption.

In the past 12 months, Rangers and Fire Hazard Inspection Officers have completed approximately:



Property Inspections
and Assessments

386

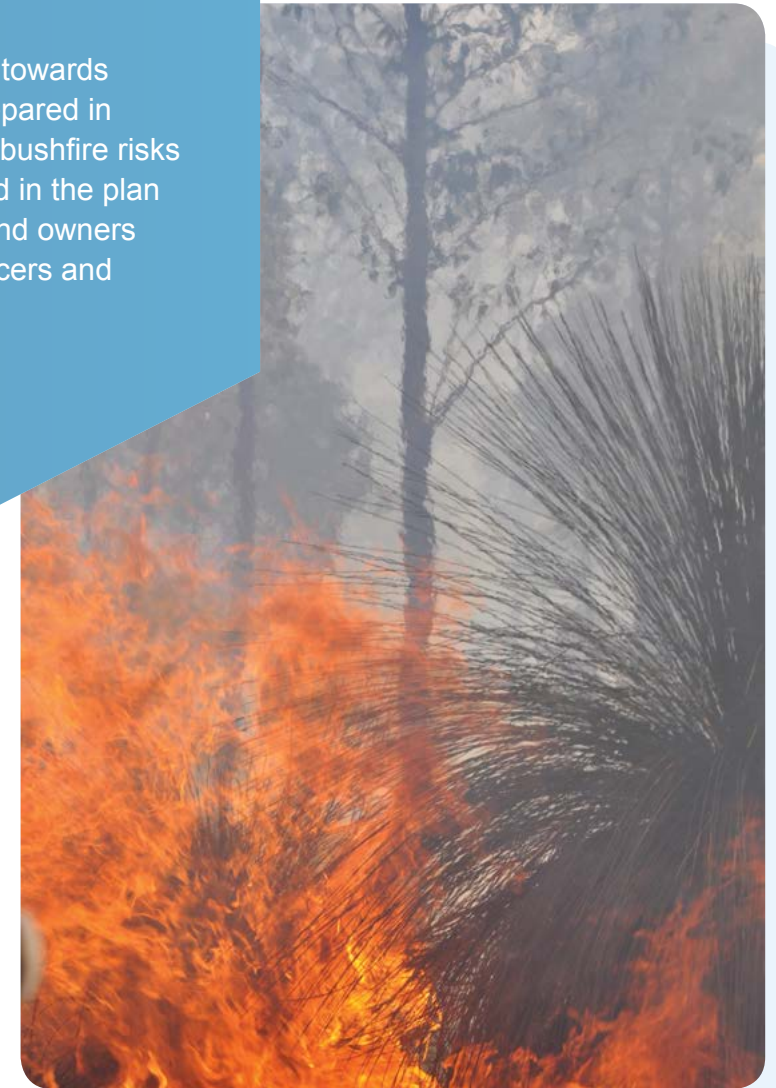
Mitigation Treatments
(addressing problems)

735



Prescribed Burns

30

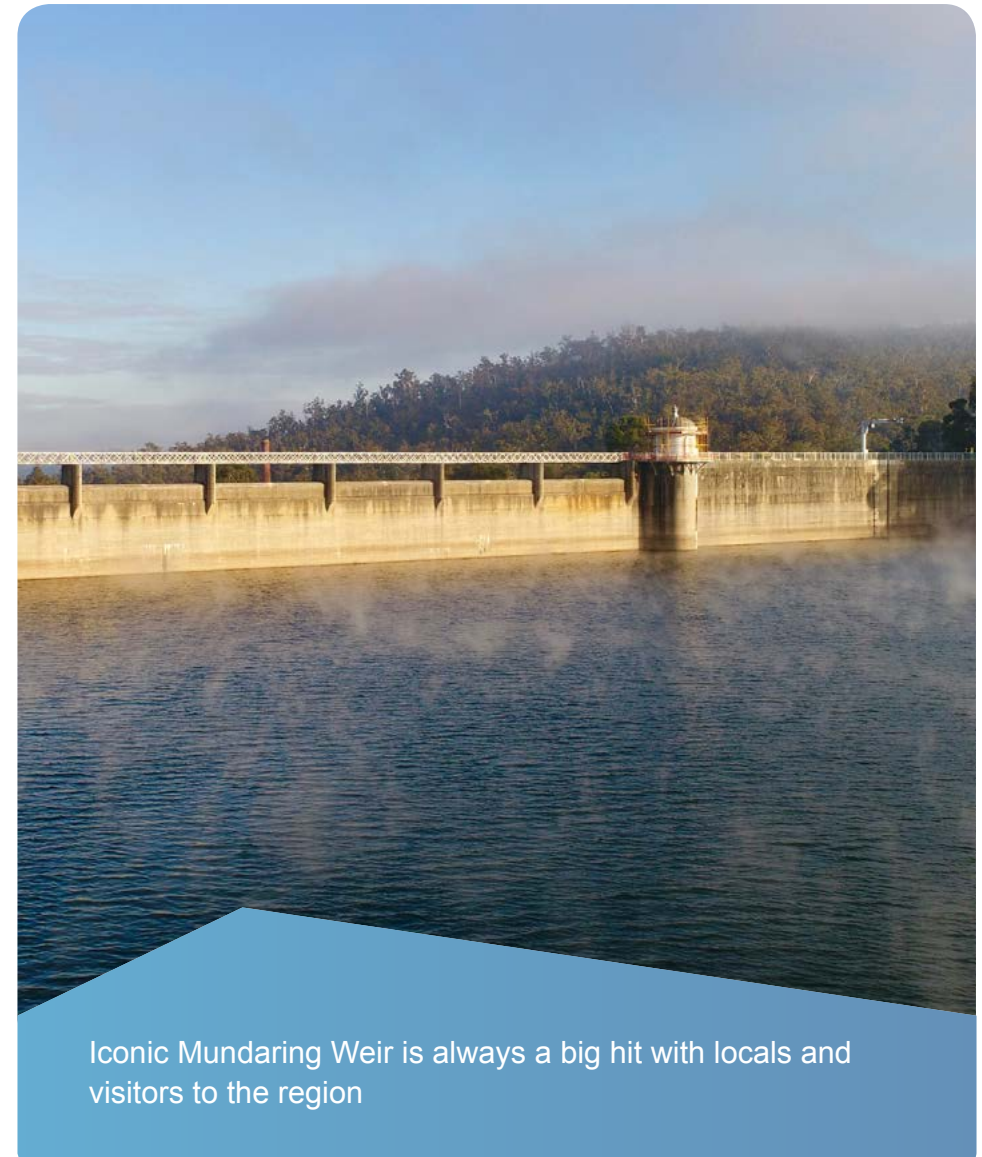


Additional work is also carried out by Fire Protections Officers within Shire reserves. This is not reflected in the above figures.

Tourism (Visitor Services)

New Series offers unique view of Shire

Mundaring Visitor Centre launched its spectacular Naturally Mundaring series in early 2018. The suite of videos showcases some of the lesser known attractions and amazing experiences available in the region. The Shire worked with local production company, Skyworks WA, to create a unique range of aerial and street footage which captures the village-style ambience and charm of the area. The Naturally Mundaring series includes footage of historical landmarks, including well-known attractions such as the iconic Mundaring Weir. The series has been promoted via social media and has been shared widely throughout this channel. The Shire is committed to marketing the hills region as one of Western Australia's top tourist destinations.



Iconic Mundaring Weir is always a big hit with locals and visitors to the region

Lake Leschenaultia in Chidlow continues to be one of the **Shire's biggest tourist attractions.**

An average of **600 - 800**

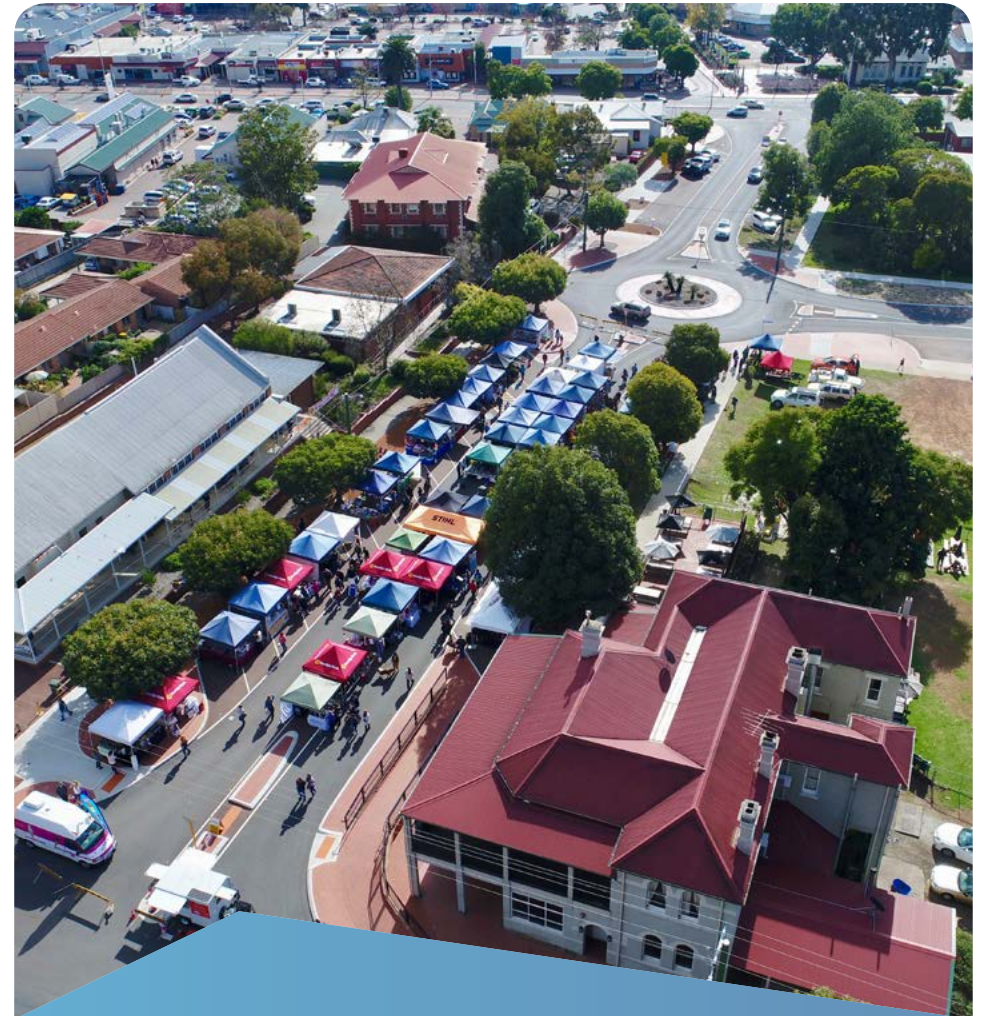
people visited Lake Leschenaultia in summer 2017/18 on weekends



Approximately **1500**

people celebrated New Year's Eve 2017 at the lake

Between **1500 - 2000** people celebrated Australia Day at the popular location this year



Dynamic Mundaring Markets also feature in the Naturally Mundaring series.

