



**Cultural  
Heritage &  
Environment**



**Resilience**



**Leadership**



**Business &  
Community**

**2016/2017**

**Shire of York Annual Report**



**Shire of York**

PO Box 22, York WA 6302

Phone: (08) 9641 2233 / Fax: (08) 9641 2202

Email: [records@york.wa.gov.au](mailto:records@york.wa.gov.au)

Website: [www.york.wa.gov.au](http://www.york.wa.gov.au)

# Contents

<b>Shire Presidents Report</b> .....	<b>4</b>
<b>CEO Report</b> .....	<b>5</b>
<b>Vision and Objectives</b> .....	<b>6</b>
<b>Governance</b> .....	<b>8</b>
<b>Human Resources</b> .....	<b>10</b>
<b>Organisational Structure 2016/17</b> .....	<b>11</b>
<b>Community Services</b> .....	<b>12</b>
<b>Development Services</b> .....	<b>24</b>
<b>Infrastructure Services</b> .....	<b>30</b>
<b>Corporate Services</b> .....	<b>35</b>
<b>Appendix 1 - Audited Financial Statements</b> .....	<b>39</b>

## Shire Presidents Report



**David Wallace**  
*Shire President*

The 2016/17 financial year was a year of consolidation with Council focused upon getting our house in order and resolving legacy issues.

Council adopted for the first time a Code of Conduct for Councillors and Staff which set a standard across several issues ranging from standards for behaviour to acceptance of gifts. This was part of a wider program of governance improvements which also saw Council updating and finalising all Council policies and delegations.

Council also improved how it manages its Chief Executive Officer. For the first time, key performance indicators for the CEO to achieve within the financial year were set and an independent consultant was engaged to facilitate the CEO's annual performance review. This provided accountability, independence and probity to the annual review process.

The Shire has worked hard to improve how it communicates and engages with the community over this period. This has included an independent community survey being undertaken, commencing regular business forums, creating working groups for specific issues, establishing a new website for the Shire and improvements to the community update page in the local paper.

The involvement of the community has delivered great outcomes for projects such as Christmas Decorations which were installed in the Main Street this year and planning for the upgrade of Avon Park.

A major priority identified in the community survey was economic development. In response to this, Council has invested heavily in attracting and supporting events which promote tourism and economic development. This has seen a dramatic increase in visitors to York. The Council also entered into multiyear funding agreements with the York Festival and the York Society. These agreements provide stability for these groups to plan their events and activities into the future and assist Council in budgeting.

The Shire also re-established its working relationships with neighbouring local governments by joining Avon Regional Organisation of Councils (AROC). This voluntary regional organisation of local governments will assist York in advocating for the needs of the community and provide opportunities for resource sharing in the future.

Whilst progress has been made, there are still some legacy issues to resolve including finalising the management of the bar and kitchen at the York Recreation and Convention Centre and the future use of the Old Convent School. However, I am confident these matters will be resolved in the coming 12 months.

My thanks to Councillors for their support and contribution and to the CEO and his team for their efforts over the past 12 months.

**David Wallace**  
**Shire President**

## CEO Report



**Paul Martin**  
Chief Executive Officer

2016/17 focused on organisational development, economic development and delivery of capital projects and works.

The financial year commenced with Council adopting an organisational review and restructure business case prepared by the CEO. As a result, two new Executive Managers were recruited, appointed and commenced. The organisational review also recommended the development of a workforce plan which was completed and adopted by Council in this financial year.

The Shire engaged independent auditors to review its financial management systems. Although only required to be undertaken every four years, it was determined a complete review of the organisation was needed with financial management a key element.

An independent company was engaged to undertake a comprehensive audit of the organisation's legislative compliance, internal controls and risk management. This compliance requirement had only been undertaken internally previously.

Both audits identified several issues to address and have provided a roadmap for organisational improvements over the coming 2 years until the next review is undertaken.

The ability for the Shire to maintain and renew its assets to a standard acceptable to the community will continue to be a challenge for the organisation into the future. To better understand the Shire's asset management requirements, an Asset Management Officer

position was created to prepare asset plans for all asset classes.

The Shire contracted out its capital civil road works for the first time this year. This proved very successful and enabled the entire capital works program for the year to be completed to an appropriate standard, on time and within budget.

Although a lot of improvements were made this financial year regarding how the organisation functions and delivers Council's projects in the budget and Corporate Business Plan, there is still more progress to be made.

I am pleased the auditors have recognised that the financial position of the organisation has improved which is reflected in an improvement in the Shire's financial ratios. However, more work needs to be done to improve the organisation's long term financial position, particularly once asset management plans are finalised in the coming 12 months.

I would like to take this opportunity to thank Councillors for their support over the past 12 months and more importantly thank staff for their acceptance of change and hard work during the year.

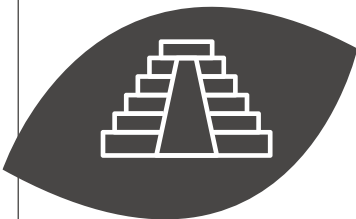
**Paul Martin**  
Chief Executive Officer

# Vision and Objectives

## Vision

“A vibrant and inviting agricultural, heritage and tourist town and Shire, and a community that is focused on and works collaboratively to improve and promote the town and the Shire of York as a destination and wonderful place to live”

### Theme 1 The Place to Live



To be a place which is attractive and accessible for the young and elderly, and attracts people in the age groups in between to work and settle in the Shire.

### Theme 2 A Leader in Cultural Heritage and Environment



To be a place which is renowned for its cultural heritage and the quality of its natural environment, and for the care taken by the community of both.

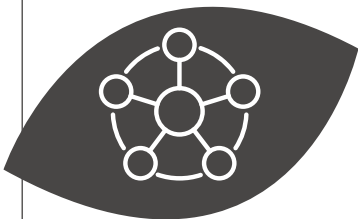
### Theme 3 Driving the York Economy Forward



To have a vibrant, diverse and prosperous local economy which is sustainable in the long term, makes sustainable use of its natural and built heritage and community assets, and delivers benefit in the form of local jobs, business opportunities and a positive image for the Shire.



## Theme 4 Built for Resilience



To have secured an infrastructure base which is affordable, is managed to a level of risk accepted by the community, supports a sustainable environment, increases rural and town resilience, and is responsive to community needs.

## Theme 5 Strong Leadership and Governance



To be a community where there is effective and responsive leadership and governance, a sense of collective purpose and shared direction and a willingness and desire to work together for that future.

## Council's Strategic Priorities

The Council's strategic priorities over the next ten years are:

- building a strong economic future
- infrastructure: investing to retain asset value and positioning the community to be able to maintain the value of existing assets in the long term and reduce exposure of assets and associated services to the risk of decline
- being development ready
- maintaining levels of service with some limited levels of service increases where these deliver against strong community aspirations and can be accommodated with minimal overall rates impact
- advancing selected community partnership based projects
- achieving change via strong community networks and action
- significant advocacy on key issues facing the Shire
- developing strong governance and leadership capability

# Governance

## Elected Members:



Elected Members who served during 2016/17 were;

Cr David Wallace  
Shire President



Cr Jane Ferro  
Councillor



Cr Denese Smythe  
Deputy Shire President



Cr Trevor Randell  
Councillor



Cr Heather Saint  
Councillor



Cr Tricia Walters  
Councillor



Cr Pam Heaton  
Councillor



### *Complaints about Conduct of Members*

Council is required to report on official complaints that result in action in accordance with Section 5.110 (6) (b) or (c) of the Local Government Act 1995. There were no breaches recorded for the 2016/17 year.



## Strategic and Governance Activities

### *Strategic Community Plan and Corporate Business Plan*

The community vision and objectives were collated following a comprehensive community engagement process to develop the Shire's Strategic Community Plan 2016 – 2026 and Corporate Business Plan 2016 – 2022. Both documents were adopted by Council in July 2016 and will be reviewed every two years alternating between a minor and major strategic review.

### *Policies and Delegations Review*

A comprehensive review of Council's policies and delegations of authority was undertaken during the reporting period with Council adopting the final versions in October 2016. The Policy Manual includes a comprehensive Code of Conduct to guide the conduct of Councillors, Committee members and employees.

### *Legislative Compliance*

In accordance with Regulation 5 (2) (c) of the *Local Government (Financial Management) Regulations 1996*, the Chief Executive Officer is required to;

*“undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 4 financial years) and report to the local government the results of those reviews”.*

In 2017, Moore Stephens was engaged to undertake the Financial Management Review and to undertake a Review of Risk Management, Legislative Compliance and Internal Controls in accordance with Regulation 17 of the *Local Government (Audit) Regulations 1996*.

These reviews have provided Council with a comprehensive improvement plan upon which officers will report to the Audit Committee at six-monthly intervals.

## Community Perceptions Survey

The Shire's Corporate Business Plan contains an action that requires a comprehensive survey of the York community every two years. In 2017, CATALYSE was engaged to undertake the survey with 341 residents completing a 2017 MARKYT Community Scorecard for the Shire of York.

The Shire of York's overall performance is moderate:

**Place to live:** 67 index points (6 points below WA Industry Standard)

**Governing organisation:** 43 index points (13 points below WA Industry Standard)

**Relative strengths:** Areas where performance is on par with other councils are:

- customer service
- communicating with residents through updates in the local newspaper
- seniors facilities and services
- how history and heritage is preserved and promoted

**Community priorities:** Moving forward the community would like the Shire to focus on:

- improving leadership and value for money
- strengthening tourism and economic development
- restoring and enhancing the Avon River
- better streetscapes, roads, footpaths and cycleways

The results of the survey have informed Council decision-making and budget considerations and have been reflected in the Minor Strategic Review.

# Human Resources



## Senior Staff

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

<b>Executive Manager Infrastructure &amp; Development Services</b>	<b>Mr Paul Crewe</b>	Commenced 12 September 2016
<b>Executive Manager Corporate and Community Services</b>	<b>Mrs Suzie Haslehurst</b>	Commenced 31 October 2016
<b>Manager Works &amp; Services</b>	<b>Mr Allan Rourke</b>	Until 7 April 2017

## Employee Remuneration 2016/17

In the 2016/17 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:

<b>Bands</b>	<b>Employees</b>
\$100,000 to \$109,999	1
\$110,000 to \$119,999	
\$120,000 to \$129,999	
\$130,000 to \$139,999	1
\$140,000 to \$149,999	1
\$150,000 to \$159,999	
\$160,000 to \$169,999	
\$170,000 to \$179,999	1
\$180,000 to \$189,999	

## Inside Staff Enterprise Agreement

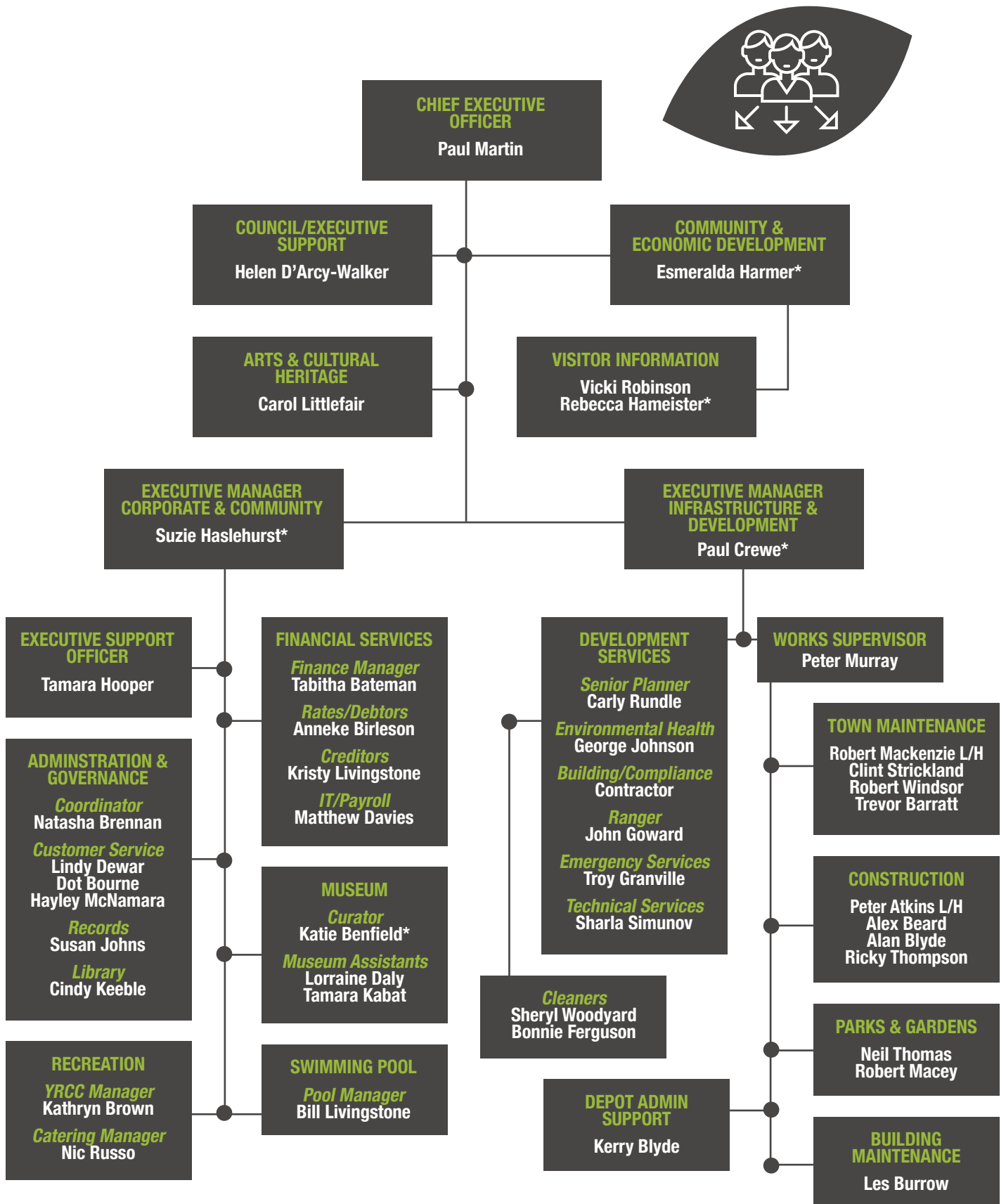
Negotiations for the Inside Staff Enterprise Agreement 2016 were finalised in October 2016 with approval by the Fair Work Commission on 3 November. This agreement will guide employment conditions for inside staff for the next four years. The current outside staff agreement is due to expire in 2017.

## Workforce Plan

The Shire's Workforce Plan was endorsed in April 2017 following a comprehensive review that included;

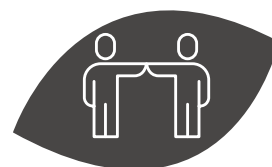
- staff survey
- structure review
- position descriptions and remuneration levels in accordance with relevant enterprise agreements
- comparison of remuneration levels with other similar local governments
- policies and procedures
- attraction and recruitment of employees and staff turnover
- staff training needs

# Organisational Structure 2016/17



\*Denotes staff member commenced during the 2016/17 year.

# Community Services



## Community Assistance & Support

The Shire provides a range of support of one-off community activities and projects initiated for community benefit and enjoyment through the *Community Funding; Grants & Sponsorship* rounds offered twice yearly for application.

Council resolved to provide the following support for *Community Funding; Grants & Sponsorship* in 2016/2017;

NAME	PURPOSE	FUNDS
York Community Resource Centre	A range of Youth activities	\$7,838
Caravan Club WA	In kind use of the YRCC for Caravan & Camping Rally	\$2,451
Walk to York Inc	Development of the York to Mundaring walk trail	\$5,000
Triumph Motorcycle Group	Triumph World Record Attempt in York	\$10,000
York RSL	Upgrades to the RSL Remembrance Garden	\$5,000
York Patchwork & Quilters	Avon Valley Day of Quilting	\$300
York Swimming Club	Coaching clinics	\$450
York Bowls Club	York Open Men's Fours and Pairs Competition	\$1,400
York Football Club	Affiliation Fee support	\$2,916
Toodyay Festivals Inc	Palace of the Stars event	\$5,000
York Pony Club	2017 Avon Zone Eventing	\$1,500
Senior Citizens Appreciation Day	2016 York Senior Citizen's Appreciation Day	\$3,000
Youth Care	Carols in the Park	\$1,000
York Veterans Vintage Car Club	2016 York Motor Show	\$2,000
York Veterans Vintage Car Club	2017 York Motor Show	\$3,000
Premiere Events	2017 York Motorcycle Festival	\$10,000
York Arts & Events	2016 York Festival	\$15,000
York Agricultural Society	2016 York Agricultural Show	\$10,000
York Friendship Club	2016 Medieval Fayre	\$5,000
<b>Total Support Committed</b>		<b>\$90,855</b>

## Community Events

### Australia Day Breakfast & Citizenship Ceremony

This year’s Australia Day celebration drew a large crowd of people who enjoyed a great Aussie breakfast in Avon 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 the breakfast and the Salvation Army provided tea, coffee and cold drinks.

Certificates of Appreciation were presented to The Nice & Easy Singers and Frank Dols for their contribution to Australia Day over a period of many years.

### Citizenship Ceremony

Congratulations to Ms Thi Kim Tuyen Nguyen on becoming an Australian Citizen on Australia Day. *(pictured right)*



### 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	No nominations received	
Community Group or Event	York Community Resource Centre Inc York Agriculture Society Inc – York Agricultural Show 2016 York Community Radio Inc	York Agriculture Society Inc – York Agricultural Show 2016
Senior Citizen	Mick Nottle Janny Harris Linda Wills Lorna Saunders	Mick Nottle
Citizen of the Year	Meg Boyle Yvonne Dols	Meg Boyle
Junior Sports Star of the Year	Connor Sing Brooke Linto Coen Livingstone	Coen Livingstone
Senior Sports Star of the Year	Dorothy Bull Justin Smith Mary Fleay Emma Draper	Dorothy Bull

## Event Attraction and Engagement

In 2016/17, Council has provided over \$100,00 of financial and in-kind support to its community through the Shire's Community Funding Program and Sponsorship of Tourism Events.

More than 75 event applications were processed by the Shire in 2016/17, with the introduction of the Community Funding and Sponsorship of Tourism Events Programs to streamline the event approval process. In 2016/17, the Shire provided funding and in-kind support for York's key events outlined below.

