



# ANNUAL REPORT 2015-16

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SHIRE OF BEVERLEY





# YOUR COUNCIL



**Elected Council October 2015 (L to R):** Cr Tom Buckland, Cr David White, Cr Keith Murray (Deputy President), Cr Peter Gogol, Cr Dee Ridgway (President), Mr Stephen Gollan (CEO), Mr Simon Marshall (DCEO), Cr Darryl Brown, Cr Lew Shaw, Cr Jim Alexander (Absent: Cr Don Davis, Cr Chris Pepper (Deputy President - Retired-October 2015))

## COUNCIL MEETINGS

An Ordinary meeting of Council is held on the fourth Tuesday of each month excluding January (11 in total).

Council has four active Committees:

The **Audit and Risk Committee** met twice during the financial year. All Council members are members of the Audit and Risk Committee. The Committee's role is to report to Council and provide appropriate advice and recommendations on matters relevant to Financial Reporting, Internal Control & Risk Management Systems, Annual Business Plans, Internal Audits, External Audits and Other Investigations.

The **Corporate Strategy Committee** met three times during the financial year. All Council members are members of the Corporate Strategy Committee. The Committee's role is to report to Council and provide appropriate advice and recommendations on matters relevant to Strategic Planning, Budget, Asset Management, Policies and Integrated Planning.

The **Economic and Community Strategy Committee** did not meet during the financial year. The Committee's role is to report to Council and provide appropriate advice and recommendations on matters relevant to Community Development, Economic Development, Industrial Development, Land Use Planning and Tourism.

The **Cropping Committee** met once during the financial year. Crs Ridgway, Murray and Shaw are members of the Cropping Committee. The Committee's role is to report to Council and provide appropriate advice and recommendations on matters relevant to the Community Cropping Program.



## 2015/16 COUNCIL MEETING ATTENDANCE

COUNCILLOR	ORDINARY MEETINGS	COMMITTEE MEETINGS
Cr Jim Alexander	9	5
Cr Darryl Brown (from October 2015)	5	4
Cr Tom Buckland	8	5
Cr Don Davis	9	5
Cr Peter Gogol	9	5
Cr Keith Murray (Deputy President)	9	6
Cr Chris Pepper (to October 2015)	3	1
Cr Dee Ridgway (President)	10	6
Cr Lew Shaw	10	5
Cr David White	9	3

## 2015/16 COUNCILLOR REMUNERATION

POSITION	SITTING FEES	IT ALLOWANCE	TRAVEL ALLOWANCE	CONFERENCE ALLOWANCE***
President*	17,500	1,441	3,728	1,289
Deputy President**	4,875	1,441	0	1,289
Councillor	3,500	1,441	0	1,289

\*Sitting Fees include Presidential Allowance of \$5,500 per annum.

\*\* Sitting Fees include Deputy Presidential Allowance of \$1,375 per annum.

\*\*\*Crs Ridgway, Davis, Gogol and Pepper attended the 2015 WALGA State Conference.

In addition, all Councillors are supplied with a fully maintained Electronic Tablet to manage Council meeting documents and Council related email correspondence.

## 2017 ELECTION

Cr Alexander, Cr Buckland, Cr Davis, Cr Gogol and Cr White are due for re-election in October 2017.



# OUR VISION, AIM, GOALS AND VALUES

## OUR VISION

### Our Shire will be:

A place where our community values its past and history, and is safe, welcoming and friendly; a place where people can live, work or visit and experience a relaxed and peaceful environment.

## OUR AIM

To sustain and build the population and to ensure the delivery of sustainable services to our community.

## OUR GOALS

### SOCIAL

- Build population growth through providing employment opportunities.
- Strengthen our advocacy role and regional partnerships in the provision of local services.
- Maintain and nurture the sense of community.
- Ensure delivery of sustainable services to our community.

### ENVIRONMENTAL

- Preserve the natural environment.
- Maintain the rural identity of place.

### BUILT ENVIRONMENT: ENHANCED LIFESTYLE CHOICES

- Manage our built environment, land use and assets, including local roads, parks and facilities, to meet our future and growing community needs.
- Develop and maintain the built environment within appropriate standards and affordability.

### ECONOMIC

- Build economic capacity through local business growth.
- Value and maintain our heritage and past.
- Manage our assets sustainably.

### GOVERNANCE

- Sustainable Governance.
- Strengthen Shire Leadership.



## OUR VALUES

The Shire of Beverley has a clear strength in the bond and affinity between its Councillors, the community and staff. Staff support the community leadership and governance role of Councillors, and work together to achieve commitments of the Council Plan. Having all staff practice the following organisational values enhances the quality of this partnership:

### **SERVICE**

Our citizens, community and service users are the focus of all our actions.

### **ACCOUNTABILITY**

We are responsible for our actions, which are open to review.

### **INNOVATION**

We encourage and seek new ideas in finding solutions.

### **TEAMWORK**

We share our skills, knowledge and experience as part of a team and work together towards achieving Council's goals.

### **RECOGNITION**

We promote the achievements and efforts of others.

### **SAFETY**

We look after our environment and the welfare of others.

### **INTEGRITY**

We are open and honest, and work to the best of our ability.

### **RESPECT**

We acknowledge the opinions of others and their rights and differences.



# OBJECTIVES AND ACHIEVEMENTS

## STRATEGIC ACTIVITIES FOR 2015/16

The Council, in its 2015/16 Annual Budget, proposed to undertake and achieve the following:

STRATEGIC ACTIVITIES	PLANNED WORKS	TIMELINE
<b>Beverley Cornerstone Community Hub</b>	Preliminary works to construct a multipurpose community hub to house CRC, Tourist Centre and Library.	Complete by <b>June 2016</b>
<b>Industrial Land Development</b>	Develop Land on De Lisle Street for the purpose of encouraging light to medium industry to come to Beverley.	Complete by <b>June 2016</b>
<b>Storm Water Harvesting Dams</b>	Construct two catchment dams and associated infrastructure to capture storm water for the purpose of watering the town oval.	Complete by <b>June 2016</b>
<b>Town Hall Roof Sheet Replacement</b>	Renewal of the Town Hall roof sheeting as part of Council's ongoing Asset Management program.	Complete by <b>April 2016</b>
<b>Station Art Gallery Stabilisation</b>	Stabilisation works at the Station Art Gallery as part of Council's ongoing Asset Management program.	Complete by <b>April 2016</b>
<b>Entry Statement Installation</b>	Installation of locally designed entry statements on Great Southern Highway.	Complete by <b>June 2016</b>
<b>Ski Road Purchase</b>	Purchase of Yenyening Lakes privately owned access track.	Complete by <b>June 2016</b>
<b>CCTV Installation</b>	Installation of CCTV cameras at Memorial Park.	Complete by <b>March 2016</b>
<b>Road Construction</b>	Ongoing upgrade and renewal works across the Shire including West Dale and York Williams Roads.	Complete by <b>June 2016</b>
<b>Plant Replacement</b>	Ongoing replacement of Plant as per Council's 10 Year Program.	Complete by <b>June 2016</b>



## ACHIEVEMENTS FOR 2015/16

### INDUSTRIAL LAND DEVELOPMENT

The development of the De Lisle Street Industrial Area progressed in 2015/16 in partnership with Landcorp.

### STORM WATER HARVESTING DAMS

Storm Water Catchment Dams and associated infrastructure were constructed and installed during 2015/16. The Dams have worked extremely well with water reserves captured over winter set to sustain the oval over the summer months.

### TOWN HALL ROOF SHEET REPLACEMENT

The roof sheeting on the Town Hall was replaced in 2015/16, which follows on from the ceiling replacement of the Main and Lesser Halls completed previously.

### STATION ART GALLERY STABILISATION

Stabilisation works on the Station Art Gallery were completed in 2015/16 with the main focus on directing water away from the buildings foundations.

### ENTRY STATEMENT INSTALLATION

Unique entry statements paying homage to Beverley's agricultural roots were installed at the north and south entrances of the town site on Great Southern Highway.

### SKI ROAD PURCHASE

The access route to Yenyening Lakes was purchased by Council to allow access to the general public and to encourage recreation and tourism.

### CCTV INSTALLATION

A complete CCTV setup was installed around the Memorial Park toilet block in Vincent Street. Vandalism and anti-social behaviour has reduced in the area since the installation and Council plans to add to the circuit in 2016/17.

### ROAD CONSTRUCTION

A total of \$1.594 Million was invested in Beverley's road infrastructure in 2015/16. Council aims to increase this investment in 2016/17 by allocating funding to footpath renewal and additional gravel sheeting works.

### PLANT REPLACEMENT

Council invested \$601,475 in Plant renewal during 2015/16 with significant items including the Backhoe and Vibe Roller being replaced as per Council's 10 Year Plant Replacement program.



## 2015/16 IN REVIEW

During the 2015/16 financial year the Shire achieved the following:

1. Rate increases for the 2015/16 financial year were limited to 4.0%, which was outside Council's 10 Year Long Term Financial Plan (LTFP), however acknowledged the economic climate affecting Beverley ratepayers. Rates levied allowed Council to continue to provide existing services and fund a number of new initiatives whilst providing funds for the ongoing renewal of its infrastructure.
2. Capital Expenditure during the year is summarised as follows:
  - **Road Infrastructure**                   **\$1.594M**
  - **Land and Building**                   **\$0.263M**
  - **Plant and Equipment**               **\$0.601M**
  - **Furniture and Equipment**       **\$0.042M**
3. A Net surplus result of \$1.370M was achieved in 2015/16.

Overall reported 2015/16 Revenue was lower than anticipated by (\$2.568M) due largely to capital grant funding not being received. Consequently, funding dependent capital projects did not proceed.

Overall reported 2015/16 Expenditure was lower than anticipated by \$5.409M due largely to capital expenditure program savings and deferments. The main contribution to this surplus was the deferment of the Beverley Cornerstone Community Hub project, with anticipated expenditure of \$4.000M not proceeding as required grant funding was not received.

Other savings and deferments related to Council's Infrastructure capital works, where \$0.501M in estimated expenditure did not proceed.

Funding from Opening funds, New Loan funds and Transfers from Reserve funds were lower than anticipated by (\$1.471M).

Opening funds were reduced following an Audit adjustment as at 30 June 2015.

New loans raised were less than anticipated due to the Beverley Cornerstone Project not proceeding in the 2015/16 financial year.

Transfers from Reserves were lower than anticipated due to the Beverley Cornerstone Project not proceeding in the 2015/16 financial year.



## KEY STRATEGIC ACTIVITIES FOR 2016/17

The following are the key activities funded in the 2016/17 Annual Budget and these will contribute in achieving the strategic vision, goals and outcomes detailed in the Shire's Strategic Community Plan.

STRATEGIC ACTIVITIES	PLANNED WORKS	TIMELINE
<b>Beverley Cornerstone Community Hub</b>	Construction of a new multipurpose Community Centre on Vincent Street. (Subject to funding)	Complete by <b>June 2018</b>
<b>Old School Building Resheet</b>	Complete roof resheet of Old School Building.	Complete by <b>November 2016</b>
<b>Town Hall Kitchen Refurbishment</b>	Refurbishment of the Town Hall Kitchen including new appliances.	Complete by <b>April 2017</b>
<b>CCTV</b>	Expand the CCTV network to capture Vincent Street and the Depot compound.	Complete by <b>April 2017</b>
<b>Gym Equipment</b>	Renewal of gym equipment.	Complete by <b>October 2016</b>
<b>Plant Replacement</b>	Ongoing replacement of Plant as per Councils 10 Year Program. 2016/17 replacements include a Grader and two Utilities.	Complete by <b>June 2017</b>
<b>Footpath Renewal</b>	Year 1 of a 10 Year Footpath Renewal program to enhance service level of the current path network.	Complete by <b>June 2017</b>
<b>Road and Bridge Construction</b>	Ongoing upgrade and renewal works across the Shire including West Dale and York Williams Roads, an expanded gravel resheeting program, an expanded roadside spraying program and replacement of York Williams Road and Bremner Road Bridges.	Complete by <b>June 2017</b>



# STATEMENT BY THE SHIRE PRESIDENT

2015/16 has been a productive year for the Shire of Beverley with Council continuing to invest in the sustainable future of Beverley.

Rate levels increased overall by 4%, which is below the 10 year financial plan projection.

In 2015/2016 Council undertook a desktop review of the Strategic Community Plan. This vital document guides planning, direction and grant funding applications. A consultative process will be developed in the next financial year to guide a whole of community review and planning process to progress the Plan beyond 2017.

The Shire dedicated many hours to apply for two major grants in 2015/16, of which both are still being assessed. One grant was submitted into Round 3 of the Federal National Stronger Regions Fund for the Beverley Cornerstone Project, and another to the State Royalties for Regions "Growing our South" initiative to fund Aged Care Housing within the Beverley Brookton Pingelly (BBP) Alliance. The Beverley Cornerstone project will see a new building progressed which will house the Beverley CRC, Library, Meeting Rooms, Tourism Visitor Centre, Museum and rentable office space. The BBP project will provide up to 12 new modular homes in Beverley from a proposed total of 27 across the group, assisting over 55's to "Age in Place" in their own communities.

Strategic activity over the year has included a new roof and stage curtains for the Town Hall; ongoing road capital investment and maintenance programmes of Shire-owned infrastructure; completion of the very successful Water Harvesting project with the construction of two new dams to capture street runoff, which is then pumped to the town dam to be used for the oval, parks and gardens; and development of the Beverley Tourism Plan and Framework following initiation of a Steering Committee in 2014/2015 to investigate tourism planning in Beverley.

My congratulations are offered to the community members who were involved in the Water Harvesting Project and the Tourism Steering Committee. Both projects were initiated for the sustainable and economic future of Beverley, an effort which cannot be underestimated.



