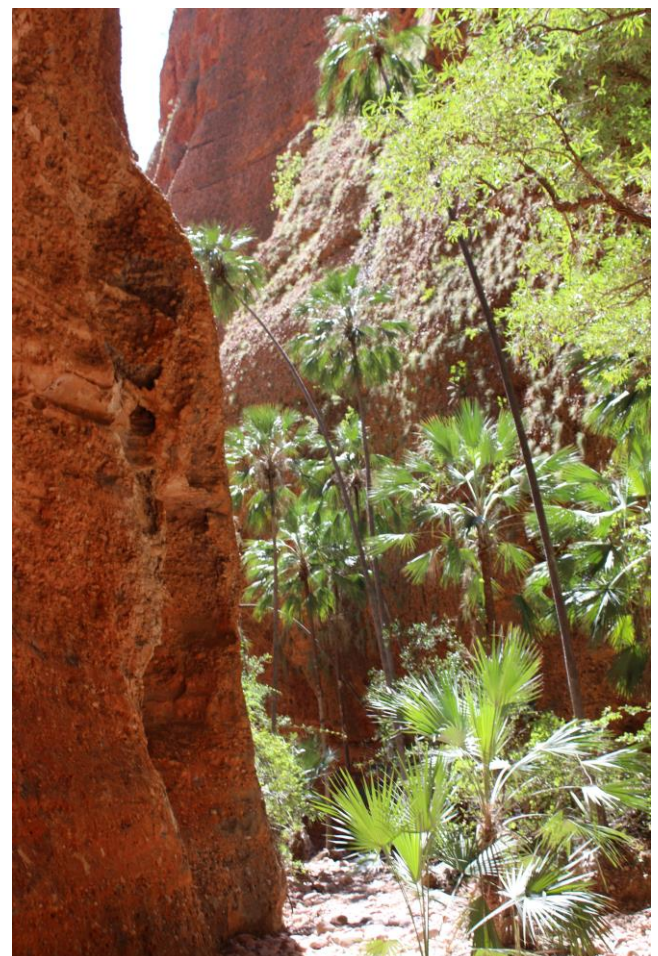


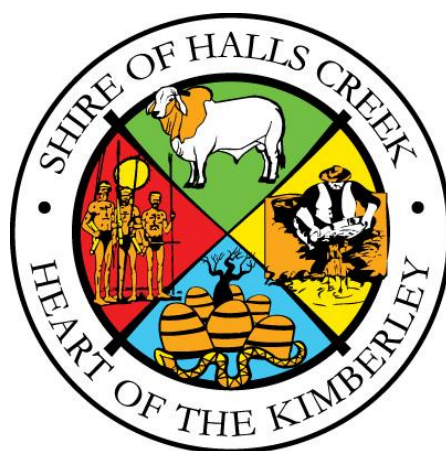
# SHIRE OF HALLS Creek



## ANNUAL REPORT For year Ended 30 June 2017



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## Contents

1.0 SHIRE PRESIDENT'S MESSAGE.....	5
2.0 MESSAGE FROM THE CHIEF EXECUTIVE OFFICER .....	7
3. INTRODUCTION .....	8
3.1 About the Shire .....	8
3.2 History .....	9
4. WHAT IS THE ANNUAL REPORT? .....	10
4.1 Vision.....	10
4.2 Our Values.....	10
5.0 COUNCILLORS AND EXECUTIVE.....	12
5.1 Shire Executive .....	12
5.2 Our Elected Members .....	12
5.3 The Role of the President and Councillors.....	12
5.4 Elected Member Conduct .....	12
5.5 Code of Conduct.....	13
5.6 Council Meeting Attendance .....	13
5.7 Shire of Halls Creek Elected Members .....	14
6.0 STATUTORY REPORTS.....	15
6.1 National Competition Policy .....	15
6.2 Local Laws .....	15
6.3 Disability Services Act .....	15
6.3 Records Management and the State Records Act 2000 .....	16
6.4 Plans for the Future .....	17
6.5 Employee Remuneration Information .....	17
6.6 Freedom of Information Statement.....	17
6.7 Costs.....	18
6.8 Reviews .....	19
6.9 Summary of FOI Requests received in the Year Ended 30 June 2017 .....	20
6.10 Register of Complaints .....	20
7.0 YEAR IN REVIEW .....	21
7.1 Strategic Planning .....	21
7.2 Health & Regulatory Services.....	21
7.3 Corporate Services .....	22
7.4 Assets and Infrastructure.....	25

7.5 Olabud Doogethu .....	26
7.6 Economic Development .....	27
7.7 Workforce .....	29
8.0 PLAN FOR THE FUTURE .....	32
8.1 Planned initiatives and projects .....	32
9. Annual Financial Report .....	33



## 1.0 SHIRE PRESIDENT'S MESSAGE



As President for the Shire of Halls Creek, I am proud to present the Shire of Halls Creek Annual report for 2016/17.

This financial year has been a busy and productive year for the Shire's Elected Members and Administration, and has again seen real progress in many areas throughout the shire, with the completion of a number of projects and initiatives that have assisted to move our Shire forward.

This report provides a summary of the Shires performance over the last financial year and a snapshot of what is planned over the coming year.

### 16/17 Budget Adoption

The budget was adopted by Council on 18 August 2016. Alongside the major capital projects, the cost of running the shire has decreased every year for the past 3 years. A balanced budget has been achieved this year with levels of service maintained and a 2% rate increase for the 2016/17, a very pleasing result.

The shire will continue to realise the goals outlined in the Strategic Community Plan, and through continued community consultation we will strive to continue to improve our services for the betterment of our community. Please refer to the section titled *planned initiatives and projects* for an overview of the projects the Shire will be commencing or continuing to progress into the ensuing year.

Below are the major projects delivered in 2016/17:

- Asset Management Plans
- Workforce Plan
- Four (4) year grant funding agreement with Department Health for provision of Aboriginal Health services
- Implementation of successful mosquito control program
- Acquisition of 20 ton excavator and housing shed
- Focus on Upgrade to the Cemetery
- Road works repair to Duncan, Gordon Downs, Tanami, Balgo Mission and Lake Gregory Mission Roads
- Stage 2 of Town Streets Renewal Program
- Re-sealing of the Halls Creek Airport
- Stage 3 & 4 of Roberta Avenue footpath completed
- Tourist Centre and Café refurbishment projects completed
- Upgrade to the Shire Front Office
- Halls Creek Oval upgrade
- Shire property security system upgrade
- Solar lights erected in Shire Park and outdoor basketball court
- Olabud Doogethu Vocational Training Programs in Halls Creek & Mulan
- 100% Business Case funding secured for Duncan Road
- Halls Creek Cultural Art Project

- 
- Funding secured for Eco-Toilets at 3 important recreation areas

I would like to thank my fellow Councillors for their support and dedication to the Shire. I would further like to thank the Chief Executive Officer, Mr Rodger Kerr-Newell and his team for their commitment and hard work in delivering the projects and services needed for the community.

We wish every member of the community well for the coming year and look forward to continuing to build a stronger and better Shire of Halls Creek together in 2017/18.



Cr Malcolm Edwards  
Shire President

## 2.0 MESSAGE FROM THE CHIEF EXECUTIVE OFFICER



The 2016/17 financial year has been a productive year for the Shire's Administration. The Shire's workforce continues to improve the standards of services provided to the community, and it has been a privilege to lead this team. Much has been achieved and I would like to thank our hard working staff for their commitment to working together to progress the outcomes of the Strategic Community Plan.

The Shire continues to work hard to ensure that compliance and governance standards are adhered to and improved. The Shire undertook a comprehensive review of all policies in June to ensure that our reference documents are up-to-date and relevant to assist the Shire in its day to day operations and decision making.

### **Integrated Planning & Reporting**

The Shire enlisted consultants earlier this year to review and develop Asset Management Plans that will assist the Shire in meeting its regulatory requirements, as well as future planning needs. A full suite of Asset Management plans were produced and were adopted by Council at the August Ordinary meeting. The Shire has further reviewed and adopted the Workforce Plan which will provide a path to ensure that Human Resources are adequate to meet the operational needs of the Shire and outcomes of the Strategic Community Plan.

### **Local Planning Strategy and Scheme**

Continuing on from the adoption of the Local Planning Strategy the Local Planning Scheme is being reviewed in partnership with the Department of Planning. This document will give effect to the Strategy and sets in place the zones, land uses and planning rules for all land within the Shire. Consultation will be undertaken on the draft in early 2018 and submissions will be called for from the community and other stakeholders.

### **Tanami Road**

The Shire continues to work with the Northern Territory Government to find funding to seal the Tanami Road. This road is considered to be the key to achieving the objectives of the 'Closing the Gaps' Federal initiative for Aboriginal communities along its length. The Shire President and I spent a week in Canberra this year advocating for the project. Federal politicians are positive about the project and it remains on the Infrastructure Australia Priority List as a priority initiative.

I would like to express my appreciation to the Shire President and Councillors for their support throughout 2016/17, and I am pleased to deliver the achievements of our Shire, and I look forward to what we can achieve together over the coming year.

A handwritten signature in black ink, appearing to read 'Rodger Kerr-Newell'.

Rodger Kerr-Newell, Chief Executive Officer

### 3. INTRODUCTION

#### 3.1 About the Shire

Located in the Kimberley region, the Shire of Halls Creek is one of Australia's iconic outback regions with a unique cultural and heritage environment. Predominantly Aboriginal populations live in a number of remote communities around the district and the town site of Halls Creek.

The Shire of Halls Creek covers 142,908 square kilometres of the Kimberley is located approximately 2,850 kilometres to the North East of Perth and 362 kilometres south of Kununurra. The Northern Territory forms the Eastern boundary of the Shire with the Shire of Wyndham-East Kimberley to the North, the Shire of Derby West Kimberley to the West and the Shire East Pilbara to the South and West.

The remote communities of Balgo (Wirrimanu), Billiluna (Mindibungu), Mulan, Kundat Djaru (Ringer Soak), Warmun (Turkey Creek) and Yiyili are an integral part of the district with around 3,000 people residing outside of the Halls Creek town site. Throughout the Shire there are a number of smaller communities. The Region is connected by 391km of sealed roads and 1,449km of unsealed roads, which require extensive maintenance work due to seasonal flooding.

#### Kimberley Aboriginal Language Groups

The following map illustrates the distribution of Aboriginal Language Groups in the Kimberley. Languages play an important role in supporting Aboriginals in connecting with their culture and country. They are also an important consideration for non-Indigenous people and organisations that engage or work with Aboriginal people in the Kimberley region.





### 3.2 History

The land now known as Halls Creek has been occupied for thousands of years. The land is crossed by songlines and trading paths stretching from the coasts to the deserts, some passing near the modern town.

The story of that long occupation remains alive today and it is revealed in the culture of the Jaru, Kija, Kukatja, Walmajarri, Gooniyandi and other indigenous people who live in the Shire of Halls Creek.

That ancient world changed late in the 1800's with the arrival of Europeans, searching for minerals for wealth and land for cattle. On Christmas Day 1885 prospector Charlie Hall found a huge 28-ounce (nearly 1 kilogram) gold nugget at a site that would eventually be named after him.

News of the discovery drew more than 15,000 people to what is now Old Halls Creek to try their luck. It proved an inhospitable land for these people and the graves of some can be found in Old Town's small cemetery.

The gold rush lasted less than three months and Halls Creek became a trading centre for cattle stations, aboriginal communities and miners who stayed in the area. The post office with its telegraph line that terminated here, the police station, government office, racecourse and stores gave the town a purpose.

In 1918 the Australian Inland Mission built a hospital and the old town struggled on, short of inhabitants and water. In 1948 an airfield was built near the site of the present town and over the next decade the old town moved nearer to this new site. Except for the police station, which finally relocated in 1961, the old town was abandoned by 1954.

The new town of Halls Creek is one of the largest predominantly indigenous communities in Australia. It is a friendly, welcoming place and offers travellers an ideal stop on their journeys. The old town is worth a visit, nestled in spectacular country.

#### Remote Aboriginal Communities

Community	Population	Languages Spoken
Balgo Hills	460	Kukatja, Ngardi, Northern Territory languages
Billiluna	144	Kukatja, Eastern Walmajarri, Jaru, Ngardi
Mulan	194	Kukatja, Eastern Walmajarri, Jaru, Ngardi
Ringer Soak	160	Jaru, Kukatja, Ngardi, Northern Territory languages
Warmun	196	Gija
Yiyili		Goonyandi



## 4. WHAT IS THE ANNUAL REPORT?

As required by the Local Government Act 1995 and associated regulations the Annual Report for 2016/17 provides an overview of the operations, activities and major projects undertaken by the Shire for that period, and includes major initiatives proposed to commence or continue in the next financial year. The performance of the Council is assessed against the vision, Mission, Strategic Goals, Outcomes and Strategies as set out in the Shire of Halls Creek Strategic Community Plan, and Corporate Business Plan.

These plans provide strategic focus for elected members and the organisation and they affirm our commitments to the community.

### 4.1 Vision

#### Our Vision

***The Shire of Halls Creek town and remote communities are economically diverse, caring, and proactive with a strong sense of responsibility and pride.***

### 4.2 Our Values

Values of the organisation and the community are demonstrated through the way employees behave, interact and think. Defining values and clearly articulating what these values look and feel like is very important and are the building blocks to ensuring a consistent customer and staff experience is delivered at all times. Values and the behaviour they influence are also essential when creating a strong and well respected Corporate Brand both internally and externally.

#### Community Aspirations and Values

Aspiration or Value	Benefits
<b>Respect for, and engagement with the traditional owners of the land.</b>	Ensuring pace and level of development impacting Indigenous communities is guided by the Traditional Owners.
<b>Social inclusiveness</b>	Promotes a future for all residents, actively strengthens the social fabric of the community, values diversity and responds to special needs and disadvantage.
<b>Community involvement</b>	Values the contributions of all groups and ages and generates opportunities for active participation by residents in planning and action.
<b>Positive Mindset</b>	Fosters community attitudes that embrace change, proactive 'can do' behaviours, optimism, hopefulness and the belief in the community being architects and builders of their social and economic future.

<b>Respect for the Environment, Cultures and Sustainable Practices</b>	Respects the natural environment, cultures, heritage and town character and commits to ensuring that the needs of the present are met without compromising the ability of future generations to meet their needs.
<b>Access and Equity</b>	Provides all residents with adequate health, educational, learning, housing and recreational opportunities, facilities and programs.
<b>Mutual Responsibility and Respect</b>	Encourages attitudes and behaviours that foster harmony, equity before the law, personal accountability and respect for the ideas, potential and contributions of all residents.
<b>Celebration</b>	Encourages pride and times of celebration relating to the town's heritage, uniqueness, cultures and achievements.
<b>Collaboration, Partnership and Networking</b>	Creating and strengthening stakeholder collaboration, coordination, networking and cross-promotion to ensure maximum positive outcomes for the residents of the town.
<b>Asset and Opportunity Focus</b>	Focussing upon local assets, opportunities and creativity, and building upon and strengthening existing initiatives and groups.
<b>Commitment to Excellence in Performance and Customer Service</b>	Ensuring strong dedication to quality experiences and outstanding customer service where everyone experiences respect, hospitality and friendliness.