### *The York Motorcycle Festival*

Attracting over 8,000 motoring enthusiasts from all over the state, the Festival launched the Ride the Region initiative and an increase in free family entertainment.

### *The York Festival*

Supporting York's natural and built history and art culture, the Festival showcases artisan markets, music workshops, architecture tours and cultural art workshops throughout the month of September.



*Stunt rider Dave McKenna -  
2017 York Motorcycle Festival*



*Sambanistas workshop – 2017 York Festival photo*

### Perth International Jazz Festival – York

With knowledge of how integral “Jazz” was to the brand of York, Council entered into a partnership with the Perth International Jazz Festival (PIJF) to present part of their 2017 event in York.

Held over a weekend in May 2017, the following activities were presented as part of PIJF – York;

- Friday evening opening event at the Town Hall
- Free Street performances
- Music performances leveraged by businesses including Gallery 152, Hope Farm Guesthouse, Dingas Winkle Second-hand shop and Settlers House
- Ticketed events at the Castle Hotel and Settlers House
- Artisan markets and food vans.

A full evaluation of the event was provided to Council in August 2017.



### Other Events

In 2016/17 further support was provided to a range of significant events on the York calendar including:

- National Parachuting Championships
- National Reconciliation Week; Aboriginal Flag raising ceremony;
- York Christmas Festival
- York School Holiday Program.

*National Parachuting Championships – Skydive York*



## YORK PUBLIC LIBRARY

The York Library has continued to provide a high level of customer service to over 50% of the York population that are active members.

This year, we hosted an Avon Valley Writer's Festival event in the Town Hall to promote and encourage local writers. The library is looking forward to continuing this involvement with future events being planned.

The York Shire partners with the State Library of Western Australia to deliver Better Beginnings, a program aimed at encouraging parents to read to young children resulting in increased early literacy levels of preschool aged children. The Shire of York thanks both the local health nurse and York District High School for their continued support. The York library has also provided backpacks sourced through the *Sing To Me* Program to the York Early Childhood hub to help promote the "Paint York Read" initiative.

Thank you to Cathie for her continued assistance to the library as a highly valued volunteer and to the community of York for their continued support in the form of donations.

### York Library Statistics 2016/17

YORK LIBRARY STATISTICS		2015/16	2016/17
Items Issued	Adult Non Fiction	3403	3339
	Adult Fiction	12771	13059
	Junior Library	6571	6548
	Total	22745	22946
Membership	Adults	769	751
	Family	442	428
	Junior	64	55
	Total	1275	1234
General Statistics	Library was opened for (hours)	2004	1972
	Books issued per hour	11.35	11.63
	Items requested by other libraries	389	381
	Items requested from other libraries	890	810
Local Stock On Hand	Adult Non Fiction	3800	3798
	Adult Fiction	3962	3846
	Junior	2234	2329
	Total	9996	9973
State Library Stock	Adult Non Fiction	2288	932
	Adult Fiction	2224	2344
	Junior	1000	1142
	Total	5512	4418



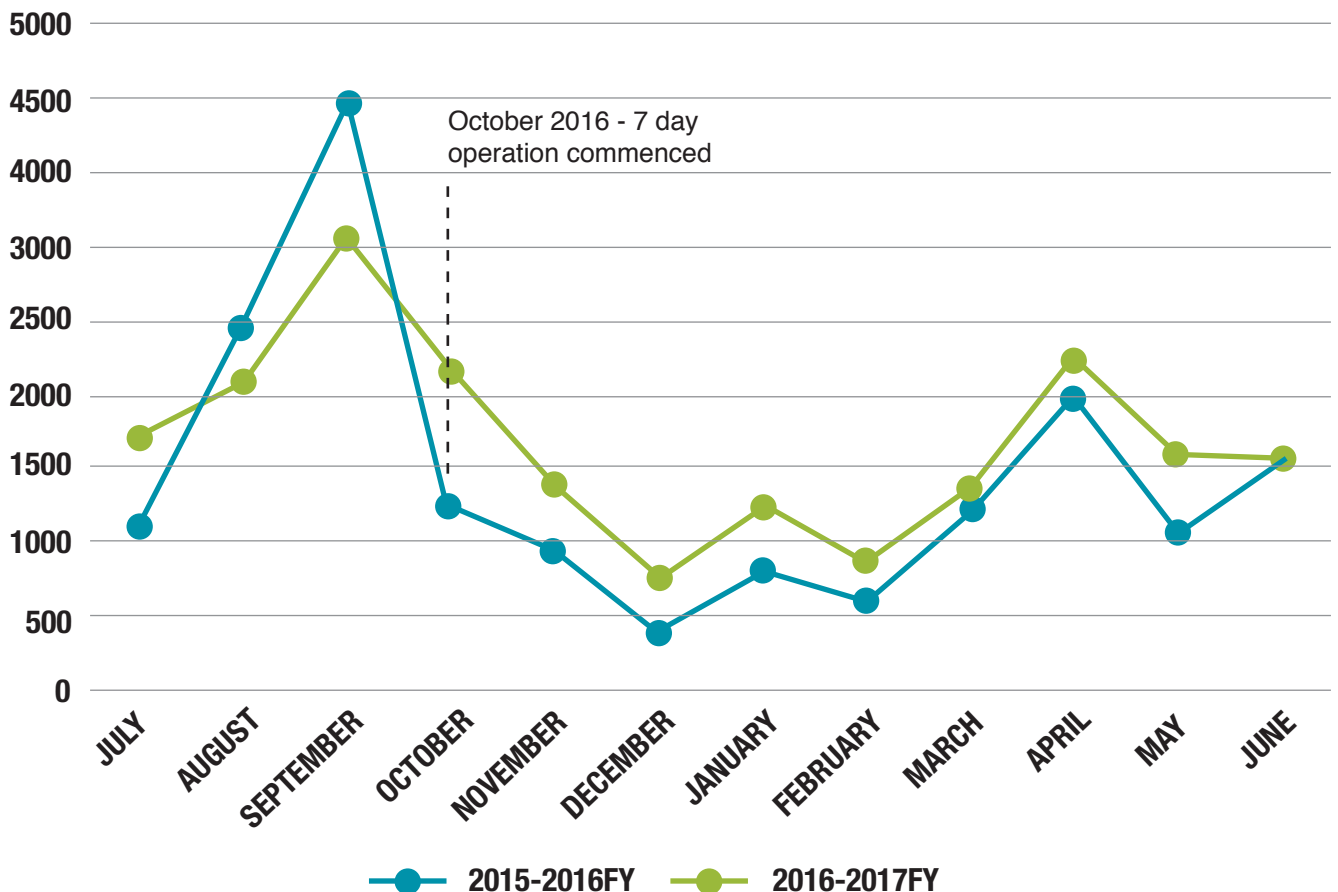
## YORK VISITOR CENTRE

Total annual visitor counts for the 2016/17 financial year were 15 percent higher than the previous financial year with 19,835 visitors through the doors. This can be partly attributed to the move from 5-day to 7-day operations. Retail sales have increased over the same period by 45 percent with over \$19,000 worth of merchandise sold. This increase can be partly due to an increase in the scope and value of the retail range at the York Visitor Centre.

### Key achievements

- Achieved Silver (from Bronze) rating in the Australian Tourism Accreditation Program
- Review and redevelopment of Visitor Centre branding to reflect York's authenticity
- Relaunch of new website and marketing collateral including new visitor brochure
- Increase from 5-day operation to 7-day operation
- Additional part-time staff member employed
- Installation of interactive Tourism Touchscreen
- Installation of EFTPOS machine
- Installation of visual and audio display screen in foyer area
- Visitor centre and retail space expanded to double the original size
- Retail range reviewed to include local and new suppliers
- Implementation of a volunteer management plan to assist operations

### Visitor Statistics



## RESIDENCY MUSEUM

### *Donations/Acquisitions*

In 2016/17, 134 hardcopy photographs were collected compared to 57 in 2015/16 including the Boyle family series that captures several generations of the Boyle family from the 1890's through the 1940's. These photographs were transferred from the York Archives and are treasured additions to our photographic collection.



The Museum accepted 56 objects in 2016/17 compared to 52 in 2015/16. One unique piece was an 1841 York Agricultural Society Cup. This is a significant object that provides a glimpse of what life in York was like only 10 years after European settlement.



*Pictured far left: Frank, Keith and Kevin Boyle.*

*Pictured left: 1841 York Agricultural Society Cup*



### *Volunteer Recognition*

The Residency Museum relies on its dedicated volunteers to provide customer service and care for the collections. In 2016/17, our volunteers worked at the museum for a combined 2408 hours. In recognition, the Shire held a 'volunteer's day out' for all Shire volunteers with a lavish morning tea at the York Recreation and Convention Centre followed by a trip in the community bus to the cinema in Midland.

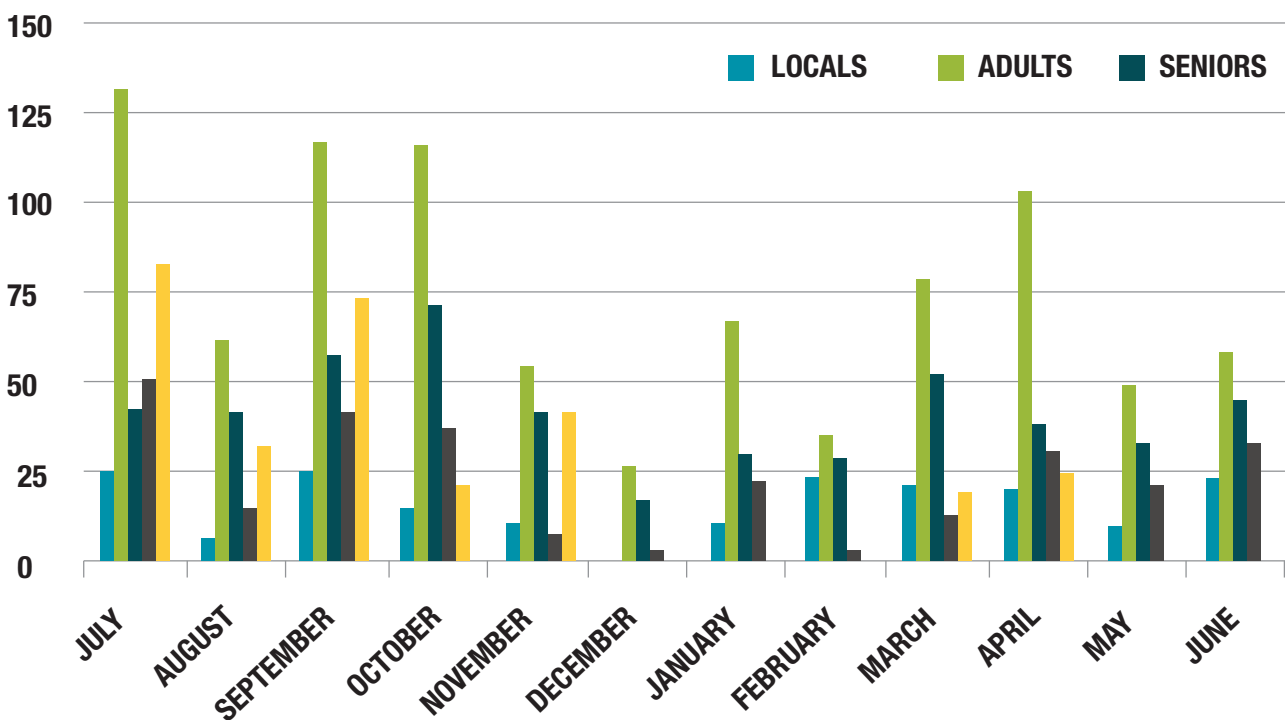
*Pictured left: Shire of York Volunteers enjoying morning tea with senior staff and councillors*



### Visitor figures

The 2016/2017 financial year saw a total of 2,181 visitors come to The Residency Museum, a decrease of 25% compared to the 2015/16 financial year. General admissions have increased by 11.6% however, there has been a decline group bookings, donations and shop sales.

### Visitor Statistics - Paid admission fees for the Residency Museum



## Arts & Cultural Heritage

The role of the Arts & Cultural Heritage Officer is varied and encompasses all matters cultural, with the following undertaken during 2016/17;

- building relationships with the University of Western Australia's Heritage Masters Studies course
- liaison with York's Noongar community
- grant submissions
- referrals to the State Heritage Office
- production of the giant Christmas cards, Christmas wastebins and Christmas banners.

### Projects

#### ANZAC projects

Anzac Day 2017 saw the completion of a project to refurbish the War Memorial Park in Railway Street funded by an Anzac Local Centenary Grant. In addition, the Krupp Gun awarded to the Shire in 1920 now has a shelter which enables it to be put on long term display.

The Museum team has been meeting with families from across the state, country and even the globe reconnecting them with their York roots. In 2016/17, 23 workshops were held thanks to a Community Arts Network WA grant, tailored to meet the needs of a variety of groups including children, teens, young mothers and babies, elderly, disabled, Aboriginal, fulltime workers and retired people.



*Dr Mike Galvin [left] and the Hon. Christian Porter [right] with the new bronzes on Anzac Day 2017*

These provided local York residents the opportunity help create 100 life sized Anzac silhouettes which will form the centrepiece of a major Anzac Exhibition 'Walk With Us – Remembering Them' to be opened on Anzac Day 2018 in York Town Hall.

#### Christmas cards

The Museum holds a wonderful scrapbook from the Victorian era, Unfortunately, the exact owner couldn't be determined which meant that the material could not be used. Hours of research by Museum staff revealed that Emma Lott (nee Grigson) was the owner and was a key factor in producing the giant Christmas cards, wastebin decorations for the main street and Christmas banners. A range of Christmas cards based on the giant series has also been produced for sale by York businesses.





Councillors and local residents see the first 'giant card' put in place in Avon Terrace. More banners and another card are in the pipeline for Christmas 2017.

### Wastebin Surrounds

In the New Year, the wastebins in Avon Terrace were given a new long-term look that is helping to refresh York's image and beautify the town whilst remaining in keeping with the heritage character. The surrounds feature;

- extracts from York's own early newspaper courtesy The York Society Archives centre and photographer Steve Benfield;
- interpretation of York's notable architecture nearby by juxtaposing historic photographs from the Residency Museum collection with contemporary views taken by participants in this year's CANWA photography workshops;
- Ballardong Noongar cultural heritage with local places, flora and fauna each titled in Noongar language as the primary name with the English word as secondary interpretation

The Shire of York thanks all who kindly provided photographs which were drawn from entries in the York Visitor Centre's 2016 competition and CANWA photography workshops, Liam Barratt, Anneke Birlson, John Clarke, Karina Leonhardt, Harley Jongen, Tamara Kabat, Pam MacKenzie-Taylor, Beau and Debbie Matthews, Janette Rehua, Bill McRoberts, Linda Shardlow, as well as stunning images from professional photographers Lisa Astle, Steve Benfield, Simon Neville and Andy Tyndall.

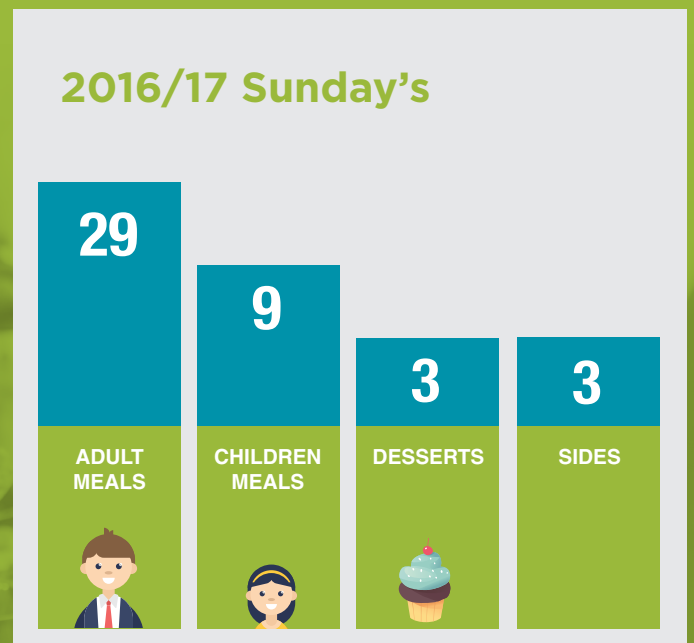
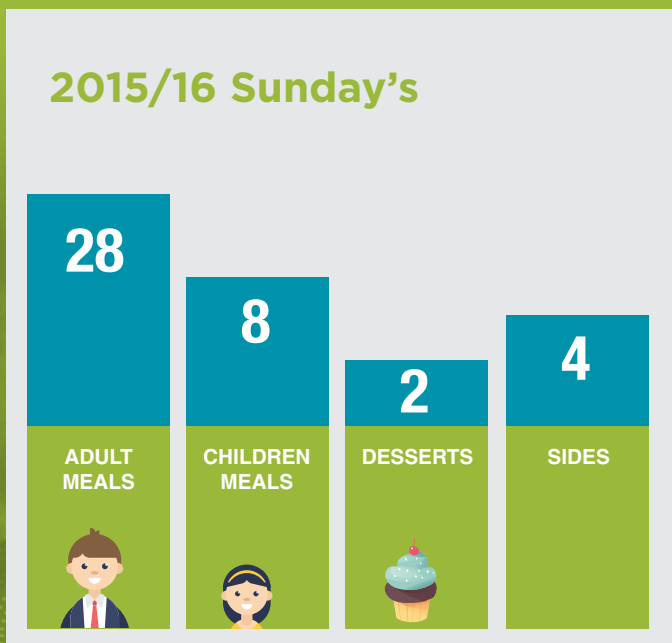
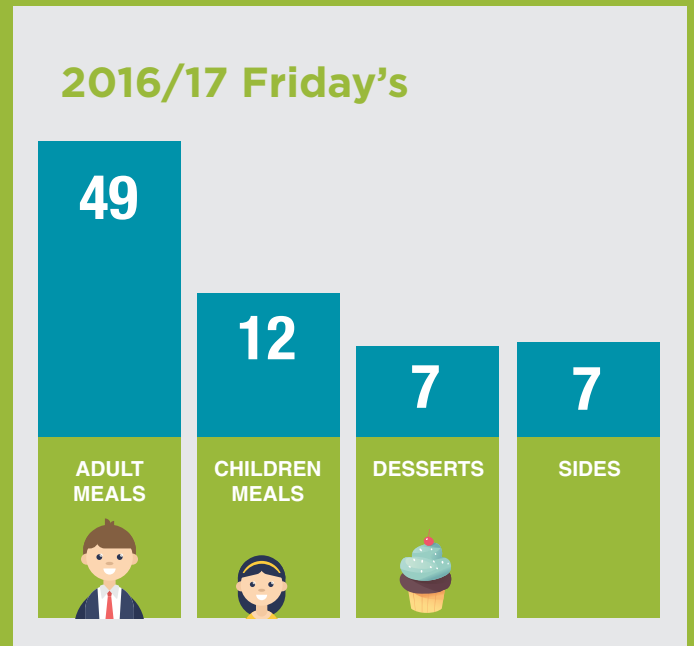
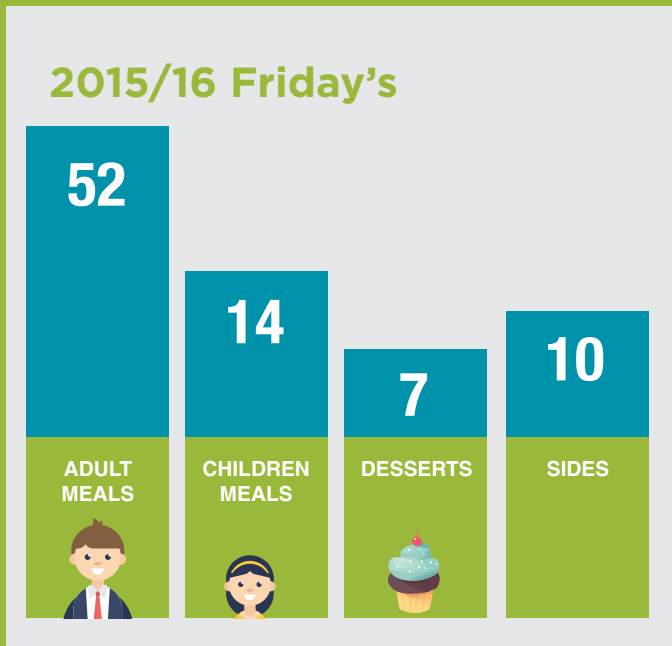


Linda Shardlow with her prizewinning photograph now adorning Avon Terrace testimonial

# YORK RECREATION AND CONVENTION CENTRE

## Statistics

The YRCC as its locally known, is home to 11 local sporting clubs and provides a café/bar service from Wednesday to Sunday. Casual, family friendly dining is available on Friday and Sunday evenings with the following average numbers of meals served.