I take this opportunity to recognise the dedicated work undertaken by our staff team under the capable stewardship of CEO Steve Gollan, and express Council's appreciation of the ongoing productive and progressive relationship which exists between staff, Councillors and our community, undertaken on the basis of honesty, integrity and co-operation.

My thanks are extended to Deputy President Cr Murray for his support and fellow Councillors for their time and commitment in undertaking their roles on behalf of our community.



**Cr Dee Ridgway**  
President



# STATEMENT BY THE CHIEF EXECUTIVE OFFICER

I am pleased to present to Elected Members, residents and ratepayers the 2015/16 Annual Report.

The Shire of Beverley Community Strategic Plan identifies the priorities and aspirations identified by the community through public consultation. The Shire continues to work towards the implementation of strategies outlined in the Plan, the progress of which is reported within this year's Annual Report.

## **Wheatbelt Aged Support and Care Solutions Project - BBP**

The Shires of Beverley, Brookton and Pingelly (BBP) cemented their commitment to progress sustainable Aged Care planning, services and support within the three communities by collaborating with the Wheatbelt Development Commission to apply for Royalties for Regions funding to construct 27 modular homes across the three shires. There is an increased demand for quality senior-focused housing that will allow seniors to remain in their community and close to family, which this BBP project will address.

## **Industrial Land**

Council gifted industrial zoned land to LandCorp to develop an industrial estate in Beverley. This area has been developed. LandCorp has transferred the ownership to a private owner who plans to establish a business in Beverley that will have long-term economic benefit to the shire.

## **Town Planning Scheme Review**

The Draft Local Planning Scheme and Zone Mapping were presented to Council and adopted in June. It was forwarded to the Western Australian Planning Commission (WAPC) for consideration for advertising and to the Environmental Protection Authority (EPA) for consideration for further possible actioning. A meeting was held with officials of the EPA to discuss a number of matters and proposed zoning changes of interest to them. Once positive feedback has been received from the EPA and the WAPC, formal public advertising of the draft scheme will commence.

## **Community Projects**

2015/16 saw the completion of the Water Harvesting Project; the Town Entry Statements and the Beverley Tourism Framework and Business Plan. Congratulations to all the community members who volunteered their time to be part of these valuable projects.



## Thanks

The dedication of the Shire staff has continued through 2015/16, with all employees showing their professionalism, hard work, and commitment, making them a credit to the organisation. The low staff turnover rate reflects on the well balanced and enjoyable work environment.

I would like to extend my thanks to the Elected Members and President, Cr Dee Ridgway, for their ongoing support and to the Executive Team and all staff for their ongoing commitment and energy to achieve a sustainable future for Beverley.



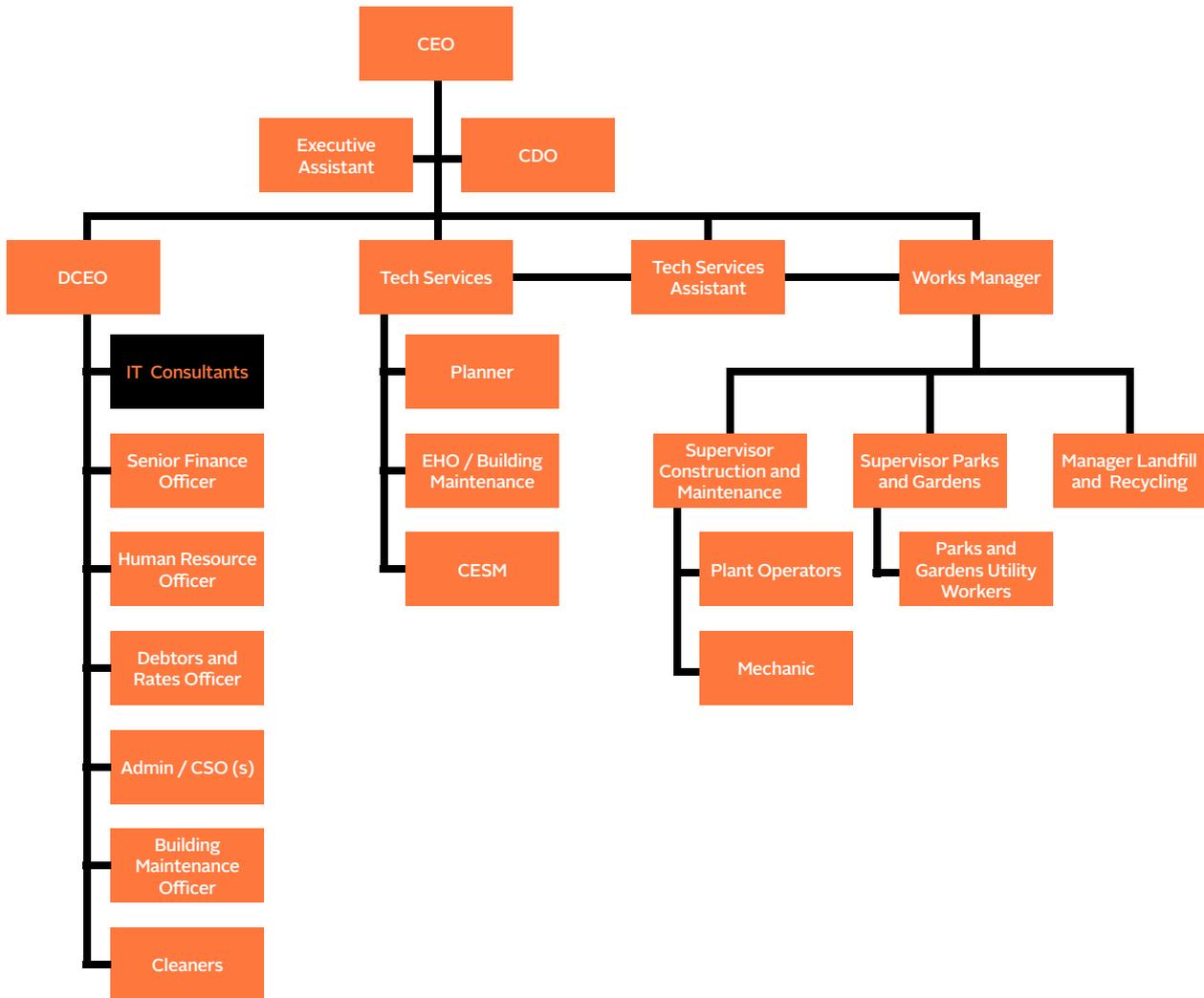
**Mr Stephen Gollan**  
Chief Executive Officer



# ORGANISATIONAL STRUCTURE

The Shire of Beverley staff members are part of the corporate structure headed by the Chief Executive Officer. This corporate approach ensures that staff members work towards achieving common goals.

The Shire’s staff are organised across four Divisions; Community Services, Corporate Services, Infrastructure Services and Technical Services. Whilst the Chief Executive Officer is responsible for the overall management of the organisation, each Division has its own Senior Officer who oversees the functioning of their respective Division. The Corporate Management Team implements and administers the policies of the Elected Members.



# LEGISLATIVE COMPLIANCE

## INTEGRATED PLANNING AND REPORTING (IPR) FRAMEWORK

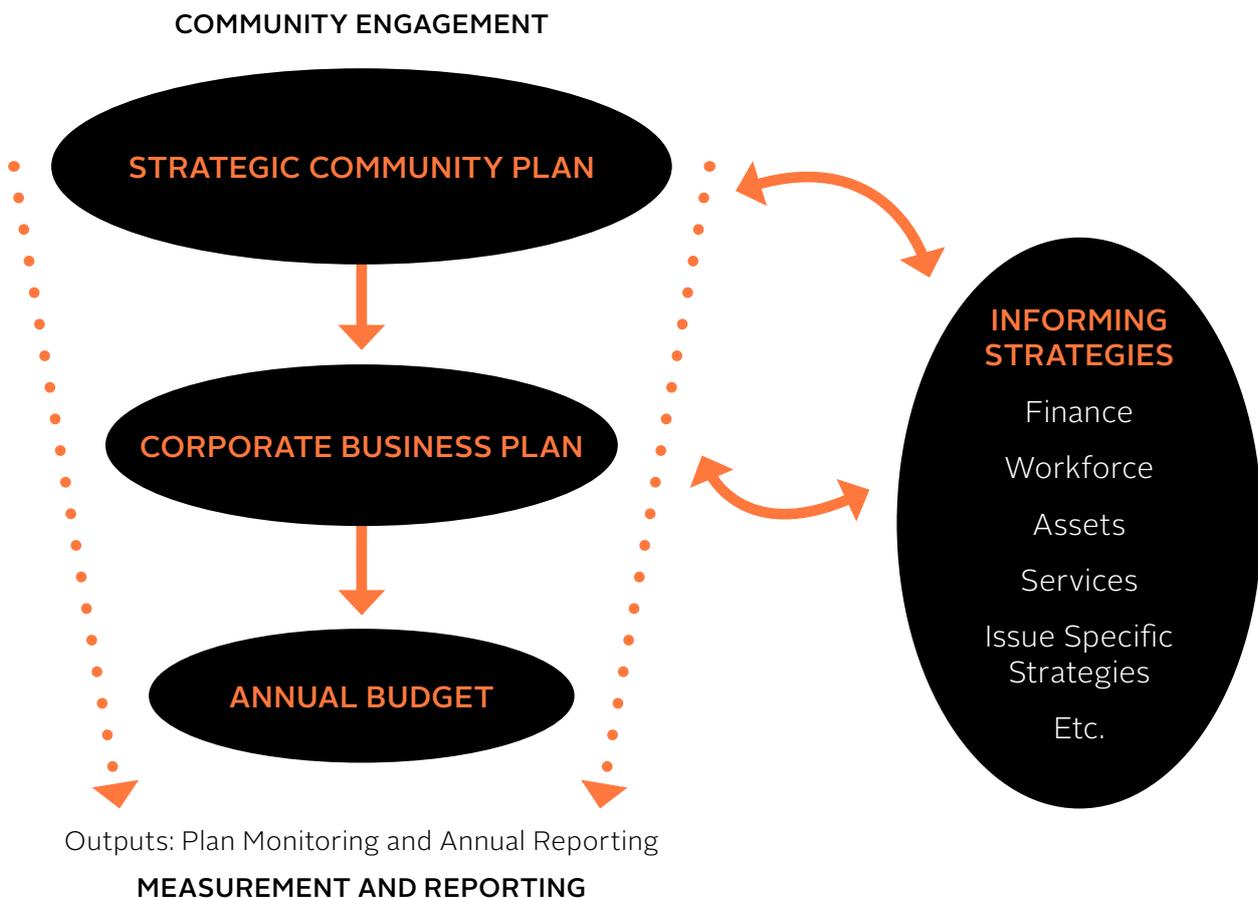
The IPR framework is designed to establish community priorities and linking this information into different parts of a local government's functions.

The IPR framework requirements are outlined in the *Local Government (Administration) Regulations Division 3 – Planning for the Future*.

The minimum requirements of the Regulations stipulate that the Local Government is to produce a Strategic Community Plan covering a period of no less than 10 years and a Corporate Business Plan covering a period of at least four years.

The IPR requirements came into effect on 30 June 2013.

The diagram below illustrates the different elements of the IPR:



## STRATEGIC COMMUNITY PLAN (10 YEARS)

The Shire of Beverley's Strategic Community Plan was formulated and adopted in 2012. The Strategic Community Plan outlines the overarching strategies Council is to employ to achieve the aspirations of the Community across five key areas including Social, Environment, Built Environment, Economic Development and Governance.

A desktop review of the Strategic Community Plan was completed in September 2015.

## 2015/16 STRATEGIC COMMUNITY PLAN ACHIEVEMENTS

The following objectives as outlined in the Shire of Beverley's Strategic Community Plan were achieved during the 2015/16 financial year:

### SOCIAL – BUILDING A SENSE OF COMMUNITY

- **Foster community participation:** Support sporting and community needs through support of local community events including the Beverley Show, Beverley Heroic Cycle Race, Beverley Triathlon, Senior's Morning Tea, Mad Men's Muster and Wild Women of the West.
- **Ensure access to services and facilities as needs change within the community:** Council continued to work towards providing universal access to all Council facilities by developing a 10 year footpath renewal plan.

### ENVIRONMENT – PRESERVING AND SUSTAINING OUR NATURAL ENVIRONMENT

- **Manage Resources Efficiently:** Construction of two Storm Water catchment dams and associated infrastructure was completed in 2015/16. The water captured by this initiative will greatly increase Council's ability to maintain the Recreation ground during

the summer months and reduce costs by not having to rely on scheme water. The catchment dams were opened in June 2016.

### BUILT ENVIRONMENT – ENHANCED LIFESTYLE CHOICES

- **Review Streetscape Plan and identify walking routes:** A Main Street redevelopment plan has been formulated with further planning and community engagement undertaken in 2015/16. A final plan is due to be adopted in 2016/17.

### ECONOMIC DEVELOPMENT – MAXIMISE DEVELOPMENT

- **Support the development of industry, such as business incubators through advocacy and land use availability:** The De Lisle Street Industrial area development has progressed with Council land transferred to Landcorp for development.
- **Enhance the town centre, facilitating linkages of Main Street and heritage areas:** A Main Street redevelopment plan has been formulated with further planning and community engagement undertaken in 2015/16.
- **Facilitate and promote Beverley as a tourist destination:** A Tourism Steering Committee has been formed to guide a united direction for tourism planning in Beverley. Council was also granted RV-friendly status for the Shire of Beverley, which has led to many self-contained travellers utilising the RV short stay area on Lukin Street.

