

# SHIRE OF BOYUP BROOK



Annual Community Report  
2014 - 2015



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# 1.0 Statement of Compliance

**For the year ended 30 June 2015**

Residents and rate payers of the Shire of Boyup Brook,

in accordance with section 5.53 of the *Local Government Act 1996*, I hereby submit for your information, the Annual Report for the Shire of Boyup Brook for the financial year ended 30 June 2015.

The Annual Report has been prepared in accordance with the provisions of the *Local Government Act 1995*, and *Local Government (Administration) Regulations 1996*.

Alan Lamb

Accountable Authority

01 February 2016

## 2.0 President's Report



It is with pleasure that I provide my report to you as your Shire President on the 2014-15 year.

Council continues to focus the majority of its resources on infrastructure assets (roads, bridges, drainage and footpaths). In 2014-15 more than 47% of the total operating expenditure, and over 78% of capital expenditure (not including Plant and Equipment), was directed to maintaining and improving the Shire's roads. To facilitate this focus, Council ensures the Works teams have appropriate and serviceable plant and equipment, through its long term plant replacement program.

Whilst not a Shire project, the planned Water Corporation sewerage scheme is a significant project and Council resources are being directed to assist, where possible, to ensure the project goes ahead smoothly. Water Corp purchased land in town, for a pumping station, and land near town, on Reservoir Road for evaporation ponds, some years ago when a standard sewerage scheme was planned. Economics have now dictated that a more modest system be planned and that a site closer to town be found for the ponds. As the Minister and our local Member announced last year, a STED (this system essentially replaces the leach drains that tend to cause problems) scheme is now planned. Whilst the announcement was for part of the town only, we are working with Water Corp on including all properties and in order to do this we need a site closer to town for the evaporation ponds. Once treated water from the ponds will be piped to a tank, possibly located near to the Shire depot, for use on playing fields and parks. The quality of the waste water has to meet a high standard, as set by the Health Department, and the quality is monitored. Council will not have to pay for the water or the capital costs of getting the water to the tank, or for the tank. This additional and reliable water source will further enhance the Shire's ability to maintain green sporting and recreation areas in a sustainable manner and adds to the work done, over the past few years, on collecting, storing and using storm water.

Council continues to work with the Bunbury Wellington Group of Councils (BWGC) on regional matters. As reported last year, one significant regional project the BWGC has been working on is a regional waste facility. The BWGC has continued to work with the South West Development Commission, and other Councils in the South West, on identifying a site to dispose of/deal with the regions waste products. The group still has Royalties for Regions monies for the purchase and development of a site.

It appointed a consultant to assist with honing in on an area of the South West that would be best, from an operational perspective, to locate a disposal facility site, noting that whilst landfill may be the initial solution the group was committed to looking at waste to energy opportunities in the longer term. The next step was to look in detail at the area, or areas, selected to identify possible sites.

The group is looking for a long term solution to a common issue and so the process was always going to be protracted but I hope to be able to report next year on progress made.

On the matter of waste disposal and whilst these activities occurred in 2015/16, and so perhaps not strictly relevant to a report on 2014-15, I am pleased to be able to report that the new kerbside collection services in town are working well. As reported last year, the new services include recycling and this has been successful. Residents are very actively involved in diverting relevant household rubbish, from landfill, to be reused and I thank and congratulate them for their efforts in this regard. Their efforts should enable Council to meet its required diversion rates and I will have some statistics to include in my next report to you.

Council always intended to expand the kerbside collection services once the town services were bedded down. A petition toward the end of 2015 backed up by a survey indicated a need/demand for such services in the Ridgeview Estate Special Rural area. Council is working on commencing services there, and along the route the collection vehicle will take, in 2016.

Last year I reported that the role of being your Shire President has included the privilege of annual attendance at Sandakan services in Sandakan, Malaysia, and hosting guests, from Sandakan and Australia, for the Boyup Brook Lions annual Sandakan Day services. Seeing the high level of significance afforded, by the Malaysian Government and Sandakan community, to this tragic event in our joint WW2 history, I believe there is a need to continue to build on our relationship with this city, and continue to formally recognise the sacrifices of so many. I have self-funded my annual visits but see a continued need for Council to support the President and Councillors to attend. It is not easy to show a tangible benefit for the annual expenditure, on both official visits to Sandakan and the annual Sandakan Day in Boyup Brook, however the interaction with other dignitaries, at both the Sandakan and Boyup Brook services, does provide exposure for our Shire that should lead to opportunities. In 2015, we were fortunate enough to be able to host Datuk Ir James Wong-President from Sandakan Municipal Council & wife Datin Eugenie Wong, Catherin Chua-Senior Personal Assistant to President and visitors Datuk Alex Khoo and wife Datin Winnie

Khoo which is very significant given the exchange rate differences that result in the true cost of their official visit, to them, being significantly higher than what our visits to Sandakan cost us.

Council has been working on providing suitable aged accommodation for a number of years. To this end, some years ago Council purchased the State Government's 5% interest in Lot 1 Forrest Street (the old bowling green) and now this just under 4000m<sup>2</sup> lot, which used to be the subject of a Crown Grant with a Crown Reserve number allotted to it, is held on a freehold title. Council looked at opportunities to develop this site but, until the town had a sewerage scheme, was restricted to four units as a group dwelling or three lots if separate lots were required. This prompted a look at other land that did not have to be purchased and may be suitable for an aged accommodation development. Council looked at a number of options and in August 2014 resolved to look further at the land around the Citizens Lodge on Hospital Road.

This "looking" involved land surveys to establish a possible transfer of Reserve land from the Health Department to the Shire, gaining agreement from the Health Department to relinquish a portion of its Reserve, establishing a concept plan for developing the whole of the now increased land holding, and then completing a feasibility study on undertaking stage one (an 11 lot development).

Council's efforts have been successful with the Premier and Minister for Health signing an agreement to relinquish the required portion of Reserve land it manages, and with departmental officers advising that right of access, whilst the twelve month or more government process of effecting the transfer is actioned, would be granted to the Shire to that portion of Health Department Reserve to be transferred. Whilst this does not seem much, it's a significant step forward in the process and now guarantees a larger portion of land will be available to Council, at no cost. Council engaged a consulting engineering firm to provide relevant information on costs and practicalities of developing the site. Whilst this was being done Council received the great news that its efforts in getting a sewerage Scheme for Boyup Brook had been successful and that State funds had been committed. Not long after the announcement Council met with the relevant team from Water Corporation, involved in the detailed design work, and it was clear that there was not only a political commitment to the Boyup Brook project but also a significant commitment at officer level. The planned sewerage scheme opened the opportunity for Council to consider lot 1 Forrest Street in more detail and it engaged the engineering firm to do a feasibility study on that lot, to the same level they did for the Hospital Road Reserve. This site is relatively level and so should cost less to develop which would enable Council to provide aged accommodation opportunities at a lower cost than would be possible at the Hospital Road site. Whilst there is still a lot of work to be done to fully evaluate the costs, risks etc I am sure that next year I will be able to report on physical progress on the development of one of these sites.

Whilst there were no changes in the Councillor line up during 2014-15, the October 2015 elections did bring two new citizens to represent you. Brian O'Hare did not stand for election in October and so we say farewell and a big thank you to him for his eight years of service. We also said farewell to Richard Walker who stood again but was not elected and we thank him for his four years of service to the community. Both past Councillors contributed a great deal, attended meetings regularly and gave of their time for community events and other functions. Whilst the past Councillors will be missed, we welcomed Elizabeth Rear and Eric Muncey to the team and look forward to meeting the challenges ahead with them. Civic service is demanding on time and can be frustrating and challenging. For those that put themselves forward, and are elected, there is the opportunity to help to turn community aspirations into actions. Whilst Local Government is constrained by legislation, State Government policies, and the like, making it almost as ponderous as the other tiers of Government, it is still the level closest to the people and so changes/improvements can be made, albeit sometimes slowly.

Before closing, I would also like to sincerely thank all my fellow Councillors for their commitment, efforts, and involvement on all the issues which have come before Council during the last financial year, and for what we have before us for the 2015/16 year. I also thank the Chief Executive Officer and staff for their hard work over the past year. Finally but importantly, I record my very sincere thanks to my, and my fellow Councillor's spouses who help us fulfil our civic roles.

**Councillor Michael Giles**

**Shire President**





## 3.0 Operational Structure

The Western Australian Constitution (1889) recognises Local Government under section 52. Our constitution states that:

- (1) *The Legislature shall maintain a system of local governing bodies elected and constituted in such manner as the Legislature may from time to time provide.*
- (2) *Each elected local governing body shall have such powers as the Legislature may from time to time provide being such powers as the Legislature considers necessary for the better government of the area in respect of which the body is constituted.*

When developed, the *Local Government Act 1995* (the Act) was written in contemporary style, and so is comparably more easy to understand. The Act brought with it a degree of autonomy, and conveys general competence powers to local governments. At the same time, however, accountability features many areas of the Act, e.g. for a number of local issues it is only with Ministerial approval that local governments can make decisions at a local level, and often this will be in consultation with their communities.

Sections 2.7 through 2.10 of the Act define the roles of our Council (e.g. govern the local government's affairs), President, Deputy President and Councillors (e.g. to represent the interests of the electors, ratepayers and residents of the district; and provide leadership and guidance to the community), while section 5.41 defines the functions of our CEO (e.g. advise the Council; cause Council decisions to be implemented; and manage the day to day operations of the local government).

Note. Section 5.42 allows a local government to delegate the exercise of its powers to the CEO.



### 3.1 Council (Elected Members) Structure

The Shire comprises of four wards as follows: Benjinup to the north west (two representatives); Boyup Brook Townsite (three representatives); Dinninup to the north east (two representative); and Scotts Brook to the south (two representatives). At the commencement of a new term of Council, Council elect the Shire President and Deputy President. Currently Council's structure is as follows:

**Shire President**



**Michael Giles**  
Scotts Brook Ward  
Term Expires: 2017

**Deputy Shire President**



**Graham Aird**  
Scotts Brook Ward  
Term Expires: 2015



**Cr. Walker**  
Boyup Brook  
Term Expires 2015



**Cr. Kaltenrieder**  
Boyup Brook  
Term Expires 2017



**Cr. Blackburn**  
Boyup Brook  
Term Expires 2015  
2017



**Cr. Oversby**  
Dinninup  
Term Expires 2017



**Cr. Moir**  
Dinninup  
Term Expires 2015



**Cr. O'Hare**  
Benjinup  
Term Expires 2015



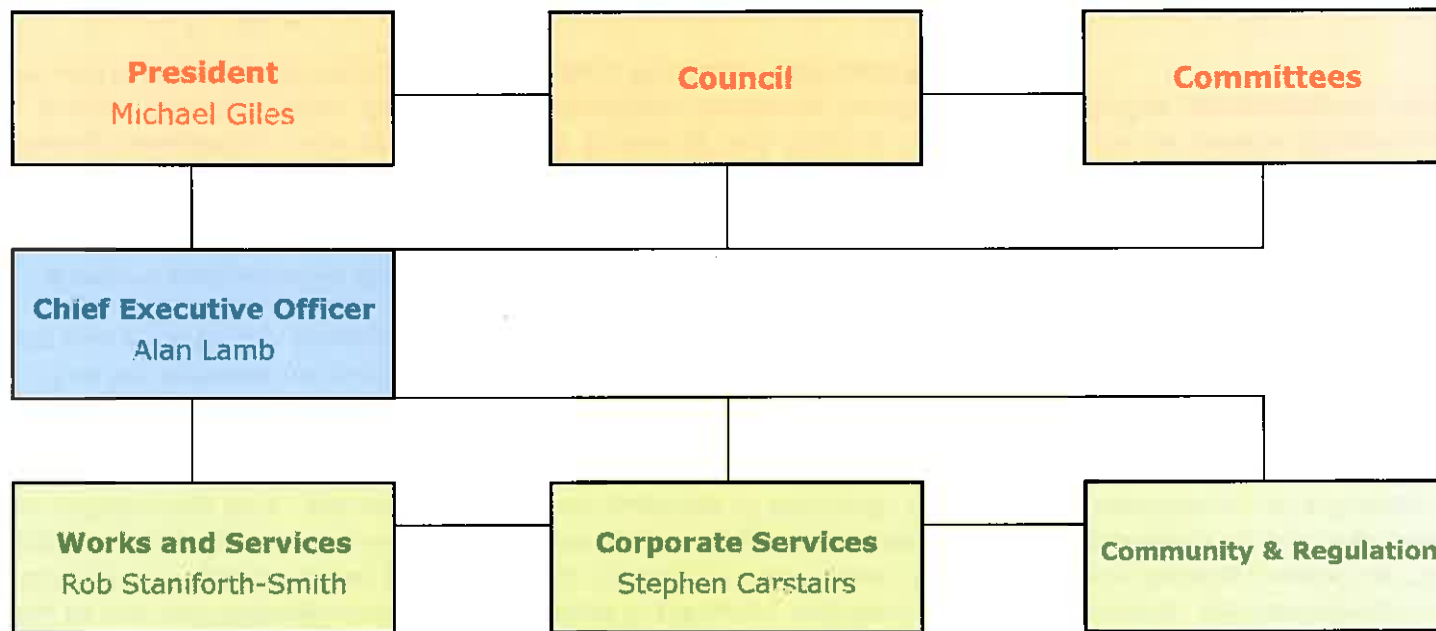
**Cr. Imrie**  
Benjinup  
Term Expires 2017

Council sets its meeting dates prior to the start of each calendar year and ordinary meetings are generally held on the third Thursday of each month (except where other factors make this impractical), excepting for January where no meeting is held.

### 3.2 Organisational Structure

During 2014-15 the Shire Council's organisational structure remained unchanged.

Table A – Organisational structure as at 01 July 2015



### 3.3 Senior Executive

**Alan Lamb** (FLGMA, BBus, Dip LG (C), Dip LG (T)) joined the Shire of Boyup Brook in 2008. Since taking up the role of Chief Executive Officer, Alan has focused on improving the Local Government's sustainability through financial management and planning, and improving services.

Alan has 40 years experience in the Local Government sector, 32 of this at senior management level including 22 at CEO level. His Local Government work has included stints in the Metropolitan Area, Pilbara, Murchison, Great Southern, External Territories (he was the first CEO appointed by the newly formed Cocos (Keeling) Islands Shire Council for 4 years in the nineties), and now the South West. At various stages, of his working life, he has held finance/management positions in transport, merchant banking and mining. His management experience includes the usual Local Government operations and facilities, public housing (managing over 100 houses and a building program of three new houses per year), public transport (both bus and marine), and marine services (including: operation and maintenance of one interisland passenger ferry, one ocean rescue craft/backup ferry, and sundry small craft; purchase of new craft; operation and maintenance of a slipway, marine craft repair facility and navigation markers/lights; and he holds a current commercial vessel skippers ticket and a radiotelephony licence).

**Rob Staniforth-Smith** (BEng Civil, MIEAUST, CP ENG, Builders Reg, Dip Project Management) joined the Shire of Boyup Brook in 2011. Since joining the Shire, Rob has focussed on sourcing additional funding to increase the level of service on the Shires 1100km of roads plus increasing the amenity of the towns' parks and streetscapes.

Following Geoff Carberry's resignation in 2014, Rob took on the role of Building Management and is striving to get the level of maintenance on the Shires numerous buildings up to an acceptable level.

Prior to his current role, Rob ran the family farm (2007-2010) and worked in management on High Rise Construction and commercial Projects for 18 years including management roles on Central Park, St John of God Hospital, Karrinyup and Morley Galleria Shopping Centres, East Perth Redevelopment, Subiaco Railway Tunnel, Subiaco Redevelopment, Fremantle Maritime Museum, Raffles redevelopment, Perth Convention and Exhibition Centre, and finishing up as Project Manager on the 178 million Perth Central Law Courts.

**Stephen Carstairs** (BSc Hons, Dip Company Director and Dip Accounting) joined the Shire of Boyup Brook in 2014. Since taking up the role of Director Corporate Services, Stephen has focused on financial compliance matters generally, with some emphasis on financial sustainability and integrated planning processes for local government.

