SHIRE OF COOLGARDIE

M I N U T E S

FOR THE

SPECIAL MEETING OF COUNCIL

10 March 2015

5.30pm

COOLGARDIE

SHIRE OF COOLGARDIE

NOTICE OF SPECIAL MEETING OF COUNCIL

Dear Elected Member

A Special Meeting of the Shire of Coolgardie will be held on Tuesday 10 March 2015 in the Coolgardie Council Chambers, Bayley Street, Coolgardie, commencing at 5.30pm

PAUL WEBB
CHIEF EXECUTIVE OFFICER

DISCLAIMER

INFORMATION FOR PUBLIC ATTENDING COUNCIL MEETINGS

PLEASE NOTE:

THE RECOMMENDATIONS CONTAINED IN THIS AGENDA ARE OFFICERS RECOMMENDATIONS ONLY AND SHOULD NOT BE ACTED UPON UNTIL COUNCIL HAS RESOLVED TO ADOPT THOSE RECOMMENDATIONS.

THE RESOLUTIONS OF COUNCIL SHOULD BE CONFIRMED BY PERUSING THE MINUTES OF THE COUNCIL MEETING AT WHICH THESE RECOMMENDATIONS WERE CONSIDERED.

MEMBERS OF THE PUBLIC SHOULD ALSO NOTE THAT THEY ACT AT THEIR OWN RISK IF THEY ENACT ANY RESOLUTION PRIOR TO RECEIVING OFFICIAL WRITTEN NOTIFICATION OF COUNCILS DECISION.

PAUL WEBB
CHIEF EXECUTIVE OFFICER

Shire of Coolgardie

Our Community, Our People, Our Future

Notice of Special Meeting

In accordance with Regulation 12 of the Local Government (Administration) Regulations, notice is hereby given that a Special Meeting of Council will be held on Tuesday 10 March 2015, commencing at 5.30pm at the Coolgardie Council Chambers.

For the purpose of:

- Annual Financial Report for the year ended 30 June 2014
- Tender 01/15 for the Provision of Cleaning Services
- Annual General Meeting of Council Date

Further information may be obtained from Mr Paul Webb, Chief Executive Officer on 9080 2111.

Paul Webb
Chief Executive Officer

TABLE OF CONTENTS / INDEX

ITEM No.	ITEM HEADING	PAGE No.
1.0	DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS	06
2.0	ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE	06
	2.1 Present:	
	2.2 Apologies:	
	2.3 Leave of Absence previously approved:	
3.0	DECLARATIONS OF INTEREST	07
	3.1 Declarations of Financial Interests - Local Government Act Section 5.60A	
	3.2 Declarations of Proximity Interests – Local Government Act Section 5.60B	
	3.3 Declarations of Impartiality Interests – Admin Regulation 34C	
4.0	CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS	07
5.0	PUBLIC QUESTION TIME	07
6.0	REPORTS	07
	6.1 Annual Financial Report for the year ended 30 June 2014	08
	6.2 Cleaning tender for Shire of Coolgardie public amenities	67
7.0	CONFIDENTIAL ITEMS	72
8.0	MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC	72
9.0	CLOSURE	72

1.0 DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

Shire President, M.R Cullen declared the meeting open at 5.32pm and welcome fellow Councillors, visitors, and staff and thanked them for their attendance.

2.0 ATTENDANCE, APOLOGIES AND NOTIFICATION OF GRANTED LEAVE OF ABSENCE

2.1 PRESENT:

Shire President, M.R Cullen
Councillor, T Rathbone
Councillor, N Karafilis
Councillor, B Logan
Councillor, K Lindup
Councillor, K Johnstone

MEMBERS OF STAFF:

Chief Executive Officer, P Webb
Manager Recreation Services, J O'Brien
Manager Development Services, T Sargent
Manager Administration Services, R Evans
Manager Community Services, S Donkin
Minute Secretary, E McKay

MEMBERS OF THE PUBLIC:

NIL

2.2 APOLOGIES:

Councillor, S Botting
Manager Technical Services, R Connor

2.3 LEAVE OF ABSENCE PREVIOUSLY APPROVED:

NIL

3.0 DECLARATIONS OF INTEREST

3.1 DECLARATIONS OF FINANCIAL INTERESTS – LOCAL GOVERNMENT ACT SECTION 5.60A

3.2 DECLARATIONS OF PROXIMITY INTERESTS – LOCAL GOVERNMENT ACT SECTION 5.60B

2.3 DECLARATIONS OF IMPARTIALITY INTERESTS – ADMINISTRATION REGULATION 34C

NIL

4.0 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

NIL

5.0 PUBLIC QUESTION TIME

NIL

6.0 REPORTS

AGENDA REFERENCE: 6.1

SUBJECT: Annual Financial Report for the year ended 30 June 2014

LOCATION: N/A

APPLICANT: N/A

FILE REFERENCE: NAM3078

DISCLOSURE OF INTEREST: The Author has no interest in this matter

DATE: 4 March 2015

AUTHOR: Rhonda Evans, Manager Administration Services

SUMMARY:

To receivet the Annual Financial Report for the year ended 30 June 2014.

BACKGROUND:

The audit for the year ended 30 June 2014 was completed in January 2015, following approval from the Minister for Local Government of an extension of time from 31 December 2014.

Section 5.54(2) requires the Council to accept the annual financial report no later than two (2) months after the auditor report becomes available.

COMMENT:

The Report outlines activities undertaken during 2013/14 together with the financial position of the Shire of Coolgardie. Council needs to hold an Annual Electors Meeting within 56 days of accepting the Annual Report. There is a requirement to give 14 days public notice of the Annual General Meeting of Electors (AGM).

CONSULTATION: Chief Executive Officer

STATUTORY ENVIRONMENT: Local Government Act 1995 Section 5.54(2)

POLICY IMPLICATIONS: NIL

FINANCIAL IMPLICATIONS:

The variance between the budgeted surplus and the actual (audited) surplus is $287,046. The budget review for the period ended 31 January 2015, presented to the Audit Committee at their meeting in March 2015 addresses the purpose of the additional surplus.

STRATEGIC IMPLICATION: NIL

VOTING REQUIREMENT: Absolute Majority

COUNCIL RESOLUTION: # 040/15

MOVED: COUNCILLOR, N KARAFILIS
SECONDED: COUCNILLOR, K LINDUP

That Council suspend standing orders.

CARRIED 6/0

COUNCIL RESOLUTION: # 041/15

MOVED: COUNCILLOR, T RATHBONE
SECONDED: COUCNILLOR, K LINDUP

That Council resume standing orders.

CARRIED 6/0

OFFICER RECOMMENDATION:

That Council:

1. Accept the Annual Financial Report for the year ended 30 June 2014;

2. Consider the Annual Report for the year ended 30 June 2014 for adoption at the ordinary meeting of Council on 24 March 2015;

3. Determine that the Annual General Meeting of Electors will be held in Kambalda at the Kambalda Community Recreation Centre on Tuesday 7 April 2015.

COUNCIL RESOLUTION: # 042/15

MOVED: COUNCILLOR, T RATHBONE
SECONDED: COUCNILLOR, K JOHNSTONE

That Council:

1. Accept the Annual Financial Report for the year ended 30 June 2014;

2. Consider the Annual Report for the year ended 30 June 2014 for adoption at the ordinary meeting of Council on 24 March 2015;

3. Determine that the Annual General Meeting of Electors will be held in Kambalda at the Kambalda Community Recreation Centre on Thursday 9 April 2015, 6.30pm.

CARRIED 6/0

SHIRE OF COOLGARDIE

FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2014

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	9-56
Independent Auditors Report	57
Supplementary Ratio Information	58

Principal place of business:
Irish Mulga Drive
Kambalda WA

SHIRE OF COOLGARDIE
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2014

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Coolgardie being the annual financial report and supporting notes and other information for the financial year ended 30 June 2014 are in my opinion properly drawn up to present fairly the financial position of the "&Shire_Name&" at 30th June "&YEAR(Current_year)&" 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 day of 2014

_____
Paul Webb
Chief Executive Officer

SHIRE OF COOLGARDIE
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2014

	NOTE	2014 $	2014 Budget $	2013 $
Revenue				
Rates	22	5,490,783	5,531,460	5,143,822
Operating Grants, Subsidies and			0	0
Contributions	28	1,826,185	1,186,632	1,788,784
Fees and Charges	27	2,312,938	1,551,012	1,516,389
Interest Earnings	2(a)	358,257	329,000	345,888
Other Revenue		231,626	0	34,705
		10,219,789	8,598,104	8,829,588
Expenses				
Employee Costs		(4,108,199)	(4,035,393)	(4,254,365)
Materials and Contracts		(1,975,027)	(2,904,606)	(1,954,629)
Utility Charges		(687,017)	(792,200)	(690,748)
Depreciation on Non-Current Assets	2(a)	(4,250,037)	(4,006,545)	(3,949,031)
Interest Expenses	2(a)	(97,709)	(111,418)	(104,512)
Insurance Expenses		(446,407)	(403,111)	(317,601)
Other Expenditure		(560,777)	(625,535)	(1,074,716)
		(12,125,173)	(12,878,808)	(12,345,602)
		(1,905,384)	(4,280,704)	(3,516,014)
Non-Operating Grants, Subsidies and				
Contributions	28	387,320	3,039,234	1,666,164
Fair value adjustments to financial assets at fair				
value through profit or loss	2(a)	0	0	186,131
Profit on Asset Disposals	20	106,685	399,948	26,173
Loss on Asset Disposals	20	(97,866)	(21,560)	(121,254)
NET RESULT		**(1,509,245)**	**(863,082)**	**(1,758,800)**
Other Comprehensive Income				
Changes on Revaluation of Non-Current Assets	13	11,863,159	0	164,177
Total Other Comprehensive Income		**11,863,159**	**0**	**164,177**
Total Comprehensive Income		**10,353,914**	**(863,082)**	**(1,594,623)**

