



*Rock Solid*

# **Shire of Trayning**

## **Annual Report**

### **2014/2015**



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# GENERAL INFORMATION

## Administration Office

**Address**

Railway Street,  
Trayning, WA 6488

**Postal Address**

PO Box 95  
Trayning WA 6488

**Telephone** (08) 9683 1001**Fax** (08) 9683 1040**E-mail:** [admin@trayning.wa.gov.au](mailto:admin@trayning.wa.gov.au)**Website:** [www.trayning.wa.gov.au](http://www.trayning.wa.gov.au)**Office hours:**

Mon to Fri 8.30 am - 4.30 pm

## Other

**Towns:** Trayning, Kununoppin, Yelbeni**Area:** 1,632 sq kms**Distance from Perth:** 235 km**Population:** 467**Number of Electors:** 341**Number of Dwellings:** 255**Total Rates Levied:** \$ 863,525**Total Revenue:** \$6,092,038**Number of Employees:** 20 (16 FTE)

## Significant Local Events

New Years Eve Community Party, Australia Day Community BBQ at the Trayning Aquatic Centre, Tractor Mudbog and Burnout Competition.

## Tourist Attractions

Billyacatting Hill Conservation Park with fauna, reptiles, wildflowers, rare flora and bird watching, Gnamma Holes, Yarragin Rock (twin monoliths), Yelbeni Museum, Trayning Tree Library Walk Trail, Historic Wells and a part of the Pioneer Pathways Route.

## Accommodation

Trayning Hotel/Motel, Trayning Caravan Park.

## Sporting & Recreation Facilities

Ninghan Fitness Centre - Community Gym, Aquatic Centre, 4 Grass Tennis Courts, Bowls, Yelbeni Golf Course and Clubhouse with 18 holes (in recession), Swimming Club, BMX Tracks in Trayning & Kununoppin, Community/School Oval and excellent BBQ/Playground areas.



# SHIRE PRESIDENT'S REPORT

The 2014/15 annual report has been presented to council and staff. It is my pleasure to present the annual report to the community.

With the resignation of our Deputy Chief Executive Officer, we welcome Cameron Watson to the Shire and community in the DCEO position. Over the past 12 months we had some staff changes in both office and outside works staff. I wish our staff who departed the best for the future and thank them for their service to the Shire, and welcome our new members of staff. I would like to Thank Wendy Hurley for her dedication of 24yrs service to the running and care she has put into the pool and for many more years to come.

With no council elections this year our councillors remain the same, I would like to thank all fellow councillors for their time and the dedication they have given the community. I would like to especially thank my Deputy President, Geoff Waters, on his dedication to council and assistance to myself.

Councillors attend meetings on every third Wednesday of the month for ordinary council meetings as well as subcommittee meetings, as below:

- NEWROC
- NEW Health
- Kununoppin Medical Practice
- Local Emergency Management Committee
- Local Health Advisory Group
- WALGA Great Eastern Country Zone
- Central Eastern Aged Care Alliance
- Regional Road Group
- NEW Travel

Plus many community based groups

## PROJECTS

This year has been a busy year for both office staff and outside works staff with the completion of the Grain Freight route including the upgrade of Twine Street. Other projects completed in 2014/15 are:

- Works at the Pool, new diving board and blanket covers
- Major & General road works
- Stage 1 clearing and site preparation for delivery of the Independent Living Units at Kununoppin
- Earth works ready for the Fuel Depot
- Stage 1 of Grandstand at the Trayning Recreational grounds
- Memorial for Dr JG Radunovich at the Kununoppin Hospital
- Community water supply Grant with the erection of 2 water tanks at the Trayning town dam

## FUTURE PROJECTS UNDER WAY

- Skate Park equipment has been delivered and awaiting installation
- Installation of fuel tanks and card machine at the Fuel Depot
- Delivery of 5 Independent Living houses
- Stage 2 Grand stand restoration
- Renovation Trayning Sporting Club



**Cr Freda Tarr**

Shire President



# **SHIRE PRESIDENT'S REPORT**

## **Continued**

### **APPRECIATION**

I thank the various volunteer organisations, without their dedication and commitment, our safety and way of life would not be at the outstanding level we know today.

To the Shire staff I express my appreciation for your continued dedication and loyalty to achieve council's objectives.

I look forward to continue working with the community, councillors and Staff to achieve the Shire's goals and to making this a great community to live in and be part of.

Freda Tarr  
**Shire President**



# CEO'S REPORT



**Tanika  
McLennan**

Chief  
Executive  
Officer

## ROADWORKS

Roadworks remains Council's largest area of expenditure each year with in excess of \$1.7 million spent on Council's construction and maintenance program. Council has several sources of funding for road works.

- Roads to Recovery (Commonwealth)
- Roads component of the Financial Assistance Grants (State)
- Main Roads WA Regional Road Group grants (State)
- Main Roads WA Grain Freight Route Project grant (State)

Construction works were carried out on the Bencubbin Kellerberrin Road, Billyacatting Road, Kununoppin Doodlakine Road, Huandanning Road, Hughes Street (K), Glass Steet (T), Sutherland Street (T) and Twine Street (T).

## GRAIN FREIGHT ROUTE

The roads in this Shire affected are Sutherland St, Twine St, and the Bencubbin-Kellerberrin Rd from Trayning to the southern boundary. Works are totalling \$4.8 million over 3 financial years concluded in June 2015.

## KUNUNOPPIN MEDICAL PRACTICE

In partnership with the Shires of Mt Marshall, Mukinbudin and Nungarin, the Shire of Trayning purchased the Medical Practice from Dr John Radunovich in 2009. 2013 saw the introduction of a new management company, Rural Health Outcomes Inc, who now provide day to day management of the practice.

The Practice requires a substantial financial contribution from the Shires to continue operating, with the costs split 40% to Trayning, 25% to each of Mt Marshall and Mukinbudin and 10% for Nungarin. In 2014/15 Trayning's total contribution was \$46,363. At 30 June 2015, Council held \$51,251 in a cash backed reserve to be used to maintain the services of a doctor and other medical services.

## KUNUNOPPIN INDEPENDENT LIVING UNITS

Work commenced in 2015 for the construction of 5 Independent Living Units in Kununoppin, adjacent to the hospital. This will provide accommodation for residents needing age friendly accommodation in close proximity to medical services but still able to live independently. Construction is anticipated to be complete by March 2016.

## COMMUNITY RECREATION CENTRE

Council is continuing to allocate a portion of rates to the cash backed CRC Reserve for the purpose of constructing a Community Recreation Centre. At 30 June 2015, Council held \$ 197,131 in this reserve. Construction of the CRC is scheduled for the 2016 off season.

## TOURISM

It is pleasing to see that tourism continued to grow in the Shire during 2014/15. The continued promotion of the region through the Wheatbelt Way and other mediums has been well received and attracts numerous positive comments. Tourism offers an economic development opportunity for the region and whilst it will never overtake the region's core economic activity, agriculture, it is predicted to continue to grow over the coming years.

## APPRECIATION

I would once again like to thank all staff, for their dedication and the contribution they have made to the Shire and the community. The Shire plays an important role in the community and the staff have worked hard to ensure the Shire's services have been delivered effectively.

TANIKA McLENNAN  
CHIEF EXECUTIVE OFFICER





**Bill  
McKenna**

**Works  
Supervisor**

# WORKS SUPERVISOR'S REPORT

The Works Projects that have been completed for the financial year 2014 -2015 are:

- **Kellerberrin - Bencubbin Road (RRG001)** – widening shoulders, sealing and upgrade of Har- rods Road intersection.
- **Grain Freight Network** – Guide posts and signs erected.
- **Twine Street (GFR003/GFR004)** – reconstruct main street and surface asphalted, median strip re- formed with new vegetation, new landscaping and new directional sign.
- **Glass Street, Trayning (RCC036)** – reconstruction, sealing and kerbing of street.
- **Hughes Street, Kununoppin (RCC035)** – reconstruction, sealing and kerbing a section of the street.
- **Huandanning Road (RCC032)** – reconstruction of floodway and concrete headwalls.
- **Billyacatting Road (RTR021)** – reformation and gravel re-sheet a section of the road.
- **Kununoppin – Doodlakine Road (RTR020)** – reformation and gravel re-sheet a section of the road.
- **Living Independent Units, Hughes Street, Kununoppin (BC51)** – site clearing of vegetation.
- **11 Wilson Street, Kununoppin (BC20)** – Landscaping and reticulation of gardens and lawns.
- **Refuse Sites** – Upgrade of Kununoppin and Yelbeni sites.
- **Town Streets** – street sweeping of Trayning and Kununoppin town sites.
- **Skate Park, Trayning** – surface asphalted.
- **Town Dam/Water Tanks, Trayning** – water tank pad constructed.
- **Winter Maintenance Grading** – Shire and Contractor shared grading.
- **Shire of Trayning Entry Statements** – Department of Corrections Work Camp.
- **Kununoppin, Trayning and Yelbeni Cemeteries** – Entry Statements by Department of Correc- tions Work Camp.
- **Trayning Swimming Pool** – leach drain upgrade.
- **Road Verge Slashing, Mulching and Weed Spraying** – various roads. **Kununoppin Airstrip** – weed spraying and general maintenance.
- **Trayning Caravan Park** – installed barbecue area.
- **Tree Planting** – trees planted by Works Crew at Trayning Refuse site, Trayning Golf Course and ‘Pig Yard’, Gents Road.
- **Information History Plaques** – erected plaques at various historic sites in Trayning.
- **Trayning Primary School** – asphaltting of basketball court.
- **Gravel Pushing** – various gravel pits.
- **Trayning Fuel Facility** – site works.

Plant and equipment that was:

Purchased –

- Nissan Navara Construction utility was replaced with a Ford Ranger.
- Works Supervisor's Isuzu D-Max utility was replaced with a Toyota Hilux utility.
- Toro Ride on Mower.
- Daf Truck was fitted with a side tipper.
- Honda Brushcutter
- Cargo tilt trailer for Toro Ride on Mower.
- Makita 18 volt set of drills, grinder, blower, hedge cutter and hammer drill.
- Stihl concrete cut off saw.

Repaired –

- Komatsu Grader GD555-5 – whole door including glass and seals, mirrors and lights.
- John Deere Tractor slasher – battery replaced.
- Cat Multi Tyre Roller – new radiator, alternator and batteries.
- Volvo Loader – Cutting edges and tyres replaced.
- Cat Backhoe – hydraulic hoses replaced, extender boom re-shimmed and air conditioning ser- viced.
- Mitsubishi Truck – drop sides on tipping body repaired.





# **WORKS SUPERVISOR'S REPORT**

## **Continued**

Services –

- All services on vehicles are up to date.

Staff –

- Construction Grader Operator - current status - casual employee.
- Workshop/Plant Operator – current status - employee on Works Compensation.
- Daf Side Tipping Truck Operator – current status – full time employee.
- Parks and Gardens – current status – casual and permanent part-time employees.
- Plant Operators – current status -two full time employees.

I have found that share loading with Shire employees and local contractors has been beneficial during this financial year and I have continued this practice into the new financial year of 2015 – 2016.

(WJ) Bill McKenna

**Works Supervisor**

30 June 2015



# NATURAL RESOURCE MANAGEMENT

## ANNUAL REPORT - 2014/2015

### FEDERAL GOVERNMENT- BIODIVERSITY FUND

NEWROC NRM in partnership with WEROC and SEAVROC NRM receive funding for a 6 year Biodiversity fund project with the aim of 'Connecting Biodiversity across the Wheatbelt of Western Australia'. Trayning Shire is responsible for administering the finance for the project. Landholders who successfully submitted projects for the 2015 planting season have now completed planting seedlings and fencing projects where appropriate, and site visits to evaluate progress are currently under way.

### COMMUNITY WATER SUPPLY PROJECT

An alternative plan was approved by council to install 2x 200KI TANKS to act as an emergency water supply. The tanks store water pumped from the CBH dam, instead of pumping straight into the silt dam, so that the water is not subject to evaporation.

### STATE NRM GRANT

Nearly 20,000 biodiverse seedlings were planted on the Golf Course by Shire staff and students from Trayning Primary School as part of the "Protecting Trayning's Biodiversity" project.

### RED CARD FOR RED FOX

Teams were organised to participate in the Wheatbelt NRM's Red Card for Red Fox weekend shoots. 29 foxes, 28 rabbits, and 1 cat were culled from Trayning Shire.

### CORRELLA CULL

During November and December 2014, Conservation Australia (Inc.) members removed a total of 84 correllas, 20 pigeons, 9 foxes, 14 rabbits and 2 cats from the Golf Course, Race Track, CBH Bins and the old Trayning tip.

### TRAYNING TIP OFFSET SITE

Site works and revegetation of parts of the Old Trayning Tip was conducted as part of the Shire's responsibility for offsetting the gravel pits used during the Grain Freight Route work.

### RURAL TOWNS PROJECT

Monitoring of 12 piezometers in the Yeelanna Catchment plus in Town sites (2) Yelbeni, (5) Kununoppin and (16) Trayning has continued through 2014/15.

Glen Buder

**NATURAL RESOURCE MANAGEMENT OFFICER**



**Glen  
Buder**

Natural  
Resource  
Management  
Officer





# HEALTH AND BUILDING

## PRINCIPAL ENVIRONMENTAL HEALTH OFFICER 2014/2015 ANNUAL REPORT

**William  
Hardy**

Principal  
Environmental  
Health  
Officer

### **1.0 NEW HEALTH.**

The Shire of Trayning participates in NEW Health, a group share scheme for the provision of environmental health services to the North East Wheatbelt. The Scheme involves six Shires being Wyalkatchem, Koorda, Trayning, Mukinbudin, Mount Marshall and Nungarin. Each Shire contributes to the employment of a Principal Environmental Health Officer (PEHO) to manage the environmental health issues for them. The Scheme is administered through the Koorda Shire office.

It has been a key role for local government for over a century to monitor and take action should the environmental health of the residents be put under threat. In times past the threats included water quality, food safety, safe effluent disposal and housing problems. These can still raise their heads but modern issues such as public swimming pools, fire safety in public buildings, effluent reuse, mosquito nuisance and disease and public events now have relevance.

