

SHIRE OF



ANNUAL REPORT 2016 - 2017



Strengthening our community now to grow and prosper into the future

www.corrigin.wa.gov.au

Shire of Corrigin

The Shire of Corrigin is located in the Roe Region of Western Australia's Wheatbelt less than 2 ½ hours drive east of Perth.

Corrigin is a vibrant country community founded on broadacre farming.

Corrigin provides a range of services to meet the community's needs including education, health, recreation facilities and affordable land & housing.



Shire of Corrigin Statistics	
Distance from Perth	234k
Area	3,095 sq km
Length of Sealed Roads	405.4 km
Length of Unsealed Roads	767.6 km
Population	1,146 (source ABS 2016)
Number of Electors	835
Number of Dwellings	558 (source ABS 2016)
Total Rates Levied	\$2,341,768
Total Revenue	\$7,987,471
Number of Employees	31 FTE

Shire of Corrigin
 PO Box 220
 9 Lynch Street
 Corrigin WA 6375
 Telephone: 08 9063 2203
 Email: shire@corrigin.wa.gov.au
 Web: www.corrigin.wa.gov.au

Strengthening our community now to grow and prosper into the future

Contents

Shire of Corrigin	1
Contents	2
President's Report	3
Chief Executive Officer's Report.....	4
Councillors.....	5
Executive Management Team	7
Organisational Structure.....	7
Strategic Community Plan	8
How the Strategic Community Plan will be used	9
Strategic Community Plan 2016/17 – Progress	9
National Competition Policy	30
Freedom of Information.....	31
State Records Act	31
Disability Access and Inclusion Plan.....	32
Employee Remuneration Disclosure	33
Public Interest Disclosures.....	33
Complaints Register	33
Annual Financial Report.....	34

President's Report

I am pleased to bring you my President's Report concerning the year 2016-2017.

This year we were required to review our Strategic Community Plan and its underlying Integrated Plans in this financial year. Consequently, we ran an Integrated Planning and Reporting forum to which members of the public were invited. We also developed a survey which was accessible through an online link or in hard copy. The survey was promoted through Facebook, Council's website, the Community Resource Centre, the Windmill Newspaper, local noticeboards and newsletters. We were pleased to have 127 responses, and following the analysis of the public responses another workshop was held for Councillors.



Responses generally found a high level of satisfaction with many of the Shire's services and facilities, especially those of perceived high importance. Out of these two workshops and the surveys the review of our Strategic Community Plan was developed, along with its accompanying plans. While there were no significant changes to the Plan it has been made far more simple and easier to understand.

We have 4 key themes: Economic; Environment; Social and Leadership, each with 2 or 3 projected outcomes. Each agenda item for our monthly meetings acknowledges how it addresses these themes and outcomes.

The Strategic Community Plan can be accessed from the Shire's website at www.corrigin.wa.gov.au

With the change of government earlier this year, and the financial situation the State is in, funding for our planned Aged Housing is now under threat, even though approval had been granted just months earlier. Alternative funding will be sought through the partnering Councils of Wheatbelt South Aged Housing Alliance.

During 2016-2017 Council adopted:

- Health Local Law (2016)
- Animals, Environment and Nuisance Local Law (2016)
- Reviewed the Local Planning Scheme No. 2 to comply with the *Planning and Development Act 2005* and *Planning and Development (Local Planning Schemes) Regulations 2015*

We reviewed our:

- Freedom of Information Statement
- Plan for the Future 2010-2020

Council has endeavored to educate elected members further on the Local Government Act following the CCC Reports into the Shires of Exmouth and Dowerin by spending about 1 hour prior to most Council meetings viewing webinars on particular topics. Councillors also have access to training offered by WA Local Government Association.

My thanks to the CEO, Rob Paull; Deputy CEO, Taryn Dayman; Manager Works and Services Greg Tomlinson and our wonderful staff for their diligence in carrying out their duties this year and every year.

Cr Lynette Baker
President

Strengthening our community now to grow and prosper into the future

Chief Executive Officer's Report

Over the past 12 months the Shire has had a focus on matters of governance, compliance, transparency and customer service for the Shire of Corrigin.

It is with great pleasure that I present the 2016/2017 Annual Report to the residents and ratepayers of the Shire of Corrigin.

The last number of years has seen a focus of the completion of the 'Corrigin Recreation and Events Centre' which has been a major project that has had a great outcome for Corrigin.

Council continues to work through a number of issues concerning the construction, specifically issues within the roof and is hopeful to have a positive resolution in the near future.

The Shire's focus continued on the delivery of services to the community which also included the following important programs and projects:

Capital renewal and upgrade programs, including the completion of the Bulyee & Bullaring Fire Sheds, Swimming Pool refurbishment, completion of the Water Chlorination System, upgrade of the parking and drainage at the Rotary Park, upgrade of the Saleyard Walkways and a relocated (second hand) depot administration office. In addition Council completed a number of important works at the Corrigin Recreation & Events Centre Precinct, including the ticket box, landscaping, fencing, playground and car parking.

In 2016/2017, Council reviewed its Community Strategic Plan. Council engaged consultants Moore Stephens to assist with the development and review of the plan, including conducting an extensive community engagement program which sought to obtain the community's aspirations, visions and objectives for the future as well as obtaining feedback in relation to the Shire's services and facilities. Council adopted the Community Strategic Plan

In additional to the review of Council's Community Strategic plan, Council also progressed with the adoption of its Age Friendly Community Plan, development of the following, Economic and Tourism Strategy, Equal Employment Opportunity Plan, Customer Service Charter, Municipal Heritage Inventory and Bowling Club relocation Feasibility Study (which was conducted jointly with the Corrigin Bowling Club). I would like to thank all community members, along with the significant efforts of Shire Staff, who have been involved in the development of these plans.

Over the period of January/February 2017 the Shire of Corrigin received severe rainfall resulting in significant flooding and damage to various roads. The State Government activated the Western Australia Disaster Relief and Recovery Arrangements (WANDRRA) which identified the impact of the severe rain event on Corrigin's Roads

Core Business Australia was engaged to undertake damage assessment and cost estimate to the extent of the damage to Shire roads. This Damage Assessment & Cost Estimate Report was submitted to Main Roads as a WANDRRA claim on the 21 April 2017.

The cost estimate for reinstatement of essential public assets (not including supervision) is \$3,452,121; however this is subject to review and when claimed, will include the full cost of supervising of the works.

Reinstatements works have commenced to open up and make safe a number of closed roads. Appointment of suitability qualified and experience road construction consultants will be engaged and works to commence the



Strengthening our community now to grow and prosper into the future

reinstatement of roads will commence soon after. It is anticipated that the reinstatement works will be conducted over the next 18 months.

The previous State Government approved the removal of the current concession on vehicle licence fees and stamp duty that has applied to local governments throughout Western Australia. The Shire of Corrigin along with a significant number of local Governments throughout Western Australia calculated the likely ongoing financial impact the removal of the exemption vehicle licence fees and stamp duty will have on the Shire and community.

The impact of removing the exemption vehicle licence fees (based on the current licencing fees and stamp duty) and vehicle changeovers in Council's 2017/18 draft Budget on the Shire will be an additional \$52,907 for licence fees and \$37,566 for vehicle stamp duty. For our Shire, this equates to an increase in rates of almost 3.8% to cover the additional State Government costs and these expenses will impact the Shire every year!

A Disallowance Motion to Legislative Council passed through Parliament on Tuesday 27 June 2017 which enables the Shire to put the cost in future Budgets to pay for licence fees and vehicle stamp duty to good use within the Corrigin community. Time will tell whether the Government reduces road funding to compensate for the success of the Disallowance Motion.

However, Council continues to advocate for the assessment of a variety of roads within the Corrigin Network to be suitably RAV rated to ensure that the networks meets the needs of the district and the users. Council has made numerous applications for RAV assessments to be conducted and works closely with Main Roads to achieve the right outcome.

Council has continued its strong support for Shire Staff to achieve positive outcomes for the community. I would like to extend my personal thanks to all Staff and our elected members along with those community volunteers that dedicate their time to the people of Corrigin.

Rob Paull
Chief Executive Officer



Source: A Jesperson

Councillors

Strengthening our community now to grow and prosper into the future





Cr Lynette Baker
President
Term Expires 2019
Ph: 9065 7053



Cr Des Hickey
Deputy President
Term Expires 2017
Ph: 0428 751 024



Cr Matt Dickinson
Term Expires 2017
Ph: 0428 632 013



Cr Janeane Mason
Term Expires 2017
Ph: 0417 095 804



Cr Terry Pridham
Term Expires 2017
Ph: 0429 192 659



Cr Shannon Hardingham
Term Expires 2019
Ph: 0427 630 063



Cr Brian Praetz
Term Expires 2019
Ph: 0418 927 211

Executive Management Team

Taryn Dayman

Deputy Chief Executive Officer



Greg Tomlinson

Manager Works & Services



Organisational Structure



Strengthening our community now to grow and prosper into the future

Strategic Community Plan

Council's Strategic Community Plan was originally adopted on 25 June 2013 and continued to operate as Council's key overall Strategic Planning document throughout the 2016/17 year. The Strategic Community Plan 2017– 2027 was recently reviewed and adopted by Council at its meeting held on 20 June 2017.

Integrated Planning and Reporting Framework

All Western Australian local governments are required to prepare a Plan for the Future for their district under Section 5.56(1) of the Local Government Act 1995. The Plan for the Future comprises the following two key strategic documents, which a local government is required to have regard for when forming its annual budget.

Strategic Community Plan – Council's principal 10-year strategy and planning tool. It is the principal guiding document for the remainder of the Shire's strategic planning as community engagement is central to this Strategic Community Plan.

Corporate Business Plan – Council's 4-year planning document. The core components of this Corporate Business Plan include a 4-year delivery program, aligned to the Strategic Community Plan and accompanied by 4-year financial projections.

Development of the Strategic Community Plan and Corporate Business Plan is undertaken in accordance with the Integrated Planning and Reporting Framework and Guidelines. An essential element of the Integrated Planning and Reporting process is to enable community members and stakeholders to participate in shaping the future of the community and in identifying issues and solutions. It is designed to articulate the community's vision, aspirations, outcomes and priorities for the future of the district.

Importantly, the Strategic Community Plan and Corporate Business Plan are informed by several other key plans and processes. The connection between the community and the Shire's strategic plans, annual budget and corporate documents developed to guide the Shire in delivering services to the community are shown in the diagram below. The term of each key plan is shown in the blue circles.

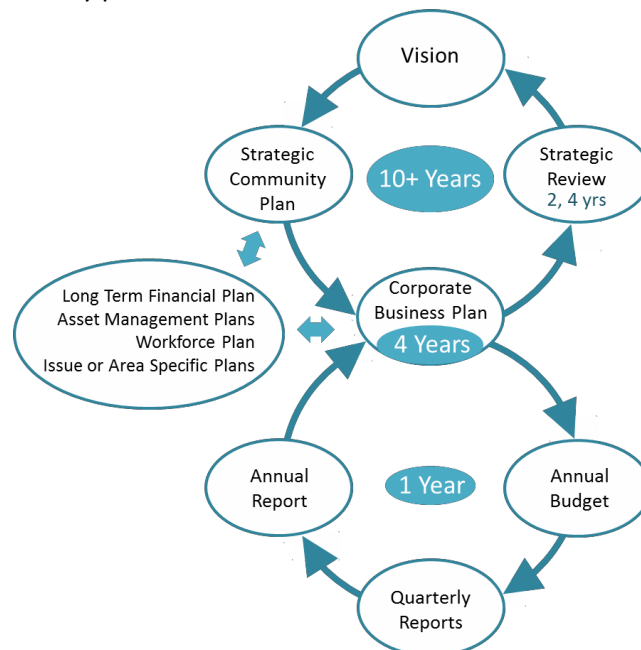


Diagram: Integrated Planning and Reporting Cycle²

¹ Local Government (Administration) Regulations 1996, Paragraph 19BA.

² Department of Local Government and Communities, Integrated Planning and Reporting: Framework and Guidelines, September 2016

Strengthening our community now to grow and prosper into the future

How the Strategic Community Plan will be used

The Strategic Community Plan outlines how the Shire will, over the long term, work towards a brighter future for the Shire of Corrigin community as it seeks to achieve its vision inspired by the community's aspirations. Looking to the future, the Strategic Community Plan will influence how the Shire uses its resources to deliver services to the community. The Strategic Community Plan forms the primary driver for all other planning undertaken by the Shire.

The Shire of Corrigin intends to use the Strategic Community Plan in several ways, including:

- Guide Council priority setting and decision making;
- Be a mechanism for the ongoing integration of local planning initiatives;
- Inform the decision making of other agencies and organisations, including community and State Government;
- Provide a rationale to pursue grants and other resources by demonstrating how specific projects align with the aspirations of our community, within the strategic direction of the Shire;
- Inform potential investors and developers of our community's key priorities, and the way we intend to grow and develop;
- Engage local businesses, community groups and residents in various ways to contribute to the Shire's future; and
- Provide a framework for monitoring progress against our vision.

Importantly, plans are only effective if adequate resources are dedicated to ensure they can be delivered. The strategies are prioritised and actions applied (after a further assessment of available resources) through the development of a Corporate Business Plan. Strategic performance indicators will be used to report back to the community on the Shire's performance in achieving the outcomes.

Strategic Community Plan 2016/17 – Progress

In accordance with legislation, Council is required to report to the community annually on its progress towards achieving the objectives.