Halls Creek Lookout



## 5.0 COUNCILLORS AND EXECUTIVE

### 5.1 Shire Executive

During the 2016/17 period, the Council organisation was led by Chief Executive Officer Mr Rodger Kerr-Newell along with Directors Ms Teresa Foster (Finance Services), Mr Lloyd Barton (Corporate Services), Ms Kellie Gill (Executive Services), Ms Bronwyn Little (Strategic Planning), Mr Musa Mono (Health & Regulatory Services), Mr Phil Burgess (Infrastructure Assets), Ms Margaret Glass (Youth & Community Development).

### 5.2 Our Elected Members

The Council of the Shire of Halls Creek consists of seven (7) elected members. Council Ordinary Elections are held in October every second year, and Councillors are appointed for a four year term.

### 5.3 The Role of the President and Councillors

Council is the governing body of the Local Government and is made up of seven Elected Members (also called Councillors). The role of Council is defined in the *Local Government Act 1995* (the Act):

- To direct and control the local government's affairs; and
- To be responsible for the performance of the local government's functions

Each Elected Member is elected for a four year term, however Local government elections take place every second year on the third Saturday in October, with half the Council retiring at each election. Retiring Council members are eligible for re-election. After each election Elected Members select a Shire President and Deputy Shire President from amongst themselves.

Councillors play a very important policy-making role, requiring the identification of community needs, setting objectives to meet those needs, establishing priorities between competing demands and allocating resources.

Elected Members do not have authority to act or make decisions as individuals; they are members of an elected body (Council) that makes decisions on behalf of the local government through a formal meeting process.

The Council undertakes a range of roles which are put into practice by the Shire officers. These roles inform how the Shire will activate the Strategic Community Plan through new projects and operational activities.

### 5.4 Elected Member Conduct

Section 5.121 of the Local Government Act 1995 requires a local government to maintain a register of complaints that result in an action under section 5.110(6) (b) or (c) of the Local Government Act 1995.



## 5.5 Code of Conduct

Section 5.103 of the *Local Government Act 1995* provides that every local government is to prepare a code of conduct which is to be observed by members of the Council and Shire employees, and provides consistent guidelines for an acceptable standard of professional conduct. The code of conduct can be found on the Shire of Halls Creek website

<http://www.hallscreek.wa.gov.au>

## 5.6 Council Meeting Attendance

The table below provides Councillor meeting attendance at Ordinary Meetings and Special Meetings of Council from July 2016 to June 2017.

Councillor	Council Meeting Type			
	Ordinary Council Meeting Attended	Special Council Meetings Attended	Total Meetings Attended	Total Meetings Held
Cr Edwards	11	1	12	12
Cr O'Neil	10	1	11	
Cr McKay	11	1	12	
Cr Loessl	10	1	11	
Cr Bedford	11	1	12	
Cr Taylor	6	0	6	
Cr Skeen	7	1	8	



Halls Creek Town



## 5.7 Shire of Halls Creek Elected Members

Shire of Halls Creek Elected Members current as at 12 October 2017, (7) elected members with one vacancy.

### Shire of Halls Creek Councillors



Shire President  
Cr Malcolm Edwards  
Ph: 0488 306 911



Deputy Shire President  
Cr Virginia O'Neil  
Ph: 08 9168 6007



Cr Christopher Loessl  
Ph: 0417 187 636



Cr Trevor Bedford  
Ph: 0437 284 953



Cr Anthony Taylor  
Ph: 0407 195 185



Cr Patricia McKay  
Ph: 0418 877 831



## 6.0 STATUTORY REPORTS

### 6.1 National Competition Policy

The National Competition Policy is a set of competition enhancing principles agreed to by the State and Federal Governments in 1995.

The intention of the policy is to promote competition for the benefit of businesses, consumers and the economy by eliminating any advantage received by government as a result of public sector ownership. The result should be a more 'level playing field' between the public and private sectors.

All governments with business activities that generate in excess of \$200,000 per annum of user-pays income must assess these activities and, if necessary, introduce measures to eliminate any net advantages that may have arisen because of the public ownership of the activities.

During 2016-2017 financial year, the Shire of Halls Creek did not have any significant business activities that met this criterion, and is not required to complete this assessment.

The Shire is committed to ensuring full compliance with the principles of the National Competition Policy, and therefore monitors its business activities accordingly.

### 6.2 Local Laws


The Local Government Act 1995 requires that the Local Laws be reviewed every 8 years. Two of the Shire's Local Laws were reviewed in 2015 and two (2) more were reviewed in 2017. A new local law was made in 2015, meaning that all the Shire local laws are current except the Health Local Law. The review of the Health Local Law is awaiting the 5<sup>th</sup> Stage of implementation for the New Public Health Act 2016. Shire local laws can be accessed at the Shire of Halls Creek website.

### 6.3 Disability Services Act

It is a requirement of the WA Disability Services Act that all local government authorities develop and implement a Disability Access and Inclusion Plan (DAIP) that outlines the ways in which the authority will ensure that people with disabilities have equal access to its facilities and services.

The Shire adopted its first Disability Service Plan (DSP) in December 1995 to address the barriers within the community for people with disabilities and to address its statutory requirements under the WA Disability Services Act (1993).

An updated DSP was developed in 2004 following consultation with the community. In 2008, the Shire undertook to review its DSP, consult with stakeholders and draft a new Disability Access and Inclusion Plan to guide further improvements to access and inclusion and meet the requirements of the amended WA Disability Services Act.



The Shire contracted an independent disability consultancy firm, E-QUAL, to review existing documentation, conduct the consultation and draft a DAIP for the Shire. The Disability Access and Inclusion Draft Plan received input from individuals and groups in the community.

As required by the WA Disability Services Act, the Shire is required to review the progress of the DAIP, to compare proposed outcomes to achievements. A review was completed and submitted to the Disability Services Commission before being endorsed by Council at the Ordinary Council Meeting in November 2013. The next formal review is now due and is in the process of being finalised with E-QUAL Disability consultants once again being engaged to undertake this process. The revised plan is scheduled to be submitted to the November 2017 Council meeting for adoption.

The following 7 outcomes are the focus of the SoHC Disability Access and Inclusion Plan.

**Outcome 1:** 'People with disability have the same opportunities as other people to access the services of, and any events organised by, a public authority.'

**Outcome 2:** 'People with disability have the same opportunities as other people to access the buildings and other facilities of a public authority'.

**Outcome 3:** 'People with disability receive information from a public authority 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 disability receive the same level and quality of service from the staff of a public authority as other people receive from the staff of that public authority'.

**Outcome 5:** 'People with disability have the same opportunities as other people to make complaints to a public authority'.

**Outcome 6:** 'People with disability have the same opportunities as other people to participate in any public consultation by a public authority'.

**Outcome 7:** 'People with disability have the same opportunities as other people to obtain and maintain employment with a public authority'.

### **6.3 Records Management and the State Records Act 2000**

The Shire of Halls Creek maintains a Record Keeping Plan approved by the State Records Commission, as per requirements of the State Records Act. It is also a requirement of the Commission that the Shire includes information about the Shire's Records Management in its Annual Report each year.

The State Records Commission approved the Shire's new Record Keeping Plan on 22 December 2008, following a complete re-work on the original 2004 Plan.

State Records Commission Standard 2 (Recordkeeping Plans), Principle 6 (Compliance), states that 'Government Organisations should develop and implement strategies for ensuring that each employee is aware of the compliance responsibilities under their Recordkeeping Plan'. The Shire has ensured that its new RKP includes the necessary strategies to ensure full and meaningful compliance with this particular standard.

A review of the current RKP was submitted to and approved by the State Records Commission in March 2014. The next formal review is scheduled for 2018.

## 6.4 Plans for the Future

Section 5.56 of the Local Government Act 1995 requires the Shire of Halls Creek to make a plan for the future of its district for at least the next two financial years. This plan must outline the broad objectives for the Shire for the given period, and it is a requirement of the Act that the community at large is consulted.

It is also a requirement of the Act that the Annual Report must include an overview of the Plan for the Future.

The 'Halls Creek Community Strategy 2008-2018' was adopted by Council on 17 December 2008. The pathway taken in the development of this Plan for the Future was documented in the Shire's 2008-2009 Annual Report.

In October 2011, the Council adopted the "Shire of Halls Creek Forward Capital Works Plan 2010-2015". This plan detailed the proposed capital works to be carried out by the Shire for the years 2010-2015. This plan is linked back to certain key strategy areas of the existing "Halls Creek Community Strategy 2008-2018".

A new legislative requirement in relation to the Integrated Planning Framework established by the Department of Local Government has since been introduced. In 2013 Council completed a mandatory Strategic Community Plan, Draft Corporate Business Plan, Workforce Plan, Long Term Financial Plan and Asset Management Plan. The Strategic Community was thoroughly reviewed throughout 2014 and early 2015 with a final version adopted in April 2015.

In early 2017 the Shire engaged consultants to undertake a review of the Shire's Asset Management Plans. Following this review a full suite of Asset Management plans was produced and adopted by Council at the August 2017 Ordinary Council meeting and will assist the Shire in planning and use of its infrastructure assets.


## 6.5 Employee Remuneration Information

It is a requirement of the Local Government Act 1995, and related Administration Regulations, that the number of employees entitled to an annual salary of \$100,000 or more per annum, are disclosed in the Annual Report in bands of \$10,000. This information is set out below.

Salary Range \$	2016/17	2015/16
100,000 - 110,000	2	2
110,000 - 120,000	2	3
120,000 - 130,000	3	1
130,000 - 140,000	1	1
190,000 - 200,000	0	0
230,000 - 240,000	0	1
250,000 - 260,000	1	0

## 6.6 Freedom of Information Statement

The Western Australian *Freedom of Information Act 1992* (the FOI Act) gives you the right to apply for access to documents held by State Public Sector agencies which includes: Government Departments; Local Authorities; Statutory Authorities and Ministers.



Agencies are required to assist the public obtain access to documents at the lowest reasonable cost, and to ensure that personal information held is accurate, complete, up to date and not misleading. Your right to apply is not affected by any reasons you have for wishing to obtain access, or the agency's belief as to what your reasons are for applying.

### **Information Statement**

The Information Statement published by the Shire of Halls Creek in accordance with the requirements of the Freedom of Information Act 1992. It is a requirement that the Shire prepare and publish an annual Information Statement outlining the means to access information, the types of information held by the Shire and if that information:

- Is Open Access information that is readily available? If it is, the statement will advise where and how you can source the information;
- Can be disclosed to you through 'informal release'. For example, where no third party personal information is involved; or
- Requires a "formal access application". For Example, when consultation with a third party is required.

The Information Statement includes information regarding the Shire's mission, structure, decision making functions and legislation administered, as well as documents held by the Shire and outlines the procedure for Freedom of Information (FOI) applications.

How to make a Freedom of Information Application to the Shire of Halls Creek:

- Apply in writing to the Chief Executive Officer, who acts as the FOI Coordinator.
- The FOI Coordinator will assist you if necessary. No special forms are required - a letter will do.
- Identify or describe the documents concerned, or if you apply for amendment of personal information about yourself you must provide details to show how or why the agency's records are inaccurate, incomplete, out of date or misleading. If you ask for 'everything' on a particular subject, the Shire may help you narrow the scope of your application to ensure that the work involved is reasonable.
- Provide an address in Australia where notices can be sent. If possible, include your telephone number/fax number/email address as this will help Shire staff to contact you if necessary, to assist in your application being dealt with efficiently.
- Pay an application fee of \$30 if the documents contain non-personal information. No fee is payable for access to personal information about yourself.

### **6.7 Costs**

No fees or charges apply for information relating to personal information or the amendment of personal information. All other applications are subject to the prescribed application fee.

- A prescribed fee of \$30 will be applicable upon submission of the application in order for the Information Coordinator to begin the document assessment process. The identified documents will then be reviewed to determine if any exemptions apply. The response to the original application must be provided to the applicant in the shortest possible time (or within 45 days) at the lowest reasonable cost.



## Schedule of Fees

Application fee for personal information	No Fee
Application fee for non-personal information (Mandatory)	\$30.00
Charge for time dealing with the application (per hour, or pro rata)	\$30.00
Access time supervised by staff (per hour, or pro rata)	\$30.00
Photocopying staff time	\$30.00
Photocopying per page	\$0.40
Transcribing from tape, film or computer (per hour, or pro rata)	\$30.00
Duplicating a tape, film or computer information	Actual Cost
Delivery, packaging and postage	Actual Cost

An estimate of charges will be provided if the cost is expected to exceed \$25.00. For financially disadvantaged applicants of those issued with prescribed pensioner concession cards, (apart from the application fee) the charge payable is reduced by 50%.

### Deposits

- An advance deposit may be required in respect of the estimate charges of 25%
- Further advance deposit may be required to meet the charges for dealing with the application of 75%

## 6.8 Reviews

If you disagree with a decision made on your FOI application, you can ask for that decision to be reviewed by someone else in the Shire. You must apply within 30 days of receiving the notice of decision from the Shire.

Within 15 days the Shire will advise you in writing of the outcome of the review, as well as your right to lodge a complaint with the Information Commissioner for an external review of the Shire's decision.

After internal review, if you still disagree with the Shire's decision, you can lodge a complaint with the Information Commissioner. If you make a complaint to the Information Commissioner, the complaint must:

- Be in writing and include your address.
- Give particulars of the decision to be reviewed including details of the part, or parts, of the decision you want the Commissioner to review.

Include a copy of the notice of decision sent to you by the Shire - this is the written notice of decision provided to you following the Shire's internal review.



### 6.9 Summary of FOI Requests received in the Year Ended 30 June 2017

For the year ended 30 June 2017, the Shire of Halls Creek had the following FOI applications:

Number of FOI applications	1
Date of application	26/05/2017
Applicant	Garth Rider - Department of Agriculture and Water Resources
Nature of application	Information relating to Planning approval - Lot 87 (8 Duncan Road)
Action taken	Information provided to applicant via letter dated 7/6/2017

### 6.10 Register of Complaints

Section 5.121 requires that a register of all complaints, made in relation to conduct of elected members, be disclosed in the Annual Report.

For the year ended 30 June 2017, the Shire of Halls Creek had the following complaints:

Number of complaints	1
Date of Complaint	11/02/2016
Name of Elected Member	Cr Tony Taylor
Complainant	Mr Lloyd Barton
Nature of Complaint	Anonymous letter containing disparaging comments concerning certain employees
Action taken	Complaint has been referred to the DLG Standards Board; complaint is yet to be resolved.



## 7.0 YEAR IN REVIEW

This report summarises the Shire of Halls Creek progress during the 2016/17 financial year towards attaining the goals, strategies and outcomes from the Strategic Community Plan.