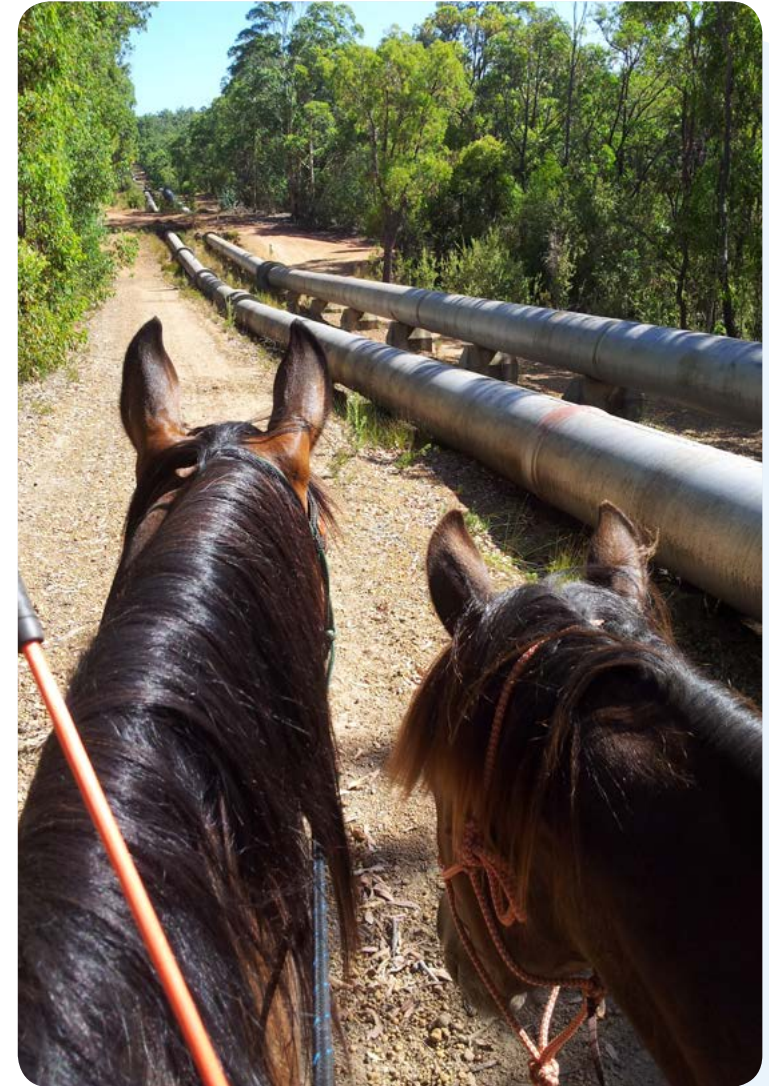
Other tourist attractions in the Shire of Mundaring include Beelu National Park, Greenmount National Park, John Forrest National Park, Wooroloo Regional Park, Lake CY O'Connor, Childlow Recreation Reserve, the Railway Reserves Heritage Trail, the Munda Biddi Bike Trail, Perth Hills National Parks Centre, several State Forests and various wineries.

Mundaring Visitor Centre has had a busy 12 months. It responded to:

Almost
13,000
enquiries made in person or over the phone

6260
enquiries about Lake Leschenaultia, an increase of 15.5% compared to the previous year

Attracted
50,254
visitors to its website, with a staggering 144,688 page views



New Youth Grants Program

In early 2018, Council resolved to move away from a direct youth service delivery approach in favour of a community capacity building approach in the form of a grants partnership program. A dedicated Shire staff member will administer the \$35,000 program and support a new youth advisory committee. The program will focus on addressing issues and challenges facing young people. The key areas of focus will be skills development and peer support. The first programs will commence in 2019.

The Shire's **Youth Service Delivery Model** approved by Council earlier this year provides a framework for community groups whereby they can **apply for grants** so they can deliver a range of **youth activities and programs**.



Photo: Courtesy of Skateboarding WA

Grants awarded by the Shire

A recent review of the grants program has created an increase in Shire funding available to local community groups. In the past 12 months, the following grants were awarded:

- Five volunteer-based groups received funding to facilitate a range of community events
- 44 groups were supported to provide training, purchase equipment and undertake minor upgrades
- Seven groups received Volunteer Recognition Event grants to recognise the contribution of their volunteers.

The annual Milestone Event Grant was awarded to Swan View Primary School to assist them with their **75th anniversary celebration** and fete.

In the past 12 months, the Shire **awarded 40 Youth Grants** which helped support students in a range of areas including sport and recreation, science and technology and arts and culture. Some of these events were held interstate and overseas.



Swan View Primary School's Facebook page

Grants awarded to the Shire

The Shire made 11 grant applications to external funding sources during the reporting timeframe. The total value of funds requested was **\$500,106.53**. Of that, **10 applications were successful, totalling \$494,120.53**.

Funding Body	Project	Grant Value
Department of Sport and Recreation	Upgrade lighting at Mundaring Tennis Courts	\$150,000
Department of Agriculture and Food WA State Natural Resource Management	Management of Blackberry in Sensitive Watercourses	\$32,500
Lotterywest	Cinema Under Starlight	\$8159
Department of the Environment and Energy	Solar Panels – Mundaring Arts Centre	\$7965.62
Department of the Environment and Energy	Solar Panels – Marloo Theatre	\$7690.91
Council of the Ageing (COTA)	WA Senior's Week Activities	\$1000
Lotterywest	National Volunteer Week Activities	\$1000
Department of Local Government, Sport and Cultural Industries	Recreation Plan	\$18,805
Department of Infrastructure and Regional Development and Cities	Chidlow Oval Lighting	\$100,000
Department of Local Government, Sport Cultural Industries	Chidlow Oval Lighting	\$167,000
Total		\$494,120.53



Almost

\$500,000

in successful grants will **enhance a range of services and facilities** in the Shire including increased lighting at several sports ovals, creating more opportunities for evening games. Chidlow Oval, pictured above, is a recipient of two State Government grants.

Outreach Worker named Young Person of the Year

Matthew Bill, who works in the Shire Children's Services, was named the West Australian Young Person of the Year at the State Government Youth Awards in October 2017. Based at the Midvale Hub, Matthew is involved in the Shire's Advancement Strategy Program. He was recognised for his significant contribution to encouraging positive change in local families.

Some of his achievements include establishing a "yarning circle" to help younger students interact with older boys from a nearby school to help ease the transition to high school. Matthew also works across four local primary schools to help minimise the incidence of truancy.

Children's Services exceeds national standard

The Shire's child care services maintained a rating of Exceeding the National Quality Framework across all its services, following an annual accreditation process.

Just over a year ago, the team celebrated the opening of a new Parenting Service which offers ongoing support to local parents. It has been extremely successful in its first year of operation.

Children's Services have been supporting local families for more than three decades. It also co-ordinates the Eastern Region Family Day Care, Middle Swan Before School Care, Swan Children and Family Centre, Midvale Outside School Hours Care and Midvale Early Childhood and Parenting Centre.



Pictured: Matthew Bill, Outreach Worker at the Midvale Hub, based at the Shire's Children's Services.

Photo: Courtesy of David Baylis, Community Newspaper Group

Increased interest in library services

Residents continue to enjoy the new Boya Community Centre which houses the Katharine Susannah Prichard Library. Membership has more than doubled since it opened 18 months ago, leading to the employment of additional staff to manage the increased interest in our libraries. Over the past 12 months, both the Katharine Susannah Prichard and Mundaring libraries have experienced unprecedented popularity including:

134,977

Visitors

2341

New members

295,494

Loaned items

213

Activities: such as author talks, story time sessions, baby rhyme time & school holiday workshops

24,497

eAudio, eBooks and eMagazines were downloaded

8556

Wi-Fi logins recorded

Results from the 2017 Community Perceptions Survey indicate residents are Very Satisfied with the Shire's libraries, achieving an **83% satisfaction rate.**



An Inclusive and Accessible Mundaring

Changing Place

A Changing Place for people with disabilities is now available at a local roadhouse thanks to a collaboration between the Shire and private company BP. Located at The Lakes on Great Eastern Highway, the purpose of the facility is to break down barriers by ensuring people can access convenient and appropriate public restroom facilities when they are away from home.

Officially launched by Disability Services Minister Stephen Dawson in April 2018, the initiative was praised for providing accessible and inclusive facilities which reflect the diverse needs of the community.



The Shire's Disability Access and Inclusion Plan 2017-2021 identifies a number of strategies which work towards a **common goal to create a community where people with a disability, their families, friends and carers feel valued and included**. All new employees attending corporate orientation with the Shire receive an access and inclusion summary that provides information on the purpose of the Disability and Access Inclusion Plan. As such, disability awareness training for all employees is scheduled on an annual basis. A total of **33 employees attended training** during 2017/18.

Community-Led Facility Management Model

The Darlington Community Pavilion is a successful partnership project which incorporates community members, government (federal, state and local), businesses and community organisations. It is a positive example of what can be achieved within a reasonable timeframe using a collaborative approach.

As a community-led facility management model, the pavilion was a fully community-funded, built project. Darlington Sports and Recreation Association (DSRA) successfully undertook the planning, design, procurement, construction and fundraising to support the pavilion. The pavilion is managed by the Darlington Sports and Recreation Association while the Shire maintains the bookings system associated with the facility. The Shire provided the association with a 12 year lease which assisted the group in various funding applications. This community-led model was recently nominated for a Community-Based Initiative of the Year Award by Parks and Leisure Australia. It is a fantastic example of the Shire collaborating with the local community to reach an outcome that works for all parties.

Catering for our seniors

Seniors in the community attended the LiveLighter Seniors Activity Information Day held in June 2018. A joint initiative of Shire of Mundaring and Seniors Recreation Council of WA (SRCWA), it gave attendees the opportunity to connect with other seniors and have a go at a variety of activities. The Shire also provides a number of regular activities for seniors throughout the year including Memory Café, Gadgets and Gizmos workshops as well as functions such as the Seniors Christmas celebration, morning teas and Book Cafés. Memory

Café has been very popular as it provides a safe forum for people living with memory loss (and their carers) to come together and share their experiences with new friends. Shire of Mundaring is committed to providing our seniors community with as many opportunities as possible which enable them to live an active, safe and productive life.

Each week, approximately
25 members of our
seniors' community attended two
activities hosted by the Shire and
the Active Ageing Network at The
Hub of the Hills

Events

Twilight Markets

The Twilight Markets, held in Mundaring during summer, was a huge success drawing large crowds from the local area and further afield. The markets were hosted by Mundaring Rotary Club and supported by Shire of Mundaring and the Mundaring Community Bank Branch of Bendigo Bank. The markets offered a range of different stalls, live entertainment and international food vans. This hugely successful event was a great opportunity to celebrate our strong sense of community with our local organisations.



Shire President John Daw chatting with residents at the Twilight Markets



The 2018 Twilight Markets were hosted by Mundaring Rotary Club and proudly supported by Shire of Mundaring and Bendigo Community Bank (Mundaring branch)

Wandju Ceremony

Earlier this year, Aboriginal flags were installed at the Shire Administration office (in Council Chambers and outside the entrance). This was followed by a celebratory event which included a smoking ceremony and a traditional dance by children from Greenmount Primary School.

The 'healing' ceremony reflected the wrongs of the past that have happened to Aboriginal and Torres Strait Islander peoples and commitment to ensuring it never happens again.

Flag mounts were designed and constructed for the special occasion by members of the Mundaring Community Men's Shed. Each mount displays the Aboriginal, State and National flags, representing recognition of their contribution to the country at all levels.



Cinema Under Starlight

Residents once again were treated to free, outdoor movies over the summer with the return of the Shire's popular Cinema Under Starlight series. Several movies were screened at local ovals and parks in January, February and March. The series has grown increasingly popular in recent years with some screenings drawing audiences of more than 500 people at an individual session. The 2018 season was supported by Lotterywest, Linley Valley Pork, Acciona Trility Joint Venture, and the Mundaring Community Bank Branch of Bendigo Bank. Planning is underway for the 2019 season.

Environmental Art Project

Each year, the Shire and Mundaring Arts Centre offer an environmental awards project to schools in the Eastern Region. The project helps students in the local community learn about environmental issues and translate their discoveries into fun and creative artworks. The artworks are then judged by a panel and the winners are invited to paint a banner of their winning artwork. The artworks are displayed in an exhibition held in the Mundaring Town Centre. In 2017/18, there was a record number of entries and it is anticipated this number is set to increase each year.



Photo: Courtesy Bruce Hunt, Community Newspaper Group

Citizenship Ceremonies

In 2017/18, a remarkable 81 people from numerous countries became Australian Citizens at various ceremonies hosted by the Shire.



Engaging with Local Businesses

Local businesses were encouraged by the Shire to celebrate Harmony Day this year. As the colour orange represents Harmony Day, businesses were invited to add an orange theme to their shop front. The Shire was pleased to be able to mark the national event by showcasing the strong spirit of inclusiveness within the Mundaring local government community.