### **2.0 STAFFING.**

In October 2014 the long serving PEHO / Building Surveyor, Julian Goldacre left the position and the current PEHO Bill Hardy stood in for him. On 5 January 2015 Mr. Hardy was made permanent in the position and he continues to carry out the role. NEW Health was unable to attract a health and building qualified person so they chose to employ Mr. Hardy who is only qualified to do the Health side of the role. The increased requirements to qualify as a Building Surveyor have now made the dual qualification a rare commodity.

The PEHO position is shared by 5 Shires for 1 day each per week and Nungarin has one day per month. So the Shire of Trayning share is something less than 0.2 of a full time position.

### **3.0 FOOD SAFETY.**

It is a requirement of the Food Act that the Shire have and maintain a Register of all the Food Premises in their area. On taking up the role the PEHO updated this register. When a food business wants to operate in the Shire they must complete a Food Premise Notification form which leads to their Registration. The PEHO carries out routine inspections of the registered premises and provides a signed report for each inspection to the operator.

Under the Food Act the Shire must report on their activities each year. This report was completed and sent to the Health Department in July 2015.

There are currently 6 food businesses registered in the Shire. There have been 6 inspections since the PEHO took over the position. Reports were issued for any issues requiring attention. No Improvement Orders or Prohibition Orders have been issued.

The PEHO has worked to develop a constructive relationship with the food business operators so that any problems can be discussed and addressed with a minimum of conflict.

Recently NEW Health arranged to join the "I'm Alert" on-line food safety training program. This is a web site where anyone in the Shire can log in for free and work through a 1-2 hour training course in food safety and print out a certificate at the end. This enables food businesses to refer new staff to the web site and for them to get basic training. This will be an ongoing service.

### **4.0 PUBLIC BUILDINGS AND PUBLIC EVENTS.**

Under the Health (Public Buildings) Regulations the Shire must create and maintain a Register of all the Public Buildings in their area. On taking up the role the PEHO updated this register. The PEHO carries out routine inspections of the Public Buildings and reports to the owner of the building on their condition.

These regulations mostly relate to fire safety and other important aspects of public buildings such as the maximum numbers of people allowed, numbers of toilets and fire exits.



# HEALTH AND BUILDING

## Continued

Each Public Building is required to have a Public Building Certificate which indicates the maximum numbers of people permitted in the building. The PEHO has been updating and issuing these for each building.

Currently there are 14 public buildings on the register and most have been inspected and reported upon in the last year.

### **Trayning men's Shed.**

This Public Building was recently inspected by the PEHO and there were issues identified with fire extinguishers being out of date and with the adequacy of the current electrical system. These issues are currently being addressed and will bring the building into compliance with the Regulations.

### **Mud Bog.**

The Public Building Regs., also apply to outdoor events such as the Mud Drags. This is to ensure that there are safe food outlets, adequate toilets, adequate waste disposal, safe rides and general public safety issues are addressed. A certificate was issued for the 2015 event.

### **5.0 DISABILITY ACCESS AND INCLUSION PLAN.**

The PEHO has undertaken a role in dealing with issues relating to this plan. The Disability Services Act requires that Shire have such a plan and report on its progress each year. Such a report and an updated version of the Shire of Trayning Plan was submitted to the Disability Services Commission (DSC) prior to its due date of 30 June 2015.

The plan was updated to include the additional "Outcome 7" required by the DSC which relates to the Shire planning to improve access to employment for disabled people.

### **6.0 TRAYNING POOL SAMPLING.**

The Health (Aquatic Facilities) Regulations requires that all public pools such as the Trayning pool are sampled and tested each month before and during the summer season. The PEHO did this throughout both swimming seasons. There were no failed samples in the past year indicating that the pool water quality was well managed and safe.

### **7.0 PRIVATE POOL INSPECTIONS.**

The PEHO also has a role in the inspection of private pools to ensure they comply with the Building Code and relevant Australian Standards. This mostly relates to their safety and in particular their fencing. These inspections are required to be carried out every four years and the PEHO will undertake to do them over the next year.

### **8.0 EFFLUENT SYSTEMS.**

Under the Health Act and On Site Effluent Regulations the PEHO has a role in advising what systems people require and approving the systems prior to installation.

The PEHO has done a soakage test on the site and provided a design for the effluent system for the Kununoppin Independent Living Units. An application for final approval from the Department of Health for this system has been submitted.

Similarly an application for the proposed new effluent system for the Trayning Sports Club will be submitted soon.

William Hardy

**PRINCIPAL ENVIRONMENTAL HEALTH OFFICER.**



# COUNCILLORS AND MEETINGS

## YOUR COUNCIL

The Shire of Trayning is represented by seven Councillors made up of President, Deputy President and 5 Councillors. The elected representatives work together to provide good governance by making decisions on all aspects through effective strategic planning.

The current members of Council consist of:

### Shire President

Freda Tarr  
Commenced—2011  
Term Expiry—2015

### Deputy President

Geoff Waters  
Commenced—1996  
Term Expiry—2015

### Councillors

Valda Knott  
Commenced—2003  
Term Expiry—2015

Trevor Lamond  
Commenced—1984  
Term Expiry—2017

Pace Vernon  
Commenced—2007  
Term Expiry—2015

Wallace Knott  
Commenced—2009  
Term Expiry—2017

Andrew Woodfield  
Commenced—2009  
Term Expiry—2017

Council meetings are held on the third Wednesday of each month except in January. Meetings start at the advertised times, and have a 15 minute period at the commencement for public question time. An agenda is prepared for each meeting, which is finalised by the Wednesday afternoon of the week prior to the meeting.

Council has two standing Committees, the Audit Committee as required by the Local Government Act, and the Local Emergency Management Committee as required by the Emergency Management Act. Other Committees for specific purposes may be created. There are also a number of other organisations on which your Council is represented, these include: Bush Fires Advisory Committee, Great Eastern Zone of WALGA, NEW Travel, Pioneer Pathways, Local Health Advisory Group, Regional Road Group, Local Emergency Management as well as others.

Council is also a member of the North Eastern Wheatbelt Regional Organisation of Councils, (NEWROC) which includes the Shires of Koorda, Nungarin, Mt Marshall, Mukinbudin and Wyalkatchem. The group works together to achieve greater resource sharing abilities.

The Local Government Act 1995 provides for Councillors to be paid a meeting fee for their attendance at Council and Committee meetings. This may be paid for individual attendances or alternatively, Councils may elect to pay an annual fee for attendance at these meetings.





# COUNCIL STAFF

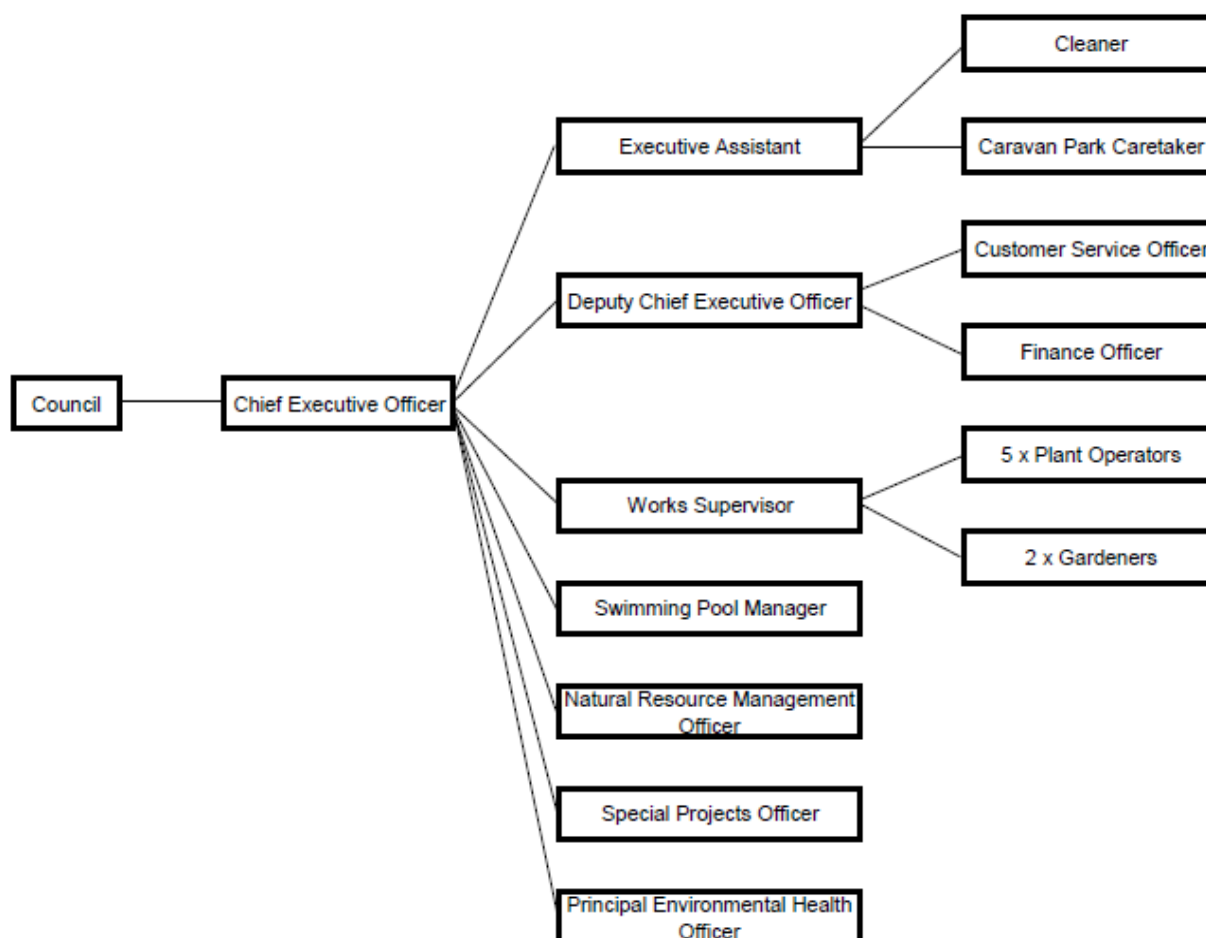
## ADMINISTRATION STAFF

Chief Executive Officer	Tanika McLennan
Deputy Chief Executive Officer	Cameron Watson
Environmental Health Officer	William Hardy
Executive Assistant	Belinda Taylor
Finance Officer	Evelin Ojaper
Customer Service Officer	Chloe Davis
NRM Officer	Glen Buder
Projects Officer	Lynda McCormack
Aquatic Centre Manager	Wendy Hurley
Cleaner	Caroline Ferns
Caravan Park Managers	Lennard Richards

## WORKS TEAM

Works Supervisor	Bill McKenna
Works crew	Mark Bandy
	Paul Lansdown
	Keith Hubbert
	Anthony Bell
	Trevor Hart
Town Crew	Peter Salo
	Sheree Rayner

## Organisational Chart



# MAJOR PROJECTS 2014/15

## AQUATIC CENTRE

The pool area has continued to receive some concentrated attention, with major upgrade and refurbishment work completed. We were unsuccessful with a grant application to undertake the whole of the work, and so it has been staged over several years. We will continue to apply for assistance as we are able.

- Stage 1 - Replace pump room and all associated plant. A contract for \$264,000 has been accepted.  
*Completed in 2010-2011.*
- Stage 2 - Work on the pool bowls themselves: inlet and outlet pipes to be replaced, rebuild the gutters to wet deck style for safety, convenience and efficiency, lighting, replace the concourse and in stall pavement drainage.  
*Completed in 2011-2012.*
- Stage 3 - Landscaping.  
*Completed in 2012-2013.*
- Stage 4 - Kiosk and general works.  
*Completed in 2013-2014.*
- Stage 5 - Replace Shade Sail, Diving Board & Pool Blanket.  
*Completed in 2014-2015.*

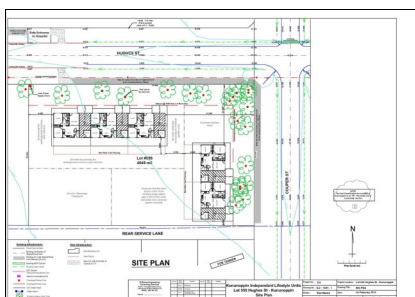


## GRAIN FREIGHT ROUTE

Work was completed on the Grain Freight Route this year with the Bencubbin Kellerberrin Road sections and Twine Street works being completed. This was a three year, staged project.

## RECREATION GROUND GRANDSTAND

Stage one of the Grand Stand Renovation Project has been completed. The works undertaken included re-stumping the main pillar supports and re-cladding the exterior of the structure.



## KUNUNOPPIN INDEPENDANT LIVING UNITS

Tenders were called for the supply of 1 x triplex unit and 1 x duplex unit for the Kununoppin Independent Living Units (ILU). The tender was awarded to Fleetwood for the construction and installation of the units. The ILU's will be situated on Hughes Street, Kununoppin, immediately opposite the District Hospital.

## COMMUNITY WATER SUPPLY PROJECT

An additional 400,000 litre capacity in the form of water tanks was installed at the CBH Dam in Trayning. This installation effectively doubles the facilities capacity and has a big impact on minimising evaporation over the summer months.



# EVENTS AND FUNCTIONS

## 2014

### September

*The AFL Grand Final* was once again viewed on the big screen at the Trayning Sporting Club. With shared nibbles and burgers on sale it is a lovely and relaxed day for the family to enjoy.

### October

*Trayning Tractor Pull Association Mud Bog & Burn Out* day was held at the Trayning Recreational Grounds with Mud Bogs, Mud Drags and Burn Outs.

*KTY Community Garden* held a *Scarecrow Building Day* in which the KTY Youth Group and Trayning Seniors worked together in designing, constructing and erecting two scarecrows, one male and one female. As well on the day the compost tumbler was assembled, some vegetables harvested and new vegetables planted.