Prior to his current role, Stephen served as Executive Manager Corporate Services at the Shire of Bridgetown-Greenbushes for 4 years. Since joining the local government sector in 1999, Stephen has worked throughout the state including: the Shire's of Carnamah (Manager Finance) and Wiluna (Corporate Services Contractor); the Town of Port Hedland (Manager of Finance); and the Shire of Coolgardie (Manager Corporate Services). Previous to this Stephen worked in the private sector, and for agencies including: The University of WA; Curtin University; Department of Agriculture and Food; and DEC.

## 4.0 Chief Executive Officer's Report & Overview



### 4.1 Chief Executive Officer's Report

It is with pleasure that I present this report on the 2014-15 Financial Year.

Administration is faced with ever increasing reporting requirements, more detailed asset management planning and the like which is making Local Government as bureaucratic as the other tiers of Government. Many would have noticed that, whilst the prime focus of your Council has always been on operational areas such as roads and other services, Works staff numbers used to exceed office staff numbers. Meeting ever increasing State Government requirements has resulted in a change to this balance. Improved practices, better plant and equipment, improved skills and a great effort from our Works staff, together with the use of contractors and casuals where necessary, have enabled Council to continue to provide a very high level of service with a minimum number of employees. Similarly, the increasing load on inside staff has been absorbed by very dedicated and skilled people, reasonably well resourced by Council with a range of hard and software and the like, but the hold on increasing staff numbers, which featured in Council's forward planning in 2013, may not be possible going forward.

As reported by the President, aged accommodation has been on the Council table for a number of years and, now that we will have sewerage scheme in town, Council is working on a plan to develop lot 1 Forrest Street (the old bowling green). Concept designs indicate there is space for eight homes (two bedroom retirement style houses) to be built. A group dwelling development is being considered which may have 300m<sup>2</sup> lots each facing either Forrest Street or Railway Parade which will negate the need for internal roads and so decrease development costs. Indications are that, armed with a letter from Water Corporation, which has been offered, advising of the sewerage scheme, the Health Department may permit a five lot development ahead of the sewerage scheme becoming operational. This would require the installation of permanent septic tank facilities and temporary leach drains, the latter to be removed once the scheme is operational, but would allow a staged development earlier than may otherwise have been the case. Council has spoken with modular home builders and sought advice from its legal adviser regarding operating options and lease arrangements. Council is still working on the premise that

any aged accommodation initiative it undertakes will need to be cost neutral (that is the capital and ongoing costs would be met from associated income). Whilst there are zoning and other matters to resolve, which will take time, it should be possible, to complete the business planning and the like, for Council to make a decision on moving forward in the first half of 2016.

I take this opportunity to sincerely thank my fellow staff members who have maintained and improved the Shire's infrastructure (roads, gardens, parks, facilities and the like), provided services (licensing, library, health/building/planning etc) and kept the necessary back room operations (accounting/bookkeeping, depot maintenance, works planning, and the like) in order. I especially thank the Director of Works, Mr Rob Staniforth Smith, and the Director of Corporate Services, Mr Stephen Carstairs, for their tireless efforts and hours of dedication.

I also thank the Shire President, Cr Michael Giles, who I have worked closely with, for his assistance and for his commitment to the often difficult role as leader of the organisation. I also thank all Councillors for the good working relationship. Each year we are faced with the need to further improve services and reduce costs, and a team approach is vital to the success of these goals.

**Alan Lamb**

**CHIEF EXECUTIVE OFFICER**



## 4.2 Overview of Agency's Plan for the Future

As local government in Western Australia (WA) is different to local government in other states, local government in Boyup Brook distinguishes itself from other Western Australian local governments.

WA has the highest per capita expenditure in Australia for law, order and public safety, and for recreation and culture, and is second highest for transport. Contrasting with this, WA has the lowest per capita expenditure for housing, community amenities, and general public services. Relative to most other Western Australian local governments, Boyup Brook invests substantially in ensuring that its community has quality health and medical services, and contemporary aged and community housing.

Council has adopted both a Shire of Boyup Brook *Strategic Community Plan 2013-23* and a *Corporate Business Plan 2014-17*, and together these plans comprise the shire's 'plan for the future' under the *Local Government Act 1996*.

### 4.2.1 Strategic Community Plan 2013-23

The Shire of Boyup Brook's *Strategic Community Plan 2013-23* sets out the vision, aspirations and objectives of the community in our district so as to guide the work of the Council, and to define Council's role in '*Growing Our Community Together*'.

The Boyup Brook community's vision is for our shire to be a place:

- for people, with a sense of community, one that is active, vibrant, engaged and connected;
- that is safe and secure;
- that nurtures its youth and aging population, and retains its health and medical services; and
- that grows and has employment opportunities, through commercial diversity based on our comparative advantage.

This will be achieved through Council exercising its leadership and influence, and through Council collaboration, partnerships and empowerment, facilitation, coordination, and regulation.

Given that the Boyup Brook community is a growing and changing one, the Shire Council has determined to align the way it works so as to respond to the changing needs of our community. The strategic community plan has a strong focus on building closer collaboration and stronger partnerships with community service (e.g. not-for-profit clubs and associations) organisations, our neighbour local governments and industry agencies, and the State Government.

The Council's focus is on strengthening and supporting the community through capacity building programs (e.g. the Community Grants Program and its Community Development Services), and by providing: a sound road and footpath network; quality health and medical services; contemporary aged and community housing; quality sport, recreation and landscaped facilities; that waste is managed; library and licensing services; information; advice; and planning, building and environmental health regulation.

By strengthening good governance (local leadership), the Council improves the way it works with community service groups in building a stronger and more cohesive community. The Council will continue to focus on supporting our aged, youth, volunteers and carers, and children and the early years. These are all valued members of our community who rely on the services, facilities and support of the Shire Council.

The Council provides funding to more than 20 community organisations (including clubs, our schools and agencies), to support a diverse range of community interests. During 2014-15 the Shire's Community Grants Program distributed \$56,131 to community organisations in the district, and see Appendix 1.

Our strategic community plan identifies five outcome areas to focus (focal areas) the energy and expertise of Councillors and shire employees to achieve the following:

- 1 Social. That our people will have a '*sense of community*'.
- 2 Natural Environment. That our natural environment will be '*preserved and sustained*'.
- 3 Built Environment. That our people will have '*enhanced lifestyle choices*'.
- 4 Economic Development. That '*business and employment opportunities will be maximised*'.
- 5 Governance. That '*local leadership will be strengthened*'.

#### **4.2.2 Corporate Business Plan 2014-17**

Boyup Brook's *Corporate Business Plan 2014-17* sets out, in a way consistent with priorities identified in the strategic community plan, the Shire Council's priorities for dealing with the objectives and aspirations of the community. Further, priority outcomes in the business plan (and also see section 6.0 *Agency Performance* in this report), express the administration's reference to the Shire Council's capacity to resource (asset manage, human resource manage, and finance manage) its operations.



# 5.0 Performance Management Framework

## 5.1 Toward an Outcome Based Management Framework

Regulations 22.(1) *Form and content of annual budget* and 34.(3) *Financial activity statement required each month* and Schedule 1 of the *Local Government (Financial Management) Regulations 1996*, are very prescriptive about how local governments may go about presenting information in budgets and making progress reports on performance against those budgets.

The community's 5 broader focal areas and 11 specific outcomes were actioned through 9 services programs. Schedule 1 identifies 11 (service) programs, and for simplicity three of them (Governance, General Purpose Funding, and Other Property and Services) were combined in the (Leadership &) Governance service program (and refer to the table below).

Focal Area	Service Programs									Outcomes	
	1	2	3	4	5	6	7	8	9		
Focus 1:	Social	x	x	x	x				x	x	1.1 Community needs for services and facilities are met. 1.2 Sustainable Community.
Focus 2:	Natural Environment	x							x		2.1 Preserved and enhanced natural environment. 2.2 Sustainable resources.
Focus 3:	Built Environment	x	x	x	x	x	x	x	x	x	3.1 Sustainable infrastructure. 3.2 Planned development. 3.3 Housing needs are met.
Focus 4:	Economic Development	x					x	x		x	4.1 Economic Growth. 4.2 Increased visitors and residents.
Focus 5:	(Leadership &) Governance	x									5.1 Council and Community leadership. 5.2 Sustainable governance.

**Service Programs**

1. (Leadership &) Governance
2. Law Order & Public Safety
3. Health
4. Education & Welfare
5. Housing
6. Community Amenities
7. Recreation & Culture
8. Transport
9. Economic Services

This attempted Outcome Based Management (OBM) framework represents a combining of the frameworks of the Financial Management Regulations and the Shire's Strategic Community Plan, and is the framework to which this annual report presents the performance of the local government. Going forward, a revised OBM framework will be implemented which includes effectiveness as well as service indicators.



# 6.0 Performance

## 6.1 Overview of Agency's Performance

The local government's 2014–15 funding was allocated to 9 (operational) service areas. The key financial indicators are presented below with a summary of the results for the Shire's efficiency indicators. The remainder of this chapter describes from the Shire's Corporate Business Plan, the noteworthy achievements and initiatives of the local government.

<b>Key 2014-15 Financial Indicators as at 30 Jun 2015</b>	<b>Actual (\$'000)</b>	<b>Budget (\$'000)</b>
Total (operating) cost of services*	6,332	5,822
Net (operating) cost of services **	-781	-784
Total Equity***	101,819	89,199
Revenue from Rates	-2,238	-2,293

- \* A reviewed depreciation expense accounts for observed differences
- \*\* A negative value indicates a surplus to costs
- \*\*\* Revaluation of Bridges & other infrastructure accounts for differences

### Information about Numbers of Certain Employees

<b>Annual Salary Range (\$)</b>	<b>Number Employees</b>
110,001 – 120,000	2
140,001 – 150,000	1
190,001 – 200,000	1
210,001 – 220,000	1
Employees having annual salaries of \$100,000 or more	5

## Efficiency Indicator Summary

The summary results for the local government's efficiency indicators are presented below. The Australian Bureau of Statistics' (ABS) 2011 census provided the number of families in Boyup Brook (444 families), and to it was added an estimate for lone person households in our district (148 single households, as per the WA Planning Commission 2009).

Service	Focal Areas					KPI	2014-15	2014-15
	1	2	3	4	5		Actual	Budget
Service 1: Leadership & Governance	x	x	x	x	x	Average Cost (inc depreciation) per Household Basis	\$768	\$745
Service 2: Law Order & Public Safety	x		x			"	\$277	\$280
Service 3: Health	x		x			"	\$1,566	\$1,502
Service 4: Education and Welfare	x		x			"	\$210	\$144
Service 5: Housing			x			"	\$291	\$120
Service 6: Community Amenities			x	x		"	\$429	\$528
Service 7: Recreation & Culture		x	x	x		"	\$1,394	\$1,196
Service 8: Transport	x		x			"	\$5,061	\$4,754
Service 9: Economic Services	x		x	x		Average Cost (inc depreciation) per Household Basis	\$651	\$560
Rates Raised						Average Cost Calculated on a per Household Basis	\$3,865	\$3,874
Funding from Grants						Average Funds Calculated on a per Household Basis	\$5,823	\$5,263
Depreciation						Average Calculated on a per Household Basis	\$4,410	\$2,780
<b>Focal Areas</b>	1. Social		4. Economic Development					
	2. Natural Environment		5. (Leadership &) Governance					
	3. Built Environment							

## 6.2 Strategic Focus Areas

### 6.2.1 Focus Area 1 - Social

#### Vision: Building a Sense of Community

Building a sense of community is central to the Shire of Boyup Brook's future. The Shire of Boyup Brook focus is developing an active, vibrant, safe, caring and secure community, including access to services and facilities that meet our requirements.

#### Shire Goals

- ⇒ Improve community safety.
- ⇒ Strengthen community participation, interactions and connections.
- ⇒ Build and strengthen an active and vibrant community.

#### Objective 1.1

#### Build community participation, interactions and connections.

PRIORITY	ACTION		LTFP LINKAGE	2014-15	Actions 2014-15, plan for 2015-16
Engagement with community in promotion of Boyup Brook.	1.1.1	Assist Boyup Brook Tourism Association implement Tourism Strategy to enhance promotion of local tourist attractions & events.	Section 8.10.1 – Operations – Tourism & Area Promotion	\$15,991	\$15,000 included in the 2014-15 budget – contributions made to Associations. Provision made in the 2015-16 budget.
	1.1.2	Liaise with community groups on the implement promotional strategies for events.	Section 8.10.1 – Operations – Tourism & Area Promotion	See Action 4.3.3	
	1.1.3	Develop policy to support and fund the implementation of a grant program to support events and community activities.	Section 8.2.1 – Operations – Members of Council	\$0	Not included in the 2014-15 budget – Council has an existing policy that will be reviewed as part of a policy review process.

PRIORITY	ACTION		LTFP LINKAGE	2014-15	Actions 2014-15, plan for 2015-16
Increase Volunteer Support.	1.1.4	Conduct Thank a Volunteer Day Morning Tea and promote volunteering.	Section 8.2.1 – Operations – Members of Council	\$3,000	No specific budget provision in 2014-15. Grant funding applied for annually for a few years without success.
	1.1.5	Provide administrative support to Chief Bush Fire Control Officer and Local fire brigades in the delivery of fire control services.	Section 8.3.1 – Operations – Fire Prevention	\$41,038	Provision of \$38,885 included in the 2014-15 budget for Administration, \$38,025 expended. Provided for in 2015-16 budget.
	1.1.6	Conduct Annual Fire Brigade Debrief function to foster and develop volunteer participation in local brigades.	Section 8.3.1 – Operations – Fire Prevention	\$1,000	No specific budget set in 2014-15, however sufficient funds provided elsewhere. Provided for in 2015-16 budget.
Develop a Regional Aging Strategy in partnership with other local governments in the region.	1.1.7	Continue to work with the SWDC and the Bunbury-Wellington Group of Councils on the development of an Aging Strategy for the Region.	Section 8.5.1 – Operations Aged and Disabled	\$9,726	\$9,720 administration provision was made in the 2014-15 budget, and \$9,506 expended. A similar allocation to this Priority is in the 2015-16 budget. Aged accommodation has been promoted @ every opportunity.

## Objective 1.2

### Enhance Youth Services

PRIORITY	ACTION		LTFP LINKAGE	2014-15	Actions 2014-15, plan for 2015-16
Expand Operation of youth services.	1.2.1	Expand hours of Youth Officer to meet demand for youth programs and facilities.	Section 8.5.1 – Operations Welfare - Other	\$24,400	\$39,880 included in the 2014-15 budget in the area of Other Welfare, Youth, and \$29,585 spent. Continued priority & support given to DSR funded Kids Sport program. CDO duties include services to all ages including Youth. The Kids Sport program continues into 2015-16.
Investigate collocation of youth centre with sporting facilities.	1.2.2	Examine collocation of youth centre at sporting complex as part of Sporting Precinct Plan.	Section 8.2.1 – Operations – Members of Council	\$0	

### Objective 1.3

#### Develop a safe, secure community.

PRIORITY	ACTION		LTFP LINKAGE	2014-15	Actions 2014-15, plan for 2015-16
Advocate for increased access to Police services.	1.3.1	Liaise with OIC of local Police Station on the practicalities of increasing administrative staffing at Boyup Brook Police Station.	Section 8.11.1 - Operations Administration	\$0	
	1.3.2	Lobby Minister for Police, Shadow Minister for Police and local member of Parliament on the need for increased administrative staffing at Boyup Brook Police Station.	Section 8.11.1 - Operations Administration	Ongoing	This task was set as an ongoing matter that should be raised when and where appropriate/possible. The matter was not raised by Administration at a political level.
Advocate for improved hazard reduction in state forests, national parks and road reserves.	1.3.3	Lobby Minister for Parks and Wildlife, Shadow Minister and local member of Parliament on the need for a strategic approach to hazard reduction in state forest and national parks within the Shire of Boyup Brook.	Section 8.11.1 - Operations Administration	Ongoing	This task was set as an ongoing matter that should be raised when and where appropriate/possible. The matter was raised as part of the hazard reduction pilot project.