Council's Corporate Business Plan is reviewed annually. After the adoption of the Strategic Community Plan in June 2017, and major review of Council's Corporate Business Plan was completed, identifying actions required to align with the newly adopted plan. The revised Corporate Business Plan was adopted on the 18 July 2017.

Council progress report has been prepared using the Strategy Community Plan, adopted June 2017, as well as the Corporate Business Plan, adopted July 2017. While the Corporate Business Plan was not adapted in the 2016/2017 financial year, which is the period that is being reported on, there is no benefit reporting on outdated objectives and goals. Therefore the recently adopted plans are addressed in this Annual Report.

In addition, it should be noted that the progress is based on the current reports and current progress made in the short period of time. Some outcomes align to previous goals and therefore the status reflects the progress over the last 12 months made on the previous goals which align to the new outcomes.

Goals that do not align to current outcomes within the current plan have been omitted from the reporting process.



Our Vision

“Corrigin – strengthening our community now, to grow and prosper into the future”

The Shire of Corrigin comprises a diverse range of people, communities and landscapes. It is imperative that the vision captures the diversity of the area and is inclusive of all as the Shire moves forward. The community’s vision has been developed with a range of input received through the community engagement process. It reflects clear community aspirations for the ten-year period of the Strategic Community Plan..

Strengthening our community now to grow and prosper into the future



Key Objective one: Economic

A Strong, diverse economy supporting agricultural, local business and attracting new industry

SCP Outcome 1.1 – A well planned and connected transport and communication network within the district.

Strategic Community Plan		Corporate Business Plan		
Outcome	Strategies	Action No.	Actions	Progress / Status
1.1.1	Develop and implement road asset management plans	1.1.1.1	Develop a road asset management plan including network hierarchy and service levels.	A draft plan is proposed and will be referred to Council for consideration in 2018.
		1.1.1.2	Develop a footpath management plan, including hierarchy and service levels.	Collection of footpath data has been obtained and currently being developed into a footpath management plan
		1.1.1.3	Road asset management plan and footpath management plan to be incorporated in the review and expansion of the Asset Management Plan (AMP).	Asset Management Plan (AMP) to be reviewed in 2018.
		1.1.1.4	Road asset management plan and footpath management plan to be implemented through road works program.	Asset Management Plan (AMP) to be reviewed in 2018.

SCP Outcome 1.1 – A well planned and connected transport and communication network within the district. (continued)

Strategic Community Plan		Corporate Business Plan		
Outcome	Strategies	Action No.	Actions	Progress / Status
1.1.2	Maintain transport network in line with asset management plans	1.1.2.1	Prepare and review an annual Road Works Program for a minimum of a 10 year period outlining future capital renewals, upgrades and expansions within Councils available funding aligned to asset management plan.	10 year Roads Works Programs reviewed annually as part of budget preparations.
		1.1.2.2	Prepare and review an annual Footpath Works Program for a minimum of a 4 year period outlining future capital renewals, upgrades and expansions within Councils available funding aligned to asset management plan.	Footpath management plan is currently being developed.
		1.1.2.3	Advocate for the Secondary Freight Project.	Ongoing. Support from Wheatbelt local governments to the Secondary Freight Project.
1.1.3	Lobby for improved telecommunications infrastructure to service the district	1.1.3.1	Advocate for improved telecommunications within the district by identifying and reporting 'black spots'.	Ongoing. Number of blackspots identified. Community input being sought to identify blackspots and to submit information to the Federal Government.
		1.1.3.2	Advocate for improved communications infrastructure within the district by lobbying stakeholders to meet the needs of the district, both residential and commercial, now and into the future.	Council continues to advocate to the Federal Government, telecommunication suppliers and state government for the upgrade of local exchanges and towers. Council to prioritise any planning applications for mobile phone towers.

SCP Outcome 1.2 – Adequate land availability for development

Strategic Community Plan		Corporate Business Plan		
Outcome	Strategies	Action No.	Actions	Progress / Status
1.2.1	Identify appropriate land available for development	1.2.1.1	Identify appropriate land and provide the opportunity for additional industrial land and lifestyle lots to encourage the expansion of industrial & retail business, including a review of the Town Planning Scheme.	Ongoing. To be addressed when Council reviews its Local Planning Scheme No. 2. In the meantime, Council to actively consider rezoning's/applications that encourage the expansion of industrial & retail business.
1.2.2	Review Local Town Planning Scheme	1.2.2.1	Update the Shire of Corrigin's Planning Scheme to allow increased residential density by changing classifications from R12.5 to R17.5.	Draft planning scheme amendment to review the residential density provisions in Corrigin has been prepared and anticipated to be considered by Council in mid-2017. The amendment will then referred to the Minister for Planning for final approval.
		1.2.2.2	Provide, maintain and review Town Planning Scheme to support development along with orderly and proper planning.	Ongoing. To be addressed when Council reviews its Local Planning Scheme No. 2.

SCP Outcome 1.3 Well supported diverse industry and business

Strategic Community Plan		Corporate Business Plan		Progress / Status
Outcome	Strategies	Action No.	Actions	
1.3.1	Develop and implement an Economic and Tourism Strategy for the district	1.3.1.1	Develop an affordable Economic and Tourism Development Strategy for the District based on Regional Opportunities.	Economic & Tourism Strategy currently being developed with community input and to be considered by Council in mid- 2017.
		1.3.1.2	Implement Economic & Tourism Develop Strategy.	Key strategies to be identified in the Economic & Tourism Develop Strategy with funding to be considered in the 2017/18 annual budget.
		1.3.1.3	Economic & Tourism Develop strategies, programs & initiatives to be incorporated in LTFP and annual budgets.	Key strategies to be identified in the Economic & Tourism Develop Strategy with funding to be considered in the 2017/18 annual budget. LTFP to be reviewed in 2018, with strategies to be incorporated within plan.



Strengthening our community now to grow and prosper into the future

Key Objective two: Environment

An Attractive natural and built environment for the benefit of current and future generations

SCP Outcome 2.1 A natural environment for the benefit and enjoyment of current and future generations

Strategic Community Plan		Corporate Business Plan			
Outcome	Strategies	Action No.	Actions	Progress / Status	
2.1.1	Manage the natural environment within available resources	2.1.1.1	Develop a Natural Resource Management Plan, including the identification of unique natural resources.	Natural Resource Management Plan currently under development.	
		2.1.1.2	Natural Resource Management strategies, programs & initiatives to be incorporated in LTFP and annual budgets.	Natural Resource Management Plan currently under development.	
		2.1.1.3	Implement Natural Resource Management Plan.	Natural Resource Management Plan currently under development.	
		2.1.1.4	Provide adequate infrastructure which allows the enjoyment of Council's natural resources, including reserves, but does not cause harm to the area.	Council continues to provide adequate infrastructure which allows the enjoyment of Council's natural resources and which provides protection of the asset for future generations.	
		2.1.1.5	Support the local agricultural section by lobbying stake holders to address local concerns and issues facing the industry now and into the future.	Through partnerships with local and regional groups, Council assists with addressing concerns and issues facing the industry, to ensure a sustainable local agricultural sector for future generations.	

SCP Outcome 2.1 A natural environment for the benefit and enjoyment of current and future generations (continued)

Strategic Community Plan		Corporate Business Plan		
Outcome	Strategies	Action No.	Actions	Progress / Status
2.1.2	Provide effective and efficient waste management services	2.1.2.1	Maintain an effective and efficient transfer station that allows for expansion and rehabilitation.	Council continues to provide a well maintained and efficient waste transfer station.
		2.1.2.2	Provide a suitable area for green waste disposal	Council continues to provide an area for green waste disposal.
		2.1.2.3	Provide an effective and efficient recycling service, including the collection of glass and cardboard	Through Council's waste contractor, a fortnightly recycling service is provided. Council also has suitable facilities for the collection of both glass and cardboard.
		2.1.2.4	In collaboration with neighbouring local governments, maintain a waste disposal site that allows for expansion and rehabilitation.	In partnership with RoeROC Shire's, Council continues to operate a regional waste disposal facility that allows for both expansion and rehabilitation.
2.1.3	Collaborate with community groups to enhance the natural environment	2.1.3.1	Identify environment educational programs and engage with suitable agencies for the delivery of such programs.	Ongoing. Council has made limited progress to date although there is still continued interaction with the CDHS 'Bushrangers'.
		2.1.3.2	Work in collaboration with groups and organisations to deliver projects and programs that promote and protect the District's natural resource.	Ongoing. Council has made limited progress to date although there is still continued interaction with the CDHS 'Bushrangers'

SCP Outcome 2.2 A well-managed built environment

Strategic Community Plan		Corporate Business Plan		
Outcome	Strategies	Action No.	Actions	Progress / Status
2.2.1	Review and implement asset management plans within available resources	2.2.1.1	Assess Council's built environment current condition and establish future capital and maintenance requirements to meet required service levels.	Asset Management Plan (AMP) to be reviewed in 2018.
		2.2.1.2	Maintain and review Asset Management Plans (AMP) for Council's built environment.	Asset Management Plan (AMP) to be reviewed in 2018.
		2.2.1.3	AMP for Council's built environment to be incorporated into LTFP.	Asset Management Plan (AMP) to be reviewed in 2018.
		2.2.1.4	Manage existing building and structures to ensure they are safe and comply with legislative requirements.	Council continues to ensure that its building maintenance program provides for well-maintained facilities that are safe and comply with legislative requirements.
2.2.2	Maintain the integrity of heritage buildings within available resources	2.2.2.1	Identify and update Municipal Heritage Inventory and Conservation Plans.	Review of Council's Municipal Heritage Inventory and is currently underway and is expected to be considered by Council in 2018.
		2.2.2.2	Municipal heritage inventory & conservation plans to be identified and incorporated into AMP & LTFP.	AMP and LTFP to be reviewed in 2018.

SCP Outcome 2.2 A well-managed built environment (continued)

Strategic Community Plan		Corporate Business Plan		
Outcome	Strategies	Action No.	Actions	Progress / Status
2.2.3	Enhance and maintain our townscape	2.2.3.1	Manage and maintain the Council's parks, gardens and open space at appropriate service levels and standards.	Council continues to manage and maintain Council's parks, gardens and open spaces to the highest standard within the available resources.
		2.2.3.2	Manage and maintain Council's townscape infrastructure, both natural and built to enhance the appearance and services of the townscape within the district.	Council continues to manage and maintain Council's townscape infrastructure to the highest standard within the available resources.
		2.2.3.3	Townscape enhancement projects and initiatives incorporated in Council's AMP & LTFP.	AMP and LTFP to be reviewed in 2018.



Strengthening our community now to grow and prosper into the future

Key Objective three: Social

An effectively serviced, inclusive and resilient community

SCP Outcome 3.1 An inclusive, welcoming and active community

Strategic Community Plan		Corporate Business Plan		Progress / Status
Outcome	Strategies	Action No.	Actions	
3.1.1	Work in partnership with community and sporting groups	3.1.1.1	Provide support in leadership & governance of local sports clubs and groups.	Council through its committee system encourages clubs and groups to be involved in the operation of the CREC. Council has undertaken a partnership role with the Bowling Club to pursue the installation of artificial greens.
		3.1.1.2	Assist sport and recreation clubs in accessing grant funding opportunities.	Council, through its Council news and community group network, provides information on available funding opportunities.
3.1.2	Continue to provide infrastructure to support social wellbeing of the community	3.1.2.1	Provide well serviced and maintained infrastructure that can be utilised by the community for the provision of social and wellbeing activities in accordance with asset management plan.	Council provides well-maintained infrastructure that enables community social and well-being activities.
3.1.3	Facilitate, encourage and support community events	3.1.3.1	Promote and support local events with emphases on events that promote visitation of the Shire.	Council continues to support major local events, either financially or with available staffing resource. Council promotes such major local events through its Facebook and website.
		3.1.3.2	Engage and facilitate the community to encourage the establishment and continuation of local events.	Council continues to encourage clubs and groups to undertake local events. For example, Council directly assists the Corrigin Agricultural Society in running the Corrigin Show.

Strengthening our community now to grow and prosper into the future

SCP Outcome 3.1 An inclusive, welcoming and active community (continued)

Strategic Community Plan		Corporate Business Plan		
Outcome	Strategies	Action No.	Actions	Progress / Status
3.1.4	Collaborate with emergency service and community volunteers	3.1.4.1	Engage with the community, in particular volunteers and volunteer organisations to establish how the community can ensure a going sustainable volunteer services / roles within the community.	Council continues to be directly involved with the Bush Fire Brigades, and directly engage in the Museum, Tidy Towns, Senior Citizens and emergency service and community volunteers.
		3.1.4.2	Continue to lobby the key stakeholders to ensure the necessary support is provided for volunteer services who support Corrigin.	Council has made limited progress to date. However, Council continuously seeks to lobby governments to continue support for volunteer services in Corrigin.