*Kununoppin Hospital Fete* held at Mukinbudin Recreation Complex, with a large variety of stalls from clothing to handbags, plants, show bags, raffles, children's corner, fashion parade and DevonShire teas. *Halloween* was once again enjoyed by a growing group of children. The 'Trick or Treat' walk around started at 5.00pm followed by a disco from 6.00pm - 7.30pm that was held at the Trayning Town Hall.

### December

*Trayning Primary School* end of year concert held at the Trayning Town Hall was about 'Dance through the Ages'. Students performed Ballet, Tribal, 50's Retro and Hip-Hop. Once again the performances were well received by the community.

*KTY Community Christmas Tree* at the Trayning Park with a BYO BBQ, shared salad, and a grand entrance from Santa himself in his custom built sleigh. Once again this event was well received by the parents, grandparents and especially the children.

*Community New Years Eve Party* held at Pioneer Park with DJ Terry for the night's entertainment. It was a BYO BBQ with a shared salad and free sausage sizzle for the kids. Crowd was smaller this year but festive.

## 2015

### January

On *Australia Day* the local crowd enjoyed a Shire provided BBQ and the traditional game of cricket at Pioneer Park

### March

*KTY Community Shed* provided a 'Twilight Opening' for the community, an open invitation to those who are unable to attend during the day, either for a chat or help with any project they may be having problems with.

### April

*ANZAC Day Centenary* service this year was held at the Trayning War Memorial with a very good attendance. The service was followed with a traditional 'Bangers and Mash' lunch at the Trayning Hotel.



**Lynda  
McCormack**

**Special  
Projects Officer**



# EVENTS AND FUNCTIONS

## Continued

### May

*Yelbeni Cancer Day* held at the Yelbeni Golf Club, the theme for the day was Teal Blue the colour for ovarian cancer. With guest speakers, assorted stalls and raffles and lunch provided.

### June

*Kununoppin & Districts Hospital* hosted the official unveiling of Dr John Radunovich's bronze bust with an afternoon tea following.

Lynda McCormack  
**SPECIAL PROJECTS OFFICER**



# HOW YOUR COUNCIL WORKS

## LAW, ORDER & PUBLIC SAFETY

The Shire of Trayning is covered by a local FESA Unit which consists of three fire trucks, one fast attack fire utility and emergency and road rescue vehicles. Council has minimal expenses in this area, however Council still considers this area as a high priority by providing staff and equipment, as required.

The Shire of Trayning receives Police coverage and support from the Bencubbin Police Station. The Bencubbin and surrounding police carry out regular day and night patrols of the area to assist in keeping crime to a minimum.

Council has responsibility for the Local Emergency Management Committee which meets on a regular basis and conducts desktop exercises.

The Shire carries out the requirements of the Dog Act through the Central Wheatbelt Ranger Service and internal staff. The Ranger carries out weekly patrols of the Shire. Council has its own dog pound which is situated in the Shire depot.



## HEALTH & BUILDING

Council administers the requirements of the Health Act and Building Code in the Shire and is a member of the North Eastern Wheatbelt Health Scheme, which employs William Hardy as its Principal Environmental Health Officer and Building Surveyor. He ensures that the required standards are being met by shop owners and builders, and provides general advice to residents on health and building matters.

Council supports the Kununoppin and Districts Health Service when required and in conjunction with the Shires of Mt Marshall, Mukinbudin and Nungarin has constructed a house to assist in attracting a doctor, and a vehicle is also provided for the Doctor.

The Shires of Trayning, Mt Marshall, Mukinbudin and Nungarin have purchased the Kununoppin Medical Practice.

## EDUCATION & WELFARE

Council owns and maintains the Playgroup building situated at Twine Street, Trayning and provides it free of charge for use by the KTY Playgroup. Council supports the Wheatbelt Agcare and Counselling Service situated in Nungarin. Council also works closely with and provides support to the Trayning Primary School.

Council maintains and provides, free of charge, the Kununoppin Community Centre & Trayning Playgroup and Kununoppin Hall for the use of seniors and a second hand shop respectively.

## HOUSING

Council in conjunction with Homeswest provide six-aged person's units and two young person's units in Trayning. Council also provides housing for various staff employed by the Shire.



# HOW YOUR COUNCIL WORKS

## Continued

### COMMUNITY AMENITIES

There are refuse sites based in Kununoppin and Yelbeni for the disposal of various types of waste. General household refuse collection is carried out by Avon Waste each Monday, with recycling collected fortnightly on a Tuesday. Council also provides recycling bins at each post office for farmers to utilise.

Council administers and maintains the cemeteries at Kununoppin, Trayning and Yelbeni including 2 niche walls.

Council provides public toilets throughout the Shire for the use of tourists and general public.

### RECREATION & CULTURE

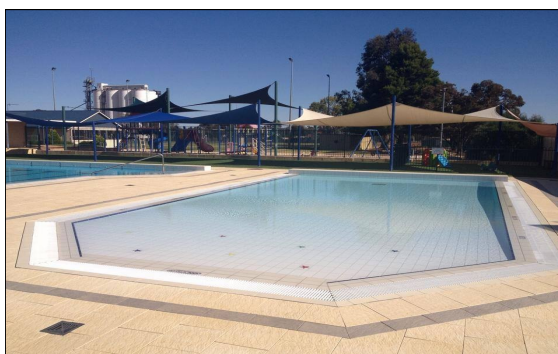
Council is responsible for the maintenance of the town halls in Kununoppin & Trayning and also relies on a community committee to assist with the Kununoppin hall. The Shire also maintains a community centre in Kununoppin and Trayning.

The Trayning Aquatic Centre continues to be a focal point for the community during summer and with the shade sails at the southern and northern ends of the aquatic centre it provides a sun smart environment. The aquatic centre is well managed by the Pool Manager, Wendy Hurley. It is also important as a facility where our children are educated in water safety via VACSWIM, school and local swimming club.

General parks and gardens are maintained by Council's town gardeners who ensure these areas are maintained to the highest of standards. The Shire of Trayning also contracts the services of Trayning Tyre Services to manage the Tennis Courts, Bowling Green, BBQ Playground area and Caravan Park.

The BBQ Playground area is enhanced with a modern fitness centre/gym and ablutions with enclosed verandah. Council also provides a new stainless steel BBQ in the park area for members of the community and tourists to utilise.

The Shire provides a fully stocked public library including public access for the community to an internet service.



# **HOW YOUR COUNCIL WORKS**

## **Continued**

### **TRANSPORT**

Council provides a full range of licensing facilities for vehicles, boats, firearm and motor drivers licenses. Council also has the facilities for the compulsory photographic Drivers and Firearms licence cards.

Council handles new Motor Driver Licensing applications, Computerised Theory Tests and Hazard Perception Tests.

Roads are the Shire's major commitment and consume the largest part of the annual budget. As well as ongoing maintenance, the Shire has carried out network improvements and major preservation projects during the year.

The Kununoppin airstrip is also a facility maintained by Council for the Kununoppin and Districts Hospital and the Royal Flying Doctor Service.

### **ECONOMIC SERVICES**

Council continues to contribute towards noxious weed control, vermin control, Natural Resource Management, Landcare and rural conservation services. The Shire employs Glen Buder as the Natural Resource Management Officer and contract two days per week of his time to the Shire of Nungarin.

The Ninghan News is fully funded and compiled on a fortnightly basis by the Shire administration staff and is distributed in each town and via mail to subscribers. No publications are produced during January.

Council compiles and produces a local telephone and business directory for the Shire of Trayning which can be purchased through the Shire Office.

Council maintains its support for tourism and area promotion in the Shire and region with its involvement in NEWTravel, Pioneer's Pathway, the Wheatbelt Way and through the maintenance of the Tourist Information Bay and Local Tourism Brochure.

The Billyacatting Hill Nature Reserve and Gnamma Holes in conjunction with beautiful wildflowers & orchards are just a few of the unique tourism assets within the community and attract tourists from everywhere.

### **PRIVATE WORKS**

Private works for residents is a service provided by the Council, and also extended to private organisations and Government Departments. Fees and charges are reviewed annually during the budget process, these are available by contacting the Shire Office staff.

### **FINANCE AND BORROWING**

Council currently has a number of loans for various purposes including the construction of Housing, construction of Ninghan Fitness Centre, relocation of the Trayning Caravan Park and purchase of Plant and Equipment. Detailed information on income and expenditure, refer to the following Financial Report.



# PLAN FOR THE FUTURE OVERVIEW

## AN OVERVIEW OF THE PLAN FOR THE FUTURE OF THE DISTRICT

### a) **General Purpose Income**

This area is a major determinant in the planning of the activities of the Shire with Rates and Operating Grants and Subsidies continuing to provide operating costs for the provision of services to the community

### b) **Administration and Governance**

Council and Staff continue to work together towards the common goal. It is encouraging to report on the innovative and positive attitude Council present in providing facilities and determining future developments in our Shire, which ultimately leads to a benefit for all.

### c) **Community Amenities**

The object of this facility is to provide an efficient and effective service to the community in the areas of Refuse Management and management of the Town Planning functions.

### d) **Recreation and Culture**

The object of this activity is to maintain and enhance lifestyle opportunities for the community and to this end the Shire continues to support sporting and recreational groups with funding and assistance in obtaining grant funds through the Department of Sport and Recreation. Council's current focus in this area is the upgrade of the Trayning Aquatic Centre.

### e) **Transport**

The transport activity covers the construction and maintenance of the road network together with footpath and street lighting facilities. The Shire apply significant resources to this area and make substantial budget provision to provide and maintain this activity.

### f) **Economic Services**

The purpose of this activity is to facilitate business opportunities, natural resource management tourism and potential for economic development. The Shire continues to support local and regional groups.

### g) **Land and Buildings**

This is a major area of the Shire assets with an obligation to ensure that a reasonable and commercial return is achieved and appropriate management of assets is applied.

### h) **Plant, Equipment and Machinery**

This area remains an important part of Council direction. Plant budgeted is purchased within set parameters.

### i) **Infrastructure Assets**

This extensive area includes roads, footpaths, drainage, parks, gardens, ovals, kerbing, lighting and street trees.

## Major Initiatives Proposed or to Continue During 2014/2015

- Trayning Community Recreation Facility
- Upgrade Trayning Grandstand
- Trayning Fuel Station
- Kununoppin Independent Living Units

# DISABILITY SERVICES PLAN

Amendment to the Disability Services Act in 1999 require all Public Authorities to include in their Annual Report, a statement on that organisation's efforts to implement their adopted Disability Access and Inclusion Plan.

The Shire of Trayning is committed to ensuring that the community is an accessible community for people with disabilities, their families and carers. As well as to consulting with people with disabilities, their families and carers and where required, disability organisations to ensure that barriers to access are addressed properly.

The outcome statements against which assessments are made are as follows:

**OUTCOME 1** - People with disabilities have the same opportunities as other people to access the services of, and any events organised, by the Shire of Trayning.

**OUTCOME 2** - People with disabilities have the same opportunities as other people to access the buildings and other facilities of the Shire of Trayning.

**OUTCOME 3** - People with disabilities receive information from the Shire of Trayning in a format that will enable them to access the information as readily as other people are able to access it.

**OUTCOME 4** - People with disabilities receive the same level and quality of service from the employees of the Shire of Trayning as other people receive.

**OUTCOME 5** - People with disabilities have the same opportunities as other people to make complaints to the Shire of Trayning.

**OUTCOME 6** - People with disabilities have the same opportunities as other people to participate in any public consultation by the Shire of Trayning.

**OUTCOME 7** - People with disabilities have the same opportunities as other people to obtain and maintain employment with a public authority.

## GENERAL COMMENTS

In 2012 Council carried out community consultation on disability services via a public survey and through one on one consultation with the elderly residing in the Shire. Should anyone have a comment or suggestion regarding accessibility issues please contact the Shire office and discuss the matters you have to talk about.

Council continues to work to ensure that all of our new facilities are designed to meet the needs of the elderly and disabled.

Copies of the Disability Access and Inclusion Plan 2012-2017 are available upon request from the Shire Administration Office.

# RECORD KEEPING PLAN

The Shire of Trayning remains committed to meeting the requirements of the State Records Act 2000.

Records are a core information resource and sound record keeping practices are acknowledged to contribute to overall effectiveness and efficiency of the organisation.

The Shire of Trayning's Record Keeping Plan was reviewed and approved by the State Records Commission and adopted at the April 2008 Meeting.

The Record Keeping Plan was reviewed in April 2013.

## **RETENTION AND DISPOSAL SCHEDULE**

The Shire of Trayning utilises the general disposal authority of Local Government records as produced by the State Records Office for retention and disposal of records.

## **DISPOSAL PROGRAM IMPLEMENTED**

The Shire of Trayning has implemented the General Disposal Authority for Local Government Records and conducts regular disposal of records and archiving on an annual basis.

## **AUTHORISATION FOR DISPOSAL OF RECORDS**

Before any records are destroyed or transferred to the SRO they are reviewed by the Chief Executive Officer for the Shire of Trayning and authorised for destruction or transfer.

## **PERFORMANCE INDICATORS IN PLACE**

The following performance indicator/control mechanisms has been developed to measure the efficiency and effectiveness of the Shire of Trayning's recordkeeping systems:

1. Perpetual diary system to check accuracy by random check of stored records
2. The annual destruction of records confirms whether or not the records are in the location the register records that they should be.

## **STAFF TRAINING, INFORMATION SESSIONS**

The Shire of Trayning has implemented the following activities to ensure that all staff are aware of their record keeping responsibilities and compliance with the Record Keeping Plan:

- Presentations on various aspects of the Shire of Trayning's record keeping program are delivered as required
- In-house training sessions are conducted for the organisation's staff as required
- From time to time an external consultant is brought in to run a training session for staff. Staff are also encouraged to attend training courses outside the organisation whenever practicable.
- Staff information sessions are conducted as required.



# NATIONAL COMPETITION POLICY

## COMPETITION REFORM

National Competition Policy (NCP) is designed to enhance the efficiency and effectiveness of public sector agencies and lead to more efficient use of all economic resources. There are a number of specific requirements placed on Local Government in the areas of competitive neutrality, legislation review and structural reform. Each Local Government is required to report its progress in achieving NCP reforms in its annual report.