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

SHIRE OF COOLGARDIE
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2014

	NOTE	2014 $	2014 Budget $	2013 $
Revenue	**2(a)**			
Governance		9,495	950	0
General Purpose Funding		6,675,829	6,689,700	6,567,360
Law, Order, Public Safety		29,733	31,300	12,550
Health		9,696	97,000	30,313
Education and Welfare		259,141	199,349	202,554
Housing		83,731	101,953	62,262
Community Amenities		876,727	936,525	812,113
Recreation and Culture		285,566	321,299	283,667
Transport		1,232,207	155,000	710,278
Economic Services		47,310	59,029	48,293
Other Property and Services		710,354	5,999	100,198
	2(a)	10,219,789	8,598,104	8,829,588
Expenses				
Governance		(729,530)	(850,166)	(661,871)
General Purpose Funding		(459,885)	(178,549)	(674,713)
Law, Order, Public Safety		(284,361)	(190,308)	(339,610)
Health		(77,410)	(218,245)	(49,480)
Education and Welfare		(284,076)	(330,539)	(351,219)
Housing		(311,619)	(298,564)	(299,644)
Community Amenities		(1,592,148)	(1,520,395)	(1,474,202)
Recreation & Culture		(4,205,740)	(3,820,103)	(3,543,667)
Transport		(3,464,790)	(4,360,712)	(3,473,032)
Economic Services		(466,425)	(531,699)	(564,725)
Other Property and Services		(151,480)	(468,110)	(808,927)
	2(a)	(12,027,464)	(12,767,390)	(12,241,090)
Financial Costs				
Housing		(3,544)	(3,894)	(5,554)
Community Amenities		(4,911)	(5,136)	(5,632)
Recreation & Culture		(83,795)	(91,840)	(93,326)
Economic Services		(5,459)	(10,548)	0
	2(a)	(97,709)	(111,418)	(104,512)
Fair Value Adjustments to Financial Assets at Fair Value through Profit or Loss				
General Purpose Funding		0	0	186,131
		0	0	186,131
Non Operating Grants, Subsidies and Contributions				
Health		0	0	270
Education and Welfare		52,021	20,000	0
Housing		43,009	30,000	0
Community Amenities		0	150,000	0
Recreation & Culture		55,134	220,500	861,401
Transport		237,156	1,055,734	804,493
Economic Services		0	1,563,000	0
		387,320	3,039,234	1,666,164
Profit/(Loss) on Disposal of Assets				
Housing		106,685	290,338	0
Transport		(97,866)	88,050	21,919
Other Property and Services		0	0	(117,000)
		8,819	378,388	(95,081)
Net Result		**(1,509,245)**	**(863,082)**	**(1,758,800)**
Other Comprehensive Income				
Changes on revaluation of non-current assets	12	11,863,159	0	164,177
Total Other Comprehensive Income		**11,863,159**	**0**	**164,177**
Total Comprehensive Income		**10,353,914**	**(863,082)**	**(1,594,623)**

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

SHIRE OF COOLGARDIE
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2014

	NOTE	2014 $	2013 $
CURRENT ASSETS			
Cash and Cash Equivalents	3	4,642,308	4,101,632
Investments	4	0	184,614
Trade and Other Receivables	5	1,200,486	1,035,535
Inventories	6	7,823	7,963
TOTAL CURRENT ASSETS		5,850,617	5,329,744
NON-CURRENT ASSETS			
Other Receivables	5	59,339	78,784
Property, Plant and Equipment	7	33,735,487	22,017,122
Infrastructure	8	53,062,759	54,613,007
TOTAL NON-CURRENT ASSETS		86,857,585	76,708,913
TOTAL ASSETS		92,708,202	82,038,657
CURRENT LIABILITIES			
Trade and Other Payables	9	662,383	936,357
Current Portion of Long Term Borrowings	10	285,631	279,791
Provisions	11	266,738	278,735
TOTAL CURRENT LIABILITIES		1,214,752	1,494,883
NON-CURRENT LIABILITIES			
Long Term Borrowings	10	1,723,421	1,136,053
Provisions	11	61,631	53,237
TOTAL NON-CURRENT LIABILITIES		1,785,052	1,189,290
TOTAL LIABILITIES		2,999,804	2,684,173
NET ASSETS		89,708,398	79,354,484
EQUITY			
Retained Surplus		73,536,231	75,945,347
Reserves - Cash Backed	12	4,144,831	3,244,960
Revaluation Surplus	12	12,027,336	164,177
TOTAL EQUITY		89,708,398	79,354,484

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

SHIRE OF COOLGARDIE
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2014

	NOTE	RETAINED SURPLUS $	RESERVES CASH BACKED $	REVALUATION SURPLUS $	TOTAL EQUITY $
Balance as at 1 July 2012		**76,696,744**	**4,252,363**	**0**	**80,949,107**
Comprehensive Income					
Net Result		(1,758,800)	0	0	(1,758,800)
Changes on Revaluation of Non-Current Assets	13	0	0	164,177	164,177
Total Comprehensive Income		74,937,944	4,252,363	164,177	79,354,484
Balance as at 30 June 2013		**75,945,347**	**3,244,960**	**164,177**	**79,354,484**
Comprehensive Income					
Net Result		(1,509,245)	0	0	(1,509,245)
Changes on Revaluation of Non-Current Assets	3	0	0	11,863,159	11,863,159
Total Comprehensive Income		74,436,102	3,244,960	12,027,336	89,708,398
Balance as at 30 June 2014		**73,536,231**	**4,144,831**	**12,027,336**	**89,708,398**

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

SHIRE OF COOLGARDIE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2014

	NOTE	2014 $	2014 Budget $	2013 $
Cash Flows From Operating Activities				
Receipts				
Rates		5,423,137	6,999,608	5,294,930
Operating Grants, Subsidies and			0	0
Contributions		1,700,300	1,182,500	1,774,182
Fees and Charges		2,312,938	1,551,012	1,516,389
Interest Earnings		358,257	329,000	345,888
Goods and Services Tax		626,647	0	667,411
Other Revenue		231,626	0	34,705
		10,652,905	10,062,120	9,633,505
Payments				
Employee Costs		(4,053,694)	(4,215,393)	(4,270,711)
Materials and Contracts		(2,315,319)	(2,428,128)	(2,165,552)
Utility Charges		(687,017)	(792,200)	(690,748)
Interest Expenses		(89,359)	(111,418)	(107,211)
Insurance Expenses		(446,407)	(403,111)	(317,601)
Goods and Services Tax		(595,819)	0	(644,918)
Other Expenditure		(560,777)	(406,857)	(1,074,716)
		(8,748,392)	(8,357,107)	(9,271,457)
Net Cash Provided By (Used In) Operating Activities	14(b)	1,904,513	1,705,013	362,048
Cash Flows from Investing Activities				
Payments for Purchase of Property, Plant & Equipment		(1,571,349)	(2,931,433)	(1,760,525)
Payments for Construction of Infrastructure		(1,457,501)	(4,837,734)	(2,320,901)
Non-Operating Grants, Subsidies and Contributions		387,320	3,039,234	1,666,164
Proceeds from Sale of Fixed Assets		482,674	671,000	90,909
Proceeds from Sale of Investments		184,614	0	0
Proceeds from Advances		0	0	55,997
Net Cash Provided by (Used in) Investment Activities		(1,974,242)	(4,058,933)	(2,268,356)
Cash Flows from Financing Activities				
Repayment of Debentures		(279,792)	(300,379)	(261,808)
Proceeds from Self Supporting Loans		17,197	17,197	16,183
Proceeds from New Debentures		873,000	873,000	0
Net Cash Provided By (Used In) Financing Activities		610,405	589,818	(245,625)
Net Increase (Decrease) in Cash Held		540,676	(1,764,102)	(2,151,933)
Cash at Beginning of Year		4,101,632	4,157,412	6,253,565
Cash and Cash Equivalents at the End of the Year	3, 14(a)	4,642,308	2,393,310	4,101,632