Strengthening our community now to grow and prosper into the future

SCP Outcome 3.2 A community for all ages

Strategic Community Plan		Corporate Business Plan		
Outcome	Strategies	Action No.	Actions	Progress / Status
3.2.1	Implement Aged Friendly Community Plan	3.2.1.1	Undertake programs, strategies and initiatives from Aged Friendly Community Plan and incorporate them in Council's AMP & LTFP.	Council is making progress on the delivery of key strategies identified within the Aged Friendly Community Plan. Strategies to be incorporated in the AMP & LTFP review in 2018.
		3.2.1.2	Services and facilities within the Shire provides for an aged friendly community.	Council continues to have regard to providing an aged friendly community and has supported a number of initiatives that will improve the services and facilities within Corrigin.
		3.2.1.3	Collaborate with key stakeholders for the provision of sustainable aged care facilities and services.	In partnership with a number of adjacent local governments the Wheatbelt South Aged Housing Alliance Aged Housing Project has been progressing with the funding of aged care accommodation for the district.
		3.2.1.4	Support current and future groups and organisations for the provision of aged care facilities and services within the district.	In partnership with a number of adjacent local governments the Wheatbelt South Aged Housing Alliance Aged Housing Project has been progressing with the funding of aged care accommodation for the district.
		3.2.1.5	Lobby stakeholders to ensure the necessary services to support aged care are accessible in Corrigin.	As per Action 3.2.1.4

SCP Outcome 3.2 A community for all ages (continued)

Strategic Community Plan		Corporate Business Plan		
Outcome	Strategies	Action No.	Actions	Progress / Status
3.2.2	Collaborate with key stakeholders to encourage youth engagement	3.2.2.1	Collaborate with key stakeholders, including youth within the district to develop a youth strategy.	Ongoing. Council continues to support the local youth through 'Camp Kulin' and 'Edna Stevenson' education program.
		3.2.2.2	Implement Youth Strategy for the district.	Ongoing. Council continues to support the local youth through 'Camp Kulin' and 'Edna Stevenson' education program.
		3.2.2.3	Promote opportunities for youth development, employment and activities.	Ongoing. Council continues to support the local youth through 'Camp Kulin' and 'Edna Stevenson' program.
3.2.3	Continue to support family services	3.2.3.1	Support current and future groups and organisations for the provision of family facilities and services within the district.	Ongoing. Provision of adequate facilities and programs to facilitate increasing involvement and engagement of the community.

SCP Outcome 3.2 A community for all ages (continued)

Strategic Community Plan		Corporate Business Plan		
Outcome	Strategies	Action No.	Actions	Progress / Status
3.2.4	Ongoing support for the provision of health and associated services	3.2.4.1	Ensure that the residents have regular access to a medical practitioner and support the medical practitioner in the delivery of these services.	Council continues to provide support to the local medical practitioner too ensure the ongoing delivery of services.
		3.2.4.2	Work with neighbouring local governments, key stake holders to have a collaborative approach to the provision of medical and allied health services to the region.	Ongoing. Council support for the provision of Primary and Allied Health services to the community, including advocating with state government and other key stakeholders for the improvement of health services to the district.
		3.2.4.3	Support the health services by lobbying stake holders (to address local concerns and issues facing the industry now and into the future.	Ongoing. Council support for the provision of Primary and Allied Health services to the community, including advocating with state government and other key stakeholders for the improvement of health services to the district
		3.2.4.4	Representation on key Boards and associations for the delivery of health services to the district.	Ongoing. Council is represented on the Corrigin Local Health Advisory Group and the Shire President is on the Board of Rural Health West.

Key Objectives three: Social

Strong Governance and Leadership

SCP Outcome 4.1 A strategically focused dynamic Council serving the Community				
Strategic Community Plan		Corporate Business Plan		
Outcome	Strategies	Action No.	Actions	Progress / Status
4.1.1	Provide leadership, communication and active engagement with the community	4.1.1.1	Elected members provide strategic leadership for the benefit of the community.	Council continues its focus on providing good governance and planning for the district has reviewed its Strategic Community Plan and Corporate Business Plan.
		4.1.1.2	Council is represented on key local organisations and provide feedback and advise to Council on their issues, programs and initiatives.	Elected members continue to be represented on a number of key local organisations and attend meeting regularly.
		4.1.1.3	Develop and implement a community engagement strategy including community surveys, community reference groups and council representation on strategic community groups.	Council has reviewed its community engagement strategy as part of its review of the Community Strategic Plan. Council engagement strategies have achieved the desired engagement outcomes.
		4.1.1.4	Provide a vibrant, up to date (contents & technology), user friendly website for both the Shire of Corrigin and CRC which proactively engages with residents.	Council's website has recently undergone an upgrade and utilises up to date technology and information.
		4.1.1.5	Use print, electronic and social media to inform residents of key decisions, options considered and any implications of decisions.	Council updates the community of key decisions by the use of social media, electronic and print newsletters and on Council's website.

SCP Outcome 4.1 A strategically focused dynamic Council serving the Community (continued)

Strategic Community Plan		Corporate Business Plan		Progress / Status
Outcome	Strategies	Action No.	Actions	
4.1.2	Undertake strategic planning and ensure legislative compliance	4.1.2.1	Review Council's Community Strategic Plan to ensure it remains aligned to the community's vision, aspirations and desired outcomes.	Council's Community Strategic Plan was reviewed in June 2017.
		4.1.2.2	Annual review of Council's policies and Corporate Business Plan.	Council's Corporate Business Plan is to be reviewed in July 2017.
		4.1.2.3	Regular review of IPR documents & Informing strategies, including LTFP, AMP, Workforce Plan.	Council is to review its informing strategies in 2018.
4.1.3	Maintain accountability and financial responsibility to ensure the stability of the Shire	4.1.3.1	Council to maintain financial stability.	Council's financial management systems and procedures are continuously resulting in the 'Financial Management Review'.
		4.1.3.2	Regular reviews of Council's LTFP to ensure the long term financial stability of the Shire.	Council to review its LTFP will occur in 2018.
		4.1.3.3	Provide Council adequate and appropriate financial information on a timely basis.	Council is provided with detailed financial reports each month.

SCP Outcome 4.2 An effective and efficient organisation

Strategic Community Plan		Corporate Business Plan		
Outcome	Strategies	Action No.	Actions	Progress / Status
4.2.1	Review and implement the Workforce Plan	4.2.1.1	Review and implement the Workforce Plan.	Council is to review its Workforce Plan in 2018.
		4.2.1.2	Workforce plan to have resource consideration to the objectives of the SCP & CBP.	Council is to review its Workforce Plan in 2018.
		4.2.1.3	Workforce plan strategies, programs & initiatives to be incorporated in LTFP and annual budgets.	Council is to review its Workforce Plan in 2018.
4.2.2	Continue to improve operational efficiencies and provide effective services	4.2.2.1	Review delivery of services for operational and cost effective efficiencies.	Council continues its focus on providing good governance and planning for the district has reviewed its Strategic Community Plan and Corporate Business Plan
		4.2.2.3	Set appropriate Fees & Charges for applicable services that promote the use of services and limits the reliance of rate funding.	Council reviews its Fees & Charges annually.
4.2.3	Maintain a strong customer focus	4.2.3.1	Review and implementation of Council's Customer Service Charter.	Council has adopted a Customer Service Charter which is to have ongoing reviews.
		4.2.3.2	Provide a vibrant, up to date (contents & technology), user friendly website for both the Shire of Corrigin and CRC which proactively engages with residents	Council website recently undergone an upgrade and utilises up to date technology and information.
		4.2.3.3	Employ professional customer service workforce who have the required knowledge and training including the provision of adequate resources (intranet/policy / information on services etc.) to ensure a good standard of Customer Service.	Ongoing. Staff across the Shire all play a part in delivering a strong customer focus to the ratepayers and this can be seen by the number and complexity of capital works projects along with new and improved services that are being delivered.

SCP Outcome 4.2 An effective and efficient organization (Continued)

Strategic Community Plan		Corporate Business Plan		Progress / Status
Outcome	Strategies	Action No.	Actions	
4.2.4	Provide a positive and effective workplace	4.2.4.1	Develop and implement a workforce plan and appropriate human resource management policies and procedures to meet current and future workforce needs.	Council is to review of its Workforce Plan is to occur in 2018.
		4.2.4.2	Provide a positive workplace that enables for the development and support of employees in delivering an effective and coherent workplace.	Council continues to have a focus on the important people issues within the Council. The Workforce Plan will provide a strategic approach which supports employees to effectively utilise the Council's human talent to achieve the goals of Council.

Major Projects Snapshot



Swimming Pool Refurbishment



Miss B's Shade Structure

CREC Ticket Box



Saleyard Walkways

Depot Office

Strengthening our community now to grow and prosper into the future



10 Year Road Program

2017/18			
Funding	Road	Description of Works	Budget \$
State RRG	Corrigin Narembeen Rd	Reconstruct & widen	564,770
Federal R2R	Bulyee Quairading Rd	Widen Shoulders	518,931
WANDRRA	Various	Reinstatement works	2,600,000
2018/19			
Funding	Road	Description of Works	Budget \$
State RRG	Corrigin Narembeen Rd	Reconstruct & widen	490,000
Federal R2R	Babakin Corrigin Rd	Reconstruct & widen	263,132
Council	Dry Well Road	Resheet	121,000
WANDRRA	Various	Reinstatement works	1,100,000
Blackspot	Corrigin-Quairading Rd	Reconstruct & widen	186,090
Blackspot	Corrigin-Quairading Rd	Reconstruct & widen	429,223
Blackspot	Corrigin-Quairading Rd	Reconstruct & widen	224,006
Blackspot	Rabbit Proof Fence	Reconstruct & widen	290,294
2019/20			
Funding	Road	Description of Works	Budget \$
State RRG	Corrigin Narembeen Rd	Reconstruct & widen	490,000
Council	Bendering Road	Reconstruct & widen	200,000
2020/21			
Funding	Road	Description of Works	Budget \$
State RRG	Corrigin Narembeen Rd	Reconstruct & widen	490,000
Council	Gill Road	Widen shoulders	140,000
2021/22			
Funding	Road	Description of Works	Budget \$
State RRG	Bullaring Pingelly Rd	Reconstruct & widen	490,000
Council	Boyd St	Reconstruct	150,000
2022/23			
Funding	Road	Description of Works	Budget \$
State RRG	Bullaring Pingelly Rd	Reconstruct & widen	490,000
Council	Jose Street	Reconstruct	200,000
2023/24			
Funding	Road	Description of Works	Budget \$
State RRG	Bullaring Pingelly Rd	Reconstruct & widen	490,000
Council	Goyder Street	Reconstruct	150,000
2024/25			
Funding	Road	Description of Works	Budget \$
State RRG	Bullaring Pingelly Rd	Reconstruct & widen	490,000
Council	Barber Road	Resheet	150,000
2025/26			
Funding	Road	Description of Works	Budget \$
State RRG	Bullaring Pingelly Rd	Reconstruct & widen	490,000
Council	Lomos South Rd	Resheet	112,000

	Future Years		
Funding	Road	Description of Works	Budget \$
Council	49 Gate West Rd	Resheet	175,000
Council	Rafferty Rd	Resheet	280,000
Council	Fulwoods Rd	Resheet	135,000
Council	Lomos North Rd	Resheet	142,000

Notes: This program is indicative only and may be subject to change.

Due to the WANDRRA roads reimbursement for 2017/18, a future roads program may need to be altered to take into account roads reconstructed under WANDRRA. In particular, Council noted that Lomos North Road may need to be considered in the program for 2018/19.

Council undertook the following construction works as part of the works program for the 2016/17 financial year

	2016/2017 Road Construction works		
Funding	Road	Description of Works	Actual \$
State RRG	Corrigin Narembreen Rd	Reconstruct & widen	564,770
Grain Freight	Bulyee Rd	Reconstruct & Widen	559,893
Federal R2R	Dry Well Rd	Resheet	35,685
Federal R2R	Bilbarin Quairading Rd	Widen shoulders	242,131
Federal R2R	Lomos South	Resheet	225,464
Federal R2R	Corrigin South Road	Widen shoulders	229,947
Federal R2R	Babakin Corrigin Rd	Widen shoulders	94,602
Federal R2R	Gills Road	Intersection	20,304



National Competition Policy

This policy was introduced by the Commonwealth Government in 1995 to promote competition for the benefit of business, consumers and the economy by removing what was considered to be unnecessary protection of monopolies of markets where competition can be enhanced. It effects local governments as factors such as exemption from company and income tax or possible local regulations and laws may give local government a potential advantage over private contractors.

In respect to Council's responsibilities under to the National Competition Policy, the Shire reports as follows:

- No business enterprise of the Shire of Corrigin has been classified by the Australian Bureau of Statistics as either a Public Trading Enterprise or a Public Financial Enterprise.
- Competitive neutrality has not applied to any activities undertaken by the Shire in this reporting period.
- No allegations of non-compliance with the competitive neutrality principles have been made by any private entity.
- The principles of competitive neutrality will be implemented in respect of any relevant activity undertaken during the next financial reporting period.

Freedom of Information

In complying with the *Freedom of Information Act 1992*, the Shire of Corrigin is required to prepare and publish an information statement.

The Shire of Corrigin's Information Statement is reviewed annually and is available via Council's website or at the Shire administration office. The information statement contains advice on the type of documents available to the public and how to access those documents.

State Records Act

The *State Records Act 2000* requires the Shire to maintain and dispose of all records in the prescribed manner.

Principle 6 – Compliance: Government Organisations ensure their employees comply with the record keeping plan.

Rationale:

An organisation and its employees must comply with the organisation's record keeping plan. Organisations should develop and implement strategies for ensuring that each employee is aware of the compliance responsibilities.

Minimum Compliance Requirements:

The record keeping plan is to provide evidence to adduce that:

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

The Shire has complied with items 2 to 4.

Item 1 – The Shire of Corrigin is currently transitioning to an Electronic Records Keeping System, utilising Council's financial software SynergySoft. The implementation of the new system has a direct impact on Council's record keeping plan and the internal management of Council's records.