## COMPETITIVE NEUTRALITY

The principle of competitive neutrality is that government businesses should not enjoy a competitive advantage, or disadvantage, simply as a result of their public sector ownership.

Competitive neutrality should apply to all business activities, which generate a user-pays income of over \$200,000 unless it can be shown it is not in the public interest.

As the Shire of Trayning does not have any 'Significant Business Activities' with an annual user-pays income exceeding \$200,000 p.a. this negates further action or reporting obligation.

## LEGISLATION REVIEW

All Local Governments are required to assess which of their local laws might impact on competition and conduct a review of each to determine how any restrictive practices might be overcome.

Local Laws are also required to be reviewed every eight years under the Local Government Act 1995. As the Local Laws were made in 2001, this review is now due. A consultant has been engaged to carry out the review.

## STRUCTURAL REFORM

Before Local Governments privatise a monopoly business activity or introduce competition into a sector dominated by a monopoly or near monopoly, the regulatory and commercial activities must be separated and a review undertaken.

Where applicable, all Local Governments in Australia must report their adherence to structural reform principles. At present, this requirement has a very limited impact on Local Government in Western Australia, and most will not need to provide this information.

# **FREEDOM OF INFORMATION**

## **THE FOLLOWING COUNCIL DOCUMENTS AVAILABLE FOR INSPECTION**

Various documents are available for inspection by members of the public.

- Council Agendas & Minutes
- Annual Budgets
- Annual Report and Financial Statements
- Plan for the Future of the District-Five Year
- Five Year Financial Plan
- Council Policy Manual and Delegations Register
- Council & Staff Code of Conduct
- Rate Assessment Book
- Electoral Roll
- Local Laws
- Municipal Heritage Inventory

Council also delivers information to the public via the following:

- Annual Ratepayer Information Pamphlets sent with Rate Notices
- Council Notes in the Ninghan News
- Production of the Local Telephone Directory
- Dog & Bushfire Fire Control Pamphlets are also posted annually
- Local Tourism & Information Brochure

## **FREEDOM OF INFORMATION REQUESTS**

During the year under review there were no formal requests made by members of the public under the Freedom of Information Act.

The Shire of Trayning welcomes enquires for any information held by Council.

If information cannot be accessed by a less formal means, a freedom of information request can be lodged to the following:

The Freedom of Information Officer  
Shire of Trayning  
PO Box 95  
TRAYNING WA 6488



# OTHER STATUTORY REQUIREMENTS

## PUBLIC INTEREST DISCLOSURE

The Public Interest Disclosure Act was established by the Commissioner of Sector Standards under Section 20 of the Public Interest Disclosure Act 2003.

One of the principles of the new legislation is not just to provide protection to those who make disclosures (and those who are the subject of disclosures) but also encourages a system of transparency and accountability in the way government or government officials act and utilise public monies.

Matters that fall into the category of public interest include the following:

- Improper Conduct (irregular or unauthorised use of public resources);
- An offence under State Law including corruption (substantial unauthorised or irregular use of, or substantial mismanagement of, public resources);
- Administration matters generally (conduct involving a substantial risk of injury to public health, prejudice to public safety or harm to the environment).

Matters relating to the Shire of Trayning should be referred to the Shire of Trayning's Public Interest Disclosure Officer. Disclosures to the Public Disclosure Officer can be made not just about officers of a local authority but also its elected officials.

The Disclosure Act is to ensure that the disclosure is confidential and that the person making a disclosure is provided adequate protection from reprisals, civil and criminal liability, dismissal or breach of confidentiality.

The Shire of Trayning had no Public Interest Disclosures during the reporting period.

## INFORMATION ON EMPLOYEE PAYMENTS

For the purpose of Regulation 19B of the Local Government (Administration) Regulations 1996 employee remuneration is required to be contained in Council's Annual Report.

Shown below in bands is the number of employees:

Entitled to an annual salary of 100,000 to 109,999 = 1  
Entitled to an annual salary of 110,000 to 119,999 = 0  
Entitled to an annual salary of 120,000 to 129,999 = 0  
Entitled to an annual salary of 130,000 to 139,999 = 0



**SHIRE OF TRAYNING**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

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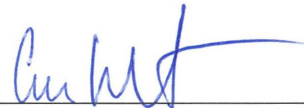
**SHIRE OF TRAYNING**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

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

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

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

Signed as authorisation of issue on the 23 day of November, 2015



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Cameron Watson  
Acting Chief Executive Officer



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

	NOTE	2015 \$	2015 Budget \$	2014 \$
<b>Revenue</b>				
Rates	22	863,525	873,424	769,795
Operating Grants, Subsidies and Contributions	28	2,826,543	1,561,023	1,665,175
Fees and Charges	27	224,313	230,014	221,599
Interest Earnings	2(a)	53,667	27,381	27,798
Other Revenue	2(a)	224,342	100,920	172,567
		<u>4,192,390</u>	<u>2,792,761</u>	<u>2,856,934</u>
<b>Expenses</b>				
Employee Costs		(882,395)	(1,208,885)	(1,071,976)
Materials and Contracts		(1,554,051)	(1,218,266)	(1,190,793)
Utility Charges		(108,419)	(102,153)	(98,836)
Depreciation on Non-Current Assets	2(a)	(929,636)	(780,000)	(724,895)
Interest Expenses	2(a)	(19,545)	(16,785)	(21,545)
Insurance Expenses		(86,953)	(69,085)	(92,410)
Other Expenditure		(104,684)	(44,407)	(84,003)
		<u>(3,685,683)</u>	<u>(3,439,582)</u>	<u>(3,284,458)</u>
		506,707	(646,820)	(427,524)
 Non-Operating Grants, Subsidies and Contributions	28	1,907,973	1,775,831	2,928,248
Profit on Asset Disposals	20	0	78,900	33,584
Loss on Asset Disposal	20	(8,325)	0	(1,671)
 <b>Net Result</b>		<b>2,406,355</b>	<b>1,207,911</b>	<b>2,532,637</b>
 <b>Other Comprehensive Income</b>				
Changes on revaluation of non-current assets	12	45,854,945	0	7,246,635
 <b>Total Other Comprehensive Income</b>		<u><b>45,854,945</b></u>	<u><b>0</b></u>	<u><b>7,246,635</b></u>
 <b>Total Comprehensive Income</b>		<u><u><b>48,261,300</b></u></u>	<u><u><b>1,207,911</b></u></u>	<u><u><b>9,779,272</b></u></u>

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

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

	NOTE	2015 \$	2015 Budget \$	2014 \$
<b>Revenue</b>				
Governance		81,361	85,200	48,011
General Purpose Funding		2,445,165	1,914,439	1,302,323
Law, Order, Public Safety		17,031	5,700	7,197
Health		98,679	73,306	71,092
Education and Welfare		0	0	0
Housing		64,448	55,080	44,407
Community Amenities		52,332	38,830	53,048
Recreation and Culture		18,993	16,413	7,584
Transport		775,894	489,739	294,641
Economic Services		550,457	58,880	895,118
Other Property and Services		88,030	50,674	98,713
	2(a)	<u>4,192,390</u>	<u>2,788,261</u>	<u>2,822,134</u>
<b>Expenses</b>				
Governance		(290,590)	(276,212)	(276,686)
General Purpose Funding		(85,212)	(86,547)	(75,941)
Law, Order, Public Safety		(71,698)	(70,600)	(61,924)
Health		(181,966)	(163,200)	(144,617)
Education and Welfare		(35,690)	(25,144)	(23,772)
Housing		(156,443)	(113,048)	(111,030)
Community Amenities		(187,423)	(162,248)	(158,247)
Recreation and Culture		(636,452)	(568,267)	(547,405)
Transport		(965,166)	(1,042,895)	(1,097,819)
Economic Services		(1,008,012)	(895,941)	(767,070)
Other Property and Services		(47,486)	(18,693)	1,598
	2(a)	<u>(3,666,138)</u>	<u>(3,422,795)</u>	<u>(3,262,913)</u>
<b>Finance Costs</b>				
Governance		0	(200)	(109)
Housing		(2,339)	(2,651)	(3,767)
Recreation and Culture		(2,069)	(731)	(1,272)
Transport		(6,264)	(6,495)	(8,316)
Economic Services		(2,888)	(452)	(787)
Other Property and Services		(5,985)	(6,257)	(7,294)
	2(a)	<u>(19,545)</u>	<u>(16,786)</u>	<u>(21,545)</u>
<b>Non-Operating Grants, Subsidies and Contributions</b>				
Education and Welfare		44,374	0	0
Housing		735,260	739,760	382,799
Recreation & Culture		146,260	21,760	1,000
Transport		941,159	1,018,811	2,579,249
Economic Services		40,920	0	0
Other Property and Services		0	0	0
		<u>1,907,973</u>	<u>1,780,331</u>	<u>2,963,048</u>
<b>Profit/(Loss) on Disposal of Assets</b>				
Housing		0	56,900	0
Transport		0	22,000	33,584
Transport		(8,325)	0	(1,671)
		<u>(8,325)</u>	<u>78,900</u>	<u>31,913</u>
<b>Net Result</b>		<u>2,406,355</u>	<u>1,207,911</u>	<u>2,532,637</u>
<b>Other Comprehensive Income</b>				
Changes on revaluation of non-current assets	12	45,854,945	0	7,246,635
<b>Total Other Comprehensive Income</b>		<u>45,854,945</u>	<u>0</u>	<u>7,246,635</u>
<b>Total Comprehensive Income</b>		<u><u>48,261,300</u></u>	<u><u>1,207,911</u></u>	<u><u>9,779,272</u></u>

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

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

	NOTE	2015 \$	2014 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	3	2,987,026	1,356,351
Trade and Other Receivables	4	204,107	657,131
Inventories	5	48,194	38,595
<b>TOTAL CURRENT ASSETS</b>		<u>3,239,327</u>	<u>2,052,077</u>
<b>NON-CURRENT ASSETS</b>			
Other Receivables	4	79,706	31,281
Property, Plant and Equipment	6	10,109,236	10,139,348
Infrastructure	7	61,869,411	15,069,191
<b>TOTAL NON-CURRENT ASSETS</b>		<u>72,058,353</u>	<u>25,239,820</u>
<b>TOTAL ASSETS</b>		<u>75,297,680</u>	<u>27,291,897</u>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	8	213,628	449,947
Short Term Borrowings	9	0	128,175
Long Term Borrowings	9(a)	111,470	100,000
Provisions	10	146,130	151,876
<b>TOTAL CURRENT LIABILITIES</b>		<u>471,228</u>	<u>829,998</u>
<b>NON-CURRENT LIABILITIES</b>			
Long Term Borrowings	9(a)	306,915	210,266
Provisions	10	9,979	3,375
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>316,894</u>	<u>213,641</u>
<b>TOTAL LIABILITIES</b>		<u>788,122</u>	<u>1,043,639</u>
<b>NET ASSETS</b>		<u>74,509,558</u>	<u>26,248,258</u>
<b>EQUITY</b>			
Retained Surplus		19,538,055	17,462,331
Reserves - Cash Backed	11	1,686,582	1,355,951
Revaluation Surplus	12	53,284,921	7,429,976
<b>TOTAL EQUITY</b>		<u>74,509,558</u>	<u>26,248,258</u>

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

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

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2013		15,701,459	584,186	183,341	16,468,986
Comprehensive Income					
Net Result		2,532,637	0	0	2,532,637
Changes on Revaluation of Non-Current Assets	12	<u>0</u>	<u>0</u>	<u>7,246,635</u>	<u>7,246,635</u>
Total Comprehensive Income		2,532,637	0	7,246,635	9,779,272
Reserve Transfers		<u>(771,765)</u>	<u>771,765</u>	<u>0</u>	<u>0</u>
<b>Balance as at 30 June 2014</b>		<b>17,462,331</b>	<b>1,355,951</b>	<b>7,429,976</b>	<b>26,248,258</b>
Comprehensive Income					
Net Result		2,406,355	0	0	2,406,355
Changes on Revaluation of Non-Current Assets	12	<u>0</u>	<u>0</u>	<u>45,854,945</u>	<u>45,854,945</u>
Total Other Comprehensive Income		2,406,355	0	45,854,945	48,261,300
Reserve Transfers		<u>(330,631)</u>	<u>330,631</u>	<u>0</u>	<u>0</u>
<b>Balance as at 30 June 2015</b>		<b><u>19,538,055</u></b>	<b><u>1,686,582</u></b>	<b><u>53,284,921</u></b>	<b><u>74,509,558</u></b>

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

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

	NOTE	2015 \$	2015 Budget \$	2014 \$
<b>Cash Flows From Operating Activities</b>				
<b>Receipts</b>				
Rates		820,523	897,637	739,990
Operating Grants, Subsidies and Contributions		2,826,543	2,064,557	1,665,175
Fees and Charges		184,212	230,014	288,331
Interest Earnings		53,667	25,420	27,798
Goods and Services Tax		359,891	254,479	469,862
Other Revenue		<u>214,698</u>	<u>101,080</u>	<u>168,969</u>
		4,459,534	3,573,187	3,360,125
<b>Payments</b>				
Employee Costs		(879,819)	(1,199,112)	(1,048,367)
Materials and Contracts		(1,676,378)	(1,325,080)	(1,228,829)
Utility Charges		(108,419)	(102,153)	(98,836)
Insurance Expenses		(86,953)	(69,085)	(92,410)
Interest expenses		(11,160)	(16,785)	(33,166)
Goods and Services Tax		(487,330)	(351,593)	(321,996)
Other Expenditure		<u>(104,684)</u>	<u>(90,419)</u>	<u>(84,003)</u>
		(3,354,743)	(3,154,227)	(2,907,607)
<b>Net Cash Provided By (Used In) Operating Activities</b>	13(b)	<u>1,104,791</u>	<u>418,960</u>	<u>452,518</u>
<b>Cash Flows from Investing Activities</b>				
Payments for Development of Land Held for Resale		0	0	0
Payments for Purchase of Property, Plant & Equipment		(411,822)	(3,185,133)	(65,211)
Payments for Construction of Infrastructure		(1,452,298)	(1,484,784)	(3,120,220)
Advances to Community Groups		(45,000)	(45,000)	0
Non-Operating Grants, Subsidies and Contributions		2,442,183	1,775,831	2,578,086
Proceeds from Sale of Plant & Equipment		<u>10,996</u>	<u>212,000</u>	<u>190,254</u>
<b>Net Cash Provided By (Used In) Investing Activities</b>		544,059	(2,727,086)	(417,091)
<b>Cash Flows from Financing Activities</b>				
Repayment of Debentures		(101,881)	(100,000)	(94,412)
Proceeds from Self Supporting Loans		1,881	0	0
Proceeds from New Debentures		<u>210,000</u>	<u>1,358,225</u>	<u>0</u>
<b>Net Cash Provided By (Used In) Financing Activities</b>		110,000	1,258,225	(94,412)
<b>Net Increase (Decrease) in Cash Held</b>		1,758,850	(1,049,901)	(58,985)
Cash at Beginning of Year		1,228,176	1,232,884	1,287,161
<b>Cash and Cash Equivalents at the End of the Year</b>	13(a)	<u>2,987,026</u>	<u>182,983</u>	<u>1,228,176</u>