Photo: Courtesy David Baylis, Community Newspaper Group

Natural Environment

- A community that manages water sustainably
- A place where the environment is well managed
- A great place to immerse yourself in nature



Natural Environment

Tree Canopy and Understorey Program (TCUP)

The program, which has been running for almost three decades, is testament to the Shire's commitment to provide habitat for native fauna and plants for residents to create water-wise, sustainable gardens.

Over the program's lifespan more than one million free seedlings and plants have been distributed to local residents, ratepayers and community groups, for planting in gardens throughout the shire. The program allowed nature lovers to create sustainable, native gardens. TCUP enables people to create gardens that are both water-wise and provide habitat for native animals.



Free Environmental Workshops

A series of environmental workshops, hosted by the Shire earlier this year, proved to be extremely popular. They covered a range of topics such as 'How to Create a Waterwise Garden' which was carried out in conjunction with Water Corporation. It was an ideal opportunity to learn about gardening methods that could save both water and money.

Another workshop, titled 'Birds in Your Garden', provided residents the opportunity to learn more about the species of birds that regularly visit the local area. The workshop was offered in conjunction with the Darling Range Branch of the WA Naturalists Club.

Approximately

412 members

of the community attended at least one of the Shire's free environmental workshops



Re-usable Shire Shopping Bags

In preparation for the state-wide ban of single-use plastic bags, the Shire organised re-useable bags which were distributed as part of an ongoing education campaign.

In addition to the production of Shire shopping bags, residents and ratepayers were also invited to free community workshops in June, hosted by Sustainability and Waste educator, Lindsay Miles. These very popular workshops challenged people to consider their use of plastic and how they could avoid it in the future. .

Shire of Mundaring has continued to share suggestions on social media to **help the community** think about the amount of plastic they use in their everyday lives.



Cr Toni Burbidge with the Shire's re-useable shopping bags

Waterwise and Firewise Native Garden at children's playground

A Demonstration Garden has been constructed near one of the Shire's popular playgrounds known as Sculpture Park.

The purpose of the garden is to showcase waterwise native plants and also to incorporate firewise elements suitable for bushfire prone areas. While still in its infancy, the garden has generated much discussion among people visiting the playground and the wider community.

It was created by the Shire's environmental, parks and bushfire safety teams in conjunction with a local landscape architect.

Results from the 2017 Community Perceptions Survey showed the majority of residents interviewed were either **Satisfied or Very Satisfied** with the Shire's facilities including recreation centres, playgrounds and parks.



Tree Management Supervisor Matt Bosnack's 'chainsaw art' is featured at the shire's native plant demonstration in Sculpture Park.

Supporting Regional Recycling Initiative

The Shire was awarded a Certificate of Appreciation by Eastern Metropolitan Regional Council (EMRC) for its continued support of EMRC's Battery and CFL (Compact Fluorescent Lamps) Collection Programs.

Over the past 12 months EMRC has prevented more than 15.5 tonnes of batteries and 1.5 tonnes of fluorescent light globes and tubes from entering landfill in the eastern metropolitan region, diverting them to be recycled instead.

In a 12 month period, the Shire's Administration Building contributed to this achievement by collecting an **impressive 222.4 kilograms of batteries and 46.5 kilograms of CFLs.**



Shire of Mundaring Receptionist Jenni Griffiths and Cr David Lavell at the Administration Building's battery and CFL recycling station.

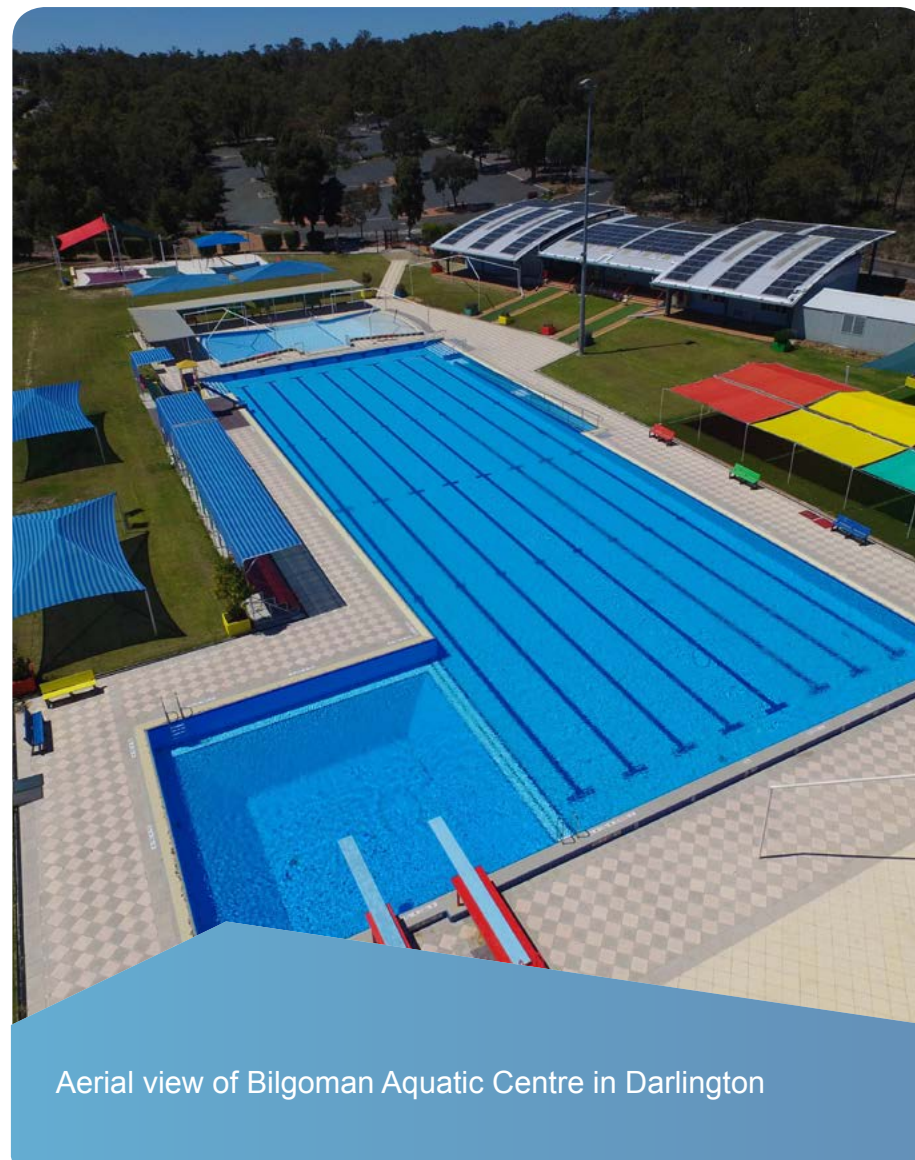
Waterwise Initiatives at Shire facilities

Bilgoman Aquatic Centre, in collaboration with the Water Corporation, saved a staggering 3.5 million litres of water in 12 months compared to the previous year.

A range of water saving initiatives have been implemented including reducing flow rates in ablutions and simple measures such as using brooms and blow vacuums for cleaning rather than hoses.

Water wise plants and mulch in the gardens have also been used as well as the replacement of some sections of lawn with synthetic turf to help minimise water usage.

Results from the 2017 Community Perceptions Survey indicate the majority of residents interviewed are **happy with our kerbside rubbish collection** and the services provided by the local waste transfer station.



Aerial view of Bilgoman Aquatic Centre in Darlington

Built Environment

- **A place that is connected, safe and easy to move around**
- **Community needs are considered in planning for the future**
- **Reliable digital services and power supply**



Built Environment

Mundaring Arena

This \$10.1m facility will cater for a range of sports including hockey, badminton, volleyball and futsal. It is the result of a fantastic community project which can be enjoyed by a range of user groups for many generations to come.

Mundaring Community Bank Branch Bendigo Bank pledged \$100,000 towards the project, with local basketball, hockey and netball clubs pledging between \$10,000 and \$30,000 each. The State Government provided \$3m in funding, with the Shire funding the remainder.

The Shire worked closely with local basketball, netball and indoor hockey associations along with the architects, consultants and the construction company Pindan. It features modern digital services which allows direct communication to the main Shire network as well as free Wi-Fi, CCTV technology for monitoring the courts as well as electronic score boards.



Photo: Courtesy David Baylis, Community Newspaper Group



10,500

people have played either basketball or netball at the **Mundaring Arena** since it opened in **May 2018**. This number is set to rise once the hockey season commences.

Exterior view of Mundaring Arena, which opened to the community in early 2018. It will cater for sporting and community groups as well as functions.

Growth prospects for the Shire

The adoption of the Sub-Regional Planning Framework in March provides greater certainty for the Shire regarding sustainable growth prospects and longer term financial position. This is particularly pleasing as the draft North-East Sub-Regional Planning Framework, released by the WAPC in 2015, threatened to undermine the Shire's Local Planning Strategy. In particular, the growth areas identified in the strategy were not reflected in the draft framework. As a result the Shire has continued Ministerial lobbying and advocacy with the WAPC and the final document aligns with the Shire's strategic planning framework.

Mundaring Activity Centre Draft Plan

Recent community feedback on the draft Mundaring Activity Centre Draft Plan is currently being considered by the Shire. Once complete, the plan will establish a common understanding of long-term community aspirations for the town centre.

Consultation to-date has highlighted the importance of keeping a village atmosphere with trees and open spaces, addressing Great Eastern Highway and encouraging walking, cycling and public transport use.

The Mundaring Activity Centre draft plan is part of the Mundaring Town Centre Master Plan, which was adopted by Council in 2017.



Commercial Strategy Review

Council endorsed a revised version of the Local Commercial Strategy at its March 2018 meeting. This had been identified as a key priority in the Local Planning Strategy. The updated strategy provides a contemporary strategic policy framework which reflects the unique settlement patterns and issues relevant to the Shire. This includes identifying where future growth pressures are likely to be so they can be properly managed. The Local Commercial Strategy has been referred to in the assessment of recent major development proposals such as the Foothills Growth Strategy and the Mundaring Activity Centre Plan.

Street Tree Policy

A new Street Tree Policy was adopted by Council in June 2018, following an extensive community consultation process. The policy aims to increase tree canopy cover within the Shire's road reserves and to help mitigate the urban heat island effect, support biodiversity and enhance the character of the local streets.

Road Safety Project

A new roundabout was built at the intersection of Bilgoman Road and Marnie Road, Glen Forrest. This work complemented the new entry points to access Helena College and embayments in front of Helena College. The Shire worked closely with Helena College to improve road safety around the school while also addressing speeding concerns along Bilgoman Road and improving pedestrian crossing points.



Reliable Digital Services - NBN rollout

The Shire's planning team assessed three planning applications for telecommunication installations during the reporting timeframe. All were approved following extensive negotiations with NBN. The sites are located in Bailup Road, Wooroloo and Sertorio Road, Chidlow, as well as the installation of a mobile telecommunications base station in Mt Helena which was approved by Council in April 2018. A draft lease for this site will be presented to Council for consideration in 2019.

Shire of Mundaring will have beautiful streetscapes, open spaces and a range of housing choices creating a strong sense of place. People will be encouraged to be active through a variety of exciting events and recreational activities. Residents will feel safe and there will be access to quality health care services to meet the changing needs of the community.





Appendices

Appendix

Performance Indicators and Measures

The SCP identifies four strategic priorities and the CBP has the four year priorities, which provide further focus for Council's actions. These are listed in the table below. The indicators track progress in strategic priority and four year priority areas and are identified on the indicator table using the notation below. Indicators tracking progress in other areas are designated "O".