### *Review of the Management Model of the YRCC*

Since opening in 2012, there has been significant community interest in the capital and operating costs of the York Recreation and Convention Centre (YRCC) and questions regarding Council's role in the operation of a licensed premises and whether a different management structure could be more effective.

In February 2017, a Discussion Paper was presented to Council and the community that included the following information;

- An outline of the various documents that were developed to establish a master plan for the precinct and subsequent business cases to support the funding required;
- A review of the rationale for the YRCC liquor licence and competitive neutrality considerations;
- Capital expenditure and the funding sources for the development of the precinct to date;
- Current operations including staffing, financial performance and usage;
- A brief SWOTC (strengths, weaknesses, opportunities, threats, constraints) analysis; and
- Potential options for the future management of the YRCC;

Community submissions were sought and presented to Council in June and it was agreed that further information was required to make an informed decision. Council resolved to engage SGL Consulting to develop two business models for outsourcing the bar and kitchen facilities of the YRCC. Final resolution as to the preferred management model will be determined in 2017/18.



# 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 Shire will develop a new Local Planning Strategy and Scheme in 2017/18.

The Town Planner responds to many enquiries relating to planning related issues, which 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.

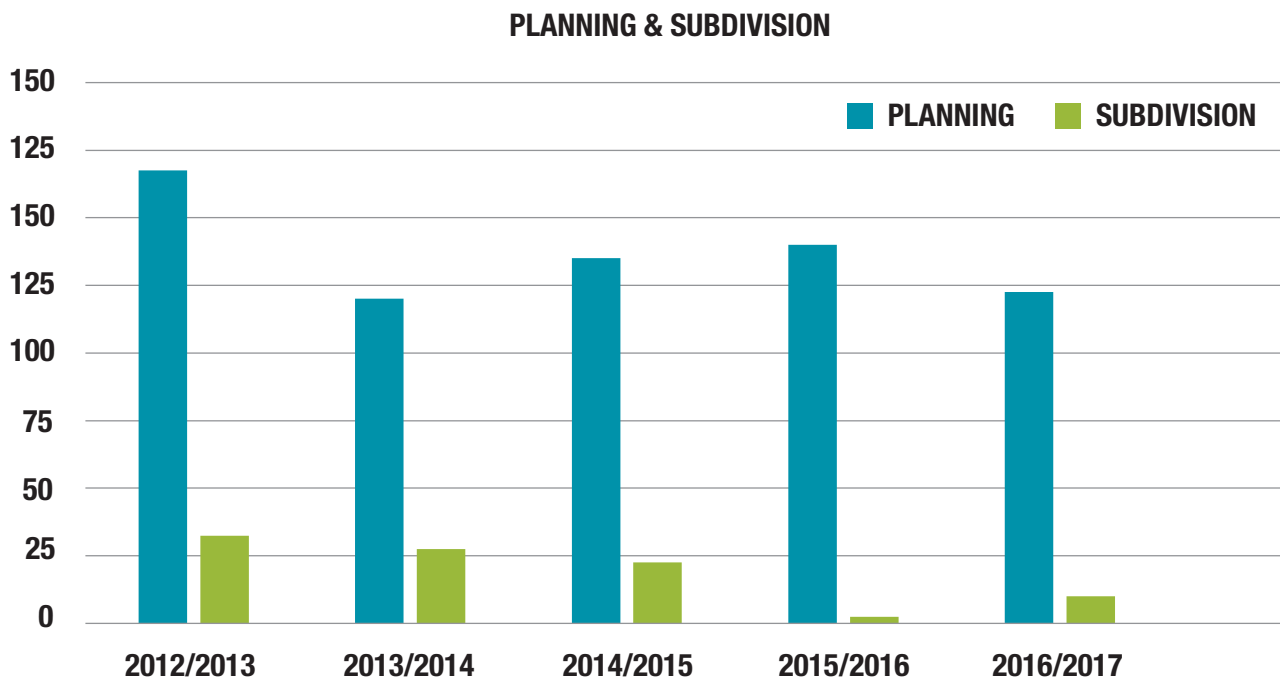
It is the aim of the planning section to provide an efficient and effective service to landowners, residents, developers and the community.

### Planning Applications

In the 2016/2017 financial year, 49 planning applications were received, 7 less than in the previous period.

The number of subdivision applications received by the WAPC for the York Shire increased and in this period 4 subdivision referrals were received by Council, compared to 1 in the previous period.

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





## Health

Council's Environmental Health Officer is responsible for monitoring various aspects of public health within the Shire including;

- inspection of food premises, public buildings, lodging houses, caravan parks;
- mosquito monitoring;
- public swimming pools inspection and monitoring;
- septic/ATU installations;
- offensive trade monitoring;
- trading in public places approvals, stallholder permits; and
- approval of public events.

Council continued to monitor the structural and operational aspects of all premises during 2016/17 to ensure compliance with the requirements of relevant legislation.

### *Effluent Disposal Systems*

Nineteen effluent disposal systems were approved for installation in 2016/2017. 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 2016/2017.



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. This 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 were sent for analysis to a Perth laboratory to ensure they met the required microbiological and bacteria standards.



### *Privately Owned Public Pools*

The Shire of York did not have any Department of Health approved privately owned public pools during 2016/2017.

### *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. 84 inspections were carried out in the 2016/17 period.

## Waste Collection & Disposal

### *MUSTER Programs*

The Council again participated in the “drum MUSTER” program. This nationwide program provides for the collection and disposal of used farm chemical containers. A total of 3660 drums were collected under the program in 2016/2017, 1302 more than the amount collected the previous year.

Council continued with its participation in the Mobile Muster program. This program was initiated to ensure that mobile phones and their accessories are recycled. Approximately 10kg of disused mobile phones were collected in 2016/17.

### *Waste Statistics*

A total of 1286.27 tonnes of waste was transported to the Shire of Northam landfill site for the 2016/17 financial year. This is 5.95 tonnes less waste than the 2015/16 financial year. A total of 421.93 tonnes of recyclable material was received in 2016/17 which is 22.08 tonnes more material than 2015/16.

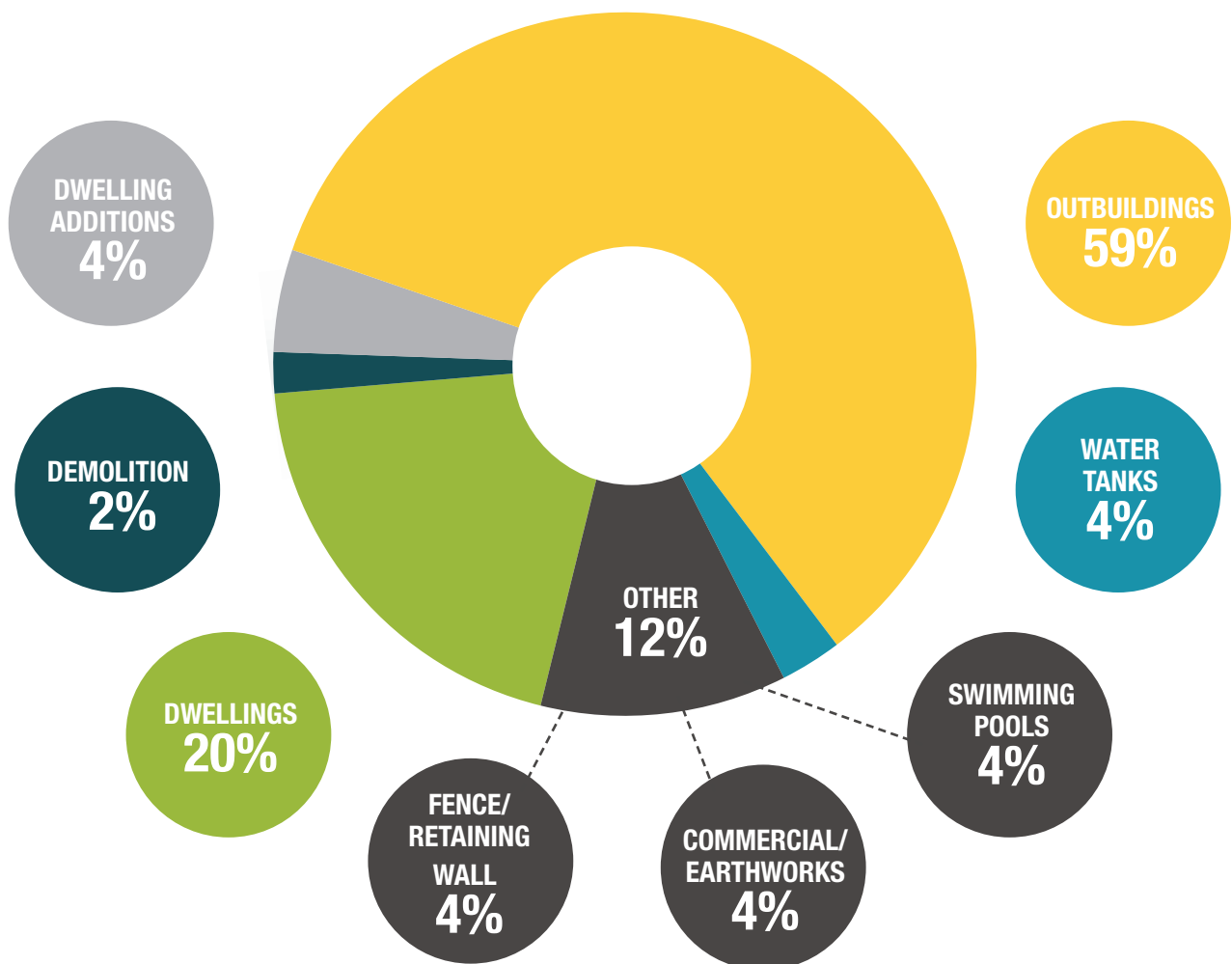
## Building

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.

### Statistics

In 2016/17 the Shire processed 103 building applications. These applications were split into the following categories:

### BUILDING APPROVALS 2016/2017

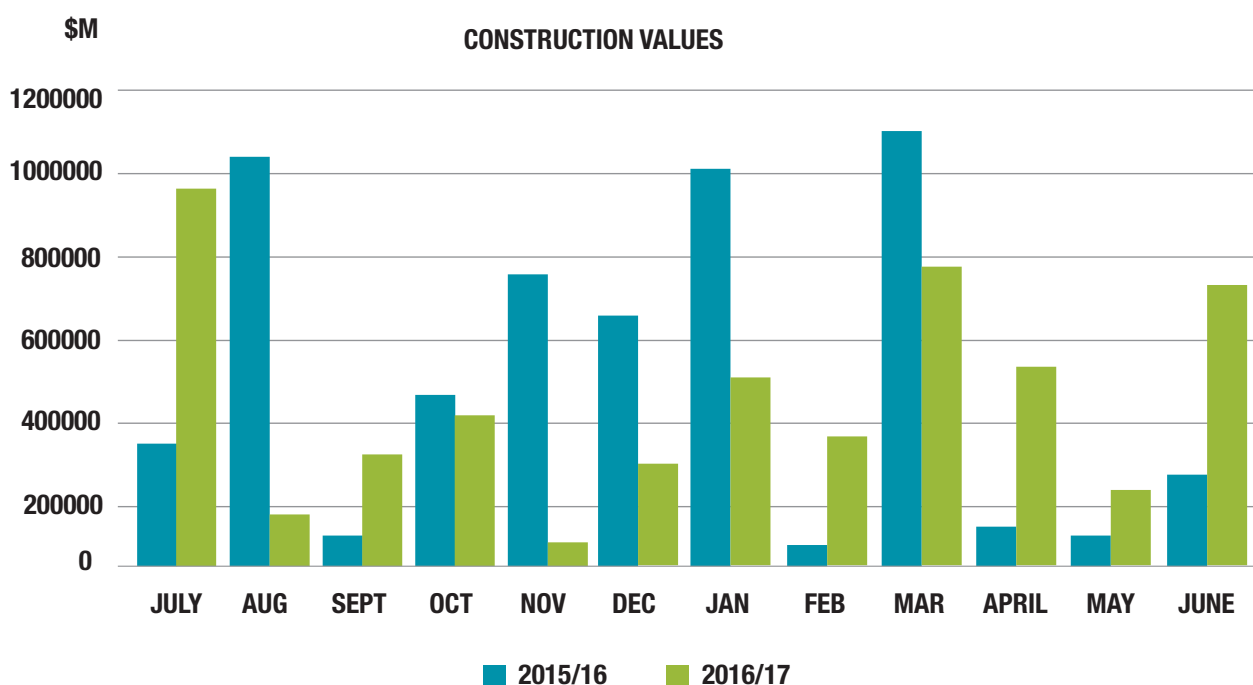


The percentage split is similar to previous years with a slight increase in outbuilding applications.

Comparison table for previous years are as follows:

	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11
Dwellings	18	20	23	21	30	21	30
Additions	5	7	10	7	10	12	50
Outbuildings	63	51	67	99	95	89	97
S/ Pools	4	5	7	9	16	7	13
Commercial	4	3	2	2	8	10	7
Demolition	2	1	2				
Water Tank	3	9	3				
Fence	4	1	4				
Earthworks	0	1					
<b>Total</b>	<b>103</b>	<b>98</b>	<b>118</b>	<b>138</b>	<b>159</b>	<b>139</b>	<b>197</b>

The number of Building Permits issued in 2016/17 is slightly up on previous years.



The approximate value of building works in the Shire was \$5.90 million in 2016/17, a decrease of 4%, from \$6.14 million in 2015/16 and a further decrease of 10% in value from \$6.84 million in 2014/15.

## RANGER AND EMERGENCY 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.

In partnership with the Shire of Beverley, a Community Emergency Services Manager funded by the Department of Fire and Emergency Services is responsible for the Shire's preparedness to address an emergency. The CESM is responsible for coordinating the Local Emergency Management Committee.



### *Bush Fire Management*

An advertising campaign was launched this year promoting the fire break and hazard reduction requirements and compliance dates. 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. 5 exemptions have been issued to date.



### *Animal Control*

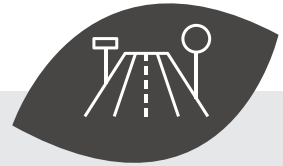
A reduced number of infringement notices relating to dog attacks were issued compared to last year and no dogs have been declared dangerous this year. Shire records indicate that 90 cats and 303 dogs have been registered with the Shire this year.



### *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.

# 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 at the Shire's Depot and for the 2016/17 financial year included;

- Denotes the staff members left the employ of the Shire of York during the year

OPERATIONAL STAFF	
Allan Rourke – Manager of Works *	Clint Strickland
Peter Murray – Works Supervisor	Christian Chadwick *
Peter Atkins	Alan Blyde
Les Burrow	Alexander Beard
Neil Thomas	Robert Macey
Robert Windsor	Ricky Thompson
Trevor Barratt	Robert Mackenzie
Kerry Blyde	

## GENERAL WORKS

There are three main crews at the Depot, the Town crew, Parks and Gardens crew and Construction crew.

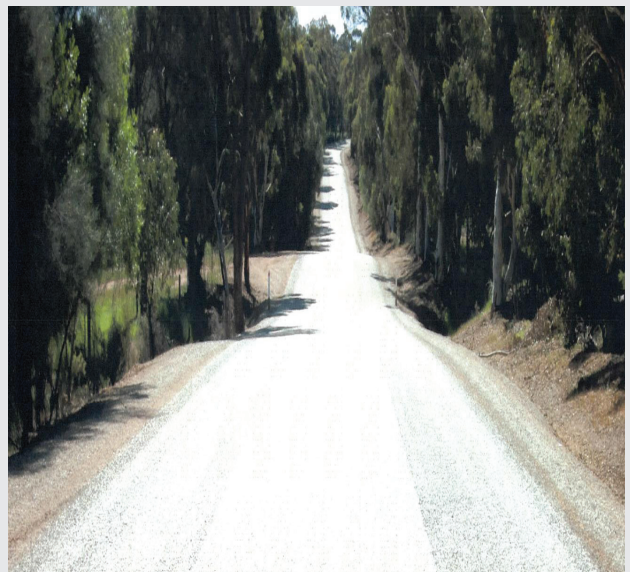
The Town crew is responsible for maintaining the urban streets of York, keeping them clean and tidy for York residents and tourists to enjoy, spraying weeds on verges along with many other tasks.