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



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

	NOTE	2015 Actual \$	2015 Budget \$	2014 Actual \$
<b>Revenue</b>				
Governance		81,361	85,200	48,011
General Purpose Funding		1,581,640	1,041,015	532,528
Law, Order, Public Safety		17,031	5,700	7,197
Health		98,679	73,306	71,092
Education and Welfare		44,374	0	0
Housing		799,708	851,740	427,206
Community Amenities		52,332	38,830	53,048
Recreation and Culture		165,253	38,173	8,584
Transport		1,717,053	1,530,550	2,907,474
Economic Services		591,377	58,880	895,118
Other Property and Services		88,030	50,674	98,713
		<u>5,236,838</u>	<u>3,774,068</u>	<u>5,048,971</u>
<b>Expenses</b>				
Governance		(290,590)	(276,412)	(276,795)
General Purpose Funding		(85,212)	(86,547)	(75,941)
Law, Order, Public Safety		(71,698)	(70,600)	(61,924)
Health		(181,966)	(163,200)	(144,617)
Education and Welfare		(35,690)	(25,144)	(23,772)
Housing		(158,782)	(115,699)	(114,797)
Community Amenities		(187,423)	(162,248)	(158,247)
Recreation and Culture		(638,521)	(568,998)	(548,677)
Transport		(979,755)	(1,049,390)	(1,107,806)
Economic Services		(1,010,900)	(896,393)	(767,857)
Other Property and Services		(53,471)	(24,950)	(5,696)
		<u>(3,694,008)</u>	<u>(3,439,581)</u>	<u>(3,286,129)</u>
<b>Net Result Excluding Rates</b>		1,542,830	334,487	1,762,842
<b>Adjustments for Cash Budget Requirements:</b>				
<b>Non-Cash Expenditure and Revenue</b>				
(Profit)/Loss on Asset Disposals	20	8,325	(78,900)	(31,913)
Movement in Deferred Pensioner Rates (Non-Current)		(9,172)	0	(7,348)
Movement in Employee Benefit Provisions (Non-Current)		6,604	0	(17,841)
Movement in LSL Reserve (Added Back)		1,033	800	782
Depreciation and Amortisation on Assets	2(a)	929,636	780,000	724,895
<b>Capital Expenditure and Revenue</b>				
Purchase Land Held for Resale		0	0	0
Purchase Land and Buildings	6(b)	(293,846)	(2,758,133)	(65,211)
Purchase Plant and Equipment	6(b)	(117,976)	(427,000)	0
Purchase Furniture and Equipment		0	0	0
Purchase Infrastructure Assets - Roads	7(b)	(1,423,716)	(1,484,784)	(2,829,667)
Purchase Infrastructure Assets - Footpaths		0	0	0
Purchase Infrastructure Assets - Drainage		0	0	0
Purchase Infrastructure Assets - Airstrip		0	0	0
Purchase Infrastructure Assets - Water		0	0	0
Purchase Infrastructure Assets - Other	7(b)	(28,582)	0	0
Purchase Infrastructure Assets - WIP		0	0	(290,553)
Proceeds from Disposal of Assets	20	10,996	212,000	190,254
Repayment of Debentures	21	(101,881)	(104,248)	(94,412)
Proceeds from New Debentures	21	210,000	1,358,225	0
Proceeds (Repayment) from Overdraft	22(d)	(128,175)	0	(4,487)
Advances to Community Groups		(45,000)	(45,000)	0
Self-Supporting Loan Principal Income		1,881	0	0
Transfers to Reserves (Restricted Assets)	11	(1,569,010)	(200,323)	(1,299,850)
Transfers from Reserves (Restricted Assets)	11	1,238,379	1,461,579	528,085
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	22(b)	120,985	77,874	785,614
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	22(b)	1,216,836	0	120,985
<b>Total Amount Raised from General Rate</b>	22(a)	<u>(863,525)</u>	<u>(873,424)</u>	<u>(769,795)</u>

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

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

**1. 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 19 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.

**(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.

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

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

**(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.

**(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.

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

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

**(f) Fixed Assets (Continued)**

***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.

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

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

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

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

***Revaluation***

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

***Land under roads***

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

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

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

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

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

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

**1. 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 - 50 years	2.0% - 3.3%
Furniture and Equipment	10 years	10%
Plant and Equipment	10 years	10%
Infrastructure		
- Sealed Roads		
R/Base	50 years	2%
Bitumen	10 years	10%
- Gravel Roads		
R/Base	50 years	2%
Bitumen	10 years	10%
- Formed/Unsealed Roads		
R/Base	50 years	2%
- Footpaths	10 years	10%
- Water Drainage	40 years	2.5%
- Airstrip		
G/Sheet	10 years	10%
Bitumen	10 years	10%

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

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

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

***Capitalisation Threshold***

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



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

**1. 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.

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

**1. 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.

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

**1. 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.

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

**1. 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.

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

**1. 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 of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The 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.

**(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.



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

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

**(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

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.

**(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 16.

**(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.

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

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

**(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.

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

**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 Shire.

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

Title	Issued / Compiled	Applicable <sup>(1)</sup>	Impact
(i) AASB 9 Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)	December 2014	1 January 2018	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Shire, it is not anticipated the Standard will have any material effect.
(ii) AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)  [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	September 2012	1 January 2018	Nil - The revisions embodied in this Standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Shire (refer (i) above).
(iii) AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2017	This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.  The effect of this Standard will depend upon the nature of future transactions the Shire has with those third parties it has dealings with. It may or may not be significant.

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

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

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

	<b>Title</b>	<b>Issued / Compiled</b>	<b>Applicable <sup>(1)</sup></b>	<b>Impact</b>
(iv)	AASB 2013-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments  [Operative date: Part C Financial Instruments - 1 January 2015]	December 2013	Refer title column	Part C of this Standard makes consequential amendments to AASB 9 and numerous other Standards and amends the permissions around certain applications relating to financial liabilities reissued at fair value.  As the bulk of changes relate either to editorial or reference changes it is not expected to have a significant impact on the Shire.
(v)	AASB 2014-3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations  [AASB 1 & AASB 11]	August 2014	1 January 2016	This Standard amends AASB 11: <i>Joint Arrangements</i> to require the acquirer of an interest (both initial and additional) in a joint operation in which the activity constitutes a business, as defined in AASB 3: <i>Business Combinations</i> , to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations.  Since adoption of this Standard would impact only acquisitions of interests in joint operations on or after 1 January 2016, management believes it is impracticable at this stage to provide a reasonable estimate of such impact on the Shire's financial statements.
(vi)	AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation  [AASB 116 & 138]	August 2014	1 January 2016	This Standard amends AASB 116 and AASB 138 to establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. It also clarifies the use of revenue-based methods to calculate the depreciation of an asset is not appropriate nor is revenue generally an appropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.  Given the Shire currently uses the expected pattern of consumption of the future economic benefits of an asset as the basis of calculation of depreciation, it is not expected to have a significant impact.

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

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

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

<b>Title</b>	<b>Issued / Compiled</b>	<b>Applicable <sup>(1)</sup></b>	<b>Impact</b>
(vii) AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	December 2014	1 January 2017	Consequential changes to various Standards arising from the issuance of AASB 15.  It will require changes to reflect the impact of AASB 15.
(viii) AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101  [AASB 7, 101, 134 & 1049]	January 2015	1 January 2016	This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements.  This Standard also makes editorial and consequential amendments as a result of amendments to the Standards listed in the title column.  It is not anticipated it will have any significant impact on disclosures.
(ix) AASB 2015-3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality	January 2015	1 July 2015	This Standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing it to be completely withdrawn.  It is not anticipated it will have a significant impact as the principles of materiality remain largely unchanged.

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

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

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

	<b>Title</b>	<b>Issued / Compiled</b>	<b>Applicable <sup>(1)</sup></b>	<b>Impact</b>
(x)	AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities  [AASB 10, 124 & 1049]	March 2015	1 July 2016	The objective of this Standard is to extend the scope of AASB 124 <i>Related Party Disclosures</i> to include not-for-profit sector entities.  The Standard is expected to have a significant disclosure impact on the financial report of the Shire as both Elected Members and Senior Management will be deemed to be Key Management Personnel and resultant disclosures will be necessary.

Notes:

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

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

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

These new and revised Standards were:

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

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



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

<b>2. REVENUE AND EXPENSES</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Net Result</b>		
The Net Result includes:		
(i) Charging as an Expense:		
<b>Auditors Remuneration</b>		
During the year the following fees were paid or payable for services provided by the following auditors' of the Shire:		
<i>UHY Haines Norton/Moore Stephens</i>		
Audit and review of Financial Report	19,500	21,777
Other Services	14,891	5,853
<b>Depreciation</b>		
Non-specialised Buildings	50,600	41,146
Specialised Buildings	161,026	91,419
Furniture and Equipment	4,987	4,987
Plant and Equipment	76,946	87,659
Infrastructure - Roads	512,239	441,332
Infrastructure - Footpaths	14,438	22,618
Infrastructure - Drainage	3,474	3,475
Infrastructure - Airstrip	30,234	30,233
Infrastructure - Water	2,331	0
Infrastructure - Other	73,361	2,026
	<u>929,636</u>	<u>724,895</u>
<b>Interest Expenses (Finance Costs)</b>		
Interest on Overdraft	0	109
Debentures ( <i>refer Note 21(a)</i> )	19,545	21,436
	<u>19,545</u>	<u>21,545</u>
<b>Rental Charges</b>		
- Operating Leases	65,896	65,070
	<u>65,896</u>	<u>65,070</u>
(ii) Crediting as Revenue:		
<b>Other Revenue</b>		
Reimbursements and Recoveries	182,037	99,046
Other	42,305	73,521
	<u>224,342</u>	<u>172,567</u>
	<b>2015</b>	<b>2015</b>
	<b>\$</b>	<b>Budget</b>
		<b>\$</b>
<b>Interest Earnings</b>		
Investments		
- Reserve Funds	10,527	12,981
- Other Funds	33,010	10,000
Other Interest Revenue ( <i>refer note 26</i> )	10,130	5,700
	<u>53,667</u>	<u>27,798</u>

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

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

**(b) Statement of Objective**

The Shire of Trayning is dedicated to providing high quality services to the community through the various service orientated programs which it has established.

***Shire of Trayning Mission Statement***

To excel at providing fair, efficient and effective services and facilities which enhance the quality of life for all residents.

***Shire of Trayning Vision Statement***

The Shire of Trayning is an active, safe and vibrant community that works together with honesty and is respectful of the values of all. We are committed to a progressive, diverse and profitable community that supports healthy lifestyles sustained by good social values and engaged youth. Our natural assets are valued, protected and enhanced for future generations.

**GOVERNANCE**

Administration and operation of facilities and services to members of Council. Other costs relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific Council services.

**GENERAL PURPOSE FUNDING**

Rates, general purpose government grants and interest revenue.

**LAW, ORDER, PUBLIC SAFETY**

Supervision of various local laws, fire prevention, emergency services and animals.

**HEALTH**

Food quality control, pest control, immunisation services and community health service inspection.

**EDUCATION AND WELFARE**

Operation of Home and Community Care services, assistance to playgroups and other voluntary services.

**HOUSING**

Maintenance of staff and rental housing.

**COMMUNITY AMENITIES**

Refuse collection services, operation of refuse sites, maintenance of cemeteries, septic tank inspection and pump out services, storm water drainage maintenance and regional development.

**RECREATION AND CULTURE**

Maintenance of halls, community centres, aquatic centre, recreation facilities and reserves, operation of library, TV retransmission and preparation of Shire history.

**TRANSPORT**

Construction and maintenance of streets and roads, cleaning and lighting of streets, depot maintenance, airstrip maintenance and vehicle licensing services.

**ECONOMIC SERVICES**

Regulation and provision of tourism, area promotion, building control, noxious weeds, vermin control and economic services.

**OTHER PROPERTY & SERVICES**

Private works operations, plant repairs and operation costs.