### 7.1 Strategic Planning

#### Integrated Planning and Asset Management Planning

The Strategic Community Plan continues to provide guidance to all the Shire's plans, policies and projects. This year we have been developing our Asset Management Policy, Strategy and individual Asset Management Plans. The Shire enlisted consultants to review and produce a full suite of asset management plans, resulting in the plans being produced and adopted by Council in August 2017.

#### Local Planning Strategy and Scheme

Following on from the adoption of the Local Planning Strategy the Local Planning Scheme is under review in partnership with the Department of Planning. This document will give effect to the Strategy and set in place the zones, land uses and planning rules for all land within the Shire. Consultation will be undertaken on the draft in early 2018 and submissions will be called for from the community and other stakeholders.

#### Sealing the Tanami Road

The Shire continues to work with the Northern Territory Government to find funding to seal the Tanami Road between Alice Springs and Halls Creek. The Shire President and CEO spent a week in Canberra this year advocating for the project. Federal politicians are positive about the project and it remains on the Infrastructure Australia Priority List as a priority initiative. The Shire engages with State ministers and officials on a regular basis to ensure the project is given consideration at that level of government.

#### Road Train Routes through Halls Creek

In January this year the Shire called a meeting of all local road train operators and users to discuss access after it became clear that there were insufficient legal road train routes in the town. As a result the Shire commissioned full assessments of the road train routes identified as essential for the supply and delivery of goods into Halls Creek and these will be considered by Main Roads Western Australia who administer these routes.

### 7.2 Health & Regulatory Services

#### Grant Agreement

The Department of Health and Regulatory Services finally signed a 4 year grant funding agreement with the Department of Health for the provision of Aboriginal Environmental Health Services in Aboriginal communities. Under this program the Shire provides environmental health services, which include:

- Health promotion and health education activities

- Monitoring of water supplies, liquid waste disposal, solid waste management, safety in housing and the community etc.
- Developing and implementing Community Environmental Health Action Plans
- Control of communicable and non-communicable diseases
- Dog health programs

### **Arbovirus disease control**

During the wet season, the shire implemented a successful mosquito control program which involved larviciding to control mosquito breeding and fogging to control the population of adult mosquitoes. The aim of this program is to control Arbovirus diseases (Arthropod borne diseases or mosquito transmitted disease) such as Ross River Virus and Kunjin Virus and control nuisance mosquitoes as well.

### **Waste management**

In the last 12 months, waste management efficiency was increased by the acquisition of a 20 ton excavator. Digging of waste cells, trenching, pushing, compaction and covering of waste is all done in-house, thus reducing operational costs. This has reduced the gap between costs and revenue at the landfill site.

As reported in the previous year, a can crusher and bailer were acquired during the year. The beverage can recycling program kicked off in earnest with can collection cages now installed all over town. This project is being done in partnership with Anglicare, Keep Australia Beautiful and the Department of Health and is designed to reduce the amount of waste that ends up at the landfill site.

### **Cemetery**

Efforts continue to improve the outlook of the cemetery. The Shire is working with members of the Cemetery Committee to ensure that maintenance and operations at the cemetery are culturally sensitive and that the cemetery is kept in an acceptable standard. The entrance sign was installed during the year and we look forward to building a second gazebo on the new extension side of the cemetery.


### **Local Laws**

Two new local laws were gazetted in June 2017, which ensured that all local laws, except the health local law have been reviewed in the past 3 years. Residents need to be familiar with the Shire's Local Laws, found on the Shire's website.

## **7.3 Corporate Services**

### **Aviair Inaugural Flight**

Aviair introduced the new 3 flights per week air service from Kununurra to Halls Creek and return on 4<sup>th</sup> July 2016 with the first landing by Aviair at Halls Creek Aerodrome. It was



definitely a momentous occasion for both the Kununurra and Halls Creek communities, and is a wonderful service to utilise for work and personal travel.

### **Solar Power & Free pool entry for Children**

An exciting project to install solar power at the Recreation Centre with the power savings being put towards free entry for children, received a major boost this year with the Federal Government (Regional Development Australia) announcing that it would contribute 2/3<sup>rd</sup> (approximately \$233,000) of the cost of the project. This will make the pool a lot more accessible and ensure the health benefits of swimming in chlorinated water are fully realised. This project will be complemented by a water feature/play area also being built at the Aquatic Centre by the end of the year. This has come about by the Shire and the Kimberley Development Commission agreeing to increase the scope of the original project to include the water play area to attract more local children to the utilise the pool.

### **Aquatic & Recreation Centre Business Plan**

Royal Life Saving was engaged this year to prepare a business plan for the Aquatic and Recreation centre to ensure that we make the most of the facility and that the services we provide meets the needs of the community. The production of the plan involved consulting with staff particularly Olubud Doogethu, and other stakeholders such as Netball WA, gym and pool users, Garnduwa, Clontarf the local football association and local schools.

The plan was endorsed by Council and presented at the February Halls Creek Interagency Meeting. Key actions from the plan are:

- Working with other agencies to provide more programs (such as sports competitions and events)
- 7 days per week opening during the school term (5.30am to 7.30am lap swimming and 2.00pm to 6.00pm general swimming during the week and midday to 5.00pm swimming on weekends).
- Winter season pool close period of 6 to 8 weeks to give staff leave and undertake maintenance.
- Investigating the feasibility of collocating the Olabud Doogethu team at the centre as well as other agencies that have an interest in promoting recreation.
- Implementing projects that reduce operations cost, increase income or increase attendance such as the solar power project, water feature/play area and re-surfacing of the basketball courts.
- Improved reporting on participation and operational aspects.

### **Shire Records Management System**

An Information Management Consultant was engaged late 2016 to implement the Keywords for Council, Local Government Business Activity based Thesaurus. This is to enhance the Shires retrieval of its business correspondence. This system is far easier for all users within the organisation to operate, rather than the current system which is basically a subject based index, but with no direction or tools to assist with retrieval. Keywords has written scope notes which give guidance and direction to assist in placing documents on the correct file on a far more regular basis.





## **Halls Creek Post Office**

The Halls Creek Post Office celebrated their first anniversary on 25 May 2017 with an Australian Post Market stall and a sausage sizzle. The Post Office which opened in the new premises in 2016 has been a wonderful asset to the community providing an essential service for all residence.

Congratulations to the Post Office team on winning recognition as one of Australia Post Licensee Awards recipients for excellence in delighting its customers. Taking fourth place in Western Australia, Halls Creek Post Office received the award for Excellence in Customer Service and Post Office Operations.

Australia Post and the Shire of Halls Creek in a joint effort also raised funds which enabled them to purchase and donate footballs to the local football team, the Yadgee Dockers.

## **Shire Front Office and Library**

The Shire Front Office and Library has recently undergone a facelift and is looking like a brand new area and the improvements have certainly given the place a fresh look. A big thank you to all staff involved in the work required to make this happen. The Shire has also implemented a corporate wide Customer Service Strategy with implementation of Stage 1 carried out in 2016, Stage 2 to be completed by December 2017.

## **Tourism Centre**

The Tourism Centre has also recently undergone renovations to improve the premises and has assisted to improve the experience for local residence and visitors to the area. Along with the re-opening of the Café which adjoins the centre, visitors can now enjoy a coffee and take a leisurely browse through the centre to experience what's on offer. The implementation of the Travel & Tourism Centre business Plan has also been actioned to better utilise staff resources and ensure the centres success going forward.

## **Yarliiyil Arts Centre**

On Monday 26 June Yarliiyil arts proudly launched the first stage of the Halls Creek Outdoor Art and Culture Project. The project aims to enhance and revitalise the townscape of Halls Creek through public art, this is a collaborative project between the Shire and Yarliiyil.

Hand painted car bonnets offering directional signage to the visitor attractions of Halls Creek painted in a variety of landscape and more traditional indigenous styles will be placed at various locations within the Shire.

The rubbish bins that line the main street and surround the sports oval will be replaced by hand painted bins carrying themes appropriate to their location. The bins around the oval carry the club colours of the eight football teams within the Shire. Selected paintings have been reproduced and printed onto metal sheets that will decorate the shop fronts and fences in the main street.



## **7.4 Assets and Infrastructure**

### **Road Works**

The road works repair and maintenance programme was conducted throughout the 2016/2017 year. This work saw repairs to road formation, the replacement of gravel sheeting, repair of floodways (sealed and unsealed), and restoration of drainage channels. This culminated in a new road from Mulan to Balgo in an attempt to lift it out of the lowland to avoid future flooding issues. The main locations of the road work repairs and maintenance were undertaken on the Duncan Road, Gordon Downs, Tanami Road, Balgo Mission Road and Lake Gregory Mission Roads, Halls Creek.

### **Town Streets Renewal**

Stage 2 of the Town Streets Renewal Program was completed in early November 2016. This program covered pre-seal pavement repairs, improved surface drainage, and replacement of broken kerbing, driveways, footpaths, and PMB seal. The location of works was undertaken on Halls Street, Thomas Street, Terone Street, Rhatigan Street, Moyle Street, Kinivan Street, Stretch Street, Gordon Court, Smith Street, Lily Close, John Flynn Street, Quilty Street, McDonald Place, Barry Place, Flinders Street, Stan Tremlett Drive, Egan Street and Old Great Northern Highway, Halls Creek.

### **Halls Creek Airport**

The Halls Creek Airport was re-sealed under the 2015 – 17 Regional Airports Development Scheme Funding Agreement in partnership with the Shire of Halls Creek. As an extension of the town reseal programme to minimise costs the reseal included the runway, the runway ends, turning nodes and runway shoulders. This work was completed in November 2016.

### **Roberta Avenue Footpath**


Works were completed on Stage 3 and 4 of this Black Spot project, with the footpath now reaching Mardawah Loop. This was completed with extra finance bought forward by MRWA to complete all concrete work. Street lighting at the Mardawah Loop end of the footpath is all that remains to be installed to complete the project.

### **Rubbish Tip**

The Excavator shed was erected at the Rubbish Tip to protect the major asset from the weather and harsh conditions of the Kimberley. This has been a great success by the men of the SOHC Town Crew who have branched out in an effort to complete work required internally and grow the skills of the team.

### **Shire of Halls Creek Oval**

The Oval has had major work on the playing surface with levelling off of the playing surface, re-sowing of grasses, fertilisation and weed eradication throughout the year to produce a fantastic ground for the football season as well as other uses by the community. The change rooms were upgraded inside and out with a good paint and with great thanks to the EKFL a



modern electronic scoreboard was donated with the Shire of Halls Creek completing the installation.

### **Shire of Halls Creek Minor Projects**

The Shire undertook the re-keying of the entire security system to introduce a modern, secure and workable system for the vast array of buildings, property's, bores and yards it manages on behalf of the Community.

The Town Hall has had the exterior paint job completed this year to complement the interior work from last year and is looking really great.

The outdoor basketball courts to the rear of the Town hall has had the old mesh fence removed and a simple chain link erected to ensure safety and accessibility for the many users from the community.

### **Solar Lighting**

Thanks to the funding from DPMC there have been Solar lights erected in the Shire Park and the outdoor Basketball Court. The Shire Park is now lit up at night by solar power and looks fantastic. The main work has been completed at the Basketball Courts with only the solar panels to be placed in for them to be also fully operational.

## **7.5 Olabud Doogethu**

The Shire Olabud Doogethu Program has, as a core principle and philosophy that epitomises our work, focussed on ensuring that everything we do makes a difference to each young person we come in contact with. Importantly we know in doing that, it is highly likely that the young person will go on and make a difference for themselves. We have many stories of the impact the Olabud Doogethu program has had as well as the impact the young person has then had for themselves and others.

### **Leadership**

In 2016 Olabud Doogethu continued to deliver our programs and services locally and remotely. With youth leadership being highlighted across the Kimberley region as a priority the Shire made a strategic decision to fund our Youth Advisory Council to support local leadership for young people. At the same time we worked with the sector and lobbied government to highlight the impact preventative programs can have on supporting young people to become contributing and productive members of society.

### **Vocational Training Programs**

We also continued to deliver our vocational training programs in Halls Creek and later in the year into Mulan. We worked closely with the Department of Corrective Services and the Department of Child Protection and Family Support with a view that all young people should have access to diversion where appropriate. It was as a result of this work that the Shire was in a position to support not only referred clients but the wider youth population through community activities such as;

- 
1. Right Step Tablelands Project
  2. Vocational Training (Cert II Sport and Recreation)
  3. Football Project Mulan
  4. Theatre Project Derby and Halls Creek
  5. Girl's Football at School
  6. Boxing with School Reengagement Class
  7. Videos/YouTube Channel

### **Adaptable Program delivery**

As we had identified last year it is vital that for the continuation of the impact and work of Olabud Doogethu we must be able to adapt to the every changing environment, economic conditions and political landscape. We know that as a community we must continue to be able to make a difference to each young person. The Shire is committed to ensuring the impact that the Olabud Doogethu program has had can be sustained into the future.

### **Thank you to Staff, Volunteers and Councillors**

Finally the Shire would like to acknowledge and sincerely thank our staff, Volunteers and Councillors for your ongoing and unwavering dedication to working with our young people. To support this acknowledgment the township of Halls Creek is the only community throughout the Kimberley that has had no female offenders in the past 12 months which is unprecedented and could not have been achieved without your support.

## **7.6 Economic Development**

### **Business Case Funding – Duncan Road**

Funding has been secured (100%) for a Business Case to be developed for Upgrade of the Duncan Road. This business case will be completed this financial year.

### **Halls Creek Community Cultural Art Project**

The Shire has seen a continuation to the Town Upgrade and Tourist Product through Halls Creek Community Cultural Art Project. This project will continue to develop throughout this financial year.

There have been over twenty artworks put up around town over the last couple of weeks as part of the Project. They include:

- 9 painted bins around the football oval
- Bonnets at the Rodeo Ground, China Wall, the Trackers Hut and three directing you to the lookout, Old Stone Hut x 2, Caroline Pool and Sawpit Gorge x 2
- 2 new artworks and plaques on the Poinciana Roadhouse as part of the outdoor museum

- 
- 6 new artworks and plaques on Yarliyl Art Centre fence as part of the outdoor museum

Elements of the next phase of the project scheduled to be completed before the end of 2017 include:

- Painted bins through the main street and shire park
- 5 bins around the football oval so that all the bins around the oval are painted
- Bonnets for Yarliyl Gate, the football oval gate, the Post Office, the shire office entry, Old Halls Creek and Palm Springs
- Murals on the walls of the 'Eco-toilets' that are being installed at Caroline Pool, Palm Springs and Sawpit Gorge. There will also be painted bins and signage at these popular recreation spots.

### **Sealing of the Tanami**

The sealing of the Tanami Road is considered to be the key to achieving the objectives of the *Closing the Gaps* Federal initiatives for the Aboriginal communities along its length – Billiluna, Balgo and Mulan - and boost employment and economic enterprise opportunities for these communities.