The Parks and Gardens crew maintains all aspects associated with York's parks and gardens including Forrest Oval and the hockey fields.

The Construction crew carries out road maintenance including maintenance grading and culvert cleaning. 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.



Top Beverley Road



Cut Hill Road

The crews have also completed various other tasks in the 2016/17 period, including the installation of the Christmas Tree and Christmas decorations, event banners, Krupp Gun, and have provided support for events taking place in York.



## CAPITAL WORKS

### Roads to Recovery

2016/17 was the third year in a new round of federally funded Roads to Recovery Programmes totalling \$657,134. Total expenditure of \$851,109 included \$189,902 carried forward from 2015/16 to complete Quellington Road. Specific road works undertaken through Roads to Recovery Funding in 2016/17 included the following.



ROADS TO RECOVERY PROGRAMME - 2016/17	
Quellington Rd (carry forward)	\$189,902
Quellington Rd	\$129,560
Gwambygne East Road	\$85,161
Talbot Hall Road	\$77,821
Wambyn Road	\$75,610
Leeming Road	\$35,598
Piccadilly Road	\$76,350
Cameron Road	\$81,441
Duck Pool Road	\$41,825
Wrights Road	\$57,842



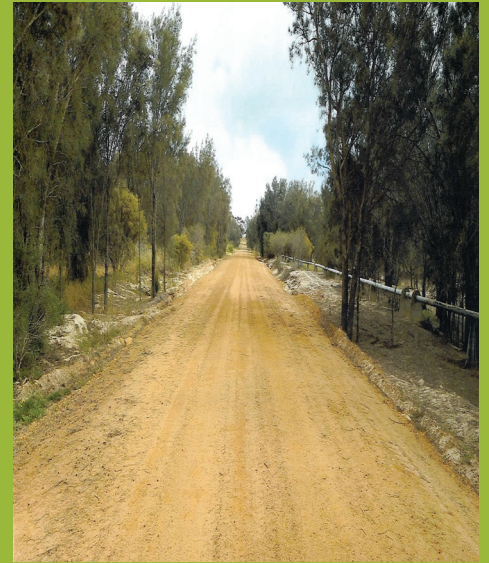
## Storms

WA experienced severe thunderstorms this year with damaging winds and torrential rain affecting businesses, farmers and residents in York and surrounding districts. The high winds resulted in many trees falling across roads making them impassable. Heavy rains caused dangerous travelling conditions and flash flooding destroyed roads making them unrecognisable.

The depot crew worked tirelessly removing fallen trees and repairing roads back to their original state.

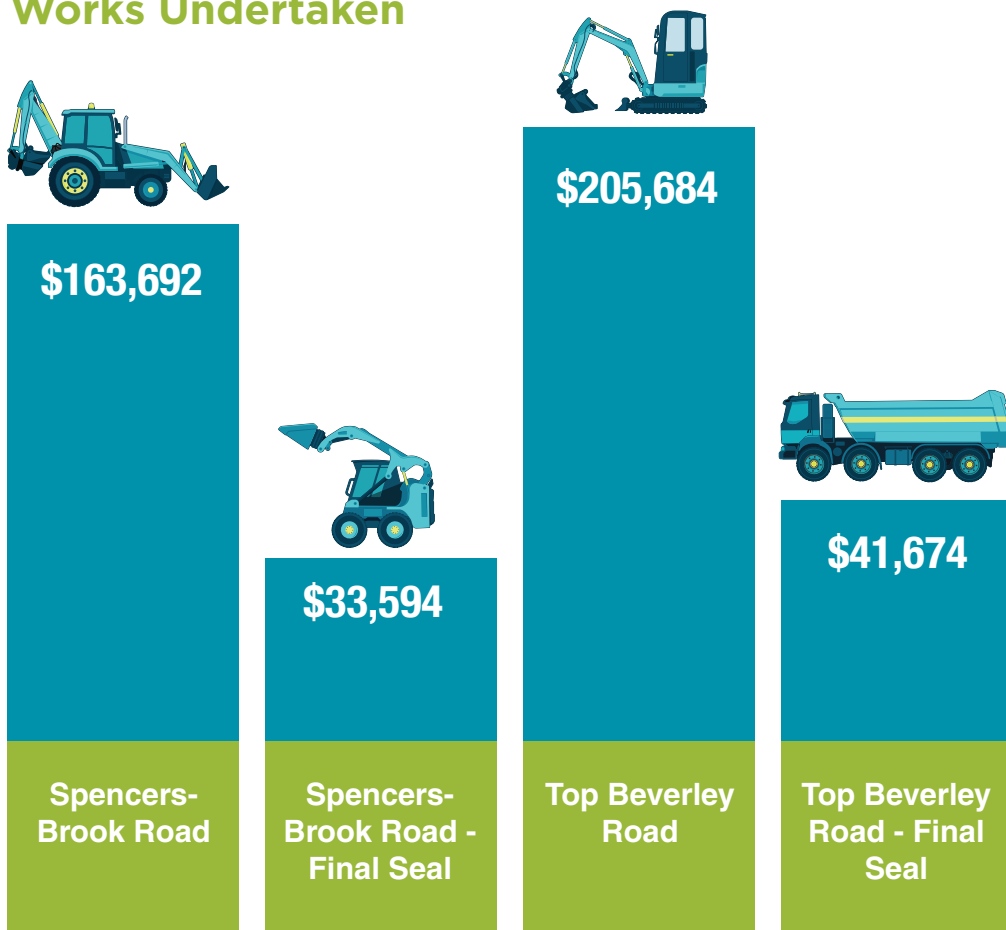


Storm damage – Duck Pool Road



After repairs – Duck Pool Road

## Works Undertaken







Storm damage – Mackie Siding Road



After repairs – Mackie Siding Road

### Regional Road Group

Regional Road projects totalled \$444,644 for the 2016/17 year. The Western Australian Government provided \$288,223 for works on designated regional roads and Council provided an additional contribution of \$156,421.

### Blackspot Projects

Berry Brow Road - \$83,455

### Municipal Funds

Further construction works were undertaken utilising \$874,996 of Municipal funds, \$280,624 of which was claimed under the State Natural Disaster Relief and Recovery Arrangements (**NDRRA**) on roads listed below.



### FURTHER CONSTRUCTION WORKS

Talbot Road	\$261,677
Qualen West Road	\$56,241
Cut Hill Road	\$86,152
Penny Drive	\$39,182
Ulster Road	\$47,593
South Street	\$103,526
WANDRRA Projects	
Chandos Street	\$31,343
Andrews Avenue	\$35,955
Lennard Road	\$57,281
Hammersley Siding Road	\$50,184
Waterfall Road	\$105,861

## GENERAL MAINTENANCE

### Road Maintenance

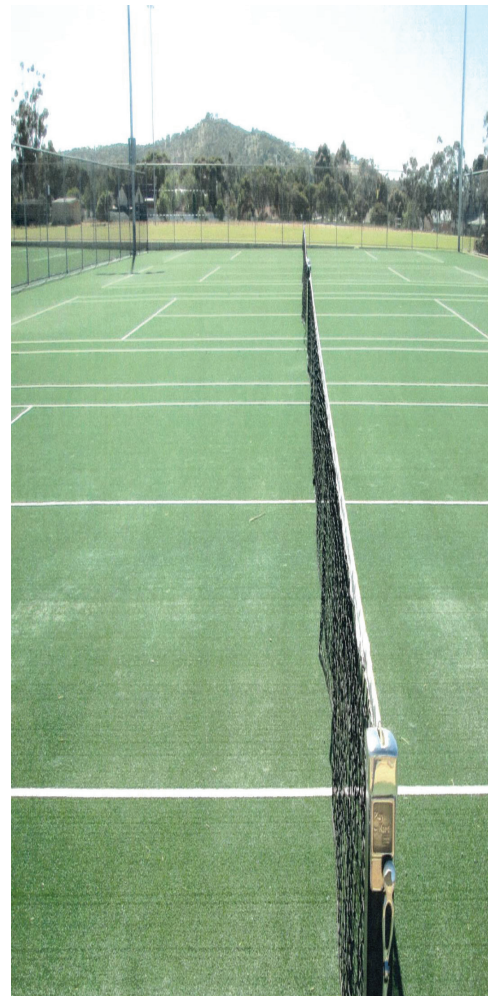
Road maintenance including grading, roadside spraying, culvert cleaning, street cleaning, car park maintenance, tree lopping, bridge maintenance and pavement repairs totalled \$1,037,073.

### Footpath & Drainage Projects



### Tennis Courts

The resurfacing of the Tennis Courts at the Recreation Centre was completed in the 2016/17 period.



# Corporate Services



## STATUTORY REPORTING

### Records

The Shire of York has developed and implemented a Record Keeping Plan that was adopted in accordance with section 28 of the *State Records Act 2000*.

### Freedom of Information

The Shire of York has a Freedom of Information Statement prepared in accordance with the Freedom of Information Act 1992. It outlines the Shire's functions, the kind of documents held and how the documents can be accessed.

A total of four (4) new Freedom of Information Applications were received during this reporting period (compared to ten (10) last year), and three (3) were carried over from the previous year (compared to eleven (11) last 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; services and events, buildings and facilities, information, quality of service, complaints, consultation processes and employment. Local governments are also required to report on the progress of the DAIP by 30 June each year.

Activities undertaken during 2016/17 to address the Shire's DAIP include the following;

- Including a question in the community survey regarding disability, access and inclusion
- Formation of an events working group and consideration of the accessible events checklist when reviewing events
- Upgrade of toilets in Howick Street including ramps and rails
- Footpath upgrades on Macartney and Clifford Street
- Inclusion of an Accessibility Notice, high contrast colour and text size tools on the Shire's new website
- Identification of disability awareness training to be included in the 2017/18 training schedule
- Officers are exploring the possibility of a Memorandum of Understanding with Essential Personnel – a disability employment agency.

Council has resolved to establish an Access and Inclusion Advisory Committee to oversee the development of a new DAIP during 2017/18.

### National Competition Policy and Public Interest Disclosure

The Shire of York has considered its obligations regarding the national competition policy and reviewed its policies to ensure anti-competitive practices are not adopted. No complaints were received regarding anti-competitive practice however, the issue has been considered as part of the review of the management of the York Recreation and Convention Centre.

### Disposal of Property

In accordance with Sections 3.58 and 3.59 of the *Local Government Act 1995*, Council approved a business plan for public advertising regarding a proposal to sell the Old Tennis Courts land and to relocate the Wheatbelt Women's Health Hub to the Old Youth Centre.

## 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.

As part of Council's commitment to high standards of customer service and to provide guidelines, standards and expectations for Shire officers, Council adopted a Customer Service Charter in April 2017.

The Office hours are 8.30am – 4.30pm Monday to Friday except for public holidays and 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, ovals and sporting facilities.

**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, Town Hall, tourist information service, Residency Museum.

In partnership with our sponsors, the Shire provides the following incentive prizes to encourage ratepayers to pay their rates in full and on-time.



### First Prize

A \$1,000 bank account provided by the Shire of York in conjunction with the York & Districts Community Bank Branch of Bendigo Bank.

**Winner –  
Mr Robert McCorkill**



### Second Prize

Four tickets to the West Australian Symphony Orchestra donated by the West Australian Symphony Orchestra

**Winner –  
Mr John Patterson**



### Third Prize

A two night weekend stay at the Quality Hotel Ambassador Perth in a Premium Deluxe Room. Donated by the Quality Hotel Ambassador Perth

**Winner –  
Mr Dennis Grimwood**



### Fourth Prize

\$200 of Fuel donated by Fuel Distributions of Western Australia Pty Ltd

**Winner –  
Mr Francis Leong**

### Debt Collection

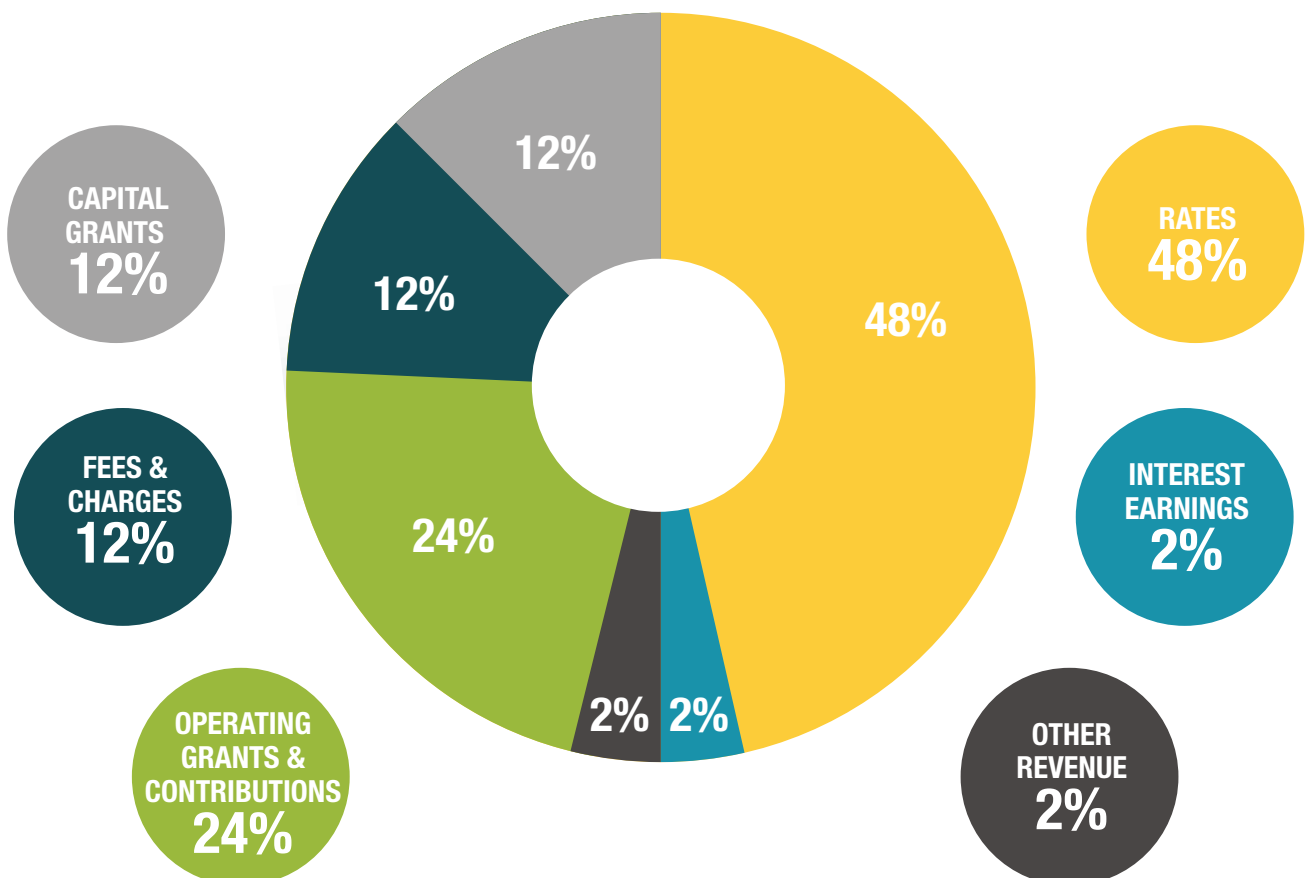
Council’s Finance Policy F1.1 Revenue Collection, identifies that the Shire is to ensure timely cashflow and minimise bad debts. In addition, the Shire must ensure that appropriate measures are undertaken to recover outstanding amounts. The recovery of these outstanding debts must be fair, consistent and transparent.

The Shire of York is to outsource its debt recovery process where debt collection activities are to be carried out in accordance with relevant legislation and standards. To ensure compliance and best value for money, tenders were sought in June 2017 from suitably qualified tenderers to perform comprehensive debt collection services for the Shire of York for a period of three years.

### Revenue and Expenditure

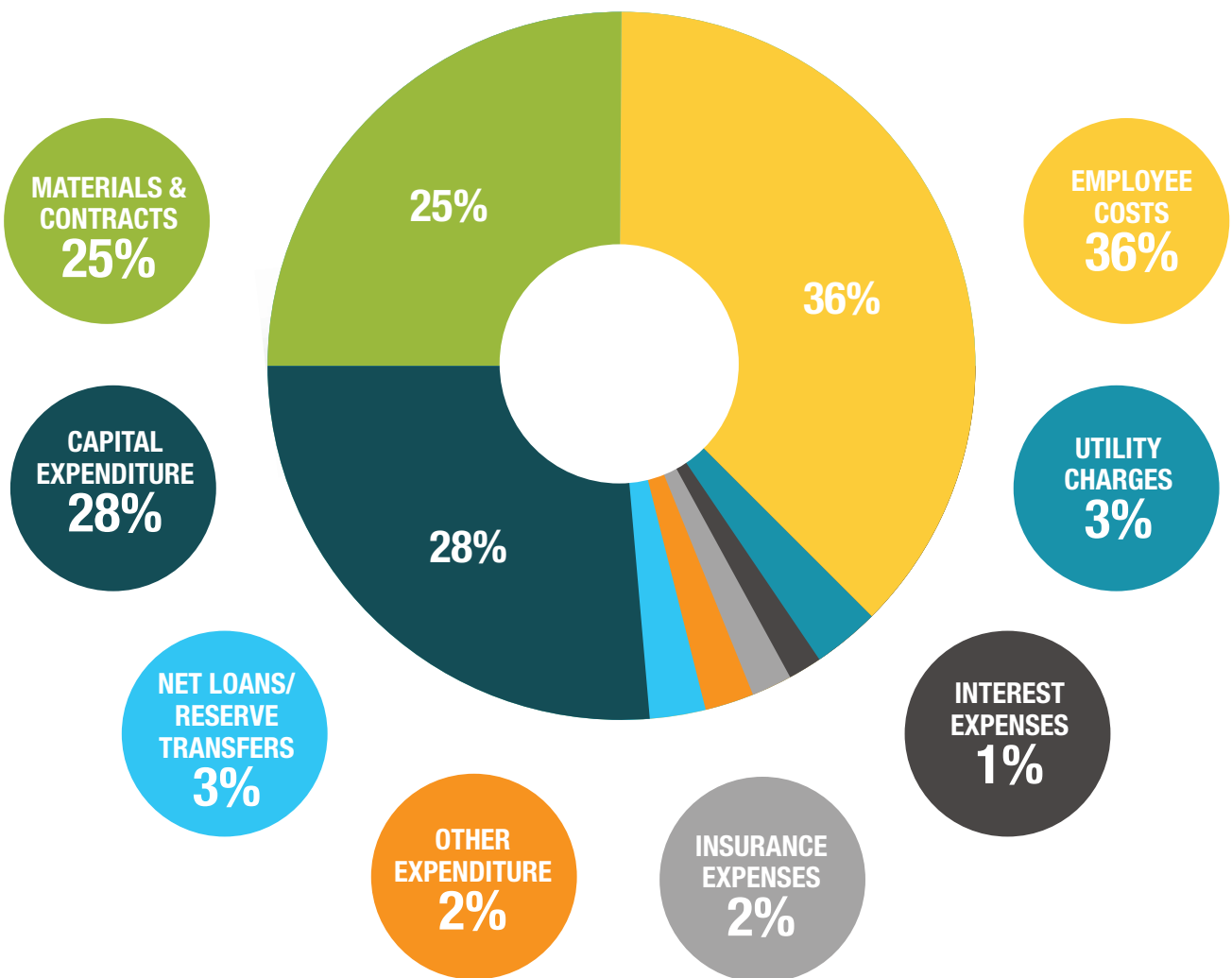
Below and over the page is a breakdown of the Shire’s Revenue and Expenditure.