Shire of Mundaring Strategic Priorities:

- SP1** A Fiscally responsible Shire
- SP2** A strong and localised community
- SP3** A place where the environment is well managed
- SP4** A place that is connected, safe and easy to move around

Four Year Priorities from CBP

- P4** Built Environment
- P3** Natural Environment
- P2** Community
- O** Tracking Progress in Other Areas

Local Government level of Control/ Influence

Some of the indicators cover areas over which Council may have little control or influence, but which remain appropriate measures of progress towards the achievement of the community’s vision. The level of Council influence is reflected alongside the indicators and is colour coded for ease of reference in the indicator tables.

The coding is reflected in the diagram below:

High	Areas that are in Direct Control of Local Government
Medium	Areas that Local Government does not Control but can Influence
Low	Areas that Local Government neither Controls nor is likely to Influence, but are of concern to the Community and Impact on Community Well Being

Strategic Theme 1: Governance

- A fiscally responsible Shire that prioritises spending appropriately
- Transparent, responsive and engaged processes for Shire decision making

High Medium Low- Control	Strategic Priorities	Indicators and Measures	2016/17	2017/18
H	O	Residents satisfied with the elected members’ leadership % of respondents satisfied with the Shire’s elected member’s leadership within the community	45*	47**
M	O	# of Ordinary and Special Council Meetings attended by elected members	172	194
M	O	% Respondents satisfaction with how the Shire engage the community about local issues	56*	53**
H	P4	% of respondents who agree that the Shire has developed and communicated a clear vision for the area.	26*	44**

2 year Community Perception Survey * = 2015 ** = 2017 ✍ = Adverse weather conditions

Strategic Theme 2: Community

- A community that is prepared for bush fire and other natural disasters
- Residents of all ages, needs and backgrounds are engaged and supported by their community
- A strong and localised community spirit
- A place of vibrant culture and arts
- Flourishing local business

High Medium Low- Control	Strategic Priorities	Indicators and Measures	2016/17	2017/18
H	SP2	% of respondents satisfied with the performance of the SOM with respect to Playgrounds and Parks	77*	78**
H	SP2	Sport and recreation facilities	81*	79**
H	SP2	Bilgoman Aquatic Centre and Mount Helena Aquatic Centre (16/17)	92*	
		Aquatic Centres (17/18)		70**
H	SP2	Library services	85*	83**
M	SP2	Events and Cultural Activities	66*	62**
M	SP4	Bushfire preparedness % of assessments leading to issuing of bushfire compliance notices	12.84	71.24

2 year Community Perception Survey * = 2015 ** = 2017 ✍ = Adverse weather conditions

High Medium Low- Control	Strategic Priorities	Indicators and Measures	2016/17	2017/18
H	SP4	# of Bushfire preparedness inspections undertaken	266	386
H	O	# of years lapsed since the Heritage register was updated	100%	Review 2020
H	O	\$ investment in public art	10,000	12,000
H	P2	% Building Minor Capital Projects Completed	75	71
H	O	% Community Satisfaction in the efficiency and effectiveness of the Shire's Customer Service	71*	74**
H	P2	Lake Leschenaultia Caretaker Accommodation		No longer required. Camp Host model implemented

High Medium Low- Control	Strategic Priorities	Indicators and Measures	2016/17	2017/18
H	P2	Construct Boya Oval Facilities	100%	NA
H	P2	Glen Forest Oval - Replace Toilet Block	NA	33%
H	P2	Sawyers Valley Oval - Replace Toilet Block	NA	33%
H	P3	% Community Satisfaction with waste transfer stations services	79*	75**
H	P3	% Community Satisfaction with Verge-side bulk rubbish collection	78*	75**
M	SP3	% who feel residents of all ages, needs and backgrounds are engaged and supported by their community	N/A	66**
M	SP2	Recreation Plan		Commence 2018/19

2 year Community Perception Survey * = 2015 ** = 2017 ✍ = Adverse weather conditions

High Medium Low- Control	Strategic Priorities	Indicators and Measures	2016/17	2017/18
M	P2	Public Health Plan		Commence 2018/19 – 2019/20
M	P2	Seniors Housing Land Use Strategy		Commence 2019/20

Strategic Theme 3: Natural Environment

- A community that manages water sustainability
- A place where the environment is well managed
- A great place to immerse yourself in nature

High Medium Low- Control	Strategic Priorities	Indicators and Measures	2016/17	2017/18
M	SP1	# of trees/seedlings planted in natural areas / greenways by Shire and Friends Groups	2369	3050
L	P3	# hours spent on- ground by Friends Groups	2154	1258
H	P3	# of hours of Landcare Team assistance to Friends Group	456	454
M	P3	% Friends Groups satisfaction with Shire assistance	91	100
L	P3	# of new Friends Groups	2	2
H	P3	# of seedlings provided to public through Tree Canopy and Understorey Program	53,100	47,877

2 year Community Perception Survey * = 2015 ** = 2017 ✍ = Adverse weather conditions

High Medium Low- Control	Strategic Priorities	Indicators and Measures	2016/17	2017/18
M	P3	# of applications for the Tree Canopy and Understorey Program	985	1150
M	SP1 & 4	Bush fire protection and weed control - # of prescribed burns conducted	65	32 [✍]
H	P2	% parks, reserves and public open spaces capital projects completed	89	75
H	SP1	# of hours to mow verges	7334	7085
M	SP1	Residents satisfaction with services and facilities: % of respondents satisfied with mowing of verges, reserves and public open spaces	63*	60**

High Medium Low- Control	Strategic Priorities	Indicators and Measures	2016/17	2017/18
M	P3	Weed Control Strategy Review		Commence 2018/19 – 2019/20
H	P3	Wildlife Corridor Strategy Review		Commence 2020/21

2 year Community Perception Survey * = 2015 ** = 2017 [✍] = Adverse weather conditions

Strategic Theme 4: Built Environment

- A place that is connected, safe and easy to move around
- Community needs are considered in planning for the future
- Reliable digital services and power supply

High Medium Low- Control	Strategic Priorities	Indicators and Measures	2016/17	2017/18
H	P4	Access strategy for Bushfire prone areas	100%	
H	P4	Helena Valley urban expansion strategy	100%	
H	P4	Review Local Commercial Strategy		100%
H	P4	Public Open Space Strategy		Commence 2019/20
H	P4	Limited Rural Strategy for Bailup and Wooroloo prepared		Commence 2020/21
H	P4	Mundaring Town Centre Precinct Plan	70%	82%
H	P4	Watercourse Hierarchy Strategy		Commence 2020/22
H	P2	% Roads, Bridges and Bus Shelter Capital Projects Completed	86%	72%

2 year Community Perception Survey * = 2015 ** = 2017  = Adverse weather conditions

High Medium Low- Control	Strategic Priorities	Indicators and Measures	2016/17	2017/18
M	P2	% of Roads in "Satisfactory" Condition	Road Condition Surveys carried out every five years	91%
H	P2	% Footpaths / Cycleways Capital Projects Completed	87%	86%
M	P2	% of Footpaths / Cycleways in "Satisfactory" Condition	Incomplete – subject to condition survey being completed and available funding.	Next Survey due in 2017/18 financial year
H	P2	# Drainage Capital Projects Completed	75	33

High Medium Low- Control	Strategic Priorities	Indicators and Measures	2016/17	2017/18
M	P2	# of Properties Complaining of Flooding	7	15
H	P2	# of Catchments Analysed for Drainage Capacity Per Annum	0	Next Catchment Analysis due in 2018/19

2 year Community Perception Survey * = 2015 ** = 2017  = Adverse weather conditions

Annual Financial Statements

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

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

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

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

Signed as authorisation of issue on the 12th day of November 2018



Jonathan Throssell
Chief Executive Officer

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

	NOTE	2018 Actual \$	2018 Budget \$	2017 Actual \$
Revenue				
Rates	23(a)	27,375,948	27,296,129	26,431,929
Operating grants, subsidies and contributions	2(a)	5,860,186	3,546,836	6,755,608
Fees and charges	2(a)	12,277,089	12,916,830	11,759,094
Interest earnings	2(a)	984,574	1,033,788	1,041,275
Other revenue	2(a)	942,216	936,875	1,529,113
		47,440,013	45,730,458	47,517,019
Expenses				
Employee costs		(19,184,762)	(19,550,744)	(18,809,705)
Materials and contracts		(17,951,935)	(18,373,695)	(18,004,252)
Utility charges		(1,276,544)	(1,386,974)	(1,201,047)
Depreciation on non-current assets	9(b)	(7,397,842)	(8,573,167)	(8,802,879)
Interest expenses	2(b)	(609,593)	(528,979)	(640,049)
Insurance expenses		(437,906)	(840,473)	(806,252)
Other expenditure		(739,478)	(653,787)	(1,046,345)
		(47,598,060)	(49,907,819)	(49,310,529)
		(158,047)	(4,177,361)	(1,793,510)
Non-operating grants, subsidies and contributions	2(a)	3,265,015	3,264,108	4,315,630
Profit on asset disposals	9(a)	1,818	0	36,528
(Loss) on asset disposals	9(a)	(135,282)	(43,700)	(96,694)
Change in Equity - Joint Venture	18	916,244	0	892,286
		3,889,748	(956,953)	3,354,240
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	10	(69,060,425)	0	(6,583,059)
		(69,060,425)	0	(6,583,059)
Total other comprehensive income				
		(65,170,677)	(956,953)	(3,228,819)
Total comprehensive income				
		(65,170,677)	(956,953)	(3,228,819)

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

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

	NOTE	2018 Actual	2018 Budget	2017 Actual
		\$	\$	\$
Revenue				
	2(a)			
Governance		305,700	108,800	322,486
General purpose funding		30,824,225	29,633,119	31,258,266
Law, order, public safety		688,534	519,200	704,844
Health		86,959	55,700	98,890
Education and welfare		5,321,614	5,181,184	4,935,430
Community amenities		7,946,410	7,975,885	7,782,380
Recreation and culture		1,393,680	1,336,930	1,217,166
Transport		89,862	48,000	292,745
Economic services		251,282	332,185	286,105
Other property and services		531,747	539,455	618,707
		47,440,013	45,730,458	47,517,019
Expenses				
	2(b)			
Governance		(4,775,505)	(5,453,054)	(4,734,531)
General purpose funding		(636,341)	(646,034)	(860,429)
Law, order, public safety		(2,491,000)	(2,369,109)	(2,451,342)
Health		(646,643)	(736,140)	(651,408)
Education and welfare		(6,967,744)	(6,868,933)	(7,124,910)
Community amenities		(8,647,054)	(9,292,660)	(8,745,029)
Recreation and culture		(9,630,844)	(10,867,052)	(10,599,591)
Transport		(11,010,752)	(10,706,924)	(10,975,714)
Economic services		(744,383)	(733,653)	(754,826)
Other property and services		(1,438,201)	(1,705,281)	(1,772,700)
		(46,988,467)	(49,378,840)	(48,670,480)
Finance Costs				
	2(b)			
Governance		(289,798)	(267,034)	(307,623)
Recreation and culture		(319,795)	(261,945)	(332,426)
		(609,593)	(528,979)	(640,049)
		(158,047)	(4,177,361)	(1,793,510)
Non-operating grants, subsidies and contributions	2(a)	3,265,015	3,264,108	4,315,630
Profit on disposal of assets	9(a)	1,818	0	36,528
(Loss) on disposal of assets	9(a)	(135,282)	(43,700)	(96,694)
Change in Equity - Joint Venture	18	916,244	0	892,286
		4,047,795	3,220,408	5,147,750
		3,889,748	(956,953)	3,354,240
Net result				
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	10	(69,060,425)	0	(6,583,059)
		(69,060,425)	0	(6,583,059)
Total other comprehensive income		(69,060,425)	0	(6,583,059)
Total comprehensive income		(65,170,677)	(956,953)	(3,228,819)