It will contribute significantly to the release of the economic development potential in the mining, agriculture and tourism sectors of Shire of Halls Creek, the Kimberley Region and the rest of Northern Australia. It will enhance liveability in all these areas and make it more attractive to live and work here, raising the levels of services provided and building up a workforce to take advantage of employment opportunities created by economic development. And it will enhance the defence forces capability to respond to the needs of our closest neighbours, enhance border security and participate in regional exercises.

The Shire has received many letters of support for the upgrade from both WA and NT politicians across the political spectrum, development organisations in both the State and the Territory, Aboriginal communities and those in the pastoral, resources and transport sectors.

The Shire has collaborated with the Northern Territory Government to update the Tanami Business Case, which will be completed this financial year.

### **Eco-Toilets**

- Funding secured for Eco-Toilets at 3 important recreation areas. The Eco-toilet project will be completed this financial year.

### **Wild Kimberley Travel Guide**

- The new 'Wild Kimberley Travel Guide' will be completed this financial year. It will be available in hard copy and digital copy.



## 7.7 Workforce

Based on employee data compiled as at 30 June 2017, a profile of the workforce was prepared to identify information relating to the age of the workforce, length of service, gender breakdown and employment details.

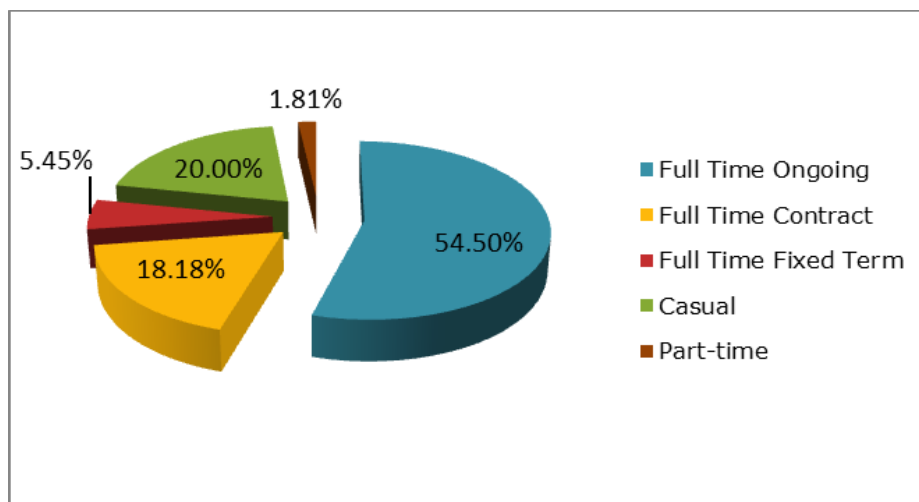
At that time the Shire had 55 employees with the average age of the workforce being 38 years. Most employees were full time (77%) although a substantial number were casuals (21%) with the majority of these in the Recreation Services area. Corporate Services was the largest department with 41% of employees, followed by Infrastructure Assets with 18%.

More males than females were employed at the Shire with the gender split being 61.8% male. Specifically the Infrastructure Assets Department was 100% male; however Corporate Services was more balanced with 56.5% Female and 43.5% Male.

A large portion (45.5%) of the workforce was aged over 45 years old with only 14.5% under 25 years old. Of those aged under 25 years old, 87.5% were casual employees.

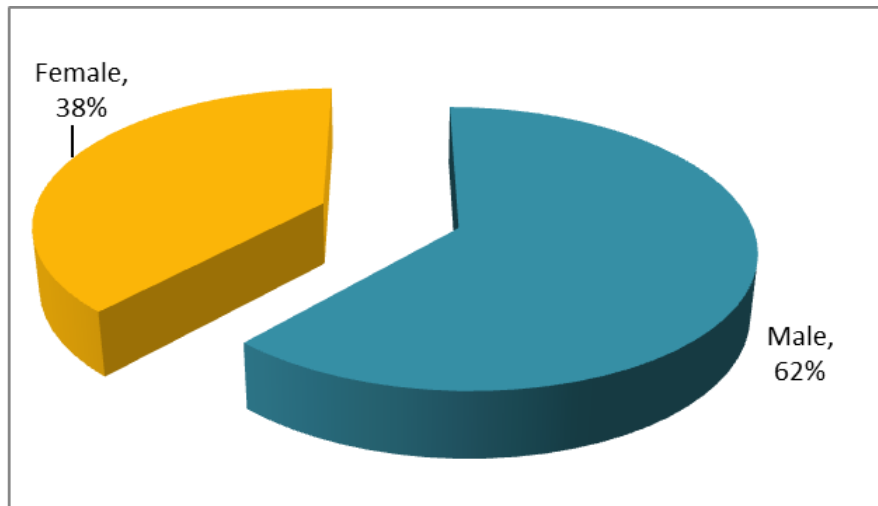
The graph below shows the Shire of Halls Creek Workforce by employment type as at 30 June 2017.

Current Employees by Employment Type



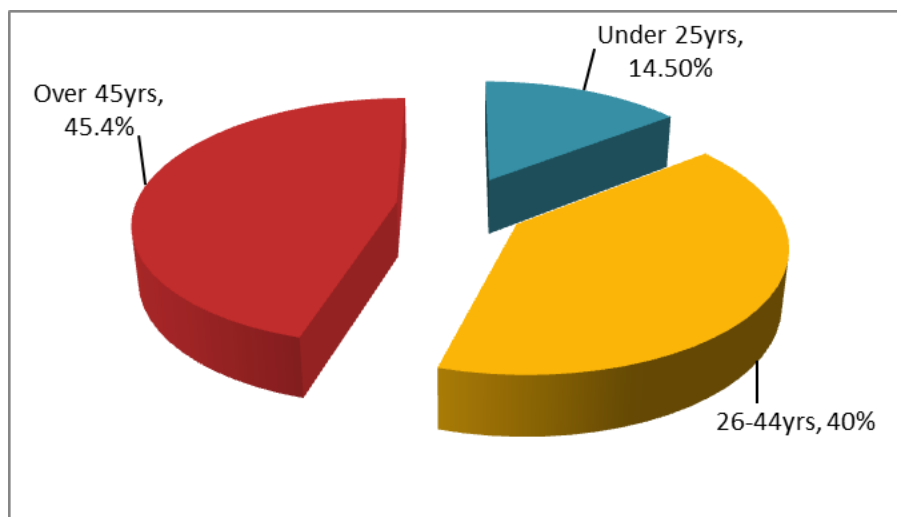
The majority of both male and female employees are employed on a full time basis. There are a number of gender imbalances with almost twice as many males (62%) as females (38%) at 30 June 2017.

Employee Gender



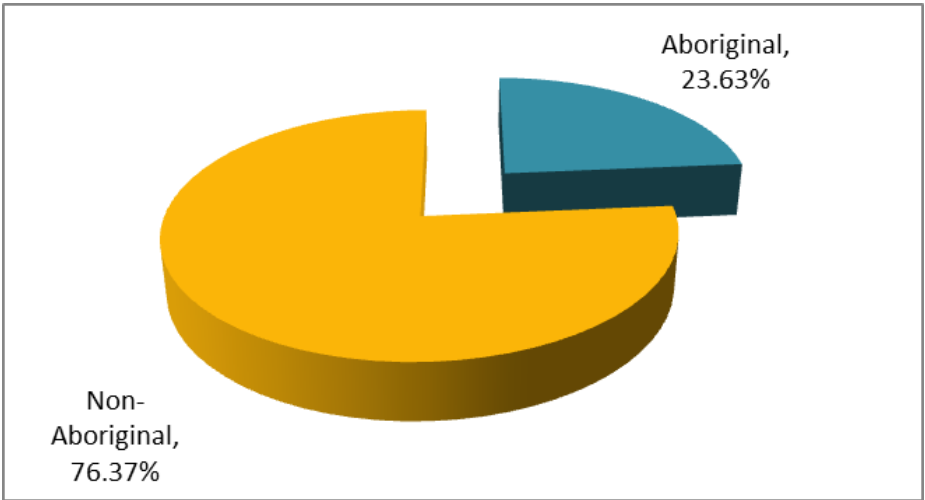
The chart below shows that the majority of employees are aged over 45 years (45%), however this is closely followed by the 26-44 year bracket (40%) and 14.5% of the workforce are 25 years and younger.

All Employees by Age as at 30 June 2017



Of the 42 employees born in Australia, a total of 13 (30.9%) identify as Aboriginal Australians. This represents 23.6% of the total workforce.

Aboriginal Employees



Community Art Project 'Bins and Bonnets'



## 8.0 PLAN FOR THE FUTURE

Council's Strategic Community Plan was adopted on 24 April 2015 and continued to operate as Council's key overall Strategic Planning document throughout the 2016/17 year.

Council's Asset Management Policy was adopted at the June Ordinary Council Meeting with a full suite of Asset Management Plans adopted at the August Ordinary Council meeting following a Councillor workshop held 16 August 2017.

Council's Workforce Plan was also adopted at the August Ordinary Council Meeting and will be a key referral document for Human Resource decisions and strategies.

### 8.1 Planned initiatives and projects

The Shire of Halls Creek have a number of projects and initiatives planned for the coming year, these include:

- Gazebo for the new side of the Halls Creek Cemetery
- Women's Health Camp
- Halls Creek Airport Drainage Upgrade
- Town Streets pre-seal (Duncan Road & Bedford Street)
- Town Streets reseal (Duncan Road & Bedford Street)
- Road maintenance and work on the Duncan Road (Reform, shape & sheet, improve drainage, renew cement stabilised flood ways)
- Road maintenance and work on the Gordon Downs Road (Reform, shape & sheet, improve drainage, repair damaged flood ways 0-52slk)
- WANDRRA – Flood Damage Repairs to most major Shire Roads
- Halls Creek Oval Reticulation project – final phase to full automation of system
- CCTV Project within the town
- Shire Park – upgrade
- Recreation Centre Basketball Court upgrade
- Installing solar power at the Recreation Centre
- Free swimming pool entry for children following installation of solar power
- Hydro slide at the Recreation Centre
- Public Eco Toilets installed – (Caroline Pool, Palm Springs, Sawpit Gorge)
- Completion of the 'Business Case for the upgrade of Duncan Road'



**9. Annual Financial Report**

The following pages constitute the Shire of Halls Creek Financial Reporting for the year ending 30 June 2017.



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

**TABLE OF CONTENTS**

Statement by Chief Executive Officer	35
Statement of Comprehensive Income by Nature or Type	36
Statement of Comprehensive Income by Program	37
Statement of Financial Position	38
Statement of Changes in Equity	39
Statement of Cash Flows	40
Rate Setting Statement	41
Notes to and Forming Part of the Financial Report	42
Independent Audit Report	89
Supplementary Ratio Information	91

Principal place of business:  
7 Thomas Street  
Halls Creek  
WA 6770

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

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

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

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

Signed as authorisation of issue on the 3rd day of October 2017

  
Rodger Kerr-Newell  
Chief Executive Officer

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

	NOTE	2017 \$	2017 Budget \$	2016 \$
<b>Revenue</b>				
Rates	22	2,180,677	2,150,806	2,265,463
Operating grants, subsidies and contributions	29	9,036,745	6,810,751	7,886,922
Fees and charges	28	1,785,946	1,520,121	1,451,157
Service charges	25	3,928	3,750	21,050
Interest earnings	2(a)	176,405	170,000	190,124
Other revenue	2(a)	95,784	76,500	200,976
		<u>13,279,485</u>	<u>10,731,928</u>	<u>12,015,692</u>
<b>Expenses</b>				
Employee costs		(4,481,200)	(4,769,434)	(4,504,736)
Materials and contracts		(3,015,002)	(3,618,441)	(6,271,916)
Utility charges		(553,926)	(493,100)	(511,674)
Depreciation on non-current assets	2(a)	(5,931,968)	(5,653,911)	(5,332,208)
Interest expenses	2(a)	(73,721)	(79,130)	(88,726)
Insurance expenses		(302,031)	(288,732)	(348,684)
Other expenditure		(308,001)	(459,233)	(360,478)
		<u>(14,665,849)</u>	<u>(15,361,981)</u>	<u>(17,418,422)</u>
		<u>(1,386,364)</u>	<u>(4,630,053)</u>	<u>(5,402,730)</u>
Non-operating grants, subsidies and contributions	29	2,684,519	2,926,832	2,071,436
Profit on asset disposals	20	0	0	1,818
(Loss) on asset disposals	20	(44,198)	(45,240)	(30,830)
<b>Net result</b>		<b>1,253,957</b>	<b>(1,748,461)</b>	<b>(3,360,306)</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	12	(3,640,271 )	0	8,486,526
<b>Total other comprehensive income</b>		<b>(3,640,271 )</b>	<b>0</b>	<b>8,486,526</b>
<b>Total comprehensive income</b>		<b>(2,386,314)</b>	<b>(1,748,461)</b>	<b>5,126,220</b>

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

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

	NOTE	2017 \$	2017 Budget \$	2016 \$
<b>Revenue</b>	2(a)			
Governance		0	0	5,455
General purpose funding		8,778,507	6,550,766	4,538,574
Law, order, public safety		6,082	10,700	43,629
Health		370,175	269,919	194,344
Education and welfare		1,268,135	1,239,319	1,300,954
Housing		176,926	180,286	180,498
Community amenities		501,073	423,875	513,866
Recreation and culture		355,780	333,300	241,636
Transport		646,476	510,888	3,766,425
Economic services		867,981	937,900	695,137
Other property and services		308,350	274,975	535,174
		<u>13,279,485</u>	<u>10,731,928</u>	<u>12,015,692</u>
<b>Expenses</b>	2(a)			
Governance		(556,432)	(606,053)	(626,712)
General purpose funding		(192,170)	(336,708)	(276,888)
Law, order, public safety		(375,007)	(376,790)	(404,903)
Health		(544,811)	(506,347)	(678,368)
Education and welfare		(1,344,316)	(1,257,135)	(1,247,584)
Housing		0	(111,156)	(1)
Community amenities		(1,184,530)	(1,368,025)	(1,346,261)
Recreation and culture		(2,031,281)	(2,263,539)	(2,154,879)
Transport		(6,076,241)	(5,702,323)	(8,565,820)
Economic services		(1,595,095)	(1,722,931)	(1,364,668)
Other property and services		(692,245)	(1,031,844)	(663,612)
		<u>(14,592,128)</u>	<u>(15,282,851)</u>	<u>(17,329,696)</u>
<b>Finance costs</b>	2(a)			
Housing		(73,721)	(79,130)	(88,445)
Other property and services		0	0	(281)
		<u>(73,721)</u>	<u>(79,130)</u>	<u>(88,726)</u>
		<u>(1,386,365)</u>	<u>(4,630,053)</u>	<u>(5,402,730)</u>
Non-operating grants, subsidies and contributions	29	2,684,519	2,926,832	2,071,436
Profit on disposal of assets	20	0	0	1,818
(Loss) on disposal of assets	20	(44,198)	(45,240)	(30,830)
<b>Net result</b>		<u><b>1,253,957</b></u>	<u><b>(1,748,461)</b></u>	<u><b>(3,360,306)</b></u>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	12	(3,640,271)	0	8,486,526
<b>Total other comprehensive income</b>		<u><b>(3,640,271)</b></u>	<u><b>0</b></u>	<u><b>8,486,526</b></u>
<b>Total comprehensive income</b>		<u><u><b>(2,386,314)</b></u></u>	<u><u><b>(1,748,461)</b></u></u>	<u><u><b>5,126,220</b></u></u>

