

ANNUAL REPORT

FOR THE YEAR ENDED
30 JUNE 2016



Adopted 27 February 2017

MISSION STATEMENT

“Building on our history to create our future”

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PRESIDENT'S REPORT



David Wallace
Shire President

This year has been a year of significant upheaval and change for the Shire of York. However, as the year draws to a close I am confident things are starting to settle down and the Council is getting on with the business of governing the Shire.

Local Government elections were held in October 2016 and the following Councillors were elected;

- Cr Denese Smythe
- Cr Heather Saint
- Cr Jane Ferro
- Cr Pam Heaton
- Cr Trevor Randall

I thank outgoing councillors Matthew Reid and Pat Hooper for their contribution.

I was elected Shire President at a Special Council meeting held in October and Cr Smythe was elected Deputy Shire President. A vacancy remained and Cr Tricia Walters was elected at a Special Election held in November.

Councillors undertook a significant amount of training and a mentor panel was also put in place by the Department of Local Government and Communities. This assistance and education has provided a solid foundation for all Councillors in understanding their role and providing good governance to the organisation and the community. I thank my fellow Councillors for their continued hard work.

When the new Council commenced we quickly appointed Mr Mark Dacombe as Acting Chief Executive Officer.

The Councillors and the Acting CEO then began an ambitious program of undertaking a Major Strategic Review. This involved weekly workshops over a number of months to address all of the issues involved with development of the Shire's key strategic documents. The community also actively participated in the process which has resulted in a set of documents which I believe identifies and delivers the priorities of the community in a financially sustainable manner.

The Council also undertook a in depth process to recruit a permanent CEO which we completed with the appointment of Mr Paul Martin. I welcome Paul to his role and look forward to working with him to achieve some great things for the York community. I would also like to extend my appreciation to Mark Dacombe for his advice and for assisting Council to improve its operations and accountability during a challenging time.

Since becoming Shire President I have always made myself available to talk with anyone from the community. I have had numerous meetings each week with community members to hear concerns about the Shire and address the issues raised.

I believe the organisation is well placed going forward with an effective, functioning Council and I look forward to working with my fellow Councillors, Staff and the community to make the year ahead a successful one.

Cr David Wallace
Shire President

INTRODUCTION



Paul Martin
Chief Executive Officer

2015/16 has seen three people fill the role of CEO at the Shire of York, which by any account reflects a great deal of change in the organisation.

The financial year commenced with Graeme Simpson as Acting CEO. He was replaced by Mark Dacombe as Acting CEO in November. WALGA was engaged to source a permanent CEO and I commenced in the role on 26 April 2016 with only two months as CEO until the end of the financial year. Therefore in writing the CEO column this year, I will address what I consider to be the major achievements during the year, most of which time I was not in the role.

The period from November to April when Mark Dacombe was Acting CEO was focused upon undertaking the major strategic review, commencing the Policy and Delegation Review and resolving many legacy issues from the previous period.

Following an extensive amount of work by Councillors and Staff, the Shire was able to advertise a Draft Strategic Community Plan, Corporate Business Plan and Long Term Financial Plan in the last quarter of the financial year. Submissions were received and presented to Council and the documents were adopted in June. This represents a milestone in the organisation's direction and focus.

The last two months of the financial year when I commenced as CEO focused upon undertaking an organisational review and building relationships with stakeholders and the community. This review resulted in some employees leaving the organisation and culminated in a Business Case being presented to Council in June where Council adopted a new organisational structure and authorised the CEO to commence recruitment for a number of new key roles.

These priorities and changes in CEOs has resulted in 2015/16 being an unusual year for the Shire in delivering projects which has impacted on the financials of the organisation. While the organisation's operating result for the year is a deficit position, this was offset in the financial statements by a revaluation of the Shire's non-current assets. The Shire will carry forward to the 2016/17 financial year a surplus of \$1,171,861 which is primarily due to significantly less than expected capital expenditure taking place during the financial year. This means that in many respects, the 2016/17 financial year will be spent completing previously approved capital works as well as commencing works planned for 2016/17.

The negative operating result was attributed to three issues which are explained in the Finance section of this report, namely receipt of the Shire's 2016/17 Financial Assistance Grants Payment in the 2015/16 financial year; reassessment and adjustment of the Shire's assets resulting in increased depreciation; and an increase in the provision for doubtful debts.

Although the annual audit identified some issues to work through which are being progressed, the findings confirm and reinforce the efforts and decisions that have been made in the past six months to improve how the Shire's finances are managed.

2015/16 has been a year of change and turbulence for the Shire of York. To lead the organisation through this period has required a significant amount of effort from the Shire President, Councillors and the CEOs. I would like to take this opportunity to thank the Shire President and Councillors for their contribution and leadership and give particular thanks to Mark Dacombe for his efforts as Acting CEO and assisting with bringing me up to speed as CEO. Finally, I take this opportunity to sincerely thank the Shire's staff who have demonstrated extraordinary dedication and resilience during this challenging year.

With 2015/16 behind us, I look forward to working with Councillors, staff, the York community and businesses to provide good government to the Shire and realise the potential of York into the future.

Paul Martin
Chief Executive Officer

MISSION STATEMENT

“Building on our history to create our future”

OUR VISION – THE RURAL GATEWAY

Our Shire will be:

- A place to visit, work, play and rest;
- A place of vibrancy and energy, but one of tranquillity and safety;
- A place of growth, find opportunities and thrive;
- A place of history, and cultural interests, where past history is valued, building a sense of permanency and pride;
- A place of community, where lifestyle choices are important and where community matters.

Our Aim

To manage growth economically and socially in supporting a progressive vibrant community.

Our Goals

Social

- Manage population growth through planned provision of services and infrastructure;
- Strengthen community interactions and a sense of a united, cohesive and safe community;
- Build and strengthen community, culture, vibrancy and energy.

Environmental

- Maintain and preserve the natural environment during growth, enhancing the ‘rural’ nature of York, and ensuring a sustainable environment for the future;
- Support sustainable energy and renewable resource choices.

Economic

- Build population base through economic prosperity;
- Value, protect and preserve our heritage past;
- Grow the economic base and actively support local businesses and service provision.

Strengthen Shire Leadership

Our Vision

- We will ensure our sustainability through our leadership, our regional and government partnerships and ensure we make informed resource decisions for our community good.
- We will engage and listen to our community, advocate on behalf of our community, be accountable and manage within our governance and legislative framework.
- Our objectives and priorities are built from our shared outcomes.

Elected Members

In January 2015, the Minister for Local Government suspended the Council and appointed Commissioner James Best to oversee the affairs of the Shire of York. The Commissioner served the Shire until June 2015 and in July, the following Councillors returned to office:

- Cr Matthew Reid – Shire President
- Cr David Wallace
- Cr Denese Smythe – Deputy Shire President
- Cr Pat Hooper

Cr M Reid resigned from office in September 2015. The WA Electoral Commission oversaw the Local Government elections in the Shire of York in October 2015. A further election was held in November to fill the vacancy resulting from Cr M Reid's resignation. The following members were elected and all completed comprehensive induction and training in preparation for their role as Councillors.



Cr David Wallace
Shire President



Cr Denese Smythe
Deputy Shire President



Cr Heather Saint
Councillor



Cr Jane Ferro
Councillor



Cr Pam Heaton
Councillor



Cr Trevor Randell
Councillor



Cr Tricia Walters
Councillor

Complaints about Conduct of Members

Council is required to report on official complaints that result in action under section 5.110 (6) (b) or (c) of the *Local Government Act 1995*. During the 2015/16 year, one alleged breach was reported but did not result in any action being taken under this section.

Governance Improvements

- With the support and mentorship of the WA Department of Local Government and Communities, the Shire's governance processes, accountability and transparency have been reviewed and significantly improved.
- All Shire Councillors undertook comprehensive governance training over a period of six months.
- In January 2016, Council launched a review of its organisational policies and a major strategic review process.

MAJOR STRATEGIC REVIEW

The *Local Government Act 1995* and Regulations require the Council to review and identify the community's preferred strategic direction every four years and look at what, how and when the Council will invest in that desired future over the next ten years. It must develop a Strategic Community Plan which sets out the ten year objectives and approach for the community and a Corporate Business Plan which focuses down in more detail on what Council will do over four years.

The Council is also required to develop a Long Term Financial Plan which sets out the overall financial approach to managing funding the many demands on the Shire. Other key documents are the asset management plans which identify what funding is needed to maintain the Shire's assets and associated service levels. These along with individual strategies and the Shire Workforce Plan are key inputs into the review process. This review process must happen every four years.

At its meeting in June 2016, Council adopted its new Strategic Community Plan, Corporate Business Plan and Long Term Financial Plan following extensive community consultation.

Prior to adoption, the draft plans were released for public comment and Council resolved to amend the plans in the following way as a result of the submissions received:

New actions added included in the Corporate Business Plan:

- Conduct a review on Industrial land availability, demand and best location. (Year 1)
- Investigate the creation of the York Equine Precinct. (Year 4)
- Beautification of York Project. (Year 1 - 4).
- The Shire advocate for improvements to services at the York Hospital including availability of Doctors. (Years 1 – 4)
- Prepare a Business Case on the development of the "Wandoo Way – scenic route to York and Beverley". (Year 3)
- Work with the community to investigate the development of the Balladong Track. (Year 2 and 3)
- Review the Management Plan for Mt Bakewell. (Year 4)
- Lobby the State Government for a one off "Asset Improvement Program" to bring roads, footpaths and drainage up to a standard which can be maintained into the future by the Shire. (Years 1 – 4)
- Actively work to encourage community partnerships to develop and maintain parks and trees, including "friends of each park." (Years 1 - 4)
- Review communication methods with the community for the organisation. (Year 1)
- Review the format and process for Council Agenda Briefing and Councillors forum. (Year 1)
- Lobby the State Government for upgrades and improvements to Great Southern Highway (Lakes/Chidlow Road). (Years 1 - 4)

Actions amended in the Corporate Business Plan:

- Amend “Avon Park, riverside restoration, Avon Trail etc Concept Design” project in the Corporate Business Plan to include the words “design and implement the project in partnership with local community groups”.
- Amalgamate all Town Hall upgrade projects into one initiative called “Town Hall Upgrades – restumping, painting and acoustic improvements”. (Years 1 - 4)



ORGANISATIONAL REVIEW

When he commenced, the new Chief Executive Officer conducted a review of the organisation to ensure it can deliver upon the priorities of Council and the community outlined in the Shire’s strategic planning documents.

The review resulted in the development of a Business Case which was considered by Council at its ordinary meeting in June 2016. The Business Case included a number of recommendations which are summarised below:

Asset Management

- The responsibility for asset management across all asset classes be with one team with the expertise and ability to work at a strategic level.
- A new position of Asset Management Officer be created within this team with responsibility for the development and upkeep of asset management plans for the organisation as identified in the draft integrated planning and reporting documents.

Road Standards Review

- Ensure responsibility for implementing and monitoring the Road Standard Review is allocated to a senior officer in the organisation preferably with Engineering qualifications or significant construction experience.

Project Management

- A project management framework be developed for use across the organisation.
- Project management training be offered across the organisation.

- Where possible one team be responsible for implementation of all capital projects to ensure consistency and continuous improvement. This team to be headed up by a person experienced in project management and ideally with engineering qualifications or significant construction experience.

Community and Economic Development

- Create a position of Community and Economic Development Officer and this role report directly to the CEO.

Youth Officer

- The position of Youth Officer not be reflected in the current organisational structure but be considered as part of future budget processes once the Youth Plan has been prepared which will define Councils role in meeting the needs of young people.

Heritage Services

- To facilitate heritage importance in the organisation and to have input into many of the upcoming projects the Cultural Heritage Curator report directly the CEO and only provide strategic advice to the residency museum.

Visitor Information Services

- The Visitor Information Service be opened seven days a week with the additional staffing required being employed within the existing budget.
- A report be presented to Council on the future of the Visitor Information Service including accreditation, branding, location within the Town Hall and links to the Avon Valley Tourism Association.

Library Services

- A review assessing if the Library Service is meeting the current and future needs of the community be conducted over the coming four years.

Human Resources

- A Workforce Plan be prepared over the coming 12 months which includes identification of training and other actions required to build the capacity of the organisation to meet Council and community needs and comply with DLGC guidelines.

Building Surveyor

- The current arrangement for Building Surveying service continue and be assessed once the new senior officers are appointed to determine if it is provided in house or by external contract.

Trainees in the organisation

- No trainee positions be included in the organisational structure or budget until the Workforce Plan is completed.

Attraction and retention of qualified and experienced senior staff

- Two Executive Manager positions be created one focused upon “Corporate and Community Services” and the second on “Infrastructure and Development Services”.
- The CEO review the internal layout of the office with costs associated with any changes presented to Council for approval prior to implementation.

Leases

- The updating and management of leases of the Shire be a priority and be allocated to a senior officer in the organisation with responsibility for corporate and community services.

Procurement

- A senior officer in the organisation be given responsibility for organisational procurement including ensuring compliance and contemporary practices are used to acquire goods and services.
- The Procurement Policy be reviewed including purchasing levels and authorities.

Stakeholder and Community Engagement

- A stakeholder management plan be developed for the organisation over the coming 12 months.

Risk Management and Compliance with Regulation 17

- The Shire improve how it manages risk in the organisation including the compliance with Regulation 17 as required by the DLGC.

Finalise Policy and delegations review and implementation

- The policy and delegations review be finalized and these policies be implemented and operationalised across the organisation.

Negotiation of a new Enterprise Bargaining Agreement for the inside Workforce

- Negotiation of the Inside Enterprise Bargaining Agreement be finalised as soon as possible.

Legislative Compliance

- Council designates the Chief Executive Officer, the Executive Manager Corporate and Community Services and the Executive Manager Infrastructure and Development Services be the only Senior Employees in the organisation in accordance with Section 5.37 of the Local Government Act 1995.

Implementation of the new structure

- Recruitment of the following positions commence as soon as possible:
 - Executive Manager Corporate and Community Services
 - Executive Manager Infrastructure and Development Services
 - Community and Economic Development Officer
 - Information Services Officer (Part time)
- Recruitment of all other positions be undertaken once the Executive Managers are appointed and commenced in the organisation and the Council has adopted the 2016/17 financial year budget.
- Given the current staffing shortages and the need to attract the best quality candidates an external recruitment company be engaged to recruit the two Executive Manager roles
- An outline of the new organisational structure together with a summary of the recommendations from this report be placed on the website for community information.
- The Council request the Chief Executive Officer to incorporate all the recommendations from the organisational review into the draft 2016/17 financial year budget for consideration by Council.

HUMAN RESOURCES

Senior Staff

During the year, the following senior staff were employed by the Shire of York.

<i>Acting Chief Executive Officer</i>	Mr Graeme Simpson	1 July – 7 November 2015
<i>Acting Chief Executive Officer</i>	Mr Mark Dacombe	8 November 2015 – 25 April 2016
<i>Chief Executive Officer</i>	Mr Paul Martin	Appointed 26 April 2016
<i>Deputy Chief Executive Officer</i>	Ms Tyhscha Cochrane	Until 30 June 2016
<i>Manager Works & Services</i>	Mr Allan Rourke	
<i>Manager Development Services</i>	Mr Gordon Tester	Until 30 June 2016

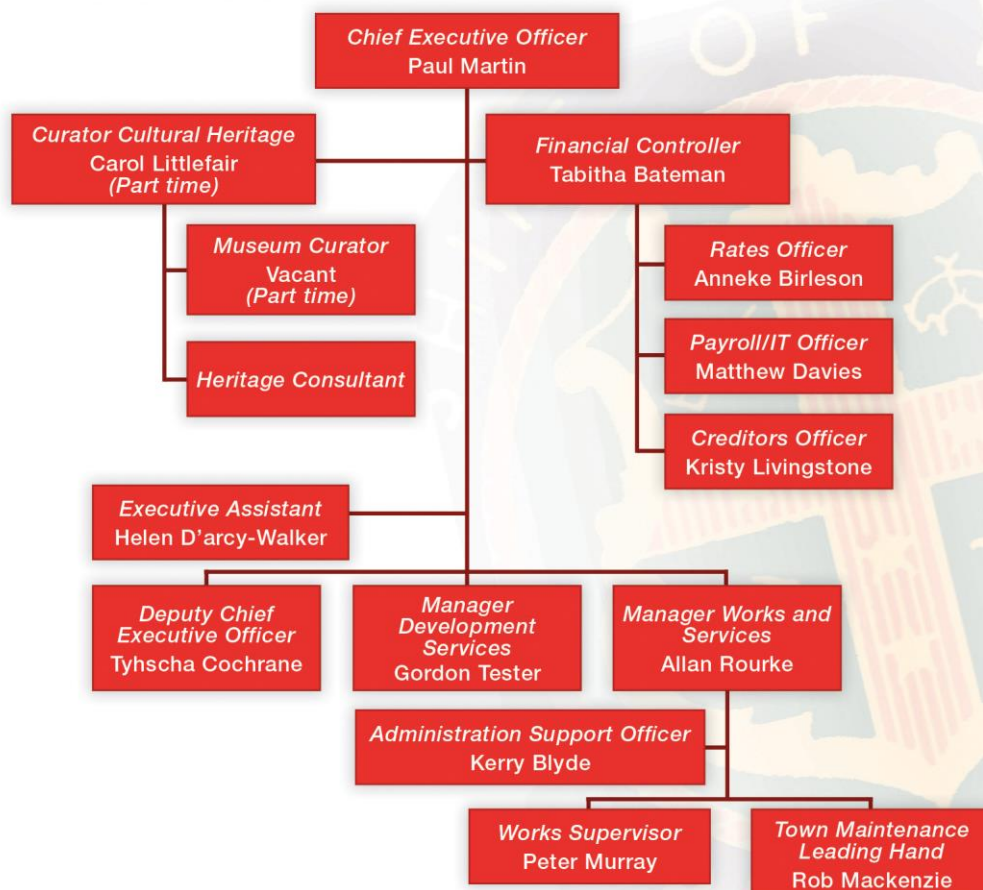
Employee Remuneration 2015/16

In the 2015/16 financial year the Shire of York had four (4) positions where employees were entitled to an annual cash salary of \$100,000 or more in the following bands:

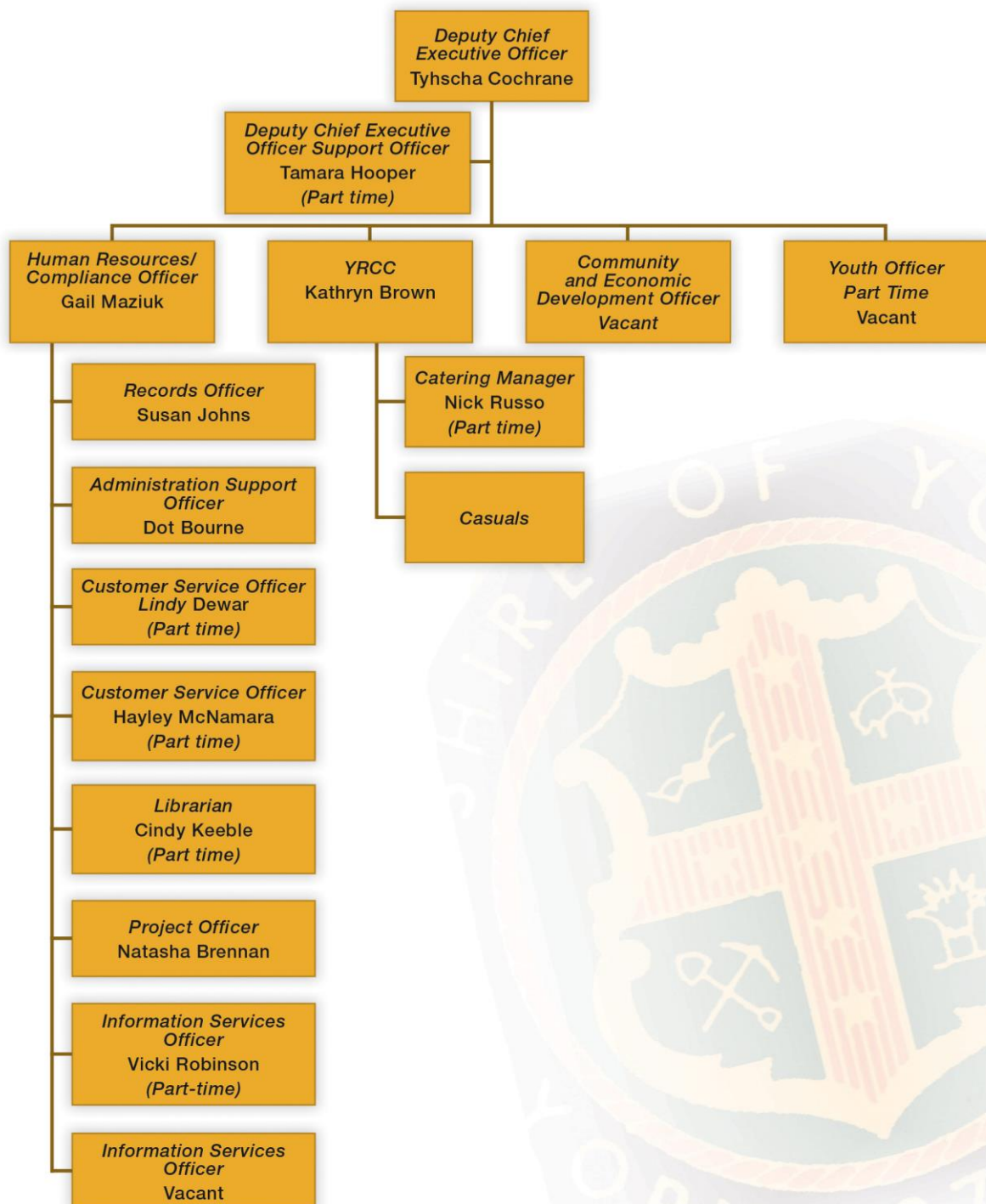
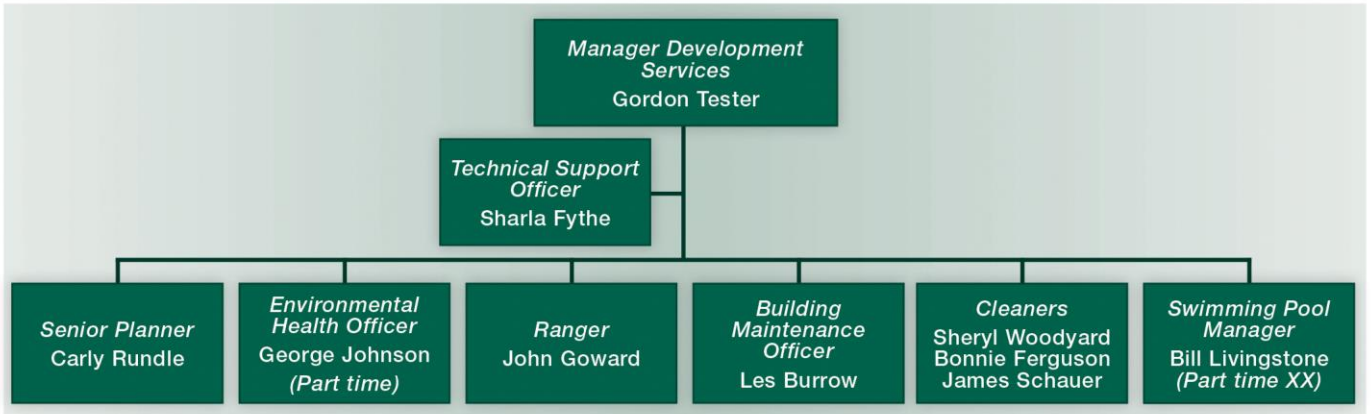
BANDS	# EMPLOYEES
\$100,000 - 109,999	1
\$110,000 - 119,999	0
\$120,000 - 129,999	0
\$130,000 - 139,999	1
\$140,000 - 149,999	1
\$160,000 - 169,999	0
\$170,000 - 179,999	1
\$180,000 – 189,000	0

The following organisational charts provide an outline of the staffing structure during 2015/16 prior to an organisational restructure.

Organisational Structure 2015/16



HUMAN RESOURCES



Organisational Review

In June 2016, Council endorsed a proposal to investigate a re-structure of the organisation and subsequently adopted the recommendations of the Chief Executive Officer. Recruitment began in July 2016 for positions to fill the vacancies in the new organisational structure for 2016/17 which is outlined below.

Office of the CEO:

Responsible for:

Cultural Heritage, Community and Economic Development (including Visitor Centre and Tourism), Events, Executive Support, Council and Community matters

Executive Manager Corporate & Community Services

Responsible for:

Finance & Rates, Records, Customers Service, Payroll, IT, Governance, FOI, Swimming Pool, Residency Museum, YRCC, Access & Inclusion, Youth, Seniors, Sport & Recreation, Arts & Culture

Executive Manager Infrastructure & Development Services

Responsible for:

Planning, Building, Environmental Health, Bushfire Management & Emergency Services, Ranger Services, Roads, Bridges & Footpaths, Asset & Fleet Management & Maintenance, Parks & Gardens, Waste Management

Workforce Plan

A requirement of the Integrated Planning and Reporting Framework is for each Local Government to develop a Workforce Plan as an informing strategy for its Strategic Community Plan and Corporate Business Plan. The Workforce Plan identifies organisational activities to foster and develop the workforce and its implementation is budgeted for in the Corporate Business Plan and the Long Term Financial Plan.

The Shire of York has a current Workforce Plan which is intended to be updated as part of a comprehensive review of the Shire's Human Resources policies and procedures in the 2016/17 financial year.

COMMUNITY SERVICES

Community Assistance & Support

Once again community organisations were provided with financial assistance through direct sponsorship and donations. Community Sponsorships for 2015/2016 were as follows:

NAME	PURPOSE	FUNDS
Australia Day 2016	Australia Day Breakfast 2016	\$10,024
Avon Tourism	Support Funding 15/16	\$10,000
Bicycling WA Cyclo Sportif	Event funding including in-kind	\$ 1,534
Friendship Club	Medieval Fayre 2015	\$ 4,321
Gooda Judder Aboriginal Corporation	Pimp My Ride	\$ 1,000
Greenhills Progress Association	Improvements and Hall maintenance	\$ 4,879
Jemma Read	Young Achievers - International Pony Club Tetrathalon - Ireland	\$ 500
Kiara Simons	Young Achievers - International School Championships - Adelaide	\$ 300
Senior Mobility Group	Stay on Your Feet	\$ 1,136
Seniors Appreciation Day 15/16	Senior Citizens' Appreciation Day including in-kind hall hire and set-up	\$ 2,316
Veteran Car Club of WA Inc. - York Branch	Avon Classic Rally 2015	\$ 500
York Agricultural Society	Staging of the York Agricultural Show 2015 including in-kind support	\$ 8,595
York Bazaar 2015	In-kind support	\$ 1,363
York Bowling Club	Ladies Interleague 2016, Corporate Bowls, Men's Open Day 2016	\$ 3,127
York Children's Christmas Street Party	Christmas street party and lights competition	\$ 7,125
York Community Radio	Utilities, Rates and Leases, Insurances and supplies	\$ 6,783
York Business Directory	January & July 2016 Holiday Programs, 'Think Local Shop Local' Campaign, Moonlight Movie in Peace Park, 2016 Act Belong Commit Soundfest Concert	\$ 6,229
York Community Resource Centre	York Business Directory	\$ 1,091
York District High School	2015 Presentation Night - Book awards, sashes and Hall hire	\$ 2,161
York Motor Show 2015	Contributions - Traffic management & set up	\$ 1,935
York Motorcycle Festival 2016	Advertising and in-kind support	\$ 1,690
York Pony Club	Avon Zone Eventing Championships 2016	\$ 1,233
York Senior Football Club	Goal fence funding	\$ 5,185
York Society - Art & Crafts	Town Hall hire and in-kind support	\$ 7,821
York Swimming Club 2016	Country Pennants - Moora	\$ 500
Youth Care	Annual Contribution	\$ 3,000
Other minor contributions	Event funding including in-kind support	\$ 1,715
Total Sponsorship		\$96,063

The above contributions do not include all the in-kind assistance provided to many community organisations and contributions paid to organisations towards the development of Council owned facilities.

Community Events

Australia Day Breakfast

This year's Australia Day celebration drew a large crowd of more than 400 people who enjoyed a great Aussie breakfast in the park and celebrated being Australian.

The York Volunteer Workers and York Men's Shed, assisted by many wonderful volunteers, cooked bacon, eggs and sausages from 7.30am. The Perth Hills and Wheatbelt Band Committee served breakfast and the Salvation Army provided tea, coffee and cold drinks.

The York Swimming Pool was opened in the evening with free entry.

The Shire of York extends its appreciation to the following people:

- York District High School 2016 Head Boy Cahles Lewis and Head Girl Natalie Waters for performing their first official duties in raising the flags at the beginning of the ceremony.
- York & Districts Community Bank Branch of the Bendigo Bank for their continued support of the Junior and Senior Sports Awards.
- York IGA for providing all the food, plates, cutlery, bread and drinks for the breakfast
- Water Corporation Northam for providing cool refreshing water
- York Volunteer Workers for assisting with breakfast.
- York Men's Shed for their support with the breakfast.
- Perth Hills and Wheatbelt Band Committee for the support with serving breakfast.
- Salvation Army for their provision of hot and cold beverages.
- Frank Dols for providing the music and sound system.
- York Honours Committee – Tim Hooper, Wayne Collins, Pat Hooper, John Weeks, Graham Edmonds, Sharon MacDonald and Margaret Wallace.
- Nice & Easy Singers for the national anthem and entertainment.
- Perth Hills and Wheatbelt Band Committee for entertainment.
- Individuals clubs and organisations who nominated people for the awards.
- The Community of York for attending.
- Avon Waste for their provision of extra bins for rubbish.
- Guest Speaker – Commissioner of the WA Police, Karl O'Callaghan.



Australia Day Awards

The Shire of York congratulates the winners and all nominees for the following awards.

AWARD	NOMINEES	WINNER
Junior Citizen of the Year	<ul style="list-style-type: none"> Casseda Reynolds 	Casseda Reynolds
Community Group or Event	<ul style="list-style-type: none"> St John Ambulance Volunteers – York Sub Centre 	St John Ambulance Volunteers – York Sub Centre
Citizen of the Year	<ul style="list-style-type: none"> Yvonne Dols Peter Thorpe Patrick Flynn Robyn Davies Jean Wykes Annette McArthur Kay Davies Adelphie King 	Aelphe King
Junior Sports Star of the Year	<ul style="list-style-type: none"> Emily Nybo William Humphries Connor Sing 	Connor Sing
Senior Sports Star of the Year	<ul style="list-style-type: none"> David Jenkinson 	David Jenkinson



Australia Day 2016 Award Winners

York Library

The continued participation of York Library and Cindy's choices for Web Select, the process of selecting our own new stock rather than those chosen by State Library, ensures we are creating a client driven stock base including best-selling authors and popular DVDs, audios and large print.

The State Library initiated a review of the interlibrary loan (ILLS) system during the year which caused a month long glitch in borrowing for our users, the service has returned to normal now but is still under review due to State Library budgetary concerns.

The Library has been used by some local writers for informal meetings and discussions with the Shire also involved in the Avon Valley Writers Festival which provides a platform and support for writers in our area.



We were also lucky enough to be visited by the York District High School with a large contingent of junior students and teachers, the excursion was intended to familiarise students with the services offered by the library. The children explored the Library and Town Hall and we received a group of paintings reflecting the sights they had seen during the day. These paintings are still on display in the windows. We have also been involved in holiday Winter Walk Trail run by the Community Resource Centre.



Story time is a popular library service which is designed to introduce books and a love of reading to toddlers. Held every Tuesday at 9.30am during the school term, it allows families the benefit of someone else reading to their children with an appropriate craft activity and social interactions in an informal setting. Story Time continues to attract a crowd of parents and toddlers and the backpacks provided by Better Beginnings seem to be a favourite with their selection of books, instruments and puppets. Better Beginnings is a State Library programme which supplies a Literacy starter pack for newborns and parents. York Library has been part of this programme for several years.

We have increased our local and state stock by over 300 and 100 respectively. Family memberships have increased, while overall borrowings are down by 1751 issues, this may be a result of the Saturday morning closure. Our readers requesting from other libraries has also increased.

Thank you to our two invaluable volunteers Cathy and Rita who continue to assist the library on a regular basis and provide much needed backup and support for the Shire staff who work in the library.

York Library Statistics 2015/16

	2015/14	2015/16
Items Issued		
Adult Non Fiction	4119	3403
Adult Fiction	13740	12771
Junior Library	6637	6571
Total	24496	22745
Membership		
Adults	784	769
Family	423	442
Junior	67	64
Total	1274	1275
General Statistics		
Library was opened for	1972	2004
Books issued per hour	12.42	11.35
Items requested by other libraries	397	389
Items requested from other libraries	733	890
Local Stock On Hand		
Adult Non Fiction	3812	3800
Adult Fiction	3841	3962
Junior	2046	2234
Total	9699	9996
State Library Stock		
Adult Non Fiction	1331	2288
Adult Fiction	2066	2224
Junior	961	1000
Total	4358	5512

York Visitor Centre

Since 2015, the York Visitor Centre has been closed on Mondays and Tuesdays due to staff shortages. This had a significant impact on the visitor count and the income raised through information services during the last 18 months.

During the year, York Information Services applied for a higher accreditation and for a business name change from the York Information Services to York Visitor Centre as the accreditation requires "Visitor" to be part of the name.

Information Services Visitor Statistics 2015/16

MONTH	2014/15	2015/16
July August	1513	1356
September	1644	2689
October	1824	4456
November	2035	1732
December	1135	1051
January	818	371
February	743	805
March	694	594
April	1092	3396
May	1749	1979
June	1745	1044
	1102	1535

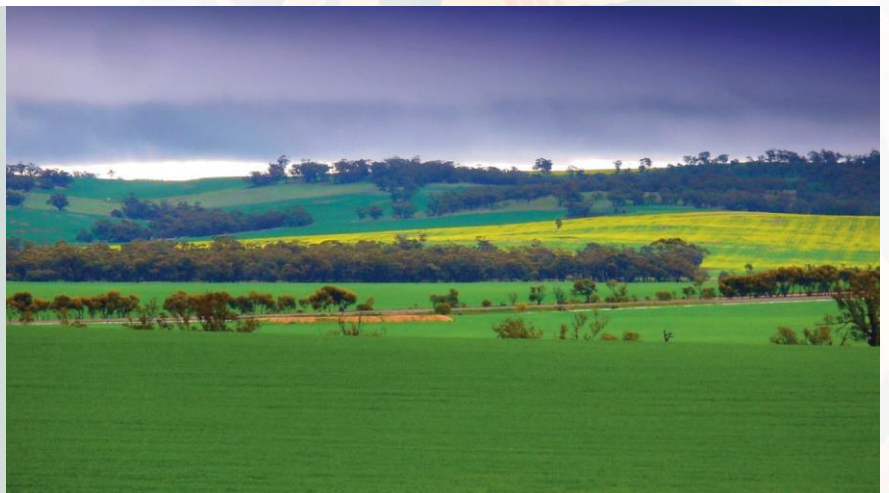
In 2015, York Information Services ran a Photographic Competition with 60 entries received.

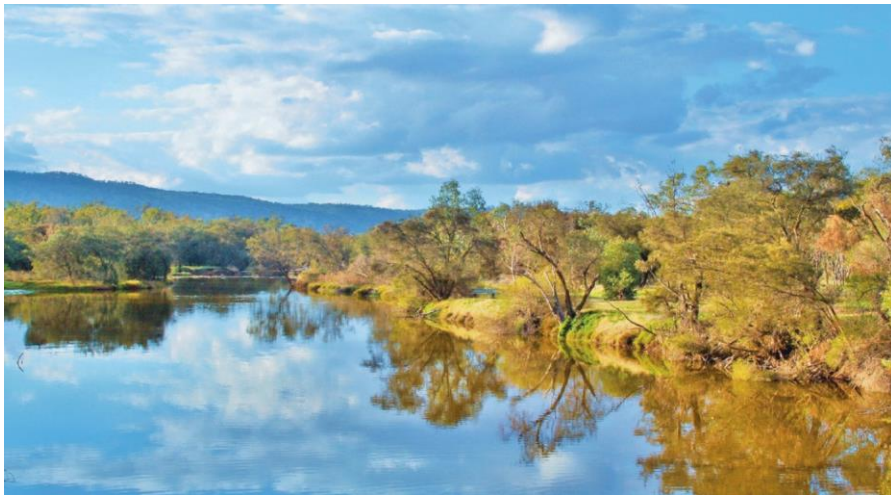
This competition was held in order to generate a photographic library for the purposes of promotion of York.

FIRST PRIZE,

Avon

By Linda Shardlow





SECOND PRIZE
River View
By Karina Leonhardt



THIRD PRIZE
Mt Brown
By Mark Hanson

The Residency Museum

Significant Donations

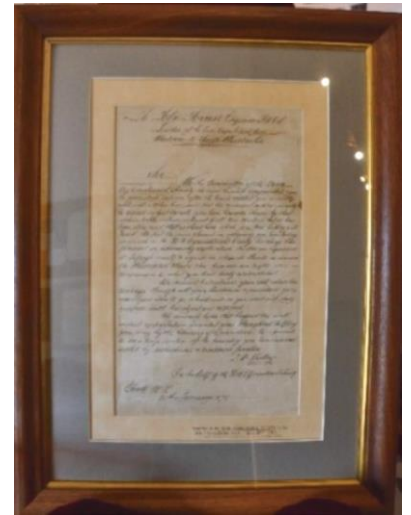
This year, we have been privileged to receive several items of very great significance to York. A framed photograph copy of a panoramic view of Water Kerry Farm, later known as Kerry Downs, showing the homestead located within a field of crops by Melbourne photographer W.R. Wallace was kindly donated by Patricia Wells.





Two objects reflecting the history of the York Agricultural Society were gratefully received; both have State significance due to their historic importance and rarity. The first, kindly donated by Valerie Hobson, was a silver cup awarded to Benjamin Robins by the Agricultural Society for his stallion 'Dragon' in 1841.

The York Agricultural Society generously donated a letter written as a citation in 1875 from the Agricultural Society to John Forrest, congratulating him on the successful exploration from Western to South Australia in 1874.



An oil painting by the late Saul Yarran, a Ballardong Noongar Elder, was kindly donated by his son Jonathan Yarran and family. This was an especially significant gift as not only was Mr. Yarran a talented artist having been taught in the mid C20th Carrollup tradition, it links to a substantial body of oral histories that record his memories of Noongar stories handed down from his grandfather and other family members.



A black lace shawl worn by Mary Ann Taylor, an Irish migrant girl who was the subject of the exhibition described below was kindly donated by Warren Marwick.



An Irish Orphan's Odyssey Exhibition

Our major exhibition this year celebrating past and contemporary international links between Ireland and Western Australia, is focussed on the life of Mary Ann Taylor, an Irish girl orphaned in the Great Famine of Ireland in the late 1840s who became the matriarch of the Marwick family of York.

She agreed to migrate to Western Australia under a scheme devised by the Colonial Assurance Society. This organisation encouraged many young Workhouse girls to emigrate as female servants, with the ultimate aim of providing brides for the many settlers and convicts to help correct the gross imbalance of the sexes in Western Australia at that time.

Mary Ann became an historical celebrity in Ireland as is one of very few Famine victims whose life can be traced from birth to death across the world and to commemorate Mary Ann's journey, prisoners in Arbour Hill Prison in Dublin, Ireland, made a symbolic replica of her Travel Box; a small chest that each Workhouse girl was given to carry their meagre belongings to their new land. This was presented along with a Clock as a pair of Civic Gifts to the Shire of York by the Irish Prison Service. The Shire of York presented a Jarrah Commemorative Plaque featuring Marwick's Shed, the oldest industrial building in York, as a reciprocal gift to the Irish Prison Service.



Shire President Cr David Wallace receives the Clock and Chest from Mr. Mark O'Brien of the Irish Prison Service, who is holding the Jarrah Commemorative Plaque presented by the Shire of York.

Photo: courtesy Andy Tyndall

Wheatlands Chapter Meeting

The AGM for the Wheatlands Chapter of Museums Australia, Western Australia was held at the Residency Museum in 2016. Staff and volunteers from Wheatbelt museums attended in conjunction with a workshop on the conservation of framed works, organised by the Residency Museum with special guest speaker Greg Manzie from Glyde Conservation Services.

The day was funded by Museums Australia as part of the MAWA Professional Development Programme.