REVENUE	
Rates	\$5,456,373
Interest earnings	\$226,272
Other revenue	\$219,452
Operating grants and contributions	\$2,654,026
Fees and charges	\$1,403,638
Capital grants	\$1,300,630



## EXPENSES

Employee costs	\$3,738,234
Utility charges	\$298,645
Interest expenses	\$132,851
Insurance expenses	\$178,580
Other expenditure	\$271,661
Net Loans/Reserve Transfers	\$344,810
Capital Expenditure	\$2,886,255
Materials and contracts	\$2,563,565





# Appendix 1

## Audited Financial Statements

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

**TABLE OF CONTENTS**

Statement by Chief Executive Officer	2
Statement of Comprehensive Income by Nature or Type	3
Statement of Comprehensive Income by Program	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Rate Setting Statement	8
Notes to and Forming Part of the Financial Report	9
Independent Audit Report	56
Supplementary Ratio Information	58

Principal place of business:  
1 Joaquina Street  
YORK WA 6302  
Australia



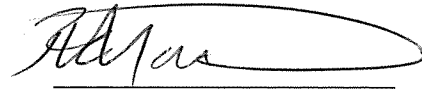
SHIRE OF YORK  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2017

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire being the annual financial report and supporting notes and other information for the financial year ended 30 June 2017 are in my opinion properly drawn up to present fairly the financial position of the Shire at 30th June 2017 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed as authorisation of issue on the 27 day of November 2017



Paul Martin  
Chief Executive Officer

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

	NOTE	2017 \$	2017 Budget \$	2016 \$
<b>Revenue</b>				
Rates	23	5,456,373	5,440,310	5,126,915
Operating grants, subsidies and contributions	30	2,654,026	1,765,215	1,257,451
Fees and charges	29	1,403,638	1,596,886	1,505,299
Interest earnings	2(a)	226,272	184,558	215,243
Other revenue	2(a)	98,997	95,349	74,329
		<u>9,839,306</u>	<u>9,082,318</u>	<u>8,179,237</u>
<b>Expenses</b>				
Employee costs		(3,738,234)	(4,265,962)	(3,502,768)
Materials and contracts		(2,563,565)	(2,769,412)	(3,055,576)
Utility charges		(298,645)	(290,225)	(313,445)
Depreciation on non-current assets	2(a)	(2,369,475)	(2,584,364)	(2,485,496)
Interest expenses	2(a)	(132,851)	(137,113)	(139,583)
Insurance expenses		(178,580)	(193,958)	(188,720)
Other expenditure		(246,756)	(325,733)	(617,252)
		<u>(9,528,106)</u>	<u>(10,566,767)</u>	<u>(10,302,841)</u>
		311,200	(1,484,449)	(2,123,604)
Non-operating grants, subsidies and contributions	30	1,300,630	1,588,181	1,304,682
Profit on asset disposals	21	0	0	32,871
(Loss) on asset disposals	21	(24,905)	(31,250)	(41,206)
<b>Net result</b>		<b>1,586,925</b>	<b>72,482</b>	<b>(827,257)</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	13	9,037,448	0	804,963
Initial recognition of LG House Trust	14	(63,263)	0	63,263
<b>Total other comprehensive income</b>		<b>8,974,185</b>	<b>0</b>	<b>868,226</b>
<b>Total comprehensive income</b>		<b>10,561,110</b>	<b>72,482</b>	<b>40,970</b>

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

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

	NOTE	2017 \$	2017 Budget \$	2016 \$
<b>Revenue</b>	2(a)			
Governance		40,716	8,687	52,898
General purpose funding		7,979,403	7,162,897	6,258,644
Law, order, public safety		85,727	78,810	84,963
Health		20,334	18,500	20,730
Education and welfare		35,996	33,038	34,125
Community amenities		704,686	737,023	726,353
Recreation and culture		543,937	616,657	577,489
Transport		204,461	221,842	210,676
Economic services		122,215	132,496	114,857
Other property and services		101,831	82,840	76,408
		<u>9,839,306</u>	<u>9,092,790</u>	<u>8,157,143</u>
<b>Expenses</b>	2(a)			
Governance		(601,977)	(814,487)	(932,011)
General purpose funding		(299,683)	(332,192)	(902,502)
Law, order, public safety		(458,806)	(585,545)	(438,039)
Health		(241,703)	(312,220)	(265,393)
Education and welfare		(119,023)	(112,727)	(113,147)
Community amenities		(1,010,388)	(1,426,384)	(1,083,202)
Recreation and culture		(2,863,434)	(3,048,825)	(2,783,985)
Transport		(2,685,822)	(2,778,897)	(2,786,674)
Economic services		(733,551)	(965,719)	(530,192)
Other property and services		(380,868)	(63,129)	(306,018)
		<u>(9,395,255)</u>	<u>(10,440,125)</u>	<u>(10,141,163)</u>
<b>Finance costs</b>	2(a)			
Community amenities		0	0	(73)
Recreation and culture		(125,024)	(129,079)	(130,426)
Transport		(7,827)	(8,035)	(9,084)
		<u>(132,851)</u>	<u>(137,114)</u>	<u>(139,583)</u>
		311,200	(1,484,449)	(2,123,603)
Non-operating grants, subsidies and contributions	30	1,300,630	1,588,181	1,304,682
Profit on disposal of assets	21	0	10,000	32,871
(Loss) on disposal of assets	21	(24,905)	(41,250)	(41,206)
<b>Net result</b>		<u><b>1,586,925</b></u>	<u><b>72,482</b></u>	<u><b>(827,256)</b></u>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	13	9,037,448	0	804,963
Initial recognition of LG House Trust	14	(63,263)	0	63,263
<b>Total other comprehensive income</b>		<u><b>8,974,185</b></u>	<u><b>0</b></u>	<u><b>868,226</b></u>
<b>Total comprehensive income</b>		<u><u><b>10,561,110</b></u></u>	<u><u><b>72,482</b></u></u>	<u><u><b>40,970</b></u></u>

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

**SHIRE OF YORK**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30TH JUNE 2017**

	NOTE	2017 \$	2016 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	3,041,935	3,019,984
Trade and other receivables	4	1,601,663	791,729
Inventories	5	36,859	87,450
<b>TOTAL CURRENT ASSETS</b>		<u>4,680,457</u>	<u>3,899,163</u>
<b>NON-CURRENT ASSETS</b>			
Other receivables	4	81,387	69,080
Financial Assets	6	0	63,263
Property, plant and equipment	7	35,566,143	36,149,396
Infrastructure	8	107,955,334	97,963,213
<b>TOTAL NON-CURRENT ASSETS</b>		<u>143,602,864</u>	<u>134,244,952</u>
<b>TOTAL ASSETS</b>		<u>148,283,320</u>	<u>138,144,115</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	290,766	527,723
Current portion of long term borrowings	10	214,337	205,200
Provisions	11	707,093	701,396
<b>TOTAL CURRENT LIABILITIES</b>		<u>1,212,196</u>	<u>1,434,319</u>
<b>NON-CURRENT LIABILITIES</b>			
Long term borrowings	10	2,327,238	2,541,575
Provisions	11	52,673	38,117
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>2,379,911</u>	<u>2,579,692</u>
<b>TOTAL LIABILITIES</b>		<u>3,592,107</u>	<u>4,014,011</u>
<b>NET ASSETS</b>		<u>144,691,214</u>	<u>134,130,104</u>
<b>EQUITY</b>			
Retained surplus		31,973,250	30,525,935
Reserves - cash backed	12	2,107,152	1,967,542
Financial Assets Reserve	14	0	63,263
Revaluation surplus	13	110,610,812	101,573,364
<b>TOTAL EQUITY</b>		<u>144,691,214</u>	<u>134,130,104</u>

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

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

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	FINANCIAL SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2015</b>		<b>31,433,456</b>	<b>1,887,277</b>	<b>100,768,401</b>	<b>0</b>	<b>134,089,134</b>
Comprehensive income						
Net result		(827,256)	0	0	0	(827,256)
Changes on revaluation of assets	13	0	0	804,963	0	804,963
Financial Assets Reserve	14	0	0	0	63,263	63,263
Total comprehensive income		<u>(827,256)</u>	<u>0</u>	<u>804,963</u>	<u>63,263</u>	<u>40,970</u>
Transfers from/(to) reserves		(80,265)	80,265	0	0	0
		<u>(80,265)</u>	<u>80,265</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Balance as at 30 June 2016</b>		<b>30,525,935</b>	<b>1,967,542</b>	<b>101,573,364</b>	<b>63,263</b>	<b>134,130,104</b>
Comprehensive income						
Net result		1,586,925	0	0	0	1,586,925
Changes on revaluation of assets	13	0	0	9,037,448	0	9,037,448
Financial Assets Reserve	14	0	0	0	(63,263)	(63,263)
Total comprehensive income		<u>1,586,925</u>	<u>0</u>	<u>9,037,448</u>	<u>(63,263)</u>	<u>10,561,110</u>
Transfers from/(to) reserves		(139,610)	139,610	0	0	0
		<u>(139,610)</u>	<u>139,610</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Balance as at 30 June 2017</b>		<b><u>31,973,250</u></b>	<b><u>2,107,152</u></b>	<b><u>110,610,812</u></b>	<b><u>0</u></b>	<b><u>144,691,214</u></b>

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

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

	NOTE	2017 Actual \$	2017 Budget \$	2016 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		5,119,172	5,892,310	5,119,148
Operating grants, subsidies and contributions		2,179,040	1,970,217	2,004,960
Fees and charges		1,403,638	1,799,016	1,870,749
Interest earnings		226,272	184,558	215,243
Goods and services tax		0	600,000	545,949
Other revenue		88,943	95,349	74,329
		<u>9,017,065</u>	<u>10,541,450</u>	<u>9,830,378</u>
<b>Payments</b>				
Employee costs		(3,696,778)	(4,282,135)	(3,442,183)
Materials and contracts		(2,770,206)	(2,564,186)	(3,491,587)
Utility charges		(298,645)	(290,225)	(313,445)
Interest expenses		(133,779)	(137,113)	(131,999)
Insurance expenses		(178,580)	(193,958)	(188,720)
Goods and services tax		0	(566,634)	0
Other expenditure		(246,756)	(277,735)	(617,252)
		<u>(7,324,744)</u>	<u>(8,311,986)</u>	<u>(8,185,186)</u>
<b>Net cash provided by (used in) operating activities</b>	15(b)	<u>1,692,321</u>	<u>2,229,464</u>	<u>1,645,192</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment		(339,389)	(1,231,818)	(1,242,057)
Payments for construction of infrastructure		(2,546,866)	(3,356,857)	(1,850,141)
Non-operating grants, subsidies and contributions		1,300,630	1,383,181	1,304,682
Proceeds from sale of fixed assets		120,455	260,900	307,624
<b>Net cash provided by (used in) investment activities</b>		<u>(1,465,170)</u>	<u>(2,944,594)</u>	<u>(1,479,892)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of debentures		(205,200)	(208,700)	(176,521)
Proceeds from self supporting loans		0	0	6,248
Proceeds from new debentures		0	380,000	625,000
<b>Net cash provided by (used in) financing activities</b>		<u>(205,200)</u>	<u>171,300</u>	<u>454,727</u>
<b>Net increase (decrease) in cash held</b>		21,951	(543,830)	620,027
Cash at beginning of year		3,019,984	3,008,703	2,399,957
<b>Cash and cash equivalents at the end of the year</b>	15(a)	<u><u>3,041,935</u></u>	<u><u>2,464,873</u></u>	<u><u>3,019,984</u></u>

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

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

NOTE	2017 Actual \$	2017 Budget \$	2016 Actual \$
<b>Net current assets at start of financial year - surplus/(deficit)</b>	1,171,861	1,421,808	1,998,492
	<u>1,171,861</u>	<u>1,421,808</u>	<u>1,998,492</u>
<b>Revenue from operating activities (excluding rates)</b>			
Governance	40,716	8,687	56,822
General purpose funding	2,532,447	1,722,587	1,131,729
Law, order, public safety	85,727	78,810	84,963
Health	20,333	18,500	20,730
Education and welfare	35,996	33,038	34,125
Community amenities	704,686	737,023	726,353
Recreation and culture	543,937	616,657	577,489
Transport	204,461	221,842	239,623
Economic services	122,215	132,496	114,857
Other property and services	101,831	82,840	76,408
	<u>4,392,349</u>	<u>3,652,480</u>	<u>3,063,099</u>
<b>Expenditure from operating activities</b>			
Governance	(610,378)	(823,587)	(932,011)
General purpose funding	(299,683)	(332,192)	(902,502)
Law, order, public safety	(458,806)	(585,545)	(467,292)
Health	(241,703)	(312,220)	(270,249)
Education and welfare	(119,023)	(112,727)	(113,147)
Community amenities	(1,010,388)	(1,426,384)	(1,083,275)
Recreation and culture	(2,988,458)	(3,177,904)	(2,914,988)
Transport	(2,693,648)	(2,793,832)	(2,795,758)
Economic services	(733,551)	(955,719)	(530,192)
Other property and services	(397,372)	(88,379)	(312,538)
	<u>(9,553,010)</u>	<u>(10,608,489)</u>	<u>(10,321,952)</u>
<b>Operating activities excluded from budget</b>			
(Profit) on disposal of assets	21	0	(32,871)
Loss on disposal of assets	21	24,905	41,206
Movement in deferred pensioner rates (non-current)		(12,306)	0
Movement in employee benefit provisions (non-current)		(58,255)	0
Movement in rates paid in advance		3,518	(53,481)
Depreciation and amortisation on assets	2(a)	2,369,475	2,584,364
<b>Amount attributable to operating activities</b>		<u>(1,661,463)</u>	<u>(2,849,621)</u>
<b>INVESTING ACTIVITIES</b>			
Non-operating grants, subsidies and contributions	30	1,300,630	1,588,181
Proceeds from disposal of assets	21	120,455	260,900
Purchase of property, plant and equipment	7(b)	(339,389)	(1,231,818)
Purchase and construction of infrastructure	8(b)	(2,546,866)	(3,356,857)
<b>Amount attributable to investing activities</b>		<u>(1,465,170)</u>	<u>(1,479,892)</u>
<b>FINANCING ACTIVITIES</b>			
Repayment of debentures	22(a)	(205,200)	(208,700)
Proceeds from new debentures	22(a)	0	380,000
Proceeds from self supporting loans		0	0
Transfers to reserves (restricted assets)	12	(240,638)	(547,570)
Transfers from reserves (restricted assets)	12	101,028	594,141
<b>Amount attributable to financing activities</b>		<u>(344,810)</u>	<u>217,871</u>
<b>Surplus(deficiency) before general rates</b>		<u>(3,471,444)</u>	<u>(3,955,053)</u>
<b>Total amount raised from general rates</b>	23	<u>5,446,956</u>	<u>5,440,310</u>
<b>Net current assets at June 30 c/fwd - surplus/(deficit)</b>	24	<u><u>1,975,513</u></u>	<u><u>0</u></u>

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 30TH JUNE 2017**

**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 20 to these financial statements.

**(a) Goods and Services Tax (GST)**

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

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

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

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

**(b) Cash and Cash Equivalents**

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

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



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

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

**(c) Trade and Other Receivables**

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

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

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

**(d) Inventories**

***General***

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

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

***Land held for sale***

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

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

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

**(e) Fixed Assets**

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

***Mandatory requirement to revalue non-current assets***

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

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

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

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

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

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

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

**(e) Fixed Assets (Continued)**

***Land under control***

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

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

***Initial recognition and measurement between mandatory revaluation dates***

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

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

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

***Revaluation***

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

***Land under roads***

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

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

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

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

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

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

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

**(e) Fixed Assets (Continued)**

***Depreciation***

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

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

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

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

Buildings	30 - 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

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.

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

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

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

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

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

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

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

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

***Fair value hierarchy***

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

**Level 1**

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

**Level 2**

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

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

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

***Valuation techniques***

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

**Market approach**

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

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

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

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

**Income approach**

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

**Cost approach**

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

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

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

**(g) Financial Instruments**

***Initial recognition and measurement***

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

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

***Classification and subsequent measurement***

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

Amortised cost is calculated as:

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

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

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

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

**(g) Financial Instruments (Continued)**

***Classification and subsequent measurement (continued)***

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

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

*(ii) Loans and receivables*

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

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

*(iii) Held-to-maturity investments*

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

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

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

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

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

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

*(v) Financial liabilities*

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

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

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

**(g) Financial Instruments (Continued)**

***Impairment***

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

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

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

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

***Derecognition***

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

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

**(h) Impairment of Assets**

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

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

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

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

**(i) Trade and Other Payables**

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

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

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

**(j) Employee Benefits**

**Short-term employee benefits**

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

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

**Other long-term employee benefits**

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

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

**(k) Borrowing Costs**

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

**(l) Provisions**

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

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

**(m) Leases**

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

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

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

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

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



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

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

**(n) Investment in Associates**

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

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

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

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

**(o) Interests in Joint Arrangements**

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

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

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

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

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

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

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

**(q) Superannuation**

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

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

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

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

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

**(s) Rounding Off Figures**

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

**(t) Comparative Figures**

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

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

**(u) Budget Comparative Figures**

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

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

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

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

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

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

	<b>Title</b>	<b>Issued / Compiled</b>	<b>Applicable <sup>(1)</sup></b>	<b>Impact</b>
(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.