### GOVERNANCE – STRENGTHEN SHIRE LEADERSHIP

- **Develop the Human Resources and Workforce Plan to ensure Human Resources are available and future skills and development are identified:** Council reviewed the Workforce Plan in 2015 and



will continue to monitor human resource requirements in the future.

- **Ensure governance and legislative requirements are met:** Council works closely with its Auditors to ensure all legislative requirements are met.
- **Advocate and lobby for improved services and infrastructure:** Council has engaged with multiple state government departments and commercial companies to lobby for improvements to services in the Beverley district. These included encouraging meetings with Telstra regarding mobile phone and data reception, interaction with and hosting visits from state and federal political representatives and strengthening ongoing relationships with the National Trust, Water Corporation and Landcorp.

## 2015/16 STRATEGIC COMMUNITY PLAN MODIFICATIONS

There were several minor modifications made to the Shire of Beverley's Strategic Community Plan in the 2015/16 financial year, mainly focused on formatting and wording of the Plan following a desk top review which was completed in September 2015.

## CORPORATE BUSINESS PLAN (4 YEARS)

The Shire of Beverley's Corporate Business Plan demonstrates how Council is going to achieve the community's aspirations as identified in the Strategic Community Plan covering a medium term, four year time frame.

The Corporate Business Plan was adopted in 2014 and provides direction to the CEO regarding medium term operational and capital investment parameters.

A desktop review of the Corporate Business Plan is completed annually as part of the annual budgeting process.

## 2015/16 CORPORATE BUSINESS PLAN MODIFICATIONS

There were no modifications made to the Shire of Beverley's Corporate Business Plan in the 2015/16 financial year.

## INFORMING STRATEGIES

- **10 Year Long Term Financial Plan (LTFP) adopted in 2013.** The LTFP reflects detailed financial workings based on achieving the objectives of the Strategic Community Plan and incorporating elements of workforce planning and asset management.  
The LTFP is due to be fully reviewed in the 2016/17 financial year.
- **4 Year Workforce Plan (WFP) adopted in 2013 and reviewed in 2015.** The WFP provides a detailed management plan of Council's workforce which reflects the staffing requirements required to achieve the objectives of the Strategic Community Plan.
- **10 Year Infrastructure Asset Management Plan (IAMP) adopted in 2013.** The IAMP reflects the renewal requirements of Council's infrastructure assets.  
The 10 Year Infrastructure Asset Management Plan was reviewed and updated in 2015/16 to assist in informing the review of the 10 year Long Term Financial Plan.
- **10 Year Buildings Asset Management Plan (BAMP) adopted in 2012.** The BAMP reflects the renewal requirements of Council's building assets.  
The 10 Year Building Asset Management Plan was reviewed and updated in 2015/16 to assist in informing the review of the 10 Year Long Term Financial Plan.
- **10 Year Plant Replacement Program (PRP) adopted in 2015 and reviewed annually.** The PRP reflects Council's Plant replacement requirements.



## NATIONAL COMPETITION POLICY

The introduction of the National Competition Policy requires all local governments to include in the Annual Report, statements relating to the following:

### THE STRUCTURAL REFORM OF PUBLIC MONOPOLIES

The intention of the Structural Reform of Public Monopolies is that:

- There is a separation of regulatory and commercial functions of Public Monopolies.
- There is a separation of natural monopolistic operations and potentially competitive activities of Public Monopolies.
- There is a separation of potential competitive activities into a number of smaller, essentially independent business units.

The Shire of Beverley is not considered a natural monopoly, nor does it conduct any business activity that can be considered a Public Monopoly. Therefore the principle of structural reform of Public Monopolies does not apply to the Shire of Beverley.

### COMPETITIVE NEUTRALITY

For significant local government business enterprises, which are classified as 'Public Financial Enterprises', local government will, where appropriate:

- Adopt a corporatisation model for those local government business enterprises.

- Impose on significant business enterprises:
  - Full Commonwealth, State and Territory taxes on tax equivalent systems;
  - Debt guarantee fees directed towards off-setting the competitive advantages provided by government guarantees; and
  - Those regulations to which private sector businesses are normally subject, such as those relating to the protection of the environment and planning and approval processes, on an equivalent basis to private sector competitors.

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

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

Council has not received any allegations of non-compliance with Competitive Neutrality Principles from the private sector.

### LEGISLATION REVIEW

In accordance with the National Competition Policy, all Local Laws are currently being reviewed.



# DISABILITY ACCESS AND INCLUSION PLAN

The Disability Services Act 1993 was amended in December 2004, creating a requirement of public authorities to develop and implement Disability Access and Inclusion Plans (DAIPs). These Plans had to be fully developed by July 2007, and replaced and built on the achievements of Disability Service Plans (DSPs).

A review of the Plan was completed in June 2013 with Council adopting the DAIP 2013-2018 in July 2013. Council has developed the following strategies to improve access and inclusion in accordance with the desired DAIP outcomes:

A DAIP progress report is completed annually and forwarded to the Disability Services Commission. The 2015/16 progress report was completed and submitted in June 2016.

## OUTCOME 1

People with disability have the same opportunities as other people to access the services of, and any events organised by, a public authority.

### STRATEGY

Ensure that people with disability are consulted on their needs for services and the accessibility of current services.

Monitor Shire services to ensure equitable access and inclusion.

Develop the links between the DAIP and other Shire plans and strategies.

District events are accessible to people with Disability.

Promote Health and Wellbeing programs.

Regularly promote Disability Services and programs available within the Shire.



**OUTCOME 2**

People with disability have the same opportunities as other people to access the buildings and other facilities of a public authority.

STRATEGY
Ensure that all buildings and facilities meet the standards for access and any demonstrated additional need.
Ensure that all new or redevelopment works provide access to people with disability, where practicable.
Advocate to local businesses and tourist venues the requirements for, and benefits flowing from, the provision of accessible venues.
Ensure that all recreational areas are accessible.
Ensure that ACROD parking meets the needs of people with disability in terms of visibility, quantity and location.

**OUTCOME 3**

People with disability receive information from a public authority in a format that will enable them to access the information as readily as other people are able to access it.

STRATEGY
Ensure that the community is aware that Shire information is available in alternative formats upon request.
Improve staff awareness of accessible information needs and how to provide information in other formats.
Accommodate the provision of support personnel to significant events on request.
Ensure that the Shire’s website meets contemporary good practice.

**OUTCOME 4**

People with disability receive the same level and quality of service from the employees of a public authority as other people receive from the employees of that public authority.

STRATEGY
Ensure that all employees, current and new, and Elected Members are aware of disability and access issues and have the skills to provide appropriate services.



**OUTCOME 5**

People with disability have the same opportunities as other people to make complaints to a public authority.

**STRATEGY**

Ensure that feedback and grievance mechanisms are known and accessible for people with disability.

**OUTCOME 6**

People with disability have the same opportunities as other people to participate in any public consultation by a public authority.

**STRATEGY**

Ensure that people with disability are actively consulted about the DAIP and any other significant planning processes.

Ensure that people with disability are aware of and can access other established consultative processes.

**OUTCOME 7**

People with disability have the same opportunities as other people to maintain employment with the Shire of Beverley.

**STRATEGY**

Ensure that people with disability are actively encouraged to apply for employment with the Shire of Beverley.

Ensure that staff are informed and aware of the Council commitment to Equal Opportunity employment.



# PUBLIC INTEREST DISCLOSURE

## PUBLIC INTEREST

The Public Interest Disclosure Act 2003 (the Act), aims to facilitate and encourage the disclosure of public interest information, and to provide protection for those who have made disclosures, and for those about whom disclosures are made.

The Shire of Beverley does not tolerate corrupt or other improper conduct, including mismanagement of public resources, and the exercise of the public functions of the Shire and its officers, employees and contractors.

The Shire is committed to the aims and objectives of the Act, and recognises the value and importance of contributions of staff to enhance administrative and management practices, and supports disclosures being made by staff regarding corrupt or other improper conduct.

During the 2015/16 Financial Year there were no disclosures made under the Act.



# RECORD KEEPING PLAN

The State Records Act 2000 requires that the Shire maintains and disposes of all records in the prescribed manner.

Principal 6 - Compliance: Government Organisations ensure their employees comply with the Record Keeping Plan.

## RATIONALE

An Organisation and its employees must comply with the Organisation's Record Keeping Plan. Organisations should develop and implement strategies for ensuring that each employee is aware of the compliance responsibilities.

## MINIMUM COMPLIANCE REQUIREMENTS

The Record Keeping Plan is to provide evidence to adduce that:

1. The efficiency and effectiveness of the organisation's record keeping system is evaluated not less than once every 5 years.
2. The Organisation conducts a record keeping program.
3. The efficiency and effectiveness of the record keeping training program is reviewed from time to time.
4. The Organisation's induction program addresses employee roles and responsibilities in regards to their compliance with the Organisation's Record Keeping Plan.

The Shire of Beverley has complied with items 1 to 4.



# REGISTER OF MINOR COMPLAINTS

Section 5.121 of the Local Government Act 1995 (Register of Certain Complaints of Minor Breaches), requires the Complaints Officer for each local government to maintain a Register of Complaints which records all complaints that result in action under Section 5.110(6) (b) or (c) of the Act (Conduct of Certain Officials).

Section 5.53 (2) (hb) of the Local Government Act 1995 requires disclosure in the Annual Report of details of entries made under Section 5.121 during the financial year in the Register of Complaints, including:

- i. The number of complaints recorded on the register of complaints;
- ii. How the recorded complaints were dealt with; and
- iii. Any other details that the Regulations may require.

In accordance with these requirements, it is advised that no complaints or minor breaches under the Local Government Act 1995 were received during 2015/16.



# FREEDOM OF INFORMATION

Section 96 of the Freedom of Information Act requires local governments to publish an Information Statement.

In summary, the Shire of Beverley's Statement indicates that the Shire of Beverley is responsible for the good governance of the Shire, and carries out functions as required, including statutory compliance and provision of services and facilities.

All Council meetings are open to the public, and meeting dates and venues are advertised on a regular basis. Members of the public are invited to ask questions during Public Question Time, shortly after the commencement of each meeting.

The Shire of Beverley maintains records relating to the function and administration of the Shire, each property within the Shire, and includes such documents as the Minutes of Meetings, Rate Book, Town Planning Scheme, Local Laws, Codes of Conduct, Register of Financial Interests, Register of Delegated Authority, Financial Statements, and Electoral Rolls. These documents can be inspected free of charge at the Shire Office, 136 Vincent Street, Beverley, during office hours.

No Freedom of Information requests were received in 2015/16.



**2015/16 ANNUAL  
FINANCIAL REPORT**







**SHIRE OF BEVERLEY  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

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

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

The attached financial report of the Shire of Beverley being the annual financial report and other information for the financial year ended 30th June 2016 are in my opinion properly drawn up to present fairly the financial position of the Shire of Beverley at 30th June 2016 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed as authorisation of issue on the 7th day of September 2016



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S.P. Gollan  
Chief Executive Officer



**SHIRE OF BEVERLEY  
STATEMENT OF COMPREHENSIVE INCOME  
BY NATURE OR TYPE  
FOR THE YEAR ENDED 30TH JUNE 2016**

	NOTE	2015/16 Actual \$	2015/16 Budget \$	2014/15 Actual \$
<b>Revenue</b>				
Rates	22(a)	2,538,821	2,520,821	2,443,416
Operating Grants, Subsidies and Contributions	28	1,111,662	911,162	2,416,840
Fees and Charges	27	553,988	504,127	559,867
Interest Earnings	2(a)	148,733	82,656	150,007
Other Revenue		383,146	461,325	523,532
		<u>4,736,350</u>	<u>4,480,091</u>	<u>6,093,662</u>
<b>Expenses</b>				
Employee Costs		(1,810,847)	(1,763,771)	(1,693,578)
Materials and Contracts		(1,158,232)	(1,998,565)	(1,346,929)
Utility Charges		(221,323)	(231,309)	(186,740)
Depreciation on Non-Current Assets	2(a)	(1,472,693)	(1,221,816)	(1,392,920)
Interest Expenses	2(a)	(58,397)	(54,864)	(56,053)
Insurance Expenses		(191,256)	(186,592)	(158,196)
Other Expenditure		(134,529)	(72,725)	(136,455)
		<u>(5,047,277)</u>	<u>(5,529,642)</u>	<u>(4,970,871)</u>
		(310,927)	(1,049,551)	1,122,791
Non-Operating Grants, Subsidies and Contributions	28	1,107,978	4,050,978	710,003
Profit on Asset Disposals	20	9,900	10,000	10,589
Loss on Asset Disposal	20	(329,882)	(29,300)	(25,535)
Loss on Non-Current Asset Revaluations		(8,634,206)	0	0
		<u>(8,157,137)</u>	<u>2,982,127</u>	<u>1,817,848</u>
<b>Net Result</b>				
<b>Other Comprehensive Income</b>				
Changes on revaluation of non-current assets	12	(11,318,408)	0	313,144
		<u>(11,318,408)</u>	<u>0</u>	<u>313,144</u>
<b>Total Other Comprehensive Income</b>		<u>(11,318,408)</u>	<u>0</u>	<u>313,144</u>
<b>Total Comprehensive Income</b>		<u>(19,475,545)</u>	<u>2,982,127</u>	<u>2,130,992</u>