Red Tardis Project Completion

Early this financial year saw the completion of the Red Tardis Project. Featuring the slogan 'Time Travel Starts Here!', this project utilised two derelict phone boxes discovered in the Shire Depot to create tourism information points that are consistent with York's unique heritage streetscape. Carefully restored by The York Men's Shed, the phone boxes were then illustrated with images from the Residency Museum's extensive collection to showcase what York has to offer to visitors. The inclusion of QR codes enables visitors to use their mobile phones to access the Museum and Information Centre websites. The refurbished telephone boxes were installed back in their original locations on Joaquina Street and on Avon Terrace in Settler's Courtyard, and celebrated with a grand opening with a Dr Who theme, complete with actors from Northam Theatre Group and a Dalek from the Perth Dr. Who Club.



Members of York Men's Shed who restored the telephone boxes



Volunteers mulching new plants in the Six Season Garden Walk

Garden Partnership is Bloomin' Lovely

A new partnership between the York Garden Club and the Residency Museum was developed this year. Volunteers have been working hard to revitalise the Ballardong Noongar Six Seasons Garden Walk, as well as the Settler's and Waterwise Gardens. Planting of 150 native plants and mulching the Six Seasons Garden Walk formed the first task for the group, who are now working on maintaining all the garden areas. Next year, we are planning more native planting and interpretive signage in the Six Seasons Garden Walk, plus vegetables in the Settler's Garden, and mulch trials in the Waterwise Garden.

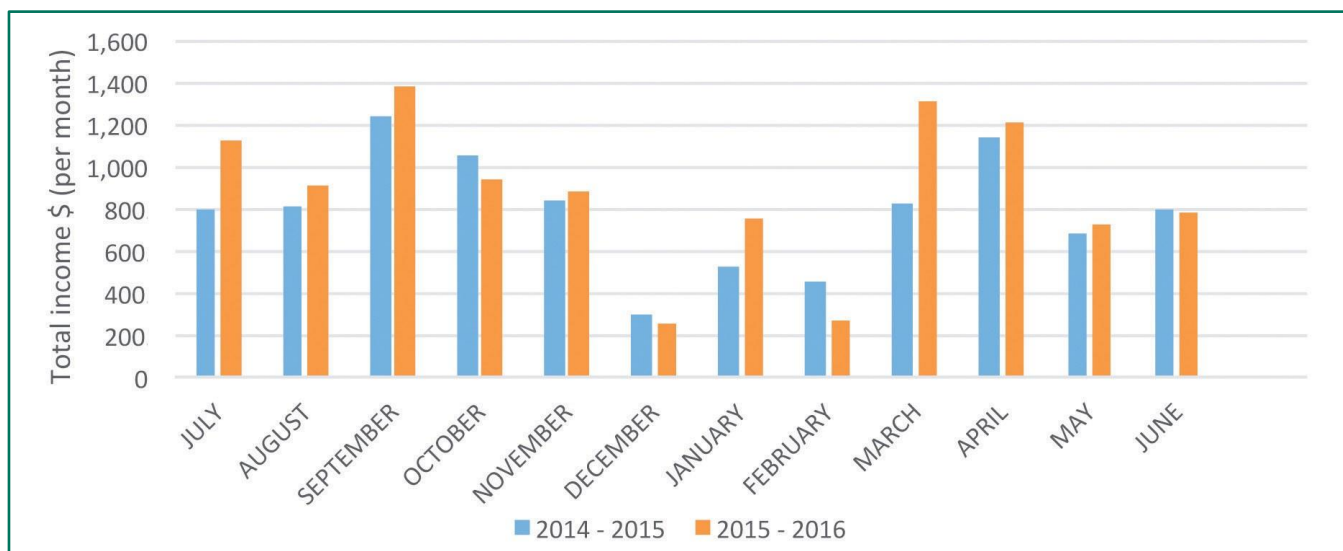
Residency Museum Statistics 2015/16

Visitor data collated shows visitor numbers steady and rising according to season throughout 2015/16 with some encouraging statistics:

- Total Income increased 11% from 2014/15
- General Admissions Income increased 6% from 2014/15
- Group Bookings visitor numbers increased 29% from 2014/15

Local visitors decreased 27% from 2014/15; however, the ANZAC exhibition in 2014/15 'OK AT THE TIME OF WRITING' saw greatly increased local visitor numbers.

Income Comparison by Month



DEVELOPMENT SERVICES

Town Planning

Land use planning in York is guided by two main documents – the Local Planning Strategy and the Town Planning Scheme No. 2 (known as TPS 2).

The Town Planner responds to many enquiries relating to planning related issues, both in person and in writing. Enquiries can range from rezoning and subdivision, restoration and development of heritage properties, to the keeping of sea containers, varying the provisions of the Residential Design Codes and conducting home businesses.

It is the aim of the planning section to provide an efficient and effective service to landowners, residents, developers and the community.

Scheme Amendments

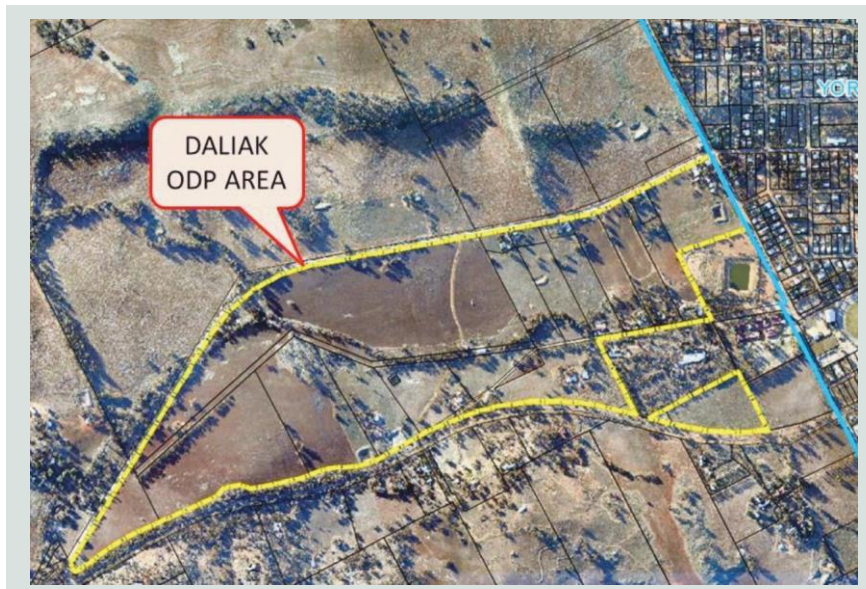
Since the gazettal of TPS 2 in 1996, there have been 53 scheme amendments initiated, including three 'omnibus' amendments (description of an amendment that contains a number of proposals).

Scheme Amendment 50, a significant 'omnibus', represents a significant review of the Scheme and will introduce new land use definitions and an expanded land use table to represent today's needs. It will also provide guidance on the development and use of reserved land. Once gazetted the Scheme will be an easier to use document that provides better guidance and more certainty for all users, including landowners, developers and planners through better defined land uses and reduced reliance on the 'use not listed' provisions. The amendment is in the final stages of approval and expected to be gazetted shortly where the provisions will take effect.

Structure Plans

Structure Plans (formerly known as Outline Development Plans or ODPs) are required to guide larger developments.

A Structure Plan has been approved for the Daliak Precinct. The Plan outlines staging, infrastructure requirements and land uses and a framework for future residential subdivision.



Planning Applications

Planning applications are submitted to Council for construction of dwellings and ancillary residential development, works to heritage buildings and within heritage precincts, change of use for shops and other commercial premises, display advertising signage, and for construction of commercial and industrial developments.

In the 2015/2016 financial year, 56 planning applications were received, 2 more than in the previous period.

Similarly, the number of subdivision applications received by the WAPC for the York Shire decreased and in this period 1 subdivision referral was received by Council, compared to 9 in the previous period.

The following graph depicts the number of planning and subdivision applications for the York local government area:



Heritage and Culture

Council has employed a Heritage Consultant to review the Local Planning Policy for Heritage Precincts and Places and the Municipal Heritage Inventory. The first stage of the review has commenced and in the near future will be the subject of community and landowner consultation.

Health

Council's Environmental Health Officer is responsible for monitoring various aspects of public health within the Shire. This includes the inspection of food premises, public buildings, lodging houses, caravan park, mosquito monitoring, public swimming pools, septic/ATU installations and offensive trade monitoring.

Activities also include the licensing of stall holder applications and the approval of public events and trading in public places.

Council continued to monitor the structural and operational aspects of all premises to ensure compliance with the requirements of relevant legislation.

Effluent Disposal Systems

Twenty-seven effluent disposal systems were approved for installation in 2015/2016.

The progressive installation of reticulated sewer within the town site is required to overcome system failures and to facilitate the development of unit development and smaller residential blocks.

Registered and Licensed Premises

The following premises were operating in the Shire of York during 2015/2016:

Offensive Trades	1
Food Businesses	40
Licensed Hotels	3
Lodging Houses	19

Additionally, there are eight Bed and Breakfast businesses that were not required to be registered under the Health Act 1911.

Food Safety

The Shire of York offered a free Online Food Safety Training course to assist food businesses to meet their food safety training requirements under the Food Act 2008.

The Online Food Safety Training was developed by Environmental Health Australia and is being used extensively throughout Australia.

Swimming Pools

York War Memorial Public Swimming Pool

The York War Memorial Public Swimming Pool was inspected and sampled monthly over the swimming pool season for November to April.

Samples of the swimming pool water was sent for analysis to a Perth laboratory to ensure they met the required microbiological and bacteria standards.



School Carnival at York Swimming Pool

Privately Owned Public Pools

The Shire of York did not have any Department of Health approved privately owned public pools during 2015/2016.

Private Swimming Pools

The Shire of York is required to inspect all private swimming pools within its district at least once in every four year period. Inspections were last carried out in the 2012/13 period, next inspections are due for the 2016/17 period.

Waste Collection & Disposal

MUSTER Programs

The Council again participated in the “drumMUSTER” program. This nationwide program provides for the collection and disposal of used farm chemical containers. A collection yard is located adjacent to the transfer station and collections are received regularly. A total of 2358 drums were collected under the program in 2015/2016, 1112 less than the amount collected the previous year.

Council also continued with its participation in the Mobile Muster program. This program was initiated to ensure that mobile phones and their accessories are recycled. Collection points for mobiles are located at the Shire Administration Office and the waste transfer station. 10.93kg of disused mobile phones were collected.

Waste Statistics

A total of 1292.22 tonnes of waste was transported to the Shire of Northam landfill site for the 2015/16 financial year. This is 47.3 Tonnes more waste than the 2014/15 financial year.

A total of 399.85 tonnes of recyclable material was received during the 2015/16 financial year. This is 15.81 tonnes more material than the 2014/15 financial year.

The skip bin service offered to residents with a bin service continued to be popular and the bulk waste pick-ups which were introduced in 2007 continued to be well received.

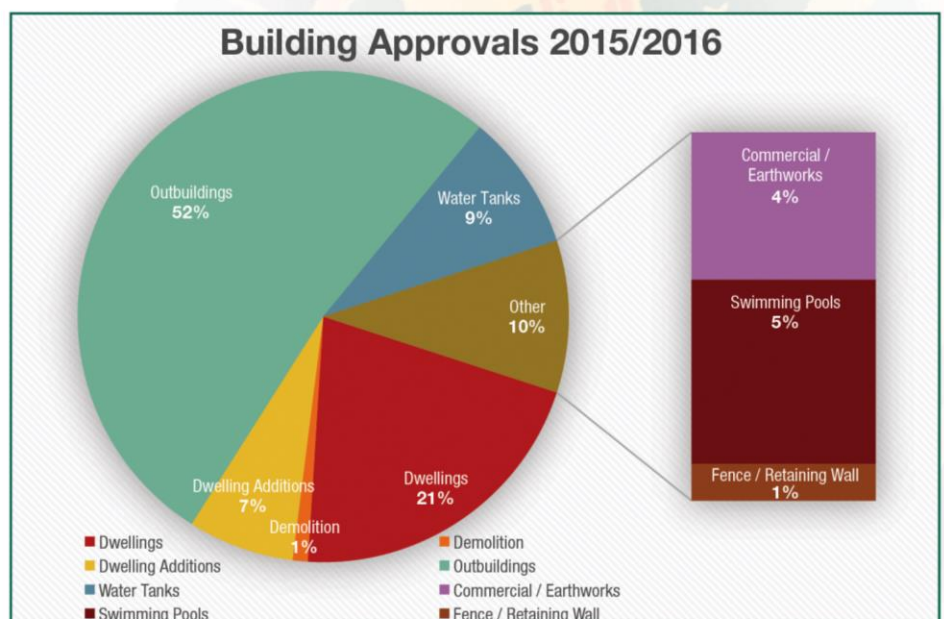
Building

Shire Officers audit building works to ensure compliance with the approved plans and to ensure that all work is carried out to the necessary standard.

Building Statistics

In 2015/2016 the Building Section of the Council processed 98 building applications.

These applications were split into the following categories:

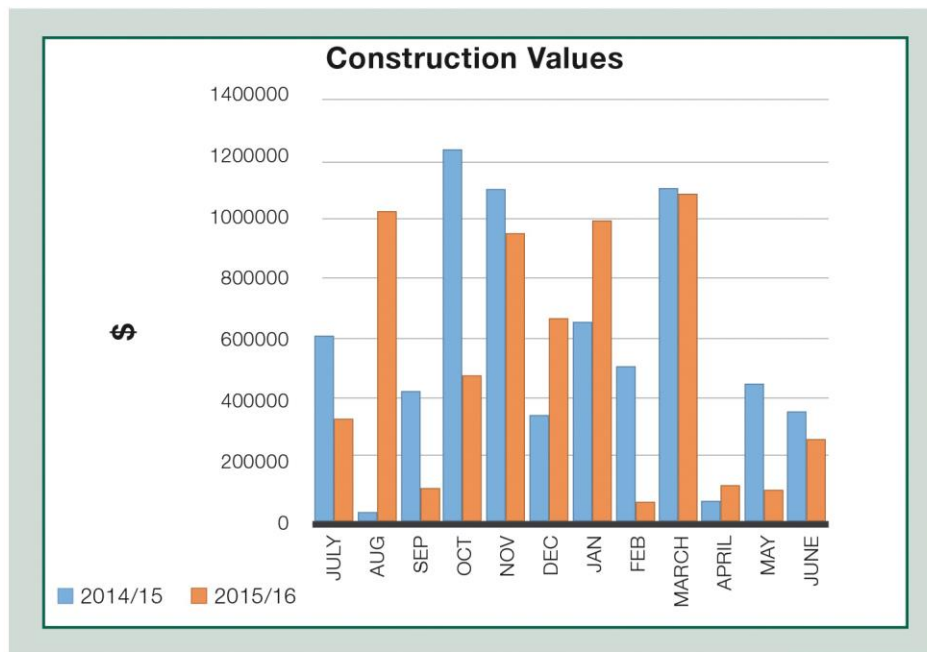


The percentage split is similar to previous years with a slight increase in outbuilding applications.

Comparison table for previous years are as follows:

	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10
Dwellings	20	23	21	30	21	30	16
Additions	7	10	7	10	12	50	22
Outbuildings	51	67	99	95	89	97	77
S/ Pools	5	7	9	16	7	13	2
Commercial	3	2	2	8	10	7	2
Demolition	1	2					
Water Tank	9	3					
Fence	1	4					
Earthworks	1						
Total	98	118	138	159	139	197	119

The approximate value of building works in the Shire was \$6.14 million, a decrease of 10% in value, from \$6.84 million in 2014/15 and a further decrease of 15% in value from \$7.26 million in 2013/14. The continuation of Privately Certified applications has not impacted on the workloads within the Shire of York.



The increase in the requirement for Continued Professional Development Points (CPD), by the Building Commission will place an additional load on existing resources. It is estimated that CPD will require training of the equivalent of 1-1.5 days per month.

Ranger Services

The York Shire Ranger conducts regular patrols related to responsible dog ownership, stock control, animal welfare, litter/illegal dumping control, illegal camping, illegal off-road usage, snake removal and fire control throughout the town site and rural areas.

Bush Fire Management

Ranger Services are responsible for the compliance of the legislation relating to the Bush Fire Act 1954, Regulations and Local Laws. An advertising campaign was launched this year promoting the fire break and hazard reduction requirements and compliance dates. These requirements were broadcast on York FM Community Radio, displayed on the Shire's Transportable Message Display trailer, advertised in local newspapers and displayed at prominent locations around town.

The Shire of York sent out Firebreak Notices and a Community Information Brochures to all ratepayers outlining the firebreak and hazard reduction requirements. A zero tolerance in non-compliant fire breaks has resulted in a far greater compliance rate this year.

A new initiative was introduced allowing owner/occupiers of occupied properties within the town site which are landscaped to the extent that they do not present a fire hazard to apply for exemptions. 50 exemptions have been issued to date.

The monitoring of fire permits during the restricted burning period resulted in two infringement notices being issued during the year.



York Shire Ranger
John Goward



Animal Control

Animal Control remains a priority including educating people on the responsibilities of animal ownership. A reduced number of infringement notices relating to dog attacks were issued compared to last year and no dogs have been declared dangerous this year.

It is compulsory for all dogs and cats to be micro-chipped for the purposes of identification and registration which helps the shire to identify lost and stray pets and to quickly reunite them with their owners.

Shire records indicate that 42 cats and 319 dogs have been registered with the shire this year.

The Shire of York continues with its agreement with A1 Wheatbelt Dog Rescue (an animal welfare group) who have rehomed 9 dogs which were impounded and deemed suitable for rehoming.

The Shire has entered into an agreement with the Heartlands Veterinary Hospital who have agreed to perform euthanasia on any stray or surrendered animal that can be lawfully euthanized after being impounded for the necessary time required by law.



**WHY TAKE THE RISK?
GET YOUR PET MICROCHIPPED**

Parking

Illegal parking continues to be closely monitored by the Ranger with particular attention to the disabled parking bays on Avon Terrace and York District High School “children’s drop off zone”, vehicles parked within 6 meters of intersections, on footpaths and so as to face oncoming traffic.

The parking signage within Avon Terrace has been upgraded to Australian Standards with the time restriction extended from 1 hour to 2 hours to allow motorists greater time to access Avon Terrace.

Infringement notices are being issued for vehicles impounded after obstructing public places in excess of 24 hours – this is in accordance with the provisions of the *Activities on Thoroughfares and Public Places Local Law*.

Other Ranger Services

Straying stock on the roads has also been a contentious issue with owners needing to ensure their fencing is adequate to keep their stock contained.

Council has a number of security cameras placed at various locations around the town site. The implementation of these cameras has seen the cost to Council for damage, vandalism and illegal dumping decrease dramatically and has assisted the local police with their investigations

INFRASTRUCTURE SERVICES

The Infrastructure Services Department is responsible for the maintenance and development of the Shire's roads, footpaths, storm water infrastructure, parks and gardens and sporting fields Operational staff are based primarily at the Shire's Depot and for the 2015/16 financial year included;

OPERATIONAL STAFF	
Allan Rourke - <i>Manager of Works</i>	Clint Strickland
Peter Murray - <i>Works Supervisor</i>	Glen Plaisted*
Peter Atkins	Christian Chadwick
Les Burrow	Ricky Thompson
Robert Mackenzie	Leigh Tait*
Neil Thomas	Alexander Beard
Robbie Windsor	Robert Macey
Trevor Barratt	Leonie Kempin

** denotes the staff member left the employ of the Shire of York during the year*

General Works

Crews have been busy throughout the year carrying out regular maintenance of the Shire's Infrastructure assets.

The Town crew is responsible for all aspects associated with Parks and Gardens as well as the urban streets.

The Works crew is responsible for all aspects associated with road maintenance including maintenance grading, roadside spraying, culvert cleaning, and pavement repairs. The crew operates two graders and a road patrol truck which manage road maintenance across gravel roads, sealed roads and town streets within the Shire.

Where required the Shire also uses Local Contractors to undertake tasks surplus to our resources or requiring a specific skill set.



Capital Works

Roads to Recovery

2015/16 was the second year in a new round of the federally funded Roads to Recovery Programmes totalling \$809,306. Actual expenditure as per the detailed projects below totalled \$622,330 with a carried forward component for Quellington Road allocated in the 2016/17 Budget.