Notes:

<sup>(1)</sup> 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 30TH JUNE 2017**

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

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

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

Notes:

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

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

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

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

- (i) AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities

[AASB 10, 124 & 1049]

The objective of this Standard was to extend the scope of AASB 124 *Related Party Disclosures* to include not-for-profit sector entities.

The Standard has had a significant disclosure impact on the financial report of the Shire as both Elected Members and Senior Management are deemed to be Key Management Personnel and resultant disclosures in accordance to AASB 124 have been necessary.

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

<b>2. REVENUE AND EXPENSES</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Net Result</b>		
The Net result includes:		
(i) Charging as an expense:		
<b>Auditors remuneration</b>		
Audit of the Annual Financial Report	22,058	17,000
Acquittal Audits	1,250	1,200
<b>Depreciation</b>		
Buildings - non-specialised	668,766	665,472
Furniture and equipment	64,633	69,997
Plant and equipment	219,256	329,915
Infrastructure - Roads	1,009,413	995,568
Infrastructure - Drainage	7,475	7,628
Infrastructure - Parks/Reserves	0	23,260
Infrastructure - Bridges	139,527	138,583
Infrastructure - Footpaths	45,927	44,776
Infrastructure - Other Structures	214,478	210,297
	<u>2,369,475</u>	<u>2,485,496</u>
<b>Interest expenses (finance costs)</b>		
Debentures (refer Note 22 (a))	132,851	139,583
	<u>132,851</u>	<u>139,583</u>
<b>Rental charges</b>		
- Operating leases	1,464	0
	<u>1,464</u>	<u>0</u>
(ii) Crediting as revenue:		
<b>Significant revenue</b>		
General Purpose Funding	769,489	0
	<u>769,489</u>	<u>0</u>
<b>Other revenue</b>		
Other	98,997	74,329
	<u>98,997</u>	<u>74,329</u>

The 2017 significant revenue relates to the early payment of Financial Assistance Grants received 30 June 2017 comprising of general purpose funding of \$440,407 and road funding of \$329,082.

	<b>2017</b>	<b>2017</b>	<b>2016</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Interest earnings</b>			
- Reserve funds	45,582	40,000	43,351
- Other funds	42,872	47,558	62,464
Other interest revenue (refer note 28)	137,818	97,000	109,428
	<u>226,272</u>	<u>184,558</u>	<u>215,243</u>

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

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

**(b) Statement of Objective**

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

**COMMUNITY ASPIRATIONS: THE FIVE THEMES**

**THE PLACE TO LIVE:**

To be a place which is attractive and accessible for the young and elderly and attracts people in the middle age groups to work and settle in the Shire. The York community aspires to a balanced population structure in the long term.

**A LEADER IN CULTURAL HERITAGE AND ENVIRONMENT:**

To be a place which is renowned for its cultural heritage and the quality of its natural environment, and for the care taken by the community of both.

**DRIVING THE YORK ECONOMY FORWARD**

To have a vibrant, diverse and prosperous local economy which is sustainable in the long term, makes sustainable use of its natural and built heritage and community assets and delivers benefit in the form of local jobs, business opportunities and a positive image for the Shire.

**BUILT FOR RESILIENCE:**

To have secured an infrastructure base (e.g. buildings, roads, footpaths, parks, communications, water and energy ...) which is affordable, is managed at a level of risk accepted by the community, supports a sustainable environment, increases rural and town resilience, and is responsive to community needs.

**STRONG LEADERSHIP AND GOVERNANCE:**

To be a community where there is effective and responsive leadership and governance, a sense of collective purpose and shared direction and a willingness and desire to work together for that future.

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

**GOVERNANCE**

**Activities:**

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

**GENERAL PURPOSE FUNDING**

**Activities:**

Rates, general purpose government grants and interest revenue.

**LAW, ORDER, PUBLIC SAFETY**

**Activities:**

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**

**Activities:**

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

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

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

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

**EDUCATION AND WELFARE**

**Activities:**

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**

**Activities:**

Maintenance of staff and rental housing.

**COMMUNITY AMENITIES**

**Activities:**

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**

**Activities:**

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

**TRANSPORT**

**Activities:**

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

**ECONOMIC SERVICES**

**Activities:**

Area promotion, support to tourism, building control, the community bus, and standpipes.

**OTHER PROPERTY AND SERVICES**

**Activities:**

Private works carried out by Council, public works overhead allocations, plant operation cost allocations

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

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

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

Grant/Contribution	Opening Balance <sup>(1)</sup> 1/07/15 \$	Received <sup>(2)</sup> 2015/16 \$	Expended <sup>(3)</sup> 2015/16 \$	Closing Balance <sup>(1)</sup> 30/06/16 \$	Received <sup>(2)</sup> 2016/17 \$	Expended <sup>(3)</sup> 2016/17 \$	Closing Balance 30/06/17 \$
<b>Governance</b>							
Connecting Local Governments Funding	60,229	0	0	60,229	0	(60,229)	0
Workforce Plan Funding	18,186	0	0	18,186	0	(18,186)	0
Business Case Grant Funds	13,118	0	0	13,118	0	(13,118)	0
Department of Local Government and Cor	0	10,000	0	10,000	0		10,000
<b>Law, order, public safety</b>							
Regional Cat Pound	1,626	0	(1,626)	0	0	0	0
Cat Sterilisation Program	13,350	0	(9,965)	3,385	0	(3,385)	0
<b>Community amenities</b>							
ANZAC Centenary Grant (Krupp Gun Hou:	27,273	0	0	27,273	0	(27,273)	0
ANZAC Centenary Grant - Walk With Us	31,287	0	0	31,287	0	(12,734)	18,553
CANWA - Remembering Them - Walk Wit	0	0	0	0	13,360	(8,035)	5,325
<b>Recreation and culture</b>							
Town Hall Upgrades	0	0	0	0	103,170	0	103,170
<b>Transport</b>							
Talbot West Bridge	45,319	0	(45,319)	0	0		0
Stronger Communities	0	11,785	0	11,785	0	(11,785)	0
Creating Age Friendly Communities	0	40,000	0	40,000	0	(40,000)	0
<b>Economic services</b>							
Regional Visitor Centre Sustainability Grar	0	16,250	0	16,250	0	(12,554)	3,696
DLGC - Nature Play Festival	0	0	0	0	5,000	0	5,000
<b>Total</b>	<b>210,388</b>	<b>78,035</b>	<b>(56,910)</b>	<b>231,513</b>	<b>121,530</b>	<b>(207,299)</b>	<b>145,744</b>

**Notes:**

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

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

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



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

	Note	2017 \$	2016 \$
<b>3. CASH AND CASH EQUIVALENTS</b>			
Unrestricted		789,038	820,929
Restricted		2,252,897	2,199,055
		<u>3,041,935</u>	<u>3,019,984</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Leave Reserve	12	450,029	522,840
Plant Reserve	12	526,818	516,751
Town Planning Reserve	12	6,971	6,838
Avon River Mtce Reserve	12	14,307	14,034
Industrial Land Reserve	12	124,285	121,910
Refuse Site Develop Reserve	12	178,586	175,173
Centennial Gardens Reserve	12	135,874	133,278
Public Open Space Cont Reserve	12	422	414
Community Bus	12	81,636	80,076
Pioneer Memorial Lodge Reserve	12	97,147	95,291
Residency Museum Reserve	12	5,892	5,779
Carparking Reserve	12	17,271	16,941
Building Reserve	12	51,089	1,068
Disaster Reserve	12	32,562	31,939
Archives Reserve	12	6,597	6,471
Water Supply Reserve	12	6,778	6,778
Tied Grant Funds Reserve	12	124,008	48,652
Cemetery Reserve	12	4,896	4,802
R.S.L. Memorial Reserve	12	12,715	12,472
Greenhills Townsite Development Reserve	12	29,217	28,659
Roads Reserve	12	89,378	28,816
Land & Infrastructure Reserve	12	93,403	91,618
Forrest Oval Lights	12	3,634	3,565
Bowls Synthetic Surface Reserve	12	11,915	11,687
Tennis Synthetic Surface Reserve	12	1,723	1,690
Unspent grants	2(c)	145,744	231,513
		<u>2,252,897</u>	<u>2,199,055</u>

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

	2017	2016
	\$	\$
<b>4. TRADE AND OTHER RECEIVABLES</b>		
<b>Current</b>		
Rates outstanding	1,013,067	698,463
Sundry debtors	549,021	368,707
Less provision for doubtful debts	(352,043)	(342,814)
Accrued income	268,946	6,492
Prepayments	32,219	0
LSL owed by other Local Governments	42,455	32,402
ESL Debtors	45,992	22,295
Pensioner rebates	2,006	6,184
	<u>1,601,663</u>	<u>791,729</u>
<b>Non-current</b>		
Rates outstanding - pensioners	<u>81,387</u>	<u>69,080</u>
	<u>81,387</u>	<u>69,080</u>

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

<b>Rates outstanding</b>	<u>1,013,067</u>	<u>698,463</u>
Includes:		
Past due and not impaired	913,024	607,649
Impaired	<u>100,043</u>	<u>90,814</u>
<b>Sundry debtors</b>	<u>549,021</u>	<u>368,707</u>
Includes:		
Past due and not impaired	297,021	116,707
Impaired	<u>252,000</u>	<u>252,000</u>

**5. INVENTORIES**

<b>Current</b>		
Stock on hand - Works and Services	10,555	5,550
Stock on hand - Concrete Pipes	0	50,000
Stock on hand - York Recreation and Convention Centre	26,304	31,900
	<u>36,859</u>	<u>87,450</u>

The Shire of York purchased concrete pipes in 2009 which were later recognised as stock on hand in 2014/15. The value of \$50,000 was calculated based age and condition at the time. Considering any near future sale or financial benefit seems unlikely, the decision has been made to write them back to zero.

**6. FINANCIAL ASSETS**

Investment in LG House Trust	<u>0</u>	<u>63,263</u>
	<u>0</u>	<u>63,263</u>

The Shire of York has a shareholding of four units in the Local Government House Trust, the value of which was recognised in 2015/16. The value of \$63,263 was calculated based on the Trusts 30 June 2015 audited financial statements. Nevertheless, there is unlikely to be any future benefits accruing to the Council from this Trust and the decision has been made to write it back to zero.

Additional details on Financial Assets is provided in Note 14.

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

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>7 (a). PROPERTY, PLANT AND EQUIPMENT</b>		
Land and buildings		
- Independent valuation 2015 - level 2	4,670,450	4,670,450
- Additions after valuation - cost	<u>265,000</u>	<u>265,000</u>
	4,935,450	4,935,450
Land - vested in and under the control of Council at:		
- Independent valuation 2015 - level 2	<u>50,000</u>	<u>50,000</u>
	50,000	50,000
	<u>4,985,450</u>	<u>4,985,450</u>
Buildings - non-specialised at:		
- Independent valuation 2015 - level 3	28,544,498	28,440,100
- Additions after valuation - cost	589,881	440,680
Buildings - non-specialised - Less: accumulated depreciation	<u>(1,336,806)</u>	<u>(665,472)</u>
	27,797,573	28,215,308
	<u>27,797,573</u>	<u>28,215,308</u>
Total land and buildings	<u>32,783,023</u>	<u>33,200,758</u>
Furniture and equipment at:		
- Management valuation 2017 - level 3	844,098	0
- Management valuation 2014 - level 3	0	938,057
Furniture and equipment - Less: accumulated depreciation	<u>(511,123)</u>	<u>(638,730)</u>
	332,975	299,327
Plant and equipment at:		
- Independent valuation 2016 - level 2	3,126,560	3,271,919
- Management valuation 2016 - level 3	473,854	473,854
- Additions after valuation - cost	165,449	0
Plant and equipment - Less: accumulated depreciation	<u>(1,315,718)</u>	<u>(1,096,462)</u>
	2,450,145	2,649,311
	<u>35,566,143</u>	<u>36,149,396</u>

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

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

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

**(b) Movements in Carrying Amounts**

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

	Balance at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) Transferred to Revaluation \$	Revaluation (Losses)/ Reversals Through to Profit or Loss \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Transfers \$	Carrying Amount at the End of Year \$
Land - freehold land	4,935,450	0	0	0	0	0	0	0	4,935,450
Land - vested in and under the control of Council	50,000	0	0	0	0	0	0	0	50,000
<b>Total land</b>	<b>4,985,450</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,985,450</b>
Buildings - non-specialised	28,215,308	137,416	0	0	0	0	(668,766)	113,615	27,797,573
<b>Total buildings</b>	<b>28,215,308</b>	<b>137,416</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(668,766)</b>	<b>113,615</b>	<b>27,797,573</b>
<b>Total land and buildings</b>	<b>33,200,758</b>	<b>137,416</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(668,766)</b>	<b>113,615</b>	<b>32,783,023</b>
Furniture and equipment	299,327	36,524	0	61,757	0	0	(64,633)	0	332,975
Plant and equipment	2,649,311	165,449	(145,359)	0	0	0	(219,256)	0	2,450,145
<b>Total property, plant and equipment</b>	<b>36,149,396</b>	<b>339,389</b>	<b>(145,359)</b>	<b>61,757</b>	<b>0</b>	<b>0</b>	<b>(952,655)</b>	<b>113,615</b>	<b>35,566,143</b>

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

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

**(c) Fair Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of valuation</b>	<b>Date of last Valuation</b>	<b>Inputs used</b>
<b>Land and buildings</b>					
Land - freehold land	2	Market approach using recent observable market data for similar assets	Independent	June 2015	Type of properties, whether market or non-market type or combination of both
Land - vested in and under the control of Council	3	Cost approach using depreciated replacement cost	Independent	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Buildings - non-specialised	3	Cost approach using depreciated replacement cost	Independent	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Buildings - specialised	3	Cost approach using depreciated replacement cost	Independent	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Furniture and equipment</b>	3	Cost approach using depreciated replacement cost	Management	June 2017	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Plant and equipment</b>					
- Independant valuation 2016	2	Market approach using recent observable market data for similar assets	Independent	June 2016	Market price based on make, size, year of manufacture and condition
- Management valuation 2016	3	Cost approach using depreciated replacement cost	Management	June 2016	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

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

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

	2017	2016
	\$	\$
<b>8 (a). INFRASTRUCTURE</b>		
Infrastructure - Roads		
- Management valuation 2017 - level 3	99,021,096	0
- Independant valuation 2014 - level 3	0	97,895,797
- Additions after valuation - cost	0	3,050,556
Infrastructure - Roads - Less: accumulated depreciation	<u>(30,734,415)</u>	<u>(18,232,516)</u>
	68,286,681	82,713,837
Infrastructure - Drainage		
- Management valuation 2017 - level 3	43,992,682	0
- Management valuation 2014 - level 3	0	617,989
Infrastructure - Drainage - Less: accumulated depreciation	<u>(19,056,276)</u>	<u>(112,453)</u>
	24,936,406	505,536
Infrastructure - Parks/Reserves		
- Management valuation 2014 - level 3	0	825,988
Infrastructure - Parks/Reserves - Less: accumulated depreciation	<u>0</u>	<u>(588,563)</u>
	0	237,425
Infrastructure - Bridges		
- Independant valuation 2015 - level 3	11,069,000	11,069,000
- Additions after valuation - cost	90,072	90,072
Infrastructure - Bridges - Less: accumulated depreciation	<u>(278,110)</u>	<u>(138,583)</u>
	10,880,962	11,020,489
Infrastructure - Footpaths		
- Management valuation 2017 - level 3	1,552,434	0
- Independent valuation 2014 - level 3	0	2,027,982
- Additions after valuation - cost	0	66,062
Infrastructure - Footpaths - Less: accumulated depreciation	<u>(183,244)</u>	<u>(877,188)</u>
	1,369,190	1,216,856
Infrastructure - Other Structures		
- Management valuation 2017 - level 3	3,289,453	0
- Management valuation 2014 - level 3	0	2,980,313
- Additions after valuation - cost	0	240,493
Infrastructure -Other Structures - Less: accumulated depreciation	<u>(807,358)</u>	<u>(951,736)</u>
	2,482,095	2,269,070
	<u>107,955,334</u>	<u>97,963,213</u>

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

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

**8. INFRASTRUCTURE (Continued)**

**(b) Movements in Carrying Amounts**

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

	Balance as at the Beginning of the Year	Additions	(Disposals)	Revaluation Increments/ (Decrements) Transferred to Revaluation	Revaluation (Loss)/ Reversal Transferred to Profit or Loss	Impairment (Losses)/ Reversals	Depreciation (Expense)	Transfers	Carrying Amount at the End of the Year
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Infrastructure - Roads	82,713,837	2,256,029	0	(15,673,771)	0	0	(1,009,413)	0	68,286,681
Infrastructure - Drainage	505,536	25,991	0	24,421,571	0	0	(7,475)	(9,217)	24,936,406
Infrastructure - Parks/Reserves	237,425	0	0	(133,027)	0	0	0	(104,398)	0
Infrastructure - Bridges	11,020,489	0	0	0	0	0	(139,527)	0	10,880,962
Infrastructure - Footpaths	1,216,856	62,657	0	135,604	0	0	(45,927)	0	1,369,190
Infrastructure - Other Structures	2,269,070	202,189	0	225,314	0	0	(214,478)	0	2,482,095
<b>Total infrastructure</b>	<b><u>97,963,213</u></b>	<b><u>2,546,866</u></b>	<b><u>0</u></b>	<b><u>8,975,691</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>(1,416,820)</u></b>	<b><u>(113,615)</u></b>	<b><u>107,955,334</u></b>

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

**8. INFRASTRUCTURE (Continued)**

**(c) Fair Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of valuation</b>	<b>Date of last Valuation</b>	<b>Inputs used</b>
<b>Infrastructure - Roads</b>	3	Cost approach using depreciated replacement cost	Management valuation	June 2017	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Infrastructure - Drainage</b>	3	Cost approach using depreciated replacement cost	Management valuation	June 2017	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Infrastructure - Parks/Reserves</b>	3	Cost approach using depreciated replacement cost	Management valuation	June 2017	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Infrastructure - Bridges</b>	3	Cost approach using depreciated replacement cost	Management valuation	June 2017	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Infrastructure - Footpaths</b>	3	Cost approach using depreciated replacement cost	Management valuation	June 2017	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Infrastructure - Other Structures</b>	3	Cost approach using depreciated replacement cost	Management valuation	June 2017	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

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



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

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>9. TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Sundry creditors	185,932	443,164
Accrued interest on debentures	21,070	21,999
Accrued salaries and wages	83,764	62,560
	<u>290,766</u>	<u>527,723</u>

**10. LONG-TERM BORROWINGS**

<b>Current</b>		
Secured by floating charge		
Debentures	214,337	205,200
	<u>214,337</u>	<u>205,200</u>
<b>Non-current</b>		
Secured by floating charge		
Debentures	2,327,238	2,541,575
	<u>2,327,238</u>	<u>2,541,575</u>

Additional detail on borrowings is provided in Note 22.