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

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

<b>(c) Conditions Over Grants/Contributions</b>		<b>Opening Balance <sup>(1)</sup> 1-Jul-13 \$</b>	<b>Received <sup>(2)</sup> 2013/14 \$</b>	<b>Expended <sup>(3)</sup> 2013/14 \$</b>	<b>Closing Balance <sup>(1)</sup> 30-Jun-14 \$</b>	<b>Received <sup>(2)</sup> 2014/15 \$</b>	<b>Expended <sup>(3)</sup> 2014/15 \$</b>	<b>Closing Balance 30-Jun-15 \$</b>
<b>Grant/Contribution</b>	<b>Function/ Activity</b>							
Dept. of Agriculture - Dry Season Assistance	GPF	10,000	0	(8,602)	<b>1,398 (**)</b>	0	(1,398)	<b>0</b>
MRWA - Regional Road Group	Transport	11,889	246,228	(258,117)	<b>0</b>	0	0	<b>0</b>
MRWA - Grain Freight Route	Transport	53,807	2,125,475	(2,063,244)	<b>116,038 (**)</b>	469,600	(585,638)	<b>0</b>
Airstrip Grants	Transport	5,824	0	(5,824)	<b>0</b>	0	0	<b>0</b>
Aware Program Grant	LOPS	1,446	0	(1,446)	<b>0</b>	0	0	<b>0</b>
Dept. of Regional Development & Lands - CLGF - Swimming Pool	Recreation & Culture	57,777	0	(57,777)	<b>0</b>	0	0	<b>0</b>
Dept. of Regional Development & Lands - CLGF - Staff Housing	Housing	251,249	0	(251,249)	<b>0</b>	0	0	<b>0</b>
Dept. of Regional Development & Lands - CLGF (Individual) - Accommodation Units	Housing	0	347,999	0	<b>347,999 (**)</b>	0	(54,695)	<b>293,304 (**)</b>
Dept. of Regional Development & Lands - CLGF (Regional) - Accommodation Units	Housing	0	0	0	<b>0</b>	735,260	0	<b>735,260 (**)</b>
NEWROC - Biofund	Economic Services	0	819,930	(377,665)	<b>442,265 (**)</b>	491,128	(648,157)	<b>285,236</b>
NRM - Biodiversity Grant	Economic Services	0	19,580	(4,103)	<b>15,477 (**)</b>	0	(7,011)	<b>8,466</b>
Wheatbelt Development Commission - Creating Aged Friendly Communities	Education & Welfare	0	0	0	<b>0</b>	44,374	0	<b>44,374</b>
Department of Water - Community Water Grant	Economic Services	0	0	0	<b>0</b>	40,920	(37,896)	<b>3,024</b>
<b>Total</b>		<b>391,992</b>	<b>3,559,212</b>	<b>(3,028,027)</b>	<b>923,177</b>	<b>1,781,282</b>	<b>(1,334,795)</b>	<b>1,369,664</b>

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

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

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

**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.

- Unspent Grants have been represented as follows:

	<b>2014/15</b>	<b>2013/14</b>
	<b>\$</b>	<b>\$</b>
Muni Funds Restricted - Note 3	341,100	0
<b>(**) Unspent Grants Reserve - Note 3</b>	<u>1,028,564</u>	<u>923,177</u>
	<u><u>1,369,664</u></u>	<u><u>923,177</u></u>

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

	2015 \$	2014 \$
<b>3. CASH AND CASH EQUIVALENTS</b>		
Unrestricted	959,344	400
Restricted	2,027,682	1,355,951
	<u>2,987,026</u>	<u>1,356,351</u>

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

Leave Reserve	27,715	26,682
Plant Reserve	207,423	210,437
Building Reserve	8,547	8,249
Facilities Reserve	7,047	6,835
Medical Reserve	51,916	49,982
Refuse Reserve	14,157	13,641
Swimming Pool Reserve	8,399	8,116
Unspent Grants & Loans Reserve	1,162,939	923,177
Community Recreation Centre Reserve	198,439	108,832
Unspent Grants	341,100	0
	<u>2,027,682</u>	<u>1,355,951</u>

**4. TRADE AND OTHER RECEIVABLES**

**Current**

Rates Outstanding	112,799	78,969
Sundry Debtors	121,859	593,534
Less: Provision for Doubtful Debts	(48,690)	(26,256)
Accrued Income	4,629	10,884
Prepayments	9,644	0
Self Supporting Loan Debtors	3,866	0
	<u>204,107</u>	<u>657,131</u>

**Non-Current**

Rates Outstanding - Pensioners	40,453	31,281
Self Supporting Loan Debtors	39,253	0
	<u>79,706</u>	<u>31,281</u>

**5. INVENTORIES**

**Current**

Fuel and Materials	48,194	38,595
	<u>48,194</u>	<u>38,595</u>

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

	2015 \$	2014 \$
<b>6 (a). PROPERTY, PLANT AND EQUIPMENT</b>		
Land and Buildings		
Freehold Land at:		
- Independent Valuation 2014 - Level 2	236,000	236,000
- Independent Valuation 2014 - Level 3	<u>24,000</u>	<u>24,000</u>
	260,000	260,000
Buildings at:		
- Independent Valuation 2014 - Level 2	1,860,000	1,860,000
- Independent Valuation 2014 - Level 3	10,350,756	10,350,756
- Additions after valuation - cost	416,178	0
Less Accumulated Depreciation	<u>(3,533,713)</u>	<u>(3,322,087)</u>
Total Buildings	9,093,221	8,888,669
Total Land and Buildings	<u>9,353,221</u>	<u>9,148,669</u>
Furniture & Equipment at:		
- Management Valuation 2013 - Level 3	49,875	49,875
- Additions after valuation - cost	28,527	0
Less Accumulated Depreciation	<u>(9,974)</u>	<u>(4,987)</u>
	68,428	44,888
Plant & Equipment at:		
- Independent Valuation 2013 - Level 2	714,546	737,273
- Management Valuation 2013 - Level 3	1,194	1,194
- Additions after valuation - cost	117,976	0
Less Accumulated Depreciation	<u>(146,813)</u>	<u>(73,273)</u>
	686,903	665,194
Work in Progress	<u>684</u>	<u>280,597</u>
	<u>10,109,236</u>	<u>10,139,348</u>

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

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

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

**(b) Movements in Carrying Amounts**

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

	Balance at the Beginning of the Year \$	Additions \$	(Disposals) \$	Transfers Between Asset Classes \$	Revaluation Increments/ (Decrements) \$	Depreciation (Expense) \$	Carrying Amount at the End of Year \$
Freehold Land	260,000	0	0	0	0	0	260,000
<b>Total Land</b>	<b>260,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>260,000</b>
Non-Specialised Buildings	1,860,000	46,825	0	271,418	0	(50,600)	2,127,643
Specialised Buildings	7,028,669	247,021	0	(149,086)	0	(161,026)	6,965,578
<b>Total Buildings</b>	<b>8,888,669</b>	<b>293,846</b>	<b>0</b>	<b>122,332</b>	<b>0</b>	<b>(211,626)</b>	<b>9,093,221</b>
<b>Total Land and Buildings</b>	<b>9,148,669</b>	<b>293,846</b>	<b>0</b>	<b>122,332</b>	<b>0</b>	<b>(211,626)</b>	<b>9,353,221</b>
Furniture and Equipment	44,888	0	0	28,527	0	(4,987)	68,428
Plant and Equipment	665,194	117,976	(19,321)	0	0	(76,946)	686,903
Work in Progress (WIP)	280,597	0	0	(279,913)	0	0	684
<b>Total Property, Plant and Equipment</b>	<b>10,139,348</b>	<b>411,822</b>	<b>(19,321)</b>	<b>(129,054)</b>	<b>0</b>	<b>(293,559)</b>	<b>10,109,236</b>



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

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

**(c) Fair Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of valuation</b>	<b>Date of last Valuation</b>	<b>Inputs used</b>
<b>Land and buildings</b>					
Freehold land	2	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2014	Price per hectare
Freehold land	3	Improvements to land valued using cost approach using depreciated replacement cost	Independent registered valuers	June 2014	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Non-specialised buildings	2	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2014	Price per square metre
Specialised buildings	3	Improvements to land valued using cost approach using depreciated replacement cost	Independent registered valuers	June 2014	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Furniture and Equipment</b>	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Plant and Equipment</b>					
- Independent valuation 2013	2	Market approach using recent observable market data for similar items	Independent registered valuers	June 2013	Price per item
- Management valuation 2013	3	Cost approach using depreciated replacement cost	Management valuation	June 2013	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

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

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

	2015 \$	2014 \$
<b>7 (a). INFRASTRUCTURE</b>		
Roads		
- Management Valuation 2015 - Level 3	71,194,015	0
- Cost	0	22,381,922
Less Accumulated Depreciation	<u>(12,931,081)</u>	<u>(9,663,773)</u>
	58,262,934	12,718,149
 Footpaths		
- Management Valuation 2015 - Level 3	1,071,597	0
- Cost	0	357,544
Less Accumulated Depreciation	<u>(720,285)</u>	<u>(316,135)</u>
	351,312	41,409
 Drainage		
- Cost	0	138,980
Less Accumulated Depreciation	<u>0</u>	<u>(107,807)</u>
	0	31,173
 Airstrip		
- Management Valuation 2015 - Level 3	891,072	0
- Cost	0	302,336
Less Accumulated Depreciation	<u>(68,947)</u>	<u>(184,416)</u>
	822,125	117,920
 Water		
- Management Valuation 2015 - Level 3	657,000	0
- Cost	0	75,694
Less Accumulated Depreciation	<u>(428,000)</u>	<u>(44,875)</u>
	229,000	30,819
 Other		
- Independent Valuation 2014 - Level 3	2,678,064	2,678,064
- Additions after valuation - cost	157,636	0
Less Accumulated Depreciation	<u>(631,660)</u>	<u>(558,299)</u>
	2,204,040	2,119,765
 Work in Progress	<u>0</u>	<u>9,956</u>
	<u><u>61,869,411</u></u>	<u><u>15,069,191</u></u>

The fair value of infrastructure is determined at least every three years in accordance with legislative requirements. Additions since the date of valuation are shown as cost. Given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening period the valuation is reviewed and, where appropriate, the fair value is updated to reflect current market conditions.

This process is considered to be in accordance with Local Government (Financial Management) Regulation 17A (2) which requires infrastructure to be shown at fair value.

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

**7. INFRASTRUCTURE (Continued)**

**(b) Movements in Carrying Amounts**

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

	<b>Balance at the Beginning of the Year \$</b>	<b>Additions \$</b>	<b>(Disposals) \$</b>	<b>Transfers Between Asset Classes \$</b>	<b>Revaluation Increments/ (Decrements) \$</b>	<b>Depreciation (Expense) \$</b>	<b>Carrying Amount at the End of Year \$</b>
Roads	12,718,149	1,423,716	0	27,699	44,605,609	(512,239)	58,262,934
Footpaths	41,409	0	0	0	324,341	(14,438)	351,312
Drainage	31,173	0	0	(27,699)	0	(3,474)	0
Airstrip	117,920	0	0	0	734,439	(30,234)	822,125
Water	30,819	0	0	9,956	190,556	(2,331)	229,000
Other Infrastructure	2,119,765	28,582	0	129,054	0	(73,361)	2,204,040
Work in Progress (WIP)	9,956	0	0	(9,956)	0	0	0
<b>Total Infrastructure</b>	<b>15,069,191</b>	<b>1,452,298</b>	<b>0</b>	<b>129,054</b>	<b>45,854,945</b>	<b>(636,077)</b>	<b>61,869,411</b>

**SHIRE OF TRAYNING**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**7. INFRASTRUCTURE (Continued)**

**(c) Fair Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of valuation</b>	<b>Date of last Valuation</b>	<b>Inputs used</b>
<b>Roads</b>	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Footpaths</b>	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Airstrips</b>	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Water</b>	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Other</b>	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

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

**SHIRE OF TRAYNING**  
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**FOR THE YEAR ENDED 30TH JUNE 2015**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>8. TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Sundry Creditors	149,047	12,568
GST Payable	2,171	129,610
PAYG Payable	13,414	15,227
FBT Liability	8,996	8,629
Accrued Expenditure	0	249,207
Accrued Interest on Loans	4,920	2,790
Accrued Salaries and Wages	35,080	31,916
	<u>213,628</u>	<u>449,947</u>

**9. SHORT-TERM BORROWINGS**

<b>Current</b>		
Bank Overdraft	0	128,175
	<u>0</u>	<u>128,175</u>

**9 (a). LONG-TERM BORROWINGS**

<b>Current</b>		
Secured by Floating Charge		
Debentures	111,470	100,000
	<u>111,470</u>	<u>100,000</u>
<b>Non-Current</b>		
Secured by Floating Charge		
Debentures	306,915	210,266
	<u>306,915</u>	<u>210,266</u>

Additional detail on borrowings is provided in Note 21.