Specific road works undertaken through Roads to Recovery Funding in 2015/16 included the following:

ROADS TO RECOVERY FUNDING IN 2015/16	\$
Doodenanning Road Reseal	23,218
Mt Hardy Road Gravel Resheet	43,673
Barker Street Reconstruction	61,937
Cubbine Road Reseal	15,845
Quellington Road Final Seal	20,300
Quellington Road Construction	63,245
Mokine Road Final Seal	14,021
Mokine Road Construction	296,382
Allen Road Gravel Resheet	56,588
Luelfs Road Gravel Resheet	8,119
Karabine Road Gravel Resheet	19,002

Regional Road Group

Regional Road projects totalled \$597,373 for the 2015/16 year, The Western Australian Government provided \$398,256 for works on designated regional roads and Council provided an additional contribution of \$199,117.

WORKS WERE UNDERTAKEN ON	\$
Spencers Brook Road Final Seal	112,449
Spencers Brook Rd Recon & Widening	174,571
Top Beverley Road	255,132
Spencers Brook Road Reseal	55,220

Municipal Funds

Further construction works were undertaken utilising \$243,247 of Municipal funds on roads listed below.

FURTHER CONSTRUCTION WORKS	\$
Talbot Road	71,611
Doodenanning Road	48,172
Mokine Road	14,021
Wambyn Road	6,060
Boyercutty Road	14,642
Berry Brow Road	12,742
Mackie Siding Road	1,026
Marwick Road	27,848
Avon Terrace	1,800
Georgiana Street	14,118
Seabrook Street	4,026
Bouverie Road	11,912
Thompson Street	6,649
Birch Street	4,302
Edwards Street	4,318

BRIDGE CONSTRUCTION PROJECTS	\$
Greenhills Road	5,484
Mackies Siding Road	6,535
Talbot Rd West Bridge	76,929

OTHER	\$
Townsite Drainage	5,720
Gravel Sheeting/School Bus Routes	66,956



Talbot Road West Bridge Replacement

General Maintenance

Road Maintenance

Road maintenance including grading, roadside spraying, culvert cleaning, and pavement repairs totalled \$1,283,860 on transport based maintenance works and services which included street cleaning, tree lopping, road & bridge maintenance, culverts & drainage and car park maintenance.

Footpath Works

FOOTPATH CONSTRUCTION PROJECTS	\$
Avon Terrace	43,595
Macartney Street	19,321



Avon Terrace Footpath

York Recreation and Convention Centre Carpark

The 130 bay Carpark at the York Recreation and Convention Centre was constructed in 2015/16. The project cost was \$186,644



York Recreation and Convention Centre Carpark

Statutory Reporting

Record Keeping

In accordance with section 28 of the *State Records Act 2000*, the Plan for the Shire is to be reviewed within five years of its approval date.

A complete review of the Shire of York's Record Keeping Plan was carried out in 2015 with the State Records Commission approving the Shire of York's amended Record Keeping Plan on 10 March 2016.

The next review must be submitted to the State Records Office by the 10 March 2021.

The Shire of York, which is renowned for its heritage values and its commitment to preserving local history, supports the principles of the State Records Act and recognises the importance of establishing and maintaining a reliable and credible Record Keeping System.



Freedom of Information

The Shire of York has a Freedom of Information Statement prepared in accordance with the Freedom of Information Act 1992. This Statement was reviewed in August 2014 and is available on our website. It outlines the Shire's functions, the kind of documents held and how the documents can be accessed.

This Statement is currently in the process of being reviewed.

A total of ten (10) new Freedom of Information Applications were received during this reporting period, and eleven (11) were carried over from the previous year.

Disability Access and Inclusion Plan

Local governments are required to prepare a Disability Access and Inclusion Plan (most commonly known as a DAIP) to plan and implement improvements across seven outcome areas in regards to services and events, buildings and facilities, information, quality of service, complaints, consultation processes and employment. The Shire's current DAIP needs to be updated and during the year the Shire liaised with the Disability Services Commission regarding its update. It was agreed that a new DAIP will be developed by the Shire by 30 June 2017.

National Competition Policy and Public Interest Disclosure

The Shire has met its obligations with regard to the national competition policy and during the year, reviewed its local laws and Council policies to ensure anti-competitive practices are not adopted. No complaints were received in relation to anti-competitive practice in the reporting period. No disclosures have been reported to the Shire of York under the Public Interest Disclosure Act 2003 within this reporting period.

Customer Service

The Shire continues to provide services on behalf of the Department of Transport (DoT) to enable residents to register their vehicles and to renew their drivers licence and vehicle registration. Certain Shire officers are also authorised to issue permits on behalf of the Department and a DoT examiner visits the Shire fortnightly to conduct driving examinations.

Customer Service Officers are also responsible for customer enquiries, reception, Kidsport applications and referrals as well as bookings for the Shire's facilities.

Office hours are 8.30am – 4.30pm Monday to Friday except for public holidays and the Shire between Christmas and New Year.

Financial Services

Rates

Rates account for approximately 50% of the Shire of York's revenue and are determined after lengthy and careful consideration by Council and administration based on the expected expenditure. Examples of expenditures identified on the annual budget include, but are not limited to:

- **Infrastructure Services:** local roads, bridges, footpaths, drainage, waste collection and management.
- **Provision of Recreation Facilities:** parks, swimming pool, recreation centre, Town Hall.
- **Health Services:** water and food inspection, toilet facilities, noise control and animal control.
- **Community Services:** aged care/accommodation, community group/event sponsorship.
- **Planning and Building Services**
- **Administration of Facilities:** cemeteries, public parking.
- **Cultural Facilities and Services:** library, tourist information service, Residency Museum.

Valuations

In 2015/16, Landgate carried out a general revaluation of all properties within the Shire of York to be applied for the 2016/17 financial year. This was last carried out for the 2011/12 financial year. The *Valuation of Land Act 1978* requires that a gross rental value (GRV) is determined for land and entered into the valuation roll. The values provided by the Valuer General determine the application of the rate in the dollar set by Council each year.





GRV means the gross annual rental that the land might reasonably be expected to realise if leased, regardless of whether it is or not. Therefore, the GRV does not necessarily reflect the market value of the property but what could be reasonably expected to be received in rent.

In 2015/16, while arguably, property market values decreased in most cases, the GRV was determined to be higher than the previous valuation for the majority of properties in York. This had the effect of increasing rates for 2016/17 beyond the 2.5% adopted by Council.

The next valuation is expected to occur in 2020/21 for 2021/22 financial year.

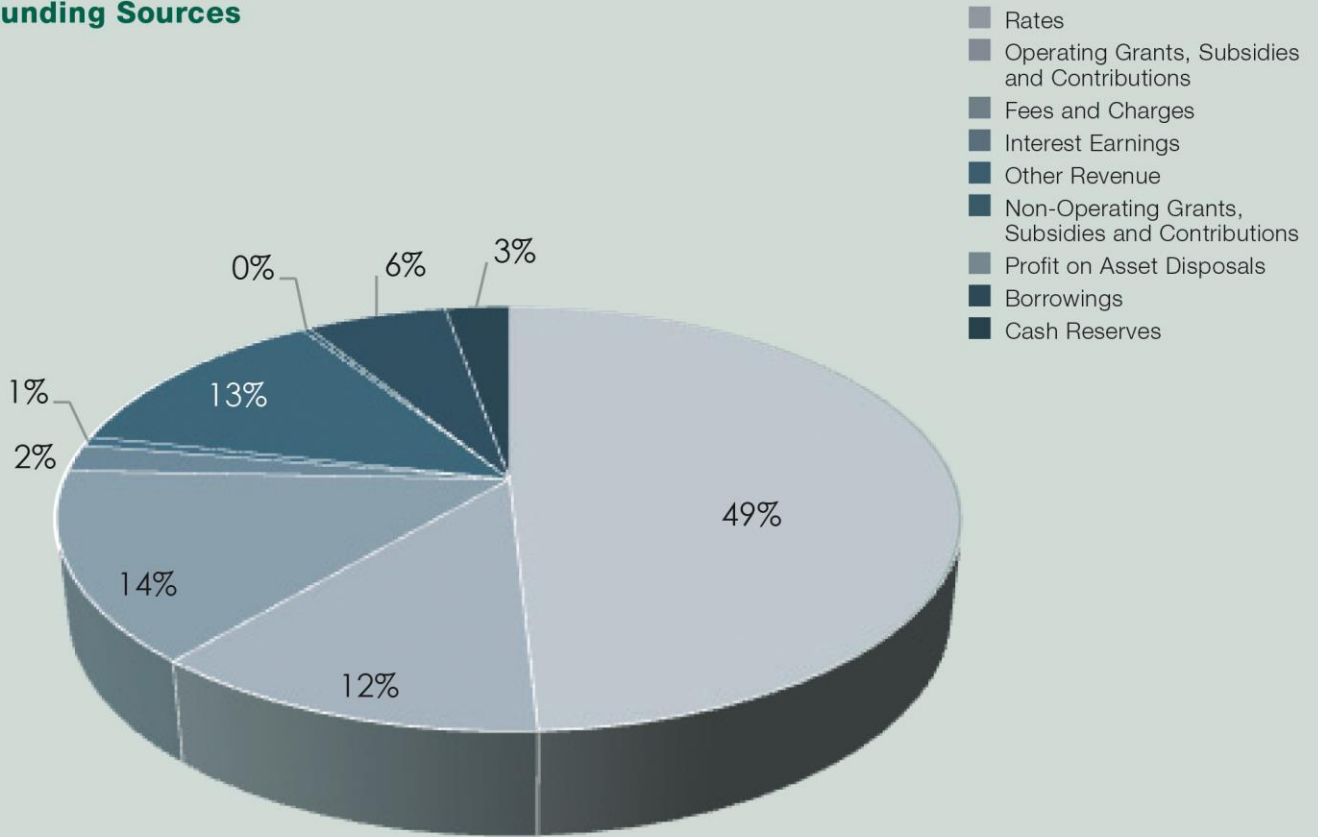
Rates Incentive Prize

Each year the Shire of York offers an incentive to rate payers to pay their rates in full. In 2015/16, the following people were the recipients of prizes.

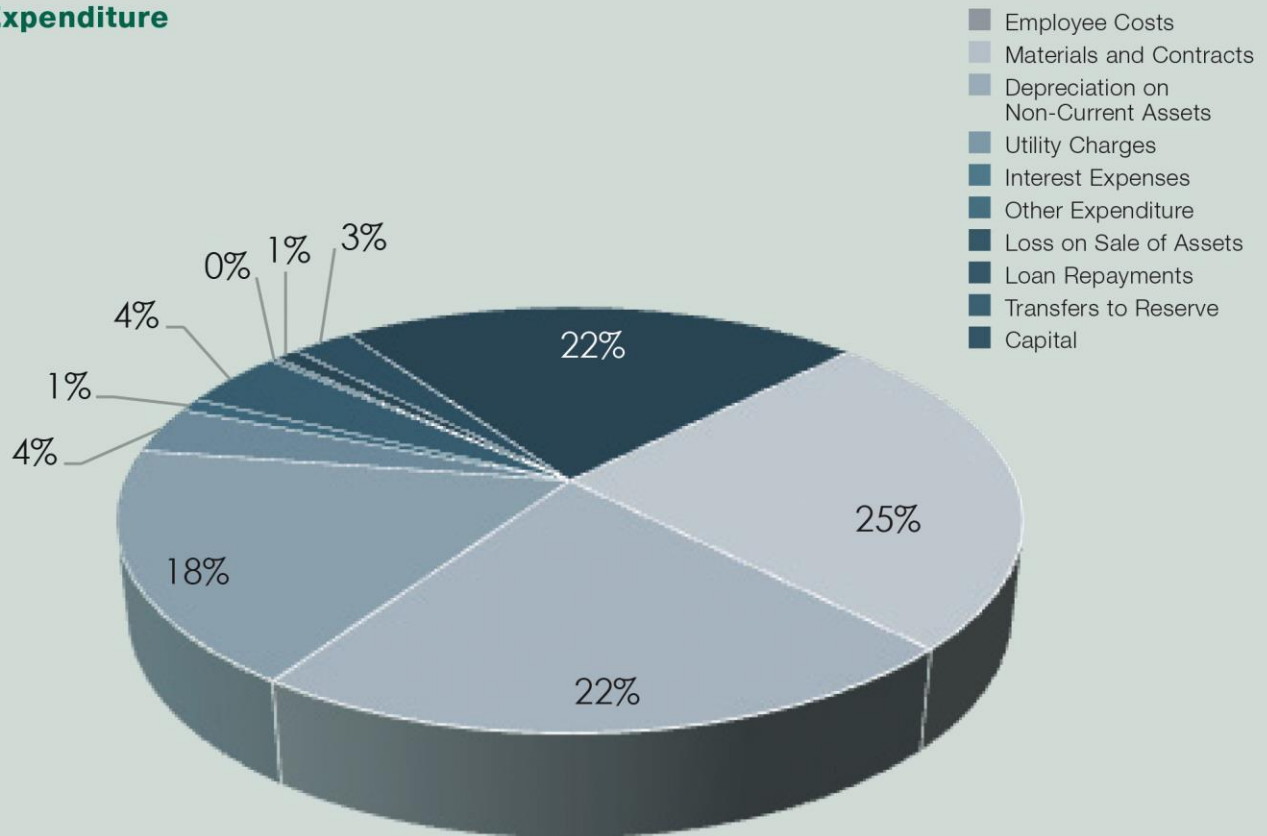
WINNER	PRIZE	SPONSOR
FIRST PRIZE Ms Carol Williams	The Shire of York, in conjunction with the York & Districts Community Bank Branch of Bendigo Bank, a \$1,000 bank account	
SECOND PRIZE Ms Kerry Bramley	Four tickets to the Western Australian Symphony Orchestra donated by WASO	
THIRD PRIZE Mr Glen McLeod	A 2 night weekend stay at the Perth Ambassador Hotel in a Premium Deluxe Room	
FOURTH PRIZE Mr Leonard McNamara	\$200 worth of Unleaded Petrol donated by Fuel Distributors of WA Pty Ltd.	

FINANCIAL REPORTS

Funding Sources



Expenditure



SHIRE OF YORK

Annual Financial Report 2015-16

The following pages contain the Audited Annual Financial Report for the financial year ended 30 June 2016 which includes comprehensive notes to the financial statements*. The following is a summary of the Shire's position at 30 June 2016.

Summary

The Shire will carry forward to the 2016/17 financial year a surplus of \$1,171,861, this is primarily due to significantly less than expected capital expenditure taking place during the financial year.

While the net operating result for the year is a deficit of \$827,256, this is offset in the financial statements primarily by a change of \$804,963 in revaluation of non-current assets as a result of the Fair Value Reassessment (*see note 5.4). Taking this into account, the reported operating position is a surplus of \$40,970.

There are three matters that have impacted the Shire's financial results for the year;

Financial Assistance Grants – The Shire's Financial Assistance Grants payment of \$742,355 from the WA Local Government Grants Commission for 2015/16 was received on 30 June 2015 and therefore recognised in the 2014/15 financial year. Subsequently, the opening surplus increased by this amount but the reported grant revenue for this financial year is less than budgeted.

Fair Value Reassessment – As a result of the requirement to recognise all assets at fair value, an assessment of the fair value of the Shire's assets was undertaken and it was determined that the value of the Shire's assets had been underestimated prior to 2014/15. The significant increase in the value of Shire-owned buildings resulted in \$513,277 of depreciation being brought to account in the 2015/16 financial year.

This significant difference in how the Shire is valuing its assets again reinforces the need for substantial improvements in how the Shire manages its assets across all asset classes. With commencement of the Asset Management Officer, a full review of depreciation rates is proposed to be undertaken prior to 30 June 2017.

Provision for Doubtful Debts – The Shire is owed significant amount of debt that has been outstanding for in excess of ninety days. Most of this is attributable to a single debtor and while every effort is being made to recover the amounts owed, the auditors advised that an appropriate provision for doubtful debts should be made in this year's financial report as a risk mitigation strategy. Therefore, an amount of \$330,394 (*see note 27) was recognised for this financial year.

The auditors have previously raised this matter and strongly advised that a provision for this debt be made as there is some doubt that the debt may be recovered and is likely to be required to be written off in the 2016/17 financial year.

Capital Expenditure

In 2015/16, \$5,242,821 was budgeted for capital expenditure. Actual expenditure was \$3,092,198.

SHIRE OF YORK

Some of the capital projects not completed during the 2015/16 financial year due to changeover of staff and uncertainty have been carried forward into the 2016/17 financial year including but not limited to;

- Quellington Road upgrade
- Replacement of fleet vehicles
- Residency Museum extensions
- Swimming Pool upgrade
- Walk trails

In addition, some items budgeted were deferred or cancelled for a variety of reasons. For example, the 2015/16 budget included provision for the construction of two new staff houses which was to be offset by the sale of old housing stock. This did not occur and was not carried forward. A recommendation regarding this initiative will likely be part of the new Workforce Plan being undertaken. Upgrades to the Pioneer Memorial Lodge were also deferred pending lease renewal.

SHIRE OF YORK

ANNUAL FINANCIAL REPORT

2015-2016



SHIRE OF YORK

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INDEPENDENT AUDITOR'S REPORT

TO: THE RATEPAYERS OF SHIRE OF YORK

Report on the Financial Report

We have audited the financial report of the Shire of York, which comprises the Statement of Financial Position as at 30 June 2016 and the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information and Statement by Chief Executive Officer.

Management's Responsibility for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended) and for such internal controls 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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to management's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Accounting Professional and Ethical Standards Board.



INDEPENDENT AUDITOR'S REPORT

TO: THE RATEPAYERS OF SHIRE OF YORK (Cont'd)

Auditor's Opinion

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

- (a) gives a true and fair view of the financial position of the Shire of York as at 30 June 2016 and of its financial performance for the year ended on that date; and
- (b) complies with the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) and the Australian Accounting Standards (including Australian Accounting Interpretations).


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 financial management practices of the Council.
- (b) There are 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 noted during the course of our audit
- (c) In relation to the asset consumption ratio and asset renewal funding ratio (presented at Note 26 of the annual financial report) we have reviewed the calculations as presented and nothing has come to our attention to suggest they are not
 - (i) reasonably calculated; and
 - (ii) based on verifiable information.
- (d) All necessary information and explanations were obtained by us.
- (e) All audit procedures were satisfactorily completed in conducting our audit.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of the Shire of York for the year ended 30 June 2016 included on the Shire's website. Management is responsible for the integrity of the Shire's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.


MACRI PARTNERS
CERTIFIED PRACTISING ACCOUNTANTS
SUITE 2,137 BURSWOOD ROAD
BURSWOOD WA 6100


AmACRI
PARTNER

PERTH
DATED THIS 13th DAY OF JANUARY 2017.

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016
LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996
STATEMENT BY CHIEF EXECUTIVE OFFICER**

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

Signed as authorisation of issue on the **22** day of December 2016.