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

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

	NOTE	2017 \$	2016 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	8,038,023	5,393,612
Trade and other receivables	4	695,285	1,268,668
Inventories	5	223,892	173,453
<b>TOTAL CURRENT ASSETS</b>		<u>8,957,200</u>	<u>6,835,733</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	35,077,134	39,190,921
Infrastructure	7	74,465,986	75,369,619
<b>TOTAL NON-CURRENT ASSETS</b>		<u>109,543,120</u>	<u>114,560,540</u>
<b>TOTAL ASSETS</b>		<u>118,500,320</u>	<u>121,396,273</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	565,771	1,024,108
Current portion of long term borrowings	9	53,426	69,895
Provisions	10	703,270	693,790
<b>TOTAL CURRENT LIABILITIES</b>		<u>1,322,467</u>	<u>1,787,793</u>
<b>NON-CURRENT LIABILITIES</b>			
Long term borrowings	9	991,103	1,044,528
Provisions	10	122,141	113,029
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>1,113,244</u>	<u>1,157,557</u>
<b>TOTAL LIABILITIES</b>		<u>2,435,711</u>	<u>2,945,350</u>
<b>NET ASSETS</b>		<u>116,064,609</u>	<u>118,450,923</u>
<b>EQUITY</b>			
Retained surplus		35,062,378	34,142,012
Reserves - cash backed	11	4,433,345	4,099,754
Revaluation surplus	12	76,568,886	80,209,157
<b>TOTAL EQUITY</b>		<u>116,064,609</u>	<u>118,450,923</u>

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



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

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2015</b>		<b>37,022,526</b>	<b>4,579,546</b>	<b>71,722,631</b>	<b>113,324,703</b>
Comprehensive income					
Net result		(3,360,306)	0	0	(3,360,306)
Changes on revaluation of assets	12	0	0	8,486,526	8,486,526
Total comprehensive income		(3,360,306)	0	8,486,526	5,126,220
Transfers from/(to) reserves		479,792	(479,792)	0	0
<b>Balance as at 30 June 2016</b>		<b>34,142,012</b>	<b>4,099,754</b>	<b>80,209,157</b>	<b>118,450,923</b>
Comprehensive income					
Net result		1,253,957	0	0	1,253,957
Changes on revaluation of assets	12	0	0	(3,640,271)	(3,640,271)
Total comprehensive income		1,253,957	0	(3,640,271)	(2,386,314)
Transfers from/(to) reserves		(333,591)	333,591	0	0
<b>Balance as at 30 June 2017</b>		<b>35,062,378</b>	<b>4,433,345</b>	<b>76,568,886</b>	<b>116,064,609</b>

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

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

	NOTE	2017 Actual \$	2017 Budget \$	2016 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		2,327,675	2,300,806	2,132,239
Operating grants, subsidies and contributions		9,345,162	7,160,751	7,742,728
Fees and charges		1,785,946	1,520,121	1,451,157
Service charges		3,928	3,750	21,050
Interest earnings		176,405	170,000	190,124
Goods and services tax		474,107	0	1,021,597
Other revenue		95,784	76,500	200,976
		<u>14,209,007</u>	<u>11,231,928</u>	<u>12,759,871</u>
<b>Payments</b>				
Employee costs		(4,424,241 )	(4,769,434 )	(4,439,340 )
Materials and contracts		(3,591,779 )	(3,055,155 )	(7,367,362 )
Utility charges		(553,926 )	(493,100 )	(511,674 )
Interest expenses		(44,087 )	(79,130 )	(88,726 )
Insurance expenses		(302,031 )	(288,732 )	(348,684 )
Goods and services tax		(356,139 )	0	(1,001,920 )
Other expenditure		(308,001 )	(459,233 )	(360,478 )
		<u>(9,580,204 )</u>	<u>(9,144,784 )</u>	<u>(14,118,184 )</u>
<b>Net cash provided by (used in) operating activities</b>	13(b)	<u>4,628,803</u>	<u>2,087,144</u>	<u>(1,358,313 )</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment		(1,065,181 )	(1,286,653 )	(2,783,160 )
Payments for construction of infrastructure		(3,592,691 )	(3,672,027 )	(2,731,280 )
Non-operating grants, subsidies and contributions		2,684,519	2,926,832	2,071,436
Proceeds from sale of fixed assets		58,855	63,760	26,999
<b>Net cash provided by (used in) investment activities</b>		<u>(1,914,498 )</u>	<u>(1,968,088 )</u>	<u>(3,416,005 )</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of debentures		(69,894 )	(69,895 )	(75,151 )
<b>Net cash provided by (used in) financing activities</b>		<u>(69,894 )</u>	<u>(69,895 )</u>	<u>(75,151 )</u>
<b>Net increase (decrease) in cash held</b>		2,644,411	49,161	(4,849,469 )
Cash at beginning of year		5,393,612	5,392,233	10,243,081
<b>Cash and cash equivalents at the end of the year</b>	13(a)	<u><u>8,038,023</u></u>	<u><u>5,441,395</u></u>	<u><u>5,393,612</u></u>

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

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

	NOTE	2017 Actual \$	2017 Budget \$	2016 Actual \$
<b>Net current assets at start of financial year - surplus/(deficit)</b>		<u>1,711,871</u> 1,711,871	<u>1,743,287</u> 1,743,287	<u>4,712,448</u> 4,712,448
<b>Revenue from operating activities (excluding rates)</b>				
Governance		0	0	5,455
General purpose funding		6,597,830	4,399,960	2,273,111
Law, order, public safety		6,082	10,700	43,629
Health		370,175	269,919	194,344
Education and welfare		1,268,135	1,239,319	1,300,954
Housing		176,926	180,286	180,498
Community amenities		501,073	423,875	513,866
Recreation and culture		355,780	333,300	241,636
Transport		646,476	510,888	3,766,425
Economic services		867,981	937,900	695,137
Other property and services		<u>308,350</u>	<u>274,975</u>	<u>536,992</u>
		11,098,808	8,581,122	9,752,047
<b>Expenditure from operating activities</b>				
Governance		(556,432)	(606,053)	(626,712)
General purpose funding		(192,170)	(336,708)	(307,718)
Law, order, public safety		(375,007)	(376,790)	(404,903)
Health		(544,811)	(506,347)	(678,368)
Education and welfare		(1,344,316)	(1,257,135)	(1,247,584)
Housing		(73,721)	(190,286)	(88,446)
Community amenities		(1,184,530)	(1,368,025)	(1,346,261)
Recreation and culture		(2,031,281)	(2,263,539)	(2,154,879)
Transport		(6,076,241)	(5,702,323)	(8,565,820)
Economic services		(1,595,095)	(1,722,931)	(1,364,668)
Other property and services		<u>(736,443)</u>	<u>(1,077,084)</u>	<u>(663,893)</u>
		(14,710,047)	(15,407,221)	(17,449,252)
<b>Operating activities excluded from budget</b>				
(Profit) on disposal of assets	20	0	0	(1,818)
Loss on disposal of assets	20	44,198	45,240	30,830
Movement in employee benefit provisions (non-current)		18,592	0	81,309
Depreciation and amortisation on assets	2(a)	<u>5,931,968</u>	<u>5,653,911</u>	<u>5,332,208</u>
<b>Amount attributable to operating activities</b>		4,095,390	616,339	2,457,772
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions		2,684,519	2,926,832	2,071,436
Proceeds from disposal of assets	20	58,855	63,760	26,999
Purchase of property, plant and equipment	6(b)	(1,065,181)	(1,286,653)	(2,783,160)
Purchase and construction of infrastructure	7(b)	<u>(3,592,691)</u>	<u>(3,672,027)</u>	<u>(2,731,280)</u>
<b>Amount attributable to investing activities</b>		(1,914,498)	(1,968,088)	(3,416,005)
<b>FINANCING ACTIVITIES</b>				
Repayment of debentures	21(a)	(69,894)	(69,895)	(75,151)
Transfers to reserves (restricted assets)	11	(786,420)	(965,179)	(262,176)
Transfers from reserves (restricted assets)	11	<u>452,829</u>	<u>236,017</u>	<u>741,968</u>
<b>Amount attributable to financing activities</b>		(403,485)	(799,057)	404,641
<b>Surplus(deficiency) before general rates</b>		<u>1,777,407</u>	<u>(2,150,806)</u>	<u>(553,592)</u>
<b>Total amount raised from general rates</b>	22	<u>2,180,677</u>	<u>2,150,806</u>	<u>2,265,463</u>
<b>Net current assets at June 30 c/fwd - surplus/(deficit)</b>	23	<u><b>3,958,084</b></u>	<u><b>0</b></u>	<u><b>1,711,871</b></u>

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

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**BASIS OF PREPARATION**

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

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

**CRITICAL ACCOUNTING ESTIMATES**

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

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

**THE LOCAL GOVERNMENT REPORTING ENTITY**

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

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

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

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

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

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

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

**(b) Cash and Cash Equivalents**

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

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

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

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

**(c) Trade and Other Receivables**

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

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

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

**(d) Inventories**

***General***

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

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

***Land held for sale***

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

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

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

**(e) Fixed Assets**

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

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

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

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

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

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

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

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

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

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

***Land under control***

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

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

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

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

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

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

***Revaluation***

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

***Land under roads***

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

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

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

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

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



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

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

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

***Depreciation***

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

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

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

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

**Property, Plant and Equipment**

Buildings	20 to 50 years
Furniture and Equipment	4 to 10 years
Plant and Equipment	2 to 15 years

**Infrastructure**

Subgrade	not depreciated
Basecourse Unsealed	Up to 10 years
Basecourse Sealed	UP to 40 years
Reseal	UP to 15 years
Asphalt	UP to 25 years
Sand Seal	UP to 5 years
Culverts	UP to 80 years
Stock Grids	UP to 80 years
Footpaths Concrete	UP to 40 years
Footpaths Slabs	UP to 30 Years
Footpaths Gravel	UP to 10 years
Floodways Unsealed	UP to 10 years
Floodways Sealed	UP to 30 Years
Floodways Concrete	UP to 80 years

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

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

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

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

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

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

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

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

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

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

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

***Fair value hierarchy***

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

**Level 1**

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

**Level 2**

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

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

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

***Valuation techniques***

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

**Market approach**

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

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

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

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

**Income approach**

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

**Cost approach**

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

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

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

**(g) Financial Instruments**

***Initial recognition and measurement***

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

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

***Classification and subsequent measurement***

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

Amortised cost is calculated as:

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

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

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

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

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

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

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

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

*(ii) Loans and receivables*

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

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

*(iii) Held-to-maturity investments*

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

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

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

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

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

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

*(v) Financial liabilities*

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

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

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

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

***Impairment***

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

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

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

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

***Derecognition***

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

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

**(h) Impairment of Assets**

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

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

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

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

**(i) Trade and Other Payables**

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

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

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

**(j) Employee Benefits**

**Short-term employee benefits**

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

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

**Other long-term employee benefits**

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

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

**(k) Borrowing Costs**

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

**(l) Provisions**

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

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

**(m) Leases**

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

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

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

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

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



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

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

**(n) Investment in Associates**

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

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

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

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

**(o) Interests in Joint Arrangements**

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

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

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

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

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

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

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

**(q) Superannuation**

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

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

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

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

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

**(s) Rounding Off Figures**

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

**(t) Comparative Figures**

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

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

**(u) Budget Comparative Figures**

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

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

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

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

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

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

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

Notes:

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

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

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

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

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

Notes:

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

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

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

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

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

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

<b>2. REVENUE AND EXPENSES</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Net Result</b>		
The Net result includes:		
(i) Charging as an expense:		
<b>Auditors remuneration</b>		
- Audit of the Annual Financial Report	25,956	33,958
- Acquittals Audits	9,460	13,860
- Other services	0	3,388
<b>Depreciation</b>		
Buildings	898,232	859,113
Furniture and equipment	38,729	28,252
Plant and equipment	412,442	211,975
Infrastructure - Roads	4,269,672	3,883,451
Infrastructure - other	312,893	349,417
	<u>5,931,968</u>	<u>5,332,208</u>
<b>Interest expenses (finance costs)</b>		
Debentures (refer Note 21 (a))	73,721	88,726
	<u>73,721</u>	<u>88,726</u>
(ii) Crediting as revenue:		
<b>Other revenue</b>		
Reimbursements and recoveries	82,235	58,419
Other	13,549	142,557
	<u>95,784</u>	<u>200,976</u>
	<b>2017</b>	<b>2017</b>
	<b>Actual</b>	<b>Budget</b>
	<b>\$</b>	<b>\$</b>
<b>Interest earnings</b>		
- Reserve funds	89,760	100,000
- Other funds	11,280	40,000
Other interest revenue (refer note 27)	75,365	30,000
	<u>176,405</u>	<u>170,000</u>

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

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

**(b) Statement of Objective**

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

**COMMUNITY VISION**

The Vision for the Shire of Halls Creek is that the town and remote communities are economically diverse, caring and proactive with a strong sense of responsibility and pride.

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

**GOVERNANCE**

**Objective:**

To provide a decision making process for the efficient allocation of scarce resources.

**Activities:**

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

**GENERAL PURPOSE FUNDING**

**Objective:**

To provide adequate funding for the Shire's operation by maximising income from Rates, general purpose purpose government grants, interest and other sources of revenue.

**Activities:**

Raising of rates, collection of debts, general purpose funding and other funding activities.

**LAW, ORDER, PUBLIC SAFETY**

**Objective:**

To provide services to help ensure a safer and environmentally conscious community.

**Activities:**

Supervision of various by-laws, fire prevention, emergency services and animal control.

**HEALTH**

**Objective:**

To provide an operational framework for good community health.

**Activities:**

**Aboriginal Environmental Health Program** - This scheme is part funded by the Health Department of WA, with the main aim being to ensure the delivery of environmental health services to Aboriginal communities, addressing specific needs and requirements of such communities.

**Health Admin & Inspection** - Expenditure related to the general administration and delivery of environmental services such as food inspections, issuing of licences such as stall-holder and hawker licences, and the general administration role as required by the Shire in accordance with the Health Act.

**Pest Control and Analytical** - Allocation to enable the Environmental Health Officer to undertake food sampling and other testing with relevant testing authorities in Perth. Allocation also for actions required for mosquito control.

**EDUCATION AND WELFARE**

**Objective:**

The Shire of Halls Creek Olabud Doogethu service is a collaborative partnership with the Department of Prime Minister and Cabinet that focuses on ensuring Indigenous Australians grow up and live their lives in a safe home and community, Department of Corrective Services and the Department of Child Protection and Family Support.

**Activities:**

Focuses on "breaking the cycle" for at-risk Aboriginal young people - ensuring they have a safe environment in which to make positive life choices.