**10. PROVISIONS**

	<b>Provision for Annual Leave \$</b>	<b>Provision for Long Service Leave \$</b>	<b>Total \$</b>
<b>Opening balance as at 1 July 2014</b>			
Current provisions	59,742	92,134	151,876
Non-current provisions	0	3,375	3,375
	<u>59,742</u>	<u>95,509</u>	<u>155,251</u>
Amounts used	(8,440)	(11,534)	(19,974)
Increase in the discounted amount arising because of time and the effect of any change in the discounted rate	331	20,501	20,832
<b>Balance at 30 June 2015</b>	<u>51,633</u>	<u>104,476</u>	<u>156,109</u>
<b>Comprises</b>			
Current	51,633	94,497	146,130
Non-current	0	9,979	9,979
	<u>51,633</u>	<u>104,476</u>	<u>156,109</u>

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

	2015 \$	2015 Budget \$	2014 \$
<b>11. RESERVES - CASH BACKED</b>			
<b>(a) Leave Reserve</b>			
Opening Balance	26,682	26,682	25,900
Amount Set Aside / Transfer to Reserve	1,033	800	782
Amount Used / Transfer from Reserve	0	0	0
	<u>27,715</u>	<u>27,482</u>	<u>26,682</u>
<b>(b) Plant Reserve</b>			
Opening Balance	210,437	210,437	19,591
Amount Set Aside / Transfer to Reserve	206,986	106,313	190,846
Amount Used / Transfer from Reserve	(210,000)	(315,000)	0
	<u>207,423</u>	<u>1,750</u>	<u>210,437</u>
<b>(c) Building Reserve</b>			
Opening Balance	8,249	8,249	31,394
Amount Set Aside / Transfer to Reserve	298	247	948
Amount Used / Transfer from Reserve	0	0	(24,093)
	<u>8,547</u>	<u>8,496</u>	<u>8,249</u>
<b>(d) Facilities Reserve</b>			
Opening Balance	6,835	6,835	6,572
Amount Set Aside / Transfer to Reserve	212	205	263
Amount Used / Transfer from Reserve	0	0	0
	<u>7,047</u>	<u>7,040</u>	<u>6,835</u>
<b>(e) Medical Reserve</b>			
Opening Balance	49,982	49,982	48,517
Amount Set Aside / Transfer to Reserve	1,934	1,499	1,465
Amount Used / Transfer from Reserve	0	0	0
	<u>51,916</u>	<u>51,481</u>	<u>49,982</u>
<b>(f) Rubbish Tip Reserve</b>			
Opening Balance	13,641	13,641	13,311
Amount Set Aside / Transfer to Reserve	516	409	330
Amount Used / Transfer from Reserve	0	0	0
	<u>14,157</u>	<u>14,050</u>	<u>13,641</u>

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

	2015 \$	2015 Budget \$	2014 \$
<b>11. RESERVES - CASH BACKED (Continued)</b>			
<b>(g) Swimming Pool Reserve</b>			
Opening Balance	8,116	8,116	14,811
Amount Set Aside / Transfer to Reserve	283	243	305
Amount Used / Transfer from Reserve	0	0	(7,000)
	<u>8,399</u>	<u>8,359</u>	<u>8,116</u>
<b>(h) Unspent Grants &amp; Loans Reserve</b>			
Opening Balance	923,177	956,579	391,992
Amount Set Aside / Transfer to Reserve	1,163,141	0	923,177
Amount Used / Transfer from Reserve	(923,379)	(956,579)	(391,992)
	<u>1,162,939</u>	<u>0</u>	<u>923,177</u>
<b>(i) Community Recreation Centre Reserve</b>			
Opening Balance	108,832	108,832	32,098
Amount Set Aside / Transfer to Reserve	194,607	90,607	181,734
Amount Used / Transfer from Reserve	(105,000)	(190,000)	(105,000)
	<u>198,439</u>	<u>9,439</u>	<u>108,832</u>
 <b>TOTAL CASH BACKED RESERVES</b>	 <u><u>1,686,582</u></u>	 <u><u>128,097</u></u>	 <u><u>1,355,951</u></u>
 Total Opening balance	 1,355,951	 1,389,353	 584,186
Total Amount set aside / transfer to reserve	1,569,010	200,323	1,299,850
Total Amount used / transfer from reserve	(1,238,379)	(1,461,579)	(528,085)
<b>TOTAL RESERVES</b>	<u><u>1,686,582</u></u>	<u><u>128,097</u></u>	<u><u>1,355,951</u></u>

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



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

**11. RESERVES - CASH BACKED (Continued)**

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

**Leave Reserve**

- to be used to fund annual and long service leave requirements.

**Plant Reserve**

- to be used for the purchase of major plant.

**Building Reserve**

- to be used for the construction of housing and other facilities.

**Facilities Reserve**

- to be used to provide new facilities to the shire.

**Medical Reserve**

- to be used to maintain the services of a doctor and other medical services.

**Rubbish Tip Reserve**

- to be used to upgrade and expand rubbish tips within the Shire.

**Swimming Pool Reserve**

- to be used upgrade the swimming pool and aquatic centre facilities.

**Unspent Grants & Loans Reserve**

- to be used to set aside grant and loan funds received and committed to be spent on specific projects or in future financial reporting periods.

**Community Recreation Centre Reserve**

- to be used for the construction of a Community Recreation Centre

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

**SHIRE OF TRAYNING**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**12. ASSET REVALUATION SURPLUS**

Revaluation surpluses have arisen on revaluation of the following classes of non-current assets:

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Land and Buildings</b>		
Opening balance	5,629,650	0
Revaluation Increment	0	5,629,650
Revaluation Decrement	0	0
	<u>5,629,650</u>	<u>5,629,650</u>
<b>(b) Plant and Equipment</b>		
Opening balance	167,051	167,051
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u>167,051</u>	<u>167,051</u>
<b>(c) Furniture and Equipment</b>		
Opening balance	16,290	16,290
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u>16,290</u>	<u>16,290</u>
<b>(d) Infrastructure - Roads</b>		
Opening balance	0	0
Revaluation Increment	44,605,609	0
Revaluation Decrement	0	0
	<u>44,605,609</u>	<u>0</u>
<b>(e) Infrastructure - Footpaths</b>		
Opening balance	0	0
Revaluation Increment	324,341	0
Revaluation Decrement	0	0
	<u>324,341</u>	<u>0</u>
<b>(f) Infrastructure - Airstrips</b>		
Opening balance	0	0
Revaluation Increment	734,439	0
Revaluation Decrement	0	0
	<u>734,439</u>	<u>0</u>
<b>(g) Infrastructure - Water</b>		
Opening balance	0	0
Revaluation Increment	190,556	0
Revaluation Decrement	0	0
	<u>190,556</u>	<u>0</u>

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

<b>12. ASSET REVALUATION SURPLUS (Continued)</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Revaluation surpluses have arisen on revaluation of the following classes of non-current assets:		
<b>(h) Infrastructure - Other</b>		
Opening balance	1,616,985	0
Revaluation Increment	0	1,616,985
Revaluation Decrement	0	0
	<u>1,616,985</u>	<u>1,616,985</u>
 TOTAL ASSET REVALUATION SURPLUS	 <u>53,284,921</u>	 <u>7,429,976</u>
 Total Opening balance	 7,429,976	 183,341
Total Amount set aside / transfer to revaluation surplus	45,854,945	7,246,635
Total Amount used / transfer from revaluation surplus	0	0
TOTAL ASSET REVALUATION SURPLUS	<u>53,284,921</u>	<u>7,429,976</u>

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

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

**(a) Reconciliation of Cash**

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

	2015 \$	2015 Budget \$	2014 \$
Cash and Cash Equivalents	2,987,026	182,983	1,356,351
Bank Overdraft	0	0	(128,175)
	<u>2,987,026</u>	<u>182,983</u>	<u>1,228,176</u>

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

Net Result	2,406,355	1,207,911	2,532,637
Depreciation	929,636	780,000	724,895
(Profit)/Loss on Sale of Asset	8,325	(78,900)	(31,913)
(Increase)/Decrease in Receivables	447,718	503,534	(309,461)
(Increase)/Decrease in Inventories	(9,599)	(6,434)	240
Increase/(Decrease) in Payables	(236,319)	(181,821)	108,800
Increase/(Decrease) in Employee Provisions	858	(25,000)	5,406
Grants/Contributions for the Development of Assets	(2,442,183)	(1,780,331)	(2,578,086)
Net Cash from Operating Activities	<u>1,104,791</u>	<u>418,960</u>	<u>452,518</u>

**(c) Undrawn Borrowing Facilities**

**Credit Standby Arrangements**

Bank Overdraft limit	200,000	200,000
Bank Overdraft at Balance Date	0	(128,175)
Credit Card limit	7,000	5,000
Credit Card Balance at Balance Date	0	(1,638)
<b>Total Amount of Credit Unused</b>	<u>207,000</u>	<u>75,187</u>

**Loan Facilities**

Loan Facilities - Current	111,470	100,000
Loan Facilities - Non-Current	306,915	210,266
<b>Total Facilities in Use at Balance Date</b>	<u>418,385</u>	<u>310,266</u>

<b>Unused Loan Facilities at Balance Date</b>	<u>134,376</u>	<u>0</u>
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**SHIRE OF TRAYNING**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

**14. CONTINGENT LIABILITIES**

Council have no Contingent Liabilities at 30 June 2015.

**15. CAPITAL AND LEASING COMMITMENTS**

**(a) Finance Lease Commitments**

There are no finance lease commitments at 30 June 2015.

**(b) Operating Lease Commitments**

**2015**  
\$

**2014**  
\$

Non-cancellable operating leases  
contracted for but not capitalised in  
the accounts.

Payable:

- not later than one year

60,992

65,896

- later than one year but not later than five years

20,425

81,417

81,417

147,313

**(c) Capital Expenditure Commitments**

There are no capital expenditure commitments at 30 June 2015.

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

**16. JOINT VENTURES**

The Shire together with the Shires of Wyalkatchem, Koorda and Mt Marshall have a joint venture arrangement with regard to the provision of an Environmental Health Service. The assets previously identified no longer exist and have consequently been removed from the asset register during the 2012/2013 year.

The Shire together with the Shires of Mt Marshall, Mukinbudin and Nungarin have a joint venture arrangement with regard to the Kununoppin Medical Practice. There are no Assets. Council has a percentage based agreement with the other shires, whereby income and expenditure is split four ways as follows: Shire of Trayning 40%, Shire of Mt Marshall 25%, Shire of Mukinbudin 25%, Nungarin 10%. There is no profit on this Joint Venture.

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

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Governance	2,018,240	1,080,569
General Purpose Funding	153,252	111,648
Law, Order, Public Safety	98,383	115,180
Health	51,916	49,982
Education and Welfare	298,101	259,407
Housing	4,336,361	3,618,792
Community Amenities	199,855	201,775
Recreation and Culture	5,985,616	5,639,546
Transport	60,233,136	13,821,697
Economic Services	769,484	782,025
Other Property and Services	1,038,179	1,006,432
Unallocated	115,157	604,844
	<u>75,297,680</u>	<u>27,291,897</u>

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

	2015	2014	2013
<b>18. FINANCIAL RATIOS</b>			
Current Ratio	2.732	0.887	2.038
Asset Sustainability Ratio	1.789	4.014	3.527
Debt Service Cover Ratio	11.921	3.026	5.474
Operating Surplus Ratio	0.365	(0.323)	(0.140)
Own Source Revenue Coverage Ratio	0.370	0.373	0.411

The above ratios are calculated as follows:

Current Ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset Sustainability Ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation expense}}$
Debt Service Cover Ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating Surplus Ratio	$\frac{\text{operating revenue minus operating expense}}{\text{own source operating revenue}}$
Own Source Revenue Coverage Ratio	$\frac{\text{own source operating revenue}}{\text{operating expense}}$

Information relating to the **Asset Consumption Ratio** and **Asset Renewal Funding Ratio** can be found at Supplementary Ratio Information on Page 61 of this document.

Three of the 2015 ratios disclosed above are distorted by an item of revenue totalling \$748,031 relating to the recognition of Financial Assistance Grant income received in advance.

This item forms part of operating revenue and has been included in the calculations above.

This item of revenue is considered to be a "one-off", if it was ignored, the calculations disclosed in the 2015 column above would be as follows:

	<b>2015</b>
Current Ratio	1.045
Debt Service Cover Ratio	5.761
Operating Surplus Ratio	(0.183)



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

**19. TRUST FUNDS**

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

	<b>Balance 1-Jul-14 \$</b>	<b>Amounts Received \$</b>	<b>Amounts Paid (\$)</b>	<b>Balance 30-Jun-15 \$</b>
Football Club Funds	3,348	0	0	3,348
Skatepark Funds	0	0	0	0
Councillor Nominations	0	0	0	0
Police Licensing	4,709	263,953	(268,662)	0
Toy Library	771	0	0	771
Red FM Radio/Gym	317	0	0	317
Kununoppin Fire Brigade	500	0	0	500
Shire Housing Bonds	5,170	3,738	(1,966)	6,942
Trayning Golf Club	0	4,103	0	4,103
Badminton Funds	387	0	0	387
Unidentified Deposits	3,017	0	0	3,017
South Ninghan Catchment Group Funds	2,416	0	0	2,416
Repertory Funds	1,707	0	0	1,707
NEWROC	0	0	0	0
Aqua Bubble Donations	971	0	0	971
Commemorative Plaques	0	0	0	0
Ninghan Farm Focus Group	250	0	0	250
Rance Caravan	0	0	0	0
Ninghan Fitness Centre	510	380	(183)	707
Halls & Equipment Hire Bonds	102	300	(402)	0
	<u>24,175</u>			<u>25,436</u>

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

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

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Transport</b>						
House - Lot 59 Glass Street	0	43,100	0	100,000	0	56,900
<b>Transport</b>						
Utility - Works Crew (Dual cab)	19,321	0	10,996	12,000	(8,325)	12,000
DAF Truck	0	90,000	0	100,000	0	10,000
	19,321	133,100	10,996	212,000	(8,325)	78,900

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

**21. INFORMATION ON BORROWINGS**

(a) Repayments - Debentures

Particulars	Principal 1-Jul-14 \$	New Loans		Principal Repayments		Principal 30-Jun-15		Interest Repayments	
		Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Housing</b>									
Loan 63 - Construction of GEHA House	50,003	0	0	24,260	24,261	25,743	25,743	2,339	2,651
<b>Recreation &amp; Culture</b>									
Loan 62 - Gymnasium Building & Equipment	15,056	0	0	9,893	9,893	5,163	5,162	718	731
Loan 67 - Bowls Surface (*)	0	45,000	45,000	1,881	4,248	43,119	40,752	1,351	1,800
Loan 69 - Trayning Community Rec Centre	0	0	1,148,225	0	0	0	1,148,225	0	0
<b>Transport</b>									
Loan 62 - Portion of Vibe Roller	11,471	0	0	7,538	7,538	3,933	3,933	547	557
Loan 66 - Grader	109,939	0	0	29,207	29,207	80,732	80,732	5,717	5,938
<b>Economic Services</b>									
Loan 62 - Stage 1 Caravan Park Relocation (Construction of Ablution Block)	9,320	0	0	6,124	6,124	3,196	3,196	445	452
Loan 68 - Trayning Fuel Station	0	165,000	165,000	0	0	165,000	165,000	2,443	0
<b>Other Property &amp; Services</b>									
Loan 65 - Construction of Works Crew House	114,477	0	0	22,978	22,977	91,499	91,500	5,985	6,257
	310,266	210,000	1,358,225	101,881	104,248	418,385	1,564,242	19,545	18,386

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

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

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

(b) New Debentures - 2014/15

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges \$	Interest Rate %	Amount Used		Balance Unspent \$
	Actual \$	Budget \$						Actual \$	Budget \$	
Loan 67 - Bowls Surface (*)	45,000	45,000	WATC	Debenture	10	54,721	Unknown	45,000	45,000	0
Loan 68 - Trayning Fuel Station	165,000	165,000	WATC	Debenture	10	Unknown	Unknown	30,624	165,000	134,376
Loan 69 - Trayning Community Rec Centre	0	1,148,225	WATC	Debenture	10	Unknown	Unknown	0	1,148,225	0

(c) Unspent Debentures

Particulars	Date Borrowed	Balance 1-Jul-14 \$	Borrowed During Year \$	Expended During Year \$	Balance 30-Jun-15 \$	
Loan 121 New Staff Housing	9/01/2015	0	165,000	30,624	134,376	#
		0	165,000	30,624	134,376	

# - The unspent loan funds have been transferred to the Shire's Unspent Grants & Loans Reserve as at 30 June 2015.

(d) Overdraft

Council has an overdraft facility of \$200,000 with Westpac Bank which was taken out in June 2007. The balance of the bank overdraft at 30 June 2014 was \$128,175 and at 30 June 2015 was Nil.