Paul Martin
Chief Executive Officer



ANNUAL FINANCIAL REPORTS

SHIRE OF YORK STATEMENT OF COMPREHENSIVE INCOME BY PROGRAMME FOR THE YEAR ENDED 30 JUNE 2016

2014/15 ACTUAL		NOTES	2015/16 BUDGET	2015/16 ACTUAL
\$	REVENUE		\$	\$
7,137,476	General Purpose Funding		6,774,003	6,258,644
85,347	Governance		15,383	52,898
88,540	Law, Order, Public Safety		226,628	84,963
24,356	Health		23,000	20,730
34,971	Education and Welfare		33,008	34,125
667,659	Community Amenities		693,223	726,353
810,568	Recreation and Culture		876,702	629,274
1,079,013	Transport		1,266,105	1,463,572
147,743	Economic Services		126,689	114,857
84,352	Other Property & Services		98,300	76,408
10,160,025			10,133,041	9,461,824
	EXPENSES			
(405,739)	General Purpose Funding		(438,365)	(902,502)
(850,920)	Governance		(971,869)	(932,011)
(378,671)	Law, Order, Public Safety		(508,003)	(438,039)
(270,549)	Health		(327,871)	(265,393)
(87,625)	Education and Welfare		(111,215)	(113,147)
(1,154,110)	Community Amenities		(1,244,413)	(1,083,202)
(2,285,111)	Recreation and Culture		(2,695,339)	(2,783,985)
(2,561,975)	Transport		(2,377,234)	(2,786,674)
(605,570)	Economic Services		(752,773)	(530,192)
(714,771)	Other Property and Services		(67,670)	(306,018)
(9,315,041)			(9,494,753)	(10,141,163)
	FINANCE COSTS			
(803)	Community Amenities		(222)	(73)
(118,321)	Recreation and Culture		(134,461)	(130,426)
(1,559)	Transport		(9,304)	(9,084)
(120,683)		6.3	(143,987)	(139,583)
	ASSET DISPOSALS			
(23,791)	Governance		(5,250)	3,924
0	Law, Order, Public Safety		(1,500)	(29,254)
0	Health		(14,500)	(4,856)
0	Community Amenities		(10,000)	0
0	Recreation and Culture		0	(577)
(11,553)	Transport		(5,950)	28,948
0	Economic Services		(4,500)	0
0	Other Property & Services		588,800	(6,520)
(35,344)		5.2	547,100	(8,335)
688,957	NET RESULT		1,041,400	(827,256)
	Other Comprehensive Income			
	Changes on Revaluation of Non-Current Assets	7.31	0	804,963
20,708,873	Initial Recognition - Investment in LG House Trust	17.2	0	63,263
0				
20,708,873	Total Other Comprehensive Income		0	868,226
21,397,830	TOTAL COMPREHENSIVE INCOME		1,041,400	40,970

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

ANNUAL FINANCIAL REPORTS

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

2014/15 ACTUAL		NOTES	2015/16 BUDGET	2015/16 ACTUAL
\$	REVENUE		\$	\$
4,622,832	Rates	10	5,078,828	5,126,915
2,760,075	Operating Grants, Subsidies and Contributions	32	1,790,563	1,257,451
1,492,709	Fees and Charges	15.1	1,524,856	1,505,299
191,285	Interest Earnings	17.1	167,000	215,243
80,334	Other Revenue		139,272	74,329
9,147,235			8,700,519	8,179,237
	EXPENSES			
(3,478,181)	Employee Costs		(3,926,349)	(3,502,768)
(2,988,116)	Materials and Contracts		(2,673,775)	(3,055,576)
(250,010)	Utility Charges		(321,732)	(313,445)
	Depreciation on Non-Current Assets			(2,485,496)
(302,819)	Insurance Expenses		(322,436)	(188,720)
(120,683)	Interest Expenses		(143,987)	(139,583)
(125,238)	Other Expenditure		(278,242)	(617,252)
(9,489,678)			(9,638,740)	(10,302,840)
(342,443)			(938,221)	(2,123,603)
1,066,744	Non-Operating Grants, Subsidies and Contributions	32	1,432,521	1,304,682
7,093	Profit on Asset Disposals	5.1	600,000	32,871
(42,437)	Loss on Asset Disposals	5.1	(52,900)	(41,206)
688,957	NET RESULT		1,041,400	(827,256)
	Other Comprehensive Income			
	<i>Items that will not be reclassified subsequently to profit or loss</i>			
20,708,873	Changes on Revaluation of Non-Current Assets	7.31	0	804,963
0	Initial Recognition - Investment in LG House Trust	17.2	0	63,263
20,708,874	Total Other Comprehensive Income		0	868,226
21,397,831	TOTAL COMPREHENSIVE INCOME		1,041,400	40,970

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

ANNUAL FINANCIAL REPORTS

SHIRE OF YORK STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	NOTES	ACTUAL 2014/15 \$	ACTUAL 2015/16 \$
CURRENT ASSETS			
Cash and cash equivalents	4	2,399,957	3,019,984
Trade and other receivables	27	1,945,849	791,728
Inventories	28	92,608	87,450
Total current assets		4,438,415	3,899,162
NON-CURRENT ASSETS			
Trade and other receivables	27	57,702	69,080
Investment in LG House Trust	17.2	0	63,263
Property, plant and equipment	5	35,483,726	36,149,395
Infrastructure	5	97,533,176	97,963,213
Total non-current assets		133,074,603	134,244,952
Total assets		137,513,018	138,144,114
CURRENT LIABILITIES			
Trade and other payables	29	442,212	527,722
Borrowings	6	149,876	205,200
Provisions	30	615,135	701,396
Total current liabilities		1,207,223	1,434,318
NON-CURRENT LIABILITIES			
Borrowings	6	2,148,420	2,541,575
Provisions	30	68,241	38,117
Total non-current liabilities		2,216,661	2,579,692
Total liabilities		3,423,884	4,014,010
Net assets		134,089,134	134,130,104
EQUITY			
Retained surplus		31,433,456	30,525,934
Reserves - Cash backed	7.30	1,887,277	1,967,543
Asset revaluation surplus	7.31	100,768,401	101,573,364
Financial Assets Reserve		0	63,263
TOTAL EQUITY		134,089,134	134,130,104

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

ANNUAL FINANCIAL REPORTS

SHIRE OF YORK STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016

	NOTES	RETAINED SURPLUS	RESERVES	ASSET REVALUATION SURPLUS	FINANCIAL ASSETS RESERVE	TOTAL EQUITY
		\$	\$	\$	\$	\$
Balance as at 1 July 2014		30,785,282	1,846,494	80,059,528	0	112,691,304
Comprehensive Income						
Net Result		688,957	0	0	0	688,957
Changes on revaluation of non-current assets	7.31	0	0	20,708,873	0	20,708,873
Total Comprehensive Income		688,957	0	20,708,873	0	21,397,830
Reserve Transfers		(40,783)	40,783	0	0	0
Balance as at 30 June 2015		31,433,456	1,887,277	100,768,401	0	134,089,134
Net Result		(827,256)	0	0	0	(827,256)
Changes on revaluation of non-current assets	7.31	0	0	804,963	0	804,963
Initial Recognition - Investment in LG House Trust	17.2	0	0	0	63,263	63,263
Total Comprehensive Income		(827,256)	0	804,963	63,263	40,970
Reserve Transfers		(80,265)	80,265	0	0	0
Balance as at 30 June 2016		30,525,935	1,967,542	101,573,364	63,263	134,130,104

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

ANNUAL FINANCIAL REPORTS

SHIRE OF YORK STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2016

2014/15 ACTUAL		NOTES	2015/16 BUDGET	2015/16 ACTUAL
	Cash Flows from Operating Activities			
\$	REVENUE			
4,704,573	Rates		5,478,828	5,119,147
1,728,074	Operating Grants and Subsidies		1,686,934	1,683,081
278,423	Contributions and Donations Reimbursements		103,629	321,878
1,517,726	Fees and Charges		2,066,483	1,870,749
191,285	Interest Received		167,000	215,243
543,723	GST		600,000	545,949
84,107	Other Revenue		139,272	74,329
9,047,911			10,242,146	9,830,377
	EXPENDITURE			
(3,461,305)	Employee Costs		(3,973,392)	(3,442,183)
(3,508,404)	Materials & Contracts		(2,668,940)	(3,491,587)
(250,010)	Utilities		(321,732)	(313,445)
(302,819)	Insurance		(322,436)	(188,720)
(120,002)	Interest Expenses		(144,236)	(131,999)
(125,238)	Other Expenditure		(123,242)	(617,252)
(7,767,778)			(8,180,500)	(8,185,186)
1,280,133	Net Cash flows from Operating Activities	8.2	2,061,646	1,645,192
	Cash flows from Investing Activities			
	Payments			
(413,603)	Purchase Land and Buildings		(728,282)	(685,123)
(1,570,437)	Purchase Infrastructure Assets- Roads and Bridges		(1,946,560)	(1,661,497)
(48,329)	Purchase Infrastructure Assets - Recreational Facilities		(1,524,102)	(188,644)
(6,665)	Purchase Infrastructure Assets - Other		(75,000)	0
(442,565)	Purchase Plant and Equipment		(860,800)	(490,272)
(82,668)	Purchase Furniture and Equipment		(108,077)	(66,662)
(2,564,267)			(5,242,821)	(3,092,198)
	Receipts			
0	Proceeds from Sale of Land and Buildings	5.1	600,000	0
126,333	Proceeds from Sale of Plant and Equipment	5.1	340,700	307,624
1,066,744	Non-operating Grants & Subsidies		1,432,521	1,304,682
1,193,077			2,373,221	1,612,306
(1,371,190)	Net cash flows from Investing Activities		(2,869,600)	(1,479,892)
	Cash flows from Financing Activities			
338,616	Proceeds from Borrowings Loan		625,000	625,000
(105,730)	Repayments - Principal	6.3	(200,948)	(176,521)
11,860	Principal Repayments Received		6,248	6,248
244,746	Net cash flows from Financing Activities		430,300	454,727
153,689	Net (decrease)/increase in cash held		(377,654)	620,027
2,246,268	Cash at the Beginning of Reporting Period		2,432,546	2,399,957
2,399,957	CASH AT THE END OF REPORTING PERIOD	8.1	2,054,892	3,019,984

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

ANNUAL FINANCIAL REPORTS

SHIRE OF YORK RATE SETTING STATEMENT FOR THE YEAR ENDED 30 JUNE 2016

2014/15 ACTUAL		NOTES	2015/16 BUDGET	2015/16 ACTUAL
\$	REVENUE		\$	\$
2,514,644	General Purpose Funding		1,695,176	1,131,729
85,347	Governance		15,383	52,898
88,540	Law, Order Public Safety		226,628	84,963
24,356	Health		23,000	20,730
34,971	Education and Welfare		33,008	34,125
667,659	Community Amenities		693,223	726,353
810,568	Recreation and Culture		876,702	629,274
1,079,013	Transport		1,266,105	1,463,572
147,743	Economic Services		126,689	114,857
84,352	Other Property and Services		98,300	76,408
5,537,193			5,054,213	4,334,910
	EXPENSES			
(405,739)	General Purpose Funding		(438,365)	(902,502)
(850,920)	Governance		(971,869)	(932,011)
(378,671)	Law, Order, Public Safety		(508,004)	(438,039)
(270,549)	Health		(327,871)	(265,393)
(87,625)	Education and Welfare		(111,215)	(113,147)
(1,154,913)	Community Amenities		(1,244,635)	(1,083,275)
(2,403,432)	Recreation and Culture		(2,829,800)	(2,914,411)
(2,563,534)	Transport		(2,386,538)	(2,795,758)
(605,570)	Economic Services		(752,773)	(530,192)
(714,771)	Other Property & Services		(67,670)	(306,018)
(9,435,724)			(9,638,740)	(10,280,746)
(3,898,531)			(4,584,527)	(5,945,836)
	Adjustments for Cash Budget Requirements			
11,860	Principal Repayment Received - Loans	6.3	6,248	6,248
126,333	Proceeds from sale of assets	5.1	940,700	307,624
(129,519)	Increase/(Decrease) in Staff Leave Reserve		0	11,891
35,352	Increase/(Decrease) in Accrued Leave Provisions		0	(30,124)
(10,000)	(Increase)/Decrease in Non-Current Debtors		0	(11,379)
50,000	Adjustment in stock		0	0
2,224,631	Depreciation		1,972,219	2,485,496
2,308,657			2,919,167	2,769,756
(1,589,874)			(1,665,360)	(3,176,080)
	CAPITAL EXPENDITURE AND REVENUE			
(413,603)	Purchase Land & Buildings		(743,282)	(685,123)
(1,570,437)	Infrastructure Assets - Roads		(1,946,560)	(1,661,497)
(48,329)	Infrastructure Assets - Recreation Facilities		(1,509,102)	(188,644)
(6,665)	Infrastructure Assets - Other		(75,000)	0
(442,565)	Purchase Plant and Equipment		(860,800)	(490,272)
(82,668)	Purchase Furniture and Equipment		(108,077)	(66,662)
(105,730)	Repayment of Debt - Loan Principal		(200,948)	(176,521)
338,616	Proceeds from Borrowings	6.3	625,000	625,000
(316,220)	Transfer to Reserves (Restricted Assets)	7.30	(378,658)	(366,331)
275,436	Transfer from Reserves (Restricted Assets)	7.30	542,484	286,065
0	Rates in Advance		0	(53,480)
(2,372,165)			(4,654,943)	(2,777,465)
(3,962,039)			(6,320,302)	(5,953,545)
1,337,699	ADD: Opening Funds Surplus/(Deficit)	24	1,241,474	1,998,492
(1,998,492)	LESS: Closing Funds (Surplus)/Deficit	24	0	(1,171,861)
(4,622,833)	AMOUNT REQUIRED TO BE RAISED FROM RATES	10	(5,078,828)	(5,126,914)

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

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

Except for cash flow and rate setting information, the report has 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 9 to these financial statements.

(b) Goods and Services Tax (GST)

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Cash and Cash Equivalents (Continued)

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

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

(d) Trade and Other Receivables

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

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

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

(e) Inventories

General

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

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

Land held for sale

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development.

Finance costs and holding charges incurred after development is completed are expensed.

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

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

(f) Fixed Assets

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

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.

Land under control

In accordance with Local Government (Financial Management) Regulation 16(a), 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 City includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

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

Revaluation

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

Land under roads

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

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

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

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

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

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 - 50 Years
Furniture and Equipment	4 -10 Years
Plant and Equipment	5 - 15 Years
Bridges	75 Years
Footpaths, Cycleways, Walkways and Skate Park	60-80 Years
Drainage - Culvert Pipes	80 Years
Drainage - Underground Pipes	120 Years
Parks Furniture and Equipment	5 – 20 Years
Roads	
Formation	not depreciated
Pavement Structure	70-110 Years
Bitumen Seal	20 Years
Unsealed Roads	30 Years

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

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

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

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

Capitalisation threshold

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

(g) 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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) 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.

(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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments

Classification and subsequent measurement (continued)

(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.

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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments

Impairment (continued)

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.

(i) 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.

(j) 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 YORK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) 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.

(l) Borrowing Costs

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

(m) Provisions

Provisions are recognised when the 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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Leases

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

(o) 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.

(p) Interests in Joint Arrangements

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Interests in Joint Arrangements (continued)

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Shire's interests in the assets liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 21.

(q) 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 4.2. 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.

(r) 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.

(s) Current and Non-Current Classification

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the 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.

(t) Rounding Off Figures

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

(u) 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.

ANNUAL FINANCIAL REPORTS

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Budget Comparative Figures

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

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

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the 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	IMPACT
(i) AASB 9 Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)	December 2014	1 January 2018	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Shire, it is not anticipated the Standard will have any material effect.
(ii) AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2019	This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The effect of this Standard will depend upon the nature of future transactions the Shire has with those third parties it has dealings with. It may or may not be significant.
(iii) AASB 16 Leases	February 2016	1 January 2019	Under AASB 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability 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. 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.

ANNUAL FINANCIAL REPORTS

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

TITLE	ISSUED / COMPILED	APPLICABLE	IMPACT
(iv) AASB 2014-3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]	August 2014	1 January 2016	<p>This Standard amends AASB 11: Joint Arrangements to require the acquirer of an interest (both initial and additional) in a joint operation in which the activity constitutes a business, as defined in AASB 3: Business Combinations, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations.</p> <p>Since adoption of this Standard would impact only acquisitions of interests in joint operations on or after 1 January 2016, management believes it is impracticable at this stage to provide a reasonable estimate of such impact on the Shire's financial statements.</p>
(v) AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138]	August 2014	1 January 2016	<p>This Standard amends AASB 116 and AASB 138 to establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. It also clarifies the use of revenue-based methods to calculate the depreciation of an asset is not appropriate nor is revenue generally an appropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.</p> <p>Given the Shire currently uses the expected pattern of consumption of the future economic benefits of an asset as the basis of calculation of depreciation, it is not expected to have a significant impact.</p>
(vi) AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	December 2014	1 January 2019	<p>Consequential changes to various Standards arising from the issuance of AASB 15.</p> <p>It will require changes to reflect the impact of AASB 15.</p>

ANNUAL FINANCIAL REPORTS

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

TITLE	ISSUED / COMPILED	APPLICABLE	IMPACT
(vii) AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]	January 2015	1 January 2016	<p>This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements.</p> <p>This Standard also makes editorial and consequential amendments as a result of amendments to the Standards listed in the title column.</p> <p>It is not anticipated it will have any significant impact on disclosures as they currently exist and any changes will relate to presentation.</p>
(viii) AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]	March 2015	1 July 2016	<p>The objective of this Standard is to extend the scope of AASB 124 Related Party Disclosures to include not-for-profit sector entities.</p> <p>The Standard is expected to have a significant disclosure impact on the financial report of the Shire as both Elected Members and Senior Management will be deemed to be Key Management Personnel and resultant disclosures will be necessary.</p>

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Adoption of New and Revised Accounting Standards

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

These new and revised standards were as follows:

- (i) AASB 2015-3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality
- (ii) AASB 2015-7 Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities



ANNUAL FINANCIAL REPORTS

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

2. REVENUES AND EXPENSES

ACTUAL 2014/15 \$		ACTUAL 2015/16 \$
	Charging as Expenses	
2,224,631	Depreciation on Non-Current Assets	2,485,496
2,224,631	Depreciation	2,485,496
1,200	Acquittal Audits	1,200
18,360	Interim and Annual Audits	17,000
19,560	Auditors Remuneration	18,200
120,683	Interest Expense	139,583
(11,322)	Plant and Equipment	(3,507)
(24,022)	Furniture and Equipment	(4,828)
(35,344)	Loss on Sale of Non-Current Assets	(8,335)

3. DESCRIPTION OF FUNCTIONS/ACTIVITIES

Description of Programs

GENERAL PURPOSE FUNDING: Rates, general purpose government grants and interest revenue.

GOVERNANCE: Members expenses and the costs associated with meetings of Council, policy determination and public ceremonies and presentations and administration allocations.

LAW, ORDER AND PUBLIC SAFETY: Supervision of local laws, fire prevention including the provision of volunteer fire brigades, animal control and the support of local emergency and public safety organisations.

HEALTH: Food quality control, immunisation, environmental health and support to the medical practice and practitioners.

EDUCATION & WELFARE: Building maintenance of Pioneer Memorial Lodge (leased Aged Care facility) and Centennial Units which are a joint venture with Homeswest providing self contained units to over 55's. Support to youth based initiatives.

HOUSING: Maintenance of staff and rental housing.

COMMUNITY AMENITIES: Rubbish collection services, management of waste facilities, noise control, administration of the Town Planning Scheme, maintenance of cemeteries and storm water drainage maintenance.

RECREATION AND CULTURE: Maintenance of halls, aquatic centre, recreation centre and various reserves. Operation of the library and support to and maintenance of the Residency Museum.

TRANSPORT: Construction and maintenance of roads, bridges, footpaths, drainage works, lighting and cleaning of streets and depot maintenance.

ECONOMIC SERVICES: Area promotion, support to tourism, building control, the community bus, the Community Resource Centre and standpipes.

OTHER PROPERTY AND SERVICES: Private works carried out by Council, public works overhead allocations, plant operation cost allocations and stock.