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

SHIRE OF COOLGARDIE
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2014

	NOTE	2014 Actual $	2014 Budget $	2013 Actual $
Revenue				
Governance		9,495	950	0
General Purpose Funding		1,185,046	1,158,240	1,553,672
Law, Order, Public Safety		29,733	31,300	12,550
Health		9,696	97,000	30,583
Education and Welfare		311,162	199,349	202,554
Housing		233,425	392,291	62,262
Community Amenities		876,727	926,745	812,113
Recreation and Culture		340,700	321,299	1,145,068
Transport		1,469,363	264,610	1,540,944
Economic Services		47,310	59,029	48,293
Other Property and Services		710,354	5,999	100,198
		5,223,011	3,456,812	5,508,237
Expenses				
Governance		(729,530)	(850,166)	(661,871)
General Purpose Funding		(459,885)	(178,549)	(674,713)
Law, Order, Public Safety		(284,361)	(190,308)	(339,610)
Health		(77,410)	(218,245)	(49,480)
Education and Welfare		(284,076)	(330,539)	(351,219)
Housing		(315,163)	(302,458)	(305,198)
Community Amenities		(1,597,059)	(1,525,530)	(1,479,834)
Recreation and Culture		(4,289,535)	(3,911,943)	(3,636,993)
Transport		(3,562,656)	(4,382,273)	(3,477,286)
Economic Services		(471,884)	(542,247)	(564,725)
Other Property and Services		(151,480)	(468,110)	(925,927)
		(12,223,039)	(12,900,368)	(12,466,856)
Net Result Excluding Rates		(7,000,028)	(9,443,556)	(6,958,619)
Adjustments for Cash Budget Requirements:				
(Profit)/Loss on Asset Disposals	21	(8,819)	(378,388)	95,081
Movement in Deferred Pensioner Rates (Non-Current)		1,171	0	(10,028)
Movement in Employee Benefit Provisions (Non-current)		(3,603)	0	23,460
Movement in Accrued Interest and Accrued Salaries and Wages		22,626	0	(49,682)
Depreciation and Amortisation on Assets	2(a)	4,250,037	4,006,545	3,949,031
Capital Expenditure and Revenue				
Purchase Land and Buildings		(404,003)	(1,404,194)	(1,038,731)
Purchase Furniture and Equipment		(202,838)	(275,000)	(41,614)
Purchase Plant and Equipment		(964,508)	(1,252,239)	(680,180)
Purchase Roads		(802,521)	(1,645,734)	(977,449)
Purchase Footpaths		(92,618)	(420,000)	(183,171)
Purchase Drainage		(99,811)	(100,000)	(107,813)
Purchase Parks & Ovals		(19,970)	(1,869,000)	(331,693)
Purchase Other Infrastructure		(305,069)	(803,000)	(659,925)
Purchase Sewerage		(137,511)		(60,850)
Proceeds from Disposal of Fixed Assets	21	482,674	671,000	90,909
Repayment of Debentures	22	(279,792)	(300,379)	(261,808)
Proceeds from New Debentures	22	873,000	873,000	0
Proceeds from Self Supporting Loans		17,197	17,197	16,183
Transfers to Reserves (Restricted Assets)	12	(4,616,419)	(1,633,075)	(871,972)
Transfers from Reserves (Restricted Assets)	12	3,716,548	3,530,722	1,879,375
ADD Surplus/(Deficit) July 1 B/Fwd	23(b)	1,219,969	1,845,627	2,199,646
LESS Surplus/(Deficit) June 30 C/Fwd	23(b)	1,136,494	(9,780)	1,219,969
Total Amount Raised from General Rate	23(a)	(5,490,783)	(5,531,460)	(5,143,822)

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

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 20 to these financial statements.

(b) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of GST receivable or payable.
The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) 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.

(d) Trade and Other Receivables

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

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

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

(e) Inventories

General

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

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

Land Held for Sale

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets

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

Mandatory Requirement to Revalue Non-Current Assets

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

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

(a) for the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and
(b) for the financial year ending on 30 June 2014, the fair value of all of the assets of the local government -
  (i) that are plant and equipment; and
  (ii) that are -
    (I) land and buildings; or-
    (II) Infrastructure;

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

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

In 2013, Council commenced the process of adopting Fair Value in accordance with the Regulations.

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

Land Under Control

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

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

Consequently, these assets were initially recognised at cost but revalued along with other items of Land and Buildings at 30 June 2014.

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 Council 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

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.

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

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

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

Early Adoption of AASB 13 - Fair Value Measurement
Whilst the new accounting standard in relation to Fair Value, AASB 13 – Fair Value Measurement only become applicable for the year ended 30 June 2014 (in relation to Council), given the legislative need to commence using Fair Value methodology in the previous reporting period (year ended 30 June 2013) the Council chose to early adopt AASB 13

As a consequence, the principles embodied in *AASB 13* - Fair Value Measurement have been applied to the previous reporting period (year ended 30 June 2013).

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 Council.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

Depreciation

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

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:
a) Restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount; or
b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

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

Buildings	30 to 50 years
Furniture and Equipment	4 to 10 years
Plant and Equipment	5 to 15 years
Sealed roads and streets	
formation	not depreciated
pavement	50 years
seal	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
formation	not depreciated
pavement	50 years
Formed roads (unsealed)	
formation	not depreciated
pavement	50 years
Footpaths - slab	40 years
Sewerage piping	100 years
Water supply piping and drainage systems	75 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.

When revalued assets are disposed of, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

Capitalisation Threshold

Expenditure on items of equipment under $5,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fair Value of Assets and Liabilities

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

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

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset. 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 (i.e. the market with the greatest volume and level of activity for the asset 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 Council selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Council are consistent with one or more of the following valuation approaches:

Market approach

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

(h) Financial Instruments

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

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

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

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) 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 Council 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 non-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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) 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 Council no longer has any significant continual involvement in the risks and benefits associated with the asset.

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

(i) Impairment of Assets

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

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

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

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

(j) Trade and Other Payables

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Employee Benefits

Short-Term Employee Benefits

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

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

Other Long-Term Employee Benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations or 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 Council's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Council does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(l) Borrowing Costs

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Provisions

Provisions are recognised when the Council 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.

(n) Leases

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

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

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

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

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

(o) Investment in Associates

An associate is an entity over which the Council 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 Council's share of net assets of the associate. In addition, the Council's share of the profit or loss of the associate is included in the Council's profit or loss.

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

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

When the Council's share of losses in an associate equals or exceeds its interest in the associate, the Council 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 Council will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Interests in Joint Arrangements

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

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

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Council'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 17.

(q) Rates, Grants, Donations and Other Contributions

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

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

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to 'those undischarged conditions are disclosed in Note 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.

(r) Superannuation

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

(s) Current and Non-Current Classification

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

(t) Rounding Off Figures

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

(u) Comparative Figures

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

When the Council 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.

(v) Budget Comparative Figures

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

	Title	Issued / Compiled	Applicable [(1)]	Impact
(i)	AASB 9 – Financial Instruments	December 2013	1 January 2018	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the standard will have any material effect.
(ii)	AASB 2010 -7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	December 2013	1 January 2018	Nil - The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

	Title	Issued / Compiled	Applicable [(1)]	Impact
(iii)	AASB 2011 - 7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards [Not-For-Profit entities] [AASB 1, 3, 5, 7, 9, 2009-11, 101, 107, 112 118, 121, 124, 131, 132, 133, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]	December 2012	1 January 2014	Consequential changes to various standards arising from the issuance of AASB 10, 11, 12, 127 and 128. It is not expected to have a significant impact on Council.
(iv)	AASB 2012-3: Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities [AASB 132]	June 2012	1 January 2014	This Standard adds application guidance to AASB 132: Financial Instruments: Presentation to address potential inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement. This Standard is not expected to significantly impact the Council’s financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

	Title	Issued / Compiled	Applicable [1]	Impact
(v)	AASB 2013 - 3: Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets	June 2013	1 January 2014	This standard makes amendments to AASB 136 and includes requirements to disclose additional information when present value techniques are used to measure the recoverable amount of impaired assets. It is not expected to have a significant impact on Council.
(vi)	AASB 2013-8: Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities [AASB 10, 12 & 1049]	October 2013	1 January 2014	This standard adds Appendix E to AASB 10 to provide implementation guidance for Not-for-Profit entities regarding control criteria from the perspective of not-for-profit entities. It is not expected to have a significant impact on Council.
(vii)	AASB 2013-9: Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments [Operative dates: Part A Conceptual Framework – 20 December 2013; Part B Materiality – 1 January 2014; Part C Financial Instruments – 1 January 2015]	December 2013	Refer Title column	Part A of this standard makes various editorial corrections to Australian Accounting Standards. Part B of this standard deletes references to AASB 1031 in various Australian Accounting Standards in advance of the withdrawal of AASB 1031. Part C of this standard makes consequential amendments to AASB 9 and numerous other standards and amends the permissions around certain applications relating to financial liabilities reissued at fair value. As the bulk of changes related either to editorial or reference changes it is not expected to have a significant impact on Council.