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



**SHIRE OF BEVERLEY**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

	NOTE	2015/16 Actual \$	2015/16 Budget \$	2014/15 Actual \$
<b>Revenue</b>				
General Purpose Funding		3,129,706	3,051,715	3,845,573
Governance		41,968	3,110	62,321
Law, Order, Public Safety		339,014	127,314	160,947
Health		558	100	267
Education and Welfare		0	0	3,609
Housing		99,964	93,654	85,419
Community Amenities		268,828	180,110	187,524
Recreation and Culture		34,354	101,106	272,359
Transport		366,798	388,208	962,313
Economic Services		109,954	81,900	96,326
Other Property and Services		53,400	45,258	34,073
	2(a)	<u>4,444,544</u>	<u>4,072,475</u>	<u>5,710,731</u>
<b>Expenses</b>				
General Purpose Funding		(156,181)	(197,858)	(49,974)
Governance		(418,876)	(465,578)	(326,822)
Law, Order, Public Safety		(299,492)	(220,430)	(214,655)
Health		(85,751)	(148,009)	(123,489)
Education and Welfare		(52,525)	(79,228)	(93,872)
Housing		(203,099)	(323,231)	(230,457)
Community Amenities		(471,795)	(522,657)	(529,537)
Recreation and Culture		(882,505)	(1,072,516)	(929,947)
Transport		(1,839,072)	(1,640,955)	(1,754,092)
Economic Services		(273,929)	(379,267)	(287,920)
Other Property and Services		(13,849)	(17,433)	8,878
	2(a)	<u>(4,697,074)</u>	<u>(5,067,162)</u>	<u>(4,531,887)</u>
<b>Finance Costs</b>				
Housing		(1,286)	(1,244)	(1,586)
Community Amenities		(72)	0	0
Recreation and Culture		(56,300)	(52,944)	(53,023)
Economic Services		(739)	(676)	(1,444)
	2(a)	<u>(58,397)</u>	<u>(54,864)</u>	<u>(56,053)</u>
<b>Fair Value Adjustments to Financial Assets at Fair Value through Profit or Loss</b>				
Loss on revaluation of Non-Current Assets		(8,634,206)	0	0
<b>Non-Operating Grants, Subsidies and Contributions</b>				
Law, Order, Public Safety		0	0	25,000
Community Amenities		0	75,000	25,000
Recreation and Culture		107,000	2,950,000	78,447
Transport		1,000,978	1,025,978	581,556
	28	<u>1,107,978</u>	<u>4,050,978</u>	<u>710,003</u>
<b>Profit/(Loss) on Disposal of Assets</b>				
Governance		(8,111)	10,000	0
Recreation & Culture		0	(3,300)	0
Transport		0	(26,000)	0
Economic Services		(308,999)	0	0
Other Property and Services		(2,872)	0	(14,946)
	20	<u>(319,982)</u>	<u>(19,300)</u>	<u>(14,946)</u>
<b>Net Result</b>		<b>(8,157,137)</b>	<b>2,982,127</b>	<b>1,817,848</b>
<b>Other Comprehensive Income</b>				
Changes on revaluation of non-current assets	12	<u>(11,318,408)</u>	<u>0</u>	<u>313,144</u>
<b>Total Other Comprehensive Income</b>		<b>(11,318,408)</b>	<b>0</b>	<b>313,144</b>
<b>Total Comprehensive Income</b>		<b><u>(19,475,545)</u></b>	<b><u>2,982,127</u></b>	<b><u>2,130,992</u></b>

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



**SHIRE OF BEVERLEY  
STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED 30TH JUNE 2016**

	NOTE	2015/16 Actual \$	2014/15 Actual \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	3	3,433,024	3,476,097
Trade and Other Receivables	4	453,889	429,296
Inventories	5	7,911	9,589
<b>TOTAL CURRENT ASSETS</b>		<u>3,894,824</u>	<u>3,914,982</u>
<b>NON-CURRENT ASSETS</b>			
Other Receivables	4	186,562	185,427
Property, Plant and Equipment	6	20,461,867	20,500,087
Infrastructure	7	27,350,428	46,753,025
<b>TOTAL NON-CURRENT ASSETS</b>		<u>47,998,857</u>	<u>67,438,539</u>
<b>TOTAL ASSETS</b>		<u>51,893,681</u>	<u>71,353,521</u>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	8	365,229	423,405
Long Term Borrowings	9	85,388	66,632
Provisions	10	339,858	359,820
<b>TOTAL CURRENT LIABILITIES</b>		<u>790,475</u>	<u>849,857</u>
<b>NON-CURRENT LIABILITIES</b>			
Long Term Borrowings	9	1,069,731	1,005,118
Provisions	10	30,708	20,234
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>1,100,439</u>	<u>1,025,352</u>
<b>TOTAL LIABILITIES</b>		<u>1,890,914</u>	<u>1,875,209</u>
<b>NET ASSETS</b>		<u>50,002,767</u>	<u>69,478,312</u>
<b>EQUITY</b>			
Retained Surplus		37,907,935	46,307,620
Reserves - Cash Backed	11	2,053,223	1,810,675
Revaluation Surplus	12	10,041,609	21,360,017
<b>TOTAL EQUITY</b>		<u>50,002,767</u>	<u>69,478,312</u>

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



**SHIRE OF BEVERLEY  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30TH JUNE 2016**

		RESERVES		
		CASH/ INVESTMENT	REVALUATION	TOTAL
	NOTE	SURPLUS	SURPLUS	EQUITY
		\$	\$	\$
Balance as at 1 July 2014		44,637,145	1,663,302	21,046,873
Comprehensive Income				
Net Result		1,817,848	0	0
Changes on Revaluation of Non-Current Assets	12	0	0	313,144
Total Comprehensive Income		1,817,848	0	313,144
Reserve Transfers		(147,373)	147,373	0
<b>Balance as at 30 June 2015</b>		<b>46,307,620</b>	<b>1,810,675</b>	<b>21,360,017</b>
Comprehensive Income				
Net Result		(8,157,137)	0	0
Changes on Revaluation of Non-Current Assets	12	0	0	(11,318,408)
Total Other Comprehensive Income		(8,157,137)	0	(11,318,408)
Reserve Transfers		(242,548)	242,548	0
<b>Balance as at 30 June 2016</b>		<b>37,907,935</b>	<b>2,053,223</b>	<b>10,041,609</b>

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



**SHIRE OF BEVERLEY  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30TH JUNE 2016**

	NOTE	2015/16 Actual \$	2015/16 Budget \$	2014/15 Actual \$
<b>Cash Flows From Operating Activities</b>				
<b>Receipts</b>				
Rates		2,460,935	2,520,821	2,354,408
Operating Grants, Subsidies and Contributions		1,111,662	911,162	2,416,840
Fees and Charges		553,988	504,127	559,867
Service Charges		0	0	0
Interest Earnings		148,732	82,656	150,008
Goods and Services Tax		0	0	0
Other Revenue		424,218	461,325	411,576
		<u>4,699,535</u>	<u>4,480,091</u>	<u>5,892,699</u>
<b>Payments</b>				
Employee Costs		(1,820,335)	(1,763,771)	(1,704,499)
Materials and Contracts		(1,158,232)	(1,998,565)	(1,346,929)
Utility Charges		(221,323)	(231,309)	(186,740)
Insurance Expenses		(191,256)	(186,592)	(158,196)
Interest expenses		(58,380)	(54,864)	(56,126)
Goods and Services Tax		0	0	0
Other Expenditure		(192,721)	(72,725)	(28,279)
		<u>(3,642,247)</u>	<u>(4,307,826)</u>	<u>(3,480,769)</u>
<b>Net Cash Provided By (Used In) Operating Activities</b>	13(b)	<u>1,057,288</u>	<u>172,265</u>	<u>2,411,930</u>
<b>Cash Flows from Investing Activities</b>				
Payments for Development of Land Held for Resale		0	0	0
Payments for Purchase of Property, Plant & Equipment		(906,830)	(5,217,000)	(1,457,571)
Payments for Construction of Infrastructure		(1,594,468)	(2,095,752)	(1,387,087)
Advances to Community Groups		0	0	0
Payments for Purchase of Investments		0	0	0
Non-Operating Grants, Subsidies and Contributions		1,107,978	4,050,978	710,003
Proceeds from Sale of Plant & Equipment		196,826	216,000	290,492
Proceeds from Advances		0	0	0
Proceeds from Sale of Investments		0	0	0
		<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Cash Provided By (Used In) Investing Activities</b>		<u>(1,196,494)</u>	<u>(3,045,774)</u>	<u>(1,844,163)</u>
<b>Cash Flows from Financing Activities</b>				
Repayment of Debentures		(66,632)	(66,633)	(69,984)
Repayment of Finance Leases		0	0	0
Proceeds from Self Supporting Loans		12,765	12,765	12,011
Proceeds from New Debentures		150,000	970,000	0
		<u>150,000</u>	<u>970,000</u>	<u>0</u>
<b>Net Cash Provided By (Used In) Financing Activities</b>		<u>96,133</u>	<u>916,132</u>	<u>(57,973)</u>
<b>Net Increase (Decrease) in Cash Held</b>		<u>(43,073)</u>	<u>(1,957,377)</u>	<u>509,794</u>
Cash at Beginning of Year		3,476,097	3,476,097	2,966,303
<b>Cash and Cash Equivalents at the End of the Year</b>	13(a)	<u>3,433,024</u>	<u>1,518,720</u>	<u>3,476,097</u>

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



**SHIRE OF BEVERLEY  
RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2016**

	NOTE	2015/16 Actual \$	2015/16 Budget \$	2014/15 Actual \$
<b>Revenue</b>				
General Purpose Funding		590,885	530,894	1,402,157
Governance		41,968	13,110	62,321
Law, Order, Public Safety		339,014	127,314	185,947
Health		558	100	267
Education and Welfare		0	0	3,609
Housing		99,964	93,654	85,419
Community Amenities		268,828	255,110	212,524
Recreation and Culture		141,354	3,047,806	350,806
Transport		1,367,776	1,388,186	1,543,869
Economic Services		109,954	81,900	96,326
Other Property and Services		53,400	45,258	44,473
		<u>3,013,701</u>	<u>5,583,332</u>	<u>3,987,718</u>
<b>Expenses</b>				
General Purpose Funding		(156,181)	(197,858)	(49,974)
Governance		(426,987)	(465,578)	(326,822)
Law, Order, Public Safety		(299,492)	(220,430)	(214,655)
Health		(85,751)	(148,009)	(123,489)
Education and Welfare		(52,525)	(79,228)	(93,872)
Housing		(204,385)	(324,475)	(232,043)
Community Amenities		(471,867)	(522,657)	(529,537)
Recreation and Culture		(938,805)	(1,125,460)	(982,970)
Transport		(10,473,278)	(1,640,955)	(1,754,092)
Economic Services		(583,667)	(379,943)	(289,364)
Other Property and Services		(16,721)	(17,433)	(16,469)
		<u>(13,709,659)</u>	<u>(5,122,026)</u>	<u>(4,613,287)</u>
<b>Net Result Excluding Rates</b>		<b>(10,695,958)</b>	<b>461,306</b>	<b>(625,569)</b>
<b>Adjustments for Cash Budget Requirements:</b>				
<b>Non-Cash Expenditure and Revenue</b>				
Initial Recognition of Assets Due to Change to Regulations				
- Land		0	0	(95,000)
Loss on Revaluation of Non Current Assets		8,634,206	0	0
(Profit)/Loss on Asset Disposals	20	319,982	19,300	14,946
Movements in Non-Current to Current Items		2,779	0	(30,599)
Depreciation and Amortisation on Assets	2(a)	1,472,693	1,221,816	1,392,920
<b>Capital Expenditure and Revenue</b>				
Purchase Land and Buildings	6	(263,511)	(4,530,000)	(671,518)
Purchase Infrastructure Assets - Roads	7	(1,218,597)	(1,657,601)	(1,333,808)
Purchase Infrastructure Assets - Other	7	(375,871)	(438,151)	(53,279)
Purchase Plant and Equipment	6	(601,475)	(613,500)	(652,035)
Purchase Furniture and Equipment	6	(41,844)	(73,500)	(39,019)
Proceeds from Disposal of Assets	20	196,826	216,000	290,492
Repayment of Debentures	21	(66,633)	(66,633)	(69,984)
Proceeds from New Debentures	21	150,000	970,000	0
Self-Supporting Loan Principal Income		12,765	12,765	12,014
Transfers to Reserves (Restricted Assets)	11	(250,048)	(230,618)	(205,374)
Transfers from Reserves (Restricted Assets)	11	7,500	530,000	58,000
ADD Surplus/(Deficit) July 1 B/Fwd.	22(b)	1,548,648	1,657,995	1,113,045
LESS Surplus/(Deficit) June 30 C/Fwd.	22(b)	1,370,283	0	1,548,648
<b>Total Amount Raised from General Rate</b>	<b>22(a)</b>	<b><u>(2,538,821)</u></b>	<b><u>(2,520,821)</u></b>	<b><u>(2,443,416)</u></b>

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



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies which have been adopted in the preparation of this financial report are presented below and have been consistently applied unless stated otherwise.

**(a) Basis of Preparation**

The financial report is a general purpose financial statement which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1995* and accompanying regulations.

Except for cash flow and rate setting information, the report has also been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of the 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.

**(b) The Local Government Reporting Entity**

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

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

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

**(c) 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.



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(d) Cash and Cash Equivalents**

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

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

**(e) 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.

**(f) Inventories**

***General***

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

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

***Land Held for Resale***

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

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

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



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(g) Fixed Assets**

Each class of fixed assets is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation or impairment losses.

***Mandatory Requirement to Revalue Non-Current Assets***

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

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

(a) for the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and

(b) for the financial year ending on 30 June 2014, the fair value of all of the assets of the local government -

(i) that are plant and equipment; and

(ii) that are -

(I) land and buildings; or

(II) infrastructure;

and

(c) for a financial year ending on or after 30 June 2015, the fair value of all of the assets of the local government.

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

Council has adopted Fair Value across all asset types in accordance with the Regulations.