ANNUAL FINANCIAL REPORTS

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

4. CASH AND CASH EQUIVALENTS

4.1 Actual

ACTUAL 2014/15 \$		NOTE	ACTUAL 2015/16 \$
3,800	Cash on Hand		3,800
597,157	Cash at Bank		1,469,127
1,799,000	Term Deposits		1,547,057
2,399,957	Total Cash		3,019,984
	Represented by:-		
2,097,665	Restricted Cash*		2,199,056
302,292	Unrestricted Cash		820,928
2,399,957			3,019,984
210,388	Unspent Grants		231,513
1,887,277	Cash backed Reserve Funds	4.2	1,967,543
2,097,665	*Restricted Cash - Sub Total	7.30	2,199,056

4.2 Conditions over contributions

Contributions and Grants recognised as revenues during the financial year which had not yet been fully expended in the manner specified by the contributor:

	OPENING BALANCE 1 JUL 15	RECEIVED 2015/16	EXPENDED 2015/16	CLOSING BALANCE 30 JUN 16
DLGC/Member Local Government Connecting Local Governments Funding	60,229	0	0	60,229
DLGC Workforce Plan Funding	18,186	0	0	18,186
DLGC Regional Cat Pound	1,626	0	(1,626)	0
DLGC Cat Sterilisation Program	13,350	0	(9,965)	3,385
WALGGC Talbot West Bridge	45,319	0	(45,319)	0
Wheatbelt Development Commission - Business Case Grant Funds	13,118	0	0	13,118
Dept Veteran Affairs - ANZAC Centenary Grant (Krupp Gun Housing etc)	27,273	0	0	27,273
Dept Veteran Affairs - ANZAC Centenary Grant (Residency Museum Project)	31,287	0	0	31,287
Stronger Communities	0	11,785	0	11,785
Wheatbelt Development Commission - Creating Age Friendly Communities	0	40,000	0	40,000
Tourism WA - Royalties For Regions - Regional Visitor Centre Sustainability Grant Program	0	16,250	0	16,250
Department of Local Government and Communities	0	10,000	0	10,000
	210,388	78,035	(56,910)	231,513

ANNUAL FINANCIAL REPORTS

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

4. CASH AND CASH EQUIVALENTS (Continued)

4.2 Conditions Over Contributions

GRANT/CONTRIBUTION	OPENING BALANCE ⁽¹⁾ 1 JULY 2014 \$	RECEIVED ⁽²⁾ 2014/15 \$	EXPENDED ⁽³⁾ 2014/15 \$	CLOSING BALANCE ⁽¹⁾ 30 JUNE 2015 \$	RECEIVED ⁽²⁾ 2015/16 \$	EXPENDED ⁽³⁾ 2015/16 \$	EXPENDED ⁽³⁾ 2015/16 \$
Connecting Local Governments Funding	60,229	0	0	60,229	0	0	60,229
Workforce Plan Funding	18,186	0	0	18,186	0	0	18,186
Regional Cat Pound	15,011	0	(13,385)	1,626	0	(1,626)	0
Cat Sterilisation Program	13,536	0	(186)	13,350	0	(9,965)	3,385
Spencers Brook Road	50,183	0	(50,183)	0	0	0	0
Talbot West Bridge	45,319	0	0	45,319	0	(45,319)	0
Business Case Grant Funds	13,118	0	0	13,118	0	0	13,118
ANZAC Centenary Grant (Krupp Gun Housing etc)	0	27,273	0	27,273	0	0	27,273
ANZAC Centenary Grant (Residency Museum Project)	0	31,287	0	31,287	0	0	31,287
Stronger Communities	0	0	0	0	11,785	0	11,785
Creating Age Friendly Communities	0	0	0	0	40,000	0	40,000
Regional Visitor Centre Sustainability Grant Program	0	0	0	0	16,250	0	16,250
Department of Local Government and Communities	0	0	0	0	10,000	0	10,000
TOTAL	215,582	58,560	(63,754)	210,388	78,035	(56,910)	231,513

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.

ANNUAL FINANCIAL REPORTS

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

5. FIXED ASSETS

5.1 Disposal of Asset by Class

In accordance with Financial Management Regulation 36(1)(e), the following information is provided in relation to the disposal of Assets by Asset Class:

ASSET BY CLASS	PROCEEDS SALE OF ASSETS		WRITTEN DOWN VALUE		GAIN(LOSS) ON DISPOSAL	
	BUDGET \$	ACTUAL \$	BUDGET \$	ACTUAL \$	BUDGET \$	ACTUAL \$
Furniture and Equipment	0	0	0	4,828	0	(4,828)
Plant and Equipment	340,700	307,624	393,600	311,131	(52,900)	(3,507)
Buildings	600,000	0	0	0	600,000	0
TOTAL BY CLASS OF ASSETS	940,700	307,624	393,600	315,959	547,100	(8,335)

5.2 Disposal of Assets by Program

	PROCEEDS SALE OF ASSETS		WRITTEN DOWN VALUE		GAIN(LOSS) ON DISPOSAL	
	BUDGET \$	ACTUAL \$	BUDGET \$	ACTUAL \$	BUDGET \$	ACTUAL \$
Governance	120,000	102,463	125,250	98,539	(5,250)	3,924
Law, Order & Public Safety	20,000	24,545	21,500	53,800	(1,500)	(29,255)
Health	50,000	36,773	64,500	41,628	(14,500)	(4,855)
Education & Welfare	0	0	0	0	0	0
Housing	0	0	0	0	0	0
Community Amenities	35,000	0	45,000	0	(10,000)	0
Recreation & Culture	0	0	0	576	0	(576)
Transport	50,700	96,545	56,650	67,598	(5,950)	28,947
Economic Services	15,000	0	19,500	0	(4,500)	0
Other Property & Services	650,000	47,298	61,200	53,818	588,800	(6,520)
TOTAL BY PROGRAM	940,700	307,624	393,600	315,959	547,100	(8,335)

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

5. FIXED ASSETS (Continued)

5.3 Fixed Assets according to Class

PROPERTY, PLANT & EQUIPMENT	ACTUAL 2014/15 \$	ACTUAL 2015/16 \$
Land (at independent valuation 2015)	4,720,450	4,720,450
Additions after valuation - cost	0	265,000
	4,720,450	4,985,450
Buildings (at independent valuation 2015)	28,440,100	28,440,100
Additions after valuation - cost	0	440,680
Less Accumulated Depreciation	0	(665,472)
	28,440,100	28,215,308
Furniture and Fittings (at management valuation 2014)	996,060	911,915
Additions after valuation - cost	82,668	
Disposals	(166,813)	(40,520)
Less Accumulated Depreciation	(604,535)	(638,730)
	307,380	299,327
Plant and Equipment (at management valuation 2016)	2,768,811	983,344
Plant and Equipment (at independent valuation 2016)	0	3,271,919
Additions after valuation - cost	442,565	0
Disposals	(222,577)	(509,490)
Less Accumulated Depreciation	(973,003)	(1,096,462)
	2,015,796	2,649,311
TOTAL PROPERTY, PLANT & EQUIPMENT	35,483,726	36,149,396
Infrastructure Assets		
Roads (at independent valuation 2014)	97,895,797	97,895,797
Additions after valuation - cost	1,542,048	3,050,556
Less Accumulated Depreciation	(17,236,952)	(18,232,516)
	82,200,893	82,713,837
Drainage (at management valuation 2014)	617,989	617,989
Less Accumulated Depreciation	(104,825)	(112,453)
	513,164	505,536
Parks/Reserves (at management valuation 2014)	825,988	825,988
Less Accumulated Depreciation	(565,303)	(588,563)
	260,685	237,425
Bridges (at independent valuation 2015)	11,069,000	11,069,000
Additions after valuation - cost	0	90,072
Less Accumulated Depreciation	0	(138,583)
	11,069,000	11,020,489
Footpaths (at independent valuation 2014)	2,027,982	2,027,982
Additions after valuation - cost	3,145	66,062
Less Accumulated Depreciation	(832,417)	(877,189)
	1,198,710	1,216,855
Other Structures (at independent/management valuation 2014)	2,980,313	2,980,313
Additions after valuation - cost	51,849	240,493
Less Accumulated Depreciation	(741,439)	(951,736)
	2,290,723	2,269,070
TOTAL INFRASTRUCTURE	97,533,175	97,963,213

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

5. FIXED ASSETS (Continued)

5.4 Movements in Carrying Amounts

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

PROPERTY, PLANT & EQUIPMENT	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	4,720,450	265,000	0	0	0	0	0	0	4,985,450
Buildings	28,440,100	420,123	0	0	0	0	(665,472)	20,557	28,215,308
Furniture and Equipment	307,379	66,662	(4,718)	0	0	0	(69,997)	0	299,327
Plant and Equipment	2,015,796	490,272	(311,250)	804,963	0	0	(329,914)	(20,557)	2,649,311
TOTAL PROPERTY, PLANT AND EQUIPMENT	35,483,725	1,242,057	(315,968)	804,963	0	0	(1,065,383)	0	36,149,396
Infrastructure									
Drainage	513,164	0	0	0	0	0	(7,628)	0	505,536
Parks/Reserves	260,685	0	0	0	0	0	(23,260)	0	237,425
Bridges	11,069,000	90,072	0	0	0	0	(138,583)	0	11,020,489
Footpaths	1,198,710	62,917	0	0	0	0	(44,772)	0	1,216,855
Other Items	2,290,723	188,644	0	0	0	0	(210,297)	0	2,269,070
Roads	82,200,893	1,508,508	0	0	0	0	(995,564)	0	82,713,837
TOTAL INFRASTRUCTURE	97,533,175	1,850,141	0	0	0	0	(1,420,104)	0	97,963,213

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

6. BORROWINGS

6.1 Loan Borrowings

ACTUAL 2014/15 \$	CURRENT BORROWINGS	ACTUAL 2015/16 \$
149,876	Loan Debentures	205,200
149,876	BALANCE AS AT 30 JUNE	205,200
	Non Current Borrowings	
2,148,420	Loan Debentures	2,541,575
2,148,420	BALANCE AS AT 30 JUNE	2,541,575
2,298,296	TOTAL BORROWINGS AS AT 30 JUNE	2,746,775

6.2 Loans Raised during the Financial Year

ACTUAL 2014/15 \$	THE SHIRE BORROWED THE FOLLOWING FUNDS IN THE 2015/16 FINANCIAL YEAR.	ACTUAL 2015/16 \$
	Amount Borrowed	
338,616	Loan 66 - Plant Purchases	0
0	Loan 67 - Purchase 25 & 27 South Street, York	625,000
(338,616)	Amount Expended	(625,000)
Nil	CLOSING BALANCE	

6.3 Loan Repayments

Council's Loan Liability is summarised as:

PROGRAM	PRINCIPAL			NEW LOANS RAISED		INTEREST		PRINCIPAL REPAYMENT		PRINCIPAL 30/06/16 \$
	1/07/15 \$	BUDGET \$	ACTUAL \$	BUDGET \$	ACTUAL \$	BUDGET \$	ACTUAL \$	BUDGET \$	ACTUAL \$	
Community Amenities										
(*) Water Supply - Loan 60	6,248	0	0	222	219	6,248	6,248			0
Recreation & Culture										
Archive Facility - Loan 65	84,612	0	0	3,997	3,932	10,856	10,856			73,756
Forrest Oval - Loan 62	1,178,043	0	0	74,344	73,528	44,400	44,401			1,133,642
Forrest Oval - Loan 63	269,849	0	0	13,752	13,569	17,185	17,185			252,664
Forrest Oval - Loan 64	420,928	0	0	21,451	21,166	26,807	26,807			394,121
Transport										
Plant Purchases - Loan 66	338,616	0	0	9,304	9,304	44,379	44,379			294,237
Other Property & Services										
25 & 27 South St, York	0	625,000	625,000	20,917	10,281	51,072	26,645			598,355
Plus Change in Net Accrual	0	0	0	0	7,584	0	0			0
TOTAL	2,298,296	625,000	625,000	143,987	139,583	200,947	176,521			2,746,775
Loan Repayments to be financed by Council				143,765	139,364	194,699	170,273			
Loan Repayments reimbursed from external sources				222	219	6,248	6,248			
TOTAL				143,987	139,583	200,947	176,521			

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

(*) Self Supporting Loan financed by payments from third parties.
All other loan repayments were financed by general purpose income.
Council does not hold any unspent loan funds as detailed in Financial Management Regulation 48(a).

Overdraft Facility

The Shire established an overdraft facility in 2003 of \$200,000 to assist with short term liquidity requirements. The balance of the overdraft as at 30 June 2016 was \$nil (30 June 2015: Nil) (Financial Management Regulation 48(b)).

7. RESERVES - CASH BACKED

The transactions of the Reserve Funds are summarised as follows:

ACTUAL 2014/15 \$		BUDGET 2015/16 \$	ACTUAL 2015/16 \$
7.1	Plant Replacement Reserve (Cash Backed). Purpose - Acquisition of plant and major capital repairs for plant		
119,740	Balance brought forward 1st July	387,381	387,381
	Plus Transfer from Accumulated Surplus		
3,738	- Interest Received	9,935	9,015
263,903	- Other	305,527	305,527
	Less Transfer To Accumulated Surplus		
0	- Other Plant Purchases	(295,000)	(185,172)
387,381	BALANCE AS AT 30 JUNE	407,843	516,751
7.2	Avon River Reserve (Cash Backed). Purpose - Maintain and protect Avon River and its environs		
13,337	Balance brought forward 1st July	13,715	13,715
	Plus Transfer from Accumulated Surplus		
378	- Interest Received	0	319
	Less Transfer To Accumulated Surplus		
0	- Other swing bridge entrance	(13,715)	0
13,715	BALANCE AS AT 30 JUNE	0	14,034
7.3	Recreation Complex Reserve (Cash backed). Purposes - Provide for multi-purpose community centre and ongoing development of recreation facilities		
4,220	Balance brought forward 1st July	0	0
	Plus Transfer from Accumulated Surplus		
120	- Interest Received	0	0
0	- Other YRCC membership fees	0	0
	Less Transfer To Accumulated Surplus		
(4,340)	- Other function centre IT and kitchen utensils	0	0
(0)	BALANCE AS AT 30 JUNE	0	0
7.4	Town Planning Reserve (Cash backed). Purpose - Develop and review York Town Planning Schemes and amendments		
15,493	Balance brought forward 1st July	6,682	6,682
	Plus Transfer from Accumulated Surplus		
439	- Interest Received	0	156
(9,250)	- Other TPS Review	(6,682)	0
6,682	BALANCE AS AT 30 JUNE	0	6,838
7.5	Refuse Site Development Reserve (Cash Backed). Purpose - Ongoing maintenance and development of Council's waste management facilities		
172,793	Balance brought forward 1st July	171,189	171,189
	Plus Transfer from Accumulated Surplus		
4,895	- Interest Received	4,391	3,984
	Less Transfer To Accumulated Surplus		
(6,498)	- Other - Operating Loss	0	0
171,189	BALANCE AS AT 30 JUNE	175,580	175,173
7.6	Industrial Land Reserve (Cash backed). Purpose - Development and expansion of an industrial subdivision within the Shire		
115,856	Balance brought forward 1st July	119,137	119,137
	Plus Transfer from Accumulated Surplus		
3,281	- Interest Received	3,056	2,773
119,137	BALANCE AS AT 30 JUNE	122,193	121,910

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

7. RESERVES - CASH BACKED (Continued)

ACTUAL 2014/15 \$		BUDGET 2015/16 \$	ACTUAL 2015/16 \$
7.7 Residency Museum Reserve (Cash Backed). Purpose - Fund capital expenditure and maintenance of the historical museum			
11,284	Balance brought forward 1st July	5,648	5,648
	Plus Transfer from Accumulated Surplus		
320	- Interest Received	0	131
(5,956)	- Other - Monitored Alarm System	(5,648)	0
5,648	BALANCE AS AT 30 JUNE	(0)	5,779
7.8 Pioneer Memorial Lodge Reserve (Cash Backed). Purpose - Finance capital improvements and extensions to seniors village (from operational surpluses of the Lodge)			
122,551	Balance brought forward 1st July	103,293	103,293
	Plus Transfer from Accumulated Surplus		
3,471	- Interest Received	2,649	2,404
	Less Transfer To Accumulated Surplus		
(22,729)	- Other - Refurbishments	(32,000)	(10,406)
103,293	BALANCE AS AT 30 JUNE	73,942	95,291
7.9 Public Open Space Reserve (Cash Backed). Purpose - Expansion and development of passive recreation areas within the Shire			
393	Balance brought forward 1st July	405	405
	Plus Transfer from Accumulated Surplus		
11	- Interest Received	0	9
	Less Transfer To Accumulated Surplus		
0	- Other	(405)	0
404	BALANCE AS AT 30 JUNE	0	414
7.10 Community Bus Reserve (Cash Backed). Purpose - Finance the changeover of the Community Bus (funded from operational surpluses of the Community Bus)			
69,041	Balance brought forward 1st July	73,703	73,703
	Plus Transfer from Accumulated Surplus		
1,955	- Interest Received	1,890	1,715
2,707	- Other	2,382	4,658
73,703	BALANCE AS AT 30 JUNE	77,975	80,076
7.11 Centennial Gardens Reserve (Cash Backed). Purpose - Further expansion and capital repairs of the existing units			
117,883	Balance brought forward 1st July	122,988	122,988
	Plus Transfer from Accumulated Surplus		
3,338	- Interest Received	3,154	2,862
1,766	- Other	0	7,428
	Less Transfer To Accumulated Surplus		
0	- Other - operating loss	(18,528)	0
122,988	BALANCE AS AT 30 JUNE	107,614	133,278
7.12 Car Parking Reserve (Cash Backed). Purpose - The Management and control of parking facilities in accordance with Council's Parking Plan			
16,100	Balance brought forward 1st July	16,556	16,556
	Plus Transfer from Accumulated Surplus		
456	- Interest Received	425	385
16,556	BALANCE AS AT 30 JUNE	16,981	16,941
7.13 Archives Reserve (Cash Backed). Purpose - To provide a secure building for the safe storage of Council's archival records			
19,932	Balance brought forward 1st July	6,324	6,324
	Plus Transfer from Accumulated Surplus		
564	- Interest Received	0	147
	Less Transfer To Accumulated Surplus		
(14,173)	- Other Archives/Records storage	(6,324)	0
6,324	BALANCE AS AT 30 JUNE	(0)	6,471

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

7. RESERVES - CASH BACKED (Continued)

ACTUAL 2014/15 \$		BUDGET 2015/16 \$	ACTUAL 2015/16 \$
7.14 Disaster Reserve (Cash Backed). Purpose - To help fund recover from a natural disaster			
29,970	Balance brought forward 1st July	30,819	30,819
	Plus Transfer from Accumulated Surplus		
849	- Interest Received	790	717
0	- Other	0	404
30,819	BALANCE AS AT 30 JUNE	31,609	31,940
7.15 Water Supply Reserve (Cash Backed). Purpose - To hold funds raised through water supply charge until loan repayments are due			
6,778		6,778	6,778
6,778	BALANCE AS AT 30 JUNE	6,778	6,778
7.16 Tied Grant Funding Reserve (Cash Backed). Purpose - To segregate grant funds provided for specific projects until those projects are carried out			
61,425	Balance brought forward 1st July	60,672	60,672
	Less Transfer To Accumulated Surplus		
0	- Other SEAVROC	(11,375)	0
0	- Other Regional Waste Management Strategy	(6,118)	0
0	- Other You're Welcome	(11,602)	0
(753)	- Other Mannavale, Qualan, West and Spencers Brook Bridges	(30,077)	(12,020)
60,672	BALANCE AS AT 30 JUNE	1,500	48,652
7.17 Staff Leave Reserve (Cash Backed). Purpose - To fund annual and long service leave requirements			
640,469	Balance brought forward 1st July	510,950	510,950
	Plus Transfer from Accumulated Surplus		
15,274	- Interest Received	13,105	11,891
0	- Other	20,000	0
	Less Transfer To Accumulated Surplus		
(144,793)	- Other	0	0
510,950	BALANCE AS AT 30 JUNE	544,055	522,840
7.18 Main St (Town Precinct) Upgrade Reserve (Cash Backed). Purpose - To provide funds for the upgrade of Main Street and development of a town precinct			
45,977	Balance brought forward 1st July	(0)	0
	Plus Transfer from Accumulated Surplus		
1,301	- Interest Received	0	0
	Less Transfer To Accumulated Surplus		
(47,279)	- Other	0	0
(0)	BALANCE AS AT 30 JUNE	(0)	0
7.19 Buildings Reserve (Cash Backed). Purpose - To provide for the construction and major capital improvements to all Council buildings			
1,015	Balance brought forward 1st July	1,044	1,044
	Plus Transfer from Accumulated Surplus		
29	- Interest Received	27	24
1,044	BALANCE AS AT 30 JUNE	1,071	1,068
7.2 Strategic Planning Reserve (Cash Backed). Purpose - To provide for the preparation, ongoing replacement, amendment & printing costs associated with the Strategic Plan			
7,356	Balance brought forward 1st July	7,564	7,564
	Plus Transfer from Accumulated Surplus		
208	- Interest Received	0	176
	Less Transfer To Accumulated Surplus		
0	- Other	(7,564)	(7,740)
7,564	BALANCE AS AT 30 JUNE	0	0