As a result, a request for extension to review Council's record keeping plan was applied for and granted, to allow for the full implementation of the new electronic record management system, procedures and guidance notes and update of Council's Record Keeping Plan with reference to new system and practices.

Disability Access and Inclusion Plan

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

Council has an endorsed DAIP which was reviewed in December 2014. Council is required to report on our present activities as they relate to the seven desired DAIP outcomes.

1. People with disability have the same opportunities as other people to access the services of, and any events organised by, the relevant public authority.
2. People with disability have the same opportunities as other people to access the buildings and other facilities of the relevant public authority.
3. People with disability receive information from the relevant public authority in a format that will enable them to access the information as readily as other people are able to access it.
4. People with disability receive the same level and quality of service from the staff of the relevant public authority.
5. People with disability have the same opportunities as other people to make complaints to the relevant public authority.
6. People with disability have the same opportunities as other people to participate in any public consultation by the relevant public authority.
7. People with disability have the same opportunities as other people to obtain and maintain employment with a public authority.

Employee Remuneration Disclosure

Regulation 19B of the *Local Government (Administration) Regulation 1996* requires the Shire to include the following information in its Annual Report:

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

Set out below, in bands of \$10,000, is the number of employees of the Shire entitled to an annual salary of \$100,000 or more for 2016/2017:

Salary Range

\$ From	\$ To	Number of Employees
110,000	119,999	
120,000	129,999	1
130,000	139,999	
140,000	149,999	
Total		1

Public Interest Disclosures

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

The Chief Executive Officer has complied with all obligations under the Act including:

- Appointing the Governance and Project Officer as the Public Interest Disclosure officer for the organisation and publishing an internal procedure relating to the Shire's obligation.
- Providing protection from detrimental action or the threat of detrimental action for an employee of the Shire who makes an appropriate disclosure of public interest information.

Complaints Register

Section 5.121 of the *Local Government Act 1995* requires the Annual Report to contain details of the entries made in the Complaints Register regarding complaints made about elected members.

There were no complaints lodged against elected members in the year under review.

SHIRE OF CORRIGIN
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017



SHIRE OF CORRIGIN
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017



SHIRE OF CORRIGIN
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

TABLE OF CONTENTS

Statement by Chief Executive Officer	2
Statement of Comprehensive Income by Nature or Type	3
Statement of Comprehensive Income by Program	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Rate Setting Statement	8
Notes to and Forming Part of the Financial Report	9
Independent Auditors Report	60
Supplementary Ratio Information	62

Principal place of business:
Shire of Corrigin
9 Lynch Street
CORRIGIN W A 6375

**SHIRE OF CORRIGIN
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017**

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire being the annual financial report and supporting notes and other information for the financial year ended 30 June 2017 are in my opinion properly drawn up to present fairly the financial position of the Shire at 30th June 2017 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 *12* day of *December* 2017



Rob Paul
Chief Executive Officer

SHIRE OF CORRIGIN
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2017

	NOTE	2017 \$	2017 Budget \$	2016 \$
Revenue				
Rates	22	2,341,768	2,338,556	2,209,902
Operating grants, subsidies and contributions	29	3,378,979	2,411,461	1,412,899
Fees and charges	28	559,470	651,185	575,211
Interest earnings	2(a)	47,954	38,654	69,392
Other revenue	2(a)	86,483	12,100	78,628
		<u>6,414,654</u>	<u>5,451,956</u>	<u>4,346,032</u>
Expenses				
Employee costs		(2,107,719)	(2,205,565)	(2,225,291)
Materials and contracts		(1,074,833)	(1,619,450)	(1,258,940)
Utility charges		(298,089)	(351,590)	(296,714)
Depreciation on non-current assets	2(a)	(3,220,784)	(2,697,727)	(3,178,058)
Interest expenses	2(a)	(99,019)	(113,116)	(106,336)
Insurance expenses		(242,566)	(237,065)	(248,695)
Other expenditure		(123,000)	(89,430)	(118,957)
		<u>(7,166,010)</u>	<u>(7,313,943)</u>	<u>(7,432,991)</u>
		(751,356)	(1,861,987)	(3,086,959)
Non-operating grants, subsidies and contributions	29	1,572,817	1,766,229	1,806,771
Profit on asset disposals	20	12,959	45,270	26,854
(Loss) on asset disposals	20	(214,999)	(56,415)	(5,572)
Net result		619,421	(106,903)	(1,258,906)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	12	(1,552,062)	0	(170,175)
Total other comprehensive income		(1,552,062)	0	(170,175)
Total comprehensive income		<u>(932,641)</u>	<u>(106,903)</u>	<u>(1,429,081)</u>

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

SHIRE OF CORRIGIN
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2017

	NOTE	2017 \$	2017 Budget \$	2016 \$
Revenue	2(a)			
Governance		6,933	1,500	5,644
General purpose funding		5,060,611	4,129,991	3,143,589
Law, order, public safety		46,688	34,125	58,598
Health		267,039	315,539	161,135
Education and welfare		172,159	154,061	164,531
Housing		97,403	98,960	89,088
Community amenities		187,752	192,922	220,697
Recreation and culture		162,207	86,582	107,640
Transport		230,736	195,681	171,444
Economic services		45,049	61,965	46,228
Other property and services		138,077	180,630	177,438
		<u>6,414,654</u>	<u>5,451,956</u>	<u>4,346,032</u>
Expenses	2(a)			
Governance		(620,513)	(723,232)	(622,969)
General purpose funding		(92,861)	(50,473)	(51,519)
Law, order, public safety		(132,513)	(168,824)	(153,148)
Health		(607,671)	(720,986)	(722,610)
Education and welfare		(317,573)	(326,867)	(375,486)
Housing		(125,377)	(144,573)	(83,169)
Community amenities		(493,298)	(552,530)	(590,825)
Recreation and culture		(1,497,257)	(1,234,292)	(1,632,661)
Transport		(2,761,228)	(2,689,013)	(2,643,904)
Economic services		(288,938)	(407,262)	(272,714)
Other property and services		(129,762)	(182,725)	(177,650)
		<u>(7,066,991)</u>	<u>(7,200,777)</u>	<u>(7,326,655)</u>
Finance costs	2(a)			
Community amenities		(12,937)	(14,784)	(17,205)
Recreation and culture		(86,082)	(98,382)	(89,131)
		<u>(99,019)</u>	<u>(113,166)</u>	<u>(106,336)</u>
		<u>(751,356)</u>	<u>(1,861,987)</u>	<u>(3,086,959)</u>
Non-operating grants, subsidies and contributions	29	1,572,817	1,766,229	1,806,771
Profit on disposal of assets	20	12,959	45,270	26,854
(Loss) on disposal of assets	20	(214,999)	(56,415)	(5,572)
Net result		619,421	(106,903)	(1,258,906)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	12	(1,552,062)	0	(170,175)
Total other comprehensive income		(1,552,062)	0	(170,175)
Total comprehensive income		<u>(932,641)</u>	<u>(106,903)</u>	<u>(1,429,081)</u>

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

SHIRE OF CORRIGIN
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2017

	NOTE	30 June 2017 \$	Restated 30 June 2016 \$	Restated 1 July 2015 \$
CURRENT ASSETS				
Cash and cash equivalents	3	2,736,430	2,125,083	5,157,518
Trade and other receivables	4	601,967	294,696	138,508
Inventories	5	105,130	104,837	102,562
TOTAL CURRENT ASSETS		3,443,527	2,524,616	5,398,588
NON-CURRENT ASSETS				
Other receivables	4	7,530	7,530	7,530
Inventories	5	1,570,000	1,580,000	1,610,000
Property, plant and equipment	6	28,430,206	27,686,149	26,066,399
Infrastructure	7	119,030,768	121,775,902	121,950,875
TOTAL NON-CURRENT ASSETS		149,038,504	151,049,581	149,634,804
TOTAL ASSETS		152,482,031	153,574,197	155,033,392
CURRENT LIABILITIES				
Trade and other payables	8	328,301	356,837	304,249
Current portion of long term borrowings	9	164,702	155,953	147,678
Provisions	10	507,049	497,573	443,294
TOTAL CURRENT LIABILITIES		1,000,052	1,010,363	895,221
NON-CURRENT LIABILITIES				
Long term borrowings	9	1,780,665	1,945,368	2,101,320
Provisions	10	53,074	37,585	26,889
TOTAL NON-CURRENT LIABILITIES		1,833,739	1,982,953	2,128,209
TOTAL LIABILITIES		2,833,791	2,993,316	3,023,430
NET ASSETS		149,648,240	150,580,881	152,009,962
EQUITY				
Retained surplus		34,067,644	33,523,018	33,215,505
Reserves - cash backed	11	1,373,808	1,299,013	2,865,432
Revaluation surplus	12	114,206,788	115,758,850	115,929,025
TOTAL EQUITY		149,648,240	150,580,881	152,009,962

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

SHIRE OF CORRIGIN
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2017

		RETAINED	RESERVES	REVALUATION	TOTAL
	NOTE	SURPLUS	CASH	SURPLUS	EQUITY
		\$	\$	\$	\$
Balance as at 1 July 2015		32,588,295	2,865,432	115,929,025	151,382,752
Correction of Errors	35	627,210	0	0	627,210
Restated Balance 1 July 2015		33,215,505	2,865,432	115,929,025	152,009,962
Comprehensive income					
Net result		(1,258,906)	0	0	(1,258,906)
Changes on revaluation of assets	12	0	0	(170,175)	(170,175)
Total comprehensive income		(1,258,906)	0	(170,175)	(1,429,081)
Transfers from/(to) reserves		1,566,419	(1,566,419)	0	0
Balance as at 30 June 2016		33,523,018	1,299,013	115,758,850	150,580,881
Comprehensive income					
Net result		619,421	0	0	619,421
Changes on revaluation of assets	12	0	0	(1,552,062)	(1,552,062)
Total comprehensive income		619,421	0	(1,552,062)	(932,641)
Transfers from/(to) reserves		(74,795)	74,795	0	0
Balance as at 30 June 2017		34,067,644	1,373,808	114,206,788	149,648,240

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

SHIRE OF CORRIGIN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2017

	NOTE	2017 Actual \$	2017 Budget \$	2016 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		2,307,326	2,338,556	2,190,141
Operating grants, subsidies and contributions		3,104,510	2,611,461	1,276,472
Fees and charges		599,470	651,185	575,211
Interest earnings		47,954	38,654	69,392
Goods and services tax		337,314	500,000	647,070
Other revenue		86,482	12,100	108,630
		<u>6,483,056</u>	<u>6,151,956</u>	<u>4,866,916</u>
Payments				
Employee costs		(2,077,449)	(2,305,565)	(2,142,123)
Materials and contracts		(1,079,438)	(1,699,450)	(1,247,909)
Utility charges		(298,089)	(351,590)	(296,714)
Interest expenses		(101,374)	(113,116)	(108,516)
Insurance expenses		(242,566)	(237,065)	(248,695)
Goods and services tax		(394,239)	(450,000)	(623,803)
Other expenditure		(121,608)	(89,430)	(118,957)
		<u>(4,314,763)</u>	<u>(5,246,216)</u>	<u>(4,786,717)</u>
Net cash provided by (used in)				
operating activities	13(b)	2,168,293	905,740	80,199
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	6(b)	(448,493)	(820,043)	(3,190,330)
Payments for construction of infrastructure	7(b)	(2,647,460)	(2,621,249)	(1,692,081)
Non-operating grants, subsidies and contributions		1,572,817	1,766,229	1,806,771
Proceeds from sale of fixed assets	20	122,144	413,727	110,683
Net cash provided by (used in)				
investment activities		<u>(1,400,992)</u>	<u>(1,261,336)</u>	<u>(2,964,957)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of debentures	21(a)	(155,954)	(155,953)	(147,677)
Net cash provided by (used in)				
financing activities		<u>(155,954)</u>	<u>(155,953)</u>	<u>(147,677)</u>
Net increase (decrease) in cash held		611,347	(511,549)	(3,032,435)
Cash at beginning of year		2,125,083	2,125,084	5,157,518
Cash and cash equivalents				
at the end of the year	13(a)	<u>2,736,430</u>	<u>1,613,535</u>	<u>2,125,083</u>