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

***Land Under Control***

In accordance with local Government (Financial Management) Regulation 16 (a), the Council is 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 other policies detailed in this Note.

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

Consequently, these assets were initially recognised at cost but revalued along with other items of Land and Buildings at 30 June 2015.



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(g) Fixed Assets (Continued)**

***Initial Recognition***

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable future economic benefits associated with the item will flow to the Council and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in the statement of comprehensive income in the period in which they are incurred.

***Revaluation***

Revalued assets are carried at their fair value being the price that would be received to sell the asset, in an orderly transaction between market participants at the measurement date.

For land and buildings, fair value will be determined based on the nature of the asset class. For land and non-specialised buildings, fair value is determined on the basis of observable open market values of similar assets, adjusted for conditions and comparability at their highest and best use (Level 2 inputs in the fair value hierarchy).

With regards to specialised buildings, fair value is determined having regard for current replacement cost and both observable and unobservable costs. These include construction costs based on recent contract prices, current condition (observable Level 2 inputs in the fair value hierarchy), residual values and remaining useful life assessments (unobservable Level 3 inputs in the fair value hierarchy).

For infrastructure and other asset classes, fair value is determined to be the current replacement cost of an asset (Level 2 inputs in the fair value hierarchy) less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset (Level 3 inputs in the fair value hierarchy).

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

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Those assets carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses, are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.

In addition, the amendments to the Financial Management Regulations mandating the use of Fair Value, imposes a further minimum of 3 years revaluation requirement. As a minimum, all assets carried at a revalued amount, will be revalued at least every 3 years.



SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

**Transitional Arrangement**

During the time it takes to transition the carrying value of non-current assets from the cost approach to the fair value approach, the Council may still be utilising both methods across differing asset classes.

Those assets carried at cost will be carried in accordance with the policy detailed in the **Initial Recognition** section as detailed above.

Those assets carried at fair value will be carried in accordance with the **Revaluation** methodology section as detailed above.

**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 AASB1051 - Land Under Roads and the fact Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

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

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

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



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(g) Fixed Assets (Continued)**

***Depreciation of Non-Current Assets***

All non-current assets having a limited useful life (excluding freehold land) are separately and systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets.

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time the asset is completed and held ready for use.

Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period. Major depreciation periods are:

Buildings	30 to 50 years
Furniture and Equipment	4 to 10 years
Plant and Equipment	5 to 15 years
Sealed roads and streets	
formation	not depreciated
pavement	50 years
seal	
- bituminous seals	20 years
Gravel roads	
formation	not depreciated
pavement	50 years
gravel sheet	12 years
Formed roads (unsealed)	
formation	not depreciated
pavement	50 years
Footpaths - slab	20 years

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

***Capitalisation Threshold***

Expenditure on items of equipment under \$1,000 is not capitalised. Rather, it is recorded on an asset inventory listing.



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(h) Fair Value of Assets and Liabilities**

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

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

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

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

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

***Fair value hierarchy***

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

**Level 1**

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

**Level 2**

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

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

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



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(h) Fair Value of Assets and Liabilities (Continued)**

***Valuation techniques***

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

**Market approach**

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

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

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



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(i) Financial Instruments**

***Initial Recognition and Measurement***

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

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

***Classification and Subsequent Measurement***

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

Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

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

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

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

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current. They are subsequently measured at fair value with changes to carrying amount being included in profit or loss.



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(i) Financial Instruments (Continued)**

***Classification and Subsequent Measurement (Continued)***

*(ii) Loans and receivables*

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

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

*(iii) Held-to-maturity investments*

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

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

*(iv) Available-for-sale financial assets*

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

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

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

*(v) Financial liabilities*

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

***Impairment***

At the end of each reporting period, the Council assesses whether there is objective evidence that a financial instrument has been impaired.

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

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



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(i) Financial Instruments (Continued)**

***Derecognition***

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

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expire. 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.

**(j) Impairment**

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

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

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

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



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(k) Trade and Other Payables**

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

**(l) Employee Benefits**

**Short-term employee benefits**

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

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

**Other long-term employee benefits**

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

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

**(m) 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.



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(n) Provisions**

Provisions are recognised when:

- a) the Council has a present legal or constructive obligation as a result of past events;
- b) for which it is probable that an outflow of economic benefits will result; and
- c) 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.

**(o) Leases**

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

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

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

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

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

**(p) Investments in Associates**

Associates are entities in which the Council has significant influence through holding, directly or indirectly, 20% or more of the voting power of the Council. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Council's share of net assets of the associate entity. In addition, Council's share of the profit or loss of the associate entity is included in the Council's profit or loss.

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

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



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(q) Joint Venture**

The Council's interest in a joint venture has been recognised in the financial statements by including its share of any assets, liabilities, revenues and expenses of the joint venture within the appropriate line items of the financial statement. Information about the joint venture is set out in Note 16.

The Council's interest in joint venture entities are recorded using the equity method of accounting (refer to Note 1(p) for details) in the financial report.

When the Council contributes assets to the joint venture or if the Council purchases assets from the joint venture, only the portion of gain or loss not attributable to the Council's share of the joint venture shall be recognised. The Council recognises the full amount of any loss when the contribution results in a reduction in the net realisable value of current assets or an impairment loss.

**(r) Rates, Grants, Donations and Other Contributions**

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

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

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

**(s) Superannuation**

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

**(t) Current and Non-Current Classification**

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

**(u) Rounding Off Figures**

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



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(v) Comparative Figures**

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

When the Council applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statement, a statement of financial position as at the beginning of the earliest period will be disclosed.

**(w) Budget Comparative Figures**

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



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

Title and Topic	Issued	Applicable (*)	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 Council, it is not anticipated the Standard will have any material effect.
(ii) AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)	September 2012	1 January 2018	Nil - The revisions embodied in this Standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).
[AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]			
(iii) AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2017	This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.  The effect of this Standard will depend upon the nature of future transactions Council has with those third parties it has dealings with. It may or may not be significant.



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

	Title and Topic	Issued	Applicable (*)	Impact
(iv)	AASB 2013-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments  [Operative date: Part C Financial Instruments - 1 January 2015]	December 2013	Refer title column	Part C of this Standard makes consequential amendments to AASB 9 and numerous other Standards and amends the permissions around certain applications relating to financial liabilities reissued at fair value.  As the bulk of changes relate either to editorial or reference changes it is not expected to have a significant impact on Council.
(v)	AASB 2014-3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations  [AASB 1 & AASB 11]	August 2014	1 January 2016	This Standard amends AASB 11: <i>Joint Arrangements</i> to require the acquirer of an interest (both initial and additional) in a joint operation in which the activity constitutes a business, as defined in AASB 3: <i>Business Combinations</i> , to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations.  Since adoption of this Standard would impact only acquisitions of interests in joint operations on or after 1 January 2016, management believes it is impracticable at this stage to provide a reasonable estimate of such impact on the Council's financial statements.
(vi)	AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation  [AASB 116 & 138]	August 2014	1 January 2016	This Standard amends AASB 116 and AASB 138 to establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. It also clarifies the use of revenue-based methods to calculate the depreciation of an asset is not appropriate nor is revenue generally an appropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.  Given Council currently uses the expected pattern of consumption of the future economic benefits of an asset as the basis of calculation of depreciation, it is not expected to have a significant impact.



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

Title and Topic	Issued	Applicable (*)	Impact
(vii) AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	December 2014	1 January 2017	<p>Consequential changes to various Standards arising from the issuance of AASB 15.</p> <p>It will require changes to reflect the impact of AASB 15.</p>
(viii) AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101  [AASB 7, 101, 134 & 1049]	January 2015	1 January 2016	<p>This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements.</p> <p>This Standard also makes editorial and consequential amendments as a result of amendments to the Standards listed in the title column.</p> <p>It is not anticipated it will have any significant impact on disclosures.</p>
(ix) AASB 2015-3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality	January 2015	1 July 2015	<p>This Standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing it to be completely withdrawn.</p> <p>It is not anticipated it will have a significant impact as the principles of materiality remain largely unchanged.</p>



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

Title and Topic	Issued	Applicable (*)	Impact
(x) AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities  [AASB 10, 124 & 1049]	March 2015	1 July 2016	The objective of this Standard is to extend the scope of AASB 124 <i>Related Party Disclosures</i> to include not-for-profit sector entities.  The Standard is expected to have a significant disclosure impact on the financial report of Council as both Elected Members and Senior Management will be deemed to be Key Management Personnel and resultant disclosures will be necessary.

Notes:

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

**(y) Adoption of New and Revised Accounting Standards**

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

These new and revised Standards were:

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

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



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

2. REVENUE AND EXPENSES	2015/16 Actual \$	2014/15 Actual \$	
<b>(a) Net Result</b>			
The Net Result includes:			
(i) Charging as an Expense:			
<b>Auditors Remuneration</b>			
Audit Expenses	18,906	18,071	
<b>Depreciation</b>			
Buildings	382,951	369,373	
Furniture and Equipment	38,989	23,982	
Plant and Equipment	172,576	177,376	
Roads	839,473	783,485	
Footpaths	38,704	38,704	
	<u>1,472,693</u>	<u>1,392,920</u>	
<b>Interest Expenses (Finance Costs)</b>			
Finance Lease Charges	0	0	
Debentures (refer Note 21(a))	58,397	56,053	
	<u>58,397</u>	<u>56,053</u>	
<b>Rental Charges</b>			
- Operating Leases	6,950	6,950	
	<u>6,950</u>	<u>6,950</u>	
(ii) Crediting as Revenue:			
	2015/16 Actual \$	2015/16 Budget \$	2014/15 Actual \$
<b>Interest Earnings</b>			
Investments			
- Reserve Funds	53,160	43,456	59,002
- Other Funds	58,464	24,000	56,090
Other Interest Revenue (refer Note 26)	37,109	15,200	34,915
	<u>148,733</u>	<u>82,656</u>	<u>150,007</u>



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**2. REVENUE AND EXPENSES (Continued)**

**(b) Statement of Objective**

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

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

**GOVERNANCE**

Member of Council Allowances and Reimbursements, Civic Functions, Election Expenses and Administration Expenses.

**GENERAL PURPOSE FUNDING**

Rates Levied, Interest on Late Payment of Rates, General Purpose Grants and Interest Received on Investments.

**LAW, ORDER, PUBLIC SAFETY**

Supervision of various Local Laws, Fire Prevention and Animal Control.

**HEALTH**

Subsidisation of the Beverley Medical Practice, Environmental Health, Food Control and Pest Control.

**EDUCATION AND WELFARE**

Pre-Schools and other Education. Care of Families and Children.

**HOUSING**

Aged Persons Residence and Staff Housing.

**COMMUNITY AMENITIES**

Refuse Collection Services, Landfill Site Operations, Protection of the Environment. Administration of the Town Planning Scheme and Urban Stormwater and Drainage Works.

**RECREATION AND CULTURE**

Maintenance of Halls, Swimming Pool, Recreation Ground, Reserves, Libraries and Other Culture.

**TRANSPORT**

Maintenance of Roads, Drainage Works, Footpaths, Street Lighting, Crossovers, Verge Maintenance and Street Sweeping.

**ECONOMIC SERVICES**

Weed Control, Area Promotion, Implementation of Building Controls, Swimming Pool Inspections.

**OTHER PROPERTY & SERVICES**

Private Works, Public Works Overheads, Plant Operations, Materials, Salaries and Wages Controls



**SHIRE OF BEVERLEY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**2. REVENUE AND EXPENSES (Continued)**

**(c) Conditions Over Grants/Contributions**

Grant/Contribution	Function/ Activity	Opening	Received (+)	Expended (#)	Closing	Received (+)	Expended (#)	Closing
		Balance (*) 1-Jul-14	2014/15	2014/15	Balance (*) 30-Jun-15	2015/16	2015/16	Balance 30-Jun-16
		\$	\$	\$	\$	\$	\$	\$
Crime Prevention Fund	Law, Order, Public Safety	0	25,000	0	25,000	0	(25,000)	0
Water Harvesting Grant	Community Amenities	0	25,000	0	25,000	75,000	(100,000)	0
MRWA Direct Road Grant	Transport	0	91,300	(91,300)	0	99,200	(99,200)	0
Regional Road Group Grant	Transport	0	299,312	(299,312)	0	326,798	(326,798)	0
Roads To Recovery Grant	Transport	0	221,840	(221,840)	0	617,180	(617,180)	0
Special Bridge Grant	Transport	88,000	0	(88,000)	0	57,000	(57,000)	0
Swimming Pool Revitalisation	Recreation & Culture	0	33,000	(33,000)	0	32,000	(32,000)	0
Bush Fire Risk Management Grant	Law, Order, Public Safety	0	0	0	0	154,749	(63,716)	91,033
Emergency Lighting Grant	Transport	0	106,512	(106,512)	0	0	0	0
Workforce Planning Grant	Governance	0	25,000	(25,000)	0	0	0	0
CSRFF Grant	Recreation & Culture	0	55,000	(55,000)	0	0	0	0
Special Bridge Grant	Transport	0	60,404	(60,404)	0	0	0	0
2012/13 CLGF - Individual	Recreation & Culture	281,136	0	(281,136)	0	0	0	0
<b>Total</b>		<b>369,136</b>	<b>942,368</b>	<b>(1,261,504)</b>	<b>50,000</b>	<b>1,361,927</b>	<b>(1,320,894)</b>	<b>91,033</b>

**Notes:**

(\*) - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.

(+) - 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.

(#) - 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.

**Economic dependency**

A significant portion of revenue is received by way of grants from State and Federal Government. Total grant revenue from government sources is disclosed within the Statement of Comprehensive Income.