## Objective 1.4

**Ensure access to services and facilities as needs change within the community.**

PRIORITY	ACTION		LTFP LINKAGE	2014-15	Actions 2014-15, plan for 2015-16
Develop and implement service plans that detail aim of service, level and frequency of service, and partnerships required to deliver services.	1.4.1	Prepare service plans for key services detailing aim of service, level and frequency of service and partnerships required to deliver services.	Section 8.11.1 – Operations Administration	\$0	Not funded in 2014-15, Plan provides for funding in 2016-17.
Advocate for retention and improvement to health, medical and education services.	1.4.2	Develop lobby strategy for retention and improvement to health & education services.	Section 8.11.1 – Operations Administration	\$1000	No specific budget provision. No formal lobby strategy developed, however Council continues to operate a Medical Centre that provides services to the Health Dept's hospital. This service was improved by the introduction of a second GP at the Centre. Council is working with the Health Department on renovations @ the Lodge. Council continues to provide funding for scholarship and annual prizes, provides facilities for school sports and the like.
	1.4.3	Implement lobby strategy for health & education services via State and Commonwealth Government meetings with relevant departmental agencies and Ministers/Shadow Ministers.	Section 8.2.1 – Operations Members of Council	\$0	
Advocate for improved banking services.	1.4.4	Monitor bank and bank agency service in town and apply political and Council business pressure to resist any mooted reduction to banking services.	Section 8.11.1 – Operations Administration	Ongoing	This task was set as an ongoing matter that should be raised when and where appropriate/possible. Bendigo Bank may replace the Westpac agency.



## **6.2.2 Focus Area 2 – Natural Environment**

### **Vision: Preserve and Sustain our Natural Environment**

Preserving and enhancing our natural environment is a key aspect to the Shire of Boyup Brook's future to retain its 'river and forest' identity. The Shire will focus on valuing natural resources, managing use of water and energy.

### **Shire Goals**

- ⇒ Maintain and preserve the natural environment, enhancing the 'river and forest' experience of Boyup Brook.
- ⇒ Sustain and promote the natural environment through the use of green energy solutions.



## Objective 2.1

### Maintain the natural environment

PRIORITY	ACTION		LTFP LINKAGE	2014-15	Actions 2014-15, plan for 2015-16
Beautification of parklands and gardens, utilising native species.	2.1.1	Prepare Reserve Plan highlighting key parks and gardens for landscaping design.	Section 8.2.1 – Operations – Members of Council	\$0	\$15,000 was included in the 2014-15 budget, and \$5,576 was expended.

## Objective 2.2

### Support the use of sustainable, renewable resources.

PRIORITY	ACTION		LTFP LINKAGE	2014-15	Actions 2014-15, plan for 2015-16
Support the use of sustainable and renewable resources.	2.2.1	Develop Policy position on how Council will support the use of sustainable and renewable resources.	Section 8.11.1 – Operations – Administration	\$0	
	2.2.2	Undertake water efficiency audit on Council operational areas that are major water consumers and identify practical water efficiency measures for implementation.	Section 8.11.1 – Operations – Administration	\$5,000	No specific provision made in the 2014-15 budget, and no action taken. Sporting facilities @ the sporting precinct are the main water users and all grounds are now supplied from Shire storage facilities – not scheme. Water requirements for grounds are regularly monitored & watering adjusted to suit.
	2.2.3	Undertake energy efficiency audit on Council operational areas that are major electricity consumers and identify practical energy efficiency measures for implementation.	Section 8.11.1 – Operations – Administration	\$5,000	No specific provision made in the 2014-15 budget, and no action taken.

### 6.2.3 Focus Area 3 – Built Environment

#### Vision: Enhanced Lifestyle Choices

The shire will focus on enhancing the town through improved streetscaping and infrastructure. The shire will focus on land-use, including local roads, parks, reserves and facilities will meet the future needs of the growing community, and create employment opportunities through commercial and industrial land-use.

#### Shire Goals

⇒ Improve road infrastructure.

#### Objective 3.1

##### Beautification of community spaces

PRIORITY	ACTION		LTFP LINKAGE	2014-15	Actions 2014-15, plan for 2015-16
Develop and implement landscaping/ streetscaping plan.	3.1.1	Develop a Landscaping/ Street scaping Strategy for the entire town, with a specific themed approach for the Main Street.	Section 8.11.1 – Operations – Administration	\$0	Not funded in 2014-15, Plan provides for funding in 2017-18.
Develop and implement an active and passive recreation parklands strategy.	3.1.2	Examine active and passive recreation parklands as part of Sporting Precinct Plan.	Section 8.2.1 – Operations – Members of Council	See Action 1.2.2	
	3.1.3	Cost active and passive parklands requirements from Sporting Precinct Plan & develop priority works projects listing for inclusion in the LTFP and CBP.	Section 8.8.1 – Operations Other Recreation & Sport	\$0	

## Objective 3.2

### Strengthen road safety and local infrastructure

PRIORITY	ACTION		LTFP LINKAGE	2014-15	Actions 2014-15, plan for 2015-16
Develop and implement asset management plans for roads, footpaths, and buildings & structures.	3.2.1	Update existing Road asset management plan by undertaking collection of road inventory and condition data collection.	Section 8.9.1 – Operations Transport	\$0	Road data collection completed – required for ROMAN 2, and fair value established – legislative requirement (cost \$55,000).
	3.2.2	Update existing Building & Structures Asset Management Plan by undertaking collection of more specific data relating to component works required for financial modelling purposes.	Section 8.11.1 –Operations Administration	\$5,000	DLG funded & provided Consultant who worked with key senior staff on asset management data collection and planning to allow this to be done in-house.
	3.2.3	Collect paths inventory and condition data for footpath network and prepare asset management plan.	Section 8.9.1 – Operations Transport	\$20,000	Data collected and fair value established as part of work done on road inventory (see 3.2.1).
Investigate and implement improved rural road maintenance and construction techniques, particularly on school bus routes and commodity routes.	3.2.4	Investigate contemporary road maintenance and construction techniques that will extend the life of road assets.	Section 8.9.1 – Operations - Transport	\$0	
	3.2.5	Undertake review of road maintenance and construction operations and deliver training programs to facilitate implementation of applicable contemporary road maintenance and construction techniques.	Section 8.9.1 – Operations – Transport	\$0	

PRIORITY	ACTION		LTFP LINKAGE	2014-15	Actions 2014-15, plan for 2015-16
Advocate for reduced restrictions relating to control of road vegetation.	3.2.6	Continue to pursue reduced restrictions relating to control of road vegetation via WALGA Country Zone and Local Member of Parliament.	Section 8.2.1 – Operations – Governance	\$0	Shire President raised this matter at every opportunity in a variety of forums.
Implement improved disabled access in town (gopher access and disabled parking).	3.2.7	Prepare report on number and location of existing disabled parking bays in town and the assessed need for additional bays.	Section 8.11.1 – Operations – Administration	\$0	
	3.2.8	Continue to address gopher access on a case by case basis	Section 8.9.1 – Operations – Transport	Ongoing	The new parking bay marking included exclusion points at pram ramps. New ramps are constructed on request.
Investigate the expansion of street lighting.	3.2.9	Undertake audit of street lighting in town, cost expansion requirements and include costs in LTFP.	Section 8.11.1 – Operations – Administration	\$0	Not funded in 2014-15, Plan provides for funding from 2015-16.



### Objective 3.3

#### Enhanced refuse and recycling opportunities

PRIORITY	ACTION		LTFP LINKAGE	2014-15	Actions 2014-15, plan for 2015-16
Investigate the expansion of the Shire's refuse collection service.	3.3.1	Prepare feasibility study on expansion of waste collection service including service delivery options and estimated cost per service.	Section 8.11.1 – Operations – Administration	\$5,000	Could not be actioned until new services approved by Council & implemented. Not done in 2014-15, and so this action is being dealt with in 2015-16.
Examine potential to introduce free waste transfer station vouchers as part of annual refuse collection service.	3.3.2	Prepare feasibility study on introduction of free waste transfer station vouchers including funding options for additional costs.	Section 8.11.1 – Operations – Administration	\$2,000	Completed 2014-15 with the introduction of a new rate for waste management, and free transfer station passes for rural landholders.

### Objective 3.4

#### Create land use capacity for Industry

PRIORITY	ACTION		LTFP LINKAGE	2014-15	Actions 2014-15, plan for 2015-16
Review land-use planning to ensure commercial and industrial opportunities are maximised.	3.4.1	Finalise Local Planning Strategy and Town Planning Scheme Review and ensure there is adequate zoning provision for commercial and industrial land.	Section 8.7.1 – Operations – Town Planning & Regional Development	\$0	Included in the 13-14 budget – Both were completed, went before Council and the WAPC. WAPC sought significant changes to LPS. Council moved to recommence the process, taking the WAPC's recommendations on board, in 2014-15. Councillor workshop conducted and revised draft LPS should be completed 2016-17.
Advocate for provision of sewerage solutions to permit more intensive land use in town.	3.4.2	Work with South West Development Commission (SWDC), Landcorp and local member to prepare design study on cost effective sewerage solution to permit more intensive land use.	Section 8.2.1 – Operations Members of Council	\$0	Prefeasibility study funded by South West Development Commission, Landcorp and Council. SWDC called for tender for works, for Council, the tender was awarded and project completed. Council received the consultant's report which was based on a portion of the town being serviced by a sewerage scheme, together with recommendations and indicative costs (+/- 50%). Not progressed further due to announcement of a Water Corporation STED scheme in the State 2015-16 Budget.

PRIORITY	ACTION	LTFP LINKAGE	2014-15	Actions 2014-15, plan for 2015-16
	3.4.3 Advocate and lobby for funding to construct sewerage solution via State Government meetings with relevant departmental agencies and Ministers/Shadow Ministers.	Section 8.2.1 – Operations Governance	\$0	Consistent lobbying resulted in Government announcement, late in 2014-15, of a scheme for Boyup Brook. Water Corp has commenced and is progressing the project.

### Objective 3.5

#### Facilitate affordable and diverse housing options

PRIORITY	ACTION	LTFP LINKAGE	2014-15	Actions 2014-15, plan for 2015-16
Review land-use planning to provide housing and land size choices.	3.5.1 Prepare reviews of Local Planning Strategy and town Planning Scheme and ensure there is adequate zoning provision for a range of housing and land choices are available.	Section 8.7.1 – Operations – Town Planning & Regional Development	See Action 3.4.1	
Develop a range of aged accommodation opportunities.	3.5.2 Continue to work with the SWDC and the Bunbury-Wellington Group of Councils on the development of an Aging Strategy for the Region, including aged accommodation.	Section 8.5.1 – Operations Welfare-Aged and Disabled	See Action 1.1.7	

## 6.2.4 Focus Area 4 – Economic Development

### Vision: Maximise Business and Employment Opportunities

The economy will thrive through diversifying business and employment opportunities, through attracting industrial and commercial opportunities for the growing community, by actively supporting all local businesses.

#### Shire Goals

⇒ Build the economic base through diversification and actively supporting local businesses.

#### Objective 4.1

##### Build and support new businesses.

PRIORITY	ACTION		LTEP LINKAGE	2014-15	Actions 2014-15, plan for 2015-16
Encourage new businesses through information, incentives and land-use provision.	4.1.1	Develop Policy position on incentives Council will offer to attract new business to the district.	Section 8.10.1 – Operations Economic Development	\$1,000	Not included in the 2014-15 budget and not actioned.
	4.1.2	Prepare reviews of Local Planning Strategy and town Planning Scheme and ensure there is adequate zoning provision for commercial and industrial land.	Section 8.7.1 – Operations Town Planning & Regional Development	See Action 3.4.1	
Advocate for new business start-up support.	4.1.3	Continue partnership with Business Enterprise Centre and obtain agreed service levels regarding support provided to small businesses.	Section 8.10.1 – Operations Economic Development	\$2,500	No call for funding assistance received. Not included in the 2014-15 budget and not actioned.
Examine potential for buy local campaign supported by local price preference policy.	4.1.4	Engage with local businesses on opportunities, strategies and incentives for development of a buy local campaign.	Section 8.10.1 – Operations Economic Development	\$5,000	Not included in the 2014-15 budget and not actioned.



## Objective 4.2

### Promote Commercial Centre

PRIORITY	ACTION		LTFP LINKAGE	2014-15	Actions 2014-15, plan for 2015-16
Investigate development of the music park.	4.2.1	Engage with Country Music Club, as part of the Sporting Precinct Planning, on a long term vision for Music Park.	See Action 1.2.2		
	4.2.2	Assist Country Music Club develop feasibility study on development of Music Park	Section 8.11.1 – Operations Administration	\$0	Some work done by the Club and stage one of resulting works commenced in 2014-15 with Federal, Shire and Club funding.
Develop and implement Street/landscaping plan.	4.2.3	Develop a Landscaping/Street scaping Strategy for the entire town, with a specific themed approach for the Main Street.	See Action 3.1.1		
Investigate options to encourage owners of business houses to renovate shop frontages.	4.2.4	Develop Policy position on incentives Council will offer existing business houses to renovate shop frontages.	Section 8.2.1 – Operations Governance	\$2,000	Not included in the 2014-15 budget and not actioned.

### Objective 4.3

#### Develop Tourism Industry

PRIORITY	ACTION		LTFP LINKAGE	2014-15	Actions 2014-15, plan for 2015-16
Support tourism capability through events, fairs, arts, produce, history and cultural experiences.	4.3.1	Continue to financially support the Boyup Brook Tourism Association in promotion of the district.	Section 8.10.1 – Operations – Tourism & Area Promotion	See Action 1.1.1	
	4.3.2	Continue to financially support local community organisations in coordination and promotion of local events.	Section 8.2.1 – Operations Members of Council	\$42,176	Included in the 2014-15 budget - \$51,655 of expenditure identified in the budget. Includes operating contribution to the Tourism Association, annual support for the local rodeo event, operating costs associated with the Association's premises, and one day per week of the CDO.
	4.3.3	Continue to fund the Community Development Officer position.	Section 8.10.1 – Operations Tourism & Area Promotion	\$82,300	Included in the 2014-15 budget - \$80,588 of expenditure identified in the budget. Made up of officers salary and on costs and an amount for identified initiatives.

### Objective 4.4

#### Attract Permanent Residents

PRIORITY	ACTION		LTFP LINKAGE	2014-15	Actions 2014-15, plan for 2015-16
Promote the family friendly lifestyle of Boyup Brook.	4.4.1	Continue TV advertising campaign to promote the lifestyle available in Boyup Brook.	Section 8.10.1 – Operations Tourism & Area Promotion	\$1,000	Not included in the 2014-15 budget and not actioned.

**6.2.5 Focus Area 5 – Governance**  
**Vision: Strengthen Local Leadership**

The Shire will focus on sustainability through leadership and regional partners, making informed resource decisions, engaging and listening to community, advocating on the community behalf, be accountable and manage within governance and legislative framework.

**Shire Goals**

⇒ Strong leadership, governance and planning that makes the best use of our physical, financial and human resources.

**Objective 5.1**

**Provide Leadership on behalf of the Community**

PRIORITY	ACTION		LTFP LINKAGE	2014-15	Actions 2014-15, plan for 2015-16
Lobby and advocate for improved services, infrastructure and access.	5.1.1	Continue to maintain political relationship with local member, South West Development Commission and other political affiliations	Section 8.11.1 – Operations – Administration	Ongoing	Council and CEO have continued to foster strong and good relationships and ensure periodic interaction.
Advocate for the regional strengthening of health and education services.	5.1.2	Continue to lobby for retention and improvement to health & education services.	Section 8.11.1 – Operations – Administration	Ongoing	Council and CEO have continued make these (especially the retention of the Hospital) a major focus of discussions with relevant politicians and bureaucrats.
Develop partnerships with stakeholders to enhance community services and infrastructure.	5.1.3	Coordinate meetings with local police and State Government agencies to discuss local issues of importance on an as needs basis.	Section 8.11.1 – Operations Administration	Ongoing	The CEO met with relevant people as and when possible/appropriate. Sewerage, Hospital and aged accommodation were the major services pushed. Others included mobile phone services, electricity supply services in town, regional waste initiatives, water supply services in town, and the like.