Notes:
[1] Applicable to reporting periods commencing on or after the given date.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Adoption of New and Revised Accounting Standards

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

These new and revised standards were:

AASB 10	AASB 128	AASB 2012 - 2
AASB 11	AASB 2011 - 7	AASB 2012 - 3
AASB 12	AASB 2011 - 9	AASB 2012 - 5
AASB 119	AASB 2011 - 10	AASB 2012 - 10
AASB 127		

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

2. REVENUE AND EXPENSES

	2014 $	2013 $
(a) Net Result		
The Net Result includes:		
(i) Charging as an Expense:		
Significant Expense		
General Purpose Funding	296,354	513,969
This significant expense in both years relates to the provision for write off of rates raised in Coolgardie that are unlikely to be recovered.		
Auditors Remuneration		
- Audit of the annual financial report	27,060	20,500
- Assistance with the finalisation of the annual financial report	0	12,734
- Audit of Grant Acquittals	4,200	0
	31,260	33,234
Depreciation		
Specialised Buildings	715,132	530,494
Non-Specialised Buildings	91,140	530,494
Furniture and Equipment	125,413	123,448
Plant and Equipment	311,336	353,087
Roads	2,453,411	2,445,047
Footpaths	44,265	39,040
Drainage	3,922	3,921
Parks & Ovals	222,178	213,280
Other Infrastructure	245,255	221,791
Sewerage	37,985	18,923
	4,250,037	4,479,525
Interest Expenses (Finance Costs)		
Debentures *(refer Note 22.(a))*	97,709	104,512
	97,709	104,512
Rental Charges		
- Operating Leases	72,875	68,808
	72,875	68,808

(ii) Crediting as Revenue:

	2014 Actual $	2014 Budget $	2013 Actual $
Interest Earnings			
- Reserve Funds	9,997	105,000	66,348
- Other Funds	134,841	55,000	127,643
Other Interest Revenue *(refer note 27)*	213,419	169,000	151,897
	358,257	329,000	345,888

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

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

COMMUNITY VISION

The Shire will endeavour to provide the community with services and facilities to meet the needs of the members of the community and enable them to enjoy a pleasant and healthy way of life. Council operations as disclosed in these financial statements encompass the following service orientated activities/programs.

GOVERNANCE
Objective:
To provide a decision making process for the efficient allocation of scarce resources.
Activities:
Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.

GENERAL PURPOSE FUNDING
Objective:
To collect revenue to allow for the provision of services.
Activities:
Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY
Objective:
To provide services to help ensure a safer and environmentally conscious community.
Activities:
Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.

HEALTH
Objective:
To provide an operational framework for environmental and community health.
Activities:
Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.

EDUCATION AND WELFARE
Objective:
To provide services to disadvantaged persons, the elderly, children and youth
Activities:
Maintenance of child minding centre, playgroup centre, senior citizen centre and aged care centre. Provision and maintenance of home and community care programs and youth services.

HOUSING
Objective:
To provide and maintain elderly residents housing.
Activities:
Provision and maintenance of elderly residents housing.

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

COMMUNITY AMENITIES
Objective:
To provide services required by the community.
Activities:
Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.

RECREATION AND CULTURE
Objective:
To establish and effectively manage infrastructure and resource which will help the social well being
Activities:
Maintenance of public halls, civic centres, aquatic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.

TRANSPORT
Objective:
To provide safe, effective and efficient transport services to the community
Activities:
Construction and maintenance of roads, streets, footpaths, depots, cycleways, parking facilities and

ECONOMIC SERVICES
Objective:
To help promote the shire and its economic wellbeing.
Activities:
Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building Control.

OTHER PROPERTY AND SERVICES
Objective:
To monitor and control council's overheads operating accounts.
Activities:
Private works operation, plant repair and operation costs and engineering operation costs.

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

Grant/Contribution	Function/ Activity	Opening Balance (1) 1/07/12 $	Received (2) 2012/13 $	Expended (3) 2012/13 $	Closing Balance (1) 30/06/13 $	Received (2) 2013/14 $	Expended (3) 2013/14 $	Closing Balance 30/06/14 $
Club Development Grant	Rec & Culture	7,763	0	0	**7,763**	28,000	(35,763)	**0**
Resource Centre - Kambalda (ope	Education	27,902	80,850	0	**108,752**	80,500	(176,225)	**13,027**
Youth DOAG	Education	3,261	73,333	0	**76,594**	16,666	(76,594)	**16,666**
Strategic Crime Prevention	LOPS	0	25,000	0	**25,000**	0	(25,000)	**0**
DLG Workforce Plan	Admin	0	25,000	0	**25,000**	0	(8,538)	**16,462**
DLG Cat Act Grant	LOPS	0	12,510	(1,185)	**11,325**	0	(957)	**10,368**
RDAF - Digital Television	Economic Svs	0	700,000	(499,039)	**200,961**	0	(166,354)	**34,607**
Coolgardie CRC Capital	Education	0	0	0	**0**	44,389	(8,855)	**35,534**
Coolgardie CRC Operating	Education	0	0	0	**0**	91,000	(80,688)	**10,312**
Total		**38,926**	**916,693**	**(500,224)**	**455,395**	**260,555**	**(578,974)**	**136,976**

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.

	Note	2014 $	2013 $
3. CASH AND CASH EQUIVALENTS			
Cash on Hand - Unrestricted		2,170	2,070
Cash at Bank - Municipal		495,307	854,602
Cash at Bank - Reserves Restricted		4,144,831	3,244,960
		4,642,308	4,101,632
Cash at Bank Municipal			
Represented by:			
Cash at Bank - Municipal Unrestricted		(98,496)	399,207
Cash at Bank - Municipal - Restricted (unspent grant)	2(c)	136,976	455,395
Cash at Bank - Municipal - Restricted (unspent Loan)		456,827	0
		495,307	854,602
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Plant Reserve	12	292,956	681,342
Land and Building Reserve	12	225,700	18,863
Landfill Reinstatement Reserve	12	1,089,335	869,636
Sewerage Reserve	12	461,128	490,867
Kambalda Medical Setup Reserve	12	0	35,845
Environmental Improvement Reserve	12	504,366	504,366
Community and Recreation Facilities Reserve	12	53,608	226,608
IT and Communication Reserve	12	93,832	82,680
Road Construction and Maintenance	12	1,423,906	334,753
Airport Reserve	12	0	0
		4,144,831	3,244,960
4. INVESTMENTS			
Financial assets at fair value through profit and loss		0	184,614
Financial assets at fair value through profit and loss			
At beginning of the year		184,614	54,480
Revaluation to the Income Statement		0	186,131
Disposals		(184,614)	(55,997)
At end of year		0	184,614
Holding for Trading			
- CDO FRN's		0	184,614
5. TRADE AND OTHER RECEIVABLES			
Current			
Rates Outstanding		2,133,622	1,747,137
Less Provision for Doubtful Debts		(1,318,806)	(1,001,138)
Sundry Debtors		273,212	169,554
Less Provision for Doubtful Debts		0	(23,630)
GST Receivable		45,521	76,349
Loans - Clubs/Institutions		18,274	17,197
Prepayments		20,895	0
Pensioner Rebates		23,226	23,571
ESL Recievable		4,542	26,495
		1,200,486	1,035,535
Non-Current			
Rates Outstanding - Pensioners		39,922	41,093
Loans - Clubs/Institutions		19,417	37,691
		59,339	78,784

	2014 $	2013 $
6. INVENTORIES		
Current		
Fuel and Materials	7,823	7,963
	7,823	7,963
7. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings		
Freehold Land at:		
- Independent Valuation 2014	365,000	0
- Cost	0	760,580
Total Land	365,000	760,580
Non-Specialised Buildings at:		
- Independent Valuation 2014	3,528,000	0
- Cost	0	2,341,809
Less: Accumulated Depreciation	(91,140)	(576,903)
	3,436,860	1,764,906
Specialised Buildings at:		
- Independent Valuation 2014	27,519,000	0
- Cost	0	19,479,135
Less: Accumulated Depreciation	(715,132)	(2,649,218)
	26,803,868	16,829,917
Total Buildings	30,240,728	18,594,823
Total Land and Buildings	30,605,728	19,355,403
Furniture and Equipment at:		
- Cost	2,034,415	1,831,577
Less Accumulated Depreciation	(1,480,999)	(1,355,330)
	553,416	476,247
Plant and Equipment at:		
- Management Valuation 2013	1,923,171	1,861,200
- Additions after Valuation - Level 3	964,508	324,272
Less Accumulated Depreciation	(311,336)	0
	2,576,343	2,185,472
	33,735,487	22,017,122

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(a) 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) $	Reclassification $	Depreciation (Expense) $	Carrying Amount at the End of Year $
Freehold Land	(Level 2)	760,580	11,034	(20,000)	(386,614)	0	0	365,000
Non-Specialised Buildings	(Level 2)	1,764,906	384,694	(126,706)	2,129,098	0	(715,132)	3,436,860
Specialised Buildings	(Level 3)	16,829,917	8,275	(63,859)	10,120,675	0	(91,140)	26,803,868
Total Buildings		**18,594,823**	**392,969**	**(190,565)**	**12,249,773**	**0**	**(806,272)**	**30,240,728**
Total Land and Buildings		**19,355,403**	**404,003**	**(210,565)**	**11,863,159**	**0**	**(806,272)**	**30,605,728**
Furniture and Equipment	(Level 3)	476,247	202,838	0	0	0	(125,413)	553,672
Plant and Equipment	(Level 2)	2,154,972	0	(79,549)	0	733	(264,170)	1,811,986
Plant and Equipment	(Level 3)	30,500	964,508	(183,741)	0	0	(47,166) 0	764,101
Total Property, Plant and Equipment		**22,017,122**	**1,571,349**	**(473,855)**	**11,863,159**	**733**	**(1,243,021)**	**33,735,487**

Land and Buildings:

The Shire's land and buildings were revalued at 30 June 2014 by independent valuers.

In relation to land and non-specialised buildings, valuations were made on the basis of observable open market values of similar assets, adjusted for condition and comparability, at their highest and best use (Level 2 inputs in the fair value hierarchy).