**HOUSING**

**Objective:**

Provision of adequate housing for Shire staff.

**Activities:**

Maintenance and operations of staff housing, capital repairs and maintenance, as well as new construction.

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

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

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

**COMMUNITY AMENITIES**

**Objective:**

Provide services required by the community.

**Activities:**

Refuse collection services and refuse site maintenance, administration of the Shire's Town Planning function, maintenance and management of the Shire's Cemetery, public conveniences and certain community development projects.

**RECREATION AND CULTURE**

**Objective:**

To establish and manage efficiently infrastructure and resources which will help the social development and well being of the community.

**Activities:**

Maintenance and operation of Civic Halls, Sports Courts, Oval, Aquatic & Recreation Centre, Library, Rebroadcasting services and the culture background of Halls Creek such as the Trackers Hut.

**TRANSPORT**

**Objective:**

To provide safe, effective transport services to the community.

**Activities:**

Construction and maintenance of streets, roads, bridges, cleaning and lighting of streets and the operation of the airport.

**ECONOMIC SERVICES**

**Objective:**

To help promote the Shire and improve its economic well being.

**Activities:**

Travel & Tourism & Area Promotion, Building Control, Post Office services and Economic Development.

**OTHER PROPERTY AND SERVICES**

**Activities:**

**Public Works Overheads** - All costs associated with the employment of Works staff are assigned to this sub-program and are then re-allocated to the relevant programme during the course of the year through overheads recovery.

**Plant Operation Costs** - All costs associated with the operation of Council's plant fleet are assigned to this sub program, and throughout the year are reallocated to relevant work jobs on which the plant worked, to obtain accurate costs of that job. Items of plant which determine actual costs. Costs include fuels, oils, repairs and depreciation.

**Salaries & Wages** - This sub Programme identifies the total salaries and wages costs expected for the year and these are also reallocated throughout all sub Programmes during the financial year to reflect true costs.

**Integrated Planning** - The framework ensures all of the Shire's strategic planning policies are aligned and conform with the requirements of the Local Government Act. The five strategies, which form the framework must be regularly reviewed and the outcomes monitored annually.

**Misc./Unclassified** - This sub programme records both income and expense for goods/services that cannot be allocated to a particular job or program.

**Administration** - All costs associated with the Shire's Administration, including staff, are assigned to this program. They are then re-allocated to the relevant programs to represent the administrative cost of that program/sub program.

**Yarliyil** - All costs associated with the running of the Arts Centre.



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

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

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

Grant/Contribution	Opening	Received <sup>(2)</sup>	Expended <sup>(3)</sup>	Closing	Received <sup>(2)</sup>	Expended <sup>(3)</sup>	Closing
	Balance <sup>(1)</sup> 1/07/15 \$	2015/16 \$	2015/16 \$	Balance <sup>(1)</sup> 30/06/16 \$	2016/17 \$	2016/17 \$	Balance 30/06/17 \$
<b>Law, order, public safety</b>							
Dept Health - Indigenous Animal Project	14,946	0	(14,946)	0	0	0	0
WA Police - CCTV Grant	0	0	0	0	100,725	(100,725)	0
<b>Health</b>							
Dept Health - AEHO Contribution	0	183,996	(183,996)	0	242,669	0	242,669
Dept Health - Trachoma Program	200,000	0	(200,000)	0	0	0	0
Dept Health - Equipment Purchases	0	74,000	0	74,000	0	(74,000)	0
Dept Health - Training Program	0	0	0	0	56,400	0	56,400
Dept Health - Mosquito Chemicals Grant	0	0	0	0	9,960	(9,960)	0
Dept Health - Mosquito Control Equipment	0	0	0	0	27,345	(27,345)	0
Keep Australia Beautiful Litter Grant	0	0	0	0	12,000	(9,631)	2,369
<b>Education and welfare</b>							
DCS - Youth Diversion Program	0	254,836	(254,836)	0	258,913	(258,913)	0
DCP - Youth Diversion Program	0	140,878	(140,878)	0	142,883	(142,883)	0
DPMC - Youth Diversion Program	0	851,406	(851,406)	0	825,000	(825,000)	0
Dept Sports & Rec - Halls Creek Sport & Fitness Gym	0	40,000	(16,200)	23,800	12,600	(36,400)	0
DCP - Youth Diversion Program Capital	0	50,000	(50,000)	0	0	0	0
Mental Health Comm - Suicide Prevention Grant	0	0	0	0	20,000	0	20,000
<b>Housing</b>							
RDL - Royalties for Regions Staff Housing	1,156,667	0	(1,156,667)	0	0	0	0
<b>Community amenities</b>							
Lotteries West - Cemetery Toilets & Gazebo	0	71,195	(71,195)	0	0	0	0
<b>Recreation and culture</b>							
Dept Sports & Rec Grant - Aquatic Centre Operating	0	32,000	(32,000)	0	32,000	(32,000)	0
Dept Sports & Rec Grant - Halls Creek Mountain Bike Forum	0	5,000	0	5,000	0	(5,000)	0
Dept Sports & Rec Grant - Sport 4 All KidSport	0	6,500	0	6,500	0	0	6,500
Dept Sports & Rec oval Irrigation	0	32,986	(32,986)	0	0	0	0
KDC - Solar Power	0	0	0	0	116,000	0	116,000
KDC - Basketball Resurfacing	0	0	0	0	200,000	0	200,000
Dept of P M & C - Solar Lighting	0	0	0	0	80,000	(79,200)	800
<b>Transport</b>							
MRWA - Direct Grant	0	156,000	(156,000)	0	175,388	(175,388)	0
MRWA - Flood Damage Claim	0	3,321,810	(3,321,810)	0	0	0	0
Remote Access FAG - Remote Access Roads	0	234,000	(162,000)	72,000	312,000	(384,000)	0
Main Roads WA - Remote Access Roads	0	142,000	(106,000)	36,000	201,000	(237,000)	0
Main Roads WA - Blackspot	51,863	117,478	(169,341)	0	120,747	(254,414)	(133,667)
Main Roads WA - Regional Road Group	0	261,973	(261,973)	0	612,770	(612,770)	0
Roads to Recovery - General	0	1,235,004	(1,235,004)	0	887,454	(887,454)	0
Roads to Recovery - Special Access Roads	0	0	0	0	170,000	(170,000)	0
Dept of Transport - Airport Re-seal	0	0	0	0	156,823	(156,823)	0
<b>Economic services</b>							
WA Tourism - Regional Visitor Centre Sustainability	0	12,310	(12,310)	0	39,000	(39,000)	0
Dept of Ag - Grant Duncan Rd Upgrade	0	0	0	0	30,000	0	30,000
<b>Other property and services</b>							
Royalties for Regions - Yarliylil Arts Centre Landscaping	100,000	100,000	(200,000)	0	0	0	0
Road Safety commission Grant	0	0	0	0	15,334	0	15,334
Dept of Planning - Local Planning Strategy Review	0	44,763	(44,763)	0	0	0	0
KDC - financial Sustainability and Business Plan	0	19,120	(19,120)	0	0	0	0
OFTA - Yarliylil Arts Centre Operations	0	100,000	(100,000)	0	100,000	(100,000)	0
OFTA - Yarliylil National Jobs Program	0	66,430	(33,215)	33,215	33,215	(66,430)	0
<b>Total</b>	<b>1,523,476</b>	<b>7,553,685</b>	<b>(8,826,646)</b>	<b>250,515</b>	<b>4,990,226</b>	<b>(4,684,336)</b>	<b>556,405</b>

**Notes:**

- (1) - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.
- (2) - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.
- (3) - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.

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

	Note	2017 \$	2016 \$
<b>3. CASH AND CASH EQUIVALENTS</b>			
Unrestricted		3,048,273	1,043,343
Restricted		4,989,750	4,350,269
		<u>8,038,023</u>	<u>5,393,612</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Reserves cash backed - Leave Reserve	11	556,988	448,379
Reserves cash backed - Plant Reserve	11	1,636,018	1,677,952
Reserves cash backed - Refuse site rehabilitation rese	11	20,360	10,081
Reserves cash backed - Computer upgrade	11	15,804	15,472
Reserves cash backed - Office redevelopment	11	731,617	617,751
Reserves cash backed - Airport operating	11	476,653	551,830
Reserves cash backed - Staff housing	11	427,084	356,810
Reserves cash backed - Acquatic centre	11	280,148	273,513
Reserves cash backed - TV rebroadcasting	11	62,089	61,159
Reserves cash backed - Energy developments commu	11	88,666	86,807
Reserves cash backed - Yarliyil Surplus	11	137,918	0
Unspent grants	2(c)	556,405	250,515
		<u>4,989,750</u>	<u>4,350,269</u>

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

	2017 \$	2016 \$
<b>4. TRADE AND OTHER RECEIVABLES</b>		
<b>Current</b>		
Rates outstanding	438,805	585,803
Sundry debtors	359,869	628,993
GST receivable	64,914	182,882
Accrued interest	0	30,018
less provision for doubtful debts	(168,303)	(159,028)
	<u>695,285</u>	<u>1,268,668</u>

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

<b>Rates outstanding</b>	<u>438,805</u>	<u>585,803</u>
Includes:		
Past due and not impaired	335,937	491,540
Impaired	<u>102,868</u>	<u>94,263</u>
<b>Sundry debtors</b>	<u>359,869</u>	<u>628,993</u>
Includes:		
Past due and not impaired	51,379	36,661
Impaired	<u>65,435</u>	<u>64,765</u>

**5. INVENTORIES**

<b>Current</b>		
Stores and materials at cost	<u>223,892</u>	<u>173,453</u>
	<u>223,892</u>	<u>173,453</u>

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

	2017 \$	2016 \$
<b>6 (a). PROPERTY, PLANT AND EQUIPMENT</b>		
Freehold Land at:		
- Independent valuation 2017 - level 2	2,600,000	0
- Independent valuation 2017 - level 3	2,510,000	0
- Independent valuation 2014 - level 2	0	5,142,000
- Additions after valuation - cost	0	10,372
	<u>5,110,000</u>	<u>5,152,372</u>
	<u>5,110,000</u>	<u>5,152,372</u>
Buildings - non-specialised at:		
- Independent valuation 2014 - level 2	0	11,986,680
- Independent valuation 2014 - level 3	0	5,536,743
- Independent valuation 2017 - level 2	9,408,000	0
- Additions after valuation - cost	0	6,299,066
Buildings - non-specialised - Less: accumulated depreciation	0	(1,124,425)
	<u>9,408,000</u>	<u>22,698,064</u>
Buildings - Specialised at:		
- Independent valuation 2014 - level 3	0	9,673,131
- Independent valuation 2017 - level 3	18,380,050	0
- Additions after valuation - cost	0	18,750
Buildings - specialised - Less: accumulated depreciation	0	(473,734)
	<u>18,380,050</u>	<u>9,218,147</u>
	<u>27,788,050</u>	<u>31,916,211</u>
Total land and buildings	<u>32,898,050</u>	<u>37,068,583</u>
Furniture and equipment at:		
- Independent valuation 2016- level 3	122,600	122,600
- Management valuation 2016 - level 3	17,784	17,784
Furniture and equipment - Less: accumulated depreciation	(38,729)	0
	<u>101,655</u>	<u>140,384</u>
Plant and equipment at:		
- Independent valuation 2016 - level 2	1,628,500	1,737,500
- Independent valuation 2016 - level 3	52,050	52,050
- Additions after valuation - cost	803,374	0
Plant and equipment - Less: accumulated depreciation	(406,495)	0
	<u>2,077,429</u>	<u>1,789,550</u>
Work in progress at at:		
Cost	0	192,404
	<u>0</u>	<u>192,404</u>
	<u>35,077,134</u>	<u>39,190,921</u>

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

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

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

**(b) Movements in Carrying Amounts**

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

	Balance at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) Transferred to Revaluation \$	Revaluation (Losses)/ Reversals Through to Profit or Loss \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Transfers \$	Carrying Amount at the End of Year \$
Land - freehold land	5,152,372	0	0	(42,372)	0	0	0	0	5,110,000
<b>Total land</b>	<b>5,152,372</b>	<b>0</b>	<b>0</b>	<b>(42,372)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,110,000</b>
Buildings - non-specialised	22,698,064	0	0	(13,020,277)	0	0	(269,787)	0	9,408,000
Buildings - Specialised	9,218,147	263,776	0	9,422,378	0	0	(628,445)	104,194	18,380,050
<b>Total buildings</b>	<b>31,916,211</b>	<b>263,776</b>	<b>0</b>	<b>(3,597,899)</b>	<b>0</b>	<b>0</b>	<b>(898,232)</b>	<b>104,194</b>	<b>27,788,050</b>
<b>Total land and buildings</b>	<b>37,068,583</b>	<b>263,776</b>	<b>0</b>	<b>(3,640,271)</b>	<b>0</b>	<b>0</b>	<b>(898,232)</b>	<b>104,194</b>	<b>32,898,050</b>
Furniture and equipment	140,384	0	0	0	0	0	(38,729)	0	101,655
Plant and equipment	1,789,550	801,405	(103,053)	0	0	0	(412,442)	1,969	2,077,429
Work in progress at	192,404	0	0	0	0	0	0	(192,404)	0
<b>Total property, plant and equipment</b>	<b>39,190,921</b>	<b>1,065,181</b>	<b>(103,053)</b>	<b>(3,640,271)</b>	<b>0</b>	<b>0</b>	<b>(1,349,403)</b>	<b>(86,241)</b>	<b>35,077,134</b>

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

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

**(c) Fair Value Measurements**

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
<b>Freehold Land at:</b>					
Land - freehold land	2 & 3	Market approach using recent observable market data for similar assets and current replacement cost using both observable and unobservable inputs	Independent registered valuer	June 2017	Price per hectare, current zonings of land. Market values were used (level 2 inputs) unless there were some restrictions or other factors associated with the land which resulted in land being deemed to be valued using level 3 inputs.
Buildings - non-specialised	2	Market approach using recent observable market data for similar assets	Independent registered valuer	June 2017	Price per square metre
Buildings - Specialised	3	Current replacement cost using both observable and unobservable inputs	Independent registered valuer	June 2017	Constuction costs and current condition (Level 2) residual values and remaning useful life assessments (Level 3) inputs
<b>Furniture and equipment</b>					
- Independent valuation 2016	3	Cost approach usng depreciated replacement cost	Independent registered valuer	June 2016	Purchase costs and current condition (Level 2) residual values and remaning useful life assessments (Level 3) inputs
- Management valuation 2016	3	Cost approach usng depreciated replacement cost	Management valuation	June 2016	Residual values and remaning useful life assessments (Level 3) inputs
<b>Plant and equipment</b>					
- Independent valuation 2016	2	Market approach using recent observable market data for similar assets	Independent registered valuer	June 2016	Market price per item
- Independent valuation 2016	3	Cost approach usng depreciated replacement cost	Independent registered valuer	June 2016	Purchase costs and current condition (Level 2), residual values and remaing usefule 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 HALLS CREEK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