## Objective 5.2

### Foster Community Participation and Collaboration

PRIORITY	ACTION		LTFP LINKAGE	2014-15	Actions 2014-15, plan for 2015-16
Develop a community engagement strategy and provide opportunities for community participation.	5.2.1	Prepare community engagement policy that details the level of engagement that will be undertaken with the community on all matters.	Section 8.11.1 – Operations – Administration	\$1,000	Not included in the 2014-15 budget and not actioned.
	5.2.2	Prepare community engagement procedure manual on how staff are to undertake community engagement.	Section 8.10.1 – Operations Community & Economic Development.	\$1,000	Not included in the 2014-15 budget and not actioned.
Support volunteers and encourage community involvement.	5.2.3	Host annual Thank a Volunteer Morning Tea and promote widely.	Section 8.10.1 – Operations Community & Economic Development	See Action 1.1.4	

### Objective 5.3

#### Manage Resources Effectively

PRIORITY	ACTION		LTFP LINKAGE	2014-15	Actions 2014-15, plan for 2015-16
Develop and maintain strategic financial plan and asset management plans to inform decisions.	5.3.1	Undertake annual review of Long Term Financial Plan and review actual performance against that forecast.	Section 8.11.1 – Operations – Administration	\$5,000	Review commenced in 2014-15 and continued into 2015-16.
	5.3.2	Update existing Road asset management plan by undertaking collection of road inventory and condition data collection.	See Action 3.2.1		
	5.3.3	Update existing Building & Structures Asset Management Plan by undertaking collection of more specific data relating to component works required for financial modelling purposes.	See Action 3.2.2		
	5.3.4	Collect footpath inventory and condition data for footpath network and prepare asset management plan.	See Action 3.2.3		
Develop and implement service plans that detail aim of service, level and frequency of service, and partnerships required to deliver service.	5.3.5	Prepare service plans for key services detailing aim of service, level and frequency of service and partnerships required to deliver services.	See Action 1.4.1		
Ensure governance and legislative requirements are met.	5.3.6	Develop and implement Annual Compliance Checklist.	Section 8.11.1 – Operations Administration	\$3,000	No specific provision included in the 2014-15 budget. Project outsourced (\$2,500) and completed.

PRIORITY	ACTION		LTFP LINKAGE	2014-15	Actions 2014-15, plan for 2015-16
	5.3.7	Complete Annual Compliance Audit.	Section 8.11.1 – Operations Administration	\$3,000	No specific provision included in the 2014-15 budget – Completed in-house.
	5.3.8	Undertake Financial Management Review once every 4 years.	Section 8.11.1 – Operations Administration	\$10,000	Completed by Consultant.
	5.3.9	Undertake Risk, Internal Control and Legislative Compliance Review once every 2 years (Audit Reg 17).	Section 8.11.1 – Operations Administration	\$20,000	Completed by Consultant.
	5.3.10	Complete reviews of local laws.	Section 8.11.1 – Operations Administration	\$10,000	No specific provision included in the 2014-15 budget however some preliminary work done in house. Looking to make progress in 2014-15.
	5.3.11	Complete annual review of delegations.	Section 8.11.1 – Operations Administration	\$1,500	Completed to Council.
	5.3.12	Undertake review of Strategic Community Plan.	Section 8.11.1 – Operations Administration	\$0	

### Objective 5.4

#### Develop Workforce Capability

PRIORITY	ACTION		LTFP LINKAGE	2014-15	Actions 2014-15, plan for 2015-16
Develop workforce plan. Ensures human resources are available and future skill requirements are identified and developed.	5.4.1	Undertake annual review of workforce plan that meets statutory requirements.	Section 8.11.1 – Operations – Administration	\$5,000	No specific provision included in the 14-15 budget. The work force is a matter of regular review but there is no requirement for a formal review of the Plan. The Workforce Plan is an informing strategy for the Corporate Business Plan, which in turn sets out Council's plan for actioning the Strategic Community Plan. The latter was adopted by Council in June 2013 for a 10 year period commencing 1 July 2013. It is required to be reviewed every two years and the first review year is 2014-15.

# 7.0 Legislative Environment

## 7.1 Administered Legislation – Local Laws

As at 30 June 2014 the following legislation was administered by the Shire of Boyup Brook:

- Activities in Thoroughfares and Public Places and Trading Local Law;
- Bush Fire Brigades Local Law;
- Cemetery Local Law;
- Dogs Local Law;
- Local Laws Relating to Fencing;
- Health Local Laws;
- Local Government Property Local Law;
- Parking and Parking Facilities Local Law;
- Standing Orders Local Law

## 7.2 Significant Legislation Relevant to Local Government

Local Governments operate in a complex legislative environment. In performing much of its functions, the shire adheres with the following relevant laws:

- Bush Fires Act 1954;
- Caravan Parks and Camping Grounds Act 1995;
- Cat Act 2011;
- Cemeteries Act 1986;
- Control of Vehicles (Off-road) Act 1978;
- Dog Act 1976;
- Environmental Protection Act 1986;
- Fire and Emergency Services Authority of Western Australia Act 1998;
- Health Act 1911;
- Local Government Act 1995;
- Main Roads Act 1930; and
- Waste Avoidance and Resource Recovery Act 2007.

### **7.3 Regulatory Reporting Requirements**

Listed below is the Shire's performance against some of the more prominent legislative requirements.

#### **7.3.1 Elected Members Conduct**

In the financial year ending 2014-15 no complaints were recorded under section 5.121 of the *Local Government Act 1995* as they relate to Elected Members' conduct.

#### **7.3.2 Local Government (Financial Management) Regulations 1996**

The CEO is required to undertake reviews of the appropriateness and effectiveness of the local government's financial management systems and procedures regularly (not less than once in every four financial years), and report the results of those reviews to the local government. During 2014-15 Dominic Carbone and Associates reviewed the shire's financial management systems and procedures. The review identified twelve recommendations, and these are in the process of being addressed.

#### **7.3.3 Local Government (Audit) Regulations 1996**

The CEO is required to undertake reviews of the appropriateness and effectiveness of the local government's systems and procedures as they relate to risk management, internal control, and legislative compliance. In 2014-15 the CEO completed his review, and reported the findings thereof to the shire's Audit and Finance Committee. Council Policy F.06 *Risk Management* has been adopted, and eleven (Carbone and Associates) internal control recommendations are being addressed.

#### **7.3.4 Information about Modifications to Certain Plans**

Regulation 19CA of the Local Government (Administration) Regulations 1996 requires local governments to report, in their annual reports, on modifications to certain of their plans. In the financial year ending 30 June 2015 no modifications were made to the Shire's strategic community plan. Further, the Shire's corporate business plan was not significantly modified during 2014-15.

#### **7.3.5 Review of Local Laws**

Section 3.16 of the *Local Government Act 1995* requires that all Local Laws of a Local Government will be reviewed within an eight-year period after their commencement, to determine if they should remain unchanged, be amended, or repealed. It is proposed that in 2015-16 Financial Year such a review will take place.



### **7.3.6 State Records Act 2000**

As a local government authority, the Shire is required under the *State Records Act 2000* to address in its annual reports, certain matters as outlined in the Record Keeping Plan.

The Shire's Record Keeping Plan - Review Report was completed during 2014-15, and then forwarded to the State Records Commission on 8 July 2015. Subsequent to that the Commission advised the Shire they can expect to receive an amended Record Keeping Plan on or before 30 June 2016.

While the Shire's records keeping systems are being continuously reviewed and developed, a more detailed evaluation of them will take place in 2015-16. The records system centralises all corporate documents, and so increases efficiency in document retrieval, storage and retention.

When practicable the Shire's Records Officer participates in meetings held by the *South West Information Management (SWIM) Committee*. Additionally, the officer receives the SWIM minutes of each meeting held throughout the year. As a part of the Staff Induction Program and Record Keeping Training Plan, new employees are informed of their record-keeping obligations during an information session. Further, training sessions for the Shire's electronic document-management system are performed on an as needs basis. Measures to evaluate the efficiency and effectiveness of these programs will be reviewed in 2015-16.

### **7.3.7 Freedom of Information Act 1992**

In accordance with Section 96(1) of the *Freedom of Information Act 1992*, residents have the right to access records (which are not otherwise exempt) held by State and Local Government agencies. Applications may be made to the Shire to access such information upon payment of a standard fee. In the financial year ending 2014-15 the Shire received no applications to access non-exempt information held by the Shire of Boyup Brook.

### **7.3.8 Food Safety Standards**

Food safety inspections are conducted annually for the majority of registered food premises within the Shire. There is a high compliance rate amongst our local food premises and a continual improvement process in place to ensure food safety is paramount. Proprietors are cooperative and continue to demonstrate a desire to willingly comply. Local event organisers have worked with the Shire to ensure food vendors attending there event also meet the legal requirements by completion of the Shire's food notification form.

### **7.3.9 Occupational Safety and Health**

The Shire participates in the Local Government Insurance Services' (LGIS) SW Regional Co-ordination Project, engages the services of a Shared Regional (OSH) Co-ordinator, and prides itself on its positive and safe workplace. During 2014-15 the Shire did not have any lost time injuries recorded for employees. This outcome can be directly attributed to the pro-active management & participation of all staff in the hazard identification, risk assessment & control process.

The Safety Management Plan was reviewed in consultation with relevant parties and priorities set for the next reporting period.

### **7.3.10 Disability Access and Inclusion**

Through the implementation of its Disability Access Inclusion Plan 2013-2018, the shire is continuing to work towards implementing the strategies identified against the seven outcomes as listed in Schedule 3 of the WA Disability Services Regulations 2004.

Progress continues to be made across all of the outcomes. Upgrades focused on safe and equitable access for all members to public venues within the Shire. These included steps and railing systems at the town oval, and the town memorial. Improved access to local events was also provided in consultation with event organisers.

### **7.3.11 Competitive Neutrality**

The Shire has reviewed all areas of its operation to determine the existence or otherwise of significant business activities.

For the purposes of Competitive Neutrality, a significant business activity is defined as an activity with an income in excess of \$500,000 p.a., which is not a regulatory service (community service obligation), and is not already contracted out. Accordingly, it has been determined that, Boyup Brook Medical Centre apart, Council has no significant business activity for the purposes of competitive neutrality as it relates to the National Competition Policy Clause 7 statement. With regard to the shire's Medical Centre, so as to meet its community service obligation the Council provides a health service to the district in order to fill a void, and where no potential for competition exists (a commercial practice would not be viable here).

# 8.0 Legal Compliance

## 8.1 2014-15 Financial Statements

The Shire's 2014-15 Annual Financial Statements and the independent auditor's report of Tim Partridge (Partner) of AMD Chartered Accountants, are included at Appendix 2.





## FUNDING TO ORGANISATIONS

<b>Organisation Name</b>	<b>Council Contribution (\$)</b>
<b>Group 1 - Small Grants &lt; \$501</b>	
Boyup Brook Angligan Church Mothers Union	130
Lions Club Boyup Brook	100
South West Group of Affiliated Ag Association	250
Boyup Brook Football & Sporting Club	500
Blackwood Valley Wine Industry Association	500
Blackwood River Valley Marketing Assoc	500
<b>Group 2 - Grants/ Contributions of \$501 to \$5,000</b>	
Rylington Park Management Committee	1,000
Rylington Park Management Committee	1,500
Tone Bridge Country Club	1,000
Boyup Brook Health Services Auxilary	1,800
St Mary's Catholic School	2,331
Boyup Brook Club	2,500
Boyup Brook Family Playgroup	3,720
Harvey Dickson Country Music Centre	5,000
Museum Committee	5,000
<b>Group 3 - Grants/ Contributions of \$5001 to \$15,000</b>	
Boyup Brook Community Resource Ctr	5,300
Boyup Brook Country Music Club	10,000
Boyup Brook Tourism Association	15,000

APPENDIX 1



**SHIRE OF BOYUP BROOK**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

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**SHIRE OF BOYUP BROOK  
FINANCIAL REPORT**


**FOR THE YEAR ENDED 30TH JUNE 2015**

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

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

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

Signed as authorisation of issue on the      18th      day of      December      2015

  
Alan Lamb  
Chief Executive Officer



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

	NOTE	2015 \$	2015 Budget \$	2014 \$
<b>Revenue</b>				
Rates	22	2,288,167	2,293,355	2,128,241
Operating Grants, Subsidies and Contributions	28	1,971,009	1,281,080	946,195
Fees and Charges	27	1,164,142	1,043,330	985,749
Interest Earnings	2(a)	117,179	115,350	119,554
Other Revenue		92,409	38,920	35,072
		<u>5,632,906</u>	<u>4,772,035</u>	<u>4,214,811</u>
<b>Expenses</b>				
Employee Costs		(2,027,299)	(2,243,655)	(2,013,259)
Materials and Contracts		(1,089,471)	(1,310,445)	(1,305,362)
Utility Charges		(139,609)	(135,910)	(132,922)
Depreciation on Non-Current Assets	2(a)	(2,610,879)	(1,645,595)	(2,561,098)
Interest Expenses	2(a)	(37,829)	(38,535)	(40,759)
Insurance Expenses		(242,924)	(238,000)	(226,263)
Other Expenditure		(183,968)	(210,475)	(224,769)
		<u>(6,331,979)</u>	<u>(5,822,615)</u>	<u>(6,504,432)</u>
		<u>(699,073)</u>	<u>(1,050,580)</u>	<u>(2,289,621)</u>
<b>Non-Operating Grants, Subsidies and Contributions</b>	28	1,476,280	1,834,600	1,576,674
Profit on Asset Disposals	20	12,473	0	67
Loss on Asset Disposal	20	(8,432)	0	(2,550)
<b>Net Result</b>		<b>781,248</b>	<b>784,020</b>	<b>(715,430)</b>
<b>Other Comprehensive Income</b>				
Changes on revaluation of non-current assets	12	13,048,747	0	0
<b>Total Other Comprehensive Income</b>		<u>13,048,747</u>	<u>0</u>	<u>0</u>
<b>Total Comprehensive Income</b>		<u>13,829,995</u>	<u>784,020</u>	<u>(715,430)</u>

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

**SHIRE OF BOYUP BROOK**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

	NOTE	2015 \$	2015 Budget \$	2014 \$
<b>Revenue</b>				
Governance		1,067	400	20
General Purpose Funding		4,116,845	3,540,425	2,768,085
Law, Order, Public Safety		86,837	42,285	60,567
Health		799,819	687,780	653,778
Education and Welfare		7,634	10,625	10,358
Housing		41,050	43,065	42,387
Community Amenities		135,196	123,460	120,669
Recreation and Culture		53,650	43,915	55,948
Transport		181,636	159,590	329,465
Economic Services		106,549	100,210	96,917
Other Property and Services		111,055	55,225	76,617
	2(a)	<u>5,641,338</u>	<u>4,806,980</u>	<u>4,214,811</u>
<b>Expenses</b>				
Governance		(302,668)	(310,715)	(317,122)
General Purpose Funding		(102,795)	(106,655)	(82,460)
Law, Order, Public Safety		(163,755)	(165,490)	(146,422)
Health		(927,038)	(889,300)	(818,515)
Education and Welfare		(124,595)	(85,435)	(123,979)
Housing		(172,133)	(70,755)	(171,347)
Community Amenities		(253,781)	(312,575)	(307,871)
Recreation and Culture		(825,304)	(708,165)	(781,701)
Transport		(2,996,048)	(2,814,545)	(3,361,757)
Economic Services		(385,536)	(331,590)	(368,075)
Other Property and Services		(48,929)	(23,800)	15,576
	2(a)	<u>(6,302,582)</u>	<u>(5,819,025)</u>	<u>(6,463,673)</u>
<b>Finance Costs</b>				
Health		(1,374)	(1,545)	(1,883)
Education and Welfare		(18,583)	(18,695)	(19,226)
Housing		(4,637)	(4,720)	(4,930)
Community Amenities		(1,209)	(1,215)	(1,388)
Recreation and Culture		(8,402)	(8,590)	(8,949)
Economic Services		(2,242)	(2,390)	(2,870)
Other Property and Services		(1,382)	(1,380)	(1,513)
	2(a)	<u>(37,829)</u>	<u>(38,535)</u>	<u>(40,759)</u>
<b>Non-Operating Grants, Subsidies and Contributions</b>				
Law, Order, Public Safety		326,797	217,200	0
Recreation and Culture		35,742	563,370	0
Transport	28	<u>1,113,741</u>	<u>1,054,030</u>	<u>1,576,674</u>
		1,476,280	1,834,600	1,576,674
<b>Profit/(Loss) on Disposal of Assets</b>				
Transport		4,041	0	67
Other Property and Services		0	0	(2,550)
		<u>4,041</u>	<u>0</u>	<u>(2,483)</u>
<b>Net Result</b>	20	<u>781,248</u>	<u>784,020</u>	<u>(715,430)</u>
<b>Other Comprehensive Income</b>				
Changes on revaluation of non-current assets	12	<u>13,048,747</u>	<u>0</u>	<u>0</u>
<b>Total Other Comprehensive Income</b>		<u>13,048,747</u>	<u>0</u>	<u>0</u>
<b>Total Comprehensive Income</b>		<u>13,829,995</u>	<u>784,020</u>	<u>(715,430)</u>