**11. PROVISIONS**

	<b>Provision for Annual/Sick Leave</b>	<b>Provision for Long Service Leave</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Opening balance at 1 July 2016</b>			
Current provisions	413,278	288,118	701,396
Non-current provisions	0	38,117	38,117
	<u>413,278</u>	<u>326,235</u>	<u>739,513</u>
Additional provision	49,508	(29,256)	20,253
<b>Balance at 30 June 2017</b>	<u>462,786</u>	<u>296,979</u>	<u>759,766</u>
<b>Comprises</b>			
Current	462,786	244,306	707,093
Non-current	0	52,673	52,673
	<u>462,786</u>	<u>296,979</u>	<u>759,766</u>

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

**12. RESERVES - CASH BACKED**

	Actual 2017 Opening Balance \$	Actual 2017 Transfer to \$	Actual 2017 Transfer (from) \$	Actual 2017 Closing Balance \$	Budget 2017 Opening Balance \$	Budget 2017 Transfer to \$	Budget 2017 Transfer (from) \$	Budget 2017 Closing Balance \$	Actual 2016 Opening Balance \$	Actual 2016 Transfer to \$	Actual 2016 Transfer (from) \$	Actual 2016 Closing Balance \$
Leave Reserve	522,840	28,217	(101,028)	450,029	522,840	35,065	(112,730)	445,175	510,949	11,891	0	522,840
Plant Reserve	516,751	10,067	0	526,818	516,751	311,293	(280,000)	548,044	387,381	314,542	(185,172)	516,751
Town Planning Reserve	6,838	133	0	6,971	6,838	0	0	6,838	6,682	156	0	6,838
Avon River Mtce Reserve	14,034	273	0	14,307	14,034	0	0	14,034	13,715	319	0	14,034
Industrial Land Reserve	121,910	2,375	0	124,285	121,910	3,383	0	125,293	119,137	2,773	0	121,910
Refuse Site Develop Reserve	175,173	3,413	0	178,586	175,173	4,862	0	180,035	171,189	3,984	0	175,173
Centennial Gardens Reserve	133,278	2,596	0	135,874	133,278	2,980	(7,020)	129,238	122,988	10,290	0	133,278
Public Open Space Cont Reserve	414	8	0	422	414	0	0	414	405	9	0	414
Community Bus	80,076	1,560	0	81,636	80,076	5,421	(70,000)	15,497	73,703	6,373	0	80,076
Pioneer Memorial Lodge Reserve	95,291	1,856	0	97,147	95,291	2,047	(43,614)	53,724	103,293	2,404	(10,406)	95,291
Residency Museum Reserve	5,779	113	0	5,892	5,779	0	0	5,779	5,648	131	0	5,779
Carparking Reserve	16,941	330	0	17,271	16,941	470	0	17,411	16,556	385	0	16,941
Building Reserve	1,068	50,021	0	51,089	1,068	50,096	0	51,164	1,044	24	0	1,068
Disaster Reserve	31,939	623	0	32,562	31,536	875	0	32,411	30,819	1,121	0	31,939
Archives Reserve	6,471	126	0	6,597	6,471	0	(6,323)	148	6,324	147	0	6,471
Water Supply Reserve	6,778	0	0	6,778	6,778	0	0	6,778	6,778	0	0	6,778
Tied Grant Funds Reserve	48,652	75,356	0	124,008	48,652	0	(47,152)	1,500	60,672	0	(12,020)	48,652
Strategic Planning	0	0	0	0	0	0	0	0	7,564	176	(7,740)	0
Cemetery Reserve	4,802	94	0	4,896	4,802	0	(4,802)	0	24,948	581	(20,727)	4,802
R.S.L. Memorial Reserve	12,472	243	0	12,715	12,472	346	0	12,818	12,188	284	0	12,472
Greenhills Townsite Development Reserve	28,659	558	0	29,217	28,659	172	(22,500)	6,331	28,007	652	0	28,659
Roads Reserve	28,816	60,561	0	89,377	28,816	120,803	0	149,619	77,024	1,792	(50,000)	28,816
Land & Infrastructure Reserve	91,618	1,785	0	93,403	91,619	2,543	0	94,162	89,535	2,084	0	91,618
Forrest Oval Lights	3,565	69	0	3,634	3,565	2,086	0	5,651	2,053	1,512	0	3,565
Bowls Synthetic Surface Reserve	11,687	228	0	11,915	11,687	4,327	0	16,014	7,606	4,081	0	11,687
Tennis Synthetic Surface Reserve	1,690	33	0	1,723	1,690	801	0	2,491	1,069	621	0	1,690
	<u>1,967,542</u>	<u>240,638</u>	<u>(101,028)</u>	<u>2,107,152</u>	<u>1,967,140</u>	<u>547,570</u>	<u>(594,141)</u>	<u>1,920,569</u>	<u>1,887,277</u>	<u>366,331</u>	<u>(286,065)</u>	<u>1,967,542</u>

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

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

**12. RESERVES - CASH BACKED**

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

<b>Name of Reserve</b>	<b>Purpose of the reserve</b>
Leave Reserve	To fund annual and long service leave requirements.
Plant Reserve	To be used to fund plant purchases or major capital repairs.
Town Planning Reserve	To develop and review the York Town Planning schemes and amendments.
Avon River Mtce Reserve	To maintain and protect the Avon River and its environs.
Industrial Land Reserve	For the continued development and expansion of an industrial subdivision within the Shire.
Refuse Site Develop Reserve	To be used for ongoing maintenance and development of Council's waste management facilities.
Centennial Gardens Reserve	To be used for further expansion and capital repairs of the existing units.
Public Open Space Cont Reserve	For the expansion and development of passive recreation areas within the Shire.
Community Bus	To finance the changeover of the Community Bus (funded by the operational surplus of the Community Bus).
Pioneer Memorial Lodge Reserve	To finance capital improvements and extensions to the seniors village (funded by the operational surplus of the Lodge).
Residency Museum Reserve	To fund capital expenditure and maintenance of the historical museum.
Carparking Reserve	To fund the management and control of parking facilities in accordance with Councils Parking Plan.
Building Reserve	For the construction and major capital improvements to all Council buildings.
Disaster Reserve	A contingency reserve to help fund recovery from any natural disaster.
Archives Reserve	To provide a secure building for the safe storage of Council's Archival Records.
Water Supply Reserve	To hold funds raised through the water supply charge until the loan repayment is due.
Tied Grant Funds Reserve	To segregate grant funds provided for specific projects until those projects are carried out.
Strategic Planning	To provide for the preparation, ongoing replacement, amendment and printing costs associated with the Strategic Plan.
Cemetery Reserve	To provide for the ongoing development of the existing York Cemetery or the development of a new site at a location to be determined.
R.S.L. Memorial Reserve	To provide for the upgrading of the RSL Memorial.
Greenhills Townsite Development Reserve	To provide funds to enhance the amenity and economic potential of the Greenhills Townsite with such funds to be expended in consultation with the Greenhills Progress Association.
Roads Reserve	To provide for future road resealing requirements.
Land & Infrastructure Reserve	For the purpose of funding the purchase of land and or buildings or the construction of buildings.
Forrest Oval Lights	To provide for the replacement and upgrading of the Oval Lights.
Bowls Synthetic Surface Reserve	To provide for the future replacement of Bowls synthetic surface.
Tennis Synthetic Surface Reserve	To provide for the future replacement of Tennis synthetic surface.

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

**13. REVALUATION SURPLUS**

	2016/17				2015/16					
	2016/17 Opening Balance	2016/17 Revaluation Increment	2016/17 Revaluation (Decrement)	2016/17 Total Movement on Revaluation	2016/17 Closing Balance	2015/16 Opening Balance	2015/16 Revaluation Increment	2015/16 Revaluation (Decrement)	2015/16 Total Movement on Revaluation	2015/16 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land	3,981,700	0	0	0	3,981,700	3,981,700	0	0	0	3,981,700
Revaluation surplus - Buildings - non-specialised	19,308,628	0	0	0	19,308,628	19,308,628	0	0	0	19,308,628
Revaluation surplus - Furniture and equipment	0	61,757	0	61,757	61,757	0	0	0	0	0
Revaluation surplus - Plant and equipment	804,963	0	0	0	804,963	0	804,963	0	804,963	804,963
Revaluation surplus - Infrastructure - Roads	67,555,432	0	(15,673,771)	(15,673,771)	51,881,661	67,555,432	0	0	0	67,555,432
Revaluation surplus - Infrastructure - Drainage	0	24,421,571	0	24,421,571	24,421,571	0	0	0	0	0
Revaluation surplus - Infrastructure - Park/Reserves	0	0	(133,027)	(133,027)	(133,027)	0	0	0	0	0
Revaluation surplus - Infrastructure - Bridges	8,886,659	0	0	0	8,886,659	8,886,659	0	0	0	8,886,659
Revaluation surplus - Infrastructure - Footpaths	727,663	135,604	0	135,604	863,267	727,663	0	0	0	727,663
Revaluation surplus - Infrastructure - Other Structures	308,319	225,314	0	225,314	533,633	308,319	0	0	0	308,319
	<u>101,573,364</u>	<u>24,844,246</u>	<u>(15,806,798)</u>	<u>9,037,448</u>	<u>110,610,812</u>	<u>100,768,401</u>	<u>804,963</u>	<u>0</u>	<u>804,963</u>	<u>101,573,364</u>

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

**14. FINANCIAL ASSET RESERVE**

	2016/17				2015/16					
	2016/17 Opening Balance	2016/17 Revaluation Increment	2016/17 Reversal of Asset	2016/17 Total Movement on Revaluation	2016/17 Closing Balance	2015/16 Opening Balance	2015/16 Revaluation Increment	2015/16 Revaluation (Decrement)	2015/16 Total Movement on Revaluation	2015/16 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	63,263	0	(63,263)	(63,263)	0	0	63,263	0	63,263	63,263
	<u>63,263</u>	<u>0</u>	<u>(63,263)</u>	<u>(63,263)</u>	<u>0</u>	<u>0</u>	<u>63,263</u>	<u>0</u>	<u>63,263</u>	<u>63,263</u>

The Shire of York has a shareholding of four units in the Local Government House Trust, the value of which was recognised in 2015/16. The value of \$63,263 was calculated based on the Trusts 30 June 2015 audited financial statements. Nevertheless, there is unlikely to be any future benefits accruing to the Council from this Trust and the decision has been made to write it back to zero.

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

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

**(a) Reconciliation of Cash**

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

	<b>2017</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
		<b>\$</b>	
Cash and cash equivalents	<u>3,041,935</u>	<u>2,464,873</u>	<u>3,019,984</u>

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

Net result	1,586,925	72,482	(827,257)
Non-cash flows in Net result:			
Depreciation	2,369,475	2,584,364	2,485,496
(Profit)/Loss on sale of asset	24,905	31,250	8,335
Changes in assets and liabilities:			
(Increase)/Decrease in receivables	(822,241)	744,051	1,136,495
(Increase)/Decrease in inventories	50,592	5,226	5,157
Increase/(Decrease) in payables	(236,957)	168,216	85,510
Increase/(Decrease) in provisions	20,252	7,056	56,137
Grants contributions for the development of assets	<u>(1,300,630)</u>	<u>(1,383,181)</u>	<u>(1,304,682)</u>
Net cash from operating activities	<u>1,692,321</u>	<u>2,229,464</u>	<u>1,645,191</u>

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>(c) Undrawn Borrowing Facilities</b>		
<b>Credit Standby Arrangements</b>		
Bank overdraft limit	200,000	200,000
Bank overdraft at balance date	0	0
Credit card limit	10,000	10,000
Credit card balance at balance date	<u>(428)</u>	<u>(2,988)</u>
<b>Total amount of credit unused</b>	<u>209,572</u>	<u>207,012</u>
<b>Loan facilities</b>		
Loan facilities - current	214,337	205,200
Loan facilities - non-current	<u>2,327,238</u>	<u>2,541,575</u>
<b>Total facilities in use at balance date</b>	<u>2,541,575</u>	<u>2,746,775</u>
<b>Unused loan facilities at balance date</b>	<u>NIL</u>	<u>NIL</u>

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

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>

**16. CAPITAL AND LEASING COMMITMENTS**

**(a) Operating Lease Commitments**

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

**(b) Capital Expenditure Commitments**

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

**17. JOINT VENTURE ARRANGEMENTS**

A Joint Venture agreement was undertaken with the State Housing Commission on 11th May 1995 for the Centennial Units – 40 Macartney Street, York for a period of 50 years.

Homeswest in conjunction with the Shire of York provide 6 rental accommodation units for eligible senior citizens.

It is the Shire of York's responsibility to, at all times, and at its own expense:-

- keep and maintain the units in good and substantial repair order and condition and fit for occupation
- keep and maintain the landscaping of the grounds and the common areas of the units in good repair and neat and tidy
- be responsible for the upgrading of the units and all other improvements on the land

These units are included in Property, Plant & Equipment as follows:

**Non-current assets**

Land and buildings	930,000	930,000
Less: accumulated depreciation	(46,500)	(23,250)
	883,500	906,750

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

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Governance	2,950,340	2,994,361
General purpose funding	2,870,450	1,565,100
Law, order, public safety	952,108	1,021,902
Health	764,497	814,826
Education and welfare	2,291,183	2,361,351
Community amenities	611,219	554,368
Recreation and culture	25,109,080	25,540,789
Transport	105,784,683	95,123,073
Economic services	117,259	111,518
Other property and services	2,070,659	2,298,487
Unallocated	4,761,843	5,758,340
	148,283,321	138,144,115

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

	2017	2016	2015
<b>19. FINANCIAL RATIOS</b>			
Current ratio	3.19	1.87	3.36
Asset sustainability ratio	1.11	0.50	0.43
Debt service cover ratio	8.25	1.76	8.69
Operating surplus ratio	0.04	(0.29)	(0.06)
Own source revenue coverage ratio	0.77	0.70	0.70

The above ratios are calculated as follows:

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

**Notes:**

Information relating to the **asset consumption ratio** and the **asset renewal funding ratio** can be found at Supplementary Ratio Information on Page 58 of this document.

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

The early payment of the grant increased operating revenue in 2017 by \$769,489.

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

The early payment of the grant increased operating revenue in 2015 and decreased operating revenue in 2016 by \$742,355.

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

	2017	2016	2015
Current ratio	2.18	1.70	2.30
Operating surplus ratio	(0.07)	(0.20)	(0.17)
Debt service cover ratio	5.97	3.91	5.41

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

**20. TRUST FUNDS**

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

	1 July 2016	Amounts Received	Amounts Paid	30 June 2017
	\$	\$	(\$)	\$
BCITF PAYMENT	1,167	8,865	(9,169)	864
BOND CAT TRAP	85	1,044	(1,040)	89
BONDS - EXTRACTIVE INDUSTRIES	4,500	0	0	4,500
BONDS - FOOTPATH & KERB	18,000	10,100	(12,600)	15,500
BONDS - HALL ETC	5,955	5,240	(4,955)	6,240
BONDS - KEYS	2,280	400	(240)	2,440
BONDS - PARKS/COUNCIL PROPS	500	500	(500)	500
BONDS - RENTAL PROPERTY	1,435	0	0	1,435
BUILDER REGIST BOARD LEVY	1,323	10,850	(10,954)	1,219
BUILDING BONDS	5,350	0	0	5,350
CASH RECEIPTS - OTHER	10,144	2,255	(3,200)	9,198
COMMUNITY BUS BONDS	1,200	450	(300)	1,350
CROSSOVER BOND - ASTONE	6,000	0	(3,000)	3,000
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	52,823	3,576	(40,504)	15,895
GREENHILLS BUSHFIRE BRIGADE	114	0	0	114
LEEUWIN CONTRIBUTIONS	800	0	0	800
MOTO CROSS TRACK	5,159	85	0	5,244
PALMBROOK - CROSSOVERS	63,948	1,704	(1,250)	64,402
PALMBROOK - FOOTPATHS	66,971	1,717	0	68,689
PALMBROOK - INTERSECTIONS	29,101	775	0	29,876
PALMBROOK - PUBLIC OPEN SPACE	58,422	0	0	58,422
PALMBROOK - RURAL NUMBERS	1,820	0	0	1,820
PLANNING BONDS	2,900	0	0	2,900
POLICE LICENSING	0	1,460,009	(1,460,009)	0
PROPERTY SALE NON PAYMENT RATES	69,065	0	0	69,065
SETTLERS HOUSE BONDS	13,357	0	0	13,357
FUNDRAISING ACCOUNT	0	186	(695)	(509)
SUBDIVISION BONDS	51,013	0	0	51,013
SUBDIVISION BOND - BAWDEN	3,300	0	0	3,300
SUBDIVISION BOND - PREISIG	31,019	826	0	31,845
TOTAL GROUP CLEANING BOND	0	0	0	0
SPORTING PRECINCT	3,960	0	0	3,960
	<u>520,951</u>			<u>481,118</u>



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

**21. DISPOSALS OF ASSETS - 2016/17 FINANCIAL YEAR**

The following assets were disposed of during the year.