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

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

	NOTE	2018	2017
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	29,268,143	32,218,731
Trade and other receivables	5	1,981,982	1,947,352
Inventories	6	112,090	92,741
TOTAL CURRENT ASSETS		31,362,215	34,258,824
NON-CURRENT ASSETS			
Other receivables	5	961,993	934,213
Property, plant and equipment	7	75,227,212	71,264,715
Infrastructure	8	296,344,898	364,989,205
Interest in Joint Venture	18	19,891,176	18,974,932
TOTAL NON-CURRENT ASSETS		392,425,279	456,163,065
TOTAL ASSETS		423,787,494	490,421,889
CURRENT LIABILITIES			
Trade and other payables	11	1,429,155	2,383,374
Current portion of long term borrowings	12(a)	605,330	577,065
Provisions	13	3,280,522	3,278,582
TOTAL CURRENT LIABILITIES		5,315,007	6,239,021
NON-CURRENT LIABILITIES			
Long term borrowings	12(a)	11,136,668	11,741,998
Provisions	13	278,336	212,710
TOTAL NON-CURRENT LIABILITIES		11,415,004	11,954,708
TOTAL LIABILITIES		16,730,011	18,193,729
NET ASSETS		407,057,483	472,228,160
EQUITY			
Retained surplus		142,954,754	137,540,104
Reserves - cash backed	4	19,351,202	20,876,104
Revaluation surplus	10	244,751,527	313,811,952
TOTAL EQUITY		407,057,483	472,228,160

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

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

		RESERVES			
	NOTE	RETAINED SURPLUS	CASH BACKED	REVALUATION SURPLUS	TOTAL EQUITY
		\$	\$	\$	\$
Balance as at 1 July 2016		128,504,202	26,557,766	320,395,011	475,456,979
Comprehensive income					
Net result		3,354,240	0	0	3,354,240
Changes on revaluation of assets	10	0	0	(6,583,059)	(6,583,059)
Total comprehensive income		3,354,240	0	(6,583,059)	(3,228,819)
Transfers from/(to) reserves		5,681,662	(5,681,662)	0	0
Balance as at 30 June 2017		137,540,104	20,876,104	313,811,952	472,228,160
Comprehensive income					
Net result		3,889,748	0	0	3,889,748
Changes on revaluation of assets	10	0	0	(69,060,425)	(69,060,425)
Total comprehensive income		3,889,748	0	(69,060,425)	(65,170,677)
Transfers from/(to) reserves		1,524,902	(1,524,902)	0	0
Balance as at 30 June 2018		142,954,754	19,351,202	244,751,527	407,057,483

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

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

	NOTE	2018 Actual	2018 Budget	2017 Actual
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		27,296,725	27,296,129	26,073,579
Operating grants, subsidies and contributions		5,860,186	3,546,836	6,755,608
Fees and charges		12,266,881	12,916,830	12,005,325
Interest earnings		984,574	1,033,788	1,041,275
Goods and services tax		2,417,616	1,350,000	2,985,370
Other revenue		960,033	936,875	1,541,387
		49,786,015	47,080,458	50,402,544
Payments				
Employee costs		(19,117,196)	(19,550,744)	(18,783,402)
Materials and contracts		(18,925,503)	(18,373,695)	(18,150,136)
Utility charges		(1,276,544)	(1,386,974)	(1,201,047)
Interest expenses		(609,593)	(528,979)	(640,049)
Insurance expenses		(437,906)	(840,473)	(806,252)
Goods and services tax		(2,408,412)	(1,350,000)	(2,981,324)
Other expenditure		(739,478)	(653,787)	(1,046,345)
		(43,514,632)	(42,684,652)	(43,608,555)
Net cash provided by (used in) operating activities	14	6,271,383	4,395,806	6,793,989
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment		(6,535,683)	(9,621,600)	(9,799,469)
Payments for construction of infrastructure		(5,809,552)	(4,713,616)	(5,571,968)
Non-operating grants, subsidies and contributions		3,265,015	3,264,108	4,315,630
Proceeds from sale of fixed assets		435,314	2,709,437	599,239
Net cash provided by (used in) investment activities		(8,644,906)	(8,361,671)	(10,456,568)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of long term borrowings		(577,065)	(577,065)	(550,311)
Net cash provided by (used in) financing activities		(577,065)	(577,065)	(550,311)
Net increase (decrease) in cash held		(2,950,588)	(4,542,930)	(4,212,890)
Cash at beginning of year		32,218,731	29,239,159	36,431,621
Cash and cash equivalents at the end of the year	14	29,268,143	24,696,229	32,218,731

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

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

	NOTE	2018 Actual	2018 Budget	2017 Actual
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)				
		7,720,764	6,069,313	6,144,334
		7,720,764	6,069,313	6,144,334
Revenue from operating activities (excluding rates)				
Governance		305,700	108,800	322,486
General purpose funding		3,448,277	2,336,990	4,826,337
Law, order, public safety		688,534	519,200	708,229
Health		86,959	55,700	98,890
Education and welfare		5,321,614	5,181,184	4,935,430
Community amenities		7,948,228	7,975,885	7,782,380
Recreation and culture		1,393,680	1,336,930	1,217,166
Transport		89,862	48,000	325,888
Economic services		251,282	332,185	286,105
Other property and services		531,747	539,455	618,707
		20,065,883	18,434,329	21,121,618
Expenditure from operating activities				
Governance		(5,065,303)	(5,725,188)	(5,042,154)
General purpose funding		(636,341)	(646,034)	(860,429)
Law, order, public safety		(2,517,318)	(2,369,109)	(2,451,342)
Health		(646,643)	(736,140)	(656,130)
Education and welfare		(6,967,744)	(6,868,933)	(7,132,183)
Community amenities		(8,647,054)	(9,293,460)	(8,761,961)
Recreation and culture		(9,953,968)	(11,131,497)	(10,936,298)
Transport		(11,110,932)	(10,742,224)	(10,975,714)
Economic services		(744,383)	(733,653)	(762,698)
Other property and services		(1,443,656)	(1,705,281)	(1,828,314)
		(47,733,342)	(49,951,519)	(49,407,223)
Operating activities excluded				
(Profit) on disposal of assets	9(a)	(1,818)	0	(36,528)
Loss on disposal of assets	9(a)	135,282	43,700	96,694
Movement in deferred pensioner rates (non-current)		(19,953)	0	(72,343)
Movement in employee benefit provisions (non-current)		57,799	0	(35,379)
Depreciation and amortisation on assets	9(b)	7,397,842	8,573,167	8,802,879
Amount attributable to operating activities		(12,377,543)	(16,831,010)	(13,385,948)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		3,265,015	3,264,108	4,315,630
Proceeds from disposal of assets	9(a)	435,314	2,709,437	599,239
Purchase of property, plant and equipment	7(b)	(6,535,683)	(9,621,600)	(9,799,469)
Purchase and construction of infrastructure	8(b)	(5,809,552)	(4,713,616)	(5,571,968)
Amount attributable to investing activities		(8,644,906)	(8,361,671)	(10,456,568)
FINANCING ACTIVITIES				
Repayment of long term borrowings	12(a)	(577,065)	(577,065)	(550,311)
Transfers to reserves (restricted assets)	4	(4,358,635)	(6,616,787)	(2,383,560)
Transfers from reserves (restricted assets)	4	5,883,537	6,976,732	8,065,222
Amount attributable to financing activities		947,837	(217,120)	5,131,351
Surplus(deficiency) before general rates		(20,074,612)	(25,409,801)	(18,711,165)
Total amount raised from general rates	23	27,375,948	27,296,129	26,431,929
Net current assets at June 30 c/fwd - surplus/(deficit)	24	7,301,336	1,886,328	7,720,764

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

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

1. BASIS OF PREPARATION

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

THE LOCAL GOVERNMENT REPORTING ENTITY (Continued)

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.

**AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY
Land under roads**

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

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

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

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

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

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

2. REVENUE AND EXPENSES

(a) Revenue	2018 Actual	2017 Actual
	\$	\$
Other revenue		
Reimbursements and recoveries	231,630	562,951
Other	710,586	966,162
	942,216	1,529,113
Fees and Charges		
Governance	65,757	57
General purpose funding	157,236	144,912
Law, order, public safety	202,638	264,965
Health	86,959	98,890
Education and welfare	2,404,905	2,341,258
Community amenities	7,936,186	7,771,326
Recreation and culture	1,135,635	813,718
Transport	27,149	30,698
Economic services	251,282	286,105
Other property and services	9,342	7,165
	12,277,089	11,759,094

The following changes were made during the year to the amount of the fees or charges detailed in the original budget:

1. Visitor Centre annual subscription fee for promotional services was increased from \$200 to \$300. Adopted at the July 2017 Ordinary Meeting of Council.
2. Fees and Charges were introduced for the new Darlington Oval Pavilion. Adopted at the October 2017 Ordinary Meeting of Council.

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Grant Revenue

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

	2018	2017
	\$	\$
Operating grants, subsidies and contributions		
General purpose funding	2,240,172	3,557,110
Law, order, public safety	485,624	439,425
Education and welfare	2,833,208	2,531,422
Community amenities	9,930	2,500
Recreation and culture	212,671	104,768
Transport	62,714	92,121
Other property and services	15,867	28,262
	<u>5,860,186</u>	<u>6,755,608</u>
Non-operating grants, subsidies and contributions		
Law, order, public safety	268,257	26,447
Recreation and culture	981,953	2,239,966
Transport	2,014,805	2,049,217
	<u>3,265,015</u>	<u>4,315,630</u>
Total grants, subsidies and contributions	<u>9,125,201</u>	<u>11,071,238</u>

SIGNIFICANT ACCOUNTING POLICIES

Grants, Donations and Other Contributions

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

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over

Grants, Donations and Other Contributions (Continued)

a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 22. That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current period.

Interest earnings

- Reserve funds
- Municipal funds
Other interest revenue (refer note 23(e))

	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
- Reserve funds	446,827	518,788	606,271
- Municipal funds	341,102	350,000	257,570
Other interest revenue (refer note 23(e))	196,645	165,000	177,434
	<u>984,574</u>	<u>1,033,788</u>	<u>1,041,275</u>

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

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report
- Financial Management Review
- Other services

	2018	2017
	\$	\$
	21,672	23,107
	8,907	0
	1,950	1,300
	32,529	24,407
	609,593	640,049
	609,593	640,049

Interest expenses (finance costs)

Long term borrowings (refer Note 12(a))

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

3. CASH AND CASH EQUIVALENTS

	NOTE	2018	2017
		\$	\$
Unrestricted		9,896,308	11,342,627
Restricted		19,371,835	20,876,104
		29,268,143	32,218,731
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Reserves cash backed - Plant Reserve	4	1,185,811	682,282
Reserves cash backed - Civic Facilities Reserve	4	7,097,652	9,233,832
Reserves cash backed - Information Technology Reserve	4	982,506	918,106
Reserves cash backed - Children Services Reserve	4	2,154,342	2,483,263
Reserves cash backed - Capital Investment Reserve	4	3,896,605	3,896,605
Reserves cash backed - Capital Income Reserve	4	3,783,891	3,191,627
Reserves cash backed - Gravel Pit Rehabilitation Reserve	4	58,229	56,813
Reserves cash backed - Long Service Leave Reserve	4	79,914	63,718
Reserves cash backed - Unspent Grants Reserve	4	112,252	349,858
Unspent grants - Roads to Recovery	22	20,633	0
		19,371,835	20,876,104

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

Cash and cash equivalents (Continued)

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

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

4. RESERVES - CASH BACKED

	2018 Actual Opening Balance	2018 Actual Transfer to	2018 Actual Transfer (from)	2018 Actual Closing Balance	2018 Budget Opening Balance	2018 Budget Transfer to	2018 Budget Transfer (from)	2018 Budget Closing Balance	2017 Actual Opening Balance	2017 Actual Transfer to	2017 Actual Transfer (from)	2017 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Reserves cash backed - Plant Reserve	682,282	878,403	(374,874)	1,185,811	667,091	873,971	(691,500)	849,562	831,353	814,629	(963,700)	682,282
Reserves cash backed - Civic Facilities Reserve	9,233,832	2,147,371	(4,283,551)	7,097,652	9,027,431	2,243,199	(5,317,034)	5,953,596	13,706,248	329,706	(4,802,122)	9,233,832
Reserves cash backed - Information Technology Reserve	918,106	64,400	0	982,506	792,734	61,356	(160,000)	694,090	871,196	62,432	(15,522)	918,106
Reserves cash backed - Children Services Reserve	2,483,263	172,786	(501,707)	2,154,342	2,060,793	55,518	(50,000)	2,066,311	2,998,563	67,869	(583,169)	2,483,263
Reserves cash backed - Capital Investment Reserve	3,896,605	0	0	3,896,605	3,962,099	2,396,739	0	6,358,838	3,896,605	0	0	3,896,605
Reserves cash backed - Capital Income Reserve	3,191,627	592,264	0	3,783,891	2,575,824	492,393	(320,000)	2,748,217	2,611,068	580,559	0	3,191,627
Reserves cash backed - Gravel Pit Rehabilitation Reserve	56,813	1,416	0	58,229	56,532	90,523	(36,000)	111,055	69,077	1,614	(13,878)	56,813
Reserves cash backed - Long Service Leave Reserve	63,718	429,743	(413,547)	79,914	114,623	403,088	(219,000)	298,711	301,702	176,893	(414,877)	63,718
Reserves cash backed - Unspent Grants Reserve	349,858	72,252	(309,858)	112,252	183,198	0	(183,198)	0	1,271,954	349,858	(1,271,954)	349,858
	20,876,104	4,358,635	(5,883,537)	19,351,202	19,440,325	6,616,787	(6,976,732)	19,080,380	26,557,766	2,383,560	(8,065,222)	20,876,104

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.