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

**SHIRE OF BOYUP BROOK  
STATEMENT OF FINANCIAL POSITION  
AS AT 30TH JUNE 2015**

	NOTE	2015 \$	2014 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	3	3,068,015	2,440,552
Trade and Other Receivables	4	415,814	367,736
Inventories	5	<u>2,263</u>	<u>3,388</u>
<b>TOTAL CURRENT ASSETS</b>		<u>3,486,092</u>	<u>2,811,676</u>
<b>NON-CURRENT ASSETS</b>			
Other Receivables	4	0	0
Inventories	5	0	0
Property, Plant and Equipment	6	14,553,521	14,366,825
Infrastructure	7	<u>85,471,308</u>	<u>72,505,774</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u>100,024,829</u>	<u>86,872,599</u>
<b>TOTAL ASSETS</b>		<u>103,510,921</u>	<u>89,684,275</u>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	8	484,077	427,308
Long Term Borrowings	9	50,641	47,763
Provisions	10	<u>490,694</u>	<u>516,998</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>1,025,412</u>	<u>992,069</u>
<b>NON-CURRENT LIABILITIES</b>			
Long Term Borrowings	9	618,310	668,951
Provisions	10	<u>48,568</u>	<u>34,619</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>666,878</u>	<u>703,570</u>
<b>TOTAL LIABILITIES</b>		<u>1,692,290</u>	<u>1,695,639</u>
<b>NET ASSETS</b>		<u>101,818,631</u>	<u>87,988,636</u>
<b>EQUITY</b>			
Retained Surplus		51,896,498	50,812,506
Reserves - Cash Backed	11	1,009,061	1,311,805
Revaluation Surplus	12	<u>48,913,072</u>	<u>35,864,325</u>
<b>TOTAL EQUITY</b>		<u>101,818,631</u>	<u>87,988,636</u>

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

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

	NOTE	RETAINED SURPLUS \$	RESERVES CASH/ INVESTMENT BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2013		52,352,419	1,056,728	35,277,555	88,686,702
Changes in Accounting Policy		0	0	0	0
Correction of Errors		0	0	0	0
<b>Restated Balance</b>		<b>52,352,419</b>	<b>1,056,728</b>	<b>35,277,555</b>	<b>88,686,702</b>
Comprehensive Income					
Net Result		(715,430)	0	0	(715,430)
Correction of Errors		(569,406)	0	586,770	17,364
<b>Total Comprehensive Income</b>		<b>(1,284,836)</b>	<b>0</b>	<b>586,770</b>	<b>(698,066)</b>
Reserve Transfers		(255,077)	255,077	0	0
<b>Balance as at 30 June 2014</b>		<b>50,812,506</b>	<b>1,311,805</b>	<b>35,864,325</b>	<b>87,988,636</b>
Comprehensive Income					
Net Result		781,248	0	0	781,248
Changes on Revaluation of Non-Current Assets	12	0	0	13,048,747	13,048,747
<b>Total Other Comprehensive Income</b>		<b>781,248</b>	<b>0</b>	<b>13,048,747</b>	<b>13,829,995</b>
Reserve Transfers		302,744	(302,744)	0	0
<b>Balance as at 30 June 2015</b>		<b>51,896,498</b>	<b>1,009,061</b>	<b>48,913,072</b>	<b>101,818,631</b>

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

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

	NOTE	2015	2015	2014
		\$	Budget	\$
<b>Cash Flows From Operating Activities</b>				
<b>Receipts</b>				
Rates		2,302,048	2,318,855	2,042,700
Operating Grants, Subsidies and Contributions		1,965,115	1,318,605	946,195
Fees and Charges		1,143,025	1,010,330	901,611
Service Charges		0	0	0
Interest Earnings		117,179	115,350	119,554
Goods and Services Tax - Effect of Other Revenue		(33,757)	200,000	254,910
		91,525	38,920	35,072
		<u>5,585,135</u>	<u>5,002,060</u>	<u>4,300,042</u>
<b>Payments</b>				
Employee Costs		(2,016,723)	(2,332,405)	(2,186,292)
Materials and Contracts		(987,232)	(1,560,445)	(1,111,633)
Utility Charges		(139,609)	(135,910)	(132,922)
Interest Expenses		(38,539)	(38,535)	(43,568)
Insurance expenses		(242,924)	238,000	(226,263)
Goods and Services Tax - Effect of Other Expenditure		(56,868)	(200,000)	(224,192)
		(183,972)	(210,475)	(224,767)
		<u>(3,675,867)</u>	<u>(4,239,770)</u>	<u>(4,149,637)</u>
<b>Net Cash Provided By (Used In) Operating Activities</b>	13(b)	<u>1,909,268</u>	<u>762,290</u>	<u>150,405</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		(889,977)	(3,495,710)	(405,246)
Payments for Construction of Infrastructure		(1,883,072)	(2,794,190)	(1,686,496)
Non-Operating Grants, Subsidies and Contributions		1,476,280	1,834,600	1,576,674
Proceeds from Sale of Plant & Equipment		62,727	550,500	60,273
Proceeds from Advances		0	0	0
<b>Net Cash Provided By (Used In) Investing Activities</b>		<u>(1,234,042)</u>	<u>(3,904,800)</u>	<u>(454,795)</u>
<b>Cash Flows from Financing Activities</b>				
Repayment of Debentures		(47,763)	(47,760)	(48,869)
Repayment of Finance Leases		0	0	0
Proceeds from Self Supporting Loans		0	0	0
Proceeds from New Debentures		0	1,600,000	0
<b>Net Cash Provided By (Used In) Financing Activities</b>		<u>(47,763)</u>	<u>1,552,240</u>	<u>(48,869)</u>
<b>Net Increase (Decrease) in Cash Held</b>		<u>627,463</u>	<u>(1,590,270)</u>	<u>(353,259)</u>
Cash at Beginning of Year		2,440,552	2,440,555	2,793,811
<b>Cash and Cash Equivalents at the End of the Year</b>	13(a)	<u><u>3,068,015</u></u>	<u><u>850,285</u></u>	<u><u>2,440,552</u></u>

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

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

	NOTE	2015 Actual \$	2015 Budget \$	2014 Actual \$
<b>Revenue</b>				
Governance		1,067	400	20
General Purpose Funding		1,828,678	1,247,070	639,614
Law, Order, Public Safety		86,837	42,285	60,567
Health		799,819	687,780	653,778
Education and Welfare		7,634	10,625	10,358
Housing		41,050	43,065	42,387
Community Amenities		135,196	123,460	120,669
Recreation and Culture		53,650	43,915	55,948
Transport		185,677	159,590	329,533
Economic Services		106,549	100,210	96,917
Other Property and Services		111,055	55,225	76,618
		<u>3,357,212</u>	<u>2,513,625</u>	<u>2,086,409</u>
<b>Expenses</b>				
Governance		(302,668)	(310,715)	(317,122)
General Purpose Funding		(102,795)	(106,655)	(82,230)
Law, Order, Public Safety		(163,755)	(165,490)	(146,422)
Health		(928,412)	(890,845)	(820,398)
Education and Welfare		(143,178)	(104,130)	(143,205)
Housing		(176,770)	(75,475)	(176,277)
Community Amenities		(254,990)	(313,790)	(309,259)
Recreation and Culture		(833,706)	(716,755)	(790,650)
Transport		(2,996,048)	(2,814,545)	(3,361,758)
Economic Services		(387,778)	(333,980)	(370,945)
Other Property and Services		(50,311)	(25,180)	11,513
		<u>(6,340,411)</u>	<u>(5,857,560)</u>	<u>(6,506,753)</u>
<b>Net Result Excluding Rates</b>		<b>(2,983,199)</b>	<b>(3,343,935)</b>	<b>(4,420,344)</b>
<b>Adjustments for Cash Budget Requirements:</b>				
<b>Non-Cash Expenditure and Revenue</b>				
(Profit)/Loss on Asset Disposals	20	(4,041)	0	2,483
Movement in Accrued Interest		(710)	0	(2,809)
Movement in Inventory		1,125	0	5,663
Movement in Accrued Salaries & Wages		22,931	0	17,358
Movement in Non- Current Employee Benefit Provisions		13,949	0	(15,793)
Movement in Employee Benefit Provisions		(26,306)	0	61,671
Depreciation on Assets	2(a)	2,610,879	1,645,595	2,561,098
<b>Capital Expenditure and Revenue</b>				
Purchase Land Held for Resale				
Purchase Land and Buildings	6(a)	(255,321)	(2,770,710)	(194,049)
Purchase Furniture and Equipment	6(a)	(26,546)	(35,000)	(64,150)
Purchase Plant and Equipment	6(a)	(608,110)	(690,000)	(147,047)
Purchase Infrastructure Assets - Roads	7(a)	(1,352,270)	(1,961,315)	(1,265,783)
Purchase Infrastructure Assets - Footpaths	7(a)	0	(28,000)	0
Purchase Infrastructure Assets - Bndigas	7(a)	(313,171)	0	(364,000)
Purchase Infrastructure Assets - Drainage	7(a)	(28,827)	0	(41,068)
Purchase Infrastructure Assets - Parks & Gardens	7(a)	(30,695)	0	0
Purchase Infrastructure Assets - Other Infrastructure	7(a)	(100,429)	(804,875)	(25,646)
Purchase Infrastructure Assets - Recreation Infrastructure	7(a)	(57,680)	0	0
Contributions for the Development of Assets	28	1,476,280	1,834,600	1,576,674
Proceeds from Disposal of Assets	20	62,727	550,500	60,273
Repayment of Debentures	21	(47,763)	(47,760)	(48,869)
Proceeds from New Debentures	21	0	1,600,000	0
Transfers to Reserves (Restricted Assets)	11	(64,661)	(153,966)	(301,077)
Transfers from Reserves (Restricted Assets)	11	367,405	691,033	46,000
<b>ADD</b> Surplus/(Deficit) July 1 B/Fwd	22(b)	1,148,692	1,220,480	1,569,866
<b>LESS</b> Surplus/(Deficit) June 30 C/Fwd	22(b)	2,092,427	0	1,148,692
<b>Total Amount Raised from General Rate</b>	22(a)	<u>(2,288,167)</u>	<u>(2,293,355)</u>	<u>(2,128,241)</u>

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

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

**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.

Collectibility 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 BOYUP BROOK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

**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 in 2013 commenced the process of adopting Fair Value in accordance with the Regulations.

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

***Land Under Control***

In accordance with local Government (Financial Management) Regulation 16 (a), the Council 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 2013.

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

**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.

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

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

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

***Land under Roads***

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

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard 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 BOYUP BROOK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

**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 used for each class of depreciable asset are:

Buildings	5 to 50 years
Furniture and Equipment	2 to 10 years
Plant and Equipment	2 to 15 years
Sealed roads and streets formation pavement	not depreciated
seal	67 years
- bituminous seals	28 years
- asphalt surfaces	28 years
Gravel roads formation pavement	not depreciated
Formed roads (unsealed) formation pavement	67 years
Footpaths - slab	not depreciated
Water supply piping and drainage systems	67 years
Bridges	17 to 26 years
Other Infrastructure	17 to 80 years
Recreation	90 years
Parks & Open Spaces	25 to 110 years
	20 to 40 years
	20 to 40 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

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 \$2,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

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

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

**(h) Intangible Assets**

**Easements**

Due to legislative changes, Easements are required to be recognised as assets.

If significant, they are initially recognised at cost and have an indefinite useful life.

**(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 (ie 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.

***(j) 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 BOYUP BROOK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

**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 (ie 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 BOYUP BROOK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

**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 (eg 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.

**(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**

Provision is made for the Council's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to the employee wage increases and the probability the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity matching the expected timing of cash flows.

**(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 BOYUP BROOK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

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

**(m) 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.

**(n) Leases**

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

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

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

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

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

**(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 BOYUP BROOK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

**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

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 BOYUP BROOK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT 1**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

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

**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 Shire.

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

Title	Issued / Compiled	Applicable <sup>(1)</sup>	Impact
(i) AASB 9 Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)	December 2014	1 January 2018	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Shire, it is not anticipated the Standard will have any material effect.
(ii) AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)  [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]	September 2012	1 January 2018	Nil – The revisions embodied in this Standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Shire (refer (i) above).
(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 the Shire has with those third parties it has dealings with. It may or may not be significant.

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

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

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

	Title	Issued / Compiled	Applicable <sup>(1)</sup>	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 the Shire.
(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 Shire'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 the Shire currently uses the expected pattern of consumption of the future economic benefits of an asset as the basis of calculation of depreciation, it is not expected to have a significant impact.

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

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

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

Title	Issued / Compiled	Applicable <sup>(1)</sup>	Impact
(vii) AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	December 2014	1 January 2017	Consequential changes to various Standards arising from the issuance of AASB 15.  It will require changes to reflect the impact of AASB 15.
(viii) AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101  [AASB 7, 101, 124 & 1049]	January 2015	1 January 2016	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.  This Standard also makes editorial and consequential amendments as a result of amendments to the Standards listed in the title column.  It is not anticipated it will have any significant impact on disclosures.
(ix) AASB 2015-3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality	January 2015	1 July 2015	This Standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing it to be completely withdrawn.  It is not anticipated it will have a significant impact as the principles of materiality remain largely unchanged.

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

Title	Issued / Compiled	Applicable <sup>(1)</sup>	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 the Shire as both Elected Members and Senior Management will be deemed to be Key Management Personnel and resultant disclosures will be necessary.

Notes:

<sup>(1)</sup> Applicable to reporting periods commencing on or after the given date

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

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

These new and revised Standards were:

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

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

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

<b>2. REVENUE AND EXPENSES</b>	<b>2015</b>	<b>2014</b>
<b>(a) Net Result</b>	<b>\$</b>	<b>\$</b>

The Net Result includes:

(i) Charging as an Expense:

<b>Auditors Remuneration</b>	14,450	13,950
- Audit of the financial report		

<b>Depreciation</b>		
(Specialised) Buildings	541,661	540,051
Furniture and Equipment	30,747	23,877
Plant and Equipment	71,412	53,387
Roads	1,915,451	1,891,301
Footpaths	2,786	2,787
Drainage	8,856	8,706
Bridges	5,672	1,660
Parks & Ovals	3,807	5,247
Other Infrastructure	15,982	14,753
Recreation Infrastructure	14,505	19,329
	<u>2,610,879</u>	<u>2,561,098</u>

**Interest Expenses (Finance Costs)**

Debentures ( <i>refer Note 21(a)</i> )	37,829	43,569
Accrued Interest on Loans	(710)	(2,810)
	<u>37,119</u>	<u>40,759</u>

(ii) Crediting as Revenue:

<b>Other Revenue</b>		
Other	92,409	35,072
	<u>92,409</u>	<u>35,072</u>

	2015	2014
	\$	\$
<b>Interest Earnings</b>		
Investments	42,546	66,710
- Reserve Funds	48,048	27,464
- Other Funds	26,585	26,380
Other Interest Revenue ( <i>refer note 26</i> )	<u>117,179</u>	<u>119,554</u>

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

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

**(b) Statement of Objective**

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

**COMMUNITY VISION**

***"Growing our Community Together"***

Our Shire will be a Place:

- For people, with a sense of community, one that is active, vibrant, engaged and connected;
- That is safe and secure;
- That nurtures its youth and aging population, and retains its health and medical services;
- That grows and has employment opportunities, through commercial diversity, which is based on comparative advantage.