	<b>Actual Net Book Value \$</b>	<b>Actual Sale Proceeds \$</b>	<b>Actual Profit \$</b>	<b>Actual Loss \$</b>	<b>Budget Net Book Value \$</b>	<b>Budget Sale Proceeds \$</b>	<b>Budget Profit \$</b>	<b>Budget Loss \$</b>
<b>Plant and Equipment</b>								
<u>Governance</u>								
Holden Colorado	30,618	27,727	0	(2,891)	34,200	25,000	0	(9,200)
Holden Caprice	45,510	40,000	0	(5,510)	39,950	40,000	0	50
Holden Caprice	0	0	0	0	39,950	40,000	0	50
<u>Transport</u>								
Works Plant	0	0	0	0	61,800	54,900	0	(6,900)
<u>Economic services</u>								
Building Services Vehicle	0	0	0	0	5,000	5,000	0	0
Community Bus	0	0	0	0	0	10,000	10,000	0
<u>Other property and services</u>								
Holden Colorado - Works	30,618	25,455	0	(5,164)	34,200	25,000	0	(9,200)
Ford Ranger - Works	38,613	27,273	0	(11,340)	29,750	21,000	0	(8,750)
Holden Colorado - Works	0	0	0	0	32,300	25,000	0	(7,300)
Utility - Parks and Gardens	0	0	0	0	15,000	15,000	0	0
	<u>145,359</u>	<u>120,455</u>	<u>0</u>	<u>(24,905)</u>	<u>292,150</u>	<u>260,900</u>	<u>10,000</u>	<u>(41,250)</u>

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

**22. INFORMATION ON BORROWINGS**

(a) Repayments - Debentures

Particulars	Principal	New	Principal		Principal		Interest	
	1 July		Loans	Repayments	Repayments	30 June 2017	Repayments	Repayments
	2016		Actual	Budget	Actual	Budget	Actual	Budget
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Recreation and culture</b>								
Loan 65 - Archive Facility	73,756	0	11,396	11,396	62,361	62,360	3,349	3,393
Loan 62 - Forrest Oval	1,133,642	0	47,242	47,242	1,086,400	1,086,400	70,396	70,687
Loan 63 - Forrest Oval	252,664	0	18,088	18,088	234,576	234,576	13,351	12,667
Loan 64 - Forrest Oval	394,121	0	28,214	28,214	365,907	365,907	19,549	19,758
Loan 67 - Building Purchase	598,355	0	54,612	54,612	543,743	543,743	18,379	19,240
Proposed - Swimming Pool Upgrades	0	0	0	3,500	0	0	0	3,334
<b>Transport</b>								
Loan 66 - Plant Purchases	294,237	0	45,648	45,648	248,589	248,589	7,827	8,035
	<b>2,746,775</b>	<b>0</b>	<b>205,200</b>	<b>208,700</b>	<b>2,541,576</b>	<b>2,541,575</b>	<b>132,851</b>	<b>137,114</b>

Self supporting loan financed by payments from third parties.

All other loan repayments were financed by general purpose revenue.

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

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

(b) New Debentures - 2016/17

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total	Interest Rate %	Amount Used		Balance Unspent
	Actual \$	Budget \$				Interest & Charges \$		Actual \$	Budget \$	
Swimming Pool	0	380,000	WATC		20			0	380,000	0
	0	380,000						0		0

(c) Unspent Debentures

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

(d) Overdraft

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

**23. RATING INFORMATION - 2016/17 FINANCIAL YEAR**

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
<b>Differential general rate / general rate</b>											
<b>Gross rental value valuations</b>											
GRV general	0.1167	1,395	22,378,062	2,548,682	16,480	0	2,565,162	2,547,043	5,000	100	2,552,143
<b>Unimproved value valuations</b>											
UV general	0.0089	372	214,138,916	1,853,801	(646)	0	1,853,154	1,854,927	5,000	0	1,859,927
<b>Sub-Total</b>		1,767	236,516,978	4,402,483	15,834	0	4,418,316	4,401,970	10,000	100	4,412,070
<b>Minimum payment</b>											
<b>Minimum payment</b>											
<b>Gross rental value valuations</b>											
GRV general	1,080	566	1,368,798	611,280	0	0	611,280	612,360	0	0	612,360
<b>Unimproved value valuations</b>											
UV general	1,480	282	27,187,755	417,360	0	0	417,360	415,880	0	0	415,880
											0
											0
<b>Sub-Total</b>		848	28,556,553	1,028,640	0	0	1,028,640	1,028,240	0	0	1,028,240
		<b>2,615</b>	<b>265,073,531</b>	<b>5,431,123</b>	<b>15,834</b>	<b>0</b>	<b>5,446,956</b>	<b>5,430,210</b>	<b>10,000</b>	<b>100</b>	<b>5,440,310</b>
<b>Total amount raised from general rate</b>							<b>5,446,956</b>				<b>5,440,310</b>
Movement in rates paid in advance							(3,518)				0
Ex-gratia rates							12,935				0
<b>Totals</b>							<b>5,456,373</b>				<b>5,440,310</b>

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

**24. NET CURRENT ASSETS**

Composition of net current assets

	2017	2017	2016
	(30 June 2017 Carried Forward) \$	(1 July 2016 Brought Forward) \$	(30 June 2016 Carried Forward) \$
<b>Surplus/(Deficit) 1 July 16 brought forward</b>	<u>1,975,513</u>	<u>1,171,861</u>	<u>1,171,861</u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents			
Unrestricted	789,038	820,929	820,929
Restricted	2,252,897	2,199,055	2,199,055
Receivables			
Rates outstanding	1,013,067	698,463	698,463
Sundry debtors	549,021	368,707	368,707
Less provision for doubtful debts	(352,043)	(342,814)	(342,814)
Accrued income	268,946	6,492	6,492
Prepayments	32,219	0	0
LSL owed by other Local Governments	42,455	32,402	32,402
ESL Debtors	45,992	22,295	22,295
Pensioner rebates	2,006	6,184	6,184
Inventories			
Stock on hand - Works and Services	10,555	5,550	5,550
Stock on hand - Concrete Pipes	0	50,000	50,000
Stock on hand - York Recreation and Convention Cen	26,304	31,900	31,900
<b>LESS: CURRENT LIABILITIES</b>			
Trade and other payables			
Sundry creditors	(185,932)	(443,164)	(443,164)
Accrued interest on debentures	(21,070)	(21,999)	(21,999)
Accrued salaries and wages	(83,764)	(62,560)	(62,560)
Current portion of long term borrowings			
Secured by floating charge	(214,337)	(205,200)	(205,200)
Provisions			
Provision for annual leave	(400,144)	(338,908)	(338,908)
Provision for sick leave	(62,642)	(74,370)	(74,370)
Provision for long service leave	(244,306)	(288,118)	(288,118)
<b>Unadjusted net current assets</b>	<u><b>3,468,261</b></u>	<u><b>2,464,844</b></u>	<u><b>2,464,844</b></u>
<b>Adjustments</b>			
Less: Reserves - restricted cash	(2,107,152)	(1,967,542)	(1,967,542)
Less: Rates Received in Advance	(49,962)	(53,481)	(53,481)
Add: Secured by floating charge	214,337	205,200	205,200
Add: Leave Reserve	450,029	522,840	522,840
<b>Adjusted net current assets - surplus/(deficit)</b>	<u><b>1,975,513</b></u>	<u><b>1,171,861</b></u>	<u><b>1,171,861</b></u>

**Difference**

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

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

**25. SPECIFIED AREA RATE - 2016/17 FINANCIAL YEAR**

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

**26. SERVICE CHARGES - 2016/17 FINANCIAL YEAR**

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

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

**Rates Discounts**

The Council did not offer a discount on rates for the year ending 30 June 2017.

**Waivers or Concessions**

<b>Rate or Fee and Charge to which the Waiver or Concession is Granted</b>	<b>Circumstances in which the Waiver or Concession is Granted and to whom it was available</b>	<b>Objects of the Waiver or Concession</b>	<b>Reasons for the Waiver or Concession</b>
Hall Hire	Community Groups	Support Community Groups	Council considers the support of these groups necessary for the overall benefit of the community.

**28. INTEREST CHARGES AND INSTALMENTS - 2016/17 FINANCIAL YEAR**

	<b>Date Due</b>	<b>Instalment Plan Admin Charge \$</b>	<b>Instalment Plan Interest Rate %</b>	<b>Unpaid Rates Interest Rate %</b>
<b>Instalment Options</b>				
<b>Option One</b>				
Single full payment	13/09/2016	0		11.00%
<b>Option Three</b>				
First Instalment	13/09/2016	0	5.50%	11.00%
Second Instalment	15/11/2016	10	5.50%	11.00%
Third Instalment	17/01/2017	10	5.50%	11.00%
Fourth Instalment	21/03/2017	10	5.50%	11.00%
			<b>Revenue \$</b>	<b>Budgeted Revenue \$</b>
Interest on unpaid rates			115,283	75,000
Interest on instalment plan			22,535	22,000
Charges on instalment plan			19,430	19,500
			<b>157,248</b>	<b>116,500</b>

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

<b>29. FEES &amp; CHARGES</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Governance	294	43,429
General purpose funding	37,683	1,334
Law, order, public safety	25,299	36,422
Health	20,333	20,729
Education and welfare	32,958	31,390
Community amenities	692,998	698,828
Recreation and culture	478,698	535,659
Transport	440	945
Economic services	76,178	89,674
Other property and services	38,757	46,889
	<u>1,403,638</u>	<u>1,505,299</u>

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

**30. GRANT REVENUE**

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

<b>By Nature or Type:</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Operating grants, subsidies and contributions</b>		
Governance	40,422	51,564
General purpose funding	2,259,076	873,057
Law, order, public safety	54,719	44,542
Education and welfare	3,037	2,733
Community amenities	11,688	27,014
Recreation and culture	59,940	41,649
Transport	140,365	140,898
Economic services	21,704	24,380
Other property and services	63,075	51,614
	<u>2,654,026</u>	<u>1,257,451</u>
<b>Non-operating grants, subsidies and contributions</b>		
Recreation and culture	103,170	51,786
Transport	1,197,460	1,252,896
	<u>1,300,630</u>	<u>1,304,682</u>

**31. EMPLOYEE NUMBERS**

The number of full-time equivalent employees at balance date

41	42
----	----

**32. ELECTED MEMBERS REMUNERATION**

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

	<b>2017</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
Meeting Fees	101,346	101,346	82,774
President's allowance	16,749	16,749	14,958
Deputy President's allowance	4,187	4,187	3,683
Travelling expenses	336	1,500	0
Telecommunications allowance	24,787	24,500	20,350
	<u>147,405</u>	<u>148,282</u>	<u>121,765</u>

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

**33. RELATED PARTY TRANSACTIONS**

**Key Management Personnel (KMP) Compensation Disclosure**

	<b>2017</b> <b>\$</b>
The total of remuneration paid to KMP of the Shire during the year are as follows:	
Short-term employee benefits	891,393
Post-employment benefits	87,395
Other long-term benefits	94,240
	1,073,028

**Short-term employee benefits**

These amounts include all salary, paid leave, fringe benefits and cash bonuses awarded to KMP except for details in respect to fees and benefits paid to elected members which may be found at Note 32.

**Post-employment benefits**

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

**Other long-term benefits**

These amounts represent long service benefits accruing during the year.

**Related Parties**

**The Shire's main related parties are as follows:**

*i. Key management personnel*

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

*ii. Entities subject to significant influence by the Shire*

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

*iii. Joint venture entities accounted for under the equity method*

The Shire has a share in 6 accommodation units for eligible persons. The interest in the joint venture entity is accounted for in these financial statements using the equity method of accounting. For details of interests held in joint venture entities, refer to Note 17.



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

**33. RELATED PARTY TRANSACTIONS (Continued)**

**Transactions with related parties**

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

The following transactions occurred with related parties:

	<b>2017</b>
	<b>\$</b>
<b>Associated companies/individuals:</b>	0
<b>Joint venture entities:</b>	0
<b>Amounts outstanding from related parties:</b>	0
<b>Amounts payable to related parties:</b>	0

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

**34. MAJOR LAND TRANSACTIONS**

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

**35. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

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

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

**36. FINANCIAL RISK MANAGEMENT**

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

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

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

*The Shire held the following financial instruments at balance date:*

	Carrying Value		Fair Value	
	2017 \$	2016 \$	2017 \$	2016 \$
<b>Financial assets</b>				
Cash and cash equivalents	3,041,935	3,019,984	3,041,935	3,019,984
Receivables	1,683,049	860,810	1,683,049	860,810
	<u>4,724,984</u>	<u>3,880,794</u>	<u>4,724,984</u>	<u>3,880,794</u>
<b>Financial liabilities</b>				
Payables	290,766	527,723	290,766	527,723
Borrowings	2,541,575	2,746,775	2,859,112	3,177,078
	<u>2,832,341</u>	<u>3,274,498</u>	<u>3,149,878</u>	<u>3,704,801</u>

Fair value is determined as follows:

- Cash and cash equivalents, receivables, payables - estimated to the carrying value which approximates net market value.
- Borrowings, held to maturity investments, estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.
- Financial assets at fair value through profit and loss, available for sale financial assets - based on quoted market prices at the reporting date or independent valuation.

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

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

**(a) Cash and Cash Equivalents**

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

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

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

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

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

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Impact of a 1% <sup>(1)</sup> movement in interest rates on cash		
- Equity	30,419	30,200
- Statement of Comprehensive Income	30,419	30,200

*Notes:*

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

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

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

**(b) Receivables**

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

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

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

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

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

	<b>2017</b>	<b>2016</b>
Percentage of rates and annual charges		
- Current	56%	55%
- Overdue	44%	45%
Percentage of other receivables		
- Current	44%	15%
- Overdue	56%	85%

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

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

**(c) Payables**

**Borrowings**

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

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

	<b>Due within 1 year \$</b>	<b>Due between 1 &amp; 5 years \$</b>	<b>Due after 5 years \$</b>	<b>Total contractual cash flows \$</b>	<b>Carrying values \$</b>
<b><u>2017</u></b>					
Payables	290,766	0	0	290,766	290,766
Borrowings	<u>214,337</u>	<u>1,152,230</u>	<u>1,175,008</u>	<u>2,541,575</u>	<u>2,541,575</u>
	<u>505,103</u>	<u>1,152,230</u>	<u>1,175,008</u>	<u>2,832,341</u>	<u>2,832,341</u>
<b><u>2016</u></b>					
Payables	527,723	0	0	527,723	527,723
Borrowings	<u>205,200</u>	<u>1,168,660</u>	<u>1,372,915</u>	<u>2,746,775</u>	<u>2,746,775</u>
	<u>732,923</u>	<u>1,168,660</u>	<u>1,372,915</u>	<u>3,274,498</u>	<u>3,274,498</u>

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

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

**(c) Payables**  
**Borrowings (continued)**

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

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

	<b>&lt;1 year</b>	<b>&gt;1&lt;2 years</b>	<b>&gt;2&lt;3 years</b>	<b>&gt;3&lt;4 years</b>	<b>&gt;4&lt;5 years</b>	<b>&gt;5 years</b>	<b>Total</b>	<b>Weighted Average Effective Interest Rate</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>%</b>
<b><u>Year ended 30 June 2017</u></b>								
<b>Borrowings</b>								
<b>Fixed rate</b>								
Debentures	0	0	0	0	310,948	2,230,626	2,541,574	4.03%
Weighted average								
Effective interest rate					3.25%	5.26%		
<b><u>Year ended 30 June 2016</u></b>								
<b>Borrowings</b>								
<b>Fixed rate</b>								
Debentures	0	0	0	0	0	2,746,775	2,746,775	4.96%
Weighted average								
Effective interest rate						4.96%		

**INDEPENDENT AUDITOR'S REPORT  
TO THE ELECTORS OF THE SHIRE OF YORK*****Other Information***

Those charged with governance are responsible for the other information. The other information comprises the information included in the Shire's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

***Responsibilities of Management and Those Charged with Governance for the Financial Report***

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

In preparing the financial report, management is responsible for assessing the Shire's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Shire or to cease operations, or has no realistic alternative but to do so.

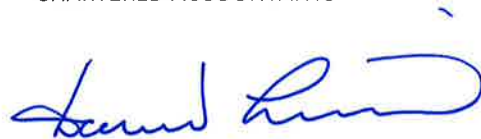
Those charged with governance are responsible for overseeing the Shire's financial reporting process.

***Auditor's Responsibilities for the Audit of the Financial Report***

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

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

MOORE STEPHENS  
CHARTERED ACCOUNTANTS



DAVID TOMASI  
PARTNER

Date: 27<sup>th</sup> November 2017  
Perth, WA

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

PO Box 5785, St Georges Terrace, WA 6831

T +61 (0)8 9225 5355

F +61 (0)8 9225 6181

[www.moorestephenswa.com.au](http://www.moorestephenswa.com.au)

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

### Opinion

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

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

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

### Basis for Opinion

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

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

During the course of the audit we became aware of the following instance where the City did not comply with the Local Government (Financial Management) Regulations 1996 (as amended):

### Annual Financial report

The annual financial report for the year ended 30 June 2016 was not submitted to the Department of Local Government within 30 days of receiving the auditor's report as required by Local Government (Financial Management) Regulation 51(2).

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

- a) There are no matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- b) Except as noted above, no other matters indicating non-compliance with Part 6 of the *Local Government Act 1995 (as amended)*, the *Local Government (Financial Management) Regulations 1996 (as amended)* or applicable financial controls of any other written law were noted during the course of our audit.
- c) In relation to the Supplementary Ratio Information presented at page 57 of this report, we have reviewed the calculations as presented and nothing has come to our attention to suggest it is not supported by:
  - i. verifiable information; and
  - ii. reasonable assumptions.
- d) All necessary information and explanations were obtained by us.
- e) All audit procedures were satisfactorily completed in conducting our audit.



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

**RATIO INFORMATION**

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

	<b>2017</b>	<b>2016</b>	<b>2015</b>
Asset consumption ratio	0.73	0.85	0.86
Asset renewal funding ratio	0.97	0.48	0.75

The above ratios are calculated as follows:

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



**Shire of York**

PO Box 22, York WA 6302

Phone: (08) 9641 2233 / Fax: (08) 9641 2202

Email: [records@york.wa.gov.au](mailto:records@york.wa.gov.au)

Website: [www.york.wa.gov.au](http://www.york.wa.gov.au)