	2017 \$	2016 \$
<b>7 (a). INFRASTRUCTURE</b>		
Infrastructure - Roads		
- Management valuation 2016 - level 3	72,003,450	72,003,450
- Additions after valuation - cost	3,015,137	0
Infrastructure - Roads - Less: accumulated depreciation	<u>(4,269,672)</u>	<u>0</u>
	70,748,915	72,003,450
 Infrastructure - other		
- Independent valuation 2015 - level 3	8,056,000	8,056,000
- Additions after valuation - cost	581,598	0
Infrastructure - other- Less: accumulated depreciation	<u>(5,043,510)</u>	<u>(4,730,617)</u>
	3,594,088	3,325,383
 Infrastructure - work in Progress		
Cost	122,983	40,786
Infrastructure - User defined 3 - Less: accumulated depreciation	<u>0</u>	<u>0</u>
	122,983	40,786
	 <u><u>74,465,986</u></u>	 <u><u>75,369,619</u></u>

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



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

**7. INFRASTRUCTURE (Continued)**

**(b) Movements in Carrying Amounts**

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

	Balance as at the Beginning of the Year	Additions	(Disposals)	Revaluation Increments/ (Decrements) Transferred to Revaluation	Revaluation (Loss)/ Reversal Transferred to Profit or Loss	Impairment (Losses)/ Reversals	Depreciation (Expense)	Transfers	Carrying Amount at the End of the Year
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Infrastructure - Roads	72,003,450	3,015,137	0	0	0	0	(4,269,672)	0	70,748,915
Infrastructure - other	3,325,383	454,570	0	0	0	0	(312,893)	127,028	3,594,088
Infrastructure - work in Progress	40,786	122,984	0	0	0	0	0	(40,787)	122,983
<b>Total infrastructure</b>	<b><u>75,369,619</u></b>	<b><u>3,592,691</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>(4,582,565)</u></b>	<b><u>86,241</u></b>	<b><u>74,465,986</u></b>

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

**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>Infrastructure - Roads</b>	3	Cost approach using depreciated replacement cost	Management valuation	June 2016	Construction and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Infrastructure - other</b>	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2015	Construction 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 HALLS CREEK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

	2017 \$	2016 \$
<b>8. TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Sundry creditors	282,265	847,203
Accrued interest on debentures	39,035	9,401
Accrued salaries and wages	114,727	82,269
ATO liabilities	76,123	70,214
Accrued expenses	53,621	15,021
	<u>565,771</u>	<u>1,024,108</u>

**9. LONG-TERM BORROWINGS**

<b>Current</b>		
Secured by floating charge		
Debentures	53,426	69,895
	<u>53,426</u>	<u>69,895</u>
<b>Non-current</b>		
Secured by floating charge		
Debentures	991,103	1,044,528
	<u>991,103</u>	<u>1,044,528</u>

Additional detail on borrowings is provided in Note 21.

**10. PROVISIONS**

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
<b>Opening balance at 1 July 2016</b>			
Current provisions	608,076	85,714	693,790
Non-current provisions	0	113,029	113,029
	<u>608,076</u>	<u>198,743</u>	<u>806,819</u>
Additional provision	282,600	18,561	301,161
Amounts used	(280,203)	(2,366)	(282,569)
<b>Balance at 30 June 2017</b>	<u>610,473</u>	<u>214,938</u>	<u>825,411</u>
<b>Comprises</b>			
Current	610,473	92,797	703,270
Non-current	0	122,141	122,141
	<u>610,473</u>	<u>214,938</u>	<u>825,411</u>

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

**11. RESERVES - CASH BACKED**

	Actual 2017 Opening Balance \$	Actual 2017 Transfer to \$	Actual 2017 Transfer (from) \$	Actual 2017 Closing Balance \$	Budget 2017 Opening Balance \$	Budget 2017 Transfer to \$	Budget 2017 Transfer (from) \$	Budget 2017 Closing Balance \$	Actual 2016 Opening Balance \$	Actual 2016 Transfer to \$	Actual 2016 Transfer (from) \$	Actual 2016 Closing Balance \$
Reserves cash backed - Leave Reserve	448,379	108,609	0	556,988	448,379	110,937	0	559,316	306,602	141,777	0	448,379
Reserves cash backed - Plant Reserve	1,677,952	324,066	(366,000)	1,636,018	1,677,952	230,554	0	1,908,506	1,634,523	43,429	0	1,677,952
Reserves cash backed - Refuse site rehabilitation	10,081	10,279	0	20,360	10,081	40,204	0	50,285	0	10,081	0	10,081
Reserves cash backed - Computer upgrade	15,472	332	0	15,804	15,472	100,377	0	115,849	15,072	400	0	15,472
Reserves cash backed - Office redevelopment	617,751	113,866	0	731,617	617,751	315,643	(105,000)	828,394	601,762	15,989	0	617,751
Reserves cash backed - Airport operating	551,830	11,273	(86,450)	476,653	551,830	13,456	(86,450)	478,836	537,547	14,283	0	551,830
Reserves cash backed - Staff housing	356,810	70,274	0	427,084	356,810	58,703	0	415,513	1,081,014	17,764	(741,968)	356,810
Reserves cash backed - Acquatic centre	273,513	6,635	0	280,148	273,513	6,671	0	280,184	266,434	7,079	0	273,513
Reserves cash backed - TV rebroadcasting	61,159	1,309	(379)	62,089	61,159	1,492	(1,567)	61,084	52,032	9,127	0	61,159
Reserves cash backed - Energy developments cor	86,807	1,859	0	88,666	86,807	2,117	(43,000)	45,924	84,560	2,247	0	86,807
Reserves cash backed - Yarliyl Surplus	0	137,918	0	137,918	0	85,025	0	85,025	0	0	0	0
	<b>4,099,754</b>	<b>786,420</b>	<b>(452,829)</b>	<b>4,433,345</b>	<b>4,099,754</b>	<b>965,179</b>	<b>(236,017)</b>	<b>4,828,916</b>	<b>4,579,546</b>	<b>262,176</b>	<b>(741,968)</b>	<b>4,099,754</b>

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

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

<b>Name of Reserve</b>	<b>Purpose of the reserve</b>
Reserves cash backed - Leave Reserve	To be used to fund long service leave and/or other significant payments that may be required upon termination of an employee.
Reserves cash backed - Plant Reserve	To be used for the purchase or major capital upgrade of plant items.
Reserves cash backed - Refuse site rehabilitation reserve	Funds to be set aside for the rehabilitation of the refuse site upon closure.
Reserves cash backed - Computer upgrade	To be used to fund the upgrade and/or replacement of the Shire's electronic and network operating system or any of the administrative or financial management computer operating programs.
Reserves cash backed - Office redevelopment	To be used for the extension/major re-development of the Administration office building and assoc buildings.
Reserves cash backed - Airport operating	To be used to fund major operational or major capital works required at the Shire of Halls Creek Airport.
Reserves cash backed - Staff housing	To be used to fund the construction, renovation, development or purchase of residential housing and land utilised by the Shire of Halls Creek for the provision of staff housing.
Reserves cash backed - Acquatic centre	To be used to fund any major repairs, upgrade, replacement or capital requirements for the Shire of Halls Creek Aquatic and Recreation Centre.
Reserves cash backed - TV rebroadcasting	To be used to fund the upgrade, new purchase or replacement of re-broadcasting equipment, for both television and radio, as per the Shire's re-broadcasting commitments.
Reserves cash backed - Energy developments community	To distribute monies to members or organisations in the Shire of Halls Creek (other than the Shire itself) to be used solely for not-for-profit projects or activates that benefit the Shire of Halls Creek's community and in accordance with MOU between Shire of Halls Creek and EDL NGD (WA) PTY LTD.
Reserves cash backed - Yarliyl Surplus	To be used for Yarliyl expenditure requirements.

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

**12. REVALUATION SURPLUS**

	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2016</b>	<b>2016</b>	<b>2016</b>	<b>2016</b>	<b>2016</b>
	<b>Opening</b>	<b>Revaluation</b>	<b>Revaluation</b>	<b>Total</b>	<b>Closing</b>	<b>Opening</b>	<b>Revaluation</b>	<b>Revaluation</b>	<b>Total</b>	<b>Closing</b>
	<b>Balance</b>	<b>Increment</b>	<b>(Decrement)</b>	<b>Movement on</b>	<b>Balance</b>	<b>Balance</b>	<b>Increment</b>	<b>(Decrement)</b>	<b>Movement on</b>	<b>Balance</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Revaluation surplus - Land and buildings	12,395,406	0	(3,640,271)	(3,640,271)	8,755,135	12,395,406	0	0	0	12,395,406
Revaluation surplus - Furniture and equipment	19,625	0	0	0	19,625	0	19,625	0	19,625	19,625
Revaluation surplus - Plant and equipment	621,404	0	0	0	621,404	315,370	306,034	0	306,034	621,404
Revaluation surplus - Infrastructure - Roads	65,104,907	0	0	0	65,104,907	56,944,040	8,160,867	0	8,160,867	65,104,907
Revaluation surplus - Infrastructure - Other	2,067,815	0	0	0	2,067,815	2,067,815	0	0	0	2,067,815
	<b>80,209,157</b>	<b>0</b>	<b>(3,640,271)</b>	<b>(3,640,271)</b>	<b>76,568,886</b>	<b>71,722,631</b>	<b>8,486,526</b>	<b>0</b>	<b>8,486,526</b>	<b>80,209,157</b>

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

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

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

**(a) Reconciliation of Cash**

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

	<b>2017</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
Cash and cash equivalents	<u>8,038,023</u>	<u>5,441,395</u>	<u>5,393,612</u>

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

Net result	1,253,957	(1,748,461)	(3,360,306)
Non-cash flows in Net result:			
Depreciation	5,931,968	5,653,911	5,332,208
(Profit)/Loss on sale of asset	44,198	45,240	29,012
Changes in assets and liabilities:			
(Increase)/Decrease in receivables	573,383	500,000	(257,741)
(Increase)/Decrease in inventories	(50,439)	60,000	160,973
Increase/(Decrease) in payables	(458,337)	503,286	(1,272,332)
Increase/(Decrease) in provisions	18,592	0	81,309
Grants contributions for the development of assets	<u>(2,684,519)</u>	<u>(2,926,832)</u>	<u>(2,071,436)</u>
Net cash from operating activities	<u>4,628,803</u>	<u>2,087,144</u>	<u>(1,358,313)</u>

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>(c) Undrawn Borrowing Facilities</b>		
<b>Credit Standby Arrangements</b>		
Bank overdraft limit	2,000,000	1,000,000
Bank overdraft at balance date	0	0
Credit card limit	200,000	200,000
Credit card balance at balance date	<u>0</u>	<u>0</u>
<b>Total amount of credit unused</b>	<u>2,200,000</u>	<u>1,200,000</u>
<b>Loan facilities</b>		
Loan facilities - current	53,426	69,895
Loan facilities - non-current	<u>991,103</u>	<u>1,044,528</u>
<b>Total facilities in use at balance date</b>	<u>1,044,529</u>	<u>1,114,423</u>
<b>Unused loan facilities at balance date</b>	<u>NIL</u>	<u>NIL</u>

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

**14. CONTINGENT LIABILITIES**

There are no contingent liabilities to report for the year ended 30 June 2017

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>15. CAPITAL AND LEASING COMMITMENTS</b>		
<b>(a) Operating Lease Commitments</b>		
The Shire did not have any future operating lease commitments at the reporting date.		
<b>(b) Capital Expenditure Commitments</b>		
Contracted for:		
- capital expenditure projects	2,280,756	1,834,055
- plant & equipment purchases	0	0
Payable:		
- not later than one year	2,280,756	1,834,055

The capital expenditure project outstanding at the end of the current reporting period represents the planned road construction work and installation of solar power at the Recreation centre expected to be completed by June 2018.

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

**16. JOINT VENTURE ARRANGEMENTS**

The Shire is not involved in any joint venture arrangements.

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

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
General purpose funding	335,936	591,777
Law, order, public safety	144,325	56,366
Health	20,255	15,875
Education and welfare	114,330	162,000
Housing	12,363,000	14,901,546
Community amenities	1,139,052	880,881
Recreation and culture	13,045,966	14,834,504
Transport	75,815,562	77,875,452
Economic services	3,371,600	2,715,297
Other property and services	4,112,271	3,968,964
Unallocated	8,038,023	5,393,611
	<u>118,500,320</u>	<u>121,396,273</u>



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

	2017	2016	2015
<b>18. FINANCIAL RATIOS</b>			
Current ratio	5.18	1.86	2.03
Asset sustainability ratio	0.69	0.59	1.35
Debt service cover ratio	31.86	(0.07)	11.57
Operating surplus ratio	(0.34)	(1.36)	(0.46)
Own source revenue coverage ratio	0.29	0.23	0.26

The above ratios are calculated as follows:

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

**Notes:**

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

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

The early payment of the grant increased operating revenue in 2017 by \$2,210,562.

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

The early payment of the grant increased operating revenue in 2015 and decreased operating revenue in 2016 by \$2,134,494.

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

	2017	2016	2015
Current ratio	2.30	3.45	1.24
Debt service cover ratio	16.47	12.96	(2.74)
Operating surplus ratio	(0.86)	(0.83)	(1.03)

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

**19. TRUST FUNDS**

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

	<b>1 July 2016</b>	<b>Amounts Received</b>	<b>Amounts Paid</b>	<b>30 June 2017</b>
	<b>\$</b>	<b>\$</b>	<b>(\$)</b>	<b>\$</b>
Staff Housing Bonds	1,425	9,835	(9,058)	2,202
Facility Bond Hire	9,455	18,373	(18,973)	8,855
BCITF	5,252	14,914	(6,509)	13,657
Unclaimed Monies	38,935	49	0	38,984
Little Athletics	2,166	0	0	2,166
History Project	5,499	0	0	5,499
Tourism Operators	31,449	261,531	(254,412)	38,568
Library Memberships	4,300	40	(30)	4,310
DPI Vehicle Licencing	2,272	271,833	(272,068)	2,037
Telecentre Income	49,602	0	0	49,602
COAG & Other Govnts Funds	174,369	0	0	174,369
Yarliyl Art Gallery	13,446	96,699	(107,716)	2,429
Refuse kerb deposits	4,500	2,000	(4,500)	2,000
General Donations	235	0	0	235
Retention Funds	165,083	0	(121,550)	43,533
	<u>507,988</u>			<u>388,446</u>

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

The following assets were disposed of during the year.