With regard to specialised buildings, these were valued having regard for their current replacement cost utilising both observable and unobservable inputs being construction costs based on recent contract prices, current condition (Level 2 inputs), residual values and remaining useful life assessments (Level 3 inputs).

Given the significance of the Level 3 inputs into the overall fair value measurement, these specialised building assets are deemed to have been valued using Level 3 inputs.

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

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

The revaluation of these assets resulted in an overall increase of $2,237,001 in the net value of the Shire's land and buildings. All of this increase was credited to the revaluation surplus in the Shire's equity (refer Note 13(a) for further details) and was recognised as Changes on Revaluation of non-current Assets in the Statement of Comprehensive Income.

With regard to land vested in and under the control of Council, these assets were originally recognised as at 30 June 2013 at deemed cost where cost was effectively the fair value at the date of recognition.

As land vested in and under the control of Council is Crown Land restricted as to usage, it is not possible for an alternative usage to be considered when arriving at the fair value. In addition, due to its nature, any significant value attributable directly to the land would likely be offset by the need to return value to the Crown before any restriction is lifted, thus reducing the net fair value to nil.

Consequently, the original value of deemed cost was obtained having regard for the current replacement cost of the improvements on the land to allow for its current restricted usage.

These included both observable and unobservable inputs being construction costs based on recent contract prices, current condition (Level 2 inputs), residual values and remaining useful life assessments (Level 3 inputs).

Given the significance of the Level 3 inputs into the overall fair value measurement, this land vested in and under the control of Council is deemed to have been valued using Level 3 inputs.

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

Due to the mandatory fair value measurement framework as detailed in Note 1(f), Land Vested in and under the control of Council required a fair value assessment to occur in the current year.

This was performed by management at 30 June 2014 on the same basis as the prior year deemed cost valuation was arrived at.

The revaluation of land vested in and under the control of Council resulted in neither an increase nor a decrease in the net value of the Land vested in and under control of the Council. Consequently no adjustment was recognised in either the net result or other comprehensive income in the Statement of Comprehensive Income

Furniture and Equipment Plant and Equipment:

Both furniture and equipment and plant and equipment were revalued in 2013 as part of the mandatory requirements embodied in Local Government (Financial Management) Regulation 17A.

Whilst the additions since that time are shown at 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. Thus, the value is considered in accordance with Local Government (Financial Management (Regulation) 17A (2) which requires these assets to be shown at fair value.

They will be revalued during the year ended 30 June 2016 in accordance with the mandatory asset measurement framework detailed at Note 1(f).

	2014 $	2013 $
8. INFRASTRUCTURE		
Roads		
- Cost	79,825,967	79,023,446
Less Accumulated Depreciation	(35,245,916)	(32,792,505)
	44,580,051	46,230,941
Footpaths		
- Cost	1,598,379	1,505,761
Less Accumulated Depreciation	(268,434)	(224,169)
	1,329,945	1,281,592
Drainage		
- Cost	509,295	409,484
Less Accumulated Depreciation	(13,561)	(9,639)
	495,734	399,845
Parks & Ovals		
- Cost	1,930,460	1,946,829
Less Accumulated Depreciation	(1,373,461)	(1,187,624)
	556,999	759,205
Other Infrastructure		
- Cost	6,415,508	1,461,730
Less Accumulated Depreciation	(1,416,514)	(460,219)
	4,998,994	1,001,511
Sewerage		
- Cost	1,599,240	6,114,951
Less Accumulated Depreciation	(498,204)	(1,175,038)
	1,101,036	4,939,913
	53,062,759	54,613,007

8. INFRASTRUCTURE (Continued)

Movements in Carrying Amounts

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

	Balance as at the Beginning of the Year $	Additions $	(Disposals) $	Reclassification $	Revaluation Increments/ (Decrements) $	Impairment (Losses)/ Reversals $	Depreciation (Expense) $	Carrying Amount at the End of Year $
Roads	46,230,941	802,521	0	0	0	0	(2,453,411)	44,580,051
Footpaths	1,281,592	92,618	0	0	0	0	(44,265)	1,329,945
Drainage	399,845	99,811	0	0	0	0	(3,922)	495,734
Parks & Ovals	759,205	19,970	0	0	0	0	(222,178)	556,997
Other Infrastructure	4,939,913	305,069	0	(733)	0	0	(245,255)	4,998,994
Sewerage	1,001,511	137,511	0	0	0	0	(37,985)	1,101,037
Total	**54,613,007**	**1,457,501**	**0**	**(733)**	**0**	**0**	**(3,007,016)**	**53,062,759**

	2014 $	2013 $

9. TRADE AND OTHER PAYABLES

Current		
Sundry Creditors	500,009	691,634
PAYG Payable	0	117,486
Accrued Interest on Debentures	22,696	14,346
Accrued Salaries and Wages	88,669	74,393
ATO Liabilities	51,009	7,177
Other Accured Expenses	0	26,201
Other Payables	0	5,120
	662,383	936,357

10. LONG-TERM BORROWINGS

Current		
Secured by Floating Charge Debentures	285,631	279,791
	285,631	279,791
Non-Current		
Secured by Floating Charge Debentures	1,723,421	1,136,053
	1,723,421	1,136,053

Additional detail on borrowings is provided in Note 23.

11. PROVISIONS

Analysis of Total Provisions		
Current	266,738	278,735
Non-Current	61,631	53,237
	328,369	331,972

	Provision for Annual Leave $	Provision for Long Service Leave $	Total $
Opening balance at 1 July 2013	198,511	133,461	331,972
Additional provision	0	21,752	21,752
Amounts used	(14,479)	(10,876)	(25,355)
Balance at 30 June 2014	184,032	144,337	328,369

	2014 $	2014 Budget $	2013 $
12. RESERVES - CASH BACKED			
(a) Plant Reserve			
Opening Balance	681,342	785,561	699,008
Amount Set Aside / Transfer to Reserve	935,239	360,071	348,213
Amount Used / Transfer from Reserve	(1,323,625)	(792,334)	(365,879)
	292,956	353,298	681,342
(b) Land and Building Reserve			
Opening Balance	18,863	275,380	704,452
Amount Set Aside / Transfer to Reserve	206,837	510,000	0
Amount Used / Transfer from Reserve	0	(232,694)	(685,589)
	225,700	552,686	18,863
(c) Landfill Reinstatement Reserve			
Opening Balance	869,636	1,388,429	1,617,977
Amount Set Aside / Transfer to Reserve	1,275,458	0	0
Amount Used / Transfer from Reserve	(1,055,759)	(650,000)	(748,341)
	1,089,335	738,429	869,636
(d) Sewerage Reserve			
Opening Balance	490,867	502,310	532,811
Amount Set Aside / Transfer to Reserve	416,715	0	0
Amount Used / Transfer from Reserve	(446,454)	(300,000)	(41,944)
	461,128	202,310	490,867
(e) Kambalda Medical Setup Reserve			
Opening Balance	35,845	60,454	0
Amount Set Aside / Transfer to Reserve	0	30,000	35,845
Amount Used / Transfer from Reserve	(35,845)	(40,000)	0
	0	50,454	35,845
(f) Environmental Improvement Reserve			
Opening Balance	504,366	0	359,262
Amount Set Aside / Transfer to Reserve	0	457,694	145,104
Amount Used / Transfer from Reserve	0	(137,000)	0
	504,366	320,694	504,366
(g) Community and Recreation Facilities Reserve			
Opening Balance	226,608	173,298	223,298
Amount Set Aside / Transfer to Reserve	0	97,000	50,000
Amount Used / Transfer from Reserve	(173,000)	(213,000)	(46,690)
	53,608	57,298	226,608
(h) IT and Communication Reserve			
Opening Balance	82,680	82,680	115,555
Amount Set Aside / Transfer to Reserve	11,152	57,321	0
Amount Used / Transfer from Reserve	0	(33,000)	(32,875)
	93,832	107,001	82,680

12. RESERVES - CASH BACKED (continued)

(i) Road Construction and Maintenance			
Opening Balance	334,753	554,011	0
Amount Set Aside / Transfer to Reserve	1,266,652	120,989	334,753
Amount Used / Transfer from Reserve	(177,499)	(675,000)	0
	1,423,906	0	334,753
(j) Airport Reserve			
Opening Balance	0	457,694	0
Amount Set Aside / Transfer to Reserve	504,366	0	0
Amount Used / Transfer from Reserve	(504,366)	(457,694)	0
	0	0	0
TOTAL RESERVES	4,144,831	2,382,170	3,244,960
Total Opening Balance	3,244,960	4,279,817	4,252,363
Total Amount Set Aside / Transfer to Reserve	4,616,419	1,633,075	913,915
Total Amount Used / Transfer from Reserve	(3,716,548)	(3,530,722)	(1,921,318)
TOTAL RESERVES	4,144,831	2,382,170	3,244,960

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.

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

(a) Plant Reserve
- to be used for the purchase of major and minor plant and equipment.

(b) Land and Building Reserve
- to finance the purchase or capital improvements of Council buildings and cover the costs associated with subdivision and development of land.

(c) Landfill Reinstatement Reserve
- to reinstate landfill sites at the end of their current purpose, or to fund the operation and capital improvements of landfill sites in the Shire.