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
Reserves cash backed - Plant Reserve	Ongoing	- to fund the replacement of works plant and light vehicles.
Reserves cash backed - Civic Facilities Reserve	Ongoing	- to fund the construction and/or purchase of public buildings and facilities.
Reserves cash backed - Information Technology Reserve	Ongoing	- to fund the upgrade and replacement of the Shire's information technology.
Reserves cash backed - Children Services Reserve	Ongoing	- to provide funds for the purchase of capital equipment, preventative maintenance for Children's Services buildings and employee entitlements. Also allows cash surpluses to be carried forward to fund operating expenses for future years.
Reserves cash backed - Capital Investment Reserve	Ongoing	- to fund the advancement of the Shire's property strategy.
Reserves cash backed - Capital Income Reserve	Ongoing	- to fund the development of Shire facilities and infrastructure.
Reserves cash backed - Gravel Pit Rehabilitation Reserve	Ongoing	- to fund the production of gravel and the rehabilitation of gravel pits.
Reserves cash backed - Long Service Leave Reserve	Ongoing	- to fund the Shire's long service leave liability.
Reserves cash backed - Unspent Grants Reserve	Ongoing	- to quarantine any unspent grant funds received during the financial year.

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

5. TRADE AND OTHER RECEIVABLES

Current

Rates outstanding	
Sundry debtors	
GST receivable	
Waste Charges	
LSL contributions - other local governments	

Non-current

Rates outstanding - pensioners	
Debtors - POS Payments	
LSL contributions - other local governments	

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

Rates outstanding

Includes:	
Past due and not impaired	

Sundry debtors

Includes:	
Past due and not impaired	

	2018	2017
	\$	\$
	1,225,763	1,166,493
	254,736	267,463
	316,772	325,976
	161,327	138,392
	23,384	49,028
	<u>1,981,982</u>	<u>1,947,352</u>
	926,929	906,976
	27,237	27,237
	7,827	0
	<u>961,993</u>	<u>934,213</u>
	<u>1,225,763</u>	<u>1,166,493</u>
	1,225,763	1,166,493
	<u>254,736</u>	<u>267,463</u>
	22,926	16,048

SIGNIFICANT ACCOUNTING POLICIES

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.

Classification and subsequent measurement

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.

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

6. INVENTORIES

Current

Fuels and materials

2018	2017
\$	\$
112,090	92,741
112,090	92,741

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

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

7 (a). PROPERTY, PLANT AND EQUIPMENT

	2018	2017
	\$	\$
Land and buildings		
Land - freehold land at:		
- Independent valuation 2017 - level 2	17,648,701	17,648,701
- Independent valuation 2017 - level 3	8,306,001	8,306,001
	<u>25,954,702</u>	<u>25,954,702</u>
Land - vested in and under the control of Council at:		
- Independent valuation 2017 - level 3	800,000	800,000
	<u>800,000</u>	<u>800,000</u>
Total land	<u>26,754,702</u>	<u>26,754,702</u>
Buildings - specialised at:		
- Independent valuation 2017 - level 3	64,381,000	54,428,500
Less: accumulated depreciation	(23,091,180)	(21,815,733)
	<u>41,289,820</u>	<u>32,612,767</u>
Total buildings	<u>41,289,820</u>	<u>32,612,767</u>
Total land and buildings	<u>68,044,522</u>	<u>59,367,469</u>
Works in progress	42,329	4,557,029
Furniture and equipment at:		
- Management valuation 2016 - level 2	346,434	346,434
- Management valuation 2016 - level 3	793,671	773,840
Less: accumulated depreciation	(637,241)	(605,485)
	<u>502,864</u>	<u>514,789</u>
Plant and equipment at:		
- Independent valuation 2016 - level 2	7,284,083	7,225,030
- Independent valuation 2016 - level 3	3,115,000	3,115,000
- Management valuation 2016 - level 3	308,154	308,154
Less: accumulated depreciation	(4,069,740)	(3,822,756)
	<u>6,637,497</u>	<u>6,825,428</u>
Total property, plant and equipment	<u>75,227,212</u>	<u>71,264,715</u>

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

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Movements in Carrying Amounts

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

	Land - freehold land	Land - vested in and under the control of Council	Total land	Buildings - specialised	Total buildings	Total land and buildings	Works in Progress	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2016	26,743,963	800,000	27,543,963	34,329,004	34,329,004	61,872,967	3,151,290	570,344	6,635,182	72,229,783
Additions	0	0	0	4,087,418	4,087,418	4,087,418	4,127,655	22,367	1,562,029	9,799,469
(Disposals)	0	0	0	0	0	0	0	(5,190)	(654,215)	(659,405)
Revaluation increments/ (decrements) transferred to revaluation surplus	(789,261)	0	(789,261)	(5,793,798)	(5,793,798)	(6,583,059)	0	0	0	(6,583,059)
Depreciation (expense)	0	0	0	(2,731,773)	(2,731,773)	(2,731,773)	0	(72,732)	(717,568)	(3,522,073)
Transfers	0	0	0	2,721,916	2,721,916	2,721,916	(2,721,916)	0	0	0
Carrying amount at 30 June 2017	25,954,702	800,000	26,754,702	32,612,767	32,612,767	59,367,469	4,557,029	514,789	6,825,428	71,264,715
Additions	0	0	0	5,395,471	5,395,471	5,395,471	42,329	19,831	1,078,052	6,535,683
(Disposals)	0	0	0	0	0	0	0	0	(568,778)	(568,778)
Depreciation (expense)	0	0	0	(1,275,447)	(1,275,447)	(1,275,447)	0	(31,756)	(697,205)	(2,004,408)
Transfers	0	0	0	4,557,029	4,557,029	4,557,029	(4,557,029)	0	0	0
Carrying amount at 30 June 2018	25,954,702	800,000	26,754,702	41,289,820	41,289,820	68,044,522	42,329	502,864	6,637,497	75,227,212

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

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Land and buildings					
Land - freehold land	Level 2	Market approach using recent observable data for similar properties in the area	Independent Registered Valuers	June 2017	Price per square metre
Land - freehold land	Level 3	Cost approach	Independent Registered Valuers	June 2017	Purchase costs and current condition (Level 2) and remaining useful life assessments (Level 3) inputs
Land - vested in and under the control of Council	Level 3	Cost approach	Independent Registered Valuers	June 2017	Purchase costs and current condition (Level 2) and remaining useful life assessments (Level 3) inputs
Buildings - specialised	Level 3	Cost approach using depreciated replacement cost	Independent Registered Valuers	June 2017	Construction costs and current condition (Level 2) and remaining useful life assessments (Level 3) inputs
Furniture and equipment	Level 2	Market approach using recent observable data for similar items	Management Valuation	June 2016	Price per item (Level 2)
Furniture and equipment	Level 3	Cost approach using depreciated replacement cost	Management Valuation	June 2016	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Plant and equipment	Level 2	Market approach using recent observable data for similar plant	Independent Registered Valuers	June 2016	Price per item (Level 2)
Plant and equipment	Level 3	Cost approach using depreciated replacement cost	Management Valuation/ Independent Registered Valuers	June 2016	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.

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

8 (a). INFRASTRUCTURE

	2018	2017
	\$	\$
Infrastructure - Roads		
- Independent valuation 2015 - level 3	0	304,916,766
- Management valuation 2015 - level 3	0	948,000
- Management valuation 2018 - level 3	254,492,149	0
- Independent Valuation 2018 - level 3	12,591,970	0
Less: accumulated depreciation	<u>(50,759,845)</u>	<u>(20,701,938)</u>
	216,324,274	285,162,828
Infrastructure - Footpaths		
- Independent valuation 2015 - level 3	0	15,326,755
- Management valuation 2018 - level 3	15,457,867	0
Less: accumulated depreciation	<u>(3,145,701)</u>	<u>(1,313,055)</u>
	12,312,166	14,013,700
Infrastructure - Drainage		
- Management valuation 2015 - level 3	0	64,995,343
- Independent valuation 2018 - level 3	69,210,942	0
Less: accumulated depreciation	<u>(21,665,285)</u>	<u>(22,456,080)</u>
	47,545,657	42,539,263
Infrastructure - Parks and ovals		
- Independent valuation 2015 - level 3	0	14,802,846
- Management valuation 2015 - level 3	0	12,512,794
- Independent valuation 2018 - level 3	26,017,535	0
Less: accumulated depreciation	<u>(5,854,734)</u>	<u>(4,042,226)</u>
	20,162,801	23,273,414
Total infrastructure	<u>296,344,898</u>	<u>364,989,205</u>

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

8. INFRASTRUCTURE (Continued)

(b) Movements in Carrying Amounts

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

	Infrastructure - Roads	Infrastructure - Footpaths	Infrastructure - Drainage	Infrastructure - Parks and Ovals	Works in Progress	Total Infrastructure
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2016	285,854,143	13,711,924	42,196,058	22,834,138	101,780	364,698,043
Additions	3,119,323	631,852	825,964	994,829	0	5,571,968
Depreciation (Expense)	(3,810,638)	(330,076)	(482,759)	(657,333)	0	(5,280,806)
Transfers	0	0	0	101,780	(101,780)	0
Carrying amount at 30 June 2017	285,162,828	14,013,700	42,539,263	23,273,414	0	364,989,205
Additions	3,016,223	609,760	753,969	1,429,600	0	5,809,552
Increments/(Decrements) Transferred to revaluation Surplus	(67,982,712)	(1,970,687)	4,744,900	(3,851,926)	0	(69,060,425)
Depreciation (Expense)	(3,872,065)	(340,607)	(492,475)	(688,287)	0	(5,393,434)
Carrying amount at 30 June 2018	216,324,274	12,312,166	47,545,657	20,162,801	0	296,344,898

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

8. INFRASTRUCTURE (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - Roads	Level 3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Roads (Bridges)	Level 3	Cost approach using depreciated replacement cost	Independent Registered Valuers	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Footpaths	Level 3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Drainage	Level 3	Cost approach using depreciated replacement cost	Independent Registered Valuers	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Parks and Ovals	Level 3	Cost approach using depreciated replacement cost	Independent Registered Valuers	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

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

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

9. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

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

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

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework.

Revaluation

The fair value of fixed assets is determined at least every three years in accordance with the regulatory framework. At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires property, plant and equipment to be shown at fair value.

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

Land under control

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

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

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

9. FIXED ASSETS (Continued)

(a) Disposals of Assets

The following assets were disposed of during the year.