	<b>Actual Net Book Value</b>	<b>Actual Sale Proceeds</b>	<b>Actual Profit</b>	<b>Actual Loss</b>	<b>Budget Net Book Value</b>	<b>Budget Sale Proceeds</b>	<b>Budget Profit</b>	<b>Budget Loss</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Plant and Equipment</b>								
Other property and services								
Landcruiser	26,895	12,418	0	(14,477)	28,000	13,660	0	(14,340)
Colorado	32,694	22,819	0	(9,875)	33,000	25,100	0	(7,900)
HiLux	21,732	8,527	0	(13,205)	24,000	10,000	0	(14,000)
Prado	21,732	15,091	0	(6,641)	24,000	15,000	0	(9,000)
	<u>103,053</u>	<u>58,855</u>	<u>0</u>	<u>(44,198)</u>	<u>109,000</u>	<u>63,760</u>	<u>0</u>	<u>(45,240)</u>

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

**21. INFORMATION ON BORROWINGS**

(a) Repayments - Debentures

<b>Particulars</b>	<b>Principal</b>	<b>New Loans</b>	<b>Principal Repayments</b>		<b>Principal</b>		<b>Interest Repayments</b>	
	<b>1 July 2016</b>		<b>Actual</b>	<b>Budget</b>	<b>30 June 2017</b>	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Housing</b>								
Loan 23 Triplex	339,406	0	30,813	30,813	308,593	308,593	14,821	23,037
Loan 25 Housing Units	775,017	0	39,081	39,082	735,936	735,935	58,900	56,093
	<u>1,114,423</u>	<u>0</u>	<u>69,894</u>	<u>69,895</u>	<u>1,044,529</u>	<u>1,044,528</u>	<u>73,721</u>	<u>79,130</u>

All loan repayments were financed by general purpose revenue.

(b) New Debentures - 2016/17

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

(c) Unspent Debentures

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

(d) Overdraft

The Shire has not utilised an overdraft facility during the financial year. The overdraft facility was increased from \$1 million to \$2 million with the Commonwealth Bank in May 2017. This increase is only up to December 2017 and will then return to \$1 million. It is anticipated that this facility may be utilised during 2017/18 to cover the lag between spend of flood damage repairs and reimbursement from Western Australia natural disaster relief and recovery arrangements (WANDRRA).

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

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

<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 / general rate</b>											
<b>Gross rental value valuations</b>											
GRV - Town	0.08093	299	12,049,784	975,189	(5,283)	0	969,906	982,989	0	0	982,989
GRV - Town vacant	0.13648	4	64,273	8,772	4,094	349	13,215	8,772	0	0	8,772
<b>Unimproved value valuations</b>											
UV - Rural/Pastoral	0.04561	30	7,933,194	361,833	0	33,260	395,093	362,892	0	0	362,892
UV - Mining	0.38699	32	1,509,843	584,294	255	(455)	584,094	573,595	(15,000)	0	558,595
UV - Prospecting/exploration	0.23205	93	603,025	139,932	(5,069)	1,376	136,239	154,488	0	0	154,488
<b>Sub-Total</b>		458	22,160,119	2,070,020	(6,003)	34,530	2,098,547	2,082,736	(15,000)	0	2,067,736
<b>Minimum payment</b>	<b>Minimum \$</b>										
GRV - Town	840	10	277,925	8,400	0	0	8,400	6,720	0	0	6,720
GRV - Town vacant	1580	14	63,677	22,120	0	0	22,120	25,280	0	0	25,280
UV - Rural/Pastoral	790	19	74,826	15,010	0	0	15,010	15,010	0	0	15,010
UV - Mining	790	6	5,354	4,740	0	0	4,740	4,740	0	0	4,740
UV - Prospecting/exploration	540	59	150,513	31,860	0	0	31,860	31,320	0	0	31,320
<b>Sub-Total</b>		108	572,295	82,130	0	0	82,130	83,070	0	0	83,070
<b>Total amount raised from general rate</b>		<b>566</b>	<b>22,732,414</b>	<b>2,152,150</b>	<b>(6,003)</b>	<b>34,530</b>	<b>2,180,677</b>	<b>2,165,806</b>	<b>(15,000)</b>	<b>0</b>	<b>2,150,806</b>
<b>Totals</b>							<u><b>2,180,677</b></u>				<u><b>2,150,806</b></u>
							<u><b>2,180,677</b></u>				<u><b>2,150,806</b></u>

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

**23. NET CURRENT ASSETS**

Composition of net current assets

	2017	2017	2016
	(30 June 2017	(1 July 2016	(30 June 2016
	Carried	Brought	Carried
	Forward)	Forward)	Forward)
	\$	\$	\$
<b>Surplus/(Deficit)</b>	<b>3,958,084</b>	<b>1,711,871</b>	<b>1,711,871</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents			
Unrestricted	3,048,273	1,043,343	1,043,343
Restricted	4,989,750	4,350,269	4,350,269
Receivables			
Rates outstanding	438,805	585,803	585,803
Sundry debtors	359,869	628,993	628,993
GST receivable	64,914	182,882	182,882
Accrued interest	0	30,018	30,018
less provision for doubtful debts	(168,303)	(159,028)	(159,028)
Inventories			
Stores and materials at cost	223,892	173,453	173,453
<b>LESS: CURRENT LIABILITIES</b>			
Trade and other payables			
Sundry creditors	(282,265)	(847,203)	(847,203)
Accrued interest on debentures	(39,035)	(9,401)	(9,401)
Accrued salaries and wages	(114,727)	(82,269)	(82,269)
ATO liabilities	(76,123)	(70,214)	(70,214)
Accrued expenses	(53,621)	(15,021)	(15,021)
Current portion of long term borrowings			
Secured by floating charge	(53,426)	(69,895)	(69,895)
Provisions			
Provision for annual leave	(610,473)	(608,076)	(608,076)
Provision for long service leave	(92,797)	(85,714)	(85,714)
<b>Unadjusted net current assets</b>	<b>7,634,733</b>	<b>5,047,940</b>	<b>5,047,940</b>
<b>Adjustments</b>			
Less: Reserves - restricted cash	(4,433,345)	(4,099,754)	(4,099,754)
Add: Secured by floating charge	53,426	69,895	69,895
Add: Employee provisions	703,270	693,790	693,790
<b>Adjusted net current assets - surplus/(deficit)</b>	<b>3,958,084</b>	<b>1,711,871</b>	<b>1,711,871</b>

**Difference**

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

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

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

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

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

	Amount of Charge	Revenue Raised	Budget Revenue	Charges Applied to Costs	Charges Set Aside to Reserve	Reserve Applied to Costs	Budget Charges Applied to Costs	Budget Charges Set Aside to Reserve	Budget Reserve Applied to Costs
<b>Service Charges</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Television Rebroadcasting Service	10	3,928	3,750	4,307	0	379	5,307	0	1,557
		3,928	3,750	4,307	0	379	5,307	0	1,557

<b>Nature of the Service Charge</b>	<b>Objects of the Charge</b>	<b>Reasons for the Charge</b>	<b>Area/Properties Charge Imposed</b>
Television Rebroadcasting Service	To maintain the provision of television	The proceeds of the service charge are applied in	Owners and occupiers within the designated area

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

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

**Waivers or Concessions**

**Rate or Fee and  
Charge to which  
the Waiver or  
Concession is Granted**

	Type	Discount %	Discount \$	Actual \$	Budget \$
Penalty Interest	Write off		70	70	0
Small Balances	Write off		36	36	0
				<u>106</u>	<u>0</u>

**Rate or Fee and  
Charge to which  
the Waiver or  
Concession is Granted**

**Circumstances in which  
the Waiver or Concession is  
Granted and to whom it was  
available**

**Objects of the Waiver  
or Concession**

**Reasons for the Waiver  
or Concession**

Small Balances	Small balances under \$5 written off at end of year	Small balances under \$5 written off at end of year	Small balances under \$5 written off at end of year
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**SHIRE OF HALLS CREEK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

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

	<b>Date Due</b>	<b>Instalment Plan Admin Charge \$</b>	<b>Instalment Plan Interest Rate %</b>	<b>Unpaid Rates Interest Rate %</b>
<b>Instalment Options</b>				
<b>Option One</b>				
Single full payment	30 September 16	0	0.00%	11.00%
<b>Option Three</b>				
First Instalment	30-Sep-16	0	0.00%	11.00%
Second Instalment	01-Dec-16	20	5.50%	11.00%
Third Instalment	22-Feb-17	20	5.50%	11.00%
Fourth Instalment	25-Apr-17	20	5.50%	11.00%
			<b>Revenue \$</b>	<b>Budgeted Revenue \$</b>
Interest on unpaid rates			70,594	5,000
Interest on instalment plan			4,771	25,000
Charges on instalment plan			2,160	3,500
			<u>77,525</u>	<u>33,500</u>



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

<b>28. FEES &amp; CHARGES</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Governance	0	5,455
General purpose funding	2,068	3,330
Law, order, public safety	1,976	31,201
Health	21,010	4,764
Education and welfare	0	1,058
Housing	176,126	180,497
Community amenities	500,901	513,866
Recreation and culture	275,142	135,970
Transport	155,598	5,750
Economic services	543,284	418,211
Other property and services	109,841	151,055
	<u>1,785,946</u>	<u>1,451,157</u>

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

**29. GRANT REVENUE**

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

<b>By Nature or Type:</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Operating grants, subsidies and contributions</b>		
Governance	0	0
General purpose funding	6,409,000	2,079,657
Law, order, public safety	4,106	12,429
Health	349,165	189,580
Education and welfare	1,266,573	1,296,278
Housing	800	1
Community amenities	172	0
Recreation and culture	58,417	49,542
Transport	490,878	3,760,675
Economic services	300,793	215,945
Other property and services	156,841	282,815
	<u>9,036,745</u>	<u>7,886,922</u>
<b>Non-operating grants, subsidies and contributions</b>		
Law, order, public safety	100,725	0
Health	0	74,000
Education and welfare	0	50,000
Community amenities	0	71,195
Recreation and culture	396,000	64,986
Transport	2,148,794	1,711,255
Economic services	39,000	0
Other property and services	0	100,000
	<u>2,684,519</u>	<u>2,071,436</u>
	<u>11,721,264</u>	<u>9,958,358</u>

**30. EMPLOYEE NUMBERS**

The number of full-time equivalent employees at balance date

	<u>46</u>	<u>44</u>
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**31. ELECTED MEMBERS REMUNERATION**

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

	<b>2017</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
Meeting Fees	60,184	60,200	57,294
President's allowance	8,638	8,600	8,190
Deputy President's allowance	2,150	2,150	2,048
Travelling expenses	350	350	350
Telecommunications allowance	22,910	22,932	22,932
	<u>94,232</u>	<u>94,232</u>	<u>90,814</u>

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

**32. RELATED PARTY TRANSACTIONS**

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

**2017**

**\$**

The total of remuneration paid to KMP of the Shire during the year are as follows:

Short-term employee benefits	372,154
Post-employment benefits	53,274
Other long-term benefits	9,371
	<u>434,799</u>

**Short-term employee benefits**

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

**Post-employment benefits**

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

**Other long-term benefits**

These amounts represent long service benefits accruing during the year.

**Related Parties**

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

*i. Key management personnel*

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

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

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

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

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

**Transactions with related parties**

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

The following transactions occurred with related parties:

**2017**

**\$**

**Associated companies/individuals:**

Purchasing of Goods and Services	445,994
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**Joint venture entities:**

0

**Amounts outstanding from related parties:**

0

**Amounts payable to related parties:**

0

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

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

**33. MAJOR LAND TRANSACTIONS**

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

**34. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

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

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

**35. FINANCIAL RISK MANAGEMENT**

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

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

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

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

	Carrying Value		Fair Value	
	2017	2016	2017	2016
	\$	\$	\$	\$
<b>Financial assets</b>				
Cash and cash equivalents	8,038,023	5,393,612	8,038,023	5,393,612
Receivables	695,285	1,268,668	695,285	1,268,668
	<u>8,733,308</u>	<u>6,662,280</u>	<u>8,733,308</u>	<u>6,662,280</u>
<b>Financial liabilities</b>				
Payables	565,771	1,024,108	565,771	1,024,108
Borrowings	1,044,529	1,114,423	1,044,529	582,203
	<u>1,610,300</u>	<u>2,138,531</u>	<u>1,610,300</u>	<u>1,606,311</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 HALLS CREEK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

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

**(a) Cash and Cash Equivalents**

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

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

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

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

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Impact of a 1% <sup>(1)</sup> movement in interest rates on cash		
- Equity	80,380	53,936
- Statement of Comprehensive Income	80,380	53,936

**Notes:**

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

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

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

**(b) Receivables**

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

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

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

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

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

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

	<b>2017</b>	<b>2016</b>
Percentage of rates and annual charges		
- Current	0%	0%
- Overdue	100%	100%
Percentage of other receivables		
- Current	73%	83%
- Overdue	27%	17%

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

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

**(c) Payables**

**Borrowings**

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

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

	<b>Due within 1 year \$</b>	<b>Due between 1 &amp; 5 years \$</b>	<b>Due after 5 years \$</b>	<b>Total contractual cash flows \$</b>	<b>Carrying values \$</b>
<b><u>2017</u></b>					
Payables	565,771	0	0	565,771	565,771
Borrowings	142,659	570,998	762,130	1,475,787	1,044,529
	<u>708,430</u>	<u>570,998</u>	<u>762,130</u>	<u>2,041,558</u>	<u>1,610,300</u>
<b><u>2016</u></b>					
Payables	1,024,108	0	0	1,024,108	1,024,108
Borrowings	65,461	261,844	379,418	706,723	1,114,423
	<u>1,089,569</u>	<u>261,844</u>	<u>379,418</u>	<u>1,730,831</u>	<u>2,138,531</u>

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

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

**(c) Payables**

**Borrowings (continued)**

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

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

	<1 year	>1<2 years	>2<3 years	>3<4 years	>4<5 years	>5 years	Total	Weighted Average Effective Interest Rate
	\$	\$	\$	\$	\$	\$	\$	%
<b><u>Year ended 30 June 2017</u></b>								
<b>Borrowings</b>								
<b>Fixed rate</b>								
Debentures	0	0	0	0	0	1,044,529	1,044,529	6.62%
Weighted average Effective interest rate						6.62%		
<b><u>Year ended 30 June 2016</u></b>								
<b>Borrowings</b>								
<b>Fixed rate</b>								
Debentures	0	0	0	0	0	1,114,422	1,114,422	6.62%
Weighted average Effective interest rate						6.62%		



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## INDEPENDENT AUDITOR'S REPORT TO THE ELECTORS OF THE SHIRE OF HALLS CREEK

### *Opinion on the Audit of the Financial Report*

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

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

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

### *Basis for Opinion*

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

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

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

- a) There are no matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- b) No matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law were noted during the course of our audit.
- c) In relation to the Supplementary Ratio Information presented at page 91 of this report, we have reviewed the calculations as presented and nothing has come to our attention to suggest it is 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.

### *Other Information*

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

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

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

***Responsibilities of Management and Council for the Financial Report***

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

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

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

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

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

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

MOORE STEPHENS  
CHARTERED ACCOUNTANTS



DAVID TOMASI  
PARTNER

Date: 3 October 2017  
Perth, WA

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

**RATIO INFORMATION**

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

	<b>2017</b>	<b>2016</b>	<b>2015</b>
Asset consumption ratio	0.92	0.95	0.67
Asset renewal funding ratio	1.09	1.20	1.36

The above ratios are calculated as follows:

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