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

**GOVERNANCE**

**Objective:**

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

**Activities:**

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

**GENERAL PURPOSE FUNDING**

**Objective:**

To collect revenue to allow for the provision of services.

**Activities:**

Rates, general purpose government grants and interest revenue.

**LAW, ORDER, PUBLIC SAFETY**

**Objective:**

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

**Activities:**

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

**HEALTH**

**Objective:**

To provide an operational framework for environmental and community health.

**Activities:**

Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.

**EDUCATION AND WELFARE**

**Objective:**

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

**Activities:**

Maintenance of child minding centre, playgroup centre, senior citizen centre and aged care centre. Provision and maintenance of home and community care programs and youth services.

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

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

**(b) Statement of Objective (Continued)**

**HOUSING**

**Objective:**

To provide and maintain elderly residents housing.

**Activities:**

Provision and maintenance of elderly residents housing.

**COMMUNITY AMENITIES**

**Objective:**

To provide services required by the community.

**Activities:**

Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.

**RECREATION AND CULTURE**

**Objective:**

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

**Activities:**

Maintenance of public halls, civic centres, aquatic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.

**TRANSPORT**

**Objective:**

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

**Activities:**

Construction and maintenance of roads, streets, footpaths, depots, cycleways, parking facilities and 1

**ECONOMIC SERVICES**

**Objective:**

To help promote the shire and its economic wellbeing.

**Activities:**

Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building Control.

**OTHER PROPERTY AND SERVICES**

**Objective:**

To monitor and control council's overheads operating accounts.

**Activities:**

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



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

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

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

<u>Grant/Contribution</u>	<u>Function/ Activity</u>	<u>Opening Balance (*) 01-Jul-13 \$</u>	<u>Received (+) 2013-14 \$</u>	<u>Expended (#) 2013-14 \$</u>	<u>Closing Balance (*) 30-Jun-14 \$</u>	<u>Received (+) 2014-15 \$</u>	<u>Expended (#) 2014-15 \$</u>	<u>Closing Balance 30-Jun-15 \$</u>
CLGF 2010-11 - Storm Water	Comm Amenities	35,809	0	(35,809)	0	0	0	0
CLGF 2010-11 - Ablution Block	Rec & Culture	70,267	0	(70,267)	0	0	0	0
CLGF 2013-14 - Depot Renew	Transport	0	100,000	(16,160)	83,840	0	(67,264)	16,576
CLGF 2013-14 - Railway Pde	Transport	0	161,085	(161,085)	0	0	0	0
CLGF 2013-14 - Saleyards Renew	Transport	0	60,000	(773)	59,227	0	(12,727)	46,500
KidzSport Programm	Rec & Culture	12,011	15,000	(5,225)	21,786	0	(13,628)	8,158
DLG - Cat Management Facility	Law, Order	7,843	0	(5,270)	2,573	0	(870)	1,703
DLG - Cat Sterilisation Program	Law, Order	0	2,500	0	2,500	0	0	2,500
DLG - Workforce Planning	Other Property	10,877	0	(10,195)	682	0	0	682
WA LG Grants Commission	Transport	0	534,000	(364,000)	170,000	376,000	(376,000)	170,000
Developer Road Contributions	Transport	0	0	0	0	91,072	(40,042)	51,030
MRWA - RRG Grants	Transport	0	404,666	(404,666)	0	0	0	0
DiT - Roads to Recovery Grant	Transport	0	299,462	(299,462)	0	0	0	0
<b>Total</b>		<b><u>136,807</u></b>	<b><u>1,576,713</u></b>	<b><u>(1,372,912)</u></b>	<b><u>340,608</u></b>	<b><u>467,072</u></b>	<b><u>(510,531)</u></b>	<b><u>297,149</u></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.

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

	NOTE	2015	2014
		\$	\$
Unrestricted		1,361,805	388,141
Restricted		<u>1,706,210</u>	<u>2,052,411</u>
		<u>3,068,015</u>	<u>2,440,552</u>

**3. CASH AND CASH EQUIVALENTS**

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

Leave Reserve	11	46,622	72,223
Plant & Vehicle Reserve	11	96,486	245,397
Building Reserve	11	621	601
Depot Reserve	11	10,263	9,941
Community/ Housing Reserve	11	68,535	50,253
Emergency Reserve	11	10,441	38,468
Insurance Claim Reserve	11	13,859	13,424
Flaxmill Sheds Reserve	11	23,955	23,203
Recreation Reserve	11	131,265	121,599
Commercial Reserve	11	499,520	483,828
Bush Fire Radios Reserve	11	931	15,219
Infrastructure Reserve	11	431	13,705
Bridges Reserve	11	290	281
Medical Services Reserve	11	1,585	4,847
Swimming Pool Reserve	11	36,287	35,147
Town Hall Reserve	11	1	1
Admin Office Building Reserve	11	1,939	1,878
Aged Accommodation Reserve	11	6,947	24,327
Road Contributions Reserve	11	20,949	20,291
IT Reserve	11	18,575	19,418
Transfer Station Reserve	11	90	87
Caravan Park Reserve	11	18,419	116,650
Library Furniture Reserve	11	1,050	1,017
Unspent Grants & Contributions	2(c)	297,149	340,608
Unspent Loans	21(c)	400,000	400,000
		<u>1,706,210</u>	<u>2,052,411</u>

**4. TRADE AND OTHER RECEIVABLES**

<b>Current</b>			
Rates Outstanding		136,631	150,207
Sundry Debtors		177,445	129,328
GST Receivable		113,738	79,981
Prepaid Expenses		0	8,220
Less: Receipts in Advance		<u>(12,000)</u>	<u>0</u>
		415,814	367,736
<b>Non-Current</b>		<u>0</u>	<u>0</u>

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

	2015	2014
5. INVENTORIES	\$	\$
<b>Current</b>		
Fuel and Materials	2,263	3,388
	<u>2,263</u>	<u>3,388</u>
<b>Non-Current</b>		
Land Held for Resale - Cost	0	0
Cost of Acquisition	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>6. PROPERTY, PLANT AND EQUIPMENT</b>		
Land and Buildings		
Freehold Land at:		
- Fair Value	2,434,500	2,434,500
- Additions at Fair Value	<u>41,384</u>	<u>0</u>
	2,475,884	2,434,500
	<u>2,475,884</u>	<u>2,434,500</u>
Total Land	2,475,884	2,434,500
Buildings:		
- at Fair Value	10,532,950	10,532,950
- Adjustments	<u>(774)</u>	<u>0</u>
- Additions at Fair Value	407,986	194,049
Less Accumulated Depreciation	<u>(1,081,712)</u>	<u>(540,051)</u>
	9,858,450	10,186,948
	<u>9,858,450</u>	<u>10,186,948</u>
Total Buildings	9,858,450	10,186,948
Total Land and Buildings	<u>12,334,334</u>	<u>12,621,448</u>
Furniture and Equipment:		
- at Fair Value	54,600	54,600
- Additions at Fair Value	<u>90,696</u>	<u>64,150</u>
Less Accumulated Depreciation	<u>(54,624)</u>	<u>(23,877)</u>
	90,672	94,873
	<u>90,672</u>	<u>94,873</u>
Plant and Equipment - Independent Valuation 2013		
- at Fair Value	1,555,865	1,555,865
- Additions at Fair Value & Disposals	<u>691,907</u>	<u>147,047</u>
Less Accumulated Depreciation	<u>(119,257)</u>	<u>(52,408)</u>
	2,128,515	1,650,504
	<u>2,128,515</u>	<u>1,650,504</u>
	<u>14,553,521</u>	<u>14,366,825</u>

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

**6. PROPERTY, PLANT AND EQUIPMENT - Continued**

**Land and Buildings:**

The Shire's Land was revalued at 30 June 2013 by independent valuation. All of the valuations were made on the basis of open market values of similar assets (Level 2 inputs in the fair value hierarchy) and residual values.

The revaluation resulted in an overall increase of \$1,344,080 in the net value of the Shire's land. At the time (2012-13), all of this increase was credited to the revaluation surplus in the Shire's equity (refer Note 12(b) for further details), and was recognised as changes on Revaluation of non-current assets in the Statement of Comprehensive Income.

The Shire's Buildings were revalued at 30 June 2013 by independent valuation. All of the valuations were made on the basis of open market values of similar assets (Level 2 inputs in the fair value hierarchy), residual values and remaining estimated useful life (Level 3 inputs).

The revaluation resulted in an overall increase of \$6,980,702 in the net value of the Shire's land. At the time (2012-13), all of this increase was credited to the revaluation surplus in the Shire's equity (refer Note 12(a) for further details), and was recognised as changes on Revaluation of non-current assets in the Statement of Comprehensive Income.

**Furniture and Equipment &  
Plant and Equipment:**

The Shire's Furniture and Equipment was revalued at 30 June 2013 by management valuation having regard for the their current replacement cost, condition assessment (Level 2 inputs in the fair value hierarchy), residual values and remaining estimated useful life (level 3 inputs).

Given the significance of level 3 inputs into their overall fair value measurement, the assets were deemed to have been valued using level 3 inputs.

These 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.

The Shire's Plant & Equipment was revalued at 30 June 2013 by management valuation. All of the valuations were made on the basis of open market values of similar assets adjusted for condition and comparability (Level 2 inputs in the fair value hierarchy).

The revaluation resulted in an overall decrease of \$406,148 in the net value of the Shire's plant and equipment. At the time (2012-13), all of this increase was credited to the revaluation surplus in the Shire's equity (refer Note 12(c) for further details), and was recognised as changes on Revaluation of non-current assets in the Statement of Comprehensive Income.

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

**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.

	Land (Level 2) \$	Non- Specialised Buildings (Level 2) \$	Specialised Buildings (Level 3) \$	Total Buildings \$	Total Land and Buildings \$	Plant and Equipment (Level 2) \$	Furniture and Equipment (Level 3) \$	Total \$
Balance as at the beginning of the year	2,434,500	0	10,186,948	10,186,948	12,621,448	1,650,504	94,873	14,366,825
Adjustments	0	0	(774)	(774)	(774)	4,563 *	0	3,789
Additions	41,384	0	213,937	213,937	255,321	608,110	26,546	889,977
(Disposals)	0	0	0	0	0	(63,250)	0	(63,250)
Revaluation - Increments	0	0	0	0	0	0	0	0
- (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
Depreciation (Expense)	0	0	(541,661)	(541,661)	(541,661)	(71,412)	(30,747)	(643,820)
<b>Carrying amount at the end of year</b>	<b><u>2,475,884</u></b>	<b><u>0</u></b>	<b><u>9,858,450</u></b>	<b><u>9,858,450</u></b>	<b><u>12,334,334</u></b>	<b><u>2,128,515</u></b>	<b><u>90,672</u></b>	<b><u>14,553,521</u></b>

\* This \$4,563 adjustment accounts for the accumulated depreciation of disposed assets being written back.

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

	2015	2014
	\$	\$
<b>7. INFRASTRUCTURE</b>		
Roads:		
- at Fair Value	106,491,537	106,491,537
- Additions at Fair Value	2,608,053	1,255,783
Less Accumulated Depreciation	<u>(38,726,883)</u>	<u>(36,811,432)</u>
	70,372,707	70,935,888
Footpaths:		
- at Cost	0	139,331
- at Fair Value	491,438	0
- Additions at Fair Value	0	0
Less Accumulated Depreciation	<u>0</u>	<u>(16,510)</u>
	491,438	122,821
Drainage:		
- at Cost	0	613,540
- at Fair Value	4,097,101	0
- Additions at Fair Value	28,827	41,068
Less Accumulated Depreciation	<u>(148)</u>	<u>(13,117)</u>
	4,125,780	641,491
Bridges:		
- at Cost	0	0
- at Fair Value	8,093,027	0
- Additions at Fair Value	313,171	364,000
Less Accumulated Depreciation	<u>0</u>	<u>(1,660)</u>
	8,406,198	362,340
Parks & Open Space:		
- at Cost	0	121,862
- at Fair Value	277,280	0
- Additions at Fair Value	30,695	0
Less Accumulated Depreciation	<u>(194)</u>	<u>(40,352)</u>
	307,781	81,510
Other Infrastructure:		
- at Cost	0	191,589
- Adjustment	774	0
- at Fair Value	251,672	0
- Additions at Fair Value	100,429	25,646
Less Accumulated Depreciation	<u>(880)</u>	<u>(49,682)</u>
	351,995	167,553
Recreation Infrastructure:		
- at Cost	0	348,908
- at Fair Value	1,357,729	0
- Additions at Fair Value	57,680	0
Less Accumulated Depreciation	<u>0</u>	<u>(154,737)</u>
	1,415,409	194,171
	<u>85,471,308</u>	<u>72,505,774</u>

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

**7. INFRASTRUCTURE (Continued)**

**Roads:**

The Shire's Roads were revalued as at 30 June 2013 by independent valuation having regard for the their current replacement cost and condition assessment (both Level 2 inputs in the fair value hierarchy), and residual values and remaining estimated useful life (both level 3 inputs).

Given the significance of level 3 inputs into their overall fair value measurement, the assets were deemed to have been valued using level 3 inputs.

These 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.

The revaluation resulted in an overall increase of \$27,539,543 in the net value of the Shire's Road stock. At the time (2012-13), all of this increase was credited to the revaluation surplus in the Shire's equity (refer Note 12(d) for further details), and was recognised as changes on revaluation of non-current assets in the Statement of Comprehensive Income.

**Footpaths, Drainage and Bridges:**

The Shire's Footpaths, Drainage and Bridges were revalued as at 30 June 2015 by independent valuation having regard for the their current replacement cost and condition assessment (both Level 2 inputs in the fair value hierarchy), and residual values and remaining estimated useful life (both level 3 inputs).

Given the significance of level 3 inputs into the overall fair value measurement, the assets were deemed to have been valued using level 3 inputs.

These 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.

The revaluation of Footpaths resulted in an overall increase of \$371,403 in the net value of the Shire's Footpath stock. The revaluation of Drainage resulted in an overall increase of \$3,464,318 in the net value of the Shire's Drainage stock, and the revaluation of Bridges resulted in an overall increase of \$7,736,359 in the net value of the Shire's Bridges stock. All of this increase was credited to the revaluation surplus in the Shire's equity (refer Note 12(e), 12 (f) and 12 (g) for further details), and was recognised as changes on revaluation of non-current assets in the Statement of Comprehensive Income.

**Parks and Open Space, Other Infrastructure and Recreation Infrastructure:**

The Shire's Parks and Open Space, Other Infrastructure and Recreation Infrastructure were revalued as at 30 June 2015 by independent valuation having regard for the their current replacement cost and condition assessment (both Level 2 inputs in the fair value hierarchy), and residual values and remaining estimated useful life (both level 3 inputs).

Given the significance of level 3 inputs into their overall fair value measurement, the assets were deemed to have been valued using level 3 inputs.

These 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.

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

**7. INFRASTRUCTURE (Continued)**

**Parks and Open Space, Other Infrastructure and Recreation Infrastructure contd:**

The revaluation of Parks and Open Space resulted in an overall increase of \$199,383 in the net value of the Shire's Parks and Open Space stock. The revaluation of Other Infrastructure resulted in an overall increase of \$99,221 in the net value of the Shire's Other Infrastructure stock, and the revaluation of Recreation Infrastructure resulted in an overall increase of \$1,178,063 the net value of the Shire's Recreation Infrastructure stock. All of this increase was credited to the revaluation surplus in the Shire's equity (refer Note 12(h), 12 (i) and 12 (j) for further details), and was recognised as changes on revaluation of non-current assets in the Statement of Comprehensive Income.