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

SHIRE OF CORRIGIN
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2017

	NOTE	2017 Actual \$	2017 Budget \$	2016 Actual \$
Net current assets at start of financial year - surplus		<u>321,193</u>	<u>384,716</u>	<u>1,735,611</u>
		321,193	384,716	1,735,611
Revenue from operating activities (excluding rates)				
Governance		6,933	1,500	5,644
General purpose funding		2,718,843	1,791,435	933,687
Law, order, public safety		46,688	34,125	58,598
Health		267,810	315,539	165,914
Education and welfare		172,159	154,061	164,531
Housing		97,403	98,960	89,088
Community amenities		187,752	192,922	220,697
Recreation and culture		162,207	86,582	107,640
Transport		230,736	195,681	188,423
Economic services		45,049	61,965	46,228
Other property and services		<u>150,265</u>	<u>225,900</u>	<u>182,534</u>
		4,085,845	3,158,670	2,162,984
Expenditure from operating activities				
Governance		(620,513)	(723,232)	(622,969)
General purpose funding		(92,861)	(50,473)	(51,519)
Law, order, public safety		(132,513)	(168,824)	(153,148)
Health		(607,671)	(720,986)	(722,610)
Education and welfare		(317,573)	(328,368)	(375,486)
Housing		(125,377)	(198,865)	(83,169)
Community amenities		(506,235)	(567,314)	(608,030)
Recreation and culture		(1,793,318)	(1,332,674)	(1,721,792)
Transport		(2,761,228)	(2,689,013)	(2,643,904)
Economic services		(288,938)	(407,262)	(272,714)
Other property and services		<u>(134,782)</u>	<u>(183,347)</u>	<u>(183,222)</u>
		(7,381,009)	(7,370,358)	(7,438,563)
Operating activities excluded from budget				
(Profit) on disposal of assets	20	(12,959)	(45,270)	(26,854)
Loss on disposal of assets	20	214,999	56,415	5,572
Movement in employee benefit provisions (non-current)		15,489	0	10,696
Movement in land held for resale (non Current)		0	0	30,000
Depreciation and amortisation on assets	2(a)	<u>3,220,784</u>	<u>2,697,727</u>	<u>3,178,058</u>
Amount attributable to operating activities		464,342	(1,118,100)	(342,496)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		1,572,817	1,766,229	1,806,771
Proceeds from disposal of assets	20	122,144	413,727	110,683
Purchase of property, plant and equipment	6(b)	(448,493)	(820,043)	(3,190,330)
Purchase and construction of infrastructure	7(b)	<u>(2,647,460)</u>	<u>(2,621,249)</u>	<u>(1,692,081)</u>
Amount attributable to investing activities		(1,400,992)	(1,261,336)	(2,964,957)
FINANCING ACTIVITIES				
Repayment of debentures	21(a)	(155,954)	(155,953)	(147,677)
Transfers to reserves (restricted assets)	11	(402,021)	(152,154)	(65,301)
Transfers from reserves (restricted assets)	11	<u>327,226</u>	<u>348,987</u>	<u>1,631,720</u>
Amount attributable to financing activities		(230,749)	40,880	1,418,742
Surplus(deficiency) before general rates		<u>(1,167,399)</u>	<u>(2,338,556)</u>	<u>(1,888,711)</u>
Total amount raised from general rates	22	<u>2,341,768</u>	<u>2,338,556</u>	<u>2,209,902</u>
Net current assets at June 30 c/fwd - surplus	23	<u><u>1,174,369</u></u>	<u><u>0</u></u>	<u><u>321,193</u></u>

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

**SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

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

(a) Goods and Services Tax (GST)

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

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

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

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

(b) Cash and Cash Equivalents

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

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

**SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Trade and Other Receivables

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

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

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

(d) Inventories

General

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

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

Land held for sale

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

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

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

(e) Fixed Assets

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

Mandatory requirement to revalue non-current assets

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

During the year ended 30 June 2013, the Shire commenced the process of adopting Fair Value in accordance with the Regulations.

Whilst the amendments initially allowed for a phasing in of fair value in relation to fixed assets over three years, as at 30 June 2015 all non-current assets were carried at Fair Value in accordance with the requirements.

Thereafter, each asset class must be revalued in accordance with the regulatory framework established and the Shire revalues its asset classes in accordance with this mandatory timetable.

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

**SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Fixed Assets (Continued)

Land under control

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

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

Revaluation

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

Land under roads

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

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

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

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

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

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Fixed Assets (Continued)

Depreciation

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

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

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

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

Buildings	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Sealed roads and streets	
formation	Not Depreciated
pavement	50 years
seal	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
formation	Not Depreciated
pavement	50 years
Formed roads (unsealed)	
formation	Not Depreciated
pavement	50 years
Footpaths - slab	20 years
Sewerage piping	100 years
Water supply piping and drainage systems	75 years
Parks & Gardens	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 carrying amount is greater than its estimated recoverable amount.

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

Capitalisation threshold

Council has adopted the following capitalisation thresholds for each classification of property, plant, equipment and infrastructure assets as below;

Land	Nil
Buildings	\$2,000
Plant & Equipment	\$2,000
Furniture & Equipment	\$2,000
Infrastructure - Roads	\$5,000
Infrastructure – Drainage	\$5,000
Infrastructure – Parks & Gardens	\$5,000
Infrastructure – Footpaths and Cycle-ways	\$5,000
Infrastructure – Airports	\$5,000*
Infrastructure – Sewerage	\$5,000
Infrastructure – Other	\$5,000

*Airports have various components, such as building and plant and equipment and the thresholds applicable to these components should be applied to each component.

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fair Value of Assets and Liabilities

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

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

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

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

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

Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

**SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Income approach

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

Cost approach

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

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

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued in accordance with the regulatory framework.

(g) Financial Instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

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

Amortised cost is calculated as:

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

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

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Financial Instruments (Continued)

Classification and subsequent measurement (continued)

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

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

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

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

**SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Financial Instruments (Continued)

Impairment

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

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

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

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

Derecognition

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

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

(h) Impairment of Assets

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

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

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

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

(i) Trade and Other Payables

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

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Employee Benefits

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

(k) Borrowing Costs

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

(l) Provisions

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

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

(m) Leases

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

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

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.

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Investment in Associates

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

The carrying amount of the investment includes, where applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Shire'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 Shire and the associate are eliminated to the extent of the Shire's interest in the associate.

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

(o) Interests in Joint Arrangements

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

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

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

(p) Rates, Grants, Donations and Other Contributions

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

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

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

(q) Superannuation

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

**SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Current and Non-Current Classification

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

(s) Rounding Off Figures

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

(t) Comparative Figures

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

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

A third statement of financial position for 30 June 2015 has been included due to the recognition of the Crown land operated by the local government as a golf course and a race course (see note 35).

(u) 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 CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

Notes:

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

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(iv) AASB 1058 Income of Not-for-Profit Entities (incorporating AASB 2016-7 and AASB 2016-8)	December 2016	1 January 2019	<p>These standards are likely to have a significant impact on the income recognition for NFP's. Key areas for consideration are:</p> <ul style="list-style-type: none"> - Assets received below fair value; - Transfers received to acquire or construct non-financial assets; - Grants received; - Prepaid rates; - Leases entered into at below market rates; and - Volunteer services. <p>Whilst it is not possible to quantify the financial impact (or if it is material) of these key areas until the details of future transactions are known, they will all have application to the Shire's operations.</p>

Notes:

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

(w) Adoption of New and Revised Accounting Standards

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

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

<p>(i) AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities</p> <p>[AASB 10, 124 & 1049]</p>	<p>The objective of this Standard was to extend the scope of AASB 124 <i>Related Party Disclosures</i> to include not-for-profit sector entities.</p> <p>The Standard has had a significant disclosure impact on the financial report of the Shire as both Elected Members and Senior Management are deemed to be Key Management Personnel and resultant disclosures in accordance to AASB 124 have been necessary.</p>
--	---

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

2. REVENUE AND EXPENSES	2017	2016
	\$	\$
(a) Net Result		
The Net result includes:		
(i) Charging as an expense:		
Auditors remuneration		
- Audit of the Annual Financial Report	15,000	18,200
- Other Services	9,410	0
Depreciation		
Buildings - specialised	811,109	772,110
Furniture and equipment	25,711	21,891
Plant and equipment	363,472	517,003
Infrastructure - Roads	1,291,899	1,154,769
Infrastructure - Footpaths	21,306	21,302
Infrastructure - drainage	335,835	335,545
Infrastructure - parks and ovals	371,452	355,438
	<u>3,220,784</u>	<u>3,178,058</u>
Interest expenses (finance costs)		
Debentures (refer Note 21 (a))	99,019	106,336
	<u>99,019</u>	<u>106,336</u>
(ii) Crediting as revenue:		
Other revenue		
Reimbursements and recoveries	26,800	22,224
Other	59,683	56,404
	<u>86,483</u>	<u>78,628</u>
	2017	2017
	Actual	Budget
	\$	\$
Interest earnings		
- Reserve funds	31,649	31,154
- Other funds	1,150	1,500
Other interest revenue (refer note 27)	15,155	6,000
	<u>47,954</u>	<u>38,654</u>
		2016
		Actual
		\$
		55,300
		1,126
		12,966
		69,392

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

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

"Strengthening our community now to grow and prosper into the future."

Shire 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:

Include 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 specify the Shire 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 Acts, regulations and by-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. Administration of the ReoROC health scheme and provision of various medical facilities.

EDUCATION AND WELFARE

Objective:

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

Activities:

Maintenance of the child minding facility and playgroup facility.
Assistance to the occasional Day care centre and playgroup as well as donations to other voluntary services. Provision and/or support of community care programs and youth services.
Provision of services provided by the Community Resource Centre.

HOUSING

Objective:

To provide and maintain staff and rental housing.

Activities:

Provision and maintenance of staff and joint venture housing.

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

COMMUNITY AMENITIES

Objective:

To provide services required by the community.

Activities:

Rubbish collection services, operation of rubbish disposal sites, litter control, administration of town planning schemes. Administration and maintenance of cemetery and public conveniences and town water drainage and community bus.

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, aquatic centres, recreation centres and various sporting facilities
Provision and maintenance of parks, gardens, reserves and playgrounds.
Provision of library services (contract). Support of museum and other cultural facilities and services.

TRANSPORT

Objective:

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

Activities:

Construction and maintenance of roads, streets, footpaths, depots, airstrip, bridges parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.
Provision of police licensing services.

ECONOMIC SERVICES

Objective:

To help promote the shire and its economic wellbeing.

Activities:

Tourism and area promotion including the provision of the caravan park. Provision of rural services including weed control, vermin control, saleyards and standpipes. Building control.

OTHER PROPERTY AND SERVICES

Objective:

To monitor and control council's overhead operating accounts.

Activities:

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

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

Grant/Contribution	Opening			Closing			Closing
	Balance ⁽¹⁾	Received ⁽²⁾	Expended ⁽³⁾	Balance ⁽¹⁾	Received ⁽²⁾	Expended ⁽³⁾	Balance
	1/07/15	2015/16	2015/16	30/06/16	2016/17	2016/17	30/06/17
	\$	\$	\$	\$	\$	\$	\$
General purpose funding							
Royalties for regions	331,593	0	(331,593)	0	0	0	0
Education and welfare							
Resource Centre	9,518	0	(9,518)	0	0	0	0
Age-Friendly Community Funding	10,000	0	(10,000)	0	0	0	0
Recreation and culture							
CSRFF - CREC Funding	274,918	159,091	(434,009)	0	0	0	0
RDAF - CREC Funding	0	225,000	(225,000)	0	0	0	0
Lotterywest Funding - CREC	363,636	0	(363,636)	0	0	0	0
Total	989,665	384,091	(1,373,756)	0	0	0	0

Notes:

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

(2) - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.

(3) - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

	Note	2017 \$	2016 \$
3. CASH AND CASH EQUIVALENTS			
Unrestricted		1,362,622	826,070
Restricted		1,373,808	1,299,013
		<u>2,736,430</u>	<u>2,125,083</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Reserves cash backed - employee Entitlement	11	131,328	118,443
Reserves cash backed - Community Bus	11	22,462	12,166
Reserves cash backed - Staff Housing	11	215,715	70,009
Reserves cash backed - Office Equipment	11	25,921	899
Reserves cash backed - Plant Replacement	11	528,322	411,301
Reserves cash backed - Swimming Pool	11	25,991	967
Reserves cash backed - Roadworks	11	234,793	548,652
Reserves cash backed - Land Subdivision	11	49,066	47,899
Reserves cash backed - Townscape	11	2,497	2,438
Reserves cash backed - Medical	11	4,440	4,334
Reserves cash backed - LGCHP	11	9,854	9,620
Reserves cash backed - Community Development	11	168	164
Reserves cash backed - Rockview Land	11	3,589	2,528
Reserves cash backed - Town Hall	11	81,253	69,558
Reserves cash backed - Child Care	11	36	35
Reserves cash backed - Senior Citizens Units	11	20,000	0
Reserves cash backed - Bendering Tip	11	18,373	0
		<u>1,373,808</u>	<u>1,299,013</u>

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

	2017 \$	2016 \$
4. TRADE AND OTHER RECEIVABLES		
Current		
Rates outstanding	112,212	77,767
Sundry debtors	493,396	218,801
Accrued Income	39,749	0
ESL Receivable	0	128
Provision for Doubtful Debts	(43,390)	(2,000)
	<u>601,967</u>	<u>294,696</u>
Non-current		
Rates outstanding - pensioners	7,530	7,530
	<u>7,530</u>	<u>7,530</u>
Information with respect the impairment or otherwise of the totals of rates outstanding and sundry debtors is as follows:		
Rates outstanding	<u>112,212</u>	<u>77,767</u>
Includes:		
Past due and not impaired	70,987	77,767
Impaired	<u>41,225</u>	<u>0</u>
Sundry debtors	<u>493,396</u>	<u>218,801</u>
Includes:		
Past due and not impaired	264,700	46,136
Impaired	<u>2,165</u>	<u>2,000</u>
5. INVENTORIES		
Current		
Fuel and materials	45,130	54,837
Land held for resale - cost	60,000	50,000
	<u>105,130</u>	<u>104,837</u>
Non-current		
Land held for resale - cost	1,570,000	1,580,000
	<u>1,570,000</u>	<u>1,580,000</u>