**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

	2015/16 Actual \$	2014/15 Actual \$
<b>3. CASH AND CASH EQUIVALENTS</b>		
Unrestricted	1,288,768	1,615,422
Restricted	2,144,256	1,860,675
	<u>3,433,024</u>	<u>3,476,097</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:		
Reserve Funds - Cash Backed ( <i>refer Note 11</i> )	2,053,223	1,810,675
Unspent Grants ( <i>refer Note 2(c)</i> )	91,033	50,000
Unspent Loans	0	0
	<u>2,144,256</u>	<u>1,860,675</u>
<b>4. TRADE AND OTHER RECEIVABLES</b>		
<b>Current</b>		
Rates Outstanding	317,172	239,117
Sundry Debtors	123,154	177,414
Loans - Clubs/Institutions	13,563	12,765
	<u>453,889</u>	<u>429,296</u>
<b>Non-Current</b>		
Rates Outstanding - Pensioners	98,026	83,328
Loans - Clubs/Institutions	88,536	102,099
	<u>186,562</u>	<u>185,427</u>
<b>5. INVENTORIES</b>		
<b>Current</b>		
Fuel and Materials	7,911	9,589
	<u>7,911</u>	<u>9,589</u>



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

	2015/16 Actual \$	2014/15 Actual \$
<b>6. PROPERTY, PLANT AND EQUIPMENT</b>		
Land and Buildings		
Freehold Land at Fair Value	<u>3,134,200</u>	<u>3,443,200</u>
	3,134,200	3,443,200
Land Under Control at Fair Value	<u>95,000</u>	<u>95,000</u>
Total Land	3,229,200	3,538,200
Buildings at Fair Value	15,389,152	15,125,641
Less Accumulated Depreciation	<u>(533,114)</u>	<u>(150,162)</u>
Total Buildings	14,856,038	14,975,479
Total Land and Buildings	<u>18,085,238</u>	<u>18,513,679</u>
Furniture and Equipment at Fair Value	254,249	212,405
Less Accumulated Depreciation	<u>(78,864)</u>	<u>(39,875)</u>
	175,385	172,530
Plant and Equipment at Fair Value	4,092,654	2,086,942
Less Accumulated Depreciation	<u>(1,891,410)</u>	<u>(273,064)</u>
	2,201,244	1,813,878
	<u>20,461,867</u>	<u>20,500,087</u>

**Land and Buildings:**

A valuation of land and building assets was undertaken by an external consultant in December 2014 and the valuation was adopted as the fair value in February 2015.

**Plant and Equipment:**

A valuation of plant and machinery assets was undertaken by an external consultant in June 2016 and the valuation was adopted as the fair value in June 2016.

The revaluation of plant and machinery assets resulted in a increase on revaluation of \$166,275 in the net value of plant and machinery.

All of this increase was credited to the revaluation surplus (refer Note 12) and was recognised as Changes on Revaluation of Non-Current Assets in the Statement of Comprehensive Income.

**Furniture and Equipment:**

Furniture and Equipment items were valued in 2016 as part of the mandatory requirements as per Local Government (Financial Management) Regulation 17A.

The Furniture and Equipment currently on the Council's asset register was identified during a stocktake in 2016 and is replaced on a regular basis. Based on this, the cost approach is deemed to be the most appropriate and a very conservative fair value measurement.



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

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

Fair Value Hierarchy Valuation Approach Last Valued	<u>Land</u>	<u>Non- Specialised Buildings</u>	<u>Specialised Buildings</u>	<u>Total Buildings</u>	<u>Total Land and Buildings</u>	<u>Plant and Equipment</u>	<u>Furniture and Equipment</u>	<u>Total</u>
	Level 2 Market 2014	Level 2 Market 2014	Level 3 Cost 2014			Level 1 Market 2016	Level 3 Cost 2016	
	\$	\$	\$	\$	\$	\$	\$	\$
Balance as at the beginning of the year	3,538,200	3,871,616	11,103,862	14,975,478	18,513,678	1,813,879	172,531	20,500,088
Additions	0	29,994	233,518	263,512	263,512	601,475	41,841	906,828
(Disposals)	(309,000)	0	0	0	(309,000)	(207,808)	0	(516,808)
Revaluation - Increments	0	0	0	0	0	166,275	0	166,275
- (Decrements)	0	0	0	0	0	0	0	0
Impairment - (Losses)	0	0	0	0	0	0	0	0
- Reversals	0	0	0	0	0	0	0	0
Initial Recognition of assets Due to Changes to Regulations	0	0	0	0	0	0	0	0
Depreciation (Expense)	0	(157,154)	(225,797)	(382,951)	(382,951)	(172,576)	(38,989)	(594,516)
<b>Carrying amount at the end of year</b>	<b><u>3,229,200</u></b>	<b><u>3,744,456</u></b>	<b><u>11,111,583</u></b>	<b><u>14,856,039</u></b>	<b><u>18,085,239</u></b>	<b><u>2,201,245</u></b>	<b><u>175,383</u></b>	<b><u>20,461,867</u></b>

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



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**6. PROPERTY, PLANT AND EQUIPMENT (Continued)****(c) Fair Value Measurements**

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
<b>Land and buildings</b>					
Freehold land	2	Market approach using recent observable market data for similar properties.	Independent Registered Valuer	December 2014	Inputs, other than quoted prices, that are observable for the asset, either directly or indirectly e.g. local land sales.
Land vested in and under the control of Council	3	Improvements to land valued using depreciated replacement cost.	Independent Registered Valuer	December 2014	Depreciated replacement cost to acquire a modern equivalent that would provide equal utility.
Non-specialised buildings	2	Market approach using recent observable market data for similar properties.	Independent Registered Valuer	December 2014	Inputs, other than quoted prices, that are observable for the asset, either directly or indirectly e.g. local property sales.
Specialised buildings	3	Cost approach using depreciated replacement cost.	Independent Registered Valuer	December 2014	Depreciated replacement cost to acquire a modern equivalent that would provide equal utility.
<b>Plant and Equipment</b>	1	Market approach using recent observable market data for similar properties.	Independent Registered Valuer	June 2016	Inputs, other than quoted prices, that are observable for the asset, either directly or indirectly e.g. Plant auction sales.
<b>Furniture and Equipment</b>	3	Cost approach using depreciated replacement cost.	Management Valuation	June 2016	Residual values and remaining useful life assessment 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 1, level 2 or level 3 inputs.



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

	2015/16 Actual \$	2014/15 Actual \$
<b>7. INFRASTRUCTURE</b>		
Roads - Valuation	36,385,471	67,900,125
Less Accumulated Depreciation	<u>(9,633,318)</u>	<u>(21,784,079)</u>
	26,752,153	46,116,046
Footpaths - Valuation	1,596,065	1,596,065
Less Accumulated Depreciation	<u>(997,790)</u>	<u>(959,086)</u>
	598,275	636,979
	<u>27,350,428</u>	<u>46,753,025</u>

**Infrastructure:**

A full road asset network valuation was undertaken by external consultants.

The fair value is determined as the current replacement cost (CRC) less accumulated depreciation to reflect the already consumed or expired economic benefits. This approach is consistent with AASB 116 and were adopted as the fair value at 30 June 2016.

The revaluation of road infrastructure assets resulted in an decrease on revaluation of (\$20,118,889) in the net value of infrastructure.

(\$11,484,683) of this decrease was debited to the revaluation surplus (refer Note 12) and was recognised as Changes on Revaluation of non-current assets in the Statement of Comprehensive Income.

The remaining (\$8,634,206) of this decrease was debited as an expense in the Statement of Comprehensive Income recognised as Loss on Revaluation of Non-Current Assets.

A full footpath asset network valuation was undertaken by external consultants in 2015.

The fair value is determined as the current replacement cost (CRC) less accumulated depreciation to reflect the already consumed or expired economic benefits. This approach is consistent with AASB 116 and were adopted as the fair value at 30 June 2015.

Other minor infrastructure asset networks will be valued by external consultants and these applied as fair value during the 2017/18 financial year.



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**7. INFRASTRUCTURE (Continued)**

**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.

<b>Fair Value Hierarchy Valuation Approach Last Valued</b>	<b><u>Roads</u></b>	<b><u>Footpaths</u></b>	<b><u>Total</u></b>
	<b>Level 3</b>	<b>Level 3</b>	
	<b>Cost 2016</b>	<b>Cost 2015</b>	
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at the beginning of the year	46,116,046	636,979	46,753,025
Additions	1,594,468	0	1,594,468
(Disposals)	0	0	0
Revaluation - Increments	0	0	0
- (Decrements)	(20,118,888)	0	(20,118,888)
Impairment - (Losses)	0	0	0
- Reversals	0	0	0
Depreciation (Expense)	(839,473)	(38,704)	(878,177)
<b>Carrying amount at the end of year</b>	<b><u>26,752,153</u></b>	<b><u>598,275</u></b>	<b><u>27,350,428</u></b>

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



SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016

7. INFRASTRUCTURE (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
<b>Roads</b>	3	Cost approach using depreciated replacement cost.	Independent Valuation	June 2016	Full pick up and condition assessment of road assets conducted.
<b>Footpaths</b>	3	Cost approach using depreciated replacement cost.	Independent Valuation	June 2015	Full pick up and condition assessment of footpath assets conducted.

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

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



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

	2015/16 Actual \$	2014/15 Actual \$
<b>8. TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Sundry Creditors	351,526	270,865
Accrued Expenses	0	98,026
Accrued Interest on Debentures	370	353
Accrued Salaries and Wages	13,333	54,161
	<u>365,229</u>	<u>423,405</u>
<b>9. LONG-TERM BORROWINGS</b>		
<b>Current</b>		
Secured by Floating Charge Debentures	<u>85,388</u>	<u>66,632</u>
	<u>85,388</u>	<u>66,632</u>
<b>Non-Current</b>		
Secured by Floating Charge Debentures	<u>1,069,731</u>	<u>1,005,118</u>
	<u>1,069,731</u>	<u>1,005,118</u>

Additional detail on borrowings is provided in Note 21.

**10. PROVISIONS**

Analysis of Total Provisions

Current	339,858	359,820
Non-Current	30,708	20,234
	<u>370,566</u>	<u>380,054</u>

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance as at 1 July 2015	190,130	189,924	380,054
Additional provisions	33,608	45,262	78,870
Amounts used	(19,528)	(68,830)	(88,358)
Used amounts reversed	0	0	0
Increase in the discounted amount arising because of time and the effect of any change in the discounted rate	0	0	0
Balance at 30 June 2016	<u>204,210</u>	<u>166,356</u>	<u>370,566</u>



**SHIRE OF BEVERLEY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

	2015/16 Actual \$	2015/16 Budget \$	2014/15 Actual \$
<b>11. RESERVES - CASH BACKED</b>			
<b>(a) Annual Leave Reserve</b>			
<i>Purpose - to be used to fund annual leave requirements.</i>			
Opening Balance	146,498	146,498	141,676
Amount Set Aside / Transfer to Reserve	4,268	3,516	4,823
Amount Used / Transfer from Reserve	0	0	0
	<u>150,766</u>	<u>150,014</u>	<u>146,498</u>
<b>(b) Avon River Development Reserve</b>			
<i>Purpose - to be used to develop the Avon River pool and surrounding environment.</i>			
Opening Balance	22,857	22,857	22,105
Amount Set Aside / Transfer to Reserve	666	549	752
Amount Used / Transfer from Reserve	0	0	0
	<u>23,523</u>	<u>23,406</u>	<u>22,857</u>
<b>(c) Building Reserve</b>			
<i>Purpose - to be used to fund the construction of new and renovation of existing Council buildings.</i>			
Opening Balance	349,336	349,336	337,835
Amount Set Aside / Transfer to Reserve	10,178	8,384	11,501
Amount Used / Transfer from Reserve	0	(200,000)	0
	<u>359,514</u>	<u>157,720</u>	<u>349,336</u>
<b>(d) Community Bus Reserve</b>			
<i>Purpose - to be used for the replacement of the Community Bus.</i>			
Opening Balance	37,249	37,249	33,122
Amount Set Aside / Transfer to Reserve	1,085	2,061	4,128
Amount Used / Transfer from Reserve	0	0	0
	<u>38,334</u>	<u>39,310</u>	<u>37,249</u>
<b>(e) Cropping Committee Reserve</b>			
<i>Purpose - to be used to fund Community Based projects and assist Community Groups.</i>			
Opening Balance	294,252	294,252	255,069
Amount Set Aside / Transfer to Reserve	51,189	50,197	49,183
Amount Used / Transfer from Reserve	(7,500)	(280,000)	(10,000)
	<u>337,941</u>	<u>64,449</u>	<u>294,252</u>
<b>(f) Emergency Services Reserve</b>			
<i>Purpose - to be used to acquire Emergency Service support equipment.</i>			
Opening Balance	113,720	113,720	109,976
Amount Set Aside / Transfer to Reserve	3,313	2,729	3,744
Amount Used / Transfer from Reserve	0	0	0
	<u>117,033</u>	<u>116,449</u>	<u>113,720</u>
<b>(g) LSL and Gratuity Reserve</b>			
<i>Purpose - to be used to fund Long Service Leave and Gratuity payment obligations.</i>			
Opening Balance	93,832	93,832	109,117
Amount Set Aside / Transfer to Reserve	2,734	2,252	3,715
Amount Used / Transfer from Reserve	0	(50,000)	(19,000)
	<u>96,566</u>	<u>46,084</u>	<u>93,832</u>