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

**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>Roads Level 3 \$</b>	<b>Footpaths Level 3 \$</b>	<b>Drainage Level 3 \$</b>	<b>Bridges Level 3 \$</b>	<b>Parks and Open Space Level 3 \$</b>	<b>Other Infrastructure Level 3 \$</b>	<b>Recreation Infrastructure Level 3 \$</b>	<b>Total \$</b>
Balance at the beginning of the year	70,935,888	122,821	641,491	362,340	81,510	167,553	194,171	72,505,774
Additions	1,352,270	0	28,827	313,171	30,695	100,429	57,680	1,883,072
Adjustments	0	0	0	0	0	774	0	774
2014-15 Depreciation (Expense)	(1,915,451)	(2,786)	(8,856)	(5,672)	(3,807)	(15,982)	(14,505)	(1,967,059)
Revaluation - Increments - (Decrements)	0	371,403	3,464,318	7,736,359	199,383	99,221	1,178,063	13,048,747 0
Impairment - (Losses) - Reversals	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
<b>Carrying amount at the end of year</b>	<b><u>70,372,707</u></b>	<b><u>491,438</u></b>	<b><u>4,125,780</u></b>	<b><u>8,406,198</u></b>	<b><u>307,781</u></b>	<b><u>351,995</u></b>	<b><u>1,415,409</u></b>	<b><u>85,471,308</u></b>

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

**2015                      2014**  
**\$                              \$**

**8. TRADE AND OTHER PAYABLES**

	2015	2014
<b>Current</b>		
Sundry Creditors	273,514	308,324
Accrued Interest on Debentures	8,641	9,351
Accrued Salaries and Wages	93,095	70,164
ATO Liabilities	108,827	39,469
	<u>484,077</u>	<u>427,308</u>

**9. LONG-TERM BORROWINGS**

<b>Current</b>		
Secured by Floating Charge - Debentures	50,641	47,763
	<u>50,641</u>	<u>47,763</u>
<b>Non-Current</b>		
Secured by Floating Charge - Debentures	618,310	668,951
	<u>618,310</u>	<u>668,951</u>

Additional detail on borrowings is provided in Note 21.

**10. PROVISIONS**

<b>Analysis of Total Provisions</b>			
Current	490,694	516,998	
Non-Current	48,588	34,619	
	<u>539,262</u>	<u>551,617</u>	

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance as at 1 July 2014	249,607	302,010	551,617
Additional provisions	192,843	52,082	244,925
Amounts used	(195,301)	(70,926)	(266,227)
Adjustments	0	8,947	8,947
Balance at 30 June 2015	<u>247,149</u>	<u>292,113</u>	<u>539,262</u>

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

	2015	2015	2014
	\$	Budget	\$
<b>11. RESERVES - CASH BACKED</b>			
<b>(a) Leave Reserve</b>			
Opening Balance	72,223	73,320	114,771
Amount Set Aside / Transfer to Reserve	2,342	2,425	3,452
Amount Used / Transfer from Reserve	(27,943)	(44,600)	(46,000)
	46,622	31,145	72,223
<b>(b) Plant Reserve</b>			
Opening Balance	245,397	245,470	7,705
Amount Set Aside / Transfer to Reserve	7,959	5	237,692
Amount Used / Transfer from Reserve	(156,870)	(245,000)	0
	96,486	475	245,397
<b>(c) Building Reserve</b>			
Opening Balance	601	607	584
Amount Set Aside / Transfer to Reserve	20	20	17
Amount Used / Transfer from Reserve	0	0	0
	621	627	601
<b>(d) Depot Reserve</b>			
Opening Balance	9,941	10,033	9,651
Amount Set Aside / Transfer to Reserve	322	340	290
Amount Used / Transfer from Reserve	0	0	0
	10,263	10,373	9,941
<b>(e) Community Housing Reserve</b>			
Opening Balance	50,253	50,610	37,298
Amount Set Aside / Transfer to Reserve	23,745	13,150	12,955
Amount Used / Transfer from Reserve	(5,463)	(6,810)	0
	68,535	56,950	50,253
<b>(f) Emergency Reserve</b>			
Opening Balance	38,468	38,825	37,345
Amount Set Aside / Transfer to Reserve	1,248	1,315	1,123
Amount Used / Transfer from Reserve	(29,275)	(29,275)	0
	10,441	10,865	38,468
<b>(g) Insurance Claim Reserve</b>			
Opening Balance	13,424	13,547	13,031
Amount Set Aside / Transfer to Reserve	435	460	393
Amount Used / Transfer from Reserve	0	0	0
	13,859	14,007	13,424
<b>(h) Flaxmill Sheds Reserve</b>			
Opening Balance	23,203	23,420	22,526
Amount Set Aside / Transfer to Reserve	752	795	677
Amount Used / Transfer from Reserve	0	(10,000)	0
	23,955	14,215	23,203

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

**11. RESERVES - CASH BACKED CNTD**

	2015	2015	2014
	\$	Budget	\$

**(i) Recreation Reserve**

Opening Balance	121,599	122,726	118,048
Amount Set Aside / Transfer to Reserve	73,191	73,412	3,551
Amount Used / Transfer from Reserve	(63,525)	(90,375)	0
	131,265	105,763	121,599

**(j) Commercial Reserve**

Opening Balance	483,828	488,316	469,701
Amount Set Aside / Transfer to Reserve	15,692	16,565	14,127
Amount Used / Transfer from Reserve	0	0	0
	499,520	504,881	483,828

**(k) Bush Fire Radios Reserve**

Opening Balance	15,219	15,361	14,775
Amount Set Aside / Transfer to Reserve	494	520	444
Amount Used / Transfer from Reserve	(14,782)	(15,296)	0
	931	585	15,219

**(l) Infrastructure Reserve**

Opening Balance	13,705	13,832	13,305
Amount Set Aside / Transfer to Reserve	36,726	37,266	400
Amount Used / Transfer from Reserve	(50,000)	(50,000)	0
	431	1,098	13,705

**(m) Bridges Reserve**

Opening Balance	281	284	273
Amount Set Aside / Transfer to Reserve	9	10	8
Amount Used / Transfer from Reserve	0	0	0
	290	294	281

**(n) Medical Services Reserve**

Opening Balance	4,847	4,891	4,705
Amount Set Aside / Transfer to Reserve	157	165	142
Amount Used / Transfer from Reserve	(3,419)	(3,500)	0
	1,585	1,556	4,847

**(o) Swimming Pool Reserve**

Opening Balance	35,147	35,288	14,705
Amount Set Aside / Transfer to Reserve	1,140	1,225	20,442
Amount Used / Transfer from Reserve	0	(35,930)	0
	36,287	583	35,147

**(p) Town Hall Reserve**

Opening Balance	1	1	0
Amount Set Aside / Transfer to Reserve	0	0	1
Amount Used / Transfer from Reserve	0	0	0
	1	1	1

**SHIRE OF BOYUP BROOK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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	2015	2015	2014
	\$	Budget	\$
<b>11. RESERVES - CASH BACKED CNTD</b>			
<b>(q) Admin Office Building Reserve</b>			
Opening Balance	1,878	1,895	1,824
Amount Set Aside / Transfer to Reserve	61	65	54
Amount Used / Transfer from Reserve	0	0	0
	<u>1,939</u>	<u>1,960</u>	<u>1,878</u>
<b>(r) Aged Accommodation Reserve</b>			
Opening Balance	24,327	24,552	23,616
Amount Set Aside / Transfer to Reserve	789	835	711
Amount Used / Transfer from Reserve	<u>(18,169)</u>	<u>(24,000)</u>	<u>0</u>
	6,947	1,387	24,327
<b>(s) Road Contributions Reserve</b>			
Opening Balance	20,291	20,479	19,699
Amount Set Aside / Transfer to Reserve	658	695	592
Amount Used / Transfer from Reserve	0	0	0
	<u>20,949</u>	<u>21,174</u>	<u>20,291</u>
<b>(t) IT/Office Equipment Reserve</b>			
Opening Balance	19,418	19,598	18,851
Amount Set Aside / Transfer to Reserve	630	665	567
Amount Used / Transfer from Reserve	<u>(1,473)</u>	<u>(19,000)</u>	<u>0</u>
	18,575	1,263	19,418
<b>(u) Transfer Station Reserve</b>			
Opening Balance	87	87	84
Amount Set Aside / Transfer to Reserve	3	5	3
Amount Used / Transfer from Reserve	0	0	0
	<u>90</u>	<u>92</u>	<u>87</u>
<b>(v) Caravan Park Reserve</b>			
Opening Balance	116,650	117,732	113,244
Amount Set Aside / Transfer to Reserve	3,783	3,995	3,406
Amount Used / Transfer from Reserve	<u>(102,014)</u>	<u>(117,247)</u>	<u>0</u>
	18,419	4,480	116,650
<b>(w) Library Furniture Reserve</b>			
Opening Balance	1,017	1,026	987
Amount Set Aside / Transfer to Reserve	33	35	30
Amount Used / Transfer from Reserve	0	0	0
	<u>1,050</u>	<u>1,061</u>	<u>1,017</u>
<b>TOTAL CASH BACKED RESERVES</b>	<u>1,009,061</u>	<u>784,835</u>	<u>1,311,805</u>

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

**11. RESERVES - CASH BACKED CNTD**

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.

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

- (a) Leave Reserve**
  - to be used to fund annual, sick and long service leave requirements
- (b) Plant & Vehicle Reserve**
  - to be used for the purchase of items of plant including graders, trucks, utes, sedans, etc
- (c) Building Reserve**
  - to be used to fund future maintenance of Shire owned buildings including heritage buildings.
- (d) Depot Reserve**
  - to be used to fund future requirements relating to the upgrade of depot facilities.
- (e) Community Housing Reserve**
  - to be used for the maintenance of the Homeswest housing units in Forrest & Proctor Sts.
- (f) Emergency Reserve**
  - to be used For emergency situations during and outside working hours for example trees on roads, minor flooding, car accidents and supply of services and materials deemed necessary in an emergency
- (g) Insurance Claim Reserve**
  - to be used fund insurance claims excesses, where insurance claims are excessive in any one year.
- (h) Flaxmill Sheds Reserve**
  - to be used to fund future requirements relating to maintenance and upgrade of the large sheds (storage) at the Flax Mill Complex.
- (i) Recreation Reserve**
  - to be used to fund improvements to the Recreation Facilities and Grounds.
- (j) Commercial Reserve**
  - to be used for future economic development, enhancement and promotion of the district.
- (k) Bush Fire Radios Reserve**
  - to be used to fund bush fire radio changeover and future radio requirements and for the maintenance of the bush fire radio tower.
- (l) Infrastructure Reserve**
  - to be used for the development on infrastructure in the Shire.
- (m) Bridges Reserve**
  - to be used to fund future requirements of bridge works.
- (n) Medical Services Reserve**
  - to be used to fund future medical services requirements.
- (o) Swimming Pool Reserve**
  - to be used to fund future major improvement/maintenance projects at the swimming pool.
- (p) Town Hall Reserve**
  - to be used to fund future major improvement/maintenance projects at the Town Hall.
- (q) Admin Office Building Reserve**
  - to be used to fund future major improvements/additions to the Administration Centre.
- (r) Aged Accommodation Reserve**
  - to be used to fund future requirements of Aged Accommodation.

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

**11. RESERVES - CASH BACKED CNTD**

- (s) Road Contributions Reserve
  - to be used to set aside contributions from developers for road development when required.
- (t) IT Reserve
  - to be used to fund future Information Technology requirements.
- (u) Transfer Station Reserve
  - to be used to fund future upgrade to the Transfer Station.
- (v) Caravan Park Reserve
  - to be used to fund future upgrades to the Caravan Park.
- (w) Library Furniture Reserve
  - to be used to fund future library furniture needs.

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

**12. RESERVES - ASSET REVALUATION**

	2015	2014
	\$	\$

Asset revaluation reserves have arisen on revaluation of the following classes of non-current assets:

<b>(a)</b>	<b>Land and Buildings</b>		
	Opening balance	8,324,782	8,324,782
	Revaluation Increment	0	0
	Revaluation Decrement	0	0
		<u>8,324,782</u>	<u>8,324,782</u>
<b>(b)</b>	<b>Furniture and Equipment</b>		
	Opening Balance	0	(180,622)
	Revaluation Increment	0	180,622
	Revaluation Decrement	0	0
		<u>0</u>	<u>0</u>
<b>(c)</b>	<b>Plant and Equipment</b>		
	Opening Balance	0	(406,148)
	Revaluation Increment	0	406,148
	Revaluation Decrement	0	0
		<u>0</u>	<u>0</u>
<b>(d)</b>	<b>Roads</b>		
	Opening Balance	27,539,543	27,539,543
	Revaluation Increment	0	0
	Revaluation Decrement	0	0
		<u>27,539,543</u>	<u>27,539,543</u>
<b>(e)</b>	<b>Footpaths</b>		
	Opening Balance	0	0
	Revaluation Increment	371,403	0
	Revaluation Decrement	0	0
		<u>371,403</u>	<u>0</u>

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

12. RESERVES - ASSET REVALUATION CNTD	2015	2014
	\$	\$
<b>(f) Drainage</b>		
Opening Balance	0	0
Revaluation Increment	3,464,318	0
Revaluation Decrement	0	0
	<u>3,464,318</u>	<u>0</u>
<b>(g) Bridges</b>		
Opening Balance	0	0
Revaluation Increment	7,736,359	0
Revaluation Decrement	0	0
	<u>7,736,359</u>	<u>0</u>
<b>(h) Parks &amp; Ovals</b>		
Opening Balance	0	0
Revaluation Increment	199,383	0
Revaluation Decrement	0	0
	<u>199,383</u>	<u>0</u>
<b>(i) Other Infrastructure</b>		
Opening Balance	0	0
Revaluation Increment	99,221	0
Revaluation Decrement	0	0
	<u>99,221</u>	<u>0</u>
<b>(j) Recreation Infrastructure</b>		
Opening Balance	0	0
Revaluation Increment	1,178,063	0
Revaluation Decrement	0	0
	<u>1,178,063</u>	<u>0</u>
<b>TOTAL ASSET REVALUATION RESERVES</b>	<u>48,913,072</u>	<u>35,864,325</u>



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

**13. NOTES TO THE STATEMENT OF CASH FLOWS**

**(a) Reconciliation of Cash**

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

	2015	2015	2014
	\$	Budget	\$
Cash and Cash Equivalents	<u>3,068,015</u>	<u>850,285</u>	<u>2,440,552</u>

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

Net Result	781,248	794,020	(715,430)
Depreciation	2,610,879	1,645,595	2,561,098
(Profit)/Loss on Sale of Asset	(4,041)	0	2,483
(Increase)/Decrease in Receivables	(47,773)	187,275	(113,633)
(Increase)/Decrease in Inventories	1,125	0	5,663
Increase/(Decrease) in Payables	56,467	(20,000)	(73,679)
Increase/(Decrease) in Employee Provisions	(12,357)	0	60,577
Grants/Contributions for the Development of Assets	(1,476,280)	(1,834,600)	(1,576,674)
Non-Current Assets recognised due to changes in legislative requirements	0	0	0
Net Cash from Operating Activities	<u>1,909,268</u>	<u>762,290</u>	<u>150,405</u>

**(c) Undrawn Borrowing Facilities**

<b>Credit Standby Arrangements</b>			
Bank Overdraft limit	50,000		50,000
Bank Overdraft at Balance Date	0		0
Credit Card limit	10,000		10,000
Credit Card Balance at Balance Date	(133)		0
<b>Total Amount of Credit Unused</b>	<u>59,867</u>		<u>60,000</u>
<b>Loan Facilities</b>			
Loan Facilities - Current	50,641		47,763
Loan Facilities - Non-Current	618,310		668,951
<b>Total Facilities in Use at Balance Date</b>	<u>668,951</u>		<u>716,714</u>
<b>Unused Loan Facilities at Balance Date</b>	<u>400,000</u>		<u>400,000</u>

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

**14. CONTINGENT LIABILITIES**

There were no known contingent liabilities which might have financial ramifications for Council.

**15. CAPITAL AND LEASING COMMITMENTS**

	2015	2014
	\$	\$

(a) Operating Lease Commitments	0	0
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As at the reporting date (30 June 2015), Council had no future operating lease commitments.

**(b) Capital Expenditure Commitments**

Contracted for:		
- plant & equipment purchases	294,500	0
- Country Music Club (Music Park Green Room)	39,260	0
Payable:		
- not later than one year	333,760	0

**16. JOINT VENTURE**

As at the reporting date (30 June 2015), the Shire was not engaged in any joint venture arrangements.