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

	2017 \$	2016 \$
6 (a). PROPERTY, PLANT AND EQUIPMENT		
Land - Freehold		
- Independent valuation 2014- Level 2	0	2,043,895
- Management Valuation 2017 - Level 3	86,904	0
- Independent valuation 2017 - Level 2	1,801,000	0
- Independent valuation 2017 - Level 3	220,000	0
	<u>2,107,904</u>	<u>2,043,895</u>
Land - vested in and under the control of Council at:		
- Management Valuation 2013 - Level 3 (restated)	0	643,210
- Management valuation 2017 - Level 3	643,210	0
	<u>643,210</u>	<u>643,210</u>
	<u>2,751,114</u>	<u>2,687,105</u>
Buildings - specialised at:		
- Independent Valuation 2014 - Level 2	0	13,835,682
- Independent valuation 2017 - Level 2	3,914,000	0
- Independent valuation 2017 - Level 3	15,204,150	0
- Management valuation 2017 - Level 3	2,597,262	0
- Additions after valuation - cost	0	8,491,943
- Less: accumulated depreciation	0	(1,562,403)
	<u>21,715,412</u>	<u>20,765,222</u>
	<u>21,715,412</u>	<u>20,765,222</u>
Total land and buildings	<u>24,466,526</u>	<u>23,452,327</u>
Furniture and equipment at:		
- Independent valuation 2016- Level 3	231,644	231,644
- Additions after valuation - cost	83,942	0
Less: accumulated depreciation	(25,711)	0
	<u>289,875</u>	<u>231,644</u>
Plant and equipment at:		
- Management valuation 2016 - Level 3	59,652	59,652
- Independent valuation 2016- Level 2	3,411,217	3,404,576
- Independent valuation 2016- Level 3	411,350	537,950
- Additions after valuation - cost	149,304	0
- Less: accumulated depreciation	(357,718)	0
	<u>3,673,805</u>	<u>4,002,178</u>
	<u>28,430,206</u>	<u>27,686,149</u>

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

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Movements in Carrying Amounts

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

	Balance at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) Transferred to Revaluation \$	Revaluation (Losses)/ Reversals Through to Profit or Loss \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Transfers \$	Carrying Amount at the End of Year \$
Land - freehold land	2,043,895	0	0	64,009	0	0	0	0	2,107,904
Land - vested in and under the control of Council	643,210	0	0	0	0	0	0	0	643,210
Total land	2,687,105	0	0	64,009	0	0	0	0	2,751,114
Buildings - specialised	20,765,222	215,247	(209,979)	1,806,543	0	0	(811,109)	(50,512)	21,715,412
Total buildings	20,765,222	215,247	(209,979)	1,806,543	0	0	(811,109)	(50,512)	21,715,412
Total land and buildings	23,452,327	215,247	(209,979)	1,870,552	0	0	(811,109)	(50,512)	24,466,526
Furniture and equipment	231,644	83,942	0	0	0	0	(25,711)	0	289,875
Plant and equipment	4,002,178	149,304	(114,205)	0	0	0	(363,472)	0	3,673,805
Total property, plant and equipment	27,686,149	448,493	(324,184)	1,870,552	0	0	(1,200,292)	(50,512)	28,430,206

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Land - Freehold					
Land - freehold land	2	Market approach using recent observable market data for similar properties	Independent Registered valuers	June 2017	Price Per hectare.
Land - Freehold Land	3	Cost approach using depreciated replacement cost	Independent Registered valuers / Management Valuation	June 2017	Improvements to land using construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs.
Land - vested in and under the control of Council	3	Cost approach using depreciated replacement cost	Management Valuation	June 2017	Improvements to land using construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs.
Buildings - specialised	3	Cost approach using depreciated replacement cost	Independent Registered valuers / Management Valuation	June 2017	Construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs.
Buildings - specialised	2	Market approach using recent observable market data for similar properties	Independent Registered valuers	June 2017	Price per square metre
Furniture and equipment					
- Independent valuation 2016	3	Cost approach using depreciated replacement cost	Independent Registered valuers	June 2016	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Plant and equipment					
- Independent / Management valuation 2016	3	Cost approach using depreciated replacement cost	Independent Registered Valuation / Management Valuation	June 2016	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
- Independent valuation 2016	2	Market approach using recent sale type observable market data for similar asset.	Independent Registered valuers	June 2016	Market Price per item.

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

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

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

	2017 \$	2016 \$
7 (a). INFRASTRUCTURE		
Infrastructure - Roads		
- Management valuation 2015 - Level 3	104,366,041	104,366,041
- Additions after valuation - cost	5,404,735	3,174,999
- Road impairment	(3,422,614)	0
- Less: accumulated depreciation	<u>(2,446,668)</u>	<u>(1,154,769)</u>
	103,901,494	106,386,271
Infrastructure - Footpaths		
- Management valuation 2015 - Level 3	373,801	373,801
- Additions after valuation - cost	65,513	0
- Less: accumulated depreciation	<u>(42,608)</u>	<u>(21,302)</u>
	396,706	352,499
Infrastructure - drainage		
- Management valuation 2015 - Level 3	10,146,049	10,146,049
- Less: accumulated depreciation	<u>(671,380)</u>	<u>(335,545)</u>
	9,474,669	9,810,504
Infrastructure - parks and ovals		
- Management valuation 2015 - Level 3	5,363,307	5,363,307
- Additions after valuation - cost	632,836	230,113
- Less: accumulated depreciation	<u>(738,244)</u>	<u>(366,792)</u>
	5,257,899	5,226,628
	<u>119,030,768</u>	<u>121,775,902</u>

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

Road Impairment

Over the period of January/February 2017 the Shire of Corrigin received severe rainfall resulting in significant flooding.

Core Business Australia (CORE) was engaged to undertake damage assessment and cost estimate to the nature and extent of the damage to Shire roads. This Damage Assessment & Cost Estimate Report was submitted to Main Roads as a WANDRRA claim on the 21 April 2017.

The cost estimate for reinstatement of essential public assets (not including supervision) is \$3,452,121, less repairs already done during the year, however this is subject to review and when claimed, will include the full cost of supervising of the works.

The Road impairment disclosed above is the total estimated less works carried out in the 2016/2017 period.

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

7. INFRASTRUCTURE (Continued)

(b) Movements in Carrying Amounts

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

	Balance as at the Beginning of the Year	Additions	(Disposals)	Revaluation Increments/ (Decrements) Transferred to Revaluation	Revaluation (Loss)/ Reversal Transferred to Profit or Loss	Impairment (Losses)/ Reversals	Depreciation (Expense)	Transfers	Carrying Amount at the End of the Year
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Infrastructure - Roads	106,386,271	2,229,736	0	0	0	(3,422,614)	(1,291,899)	0	103,901,494
Infrastructure - Footpaths	352,499	65,513	0	0	0	0	(21,306)	0	396,706
Infrastructure - drainage	9,810,504	0	0	0	0	0	(335,835)	0	9,474,669
Infrastructure - parks and ovals	5,226,628	352,211	0	0	0	0	(371,452)	50,512	5,257,899
Total infrastructure	121,775,902	2,647,460	0	0	0	(3,422,614)	(2,020,492)	50,512	119,030,768

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

7. INFRASTRUCTURE (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Infrastructure - Roads	3	Cost approach using depreciated replacement cost	Independent Registered Valuers	June 2015	Construction costs and current condition (level 2) residual values and remaining useful life assessment (level 3) Inputs
Infrastructure - Footpaths	3	Cost approach using depreciated replacement cost	Independent Registered Valuers	June 2015	Construction costs and current condition (level 2) residual values and remaining useful life assessment (level 3) Inputs
Infrastructure - drainage	3	Cost approach using depreciated replacement cost	Independent Registered Valuers	June 2015	Construction costs and current condition (level 2) residual values and remaining useful life assessment (level 3) Inputs
Infrastructure - parks and ovals	3	Cost approach using depreciated replacement cost	Independent Registered Valuers	June 2015	Construction costs and current condition (level 2) residual values and remaining useful life assessment (level 3) Inputs

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

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

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

	2017	2016
	\$	\$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry creditors	687	42,751
Accrued interest on debentures	4,434	6,788
Accrued salaries and wages	58,358	53,053
ATO liabilities	135,128	152,303
Accrued Liabilities	127,637	101,942
Income Received in advance	2,057	0
	<u>328,301</u>	<u>356,837</u>

9. LONG-TERM BORROWINGS

Current		
Secured by floating charge		
Debentures	164,702	155,953
	<u>164,702</u>	<u>155,953</u>
Non-current		
Secured by floating charge		
Debentures	1,780,665	1,945,368
	<u>1,780,665</u>	<u>1,945,368</u>

Additional detail on borrowings is provided in Note 21.

10. PROVISIONS

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2016			
Current provisions	253,889	243,684	497,573
Non-current provisions	0	37,585	37,585
	<u>253,889</u>	<u>281,269</u>	<u>535,158</u>
Additional provision	(119,140)	(106,517)	(225,657)
Amounts used	156,358	87,303	243,661
Increase in the discounted amount arising because of time and the effect of any change in the discounted rate	9,472	(2,511)	6,961
Balance at 30 June 2017	<u>300,579</u>	<u>259,544</u>	<u>560,123</u>
Comprises			
Current	300,579	206,470	507,049
Non-current	0	53,074	53,074
	<u>300,579</u>	<u>259,544</u>	<u>560,123</u>

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

11 RESERVES - CASH BACKED

	Actual 2017 Opening Balance \$	Actual 2017 Transfer to \$	Actual 2017 Transfer (from) \$	Actual 2017 Closing Balance \$	Budget 2017 Opening Balance \$	Budget 2017 Transfer to \$	Budget 2017 Transfer (from) \$	Budget 2017 Closing Balance \$	Actual 2016 Opening Balance \$	Actual 2016 Transfer to \$	Actual 2016 Transfer (from) \$	Actual 2016 Closing Balance \$
Reserves cash backed - employee Entitlement	118,443	12,885	0	131,328	118,443	13,238	0	131,681	115,738	2,705	0	118,443
Reserves cash backed - Community Bus	12,166	10,296	0	22,462	12,166	10,333	0	22,499	11,888	278	0	12,166
Reserves cash backed - Staff Housing	70,009	145,706	0	215,715	70,009	1,914	0	71,923	84,670	1,955	(16,616)	70,009
Reserves cash backed - Office Equipment	899	25,022	0	25,921	899	25	0	924	878	21	0	899
Reserves cash backed - Plant Replacement	411,301	117,021	0	528,322	411,301	61,246	0	472,547	780,333	17,668	(386,700)	411,301
Reserves cash backed - Swimming Pool	967	25,024	0	25,991	967	26	0	993	945	22	0	967
Reserves cash backed - Roadworks	548,652	13,367	(327,226)	234,793	548,651	10,637	(348,987)	210,301	747,375	17,470	(216,193)	548,652
Reserves cash backed - Land Subdivision	47,899	1,167	0	49,066	47,899	1,310	0	49,209	46,805	1,094	0	47,899
Reserves cash backed - Townscape	2,438	59	0	2,497	2,438	67	0	2,505	2,382	56	0	2,438
Reserves cash backed - Medical	4,334	106	0	4,440	4,334	119	0	4,453	4,235	99	0	4,334
Reserves cash backed - LGCHP	9,620	234	0	9,854	9,620	263	0	9,883	9,400	220	0	9,620
Reserves cash backed - Community Development	164	4	0	168	164	4	0	168	577,439	7,313	(584,588)	164
Reserves cash backed - Rockview Land	2,528	1,061	0	3,589	2,528	1,069	0	3,597	2,470	58	0	2,528
Reserves cash backed - Town Hall	69,558	11,695	0	81,253	69,558	11,902	0	81,460	58,183	11,375	0	69,558
Reserves cash backed - Child Care	35	1	0	36	35	1	0	36	4,178	92	(4,235)	35
Reserves cash backed - CREC Loan	0	0	0	0	0	0	0	0	32,984	334	(33,318)	0
Reserves cash backed - Royalties for Regions	0	0	0	0	0	0	0	0	331,593	3,362	(334,955)	0
Reserves cash backed - Senior Citizens Units	0	20,000	0	20,000	0	20,000	0	20,000	53,936	1,179	(55,115)	0
Reserves cash backed - Bendering Tip	0	18,373	0	18,373	0	20,000	0	20,000				0
	<u>1,299,013</u>	<u>402,021</u>	<u>(327,226)</u>	<u>1,373,808</u>	<u>1,299,012</u>	<u>152,154</u>	<u>(348,987)</u>	<u>1,102,179</u>	<u>2,865,432</u>	<u>65,301</u>	<u>(1,631,720)</u>	<u>1,299,013</u>

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

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

11 RESERVES - CASH BACKED (continued)

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
Reserves cash backed - employee Entitlement	As required	To be used to fund employee Entitlement requirements.
Reserves cash backed - Community Bus	30/06/2019	To be used to fund the continual purchase of a community bus.
Reserves cash backed - Staff Housing	30/06/2019	To be used for the construction and maintenace of staff housing.
Reserves cash backed - Office Equipment	As required	To be used for the purchase of office equipment
Reserves cash backed - Plant Replacement	As required	To be used to the purchase of major plant items
Reserves cash backed - Swimming Pool	As required	To be used for the construction and maintenace of the swimming pool facilitiy.
Reserves cash backed - Roadworks	As required	To be used to fund the construction of roads and or verge / footpaths within the Shire of Corrigin.
Reserves cash backed - Land Subdivision	As required	To be used to fund the purchase and development of land for sub division and other purposes that benefits the community.
Reserves cash backed - Townscape	As required	To be used for the continual upgrade of townscape facilities
Reserves cash backed - Medical	As required	To be used for the continual upgrade of medical facilities within the Shire of Corrigin
Reserves cash backed - LGCHP	As required	To be used to fund the long term maintenance of the joint venture housing.
Reserves cash backed - Community Development	As required	To be used for the continual upgrade of various community facilities in Corrigin
Reserves cash backed - Rockview Land	As required	To be used to fund the development of the Rockview land project.
Reserves cash backed - Town Hall	As required	To be used for the planning, maintenance and upgrade of the Corrigin Town Hall Building
Reserves cash backed - Child Care	As required	To be used for the provision of child care facilities and services.
Reserves cash backed - CREC Loan	Used	To be use to fund the construction of the Corrigin Recreation and Events Centre.
Reserves cash backed - Royalties for Regions	Used	To be used to fund identified Royalties for Regions projects.
Reserves cash backed - Senior Citizens Units	As required	To be used to construction of aged care accomodation and facilties within Corrigin
Reserves cash backed - Bendering Tip	As required	To be used for the continual upgrade and expansion of the Bendering Tip site.