(d) Sewerage Reserve
- to repair, replace or extend the Coolgardie Sewerage Infrastructure

(e) Kambalda Medical Setup Reserve
- For the setup and associated costs for the provision of a Medical Practice in Kambalda.

(f) Environmental Improvement Reserve
- For the funding of infrastructure and building improvements to meet environmental challenges, and to promote the efficient use of power and water.

(g) Community and Recreation Facilities Reserve
- to fund capital and maintenance requirements to improve Community and Recreational Facilities.

(h) IT and Communication Reserve
- for the replacement or upgrade of computer or communications hardware and software.

(i) Road Construction and Maintenance
- For the construction and maintenance of Roads for which Contributions have been received for Heavy Haulage Campaigns.

(j) Airport Reserve
- To improve the airfield and associated infrastructure.

All reserves are not expected to be used with a set period as further transfers to the reserve accounts are expected as funds are utilised.

13. REVALUATION SURPLUS	2014 $	2013 $
Asset revaluation reserves have arisen on revaluation of the following classes of non-current assets:		
(a) Land & Buildings		
Opening Balance	0	0
Revaluation Increment	11,863,159	0
Revaluation Decrement		
	11,863,159	0
(b) Plant & Equipment		
Opening Balance	164,177	0
Revaluation Increment	0	164,177
Revaluation Decrement		
	164,177	164,177
TOTAL ASSET REVALUATION SURPLUS	12,027,336	164,177

14. 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:

	2014 $	2014 Budget $	2013 $
Cash and Cash Equivalents	4,642,308	2,393,310	4,101,632

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

Net Result	(1,509,245)	(863,082)	(1,758,800)
Depreciation	4,250,037	4,006,545	3,949,031
(Increment / Decrement in fair value of investments	0	0	(186,131)
(Profit)/Loss on Sale of Asset	(8,819)	(378,388)	95,081
(Increase)/Decrease in Receivables	(162,703)	1,464,016	158,999
(Increase)/Decrease in Inventories	140	(500)	1,328
Increase/(Decrease) in Payables	(273,974)	695,656	(207,773)
Increase/(Decrease) in Employee Provisions	(3,603)	(180,000)	(23,523)
Grants Contributions for the Development of Assets	(387,320)	(3,039,234)	(1,666,164)
Net Cash from Operating Activities	1,904,513	1,705,013	362,048

(c) Undrawn Borrowing Facilities

	2014 $	2013 $
Credit Standby Arrangements		
Bank Overdraft limit	0	0
Bank Overdraft at Balance Date	0	0
Credit Card limit	30,000	30,000
Credit Card Balance at Balance Date	(1,200)	(13,222)
Total Amount of Credit Unused	28,800	16,778
Loan Facilities		
Loan Facilities - Current	285,631	279,791
Loan Facilities - Non-Current	1,723,421	1,136,053
Total Facilities in Use at Balance Date	2,009,052	1,415,844
Unused Loan Facilities at Balance Date	456,827	0

15. CONTINGENT LIABILITIES

The Shire of Coolgardie has no contingent Liabilities as at 30 June 2014.

16. CAPITAL AND LEASING COMMITMENTS	2014 $	2013 $
(a) Finance Lease Commitments		
There were no finance lease commitments at 30 June 2014	0	0
(b) Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	68,171	68,808
- later than one year but not later than five years	17,043	78,623
	85,214	147,431
(c) Capital Expenditure Commitments		
There were no capital expenditure commitments as at 30 June 201	0	0

17. JOINT VENTURE ARRANGEMENTS

The Shire together with the Councils in the GVROC have a joint venture arrangement with regard to the provision of a Regional Records Storage Facility.

On 14 June 2012 the Shire of Coolgardie became part of a joint venture with nine other Councils (i.e. City of Kalgoorlie-Boulder, Shires of Esperance, Laverton, Leonora, Menziies, Ngaanyatjarraku, Ravensthorpe, Wiluna and Dundas) to provide a Regional Records Facility. The Facility is located in Kalgoorlie. The only asset is a building. Council has one tenth share of the Asset.

	2014 $	2013 $
Non-Current Assets		
Storage Facility	68,000	68,000
Less: Accumulated Depreciation	(1,808)	(904)
	66,192	67,096

The Shire has a joint venture arrangement with the Department of Housing and Works to provide aged housing in Kambalda. Council is requried to make a provision of 1% of the investment per annum, and to place in a Reserve Account any surplus funds.

During the Financial Year, the expenditure exceeded this amount. No funds have been transferred to Reserve.

	2014 $	2013 $
Non-Current Assets		
Land and Buildings	1,605,000	183,469
Less: Accumulated Depreciation	(39,500)	(17,484)
	1,565,500	165,985

18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2014 $	2013 $
Governance	1,352,923	1,849,278
General Purpose Funding	2,621,074	2,642,985
Law, Order, Public Safety	33,547	60,319
Health	290,291	225,580
Education and Welfare	629,890	741,444
Housing	2,807,396	1,424,783
Community Amenities	2,699,763	2,396,778
Recreation and Culture	29,996,076	21,362,885
Transport	49,038,702	49,750,492
Economic Services	2,755,066	1,575,629
Other Property and Services	483,474	8,484
	92,708,202	82,038,657

19. FINANCIAL RATIOS

	2014	2013	2012
Current Ratio	0.92	1.09	1.90
Asset Sustainability Ratio	0.62	0.56	0.52
Debt Service Cover Ratio	6.49	1.72	7.52
Operating Surplus Ratio	(0.21)	(0.47)	(0.16)
Own Source Revenue Coverage Ratio	0.74	0.59	0.74

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.

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:

	Balance 1 July 2013 $	Amounts Received $	Amounts Paid ($)	Balance 30 June 2014 $
BCITF	9,612	13,798	(17,122)	6,287
Builders Registration Board	5,336	7,193	(9,690)	2,840
Bonds (Applications)	116,309	800	(800)	116,309
Held for Clubs	34,387	6,098	(5,694)	34,791
Miscellaneous Monies	71,798	31,888	(99,778)	3,908
Unknown Deposits	1,360	17,575	(16,734)	2,201
Nominations	300	0	0	300
	239,102			166,636

21. DISPOSALS OF ASSETS - 2013/14 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual $	Budget $	Actual $	Budget $	Actual $	Budget $
Land and Building						
Housing						
FE157 80 Sylvester Street	140,000	79,150	151,247	150,000	11,247	70,850
LB109 4 Cassia Street	70,565	75,749	166,003	200,000	95,438	124,251
LB111 18 Quandong Street	0	64,763	0	160,000	0	95,237
Transport						
PE012 T-Quip Toro	11,000	2,030	4,542	5,000	(6,458)	2,970
HV004 Mitsubishi Truck	84,000	0	53,000	50,000	(31,000)	50,000
HV005 Mitsubishi Truck	58,300	0	43,700	53,000	(14,600)	53,000
HV009 BobCat Skid Steer	33,000	24,654	14,500	15,000	(18,500)	(9,654)
HV010 Bobcat Skid Steer	33,000	0	16,500	0	(16,500)	0
LV027 Kluger	43,000	44,906	33,182	33,000	(9,818)	(11,906)
PE013 T-Quip Toro	990	1,360	0	5,000	(990)	3,640
	473,855	292,612	482,674	671,000	8,819	378,388

Profit	106,685	399,948
Loss	(97,866)	(21,560)
	8,819	378,388

22. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Principal 1 July 2013 $	New Loans $	Principal Repayments Actual $	Principal Repayments Budget $	Principal 30 June 2014 Actual $	Principal 30 June 2014 Budget $	Interest Repayments Actual $	Interest Repayments Budget $
Housing								
Loan 106 Hoising	20,975		16,649	11,649	4,326	9,326	663	924
Loan 107 Masonic Homes(*)	54,888		17,197	17,197	37,691	37,691	2,880	2,969
Community Amenities								
Loan 99 Coolgardie Effluent	92,982		14,024	14,024	78,958	78,958	4,911	5,136
Recreation and Culture								
Loan 111 KCRF Building	1,171,528		203,006	203,006	968,522	968,522	74,564	76,645
Loan 98 Coolgardie Recreation Centre	75,471		28,916	28,916	46,555	46,555	3,239	3,685
Loan 112 Swimming Pool Refurbishment	0	373,000		22,893	373,000	350,107	5,992	11,511
Economic Services								
Loan 113 Post Office Refurbishment	0	500,000		2,694	500,000	497,306	5,459	10,548
	1,415,844	873,000	279,791	300,379	2,009,053	1,988,465	97,709	111,418

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

22. INFORMATION ON BORROWINGS (Continued)

(b) New Debentures - 2013/14

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges	Interest Rate	Amount Used		Balance Unspent
	Actual $	Budget $				$	%	Actual $	Budget $	$
Loan 112 Pool Refurbishment	373,000	373,000	Reserve	Debenture	10	92,839	4.34	373,000	373,000	0
Loan 113 Post Office Refurbishment	500,000	500,000	Reserve	Debenture	20	315,399	4.19	43,173		456,827
	873,000	873,000				408,238		416,173	373,000	456,827

(c) Unspent Debentures

Particulars	Date Borrowed	Balance 1 July 13 $	Borrowed During Year $	Expended During Year $	Balance 30 June 14 $
Loan 113 Post Office Refurbishment	15/04/2014	0	500,000	43,173	456,827
		0	500,000	43,173	456,827

(d) Overdraft

The Shire has no overdraft facility in place as at 30 June 2014.