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

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

(a) Rates

<b>RATE TYPE</b>	<b>Rate in \$</b>	<b>Number of Properties</b>	<b>Rateable Value \$</b>	<b>Rate Revenue \$</b>	<b>Interim Rates \$</b>	<b>Back Rates \$</b>	<b>Total Revenue \$</b>	<b>Budget Rate Revenue \$</b>	<b>Budget Interim Rate \$</b>	<b>Budget Back Rate \$</b>	<b>Budget Total Revenue \$</b>
<b>Differential General Rate</b>											
UV - Rural	1.7858	202	41,387,500	739,098	608	0	739,706	739,100	0	0	739,100
UV - Mining	1.7858	0	0	0	0	0	0	457	0	0	457
GRV Townsite	21.2192	107	582,204	123,539	0	0	123,539	123,540	0	0	123,540
GRV Commercial	21.2192	12	84,010	17,826	0	0	17,826	17,827	0	0	17,827
<b>Sub-Totals</b>		321	42,053,714	880,463	608	0	881,071	880,924	0	0	880,924
<b>Minimum Rates</b>	<b>Minimum \$</b>										
UV - Rural	300	5	42,400	1,500	0	0	1,500	1,500	0	0	1,500
UV - Mining	300	1	90	300	0	0	300	300	0	0	300
GRV Townsite	300	37	13,503	11,100	0	0	11,100	11,100	0	0	11,100
GRV Commercial	300	2	455	600	0	0	600	600	0	0	600
<b>Sub-Totals</b>		45	56,448	13,500	0	0	13,500	13,500	0	0	13,500
Ex-Gratia Rates							894,571				894,424
Discounts ( <i>refer note 25</i> )							10,786				10,000
Rates Written Off							(36,082)				(30,000)
Movement in Excess Rates							(6,083)				(1,000)
							333				0
<b>Total Amount Raised from General Rate/ Total Rates</b>							<b>863,525</b>				<b>873,424</b>

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

**22. RATING INFORMATION - 2014/15 FINANCIAL YEAR (Continued)**

(b) Information on Surplus/(Deficit) Brought Forward	<b>2015</b> <b>(30 June 2015</b> <b>Carried</b> <b>Forward)</b> <b>\$</b>	<b>2015</b> <b>(1 July 2014</b> <b>Brought</b> <b>Forward)</b> <b>\$</b>	<b>2014</b> <b>(30 June 2014</b> <b>Carried</b> <b>Forward)</b> <b>\$</b>
<b>Surplus/(Deficit) - Rate Setting Statement</b>	<u>1,216,836</u>	<u>120,985</u>	<u>120,985</u>
<b><u>Comprises:</u></b>			
Cash - Unrestricted	959,344	400	400
Cash - Restricted	2,027,682	1,355,951	1,355,951
Rates Outstanding	112,799	78,969	78,969
Sundry Debtors	121,859	593,534	593,534
Less: Provision for Doubtful Debts	(48,690)	(26,256)	(26,256)
Accrued Income	4,629	10,884	10,884
Prepayments	9,644	0	0
Inventories			
- Fuel and Materials	48,194	38,595	38,595
<b>Less:</b>			
Reserves - Restricted Cash			
- Leave Reserve	(27,715)	(26,682)	(26,682)
- Plant Reserve	(207,423)	(210,437)	(210,437)
- Building Reserve	(8,547)	(8,249)	(8,249)
- Facilities Reserve	(7,047)	(6,835)	(6,835)
- Medical Reserve	(51,916)	(49,982)	(49,982)
- Refuse Reserve	(14,157)	(13,641)	(13,641)
- Swimming Pool Reserve	(8,399)	(8,116)	(8,116)
- Unspent Grants Reserve	(1,162,939)	(923,177)	(923,177)
- Community Recreation Centre Reserve	(198,439)	(108,832)	(108,832)
Sundry Creditors	(149,047)	(12,568)	(12,568)
GST Payable	(2,171)	(129,610)	(129,610)
PAYG Payable	(13,414)	(15,227)	(15,227)
FBT Liability	(8,996)	(8,629)	(8,629)
Accrued Expenditure	0	(249,207)	(249,207)
Accrued Interest on Loans	(4,920)	(2,790)	(2,790)
Accrued Salaries and Wages	(35,080)	(31,916)	(31,916)
Current Employee Benefits Provision	(146,130)	(151,876)	(151,876)
Current Loan Liability	(111,470)	(100,000)	(100,000)
Add Back : Component of Leave Liability not Required to be Funded	27,715	26,682	26,682
Add Back : Current Loan Liability	111,470	100,000	100,000
<b>Surplus/(Deficit)</b>	<u>1,216,836</u>	<u>120,985</u>	<u>120,985</u>

**Difference:**

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

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

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

No specified area rates were levied in the 2014/15 financial year.

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

No Service Charges were imposed in the 2014/15 financial year.

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

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
General Rates	Discount	5.00%	36,082	30,000
			36,082	30,000
Rate Assessment	Write-Off		6,083	1,000

A discount on rates is granted to all who pay their rates in full within 35 days of the date of service appearing on the rate notice.

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

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11		9,582	4,000
Interest on Instalments Plan	5.5		0	300
Interest on ESL	11		548	100
Charges on Instalment Plan		5	830	1,000
			10,960	5,400

Ratepayers had the option of paying rates in four equal instalments, due on 19th September 2014, 19th November 2014, 19th January 2015 and 19th March 2015. Administration charges and interest applied for the final three instalments.

<b>27. FEES &amp; CHARGES</b>	<b>2015 \$</b>	<b>2014 \$</b>
Governance	7,491	23,100
General Purpose Funding	830	930
Law, Order, Public Safety	3,392	992
Health	33,908	31,709
Education and Welfare	0	0
Housing	56,398	56,298
Community Amenities	48,922	47,731
Recreation and Culture	8,722	7,584
Transport	0	0
Economic Services	19,774	20,200
Other Property and Services	44,876	33,055
	<u>224,313</u>	<u>221,599</u>

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

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

**28. GRANT REVENUE**

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

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>By Nature and Type:</b>		
Operating Grants, Subsidies and Contributions	2,826,543	1,665,175
Non-Operating Grants, Subsidies and Contributions	<u>1,907,973</u>	<u>2,928,248</u>
	<u><b>4,734,516</b></u>	<u><b>4,593,423</b></u>
<b>By Program:</b>		
Governance	15,000	0
General Purpose Funding	1,527,691	504,191
Law, Order, Public Safety	13,091	4,000
Health	0	0
Education and Welfare	44,374	0
Housing	739,420	370,832
Community Amenities	0	0
Recreation and Culture	146,260	1,000
Transport	1,716,632	2,873,891
Economic Services	532,048	839,509
Other Property and Services	<u>0</u>	<u>0</u>
	<u><b>4,734,516</b></u>	<u><b>4,593,423</b></u>

**29. ELECTED MEMBERS REMUNERATION**

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

	<b>2015</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
		<b>\$</b>	
Meeting Fees	30,360	20,000	21,400
President's Allowance	12,350	12,350	12,000
Deputy President's Allowance	8,200	8,200	3,000
Travelling Expenses	4,067	3,000	2,721
Telecommunications Allowance	10,850	9,500	10,517
	<u><b>65,827</b></u>	<u><b>53,050</b></u>	<u><b>49,638</b></u>

**30. EMPLOYEE NUMBERS**

The number of full-time equivalent employees at balance date

<b>2015</b>	<b>2014</b>
<u><b>16</b></u>	<u><b>14</b></u>



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

**31. MAJOR LAND TRANSACTIONS**

There were no major land transactions in the year 2014/15.

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

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

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

**33. FINANCIAL RISK MANAGEMENT**

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

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

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

The Council held the following financial instruments at balance date:

	<b>Carrying Value</b>		<b>Fair Value</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial Assets</b>				
Cash and cash equivalents	2,987,026	1,356,351	2,987,026	1,356,351
Receivables	<u>283,813</u>	<u>688,412</u>	<u>283,813</u>	<u>688,412</u>
	<u><u>3,270,839</u></u>	<u><u>2,044,763</u></u>	<u><u>3,270,839</u></u>	<u><u>2,044,763</u></u>
<b>Financial Liabilities</b>				
Payables	213,628	449,947	213,628	449,947
Borrowings	<u>418,385</u>	<u>438,441</u>	<u>365,420</u>	<u>412,333</u>
	<u><u>632,013</u></u>	<u><u>888,388</u></u>	<u><u>579,048</u></u>	<u><u>862,280</u></u>

Fair value is determined as follows:

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

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

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

**(a) Cash and Cash Equivalents**

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

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

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

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

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

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Impact of a 1% (*) movement in interest rates on cash and investments:		
- Equity	23,150	11,523
- Statement of Comprehensive Income	23,150	11,523

**Notes:**

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

Recent market volatility has seen large market movements for certain types of investments.

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

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

**(b) Receivables**

Council's major receivables comprise rates and annual charges and user charges and fees. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. Council manages this risk by monitoring outstanding debt and employing debt recovery policies. 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:

	<b>2015</b>	<b>2014</b>
Percentage of Rates and Annual Charges		
- Current	0.00%	0.00%
- Overdue	100.00%	100.00%
Percentage of Other Receivables		
- Current	82.98%	100.00%
- Overdue	17.02%	0.00%

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

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

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

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

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

	<b>Due within 1 year \$</b>	<b>Due between 1 &amp; 5 years \$</b>	<b>Due after 5 years \$</b>	<b>Total contractual cash flows \$</b>	<b>Carrying values \$</b>
<b><u>2015</u></b>					
Payables	213,628	0	0	213,628	213,628
Borrowings	129,172	225,590	121,403	476,165	418,385
	<u>342,800</u>	<u>225,590</u>	<u>121,403</u>	<u>689,793</u>	<u>632,013</u>
<b><u>2014</u></b>					
Payables	449,947	0	0	449,947	449,947
Borrowings	245,224	230,636	0	475,860	438,441
	<u>695,171</u>	<u>230,636</u>	<u>0</u>	<u>925,807</u>	<u>888,388</u>

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

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

**(c) Payables (Continued)**  
**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 %
<b><u>Year Ended 30 June 2015</u></b>								
Borrowings								
<b>Fixed Rate</b>								
Debentures	38,035	0	80,732	91,499	0	208,119	418,385	<b>4.50%</b>
Weighted Average Effective Interest Rate	5.95%		5.78%	5.75%		3.20%		
<b><u>Year Ended 30 June 2014</u></b>								
Borrowings								
<b>Variable Rate</b>								
Bank Overdraft	128,175	0	0	0	0	0	128,175	<b>5.96%</b>
<b>Fixed Rate</b>								
Debentures	0	85,850	0	109,939	114,477	0	310,266	<b>5.81%</b>
	<u>128,175</u>	<u>85,850</u>	<u>0</u>	<u>109,939</u>	<u>114,477</u>	<u>0</u>	<u>438,441</u>	
Weighted Average Effective Interest Rate	5.96%	5.92%		5.78%	5.75%			

## **INDEPENDENT AUDITOR'S REPORT TO THE ELECTORS OF THE SHIRE OF TRAYNING**

Unit 16 Lakeside Corporate,  
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## **REPORT ON THE FINANCIAL REPORT**

We have audited the accompanying financial report of the Shire of Trayning, which comprises the statement of financial position as at 30 June 2015, statement of comprehensive income by nature or type, statement of comprehensive income by program, statement of changes in equity, statement of cash flows and the rate setting statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by Chief Executive Officer.

### ***Management's Responsibility for the Financial Report***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinion***

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

- a. giving a true and fair view of the Shire's financial position as at 30 June 2015 and of its financial performance and its cash flows for the year ended on that date; and
- b. complying with Australian Accounting Standards (including Australian Accounting Interpretations).

## INDEPENDENT AUDITOR'S REPORT TO THE ELECTORS OF THE SHIRE OF TRAYNING (CONTINUED)

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### *Report on Other Legal and Regulatory Requirements*

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

### **Annual Financial Report**

The Annual Financial Report for the year ended 30 June 2014 was not submitted to the Director General of the Department within 30 days of the auditor's report becoming available as required by Financial Management Regulation 51 (2).

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

- a) There are no other matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- b) Except as detailed above, no other matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law were noted during the course of our audit.
- c) In relation to the Supplementary Ratio Information presented at page 61 of this report, we have reviewed the calculations as presented and nothing has come to our attention to suggest they are not:
  - i) reasonably calculated; and
  - ii) based on verifiable information.
- d) All necessary information and explanations were obtained by us.
- e) All audit procedures were satisfactorily completed in conducting our audit.

MOORE STEPHENS  
CHARTERED ACCOUNTANTS



GREG GODWIN  
PARTNER

Signed at Perth this 24<sup>th</sup> day of November 2015.



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

**RATIO INFORMATION**

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

	<b>2015</b>	<b>2014</b>	<b>2013</b>
Asset Consumption Ratio	<b>0.634</b>	<b>0.536</b>	<b>0.746</b>
Asset Renewal Funding Ratio	<b>0.944</b>	<b>0.887</b>	<b>0.920</b>

The above ratios are calculated as follows:

Asset Consumption Ratio	$\frac{\text{depreciated replacement cost of assets}}{\text{current replacement cost of depreciable assets}}$
Asset Renewal Funding Ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$