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

	2015	2014
	\$	\$
Governance	6,576	2,339
Law, Order, Public Safety	346,893	32,199
Health	1,201,739	1,196,939
Education and Welfare	847,866	901,854
Housing	2,524,438	2,623,141
Community Amenities	247,625	81,185
Recreation and Culture	5,464,486	4,034,079
Transport	83,882,796	72,569,680
Economic Services	698,838	735,738
Other Property and Services	8,289,664	2,260,944
Unallocated	0	5,246,177
	<u>103,510,921</u>	<u>89,684,275</u>

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

**18. FINANCIAL RATIOS**

	2015	2014	2013
Current Ratio	1.82	0.83	1.64
Asset Sustainability Ratio	0.85	0.81	1.43
Debt Service Cover Ratio	22.82	3.38	11.42
Operating Surplus Ratio	(0.19)	(0.70)	(0.29)
Own Source Revenue Coverage Ratio	0.57	(0.50)	0.59

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		$\frac{\text{annual operating surplus before interest and depreciation principal and interest}}{\text{operating revenue minus operating expense}}$
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 61 of this document.

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

**19. TRUST FUNDS**

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

	Balance 01-Jul-14	Amounts Received	Amounts Paid	Balance 30-Jun-15
	\$	\$	(\$)	\$
Bonds - Relocated Houses	16,435	10,000	(4,193)	22,242
Bonds - Council Houses	1,632	0	0	1,632
Deposits - Hall Hire	1,190	1,000	(1,910)	280
Fruit Fly Baiting Scheme	5,397	0	0	5,397
Deposits - Kerbing	1,400	0	0	1,400
BB Community Foundation	315	0	0	315
Deposits - Road Contributions	9	0	0	9
Interest on Trust Monies	442	4,500	0	4,942
Deposits - Nominations	0	0	0	0
Police Licencing	0	700,196	(700,196)	0
Bonds - Commercial	390	0	0	390
Bonds - Landscaping	0	2,000	0	2,000
Construction Training Fund	0	10,974	(9,921)	1,053
Building Service Levy	0	6,038	(5,568)	470
	<u>27,210</u>			<u>40,130</u>

**20. DISPOSALS OF ASSETS - 2014-15 FINANCIAL YEAR**

The following assets were disposed of during the year:

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Revised Budget	Actual \$	Revised Budget	Actual \$	Revised Budget
Fleet Vehicle - DWVS	25,705	24,000	17,273	24,000	(8,432)	0
Fleet Vehicle - Works Super	23,811	20,000	24,545	20,000	734	0
Fleet Vehicle - Parks Super	9,171	20,000	20,909	20,000	11,738	0
	58,687	64,000	62,727	64,000	4,041	0

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

**21. INFORMATION ON BORROWINGS**

(a) Repayments - Debentures

Particulars	Principal 01-Jul-14 \$	New Loans \$	Principal Repayments		Principal 30-Jun-15		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual * \$	Budget \$
<b>Health</b>								
- L102 Doctor's House	25,518		7,978	7,980	17,540	17,540	1,374	1,545
<b>Education and Wealfare</b>								
- L118 Aged Accommodation	387,720		12,877	12,875	374,843	374,845	18,583	18,695
<b>Housing</b>								
- L115 Staff Housing	80,332		4,771	4,770	75,561	75,560	4,637	4,720
<b>Community Amenities</b>								
- L112 Landfill	17,707		2,463	2,465	15,244	15,240	1,209	1,215
<b>Recreation and Culture</b>								
- L114 Pool	146,099		8,672	8,670	137,427	137,430	8,402	8,590
<b>Economic Services</b>								
- L106 Flax Mill Complex	18,808		4,910	4,910	13,898	13,900	1,118	1,265
- L109 Flax Mill Water	18,646		4,231	4,230	14,415	14,415	1,124	1,125
<b>Other Property and Services</b>								
- L110 Administration Building	21,884		1,861	1,860	20,023	20,025	1,382	1,380
	716,714	0	47,763	47,760	668,951	668,955	37,829	38,535

All loan repayments were financed by general purpose revenue.

\* Actuals adjusted for accrued interest

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

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

(b) Unspent Debentures

<b>Particulars</b>	<b>Date Borrowed</b>	<b>Balance 01-Jul-14 \$</b>	<b>Borrowed During Year \$</b>	<b>Expended During Year \$</b>	<b>Balance 30-Jun-15 \$</b>
<b>Education and Wealfare</b>					
- L118 Aged Accommodation	26/04/2013	400,000	0	0	400,000
		400,000	0	0	400,000

(c) Overdraft

To assist with short term liquidity requirements, Council has in place a \$50,000 overdraft facility with the Commonwealth Bank Australia. The balance of the bank overdraft at 1 July 2014 and 30 June 2015 was \$Nil.

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

**22. RATING INFORMATION - 2014-15 FINANCIAL YEAR**

(a) Rates

<b>RATE TYPE</b>	<b>Rate in \$</b>	<b>Number of Properties</b>	<b>Rateable Value \$</b>	<b>Rate Revenue \$</b>	<b>Interim Rates \$</b>	<b>Back Rates \$</b>	<b>Total Revenue \$</b>	<b>Budget Rate Revenue \$</b>	<b>Budget Interim Rate \$</b>	<b>Budget Back Rate \$</b>	<b>Budget Total Revenue \$</b>
<b>Differential General Rate</b>											
Gross Rental Value	0.129508	309	2,814,744	364,532	752	0	365,284	364,532	0	0	364,532
Unimproved Value - Rural	0.006446	688	263,739,000	1,700,062	2,302	(540)	1,701,824	1,700,062	1,300	0	1,701,362
Unimproved Value - Mining	0.124525	6	288,827	35,966	(7,485)	0	28,481	35,966	0	0	35,966
<b>Sub-Totals</b>		<b>1,003</b>	<b>266,842,571</b>	<b>2,100,560</b>	<b>(4,431)</b>	<b>(540)</b>	<b>2,095,589</b>	<b>2,100,560</b>	<b>1,300</b>	<b>0</b>	<b>2,101,860</b>
<b>Minimum \$</b>											
<b>Minimum Rates</b>											
Gross Rental Value	765	39	140,413	29,835	0	0	29,835	29,835	0	0	29,835
Unimproved Value - Rural	710	220	15,796,277	156,200	0	0	156,200	156,200	0	0	156,200
Unimproved Value - Mining	845	8	17,557	6,760	0	0	6,760	6,760	0	0	6,760
<b>Sub-Totals</b>		<b>267</b>	<b>15,954,247</b>	<b>192,795</b>	<b>0</b>	<b>0</b>	<b>192,795</b>	<b>192,795</b>	<b>0</b>	<b>0</b>	<b>192,795</b>
							<b>2,288,384</b>				<b>2,294,655</b>
Ex-Gratia Rates							954				0
Rates Concessions							(1,005)				(1,065)
Rates Witten Off							(166)				(235)
<b>Total Amount Raised from General Rate</b>							<b>2,288,167</b>				<b>2,293,355</b>

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

**22. RATING INFORMATION - 2012/13 FINANCIAL YEAR (Continued)**

(b) Information on Surplus/(Deficit)	2015 (30 June 2015 Carried Forward) \$	2015 (1 July 2015 Brought Forward) \$	2014 (30 June 2014 Carried Forward) \$
<b>Surplus/(Deficit) - Rate Setting Statement</b>	<u>2,092,427</u>	<u>1,148,692</u>	<u>1,148,692</u>
<b>Comprises:</b>	(a)	(b)	
Cash and Cash Equivalents	1,361,805	388,141	388,141
Unrestricted	1,706,210	2,052,411	2,052,411
Restricted			
Receivables	136,631	150,512	150,512
Rates - Current	177,445	129,328	129,328
Sundry Debtors	113,738	79,981	79,981
GST Receivable	0	8,220	8,220
Prepaid Expenses	(12,000)	0	0
Receipts in Advance			
Inventories	2,263	3,388	3,388
- Fuel and Materials			
<b>Less:</b>	(b)	(a)	
Trade and Other Payables	(273,514)	(308,629)	(308,629)
Sundry Creditors	(8,641)	(9,351)	(9,351)
Accrued Interest on Debentures	(93,095)	(70,164)	(70,164)
Accrued Salaries and Wages	(108,827)	(39,469)	(39,469)
ATO Liabilities			
Current Portion of Long Term Borrowings	(50,641)	(47,763)	(47,763)
Secured - Floating Charge Debentures			
Provisions	(247,149)	(249,607)	(249,607)
Annual Leave	(243,545)	(267,391)	(267,391)
(Current) Long Service Leave			
<b>Net Current Assets</b>	<u>2,460,680</u>	<u>1,819,607</u>	<u>1,819,607</u>
<b>Less:</b>			
Reserves - Restricted Cash	(1,009,061)	(1,311,803)	(1,311,803)
Fuel & Materials	(2,263)	(3,388)	(3,388)
<b>Add:</b>			
Current Borrowings	50,641	47,763	47,763
Provisions	490,694	516,998	516,998
Accrued Interest on Debentures	8,641	9,351	9,351
Accrued Expenses	93,095	70,164	70,164
<b>Surplus/(Deficit)</b>	<u>2,092,427</u>	<u>1,148,692</u>	<u>1,148,692</u>
<b>Difference:</b>	0	0	

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



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

**23. SPECIFIED AREA RATE - 2014-15 FINANCIAL YEAR**

In 2014-15 Council did not impose any Specified Area Rates.

**24. SERVICE CHARGES - 2014-15 FINANCIAL YEAR**

In 2014-15 Council did not impose any Service Charges.

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

Rate Assessment	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
Write-Off			166	235

As at 30 June 2015, Council wrote off small rates account balances i.e. balances that were less than \$5.00.

**26. INTEREST CHARGES AND INSTALMENTS - 2014-15 FINANCIAL YEAR**

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%		19,939	17,950
Interest on Unpaid ESL	11.00%		757	N/A
Interest on Instalments Plan	5.50%		5,889	14,250
Charges on Instalment Plan		12	6,804	8,000
			<u>33,389</u>	<u>40,200</u>

Ratepayers had the option of paying rates in four equal instalments, due on 16th September 2014, 17th November 2014, 16st Jaquary 2015 and 16th March 2015. Administration charges and interest applied for the final three instalments.

**27. FEES & CHARGES**

	2015 \$	2014 \$
Governance	381	20
General Purpose Funding	17,234	14,994
Law, Order, Public Safety	8,092	9,640
Health	799,819	653,778
Housing	41,050	42,386
Community Amenities	122,142	112,704
Recreation and Culture	53,121	40,878
Transport	33,558	1,856
Economic Services	67,848	82,582
Other Property and Services	20,897	26,911
	<u>1,164,142</u>	<u>985,749</u>

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

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

**28. GRANT REVENUE**

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

	2015	2014
<b>By Nature and Type:</b>	<b>\$</b>	<b>\$</b>
Operating Grants, Subsidies and Contributions	1,971,009	946,195
Non-Operating Grants, Subsidies and Contributions	1,476,280	1,576,674
	<u>3,447,289</u>	<u>2,522,869</u>
<b>By Program:</b>		
Governance	686	0
General Purpose Funding	1,694,266	505,296
Law, Order, Public Safety	405,542	50,926
Education and Welfare	7,634	10,358
Recreation and Culture	36,271	15,000
Transport	1,252,705	1,904,284
Economic Services	7,855	5,000
Other Property and Services	42,330	32,005
	<u>3,447,289</u>	<u>2,522,869</u>

Operating grants, subsidies and contributions includes \$59,261 in reimbursements and recoveries.

**29. ELECTED MEMBERS REMUNERATION**

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

	2015	2015	2014
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
Meeting Fees	65,340	65,340	60,913
President's Allowance	6,590	6,590	6,270
Deputy President's Allowance	1,648	1,648	1,568
Travelling Expenses	6,181	6,000	6,220
Telecommunications Allowance	9,945	9,945	9,239
	<u>89,704</u>	<u>89,523</u>	<u>84,210</u>

**30. EMPLOYEE NUMBERS**

The number of full-time equivalent employees at balance date

2015	28	2014	28
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**SHIRE OF BOYUP BROOK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2015**

**31. MAJOR LAND TRANSACTIONS**

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

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

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

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

**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 \$	2014 \$	2015 \$	2014 \$
<b>Financial Assets</b>				
Cash and cash equivalents	3,068,015	2,440,552	3,068,015	2,440,552
Receivables	<u>415,814</u>	<u>367,736</u>	<u>415,814</u>	<u>367,736</u>
	3,483,829	2,808,288	3,483,829	2,808,288
<b>Financial Liabilities</b>				
Payables	484,077	427,308	484,077	427,308
Borrowings	<u>668,951</u>	<u>716,714</u>	<u>668,951</u>	<u>716,714</u>
	<u>1,153,028</u>	<u>1,144,022</u>	<u>1,153,028</u>	<u>1,144,022</u>

Fair value is determined as follows:

- Cash and Cash Equivalents, Receivables, Payables – estimated to the carrying value which approximates net market value.
- Borrowings – estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

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

**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 with the assistance of independent advisers (where applicable). Council has an investment policy and the policy is subject to review by Council. An Investment Report is provided to Council on a monthly basis setting out the make-up and performance of the portfolio.

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

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

Another risk associated with cash 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 diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees. Council also seeks advice from independent advisers (where applicable) before placing any cash and investments.

	2015	2014
Impact of a 1% movement in interest rates on cash	\$	\$
- Equity	30,680	24,406
- Statement of Comprehensive Income	30,680	24,406

**Notes:**

The sensitivity percentage is based on management's expectation of future possible market movements.

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

**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.

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</b>	<b>2014</b>
Percentage of Rates and Annual Charges		
- Current	0%	0%
- Overdue	100%	100%
Percentage of Other Receivables		
- Current	89%	76%
- Overdue	11%	24%

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

**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:

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<b><u>2015</u></b>					
Payables	484,077	0	0	484,077	484,077
Borrowings	85,837	295,681	566,800	948,318	668,951
	<u>569,914</u>	<u>295,681</u>	<u>566,800</u>	<u>1,432,395</u>	<u>1,153,028</u>
<b><u>2014</u></b>					
Payables	427,308	0	0	427,308	427,308
Borrowings	85,837	319,934	628,384	1,034,155	716,714
	<u>513,145</u>	<u>319,934</u>	<u>628,384</u>	<u>1,461,463</u>	<u>1,144,022</u>

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

**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>								
Borrowings								
<b>Fixed Rate</b>								
Debentures	0	17,540	48,069	15,244	0	587,831	668,684	5.23%
Weighted Average Effective Interest Rate		5.32%	5.27%	5.19%		5.13%		
<b><u>Year Ended 30 June 2014</u></b>								
Borrowings								
<b>Fixed Rate</b>								
Debentures	0	26,586	59,071	0	17,707	613,350	716,714	5.26%
Weighted Average Effective Interest Rate		5.37%	5.32%		5.19%	5.16%		





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**INDEPENDENT AUDITOR'S REPORT  
TO THE ELECTORS OF THE SHIRE OF BOYUP BROOK**

**Report on the Financial Report**

We have audited the accompanying financial report of the Shire of Boyup Brook, which comprises the statement of financial position as at 30 June 2015, 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 2015, 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.

## Opinion

In our opinion, the financial report of the Shire of Boyup Brook:

- i. gives a true and fair view of the Shire of Boyup Brook's financial position as at 30 June 2015 and of its performance for the financial year ended 30 June 2015;
- 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:
  - The 2014 Annual Compliance Audit Return was adopted by Council on 21 May 2015 and lodged with the Departmental CEO on 27 May 2015, the return was required to be lodged by 31 March 2015 as required by Section 15(1) of the Local Government (Audit) Regulations 1996; and
  - An explanation for each material variance between actual and budget results was not always provided each month in the statement of financial activity, as required by Regulation 34(2)(b) of the Local Government (Financial Management) Regulations 1996.
- iii. The asset consumption ratio and the asset renewal funding ratio included in the annual financial report are supported by verifiable information and reasonable assumptions.
- iv. All necessary information and explanations were obtained by us.
- v. All audit procedures were satisfactorily completed during our audit.

AMD Chartered Accountants



TIM PARTRIDGE

Partner

Bunbury, Western Australia

Dated this 6<sup>th</sup> day of January 2016

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

**RATIO INFORMATION**

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

	2015	2014	2013
Asset Consumption Ratio	0.71	0.59	0.71
Asset Renewal Funding Ratio	0.21	0.19	0.21

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