23. RATING INFORMATION - 2013/14 FINANCIAL YEAR

(a) Rates RATE TYPE	Rate in $	Number of Properties	Rateable Value $	Rate Revenue $	Interim Rates $	Back Rates $	Total Revenue $	Budget Rate Revenue $	Budget Interim Rate $	Budget Back Rate $	Budget Total Revenue $
Differential General Rate											
GRV General Rate	9.3700	1,362	14,639,899	1,371,759	775	0	1,372,534	1,368,514	55,000	0	1,423,514
UV Mining	17.8900	1,191	18,629,774	3,332,867	22,535	0	3,355,402	3,336,856	25,000	0	3,361,856
UV Rural and Pastoral	4.6853	25	1,194,630	55,972	0	0	55,972	56,300	0	0	56,300
Sub-Totals		2,578	34,464,303	4,760,597	23,310	0	4,783,907	4,761,670	80,000	0	4,841,670
Minimum Rates	**Minimum $**										
GRV General Rate	580	661	1,652,296	383,380	(13)	0	383,367	389,760	0	0	389,760
UV Mining	365	912	964,194	332,880	(14,016)	0	318,864	335,070	0	0	335,070
UV Rural and Pastoral	580	12	31,006	6,960	0	0	6,960	6,960	0	0	6,960
Sub-Totals		1,585	2,647,496	723,220	(14,029)	0	709,191	731,790	0	0	731,790
							5,493,099				5,573,460
Written Off							(2,315.8)				(15,000)
Discounts (refer note 26.)							0				(27,000)
Total Amount Raised From General Rate							**5,490,783**				**5,531,460**

23. RATING INFORMATION - 2013/14 FINANCIAL YEAR (Continued)

(b) Information on Surplus/(Deficit) Brought Forward

	2014 (30 June 2014 Carried Forward) $	2014 (1 July 2013 Brought Forward) $	2013 (30 June 2013 Carried Forward) $
Surplus/(Deficit) 1 July 13 Brought Forward	1,136,494	1,219,969	1,219,969
Comprises:			
Cash and Cash Equivalents			
Unrestricted	497,477	401,277	401,277
Restricted	4,144,831	3,700,355	3,700,355
Investments	0	184,614	184,614
Receivables			
Rates outstanding (less provision for doubtful debt)	814,816	745,999	745,999
Sundry Debtors (less provision for doubtful debt)	273,212	145,924	145,924
GST Receivable	45,521	76,349	76,349
Loans - Clubs/Institutions	18,274	17,197	17,197
Prepayments	20,895	0	0
Pensioners Rebates	23,226	23,571	23,571
ESL Receivable	4,542	26,495	26,495
Inventories			
Miscellaneous Stock	7,823	7,963	7,963
Less:			
Trade and other Payables			
Sundry Creditors	(500,009)	(691,634)	(691,635)
PAYG Payable	0	(117,486)	(117,486)
ATO Liabilities	(51,009)	(7,177)	(7,177)
Other Accrued Expenses	0	(26,201)	(26,201)
Other Payables	0	(5,120)	(5,120)
Current Portion of Long Term Borrowings			
Secured by Floating Charge Debentures	(285,631)	(279,791)	(279,791)
Provisions			
Provision for Annual Leave	(184,032)	(278,735)	(278,735)
Provision for Long Service Leave	(82,706)	(53,237)	(53,237)
Net Current Assets	**4,747,230**	**3,870,363**	**3,870,362**
Less:			
Reserves - Restricted Cash	(4,144,831)	(3,244,960)	(3,244,960)
Loans - Clubs/Institutions	(18,274)	(17,197)	(17,197)
Add:			
Secured by Floating Charge Debentures	285,631	279,791	279,791
Provision for Annual Leave	184,032	278,735	278,735
Provision for Long Service Leave	82,706	53,237	53,237
Surplus/(Deficit)	**1,136,494**	**1,219,969**	**1,219,968**

Difference

There was no difference between the Surplus/(Deficit) 1 July 2013 Brought Forward position used in the 2014 audited financial report and the Surplus/(Deficit) Carried Forward position as disclosed in the 2013 audited financial report.

24. SEWERAGE - 2013/14 FINANCIAL YEAR

	Rate in $	Basis of Rate	Rateable Value $	Rate Revenue $	Budget Rate Revenue $	Applied to Costs $	Budget Applied to Costs $
Sewerage							
- Rate	5.8850	GRV	3,198,122	209,334	188,210	209,334	188,210
				209,334	188,210	209,334	188,210

The specified area rate for the operations and capital expenditure of the Coolgardie Townsite sewerage system. The proceeds of the rate are applied in full to the costs of the operations of the sewerage system.

25. SERVICE CHARGES - 2013/14 FINANCIAL YEAR

The Shire did not impose any service charges.

26. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS - 2013/14 FINANCIAL YEAR

Waivers for Gym Membership and use of Council facilities are provided for not for profit organisation upon application to Council
appearing on the rate notice.

Permanent Staff of the Shire of Coolgardie are provided with free gym membership and entry to the Swimming Pools in Kambalda and Coolgardie.
Ambulance and Volunteer Bush Fire Brigade. Council considers support of these groups necessary for the overall benefit of the community.

No discount on rates is available.

	Type	Disc %	Total Cost/ Value $	Budget Cost/Value $
Rates Assessment	Write-off	N/A	2,316	0

27. INTEREST CHARGES AND INSTALMENTS - 2013/14 FINANCIAL YEAR

	Interest Rate %	Admin. Charge $	Revenue $	Budgeted Revenue $
Interest on Unpaid Rates	10.00%	N/A	188,752	150,000
Interest on Instalments Plan	5.50%	N/A	24,667	19,000
Charges on Instalment Plan	N/A	10	28,550	25,000
			241,969	194,000

Ratepayers had the option of paying rates in four equal instalments, due on 20 September 2013 22 November 2013, 24 January 2014 and 28 March 2014. Administration charges and interest applied for the final three instalments.

28. FEES & CHARGES

	2014 $	2013 $
General Purpose Funding	33,650	53,819
Law, Order, Public Safety	24,049	11,084
Health	7,764	3,925
Education and Welfare	104,292	80,183
Housing	80,686	40,648
Community Amenities	855,696	770,876
Recreation and Culture	286,277	268,661
Transport	861,611	158,481
Economic Services	45,065	41,904
Other Property and Services	13,847	86,808
	2,312,938	1,516,389

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

29. GRANT REVENUE

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

	2014 $	2013 $
By Nature or Type:		
Operating Grants, Subsidies and Contributions	1,826,185	1,788,784
Non-Operating Grants, Subsidies and Contributions	387,320	1,666,164
	2,213,505	3,454,948
By Program:		
General Purpose Funding	786,840	1,023,831
Law, Order, Public Safety	5,684	1,466
Health	0	26,657
Education and Welfare	196,222	
Housing	43,009	118,980
Community Amenities	20,764	41,237
Recreation and Culture	53,391	874,912
Transport	546,478	1,356,287
Economic Services	3,217	6,388
Other Property and Services	557,900	5,190
	2,213,505	3,454,948

30. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date	59	58

31. ELECTED MEMBERS REMUNERATION

	2014 $	2014 Budget $	2013 $
The following fees, expenses and allowances were paid to council members and/or the president.			
Meeting Fees	117,875	77,500	56,000
President's Allowance	17,700	40,752	18,000
Deputy President's Allowance	5,176	19,688	4,500
Travelling Expenses	1,697	0	659
Telecommunications Allowance	23,625	24,500	23,800
	166,073	162,440	102,959

32. MAJOR LAND TRANSACTIONS

Council did not participate in any major land transactions during the 2013/14.

33. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Council did not participate in any trading undertakings or major trading undertakings during the 2013/14 financial year.

34. FINANCIAL RISK MANAGEMENT

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

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

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

The Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2014	2013	2014	2013
	$	$	$	$
Financial Assets				
Cash and cash equivalents	4,642,308	4,101,632	4,642,308	4,101,632
Receivables	1,259,825	1,114,319	1,259,825	1,114,319
Investments	0	184,614	0	84,614
	5,902,133	5,400,565	5,902,133	5,300,565
Financial Liabilities				
Payables	662,383	656,230	662,383	656,230
Borrowings	2,009,052	1,415,844	1,909,709	1,380,191
	2,671,435	2,072,074	2,572,092	2,036,421

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.

• Investments - based on quoted market prices at the reporting date or independent valuation.

34. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

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

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

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

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

Council manages these risks by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees. Council also seeks advice from independent advisers where applicable) before placing any cash and investments.

	2014 $	2013 $
Impact of a 10% (1) movement in interest rates on cash a		
- Equity	13,846	54,988
- Statement of Comprehensive Income	13,846 (2)	54,988 (*)
Impact of a 1% (1) movement in interest rates on cash		
- Equity	41,066	51,973
- Statement of Comprehensive Income	41,066	51,973

Notes:

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

(2) Maximum Impact.

34. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

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

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

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

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

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

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

	2014	2013
Percentage of Rates and Annual Charges		
- Current	0%	0%
- Overdue	100%	100%
Percentage of Other Receivables		
- Current	75%	61%
- Overdue	25%	39%

34. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables
Borrowings

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

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

	Due within 1 year $	Due between 1 & 5 years $	Due after 5 years $	Total contractual cash flows $	Carrying values $
2014					
Payables	662,383	0	0	662,383	662,383
Borrowings	444,467	1,301,256	945,951	2,691,674	2,009,052
	1,106,850	1,301,256	945,951	3,354,057	2,671,435
2013					
Payables	936,357	0	0	936,357	936,357
Borrowings	396,151	1,288,871	14,370	1,672,392	1,415,844
	1,332,508	1,288,871	14,370	2,608,749	2,352,201

34. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables
Borrowings (Continued)

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

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

	<1 year $	>1<2 years $	>2<3 years $	>3<4 years $	>4<5 years $	>5 years $	Total $	Weighted Average Effective Interest Rate %
Year Ended 30 June 2014								
Borrowings								
Fixed Rate								
Debentures	4,326	84,246	0	968,511	78,959	873,000	2,009,042	5.90%
Weighted Average Effective Interest Rate	6.14%	5.88%		6.99%	5.75%	4.70%		
Year Ended 30 June 2013								
Borrowings								
Fixed Rate								
Debentures	20,975	0	130,359	0	1,171,528	92,982	1,415,844	6.79%
Weighted Average Effective Interest Rate	6.14%		5.87%		6.99%	5.75%		

SHIRE OF COOLGARDIE
SUPPLEMENTARY RATIO INFORMATION
FOR THE YEAR ENDED 30TH JUNE 2014

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

	2014	2013	2012
Asset Consumption Ratio	0.62	0.65	N/A
Asset Renewal Funding Ratio (Note 1)	N/A	N/A	N/A

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

N/A - In keeping with amendments to Local Government (Financial Management) Regulations 50, comparatives for the 2012 year have not been reported as financial information is not available.

Note 1 - The Shire's Long Term Financial Plan did not include details on planned capital renewals over 10 years so this ratio was not calculated as at 30 June 2013 and 30 June 2014.

AGENDA REFERENCE: 6.2

SUBJECT: Cleaning tender for Shire of Coolgardie public amenities

FILE REFERENCE: NAM3083

DISCLOSURE OF INTEREST: The author has no interest in this report

DATE: 5 March 2015

AUTHOR: Manager Recreation Services

SUMMARY:

Council called for Tender RFT 01/15 for the "Provision of cleaning services for the Shire of Coolgardie", this tender closed on 4.00pm Friday 20 January 2015.

BACKGROUND:

The current cleaning tender RFT 05/13 – "Provision for cleaning services for the Shire of Coolgardie" is due to lapse on 31 March 2015, a new request for tender RFT 01/15 has been advertised and closed with 3 tenders being received from

- Pioneer Facility Services
- RMM Carpet Cleaning
- Mary Grace Pryce.

The tenders were received at the Shire Office in Kambalda and were opened at 4.00pm, 20 February 2015 by Councillor Johnstone, Manager of Recreation Services and the Compliance and Records Officer.

An assessment of rating was carried out using the table below

A) Organisation Capabilities Tenderers must address the following information in an attachment and label it 'Organisation Capabilities' • Provide details of at least two recent projects of similar size and scope completed by your organisation including works description, project value, your role; (not necessarily cleaning) • Provide a brief methodology as to how you will conduct the Services of this Request inclusive of, work overflow, staff training, response times, responding to requests; • Details of your organisations membership to any professional or business association, if applicable	Weighting 30%

B) Personnel Tenderers must, as a minimum, address the following information in an attachment and label it 'Personnel': • Detail the key personnel to be utilised in conducting the Requirements of this Request inclusive of any relevant Current Registrations or Licences held, their intended role and any relevant experience or qualifications held; • Detail the subcontractors to be utilised in conducting the Requirements of this Request inclusive of any relevant Current Registrations held, their intended role and any relevant experience and qualifications held;	Weighting 70%
TOTAL	100%

The following results were scored using this weighting criterion

Company	Score
Tender A	86%
Tender B	80%
Tender C	40%

This table is a summary of the cleaning tender's price schedules

Company	Monthly price- Kambalda Excl GST	Monthly price Coolgardie Excl GST	Total price per month Excl GST
Tender A	$6300.00	$7420.00	$13720.00
Tender B	$3925.12	$6018.62	$9943.74
Tender C	$3783.33	N/A	Kambalda $3783.33

Company	Supervisor (per hr)
Tender A	$60.00
Tender B	$39.60
Tender C	No price for supervisor /cleaner only $25.00

This Contract shall be for a period of two (2) years with an option to extend the Contract for up to a maximum of a further one (1) year at the sole discretion of the Principal. Extensions may be for a fixed term, or a succession of multiple terms.

COMMENT:

After taking into consideration the weighting criteria and assessing the pricing schedule the Manager of Recreation Services is recommending to Council that no tenders are accepted and negotiations are carried out with the top tender for the Kambalda town site and the Shire employs a permanent part time cleaner in Coolgardie to carry out the duties within the town site.
The reasons for this are as follows

Tender A

- The top tenders price exceeds Councils allocated budget for cleaning, through due diligence it was found that the top rating tender will negotiate the price and is comfortable in carrying out cleaning duties in the Kambalda town site only.
- The top tender has offered if the Shire of Coolgardie did employ their own part time cleaner in Coolgardie then their organsiation have relief staff to cover if the Shires cleaner takes leave.

Tender B

- After investigation of tender B it was found the supervision of the cleaners is sub standard causing frustration to the cleaners and to the responsible officer for the cleaning. The contract cleaners where not supplied cleaning supplies in a timely manner often using their own equipment to carry out their duties and cleaners were often unable to carry out their duties to a high standard as they did not have the right equipment.

Tender C

- Through due diligence it was found that although the tender price was very reasonable the applicant had not considered insurance in the tendered price, this makes the application non compliant. However the applicant has had an opportunity to investigate costs associated with insurance and I have considered this in the total cost of the monthly cleaning price.

CONSULTATION:

RMM Carpet Cleaning
Pioneer Facility Services
Mary Grace Pryce
Manager of Administration Services – Rhonda Evans

STATUTORY ENVIRONMENT:

Tender Regs: Local Government (Functions and General) Reg 1996 - Tenders

Local Government (Functions and General) Regulations 1996

18. Choice of tender

(1) A tender is required to be rejected unless it is submitted at a place, and within the time, specified in the invitation for tenders.

(2) A tender that is submitted at a place, and within the time, specified in the invitation for tenders but that fails to comply with any other requirement specified in the invitation may be rejected without considering the merits of the tender.

(3) If, under regulation 23(4), the CEO has prepared a list of acceptable tenderers for the supply of goods or services, a tender submitted by a person who is not listed as an acceptable tenderer is to be rejected.

(4) Tenders that have not been rejected under subregulation (1), (2), or (3) are to be assessed by the local government by means of a written evaluation of the extent to which each tender satisfies the criteria for deciding which tender to accept and it is to decide which of them it thinks it would be most advantageous to the local government to accept.

(4a) To assist the local government in deciding which tender would be the most advantageous to it to accept, a tenderer may be requested to clarify the information provided in the tender.

(5) The local government may decline to accept any tender.

(6) If a local government has accepted a tender but acceptance of the tender does not create a contract and within 6 months of the day on which the tender was accepted the local government and the successful tenderer agree not to enter into a contract in relation to the tender, the local government may accept from the other tenders the tender which it thinks it would be most advantageous to the local government to accept.

(7) If a local government has accepted a tender and acceptance of the tender creates a contract and within 6 months of the day on which the tender was accepted the local government and the successful tenderer agree to terminate the contract, the local government may accept from the other tenders the tender which it thinks it would be most advantageous to the local government to accept.

POLICY IMPLICATIONS: NIL

FINANCIAL IMPLICATIONS:

The acceptance of this tender has no financial implications as the cost of the service will not be increased.

STRATEGIC IMPLICATIONS: NIL

OFFICER RECOMMENDATION

That Council

1. Reject all tenders for the "Provision of cleaning services for the Shire of Coolgardie" that were received on Friday 4.00pm 20 January 2015.

2. Authorise Chief Executive officer or his nominated delegates to negotiate a suitable price for the cleaning services for the Kambalda town site.

3. Employ a part time cleaner for the Coolgardie town site in accordance with the Shire of Coolgardie's human resource policy.

COUNCIL RESOLUTION: # 043/15

MOVED: COUCNILLOR, N KARAFILIS
SECONDED: COUCNILLOR, K JOHNSTONE

That Council

1. Reject all tenders for the "Provision of cleaning services for the Shire of Coolgardie" that were received on Friday 4.00pm 20 January 2015.

2. Authorise Chief Executive officer or his nominated delegates to negotiate a suitable price for the cleaning services for the Kambalda town site.

3. Employ a part time cleaner for the Coolgardie town site in accordance with the Shire of Coolgardie's human resource policy.

CARRIED 6/0

7.0 CONFIDENTIAL ITEMS

NIL

8.0 MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC

NIL

9.0 CLOSURE

Shire President declared the meeting closed at 5.59pm and thanked all for their attendance.