	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss	Budget Net Book Value	Budget Sale Proceeds	Budget Profit	Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$
Plant and Equipment								
Governance	0	0	0	0	40,000	34,900	0	(5,100)
Law, order, public safety	105,000	78,682	0	(26,318)	31,337	31,337	0	0
Community amenities	20,000	21,818	1,818	0	114,000	113,200	0	(800)
Recreation and culture	21,338	18,009	0	(3,329)	28,000	25,500	0	(2,500)
Transport	407,440	307,260	0	(100,180)	249,800	214,500	0	(35,300)
Other property and services	15,000	9,545	0	(5,455)	0	0	0	0
Land								
Other property and services	0	0	0	0	2,290,000	2,290,000	0	0
	568,778	435,314	1,818	(135,282)	2,753,137	2,709,437	0	(43,700)

(b) Depreciation

	2018	2017
	\$	\$
Buildings - specialised	1,275,447	2,731,773
Furniture and equipment	31,756	72,732
Plant and equipment	697,205	717,568
Infrastructure - Roads	3,872,065	3,810,638
Infrastructure - Footpaths	340,607	330,076
Infrastructure - Drainage	492,475	482,759
Infrastructure - Parks and ovals	688,287	657,333
	7,397,842	8,802,879

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

9. FIXED ASSETS (Continued)

(b) Depreciation (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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

- a) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. For example, the gross carrying amount may be restated by reference to observable market data or it may be restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses; or
- b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Depreciation rates

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

Buildings	
- Structure	30 to 75 years
- Fit out	18 to 45 years
- Mechanical	18 to 45 years
- Roof Cladding	24 to 60 years
Furniture and Equipment	3 to 12 years
Plant and Equipment	3 to 20 years
Sealed Roads and Streets	
- Formation	not depreciated
- Pavement	70 to 110 years
- Surface	15 to 30 years
- Kerb	70 years
Unsealed Roads	
- Formation	not depreciated
- Surface	15 years
Drainage	75 years
Culverts	70 years
Bridges	35 to 100 years
Footpaths	15 to 80 years
Heritage Trails	75 years
Waste Transfer Stations	15 to 100 years
Bus Shelters	50 years
Parks Hard Assets	10 to 75 years

Depreciation (Continued)

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

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

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

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

10. REVALUATION SURPLUS

	2018 Opening Balance	2018 Revaluation Increment	2018 Revaluation (Decrement)	2018 Total Movement on Revaluation	2018 Closing Balance	2017 Opening Balance	2017 Revaluation Increment	2017 Revaluation (Decrement)	2017 Total Movement on Revaluation	2017 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation Surplus - Land and buildings	41,318,001	0	0	0	41,318,001	47,901,060	0	(6,583,059)	(6,583,059)	41,318,001
Revaluation Surplus - Plant and equipment	926,871	0	0	0	926,871	926,871	0	0	0	926,871
Revaluation Surplus - Roads	221,527,299	0	(67,982,712)	(67,982,712)	153,544,587	221,527,299	0	0	0	221,527,299
Revaluation Surplus - Footpaths	8,286,627	0	(1,970,687)	(1,970,687)	6,315,940	8,286,627	0	0	0	8,286,627
Revaluation Surplus - Drainage	26,107,191	4,744,900	0	4,744,900	30,852,091	26,107,191	0	0	0	26,107,191
Revaluation Surplus - Reserves	15,645,963	0	(3,851,926)	(3,851,926)	11,794,037	15,645,963	0	0	0	15,645,963
	313,811,952	4,744,900	(73,805,325)	(69,060,425)	244,751,527	320,395,011	0	(6,583,059)	(6,583,059)	313,811,952

Movements on revaluation of fixed assets are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus 40.1.

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

11. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Creditor accruals

	2018	2017
	\$	\$
	1,076,416	1,147,171
	352,739	1,236,203
	<u>1,429,155</u>	<u>2,383,374</u>

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect

Trade and other payables (Continued)

of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

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

12. INFORMATION ON BORROWINGS

(a) Repayments - Borrowings

Particulars	Principal	New Loans	Principal Repayments		Principal 30 June 2018		Interest Repayments	
	1 July 2017		Actual	Budget	Actual	Budget	Actual	Budget
	\$	\$	\$	\$	\$	\$	\$	\$
Governance								
Loan 170 - Civic Facility Redevelopment	3,904,539	0	245,085	245,085	3,659,454	3,659,454	289,798	267,034
Recreation and culture								
Loan 171 - Community Building Projects	8,414,524	0	331,980	331,980	8,082,544	8,082,544	319,795	261,945
	12,319,063	0	577,065	577,065	11,741,998	11,741,998	609,593	528,979

All loan repayments were financed by general purpose revenue.

Borrowings

	2018	2017
	\$	\$
Current	605,330	577,065
Non-current	11,136,668	11,741,998
	11,741,998	12,319,063

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

12. INFORMATION ON BORROWINGS (Continued)

(b) Unspent Borrowings

Particulars	Date Borrowed	Balance 1 July 17	Borrowed During Year	Expended During Year	Balance 30 June 18
		\$	\$	\$	\$
Loan 171 - Community Building Projects	May 16	905,076	0	(905,076)	0
		905,076	0	(905,076)	0

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

	2018	2017
	\$	\$
Bank overdraft limit	500,000	500,000
Bank overdraft at balance date	0	0
Credit card limit	86,500	86,500
Credit card balance at balance date	(28,949)	(63,210)
Total amount of credit unused	557,551	523,290

Loan facilities

Loan facilities - current	605,330	577,065
Loan facilities - non-current	11,136,668	11,741,998
Total facilities in use at balance date	11,741,998	12,319,063
Unused loan facilities at balance date	NIL	NIL

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Borrowing costs

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

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

13. PROVISIONS

Opening balance at 1 July 2017

Current provisions
Non-current provisions

Additional provision

Amounts used

Balance at 30 June 2018

Comprises

Current
Non-current

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2017			
Current provisions	1,563,131	1,715,451	3,278,582
Non-current provisions	0	212,710	212,710
	1,563,131	1,928,161	3,491,292
Additional provision	1,216,728	434,278	1,651,006
Amounts used	(1,162,015)	(421,425)	(1,583,440)
Balance at 30 June 2018	1,617,844	1,941,014	3,558,858
Comprises			
Current	1,617,844	1,662,678	3,280,522
Non-current	0	278,336	278,336
	1,617,844	1,941,014	3,558,858

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

Short-term employee benefits

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

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

Other long-term employee benefits

The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at

Other long-term employee benefits (Continued)

rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

Provisions

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

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

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

14. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
Cash and cash equivalents	29,268,143	24,696,229	32,218,731
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	3,889,748	(956,953)	3,354,240
Non-cash flows in Net result:			
Depreciation	7,397,842	8,573,167	8,802,879
(Profit)/loss on sale of asset	133,464	43,700	60,166
Change in Equity - Joint Venture	(916,244)	0	(892,286)
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(62,410)	0	(95,799)
(Increase)/decrease in inventories	(19,349)	0	11,096
Increase/(decrease) in payables	(954,219)	0	(156,980)
Increase/(decrease) in provisions	67,566	0	26,303
Grants contributions for the development of assets	(3,265,015)	(3,264,108)	(4,315,630)
Net cash from operating activities	6,271,383	4,395,806	6,793,989

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

15. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2018	2017
	\$	\$
Governance	10,827,297	11,429,366
General purpose funding	31,851,103	34,292,199
Law, order, public safety	3,573,242	3,572,987
Health	352,918	380,778
Education and welfare	1,707,986	1,755,895
Community amenities	21,386,766	20,576,999
Recreation and culture	53,447,111	51,927,473
Transport	279,393,940	345,164,031
Economic services	49,050	53,361
Other property and services	21,198,081	21,268,800
	423,787,494	490,421,889

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

16. CONTINGENT LIABILITIES

The Shire has no contingent liabilities as at 30 June 2018.

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

17. CAPITAL COMMITMENTS

(a) Capital Expenditure Commitments

	2018	2017
	\$	\$
Contracted for:		
- capital expenditure projects	0	4,036,901
Payable:		
- not later than one year	0	4,036,901

The capital expenditure project outstanding at the end of the 2017 reporting period represented the construction of Mundaring Arena.

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

18. JOINT VENTURE ARRANGEMENTS

The Shire is a member of the Eastern Metropolitan Regional Council (EMRC). The Shire's interest in the joint venture as calculated by the EMRC is 10.69%.

The Shire's interest in the assets and liabilities of the EMRC is as follows:

	2018	2017
	\$	\$
Current Assets	10,782,685	10,254,273
Non-Current Assets	10,040,381	10,115,462
Total Assets	20,823,066	20,369,735
Current Liabilities	549,957	573,002
Non-Current Liabilities	381,933	821,801
Total Liabilities	931,890	1,394,803
Net Assets	19,891,176	18,974,932
Net Movement	916,244	892,286

SIGNIFICANT ACCOUNTING POLICIES

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 ventures with an interest to net assets are classified as a joint venture and accounted for using the equity method. Refer to note 28 for a description of the equity method of accounting.

Interests in joint arrangements (Continued)

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

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

19. RELATED PARTY TRANSACTIONS

Elected Members Remuneration

	2018 Actual	2018 Budget	2017 Actual
The following fees, expenses and allowances were paid to council members and/or President.	\$	\$	\$
Meeting Fees	255,618	255,420	255,420
President's allowance	50,852	50,852	50,852
Deputy President's allowance	12,713	12,713	12,713
Travelling expenses	13,205	11,500	8,451
Telecommunications allowance	42,000	42,000	42,000
	374,388	372,485	369,436

Key Management Personnel (KMP) Compensation Disclosure

	2018	2017
The total of remuneration paid to KMP of the Shire during the year are as follows:	\$	\$
Short-term employee benefits	1,080,621	1,078,718
Post-employment benefits	94,396	92,358
Other long-term benefits	24,516	24,073
	1,199,533	1,195,149

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

Transactions with related parties

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

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

	2018	2017
The following transactions occurred with related parties:	\$	\$
Purchase of goods and services	0	409

KMP, other than elected members, are entitled to and do utilise the free use of the Shire's Aquatic Centres.

Elected members are provided with food and refreshments before all Council meetings.

	2018	2017
Joint venture entities:	\$	\$
Purchase of goods and services	2,862,406	3,099,145

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Joint venture entities accounted for under the proportionate consolidation method

The Shire has a 10.69% interest in the Eastern Metropolitan Regional Council. The interest in the joint venture entity is accounted for in these financial statements using the proportionate consolidation method of accounting. For details of interests held in joint venture entities, refer to Note 18.

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

20. MAJOR LAND TRANSACTIONS

The Shire did not participate in any major land transactions during the 2017/2018 financial year.

21. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Shire did not participate in any trading undertakings or major trading undertakings during the 2017/2018 financial year.

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

22. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	Opening	Received ⁽²⁾	Expended ⁽³⁾	Closing	Received ⁽²⁾	Expended ⁽³⁾	Closing
	Balance ⁽¹⁾			Balance ⁽¹⁾			Balance
	1/07/16	2016/17	2016/17	30/06/17	2017/18	2017/18	30/06/18
	\$	\$	\$	\$	\$	\$	\$
Law, order, public safety							
Grant - Volunteer Bush Fire Brigade Equipment	0	0	0	0	90,000	(69,168)	20,832
Recreation and culture							
Grant - Kidsport Funding	13,266	36,000	(49,266)	0	78,756	(77,336)	1,420
Plan Sculpture Park	78,491	0	(78,491)	0	0	0	0
Grant - Mundaring Arena	1,088,756	900,000	(1,988,756)	0	766,231	(766,231)	0
Grant - Mundaring Arts Centre	0	7,966	0	7,966	0	(7,966)	0
Grant - Leno Court and Parkerville Oval	0	0	0	0	50,000	0	50,000
Transport							
Grant - Black Spot Funding	19,443	0	(19,443)	0	0	0	0
Grant - Black Spot Funding	6,362	18,454	(24,816)	0	0	0	0
Grant - Black Spot Funding	65,636	0	(65,636)	0	0	0	0
Grant - Special Bridge Grant	0	60,000	0	60,000	0	(20,000)	40,000
Grant - Roads to Recovery	0	1,110,808	(828,916)	281,892	961,717	(1,222,976)	20,633
Total	1,271,954	2,133,228	(3,055,324)	349,858	1,946,704	(2,163,677)	132,885

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.