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

12. REVALUATION SURPLUS

	2017	2017	2017	2017		2016	2016	2016	2016	
	Opening	Revaluation	Revaluation	Total	2017	Opening	Revaluation	Revaluation	Total	2016
	Balance	Increment	(Decrement)	Movement on	Closing	Balance	Increment	(Decrement)	Movement on	Closing
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land and buildings	10,730,148	1,870,552	0	1,870,552	12,600,700	10,714,148	16,000	0	16,000	10,730,148
Revaluatin surplus - Furniture & Equipment	84,719	0	0	0	84,719		84,719	0	84,719	84,719
Revaluation surplus - Plant and equipment	307,766	0	0	0	307,766	578,660	0	(270,894)	(270,894)	307,766
Revaluation surplus - Infrastructure - Roads	90,376,519	0	(3,422,614)	(3,422,614)	86,953,905	90,376,519	0	0	0	90,376,519
Revaluation surplus - Infrastructure - Footpaths	61,789	0	0	0	61,789	61,789	0	0	0	61,789
Revaluation surplus - Infrastructure - Drainage	10,021,829	0	0	0	10,021,829	10,021,829	0	0	0	10,021,829
Revaluation surplus - Infrastructure - Parks & Ovals	4,176,080	0	0	0	4,176,080	4,176,080	0	0	0	4,176,080
	115,758,850	1,870,552	(3,422,614)	(1,552,062)	114,206,788	115,929,025	100,719	(270,894)	(170,175)	115,758,850

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

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

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:

	2017	2017	2016
	\$	Budget	\$
		\$	
Cash and cash equivalents	<u>2,736,430</u>	<u>1,613,535</u>	<u>2,125,083</u>

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

Net result	619,421	(106,903)	(1,258,906)
Non-cash flows in Net result:			
Provision for doubtful debts	41,390	0	0
Depreciation	3,220,784	2,697,727	3,178,058
(Profit)/Loss on sale of asset	202,040	11,145	(21,282)
Changes in assets and liabilities:			
(Increase)/Decrease in receivables	(348,661)	250,000	(156,188)
(Increase)/Decrease in inventories	9,707	0	27,725
Increase/(Decrease) in payables	(28,536)	(180,000)	52,588
Increase/(Decrease) in provisions	24,965	0	64,975
Grants contributions for the development of assets	<u>(1,572,817)</u>	<u>(1,766,229)</u>	<u>(1,806,771)</u>
Net cash from operating activities	<u>2,168,293</u>	<u>905,740</u>	<u>80,199</u>

	2017	2016
	\$	\$
(c) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank overdraft limit	100,000	100,000
Bank overdraft at balance date	0	0
Credit card limit	30,000	40,000
Credit card balance at balance date	<u>(2,318)</u>	<u>(844)</u>
Total amount of credit unused	<u>127,682</u>	<u>139,156</u>
Loan facilities		
Loan facilities - current	164,702	155,953
Loan facilities - non-current	<u>1,780,665</u>	<u>1,945,368</u>
Total facilities in use at balance date	<u>1,945,367</u>	<u>2,101,321</u>
Unused loan facilities at balance date	<u>NIL</u>	<u>NIL</u>

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

14. CONTINGENT LIABILITIES

There are no known contingent Liabilities for 2016/17.

15. CAPITAL AND LEASING COMMITMENTS

(a) Operating Lease Commitments

The Shire did not have any future operating lease commitments at the reporting date.

(b) Capital Expenditure Commitments

	2017	2016
	\$	\$
Contracted for:		
- capital expenditure projects	0	119,519
- plant & equipment purchases	0	0
Payable:		
- not later than one year	0	119,519

2016 Capital Expenditure Projects

The Shire of Corrigin has contracted Hydramet for the transfer pump upgrade to be supplied and installed in 2016/17.

The Shire of Corrigin has contracted playmaster for the supply and installation playground equipment located at the Corrigin Recreation and Events Centre in 2016/17.

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

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

16. JOINT VENTURE ARRANGEMENTS

The Shire together with the Shires of Narembeen, Kulin and Kondinin have a joint venture arrangement with regard to the provision of an environmental health service.

The only assets are a motor vehicle, Bendering Tip site and miscellaneous equipment. The Shire's one-third share of these assets are included in Property, Plant & Equipment is as follows:

	2017	2016
	\$	\$
Non-current assets		
Land - Independent Valuation 2017	15,750	0
Cost	0	15,750
Less: accumulated depreciation	0	(1,506)
	<u>0</u>	<u>14,244</u>
 Light vehicles - Independent valuation - 2016	 61,304	 61,304
Less: accumulated depreciation	(14,759)	0
	<u>46,545</u>	<u>61,304</u>

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2017	2016
	\$	\$
Governance	139,795	141,155
General purpose funding	1,063,061	533,461
Law, order, public safety	958,741	661,941
Health	840,642	839,652
Education and welfare	2,197,545	1,862,125
Housing	4,066,406	3,742,597
Community amenities	1,484,542	1,523,776
Recreation and culture	16,816,383	16,425,964
Transport	117,806,602	118,186,715
Economic services	919,140	715,287
Other property and services	2,549,980	2,777,715
Unallocated	3,639,194	6,163,809
	<u>152,482,031</u>	<u>153,574,197</u>

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

	2017	2016	2015
18. FINANCIAL RATIOS			
Current ratio	2.38	1.37	2.41
Asset sustainability ratio	0.67	1.27	1.30
Debt service cover ratio	9.28	0.86	9.96
Operating surplus ratio	(0.32)	(1.05)	0.06
Own source revenue coverage ratio	0.41	(0.40)	0.45

The above ratios are calculated as follows:

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{Depreciation expenses}}$
Debt service cover ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating surplus ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own source revenue coverage ratio	$\frac{\text{own source operating revenue}}{\text{operating expenses}}$

Notes:

Information relating to the **asset consumption ratio** and the **asset renewal funding ratio** can be found at Supplementary Ratio Information on Page 62 of this document.

Three of the 2017 ratios disclosed above were distorted by the early receipt of half of the allocation of the 2017-18 Financial Assistance Grant in June 2017.

The early payment of the grant increased operating revenue in 2017 by \$915,267.

Two of the 2016 and three of the 2015 ratios disclosed above were distorted by the early receipt of half of the allocation of the 2015-16 Financial Assistance Grant on 30 June 2015.

The early payment of the grant increased operating revenue in 2015 and decreased operating revenue in 2016 by \$876,529.

If recognised in the year to which the allocation related, the calculations in the 2017, 2016 and 2015 columns above would be as follows:

	2017	2016	2015
Current ratio	1.33	1.37	1.28
Debt service cover ratio	5.69	4.31	6.48
Operating surplus ratio	(0.63)	(0.75)	(0.23)

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

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:

	1 July 2016	Amounts Received	Amounts Paid	30 June 2017
	\$	\$	(\$)	\$
B.C.I.T.F	1,157	158	(1,316)	(1)
BRB	43	617	(617)	43
Bus Ticketing	77	1,803	(1,839)	41
Police Licensing	190	712,154	(691,207)	21,137
Single Persons Units - Bonds	308	0	0	308
Corrigin Community Development Fund	34,603	0	(15,500)	19,103
Friends of the Cemetery	2,510	0	0	2,510
Edna Stevenson Educational Trust	951,282	13,269	(33,124)	931,427
Corrigin Disaster Fund	10,929	0	0	10,929
Facility Bonds	3,555	14,929	(3,449)	15,035
Council Nomination Bonds	50	0	0	50
Kidsports	4,400	4,000	(5,718)	2,682
	<u>1,009,104</u>			<u>1,003,264</u>

20. DISPOSALS OF ASSETS - 2016/17 FINANCIAL YEAR

The following assets were disposed of during the year.

	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss	Budget Net Book Value	Budget Sale Proceeds	Budget Profit	Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$
Plant and Equipment								
Health								
EHO Vehicle	14,684	15,455	771	0	16,501	15,000	0	(1,501)
Housing								
Staff House	0	0	0	0	304,292	250,000	0	(54,292)
Recreation and culture								
Agricultural Building	209,979	0	0	(209,979)	0	0	0	0
Other property and services								
Vehicle - 1CR	38,830	51,018	12,188	0	45,622	45,000	0	(622)
Vehicle - 2CR	0	0			2,882	26,000	23,118	0
Vehicle - 4CR	28,000	27,727	0	(273)	25,575	27,727	2,152	0
Granite Rise land	0	0			30,000	50,000	20,000	0
WS Utility	30,897	27,352	0	(3,545)	0	0	0	0
Ride On Mower	1,000	500	0	(500)	0	0	0	0
Rotary Hoe	794	92	0	(702)	0	0	0	0
	<u>324,184</u>	<u>122,144</u>	<u>12,959</u>	<u>(214,999)</u>	<u>424,872</u>	<u>413,727</u>	<u>45,270</u>	<u>(56,415)</u>

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

21. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Principal 1 July 2016	New Loans	Principal Repayments		Principal 30 June 2017		Interest Repayments	
	\$	\$	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Community amenities								
Loan 101 - Land Subdivision	229,191	0	87,483	87,482	141,708	141,709	12,937	13,350
Recreation and culture								
Loan 102 - CREC	1,872,130	0	68,471	68,471	1,803,659	1,803,659	86,082	86,080
	<u>2,101,321</u>	<u>0</u>	<u>155,954</u>	<u>155,953</u>	<u>1,945,367</u>	<u>1,945,368</u>	<u>99,019</u>	<u>99,430</u>

All other loan repayments were financed by general purpose revenue.

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

21. INFORMATION ON BORROWINGS (Continued)

(b) New Debentures - 2016/17

The Shire did not take up any new debentures during the year ended 30 June 2017.

(c) Unspent Debentures

The Shire did not have any unspent debentures as at 30 June 2017.

(d) Overdraft

The shire established an overdraft facility of \$100,000 to assist with short term liquidity requirements.

The balance of the bank overdraft at 30 June 2017 was \$nil.

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

22. RATING INFORMATION - 2016/17 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
General rate											
Gross rental value valuations											
GRV	0.0827	390	4,234,353	349,587	594		350,181	348,997	0	0	348,997
Unimproved value valuations											
UV	0.0160	337	126,625,063	2,026,184	(183)		2,026,001	2,026,184	0	0	2,026,184
Sub-Total		727	130,859,416	2,375,771	411	0	2,376,182	2,375,181	0	0	2,375,181
Minimum payment	Minimum \$										
Gross rental value valuations											
GRV - Corrigin	375	47	102,656	17,625	0	0	17,625	17,625	0	0	17,625
GRV - Other	200	10	2,610	2,000	0	0	2,000	2,000	0	0	2,000
Unimproved value valuations											
UV	375	10	267,781	3,750	0	0	3,750	3,750	0	0	3,750
Sub-Total		67	373,047	23,375	0	0	23,375	23,375	0	0	23,375
		794	131,232,463	2,399,146	411	0	2,399,557	2,398,556	0	0	2,398,556
Discounts/concessions (refer note 26)							(57,789)				(60,000)
Total amount raised from general rate							2,341,768				2,338,556
Totals							2,341,768				2,338,556

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

23. NET CURRENT ASSETS

Composition of net current assets

	2017	2017	2016
	(30 June 2017	(1 July 2016	(30 June 2016
	Carried	Brought	Carried
	Forward)	Forward)	Forward)
	\$	\$	\$
Surplus	1,174,369	321,193	321,193
CURRENT ASSETS			
Cash and cash equivalents			
Unrestricted	1,362,622	826,070	826,070
Restricted	1,373,808	1,299,013	1,299,013
Receivables			
Rates outstanding	112,212	77,767	77,767
Sundry debtors	493,396	218,801	218,801
Accrued Income	39,749	0	0
ESL Receivable	0	128	128
Provision for Doubtful Debts	(43,390)	(2,000)	(2,000)
Inventories			
Fuel and materials	45,130	54,837	54,837
Land held for resale - cost	60,000	50,000	50,000
LESS: CURRENT LIABILITIES			
Trade and other payables			
Sundry creditors	(687)	(42,751)	(42,751)
Accrued interest on debentures	(4,434)	(6,788)	(6,788)
Accrued salaries and wages	(58,358)	(53,053)	(53,053)
ATO liabilities	(135,128)	(152,303)	(152,303)
Accrued Liabilities	(127,637)	(101,942)	(101,942)
Income Received in advance	(2,057)	0	0
Current portion of long term borrowings			
Secured by floating charge	(164,702)	(155,953)	(155,953)
Provisions			
Provision for annual leave	(300,579)	(253,889)	(253,889)
Provision for long service leave	(206,470)	(243,684)	(243,684)
Unadjusted net current assets	2,443,475	1,514,253	1,514,253
Adjustments			
Less: Reserves - restricted cash	(1,373,808)	(1,299,013)	(1,299,013)
Less:			0
Land held for resale - cost	(60,000)	(50,000)	(50,000)
Add:			
Current portion of long term borrowings	164,702	155,953	155,953
Adjusted net current assets - surplus	1,174,369	321,193	321,193

Difference

There was no difference between the surplus 1 July 2016 brought forward position used in the 2017 audited financial report and the surplus carried forward position as disclosed in the 2016 audited financial report.