**SHIRE OF BEVERLEY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

	2015/16 Actual \$	2015/16 Budget \$	2014/15 Actual \$
<b>11. RESERVES - CASH BACKED (Continued)</b>			
<b>(h) Office Equipment Replacement Reserve</b>			
<i>Purpose - to be used for the replacement of office equipment.</i>			
Opening Balance	10,000	10,000	0
Amount Set Aside / Transfer to Reserve	10,291	10,240	10,000
Amount Used / Transfer from Reserve	0	0	0
	<u>20,291</u>	<u>20,240</u>	<u>10,000</u>
<b>(i) Plant Replacement Reserve</b>			
<i>Purpose - to be used for the purchase of major plant.</i>			
Opening Balance	55,956	55,956	82,159
Amount Set Aside / Transfer to Reserve	51,630	51,343	2,797
Amount Used / Transfer from Reserve	0	0	(29,000)
	<u>107,586</u>	<u>107,299</u>	<u>55,956</u>
<b>(j) Recreation Ground Reserve</b>			
<i>Purpose - to be used for the upgrade or maintenance of recreation areas and buildings, including the Swimming Pool.</i>			
Opening Balance	354,192	354,192	332,861
Amount Set Aside / Transfer to Reserve	20,319	18,401	21,331
Amount Used / Transfer from Reserve	0	0	0
	<u>374,511</u>	<u>372,593</u>	<u>354,192</u>
<b>(k) Road Construction Reserve</b>			
<i>Purpose - to be used to fund the construction and maintenance of roads.</i>			
Opening Balance	297,531	297,531	239,382
Amount Set Aside / Transfer to Reserve	58,669	57,141	58,149
Amount Used / Transfer from Reserve	0	0	0
	<u>356,200</u>	<u>354,672</u>	<u>297,531</u>
<b>(l) Airfield Emergency Lighting Reserve</b>			
<i>Purpose - to be used for the upgrade and maintenance of the Airfield runway lighting.</i>			
Opening Balance	35,252	35,252	0
Amount Set Aside / Transfer to Reserve	1,027	846	35,252
Amount Used / Transfer from Reserve	0	0	0
	<u>36,279</u>	<u>36,098</u>	<u>35,252</u>
<b>(m) New Reserve - Senior's Housing Reserve</b>			
<i>Purpose - to be used for the future development and current maintenance of Senior's Housing.</i>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	34,679	22,959	0
Amount Used / Transfer from Reserve	0	0	0
	<u>34,679</u>	<u>22,959</u>	<u>0</u>
<b>(n) Summary</b>			
Opening Balance	1,810,675	1,810,675	1,663,302
Amount Set Aside / Transfer to Reserve	250,048	230,618	205,374
Amount Used / Transfer from Reserve	(7,500)	(530,000)	(58,000)
<b>Total Reserves</b>	<u>2,053,223</u>	<u>1,511,293</u>	<u>1,810,675</u>

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



**SHIRE OF BEVERLEY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

	<b>2015/16</b>	<b>2014/15</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>
<b>12. RESERVES - ASSET REVALUATION</b>		
Asset revaluation reserves have arisen on revaluation of the following classes of non-current assets:		
<b>(a) Land and Buildings</b>		
Opening balance	9,167,810	10,215,620
Revaluation Increment	0	0
Revaluation Decrement	0	(1,047,810)
	<u>9,167,810</u>	<u>9,167,810</u>
<b>(b) Plant and Equipment</b>		
Opening Balance	31,840	31,840
Revaluation Increment	166,275	0
Revaluation Decrement	0	0
	<u>198,115</u>	<u>31,840</u>
<b>(c) Furniture and Equipment</b>		
Opening Balance	0	0
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u>0</u>	<u>0</u>
<b>(d) Infrastructure - Roads</b>		
Opening Balance	11,484,683	10,799,413
Revaluation Increment	0	685,270
Revaluation Decrement	(11,484,683)	0
	<u>0</u>	<u>11,484,683</u>
<b>(d) Infrastructure - Footpaths</b>		
Opening Balance	675,684	0
Revaluation Increment	0	675,684
Revaluation Decrement	0	0
	<u>675,684</u>	<u>675,684</u>
<b>TOTAL ASSET REVALUATION RESERVES</b>	<b>10,041,609</b>	<b>21,360,017</b>



**SHIRE OF BEVERLEY**  
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**FOR THE YEAR ENDED 30TH JUNE 2016**

**13. NOTES TO THE STATEMENT OF CASH FLOWS****(a) Reconciliation of Cash**

For the purposes of the statement of cash flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the statement of financial position as follows:

	2015/16 Actual \$	2015/16 Budget \$	2014/15 Actual \$
Cash and Cash Equivalents	<u>3,433,024</u>	<u>1,518,720</u>	<u>3,476,097</u>

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

Net Result	(8,157,137)	2,982,127	1,817,848
Depreciation	1,472,693	1,221,816	1,392,920
(Profit)/Loss on Sale of Asset	319,982	19,300	14,946
(Increase)/Decrease in Receivables	(38,474)	0	(203,495)
(Increase)/Decrease in Inventories	1,678	0	2,461
Increase/(Decrease) in Payables	(58,192)	0	108,175
Increase/(Decrease) in Employee Provisions	(9,489)	0	(10,922)
Grants/Contributions for the Development of Assets	(1,107,978)	(4,050,978)	(710,003)
Loss on Revaluation of Non Current Assets	8,634,206	0	0
Non-Current Assets recognised due to changes in legislative requirements	0	0	0
Net Cash from Operating Activities	<u>1,057,289</u>	<u>172,265</u>	<u>2,411,930</u>

**(c) Undrawn Borrowing Facilities  
Credit Standby Arrangements**

Bank Overdraft limit	0	0
Bank Overdraft at Balance Date	0	0
Credit Card limit	10,000	10,000
Credit Card Balance at Balance Date	(369)	(43)
<b>Total Amount of Credit Unused</b>	<u>9,631</u>	<u>9,957</u>

**Loan Facilities**

Loan Facilities - Current	85,388	66,632
Loan Facilities - Non-Current	1,069,731	1,005,118
<b>Total Facilities in Use at Balance Date</b>	<u>1,155,119</u>	<u>1,071,750</u>

<b>Unused Loan Facilities at Balance Date</b>	<u>0</u>	<u>0</u>
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**14. CONTINGENT LIABILITIES**

Council does not have any known contingent liabilities as at 30 June 2016.



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

	<b>2015/16 Actual \$</b>	<b>2014/15 Actual \$</b>
<b>15. CAPITAL AND LEASING COMMITMENTS</b>		
<b>(a) Operating Lease Commitments</b>		
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	6,950	6,950
- later than one year but not later than five years	0	0
- later than five years	0	0
	<u>6,950</u>	<u>6,950</u>
<b>16. JOINT VENTURE</b>		
The Shire of Beverley did not participate in any joint venture in the 2015/16 financial year.		
	<b>2015/16 Actual \$</b>	<b>2014/15 Actual \$</b>
<b>17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY</b>		
General Purpose Funding	0	0
Governance	1,123,198	1,154,757
Law, Order, Public Safety	108,141	84,693
Health	240,924	254,099
Education and Welfare	0	0
Housing	3,359,144	3,472,297
Community Amenities	88,432	90,252
Recreation and Culture	12,021,716	11,980,406
Transport	27,858,337	47,266,352
Economic Services	449,213	435,205
Other Property and Services	2,468,190	2,420,051
Unallocated	95,000	95,000
	<u>47,812,295</u>	<u>67,253,112</u>



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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18. FINANCIAL RATIOS	2015/16	2014/15	2013/14
Current Ratio	3.22	3.37	2.18
Asset Sustainability Ratio	1.11	1.24	1.13
Debt Service Cover Ratio	7.20	20.29	4.79
Operating Surplus Ratio	(0.17)	0.28	(0.24)
Own Source Revenue Coverage Ratio	0.71	0.79	0.67

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	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation expense}}$
Debt Service Cover Ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating Surplus Ratio	$\frac{\text{operating revenue minus operating expense}}{\text{own source operating revenue}}$
Own Source Revenue Coverage Ratio	$\frac{\text{own source operating revenue}}{\text{operating expense}}$

**Notes:**

Information relating to the **Asset Consumption Ratio** and the **Asset Renewal Funding Ratio** can be found at Supplementary Ratio Information on Page 59 of this document.



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**19. TRUST FUNDS**

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

<b>Description</b>	<b>Balance 1-Jul-15 \$</b>	<b>Amounts Received \$</b>	<b>Amounts Paid (\$)</b>	<b>Balance 30-Jun-16 \$</b>
Unclaimed Monies	0	24,017	0	24,017
Second Hand Housing Deposits	5,000	10,000	(10,000)	5,000
Housing Rental Bonds	4,419	968	(840)	4,547
Subdivision Bonds	0	0	0	0
Nomination Deposits	0	480	(480)	0
Key Bonds	2,260	1,700	(2,100)	1,860
Cleaning Bonds	1,350	3,300	(2,850)	1,800
Cat Trap Bonds	0	50	(50)	0
ILU Retention Fee Fund	178,000	0	(5,994)	172,006
	<u>191,029</u>			<u>209,230</u>



**SHIRE OF BEVERLEY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**20. DISPOSAL OF ASSETS**

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Governance</b>						
Holden Caprice 1	43,326	40,000	41,251	42,000	(2,075)	2,000
Holden Caprice 2	39,861	40,000	40,142	42,000	281	2,000
Holden SV6 Wagon	29,199	19,000	22,882	25,000	(6,317)	6,000
<b>Economic Services</b>						
Industrial Land	309,000	0	1	0	(308,999)	0
<b>Other Property &amp; Services</b>						
Colorado Crewcab 4x4	0	34,000	0	26,000	0	(8,000)
Backhoe	28,055	30,000	30,000	30,000	1,945	0
Vibe Roller	54,437	58,000	44,000	40,000	(10,437)	(18,000)
Turf Tractor	7,678	8,600	15,000	8,000	7,322	(600)
Ride On Mower	5,054	5,700	3,000	3,000	(2,054)	(2,700)
Road Counter	198	0	550	0	352	0
	516,808	235,300	196,826	216,000	(319,982)	(19,300)

Profit on Asset Disposal  
(Loss) on Asset Disposal

9,900  
(329,882)  
(319,982)



SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016

## 21. INFORMATION ON BORROWINGS

## (a) Repayments - Debentures

Particulars	Principal 1-Jul-15 \$	New Loans \$	Principal Repayments		Principal 30-Jun-16		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Housing</b>								
Loan 112 - Frail Aged Lodge <i>Loan Date - 15 April 1999</i>	20,491	0	5,413	5,414	15,078	15,077	1,286	1,244
<b>Recreation &amp; Culture</b>								
Loan 117 - Bowling Greens* <i>Loan Date - 22 November 2006</i>	98,656	0	12,765	12,765	85,891	85,892	6,544	6,235
Loan 118 - Recreation Centre <i>Loan Date - 10 May 2013</i>	939,836	0	35,687	35,687	904,149	904,148	49,756	46,709
<b>Economic Services</b>								
Loan 116 - Caravan Park Upgrade <i>Loan Date - 28 June 2006</i>	12,767	0	12,767	12,767	0	0	739	676
<b>Community Amenities</b>								
Loan 119 - Storm Water Dams Loan <i>Date - 23 June 2016</i>	0	150,000	0	0	150,000	150,000	72	0
	1,071,750	150,000	66,632	66,633	1,155,118	1,155,117	58,397	54,864

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



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**21. INFORMATION ON BORROWINGS (Continued)**

(b) New Debentures

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges \$	Interest Rate %	Amount Used		Balance Unspent \$
	Actual \$	Budget \$						Actual \$	Budget \$	
<b>Community Amenities</b> Construct two water catchment dams and install associated infrastructure. <i>Loan Date - 23 June 2016</i>	150,000	150,000	WATC	Fixed Term Debenture	5	11,662	2.21%	150,000	150,000	0

(c) Unspent Debentures

Council had no unspent debentures at the balance date.

(d) Overdraft

Council did not utilise an overdraft facility in the 2015/16 financial year.



SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016

## 22. RATING INFORMATION

## (a) Rates

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
<b>General Rate</b>											
General Rate - GRV	0.105079	514	5,394,142	566,811	3,312	0	570,123	566,811	0	0	566,811
General Rate - UV	0.008964	675	225,366,020	2,020,181	7,149	0	2,027,330	2,020,181	0	0	2,020,181
General Rate - UV Mining	0.008964	0	0	0	0	0	0	0	0	0	0
<b>Sub-Totals</b>		1,189	230,760,161	2,586,992	10,461	0	2,597,453	2,586,992	0	0	2,586,992
<b>Minimum Rates</b>											
<b>Minimum Rates</b>											
Minimum Rates - GRV	769	147	434,465	113,043	0	0	113,043	113,043	0	0	113,043
Minimum Rates - UV	769	47	1,692,080	36,143	0	0	36,143	36,143	0	0	36,143
Minimum Rates - UV Mining	769	5	79,030	3,845	0	0	3,845	3,845	0	0	3,845
<b>Sub-Totals</b>		199	2,205,576	153,031	0	0	153,031	153,031	0	0	153,031
							2,750,484				2,740,023
Discounts ( <i>refer note 25</i> )							(216,378)				(219,202)
<b>Total Amount Raised from General Rate</b>							2,534,106				2,520,821
Ex-Gratia Rates							4,999				0
Rates Written Off							(284)				0
Specified Area Rate ( <i>refer note 23</i> )							0				0
<b>Total Rates</b>							2,538,821				2,520,821



**SHIRE OF BEVERLEY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**22. RATING INFORMATION (Continued)**

(b) Information on Surplus/(Deficit)	2015/16 (30 June 2016 Carried Forward) \$	2015/16 (1 July 2015 Brought Forward) \$	2014/15 (30 June 2015 Carried Forward) \$
Brought Forward			
<b>Surplus/(Deficit) - Rate Setting Statement</b>	<u>1,370,283</u>	<u>1,548,648</u>	<u>1,548,648</u>
<b>Comprises:</b>			
Cash - Unrestricted	1,288,768	1,615,422	1,615,422
Cash - Restricted Grant Funds	91,033	50,000	50,000
Cash - Restricted Reserves	2,053,223	1,810,675	1,810,675
Rates - Current	317,172	239,117	239,117
Sundry Debtors	123,154	177,414	177,414
GST Receivable	0	0	0
Inventories			
- Fuel and Materials	7,911	9,589	9,589
<b>Less:</b>			
Reserves - Cash Backed	(2,053,223)	(1,810,675)	(1,810,675)
Sundry Creditors	(351,526)	(270,864)	(270,864)
Accrued Expenses	0	(98,026)	(98,026)
Accrued Interest on Debentures	(370)	(353)	(353)
Accrued Salaries and Wages	(13,333)	(54,161)	(54,161)
Current Employee Benefits Provision	(339,858)	(359,820)	(359,820)
Employee Benefits - Cash Backed	247,332	240,330	240,330
<b>Surplus/(Deficit)</b>	<u>1,370,283</u>	<u>1,548,648</u>	<u>1,548,648</u>

**Difference:**

There was no difference between the Surplus/(Deficit) 1 July 2015 Brought Forward position used in the 2015/16 audited financial report and the Surplus/(Deficit) Carried Forward position as disclosed in the 2014/15 audited financial report.