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

23. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
Differential general rate / general rate											
Gross rental valuations											
GRV - Residential	0.0801	11,196	218,707,436	17,518,466	109,932	0	17,628,398	17,518,466	135,802	0	17,654,268
GRV - Commercial	0.0801	273	23,914,109	1,915,520	33,998	0	1,949,518	1,915,520	0	0	1,915,520
GRV - Light Industrial	0.0801	283	16,323,298	1,307,496	(4,294)	0	1,303,202	1,307,496	0	0	1,307,496
GRV - Rural Residential	0.0801	3,053	65,295,870	5,230,199	21,583	0	5,251,782	5,230,199	0	0	5,230,199
Unimproved valuations											
UV - Rural	0.00539772	240	148,094,000	799,370	(13,170)	0	786,200	799,370	0	0	799,370
Sub-Total		15,045	472,334,713	26,771,051	148,049	0	26,919,100	26,771,051	135,802	0	26,906,853
Minimum payment											
Gross rental valuations											
GRV - Residential	816	402	3,062,206	328,032	0	0	328,032	328,032	0	0	328,032
GRV - Commercial	816	3	22,790	2,448	0	0	2,448	2,448	0	0	2,448
GRV - Light Industrial	816	1	8,400	816	0	0	816	816	0	0	816
GRV - Rural Residential	816	66	595,430	53,856	0	0	53,856	53,856	0	0	53,856
Unimproved valuations											
UV - Mining	1,031	4	51,435	4,124	0	0	4,124	4,124	0	0	4,124
Sub-Total		476	3,740,261	389,276	0	0	389,276	389,276	0	0	389,276
		15,521	476,074,974	27,160,327	148,049	0	27,308,376	27,160,327	135,802	0	27,296,129
Movement in Rates Received in Advance							67,572				0
Total amount raised from general rate							27,375,948				27,296,129
Totals							27,375,948				27,296,129

SIGNIFICANT ACCOUNTING POLICIES

Rates

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

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

23. RATING INFORMATION (Continued)

(b) Specified Area Rate

No specified area rates were imposed by the Shire during the year ended 2018.

(c) Service Charges

No service charges were imposed by the Shire during the year ended 2018.

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

	Type	2018 Actual \$	2018 Budget \$
Rates	Write-Off	37	1,500
Penalty Interest	Write-Off	4,327	1,500
		4,364	3,000

No discount or concession on rates was available.

The cost to the Shire for the early payment of rates incentive was \$4,300 being \$2,500 towards the first prize, \$1,500 towards the second prize and \$300 for pool entry.

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

23. RATING INFORMATION (Continued)

(e) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Unpaid Rates Interest Rate
		\$	%	%
Option One				
Single full payment	07-Sep-17	0	0.00%	11.00%
Option Three				
First instalment	07-Sep-17	0	0.00%	11.00%
Second instalment	09-Nov-17	9	0.00%	11.00%
Third instalment	11-Jan-18	9	0.00%	11.00%
Fourth instalment	15-Mar-18	9	0.00%	11.00%

	2018 Actual	2018 Budget
	\$	\$
Interest on unpaid rates	196,645	165,000
Charges on instalment plan	141,836	145,000
	338,481	310,000

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

24. NET CURRENT ASSETS

Composition of net current assets
for the purpose of the Rate Setting Statement

	2018 (30 June 2018 Carried Forward)	2018 (1 July 2017 Brought Forward)	2017 (30 June 2017 Carried Forward)
	\$	\$	\$
Surplus/(Deficit) 1 July 17 brought forward	7,301,336	7,720,764	7,720,764
CURRENT ASSETS			
Cash and cash equivalents			
Unrestricted	9,896,308	11,342,627	11,342,627
Restricted	19,371,835	20,876,104	20,876,104
Receivables			
Rates outstanding	1,225,763	1,166,493	1,166,493
Sundry debtors	254,736	267,463	267,463
GST receivable	316,772	325,976	325,976
Waste Charges	161,327	138,392	138,392
LSL contributions - other local governments	23,384	49,028	49,028
Inventories			
Fuels and materials	112,090	92,741	92,741
LESS: CURRENT LIABILITIES			
Trade and other payables			
Sundry creditors	(1,076,416)	(1,147,171)	(1,147,171)
Creditor accruals	(352,739)	(1,236,203)	(1,236,203)
Current portion of long term borrowings	(605,330)	(577,065)	(577,065)
Provisions			
Provision for annual leave	(1,617,844)	(1,563,131)	(1,563,131)
Provision for long service leave	(1,662,678)	(1,715,451)	(1,715,451)
Unadjusted net current assets	26,047,208	28,019,803	28,019,803
Adjustments			
Less: Reserves - restricted cash	(19,351,202)	(20,876,104)	(20,876,104)
Add: Current portion of long term borrowings	605,330	577,065	577,065
Adjusted net current assets - surplus/(deficit)	7,301,336	7,720,764	7,720,764

Difference

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

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

25. FINANCIAL RISK MANAGEMENT

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

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

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

The Shire held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2018	2017	2018	2017
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	29,268,143	32,218,731	29,268,143	32,218,731
Receivables	2,943,975	2,881,565	2,943,975	2,881,565
Other Assets (Share of EMRC)	19,891,176	18,974,932	19,891,176	18,974,932
	52,103,294	54,075,228	52,103,294	54,075,228
Financial liabilities				
Payables	1,429,155	2,383,374	1,429,155	2,383,374
Borrowings	11,741,998	12,319,063	12,391,747	12,900,873
	13,171,153	14,702,437	13,820,902	15,284,247

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.

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

25. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

The Shire's objective is to maximise its return on cash whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash portfolio. 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 is subject to interest rate risk - the risk that movements in interest rates could affect returns.

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

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

	2018	2017
Impact of a 1% ⁽¹⁾ movement in interest rates on cash	\$	\$
- Equity	292,681	322,187
- Statement of Comprehensive Income	292,681	322,187

Notes:

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

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

25. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

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

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

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

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

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

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

	2018	2017
	%	%
Percentage of rates and annual charges		
- Current	80%	89%
- Overdue	20%	11%
Percentage of other receivables		
- Current	91%	94%
- Overdue	9%	6%

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

25. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables and borrowings

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

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
2018					
Payables	1,429,155	0	0	1,429,155	1,429,155
Borrowings	1,082,659	4,412,729	10,168,318	15,663,706	11,741,998
	2,511,814	4,412,729	10,168,318	17,092,861	13,171,153
2017					
Payables	2,383,374	0	0	2,383,374	2,383,374
Borrowings	1,103,182	4,392,206	11,271,501	16,766,889	12,319,063
	3,486,556	4,392,206	11,271,501	19,150,263	14,702,437

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

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

Year ended 30 June 2018	<1 year	>1<2 years	>2<3 years	>3<4 years	>4<5 years	>5 years	Total	Weighted Average Effective Interest Rate
	\$	\$	\$	\$	\$	\$	\$	%
Borrowings								
Fixed rate								
Long term borrowings	605,330	635,200	666,777	700,169	735,493	8,399,030	11,741,998	4.55%
Weighted average Effective interest rate	5.12%	5.01%	4.97%	4.91%	4.84%	4.03%		
Year ended 30 June 2017								
Borrowings								
Fixed rate								
Long term borrowings	577,065	605,330	635,200	666,777	700,169	9,134,522	12,319,063	4.61%
Weighted average Effective interest rate	5.07%	5.12%	5.01%	4.97%	4.91%	4.17%		

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

26. TRUST FUNDS

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

	1 July 2017	Amounts Received	Amounts Paid	30 June 2018
	\$	\$	\$	\$
Deposits, Bonds & Retentions	817,992	347,141	(156,516)	1,008,617
POS & Road Construction	4,511,013	467,704	(38,246)	4,940,471
Scheme 6 Costs	41,600	902	0	42,502
BCITF Levy	0	80,821	(80,821)	0
Building Services Levy	0	104,769	(104,769)	0
	<u>5,370,605</u>			<u>5,991,590</u>

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

27. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE PERIODS

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

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

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

Notes:

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

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

27. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE PERIODS (Continued)

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

Notes:

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

Adoption of New and Revised Accounting Standards

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

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

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

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

28. SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

i) Impairment of assets

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

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

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

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

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

29. ACTIVITIES/PROGRAMS

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

PROGRAM NAME	OBJECTIVE	ACTIVITIES
GOVERNANCE	To provide a decision making process for the efficient allocation of resources.	Includes the activities of members of council and the administrative support required for the Council and Shire services.
GENERAL PURPOSE FUNDING	To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
LAW, ORDER, PUBLIC SAFETY	To provide services to help ensure a safer community.	Supervision and enforcement of legislation and various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.
HEALTH	To provide an operational framework for environmental and community health.	Prevention of human illnesses, including inspection of premises/food control.
EDUCATION AND WELFARE	To provide services to disadvantaged persons, the elderly, children and youth.	Operating and maintaining child minding centres and playgroup centres. Provision of services and programs for the youth and seniors of the Shire.
HOUSING COMMUNITY AMENITIES	To provide essential services required by the community.	Rubbish collection services, operation of waste disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemeteries and public conveniences.
RECREATION AND CULTURE	To establish and effectively manage infrastructure and resources which will help the social well being of the community.	Maintenance of public halls, civic centres, aquatic centres, lake, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of libraries and other cultural facilities.
TRANSPORT	To provide safe, effective and efficient transport services to the community.	Construction and maintenance of roads, streets, pathways, depots, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.
ECONOMIC SERVICES	To help promote the shire and its economic wellbeing.	Tourism and area promotion. Provision of standpipes. Approval of building construction and implementation of statutory building controls.
OTHER PROPERTY AND SERVICES	To monitor and control the Shire's overheads operating accounts.	Public works overheads, plant and equipment operations and activities not reported in the above programs.

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

30. FINANCIAL RATIOS

	2018	2017	2016
Current ratio	2.29	2.17	1.99
Asset sustainability ratio	0.62	1.02	0.94
Debt service cover ratio	7.27	7.13	12.18
Operating surplus ratio	0.02	(0.02)	(0.04)
Own source revenue coverage ratio	0.86	0.81	0.84
Asset consumption ratio	0.74	0.85	0.89
Asset renewal funding ratio	1.14	0.99	0.98

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	$\frac{\text{own source operating revenue}}{\text{operating expenses}}$
Asset consumption ratio	$\frac{\text{depreciated replacement costs of assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planning capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$

Notes:

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

	2017/18	2016/17	2015/16
	\$	\$	\$
Amount of Financial Assistance Grant received during the year relating to the subsequent year.	1,221,161	1,241,594	0
Amount of Financial Assistance Grant received in prior year relating to current year.	1,241,594	0	1,455,586

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

	2018	2017	2016
Current ratio	2.06	1.97	1.99
Debt service cover ratio	7.29	6.08	14.43
Operating surplus ratio	0.02	(0.06)	0.00

INDEPENDENT AUDITOR'S REPORT TO THE COUNCILLORS OF THE SHIRE OF MUNDARING

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

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

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

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

Basis for Opinion

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

Emphasis of Matter

Basis of Preparation

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

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

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

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

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

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

REPORT ON THE AUDIT OF THE FINANCIAL REPORT (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- a) All required information and explanations were obtained by us.
- b) All audit procedures were satisfactorily completed in conducting our audit
- c) In my opinion, the asset consumption ratio and the asset renewal ratio included in the annual financial report were supported by verifiable information and reasonable assumptions

MATTERS RELATING TO THE ELECTRONIC PUBLICATION OF THE AUDITED FINANCIAL REPORT

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


GREG GODWIN
PARTNER

MOORE STEPHENS
CHARTERED ACCOUNTANTS

Signed at Perth this 12th day of November 2018



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