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

24. SPECIFIED AREA RATE - 2016/17 FINANCIAL YEAR

No specified area rates were imposed by the Shire during the year ended 2017.

25. SERVICE CHARGES - 2016/17 FINANCIAL YEAR

No service charges were imposed by the Shire during the year ended 2017.

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

26. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2016/17 FINANCIAL YEAR

Rates Discounts

Rate or Fee Discount Granted	Discount %	Discount \$	Actual \$	Budget \$	Circumstances in which Discount is Granted
Rate Discount	3.00%		57,789	60,000	Rates paid within 35 days of the date of issue on the rate notice.
			57,789	60,000	

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount %	Discount \$	Actual \$	Budget \$
Sundry Debtors	Write Off			589	0
				589	0

Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available	Objects of the Waiver or Concession	Reasons for the Waiver or Concession
Swimming Pool Entrance Fees	Triathlon participants	Support local community events	Council considers support of these community groups necessary for the overall benefit of the community.
Private Works, Machinery & Plant Hire fees	Corrigin Bowling Club	Support community groups	Council considers support of the Corrigin Bowling club an overall benefit to a large number of the community.

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

27. INTEREST CHARGES AND INSTALMENTS - 2016/17 FINANCIAL YEAR

	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Instalment Options				
Option One				
Single full payment	10 October 16	0	0.00%	11%
Option Three				
First Instalment	10 October 16	10	5.50%	11%
Second Instalment	09 December 16	10	5.50%	11%
Third Instalment	07 February 17	10	5.50%	11%
Fourth Instalment	10 April 17	10	5.50%	11%
			Revenue \$	Budgeted Revenue \$
Interest on unpaid rates			10,545	2,500
Interest on instalment plan			4,610	3,500
Charges on instalment plan			2,820	2,500
			<u>17,975</u>	<u>8,500</u>

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

	2017	2016
	\$	\$
28. FEES & CHARGES		
Governance	0	30,826
General purpose funding	34,457	0
Law, order, public safety	10,701	23,115
Health	24,358	18,022
Education and welfare	34,414	32,197
Housing	96,812	89,088
Community amenities	187,752	168,269
Recreation and culture	52,458	40,299
Transport	27,117	29,344
Economic services	34,352	46,228
Other property and services	57,049	97,823
	<u>559,470</u>	<u>575,211</u>

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

29. GRANT REVENUE

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

	2017	2016
	\$	\$
By Nature or Type:		
Operating grants, subsidies and contributions		
Governance	77	702
General purpose funding	2,636,431	833,467
Law, order, public safety	35,988	35,483
Health	242,681	143,113
Education and welfare	129,326	115,219
Housing	591	0
Community amenities	0	52,246
Recreation and culture	108,301	64,967
Transport	163,870	142,100
Other property and services	61,715	25,602
	<u>3,378,979</u>	<u>1,412,899</u>
Non-operating grants, subsidies and contributions		
Education and welfare	1,479	0
Recreation and culture	68,292	506,461
Transport	1,501,228	1,300,310
Economic services	1,818	0
	<u>1,572,817</u>	<u>1,806,771</u>

30. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

<u>31</u>	<u>31</u>
-----------	-----------

31. ELECTED MEMBERS REMUNERATION

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

	2017	2017	2016
	\$	Budget	\$
Meeting Fees	28,000	28,000	28,000
President's allowance	7,500	7,500	7,500
Deputy President's allowance	1,750	1,875	1,813
Travelling expenses	896	2,001	978
Telecommunications allowance	7,000	7,000	7,000
	<u>45,146</u>	<u>46,376</u>	<u>45,291</u>

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

32. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

	2017
	\$
The total of remuneration paid to KMP of the Shire during the year are as follows:	
Short-term employee benefits	272,308
Post-employment benefits	22,174
Other Long Term Benefits	0
	<u>294,482</u>

Short-term employee benefits

These amounts include all salary, paid leave, fringe benefits and cash bonuses awarded to KMP except for details in respect to fees and benefits paid to elected members which may be found at Note 31.

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Entities subject to significant influence by the Shire

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

iii. Joint venture entities accounted for under the equity method

The Shire has a one-third interest in an environmental health and building service. The interest in the joint venture entity is accounted for in these financial statements using the equity method of accounting. For details of interests held in joint venture entities, refer to Note 16.

32. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

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

The following transactions occurred with related parties:

	2017
	\$
Associated companies / individuals	
Purchase of goods and services	19,000
Joint venture entities:	0
Amounts outstanding from related parties:	0
Amounts payable to related parties:	0

Note: Transitional provisions contained within AASB 2015-6 do not require comparative related party disclosures to be presented in the period of initial application. As a consequence, only disclosures in relation to the current year have been presented.

**SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017**

33. MAJOR LAND TRANSACTIONS

The Shire did not participate in any major land transactions during the 2016/2017 financial year.

34. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Shire did not participate in any trading undertakings or major trading undertakings during the 2016/2017 financial year.

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

35. FINANCIAL RISK MANAGEMENT

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

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

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

The Shire held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2017	2016	2017	2016
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	2,736,430	2,125,083	2,736,430	2,125,083
Receivables	609,497	302,226	609,497	302,226
	<u>3,345,927</u>	<u>2,427,309</u>	<u>3,345,927</u>	<u>2,427,309</u>
Financial liabilities				
Payables	328,301	356,837	328,301	356,837
Borrowings	1,945,367	2,101,321	2,104,157	2,372,719
	<u>2,273,668</u>	<u>2,458,158</u>	<u>2,432,458</u>	<u>2,729,556</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 CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

35. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

The Shire's objective is to maximise its return on cash whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash portfolio 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.

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

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

The Shire manages these risks by diversifying its portfolio and only investing in investments authorised by *Local Government (Financial Management) Regulation 19C*. Council also seeks advice from independent advisers (where considered necessary) before placing any cash.

	2017	2016
	\$	\$
Impact of a 1% ⁽¹⁾ movement in interest rates on cash		
- Equity	27,364	21,251
- Statement of Comprehensive Income	27,364	21,251

Notes:

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

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

35. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

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

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

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

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

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

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

	2017	2016
Percentage of rates and annual charges		
- Current	0%	0%
- Overdue	100%	100%
Percentage of other receivables		
- Current	45%	78%
- Overdue	55%	22%

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

35. 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. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required.

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

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<u>2017</u>					
Payables	328,301	0	0	328,301	328,301
Borrowings	254,972	668,420	1,545,526	2,468,918	1,945,367
	<u>583,273</u>	<u>668,420</u>	<u>1,545,526</u>	<u>2,797,219</u>	<u>2,273,668</u>
<u>2016</u>					
Payables	356,837	0	0	356,837	356,837
Borrowings	254,972	768,838	2,009,896	3,033,706	2,101,321
	<u>611,809</u>	<u>768,838</u>	<u>2,009,896</u>	<u>3,390,543</u>	<u>2,458,158</u>

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

35. 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. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation.

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

	<1 year	>1<2 years	>2<3 years	>3<4 years	>4<5 years	>5 years	Total	Weighted Average Effective Interest Rate
	\$	\$	\$	\$	\$	\$	\$	%
<u>Year ended 30 June 2017</u>								
Borrowings								
Fixed rate								
Debentures	0	141,709	0	0	0	1,803,658	1,945,367	4.76%
Weighted average Effective interest rate	-	6.23%	-	-	-	4.64%		
<u>Year ended 30 June 2016</u>								
Borrowings								
Fixed rate								
Debentures	0	0	229,191	0	0	1,872,130	2,101,321	4.81%
Weighted average Effective interest rate	-	-	6.23%	-	-	4.64%		

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

35. PRIOR PERIOD CORRECTIONS

Balances relating to the 2015 comparative year have been amended due to the correction of prior period errors. These errors have been adjusted as shown below and, in accordance with the requirements of AASB 101, a statement of financial position as at the beginning of the earliest comparative period has been included (refer statement of financial position)

In June 2013, the shire was required to include an asset, crown land operated by the Local Government as a Golf and Race Course. The Shire should have recognised it at the time and therefore this correction is made in the financial year with effect from 1 July 2015.

Golf Course

The valuation has been based by management on the improvement on land for the Golf course at replacement cost at Level 3 in line with AASB 13. Information about the golf course- The Shire has used Rawlinsons guide of work to calculate the unit rate of the golf course and the surface area was used by Google earth pro.

Race Course

The valuation has been based by management on the improvement on land for the Race course at replacement cost at Level 3 in line with AASB 13. Information about the race course- The Shire has used Rawlinsons guide of work to calculate the unit rate of the race course and the surface area was used by Google earth pro.

SHIRE OF CORRIGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

35. PRIOR PERIOD CORRECTIONS

Effect of the above:	Original Balance \$	Amount of Adjustment \$	Adjusted Balance \$
Statement of Financial Position as of 30 June 2015			
Property, Plant and Equipment	25,439,189	627,210	26,066,399
Total Non-Current Assets	149,007,594	627,210	149,634,804
Total Assets	154,406,182	627,210	155,033,392
Net Assets	151,382,752	627,210	152,009,962
Retained Surplus	32,588,295	627,210	33,215,505
Total Equity	151,382,752	627,210	152,009,962
Statement of Financial Position as of 30 June 2016			
Property, Plant and Equipment	27,058,939	627,210	27,686,149
Total Non-Current Assets	150,422,371	627,210	151,049,581
Total Assets	152,946,987	627,210	153,574,197
Net Assets	149,953,671	627,210	150,580,881
Retained Surplus	32,895,808	627,210	33,523,018
Total Equity	149,953,671	627,210	150,580,881
Statement of Changes in Equity as of 30 June 2016			
Balance as at 30 June 2015-Retained earnings	32,588,295	627,210	33,215,505
Balance as at 30 June 2016-Retained earnings	32,895,808	627,210	33,523,018
Note 6(a) Property, Plant & Equipment (2016)			
Land Vested in and under Control of Council	16,000	627,210	643,210
Total Land	2,059,895	627,210	2,687,105
Total Land and Buildings	22,825,117	627,210	23,452,327
Total Property, Plant & Equipment	27,058,939	627,210	27,686,149
Note 17 - Total Assets Classified by Function and Activity (2016)			
Recreation and Culture	15,798,754	627,210	16,425,964
Total Assets Classified by Function and Activity	152,946,987	627,210	153,574,197

Level 15, Exchange Tower,
2 The Esplanade, Perth, WA 6000

PO Box 5785, St Georges Terrace, WA 6831

T +61 (0)8 9225 5355

F +61 (0)8 9225 6181

www.moorestephenswa.com.au

INDEPENDENT AUDITOR'S REPORT TO THE ELECTORS OF THE SHIRE OF CORRIGIN

Opinion on the Audit of the Financial Report

We have audited the accompanying financial report of the Shire of Corrigin (the Shire), which comprises the statement of financial position as at 30 June 2017, statement of comprehensive income by nature or type, statement of comprehensive income by program, statement of changes in equity, statement of cash flows and the rate setting statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by Chief Executive Officer.

In our opinion, the financial report of the Shire of Corrigin is in accordance with the *Local Government Act 1995 (as amended)* and the *Local Government (Financial Management) Regulations 1996 (as amended)*, including:

- a) giving a true and fair view of the Shire's financial position as at 30 June 2017 and of its financial performance and its cash flows for the year ended on that date; and
- b) complying with Australian Accounting Standards (including Australian Accounting Interpretations).

Basis for Opinion

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

Report on Other Legal and Regulatory Requirements

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

- a) There are no matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- b) No 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 were noted during the course of our audit.
- c) In relation to the Supplementary Ratio Information presented at page 62 of this report, we have reviewed the calculation of the Asset Renewal Consumption Ratio as presented and nothing has come to our attention to suggest it is not supported by:
 - i. verifiable information; and
 - ii. reasonable assumptions.

The Asset Renewal Funding Ratio was not calculated and hence no review was carried out.

- d) All necessary information and explanations were obtained by us.
- e) All audit procedures were satisfactorily completed in conducting our audit.

**INDEPENDENT AUDITOR'S REPORT
TO THE ELECTORS OF THE SHIRE OF CORRIGIN (CONTINUED)**

Other Information

Management is responsible for the other information. The other information comprises the information included in the Shire's annual report for the year ended 30 June 2017 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

Responsibilities of Management and Council for the Financial Report

Management is responsible for the preparation of this 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 is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Shire's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_files/ar3.pdf. This description forms part of our auditor's report.

MOORE STEPHENS
CHARTERED ACCOUNTANTS



GREG GODWIN
PARTNER

Date: 13 December 2017
Perth, WA

**SHIRE OF CORRIGIN
SUPPLEMENTARY RATIO INFORMATION
FOR THE YEAR ENDED 30TH JUNE 2017**

RATIO INFORMATION

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

	2017	2016	2015
Asset consumption ratio	0.95	0.98	0.98
Asset renewal funding ratio	*	*	*

The above ratios are calculated as follows:

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

* Council are unable to provide an Asset renewal funding ratio for 2015, 2016 and 2017 as the information was not available.