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**23. SPECIFIED AREA RATE**

Council has not levied any Specified Area Rates during 2015/16 financial year.

**24. SERVICE CHARGES**

Council has not levied any Service Charges during the 2015/16 financial year.

**25. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS**

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
General Rates	Discount	10.00%	216,378	219,202
Minimum Rate	Discount	10.00%		
			216,378	219,202

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

**26. INTEREST CHARGES AND INSTALMENTS**

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%	10	33,181	7,700
Interest on Instalments Plan	5.50%		3,928	7,500
			37,109	17,200

Ratepayers had the option of paying rates in four equal instalments, due on 8th September 2015, 10th November 2015, 12th January 2016 and 14th March 2016. Administration charges and interest applied for the final three instalments.

<b>27. FEES &amp; CHARGES</b>	<b>2015/16 Actual \$</b>	<b>2014/15 Actual \$</b>
General Purpose Funding	37,309	9,317
Governance	2,257	564
Law, Order, Public Safety	13,207	8,970
Health	0	267
Education and Welfare	0	0
Housing	84,519	78,965
Community Amenities	198,042	185,394
Recreation and Culture	87,998	80,590
Transport	7,205	55,684
Economic Services	103,577	95,490
Other Property and Services	19,874	44,626
	<u>553,988</u>	<u>559,867</u>

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



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**28. GRANT REVENUE**

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

	<b>2015/16</b>	<b>2014/15</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>
<b>By Nature and Type:</b>		
Operating Grants, Subsidies and Contributions*	1,111,662	2,416,840
Non-Operating Grants, Subsidies and Contributions	<u>1,107,978</u>	<u>710,003</u>
	<u><u>2,219,640</u></u>	<u><u>3,126,843</u></u>
<b>By Program:</b>		
General Purpose Funding	404,844	1,233,180
Governance	14,252	60,025
Law, Order, Public Safety	325,807	172,905
Health	0	0
Education and Welfare	104,200	0
Housing	9,451	5,135
Community Amenities	1,779	27,129
Recreation and Culture	330,747	170,729
Transport	1,015,803	1,450,873
Economic Services	5,982	0
Other Property and Services	<u>6,775</u>	<u>6,867</u>
	<u><u>2,219,640</u></u>	<u><u>3,126,843</u></u>

\* Operating Grants, Subsidies and Contributions total includes Reimbursements of \$180,467.

**29. ELECTED MEMBERS REMUNERATION**

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

	<b>2015/16</b>	<b>2015/16</b>	<b>2014/15</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Meeting Fees	40,000	40,000	40,688
President's Allowance	5,500	5,500	5,500
Deputy President's Allowance	1,375	1,375	688
Travelling Expenses	3,728	5,000	4,092
Telecommunications Allowance	<u>12,972</u>	<u>12,240</u>	<u>9,984</u>
	<u><u>63,575</u></u>	<u><u>64,115</u></u>	<u><u>60,952</u></u>

**30. EMPLOYEE NUMBERS**

The number of full-time equivalent employees at balance date

	<b>2015/16</b>	<b>2014/15</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>
The number of full-time equivalent employees at balance date	<u>27</u>	<u>25</u>
Number of Employees earning \$100,000 or more per annum.	<u>3</u>	<u>1</u>

**31. MAJOR LAND TRANSACTIONS**

Council did not participate in any major land transactions during the 2015/16 financial year.

**32. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

Council did not participate in any trading undertakings or major trading undertakings during the 2015/16 financial year.



**SHIRE OF BEVERLEY  
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**33. FINANCIAL RISK MANAGEMENT**

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

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

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

The Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2015/16 Actual \$	2014/15 Actual \$	2015/16 Actual \$	2014/15 Actual \$
<b>Financial Assets</b>				
Cash and cash equivalents	3,433,024	3,476,097	3,433,024	3,476,097
Receivables	640,451	614,723	640,451	614,723
	<u>4,073,475</u>	<u>4,090,820</u>	<u>4,073,475</u>	<u>4,090,820</u>
<b>Financial Liabilities</b>				
Payables	365,229	423,405	365,229	423,405
Borrowings	1,155,119	1,071,750	1,138,166	1,063,714
	<u>1,520,348</u>	<u>1,495,155</u>	<u>1,503,395</u>	<u>1,487,119</u>

Fair value is determined as follows:

- Cash and Cash Equivalents, Receivables, Payables – estimated to the carrying value which approximates net market value.
- Investments – based on quoted market prices at the reporting date or at independent valuation.
- Borrowings – estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**33. FINANCIAL RISK MANAGEMENT (Continued)**

**(a) Cash and Cash Equivalents**

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

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

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

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

Council manages these risks by only investing in term deposits with APRA approved financial institutions. Council does not invest in any financial product where capital value may be diminished.

	<b>2015/16</b>	<b>2014/15</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>
Impact of a 2.5% (*) movement in interest rates on cash and investments:		
- Equity	85,826	86,902
- Statement of Comprehensive Income	85,826	86,902
Impact of a 1% (*) movement in interest rates on cash and investments:		
- Equity	34,330	34,761
- Statement of Comprehensive Income	34,330	34,761

**Notes:**

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



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**33. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Receivables**

Council's major receivables comprise rates and annual charges and user charges and fees. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. Council manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date by offering a 10% discount.

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

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

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

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

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

	<b>2015/16 Actual \$</b>	<b>2014/15 Actual \$</b>
Percentage of Rates and Annual Charges		
- Current	23%	48%
- Overdue (greater than 12 months)	77%	52%
Percentage of Other Receivables		
- Current	98%	74%
- Overdue (greater than 30 days)	2%	26%



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**33. FINANCIAL RISK MANAGEMENT (Continued)**

**(c) Payables**

**Borrowings**

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

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

	<b>Due within 1 year \$</b>	<b>Due between 1 &amp; 5 years \$</b>	<b>Due after 5 years \$</b>	<b>Total contractual cash flows \$</b>	<b>Carrying values \$</b>
<b><u>2015/16</u></b>					
Payables	365,229	0	0	365,229	365,229
Borrowings	85,388	418,121	651,610	1,155,119	1,155,119
	<u>450,617</u>	<u>418,121</u>	<u>651,610</u>	<u>1,520,348</u>	<u>1,520,348</u>
<b><u>2014/15</u></b>					
Payables	423,405	0	0	423,405	423,405
Borrowings	66,632	297,361	707,757	1,071,750	1,071,750
	<u>490,037</u>	<u>297,361</u>	<u>707,757</u>	<u>1,495,155</u>	<u>1,495,155</u>



**SHIRE OF BEVERLEY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**33. FINANCIAL RISK MANAGEMENT (Continued)****(c) Payables****Borrowings (Continued)**

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

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

	<u>&lt;1 year</u>	<u>&gt;1&lt;2 years</u>	<u>&gt;2&lt;3 years</u>	<u>&gt;3&lt;4 years</u>	<u>&gt;4&lt;5 years</u>	<u>&gt;5 years</u>	<u>Total</u>	<u>Weighted Average Effective Interest Rate</u>
	\$	\$	\$	\$	\$	\$	\$	%
<b><u>Year Ended 30 June 2015</u></b>								
<b>Fixed Rate</b>								
Debentures	12,767	0	0	20,491	0	1,038,492	1,071,750	4.87%
Weighted Average Effective Interest Rate	4.83%	0.00%	0.00%	4.75%	0.00%	4.70%		
<b><u>Year Ended 30 June 2016</u></b>								
<b>Fixed Rate</b>								
Debentures	0	0	15,078	0	150,000	990,040	1,155,118	4.49%
Weighted Average Effective Interest Rate	0.00%	0.00%	4.58%	0.00%	4.70%	4.68%		





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## INDEPENDENT AUDITOR'S REPORT TO THE ELECTORS OF THE SHIRE OF BEVERLEY

### Report on the Financial Report

We have audited the accompanying financial report of the Shire of Beverley, which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in equity, the rate setting statement, and the statement of cash flows for the year ended 30 June 2016, a summary of significant accounting policies and other explanatory notes, and the Chief Executive Officer's statement.

### Management's responsibility for the financial report

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

### Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks and material misstatements of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Shire's preparation of the financial report that gives a true and fair view 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Council, as well as evaluating the overall presentation of the financial report.

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

### Independence

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

### Qualification- Completeness of infrastructure assets

In accordance with Regulation 17A of the Local Government (Financial Management) Regulations 1996, infrastructure assets were required to be transitioned to fair value by 30 June 2015. We acknowledge Shire of Beverley correctly completed an assessment of the footpath class of infrastructure assets during the 2015 financial year and road classes of infrastructure assets during the 2016 financial year, however a full completeness review and fair value assessment of all other classes of infrastructure assets including bridges, drainage, reserves, parks and gardens has not been completed at the date of this report. As a result we have not been able to determine whether the recognition of other classes of infrastructure assets following identification and fair value assessment would have a material impact on the financial statements.

Liability limited by a scheme approved under Professional Standards Legislation

Independent Member of  
**BKR**  
INTERNATIONAL

**A**  
CHARTERED ACCOUNTANTS  
AUSTRALIA • NEW ZEALAND



We draw attention to Note 7 to the financial statements which states other infrastructure asset networks will be valued by external consultants and these will be applied at fair value during the 2017/18 financial year.

Accordingly, we not provide an opinion on the completeness of infrastructure assets recorded at 30 June 2016.

#### Qualified Opinion

In our opinion, except for the effect of such adjustments, if any, might have been determined to be necessary had the limitation discussed in the qualification paragraph not existed, the financial report of the Shire of Beverley

- i. gives a true and fair view of the Shire of Beverley's financial position as at 30 June 2016 and of its performance for the financial year ended 30 June 2016;
- ii. complies with Australian Accounting Standards; and
- iii. is prepared in accordance with the requirements of the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

#### Statutory Compliance

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

- i. There are no matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- ii. There are no other matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law noted during the course of our audit, with exception of the following:
  - With the exception of roads and footpaths, other classes of infrastructure assets including bridges, drainage, reserves, parks and gardens have not been recorded at fair value as required by Regulation 17A of the Local Government (Financial Management) Regulations 1996.
- iii. The asset consumption ratio and asset renewal funding ratio included in the annual financial report is supported by verifiable information and reasonable assumptions.
- iv. All necessary information and explanations were obtained by us.
- v. All audit procedures were satisfactorily completed during our audit.

#### AMD Chartered Accountants



**MARIA CAVALLO**  
Partner

Bunbury, Western Australia

Dated this 25<sup>th</sup> day of October 2016



**SHIRE OF BEVERLEY  
SUPPLEMENTARY RATIO INFORMATION  
FOR THE YEAR ENDED 30TH JUNE 2016**

**RATIO INFORMATION**

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

	2015/16	2014/15	2013/14
Asset Consumption Ratio	0.77	0.73	0.73
Asset Renewal Funding Ratio	0.84	0.91	0.96

The above ratios are calculated as follows:

Asset Consumption Ratio	$\frac{\text{depreciated replacement cost of assets}}{\text{current replacement cost of depreciable assets}}$
Asset Renewal Funding Ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$

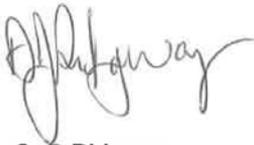


**SHIRE OF BEVERLEY  
COUNCILLOR'S DECLARATION  
FOR THE YEAR ENDED 30TH JUNE 2016**

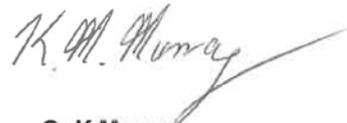
In accordance with a resolution of the Councillors of the Shire of Beverley, we state that:

1. In the opinion of the Councillors:
  - 1.1 the financial statements and notes of the Shire of Beverley are in accordance with the Local Government Act 1995 and Regulations, including:
    - (a) giving a true and fair view of the Shire of Beverley's financial position as at 30 June 2016 and of its performance for the year ended on that date; and,
    - (b) complying with applicable Australian Accounting Standards; and
  - 1.2 there are reasonable grounds to believe that the Shire of Beverley will be able to pay its debts as and when they become due and payable.

On behalf of the Council:



**Cr D Ridgway**  
President



**Cr K Murray**  
Deputy President

Dated this 25<sup>th</sup> day of October 2016