ANNUAL FINANCIAL REPORTS

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

7. RESERVES - CASH BACKED (Continued)

ACTUAL 2014/15 \$		BUDGET 2015/16 \$	ACTUAL 2015/16 \$
7.21	Cemetery Reserve (Cash Backed) Purpose - To provide for ongoing development of the York Cemetery or development of a new cemetery site		
24,261	Balance brought forward 1st July	24,948	24,948
	Plus Transfer from Accumulated Surplus		
687	- Interest Received	0	581
	Less Transfer To Accumulated Surplus		
0	- Other Cemetery Upgrades	(24,948)	(20,727)
24,948	BALANCE AS AT 30 JUNE	0	4,802
7.22	York Town Hall Reserve (Cash Backed). Purpose - To provide for the ongoing development of York Town Hall recognising its significant heritage value to residents		
19,124	Balance brought forward 1st July	0	0
	Plus Transfer from Accumulated Surplus		
542	- Interest Received	0	0
	Less Transfer To Accumulated Surplus		
(19,666)	- Other Town Hall Lift Awning	0	0
(0)	BALANCE AS AT 30 JUNE	0	0
7.23	Roads Reserve (Cash Backed). Purpose - To provide for future road resealing requirements		
74,903	Balance brought forward 1st July	77,024	77,024
	Plus Transfer from Accumulated Surplus		
2,121	- Interest Received	2,468	1,792
	Less Transfer To Accumulated Surplus		
0	- Other Townsite Redevelopment	0	(50,000)
77,024	BALANCE AS AT 30 JUNE	79,492	28,817
7.24	Land & Infrastructure Development Reserve (Cash Backed). Purpose - To provide for the purchase of land and/or buildings or the construction of buildings		
87,069	Balance brought forward 1st July	89,535	89,535
	Plus Transfer from Accumulated Surplus		
2,466	- Interest Received	2,296	2,084
89,535	BALANCE AS AT 30 JUNE	91,831	91,618
7.25	Greenhills Townsite Development Reserve (Cash Backed). Purpose - To provide for the enhancement of the amenity and economic potential of the townsite in consultation with the Greenhills Progress Association		
27,236	Balance brought forward 1st July	28,007	28,007
	Plus Transfer from Accumulated Surplus		
771	- Interest Received	718	652
	Less Transfer To Accumulated Surplus		
0	- Other	(22,500)	0
28,007	BALANCE AS AT 30 JUNE	6,225	28,659

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

7. RESERVES - CASH BACKED (Continued)

ACTUAL 2014/15 \$		BUDGET 2015/16 \$	ACTUAL 2015/16 \$
7.26 RSL Memorial Reserve (Cash Backed). Purpose - To provide for the upgrading of the RSL memorial			
11,853	Balance brought forward 1st July	12,188	12,188
	Plus Transfer from Accumulated Surplus		
336	- Interest Received	313	284
12,189	BALANCE AS AT 30 JUNE	12,501	12,472
7.27 Forrest Oval Bowling Greens Reserve (Cash Backed). Purpose - to provide for the replacement of bowling rink synthetic surfaces			
7,397	Balance brought forward 1st July	7,606	7,606
	Plus Transfer from Accumulated Surplus		
209	- Interest Received	195	177
0	- Other	4,000	3,904
7,606	BALANCE AS AT 30 JUNE	11,801	11,687
7.28 Forrest Oval Tennis Greens Reserve (Cash Backed). Purpose - to provide for the future of tennis synthetic surface			
1,040	Balance brought forward 1st July	1,069	1,069
	Plus Transfer from Accumulated Surplus		
29	- Interest Received	27	25
0	- Other	750	596
1,069	BALANCE AS AT 30 JUNE	1,846	1,690
7.29 Forrest Oval Lights Reserve (Cash Backed). Purpose - to provide for the replacement and upgrading of the Oval Lights			
1,998	Balance brought forward 1st July	2,054	2,054
	Plus Transfer from Accumulated Surplus		
56	- Interest Received	53	48
0	- Other	1,000	1,464
2,054	BALANCE AS AT 30 JUNE	3,107	3,566
1,887,277	TOTAL RESERVES - CASH BACKED	1,773,943	1,967,542
7.30 Cash Backed Reserve Summary			
1,846,494	Balance brought forward 1st July	1,887,277	1,887,277
316,220	Plus Transfer from Accumulated Surplus	378,657	366,331
(275,437)	Less Transfer To Accumulated Surplus	(542,484)	(286,065)
1,887,277	BALANCE AS AT 30 JUNE	1,723,450	1,967,542

All of the above Reserve Accounts are cash backed and are disclosed as Restricted Cash Assets in Note 4.1 of the Annual Financial Statements. Its anticipated that the Reserves will be utilised over the next 1 to 10 years. Council would expect further transfers to be made to some of the Reserves as funds are utilised.

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

7. RESERVES - CASH BACKED (Continued)

7.31 Asset Revaluation Surplus

Revaluation surpluses have arisen on revaluation of the following classes of Non-Current assets:

ACTUAL 2014/15 \$		BUDGET 2015/16 \$	ACTUAL 2015/16 \$
	Roads		1890
67,555,433	Balance brought forward 1st July	67,555,433	
0	Revaluation Increment	0	
0	Revaluation Decrement	0	
67,555,433	BALANCE AS AT 30 JUNE	67,555,433	
	Bridges		1891
11,468,112	Balance brought forward 1st July	8,886,659	
18,159,936	Revaluation Increment	0	
(20,741,389)	Revaluation Decrement	0	
8,886,659	BALANCE AS AT 30 JUNE	8,886,659	
	Footpaths		1892
727,663	Balance brought forward 1st July	727,663	
0	Revaluation Increment	0	
0	Revaluation Decrement	0	
727,663	BALANCE AS AT 30 JUNE	727,663	
	Parks and Reserves		1895
308,319	Balance brought forward 1st July	308,319	
0	Revaluation Increment	0	
0	Revaluation Decrement	0	
308,319	BALANCE AS AT 30 JUNE	308,319	
	Plant and Equipment		1896
0	Balance brought forward 1st July	0	
0	Revaluation Increment	804,963	
0	Revaluation Decrement	0	
0	BALANCE AS AT 30 JUNE	804,963	
	Land		1897
0	Balance brought forward 1st July	3,981,700	
3,981,700	Revaluation Increment	0	
0	Revaluation Decrement	0	
3,981,700	BALANCE AS AT 30 JUNE	3,981,700	
	Furniture and Equipment		1898
0	Balance brought forward 1st July	1,029	
1,029	Revaluation Increment	0	
0	Revaluation Decrement	0	
1,029	BALANCE AS AT 30 JUNE	1,029	
	Buildings		1899
0	Balance brought forward 1st July	19,307,598	
19,307,598	Revaluation Increment	0	
0	Revaluation Decrement	0	
19,307,598	BALANCE AS AT 30 JUNE	19,307,598	
100,768,401	TOTAL ASSET REVALUATION SURPLUS	101,573,364	
	SUMMARY ASSET REVALUATION SURPLUS		
80,059,527	Balance brought forward 1st July	100,768,401	
41,450,263	Revaluation Increment	804,963	
(20,741,389)	Revaluation Decrement	0	
100,768,401	BALANCE AS AT 30 JUNE	101,573,364	

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

8. CASH FLOW INFORMATION

Reconciliation of cash flows from operations with change in net result resulting from operations.

For the purpose of the Statement of Cash Flows, cash includes cash on hand and deposits with banks or financial institutions. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:

ACTUAL 2014/15 \$		BUDGET 2015/16 \$	ACTUAL 2015/16 \$
8.1 Reconciliation Of Cash			
302,292	Cash at Bank - Operating	95,283	820,928
2,097,665	Restricted Cash	1,959,609	2,199,056
2,399,957	TOTAL CASH	2,054,892	3,019,984
8.2 Reconciliation Of Net Cash Provided By Operating Activities To Net Result			
688,957	Net Result	1,041,400	(827,256)
Non cash flows in Net Result:			
2,224,631	Depreciation	1,972,219	2,485,496
35,344	(Profit)/loss on sale of Fixed Assets	(547,100)	8,335
(1,066,744)	Contributions for Development of Assets	(1,432,521)	(1,304,682)
Change in Assets and Liabilities			
(88,739)	(Increase)/Decrease in Inventory	25,000	5,158
(642,936)	(Increase)/Decrease in Accounts Receivables	(115,305)	1,147,873
34,388	(Increase)/Decrease in Non-Current Debtors	0	(11,378)
10,018	(Increase)/Decrease in Provisions	21,326	56,137
85,214	Increase/(Decrease) in Accounts Payables	1,096,627	85,510
1,280,133	CASH FLOWS FROM OPERATIONS	2,061,646	1,645,193
8.3 Credit stand-by arrangement and loan facilities			
Council has a Credit Card facility of :			
10,000	Credit Card Limit	10,000	10,000
0	Amount Utilised	0	(2,988)
Council has Bank Overdraft facilities of :			
200,000	Credit Facility	200,000	200,000
0	Amount Utilised	0	0
210,000	UNUSED FACILITY AVAILABLE	210,000	207,012

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

9. TRUST FUND INFORMATION

Funds held at balance date over which the Council has no control and which are not included in the Financial Statements are:

PARTICULARS	OPENING BALANCE 1/07/15 \$	RECEIPTS ACTUAL 2015/16 \$	PAYMENTS ACTUAL 2015/16 \$	CLOSING BALANCE 30/06/16 \$
BCITF Payment	1,711	11,073	11,617	1,167
Bond Cat Trap	320	1,160	1,395	85
Bonds - Extractive Industries	4,500	0	0	4,500
Bonds - Footpath & Kerb	32,726	1,500	16,226	18,000
Bonds - Hall Etc	4,820	4,995	3,860	5,955
Bonds - Keys	2,220	180	120	2,280
Bonds - Parks/Council Props	500	0	0	500
Bonds - Rental Property	1,435	0	0	1,435
Builder Regist Board Levy	1,363	11,555	11,595	1,323
Building Bonds	5,350	0	0	5,350
Cash Receipts - Other	8,000	2,244	100	10,144
Community Bus Bonds	1,800	1,150	1,750	1,200
Crossover Bond - Astone	6,000	0	0	6,000
Crossover Bond - N Bliss	1,650	0	0	1,650
Crossover Bond - Smorenburg	1,650	0	0	1,650
Crossover Bond - Avon Valley P	5,940	0	0	5,940
Funds Held For Local Groups	59,989	6,316	13,482	52,823
Greenhills Bushfire Brigade	114	0	0	114
Leeuwin Contributions	800	0	0	800
Moto Cross Track	4,487	672	0	5,159
Nomination Deposit	0	800	800	0
Palmbrook - Crossovers	61,310	2,638	0	63,948
Palmbrook - Footpaths	64,312	2,660	0	66,971
Palmbrook - Intersections	27,900	1,201	0	29,101
Palmbrook - Public Open Space	58,422	0	0	58,422
Palmbrook - Rural Numbers	1,820	0	0	1,820
Planning Bonds	2,900	2,000	2,000	2,900
Police Licensing	0	1,461,126	1,461,126	0
Property Sale Non Payment Rates	8,041	128,096	67,071	69,065
Settlers House Bonds	13,357	0	0	13,357
Fundraising Account	291	700	991	0
Subdivision Bonds	45,014	10,000	4,000	51,014
Subdivision Bond - Bawden	3,300	0	0	3,300
Subdivision Bond - Preisig	29,739	1,280	0	31,019
Water Loan Repayments In Full	733	0	733	0
Sporting Precinct	3,960	0	0	3,960
TOTAL	466,473	1,651,344	1,596,866	520,951

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

10. RATING INFORMATION

Rating Information for the year ended 30 June 2016

RATE TYPE	BUDGET RATE REVENUE \$	RATE IN \$	NUMBER OF PROPERTIES	RATEABLE VALUE \$	TOTAL RATE REVENUE \$
General Rate GRV	2,203,445	\$0.113892	1375	19,346,794	2,203,445
Minimum Rate GRV	624,240	\$1,080	578	3,505,594	624,240
General Rate UV	1,854,563	\$0.008657	399	214,227,016	1,854,563
Minimum Rate UV	371,480	\$1,480	251	29,065,616	371,480
Interim Rates	25,000				19,707
Back Rates	100				0
Rates Received in Advance					53,480
TOTAL	5,078,828		2603	266,145,020	5,126,915

10.1 General and Minimum Rate

In accordance with Financial Management Regulation 39, Council has imposed the following Rates:

ACTUAL 2014/15 \$		BUDGET 2015/16 \$	ACTUAL 2015/16 \$
0.099948	- General Rate Gross Rental Valued	0.113892	0.113892
\$1050 p.a.	- Minimum Rate Gross Rental Valued	\$1080 p.a.	\$1080 p.a.
0.007777	- General Rate Unimproved Valued	0.008657	0.008657
\$1450 p.a.	- Minimum Rate Unimproved Valued	0.008657	\$1480 p.a.

The Objects and Reasons for General and Minimum Rate

All land except exempt land in the Shire of York is rated according to its Gross Rental Value (GRV) in Townsites or Unimproved Value (UV) in the remainder of the Shire.

The General Rates detailed above for the 2015/2016 financial year have been determined by the Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates.

The minimum rates have been determined by Council on the basis that all ratepayers must make a reasonable contribution to the cost of Council's services and facilities.

11. SPECIFIED AREA RATES

No Specified Area Rates were levied during 2015/16.

12. SERVICE CHARGES

No Service Charges were imposed during 2015/16.

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

13. INFORMATION ABOUT DISCOUNTS, INCENTIVES, CONCESSIONS AND WRITE OFFS

Pursuant to Sections 6.4 and 6.12 of the Local Government Act 1995, Council may, when adopting the Annual Budget, grant an incentive or discount for the early payment of Rates and Charges.

13.1 Discount on Rates and Service Charges

The Council did not offer a discount on rates.

13.2 Incentive Scheme (Rates)

Council, with the support of the following businesses, allowed those property owners who paid their rates levy by the due date specified on the rates notice to participate in a draw for the following prizes.

- 1st Prize** A \$1,000 bank account provided by the Shire of York in conjunction with the York & Districts Community Bank Branch of Bendigo Bank
- 2nd Prize** Four tickets to see the West Australian Symphony Orchestra perform Beethoven & Mahler on Saturday, 21st November, 2015
- 3rd Prize** A 2 night weekend stay at the Perth Ambassador Hotel in a Premium Deluxe Room including full buffet breakfast for 2 people each morning
- 4th Prize** \$200 worth of unleaded fuel, sponsored by Fuel Distributors WA.

Concessions

Council offered subsidised hall and recreation centre hire to approved community groups. Council considers the support of these groups necessary for the overall benefit of the community. Approved groups paid \$66 per day, or \$330 per year where they used the venue on a regular basis for a period of 12 times within the year.

Write Offs

In accordance with Section 6.12 of the Local Government Act 1995 and Financial Management Regulation 42, details of debts written off by the Council during the financial year are as follows;

ACTUAL 2014/15 \$		ACTUAL 2015/16 \$
157,989	Write Offs	151,533
151,533		157,989

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

14. INTEREST CHARGES FOR THE LATE PAYMENT OF RATES AND OTHER DEBTS

14.1 Interest Charge for Late Payment of Rates

Pursuant to Section 6.51 of the Local Government Act and Financial Management Regulation 43(a) Council imposed the following rate of interest applicable for the late payment of rates and service charges and applied as follows:

- (a) Where no election has been made to pay the rate charge by instalments,
 - (i) after it becomes due and payable; or
 - (ii) 35 days after the date of issue of the rate notice which ever is the later.
- (b) Where an election has been made to pay the rate charge by instalments and an instalment remains unpaid after it is due and payable.

The rate of interest applied is 11% and the revenue from the imposition of the interest amounted to \$84,543

14.2 Interest and other charges for the payment by instalments

Pursuant to Section 6.45 of the Local Government Act and Financial Management Regulation 43(c) the due dates of each instalment was as follows:

1st Instalment	18 August 2015
2nd Instalment	20 October 2015
3rd Instalment	22 December 2015
4th Instalment	23 February 2016

The charges applicable for participation in the instalment scheme were as follows:

Interest calculated on instalment payments	5.50%
Administration charge per instalment	\$10

ACTUAL 2014/15 \$		BUDGET 2015/16 \$	ACTUAL 2015/16 \$
73,844	Interest Charges for the late Payment of Rates Charged	65,000	84,543
19,654	Instalment Interest Charges	17,000	23,300
1,728	Pensioner Deferred Rates Interest Charges	2,000	1,585
19,850	Administration Charges for Instalment Options	17,000	21,277
3,459	Interest charges for the late payment of ESL	3,000	2,366

14.3 Interest Charges for Other Debts

No interest is charged under Section 6.13 of the Local Government Act for the late payment of money, other than rates.

ANNUAL FINANCIAL REPORTS

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

15. FEES AND CHARGES INFORMATION

15.1 Fees and Charges by Program

In accordance with Financial Management Regulation 41, the estimates of total revenue from Fees and Charges for each program are summarised as follows:

ACTUAL 2014/15 \$		ACTUAL 2015/16 \$
6,245	Governance	43,429
36,464	General Purpose Funding	1,334
39,785	Law, Order, Public Safety	36,422
24,356	Health	52,120
32,343	Education and Welfare	0
649,291	Community Amenities	698,828
533,727	Recreation and Culture	535,659
250	Transport	945
106,770	Economic Services	89,674
63,478	Other Property and Services	46,889
1,492,709	TOTAL FEES AND CHARGES	1,505,299

15.2 Fees and Charges Amendments

No amendments were made during the 2015/2016 financial year.

16. COUNCIL MEMBERS - FEES, EXPENSES AND ALLOWANCES

In accordance with Financial Management Regulation 44 Fees, Expenses or Allowances paid to Council Members are summarised as follows:

ACTUAL 2014/15 \$		BUDGET 2015/16 \$	ACTUAL 2015/16 \$
	Annual Attendance Fee		
30,722	Councillor (5)	78,600	63,889
10,135	President	20,270	18,885
	Expenses		
14,018	Telecommunications Allowance	24,500	20,350
3,647	Travel Expenses	1,500	0
	Annual Local Government Allowance		
11,455	President	16,340	14,958
2,003	Deputy President	4,085	3,683
51,000	Commissioner's Remuneration (Travel)	0	1,026
122,980		145,295	122,792

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

17. INVESTMENT EARNINGS

17.1 The Earnings from Investments are summarised as follows:

ACTUAL 2014/15 \$		BUDGET 2015/16 \$	ACTUAL 2015/16 \$
39,608	General Account	35,000	62,464
52,991	Reserve Funds	45,000	43,351
98,686	Rates - Late payment & Instalment Interest	87,000	109,428
191,285	TOTAL	167,000	215,244

17.2 Financial Assets

Available for sale financial assets

ACTUAL 2014/15 \$		ACTUAL 2015/16 \$
0	INVESTMENT IN WALGA LOCAL GOVERNMENT HOUSE TRUST	63,263

This note discloses the equity the Shire has in the Local Government House Trust as a consequence of a contribution towards the cost of purchasing Local Government House.

The total contribution by all Councils towards the cost of the WALGA building was \$582,000. There are 620 units in the Local Government House Unit Trust, 4 of which are held by the Shire of York.

The Shire has capitalised its share in the Local Government House Trust for the first time this year based on the trust's 30 June 2015 audited financial statements.

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

18. DEPRECIATION ON NON-CURRENT ASSETS

The Depreciation charge included in the Financial Statements are summarised as follows:

ACTUAL 2014/15 \$		ACTUAL 2015/16 \$
180	General Purpose Funding	0
77,620	Governance	107,482
44,507	Law, Order, Public Safety	47,524
14,115	Health	23,191
21,187	Education and Welfare	60,252
28,033	Community Amenities	18,142
383,948	Recreation and Culture	749,617
1,395,505	Transport	1,219,501
11,717	Economic Services	8,230
247,819	Other Property and Services	251,557
2,224,631	TOTAL	2,485,496

19. MAJOR LAND TRANSACTIONS

Council did not participate in any major land transactions during 2015/16

20. TRADING UNDERTAKINGS

Council did not participate in any trading undertakings during 2015/16.

21. JOINT VENTURE

Centennial Park Aged Care

Council together with Homeswest have a joint venture arrangement with regard to the provision of aged persons accommodation. Centennial Park consists of six units built by Homeswest and administered by Council. Council collects the rental income and pays ongoing expenses. Any surplus funds are transferred to Reserve at year end for future upgrades.

22. CAPITAL AND LEASING COMMITMENTS

At the reporting date, the Council did not have any obligations under non-cancellable operating leases.

ANNUAL FINANCIAL REPORTS

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

23. FINANCIAL INSTRUMENTS

23.1 Interest Rate Risk

The following table details Council's exposure to financial risks, including interest rate risk, price risk, credit risk, etc as at 30 June 2016.

	FAIR VALUE 2014/15	AVERAGE INTEREST RATE %	INTEREST BEARING %	NON INTEREST BEARING \$	CARRYING VALUE 2015/16 \$	FAIR VALUE 2015/16 \$
Financial Assets						
Cash	2,399,957	2.84%	3,016,184	3,800	3,019,984	3,019,984
Receivables	2,003,551		0	860,808	860,808	860,808
	4,403,508		3,016,184	864,608	3,880,792	3,880,792
Financial Liabilities						
Payables	442,212		0	527,722	527,722	527,722
Borrowings	1,832,762		2,746,775	0	2,746,775	2,402,408
	2,274,974		2,746,775	527,722	3,274,497	2,930,130

23.2 Material Risk from Financial Instruments

Council does not have any material credit risk exposure to any single debtor under any financial instruments entered into.

23.3 Fair Values and Carrying Amounts of Financial Assets and Liabilities

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the notes to and forming part of the Annual Financial Statements.

23.4 Receivables

General Debtors. Rates and Annual Charges are charges that are considered as charges against the property and as such are considered being secured by the Property to which they relate. Council accounts for Self Supporting Loans as part of its current receivables as and when payments fall due, amounts due in future years are shown as non-current.

Self Supporting Loans shown as debtors represent the repayments of a loan that Council has drawn on behalf of a Community Group. Council's General Debtors include receivables for goods and services provided to members of the community, government departments and businesses. Council has exposure to credit risk in that debtors may not be able to meet their commitments to repay debts. Council reviews its outstanding debts regularly and commences a variety of recovery techniques in accordance with its Debt Recovery Procedures. Council reviews outstanding debts annually and provides a provision should debts become doubtful.

2014/15		FINANCIAL ASSETS	2015/16	
CURRENT \$	NON CURRENT \$		CURRENT \$	NON CURRENT \$
710,965	57,702	Rates and Annual Charges	698,463	69,080
6,248	0	Self Supporting Loans	0	0
1,228,636	0	General Debtors	93,265	0
1,945,849	57,702		791,728	69,080

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

23. FINANCIAL INSTRUMENTS (Continued)

23.4 Receivables (Continued)

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

2014/15 %	RATES AND ANNUAL CHARGES	2015/16 %
33%	-Current	55%
67%	-Overdue	45%
	Other receivables	
15%	-Current	15%
85%	-Overdue	85%

23.5 Market Risk

The Council invests funds that are not required immediately in Financial Instruments such as Term Deposits. The Council may be subject to interest rate risk in that future cash flows may fluctuate because of changes in market interest rate.

ACTUAL 2014/15 \$		ACTUAL 2015/16 \$
24,000	Impact of 1% Movement in Interest Rates on Investment Earnings (+/-)	30,200
59,999	Impact of 2.5% Movement in Interest Rates on Investment Earnings (+/-)	75,500

23.6 Payables and Borrowings

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

The maturity analysis for Council's financial liabilities is detailed as follows;

FINANCIAL LIABILITIES	2014/15	LESS THAN 1 YEAR \$	1 TO 5 YEARS \$	GREATER THAN 5 YEARS \$	GREATER THAN 5 YEARS \$
Accounts Payable - Current	442,212	527,722	0	0	527,722
Borrowings	2,298,296	205,200	1,168,660	1,372,915	2,746,775
	2,740,508	732,922	1,168,660	1,372,915	3,274,497

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

	LESS THAN 1 YEAR \$	1 TO 2 YEARS \$	2 TO 3 YEARS \$	3 TO 4 YEARS \$	4 TO 5 YEARS \$	GREATER THAN 5 YEARS \$	TOTAL \$
Year Ended 30 June 2016							
Debentures	0	0	0	0	0	2,746,775	2,746,775
Weighted Average - Interest Rate						4.96%	
Year Ended 30 June 2015							
Debentures	0	6,248	0	0	0	2,292,047	2,298,295
Weighted Average - Interest Rate		5.39%				4.96%	5.39%

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

24. POSITION AT COMMENCEMENT OF FINANCIAL YEAR

24.1 Determination Of Opening Funds

ACTUAL 2014/15 \$		BUDGET 2015/16 \$	ACTUAL 2015/16 \$
	Current Assets		
508,880	Cash at Bank	327,642	1,048,641
1,887,277	Investments	1,723,450	1,967,543
3,800	Cash on Hand	3,800	3,800
1,945,850	Receivables	375,821	791,728
92,608	Stock on Hand	46,406	87,450
4,438,415		2,477,119	3,899,162
	Less Current Liabilities		
(442,212)	Accounts Payable	(628,156)	(527,722)
(615,135)	Accrued Leave	(636,462)	(701,396)
(149,876)	Current Loan Liability	(203,463)	(205,200)
(1,207,223)		(1,468,081)	(1,434,318)
3,231,192	SURPLUS OF CURRENT ASSETS OVER CURRENT LIABILITIES	1,009,038	2,464,844
	Adjustments		
149,876	Add Current Loan Liability	203,463	205,200
(6,247)	Less Current Assets for Self Supporting Loan Repayments	0	0
(1,887,277)	Less Cash Backed Reserves	(1,723,450)	(1,967,543)
510,949	Add Leave Reserve	510,949	522,840
0	Restricted - Rates in Advance	0	(53,480)
1,998,492	OPENING/CLOSING FUNDS	0	1,171,860

24.2 Statement Of Reconciliation Of Net Current Assets Brought Forward

In accordance with Financial Management Regulation 36(1)(b) the following reconciliation is provided between the Net Current Assets carried forward from the previous financial year, compared to the Net Current Assets detailed in the 2015/2016 Annual Budget.

	ACTUAL 2015/16 \$
Net Current Asset detailed in the 2015/16 Annual Budget	1,241,474
Net Current Assets Brought Forward as at 1st July 2015	1,998,492

The significant discrepancy between the budgeted carried forward surplus and the actual carried forward surplus related to 50% of the Financial Assistance Grants being received in the 2014/15 year.

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

25. CAPITAL EXPENDITURE BY PROGRAM

Actual Capital Expenditure incurred by Program is summarised as follows:

PROGRAM	2014/15 \$	FURNITURE AND EQUIPMENT \$	LAND AND BUILDINGS \$	PLANT AND EQUIPMENT \$	ROADS \$	RECREATION FACILITIES \$	2015/16 \$
Governance	168,785	5,236	14,647	115,246	0	0	135,129
Law, Order, Public Safety	44,019	0	0	35,223	0	0	35,223
Health	0	0	0	54,699	0	0	54,699
Education and Welfare	9,067	0	8,565	0	0	0	8,565
Community Amenities	6,380	0	20,727	0	0	0	20,727
Recreation and Culture	392,928	61,426	16,184	0	1,123	188,644	267,377
Transport	1,908,680	0	0	215,228	1,660,375	0	1,875,603
Economic Services	16,893	0	0	0	0	0	0
Other Property & Services	17,515	0	625,000	69,876	0	0	694,876
TOTAL	2,564,267	66,662	685,123	490,272	1,661,498	188,644	3,092,199

26. FINANCIAL INFORMATION BY RATIO

In accordance with Financial Management Regulation 50 the following Financial Information by Ratio is provided:

2013/14	2014/15		2015/16
3.22	3.36	(a) Current Ratio current assets minus restricted current assets current liabilities minus liabilities associated with restricted assets	1.87
0.53	0.43	(b) Asset Sustainability Ratio capital renewal and replacement expenditure depreciation expense	0.50
2.87	8.69	(c) Debt Service Cover Ratio annual operating surplus before interest and depreciation principal and interest	1.76
(0.23)	(0.06)	(d) Operating Surplus Ratio operating revenue minus operating expense own source operating revenue	(0.29)
0.69	0.70	(e) Own Source Revenue Ratio own source operating revenue operating expense	0.70

ADDITIONAL RATIO INFORMATION

The following information relates to those ratios which only require an attestation they have been checked and are supported by verifiable information.

2013/14	2014/15		2015/16
0.74	0.86	(f) Asset Consumption Ratio depreciated replacement cost of assets current replacement cost of depreciated assets	0.85
0.84	0.75	(g) Asset Renewal Funding Ratio NPV of planned capital renewals over 10 years NPV of required capital expenditure over 10 years	0.48

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27. TRADE AND OTHER RECEIVABLES

ACTUAL 2014/15 \$		ACTUAL 2015/16 \$
	Current	
748,571	Rates	698,463
23,390	LSL Due from Other Councils	32,402
396,929	Sundry Debtors	368,707
(12,420)	Less Provision for Impairment in Receivables	(342,814)
6,248	Long Term Loans-Interest Free & Self Supporting	0
754,001	Accrued Income	6,493
29,027	ESL Debtors	22,295
102	Pensioner Rebates	6,184
1,945,849		791,728
	Non Current	
57,702	Rates Outstanding - Pensioner Deferred	69,080
57,702		69,080

Deferred pensioners rates represent amounts owing by pensioners who have chosen to defer the payment of their rates in accordance with the Rates and Charges (Rebates and Deferments) Act 1992.

28. INVENTORIES

ACTUAL 2014/15 \$		ACTUAL 2015/16 \$
92,608	Construction Materials, Fuels and Consumables	87,450

29. TRADE AND OTHER PAYABLES

ACTUAL 2014/15 \$		ACTUAL 2015/16 \$
338,261	Sundry Creditors	434,691
103,951	Other Payables	93,031
442,212	Total	527,722

30. PROVISIONS

ACTUAL 2014/15 \$		ACTUAL 2015/16 \$
	Current	
340,417	Provision for Annual Leave	338,908
201,018	Provision for Long Service Leave	278,528
52,944	Provision for Sick Leave	74,370
20,756	LSL Leave Owed To Other Local Governments	9,590
615,135		701,396
	Non Current	
68,241	Provision for Long Service Leave	38,117
68,241		38,117

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31. EMPLOYEE NUMBERS

The following information is provided in relation to the number employees.

NO. OF EMPLOYEES 2014/15	TOTAL NUMBER OF EMPLOYEES	2015/16 \$
48	THE NUMBER OF FULL TIME EQUIVALENT EMPLOYEES AT 30 JUNE	42

32. GRANT REVENUE

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

ACTUAL 2014/15		ACTUAL 2015/16 \$
	By Nature/Type:	
2,481,652	Operating Grants	935,573
1,066,744	Non-operating Grants	1,304,682
3,548,396	TOTAL	2,240,255
2,186,474	General Purpose Funding	691,356
27,273	Governance	0
41,720	Law, Order and Public Safety	40,194
0	Community Amenities	10,000
272,565	Recreation and Culture	92,920
1,000,364	Transport	1,389,535
20,000	Economic Services	16,250
0	Other Property & Services	0
3,548,396	TOTAL	2,240,255

It should be noted the figure reported as Operating Grants, Subsidies and Contributions on the Statement of Comprehensive Income by Nature/Type includes \$321,878 of Subsidies and Contributions in addition to the Operating Grants.

33. CONTINGENT LIABILITIES

There were no contingent liabilities at the reporting date.

34. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

ACTUAL 2014/15		ACTUAL 2015/16 \$
	By Program:	
1,565,100	General Purpose Funding	1,565,100
3,056,462	Governance	2,994,361
452,108	Law, Order, Public Safety	1,021,902
848,072	Health	814,826
2,390,038	Education and Welfare	2,361,351
0	Housing	0
561,781	Community Amenities	554,368
25,365,251	Recreation and Culture	25,540,789
94,643,265	Transport	95,123,073
97,284	Economic Services	111,518
2,293,190	Other Property and Services	2,298,487
6,240,467	Unallocated	5,758,340
135,947,918	TOTAL	138,144,115

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

35. EVENTS AFTER REPORTING PERIOD

No events have occurred subsequent to the reporting date or are pending that would require adjustment to, or disclosure in, the financial report or amendments to significant assumptions used in the preparation of the accounting estimates.

36. FAIR VALUE MEASUREMENTS

Pursuant to Local Government (Financial Management) Regulation 17A(3) the Shire, as at 30 June 2016, has measured the following asset categories at fair value:

Infrastructure

Roads

In the case of roads a full road asset network valuation was undertaken by external consultants (Talis Consultants) in 2014. The fair value is determined as the Current Replacement Cost (CRC) less accumulated depreciation to reflect the already consumed or expired future economic benefits. This approach is consistent with AASB 116. The valuation for roads was generated from the RAMM Pavement Management System. The Shire had completed a full network condition summary and the external valuers have confirmed that there is a high level of confidence in the inventory data being relevant and of the condition data being a true representation of the current state. Also, unit rates used have been reviewed by the Shire and are considered accurate by the external valuer. Acquisitions in 2014/15 and 2015/16 were recorded at cost and a full asset network revaluation will be undertaken again in 2017.

Drainage

A review of the Shire's asset register was undertaken in-house by Council Staff to validate the detail contained for Drainage Infrastructure in 2013/14. A review of the values contained in the Asset Register revealed that the written down value as at the 30 June 2014 represents 0.5% of the total Infrastructure Assets. The book value reflects the fair value based on the current replacement cost less accumulated depreciation. Subsequent acquisitions were recorded at cost.

Reserve - Plant & Equipment

A review of the Shire's asset register was undertaken in-house by Council Staff to validate the detail contained for Plant & Equipment Infrastructure. A review of the values contained in the Asset Register revealed that the written down as at the 30 June 2014 represented 0.18% of the total Infrastructure Assets. The book value reflects the fair value based on the current replacement cost less accumulated depreciation. Subsequent acquisitions were recorded at cost.

Reserve - Grasses

A review of the Shire's asset register was undertaken in-house by Council Staff to validate the detail contained for Grass Reserves Infrastructure. A review of the values contained in the Asset Register revealed that the written down value as at the 30 June 2014 represented 0.1% of the total Infrastructure Assets. The book value reflects the fair value based on the current replacement cost less accumulated depreciation.

Footpaths

In the case of footpaths a full valuation was undertaken by external consultants in 2014. The fair value is determined as the Current Replacement Cost (CRC) less accumulated depreciation to reflect the already consumed or expired future economic benefits. This approach is consistent with AASB 116. The acquisitions for 2014/15 and 2015/16 were recorded at cost.

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36. FAIR VALUE MEASUREMENTS (Continued)

Bridges

In April 2015, Griffin Valuation Advisory were requested by the Shire of York to undertake a revaluation for financial reporting purposes for the period 30 June 2015. The values were incorporated in the Shire's asset register and financial records as fair values for bridges as at 30 June 2015. The acquisitions for 2015/16 were recorded at cost.

Other Items of Infrastructure

A review of the Shire's asset register was undertaken in-house by Council Staff in 2013/14 to validate the detail contained for Other Items of Infrastructure. A review of the values contained in the Asset Register revealed that the written down value for this category is minor. In order to determine a fair value for these items the ABS Road and Bridge Construction Index was applied to the historical cost less accumulated depreciation. In 2014/15 and 2015/16 the acquisitions were recorded at cost.

Land and Buildings

In 2015 Griffin Valuation Advisory undertook a valuation of the land, bridges, buildings and improved assets located in the Shire for insurance and financial reporting purposes based on replacement with new value and fair value. The fair values were incorporated in the 2014/15 financial statements. Acquisitions in 2015/16 were recorded at cost.

Furniture and Equipment

The office furniture and equipment currently on the Shire asset register was identified during the stocktake in 2015 plus additions for the current year and are replaced on a regular basis. The items held as at 30 June 2016 are not considered to have an actual and liquid secondhand market and are generally sold at auction without a reserve or discarded depending on their condition which is reflected in the residual value. Based on the above, the cost approach is deemed to be the most appropriate and a very conservative fair value measurement.

Plant and Equipment

Howson Management visited the Shire of York in June 2016 to carry out a valuation of major plant items held by the Shire. All items of plant and equipment are stated at revalued amounts as required by AASB13, Level 2 inputs:

- Fair value was determined from the active market specific for each make and model, and condition.
- Quoted prices were for identical or similar assets
- Adjustments were made in regards to condition and location of each asset.

In addition to the revaluation of major items of plant, management also carried out a revaluation of minor items generally with a cost of \$15,000 or less and a stocktake of Plant and Equipment was undertaken as at 30 June 2016, resulting in non existing items, predominantly old items that had been fully depreciated or could not be found being written off and any item below the value of \$1000 threshold was removed from the asset register.

The Shire of York measures the following assets and liabilities on a recurring basis;

- Roads
- Drainage
- Parks/Reserves
- Bridges
- Footpaths

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36. FAIR VALUE MEASUREMENTS (Continued)

Other Structures
Furniture and Equipment
Plant and Equipment
Buildings
Land

The Shire does not measure any other assets and liabilities at fair value on a non-recurring basis.

The following table provides the fair values of the Shire's assets measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy.

RECURRING FAIR VALUE MEASUREMENTS NON-FINANCIAL ASSETS	LEVEL 1	LEVEL 2	2015/16 LEVEL 3
Infrastructure		0	97,963,212
Plant & Equipment		2,649,311	0
Furniture & Equipment		0	299,327
Buildings		0	28,215,308
Land		0	4,985,450
Total non-financial assets recognised at fair value on a recurring basis		2,649,311	131,463,297
RECURRING FAIR VALUE MEASUREMENTS NON-FINANCIAL ASSETS	LEVEL 1	LEVEL 2	2014/15 LEVEL 3
Infrastructure	0	0	97,533,176
Plant & Equipment	0	0	2,015,796
Furniture & Equipment	0	0	307,380
Buildings	0	1,655,000	26,785,100
Land	0	3,360,000	1,360,450
Total non-financial assets recognised at fair value on a recurring basis	0	5,015,000	128,001,902

Transfers Policy

The Shire of York recognises transfers into and transfers out of the fair value hierarchy levels as at the end of the reporting period. There were no transfers between Levels 1 and 2 for recurring fair value measurements during the year, however the revalued items of plant and equipment were transferred from Level 3 to Level 2 as measurements were based on observable inputs, either directly or indirectly. It was also deemed appropriate to transfer the value Land and Building values previously reported in Level 2 to Level 3 measurements.

Highest and Best Use

There were no assets valued where it was assumed that the highest and best use was other than their current use.

Valuation techniques and inputs used to derive fair values

The following table summarises valuation inputs and techniques used to determine the fair value for each asset class.

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36. FAIR VALUE MEASUREMENTS (Continued)

NON-FINANCIAL ASSETS	LEVEL OF VALUATION INPUT	FAIR VALUE AT 30/6/2016	VALUATION TECHNIQUE(S)	INPUTS USED
Infrastructure				
- Roads	3	82,713,837	Cost Approach	price per square metre
- Footpaths	3	1,216,855	Cost Approach	price per square metre
- Parks & Gardens	3	237,425	Cost Approach	price per square metre
- Drainage	3	505,536	Cost Approach	price per square metre
- Bridges	3	11,020,489	Cost Approach	price per square metre
- Other	3	2,269,070	Cost Approach	Price per square metre, estimates of residual value, useful life
Plant & Equipment	2	2,649,311	Market Approach	Make, size, year of manufacture and condition
Furniture & Equipment	3	299,327	Market Approach	Make, size, year of manufacture and condition
Buildings	3	28,215,308	Market Approach	Type of properties, whether market or non-market type or combination of both
Land	3	4,985,450	Market Approach	Type of properties, whether market or non-market type or combination of both
		134,112,608		

Valuation processes

The Council determines the fair value of the entity's assets on a regular basis either by engaging an internal management team or external, independent and qualified valuers.

An annual assessment is undertaken to determine whether the carrying amount of the assets is materially different from the fair value. If any variation is considered material, a revaluation is undertaken either by comprehensive revaluation or by applying an interim revaluation using appropriate indices.

Relationship between asset consumption rating scale and the level of consumed service potential

Under the cost approach the estimated cost to replace the asset is calculated and then adjusted to take account of the accumulated depreciation. In order to achieve this, the valuer determines an asset consumption rating scale for each asset type based on legal and commercial obsolescence and the determination of key depreciation related assumptions such as residual value, useful life and pattern of consumption of the future economic benefit. The consumption rating scales were based initially on the past experience of the consultants and industry guides and were then updated to take into account the experience and understanding of the Shire's own engineers, asset management and finance staff.

Disclosed Fair Value Measurements

The following assets and liabilities are not measured at fair value in the statement of financial position, but their fair values are disclosed in the notes:

Borrowings

The following table provides the level of fair value hierarchy within which the disclosed fair value measurements are categorised in their entirety and a description of the valuation technique(s) and inputs used:

DESCRIPTION	FAIR VALUE HEIRARCHY LEVEL	VALUATION TECHNIQUE(S)	INPUTS USED
Loans	2	Income approach using discounted cashflow methodology	Current treasury borrowing rates for similar instruments

37. ECONOMIC DEPENDENCY

A significant portion of revenue is received by way of grants from the State and Federal Government.

