



## Application and Road Owner Support to Add or Amend a Road on a Restricted Access Vehicle Network

Main Roads Heavy Vehicle Services will consider adding a road to the Restricted Access Vehicle (RAV) Network provided support from the relevant road owner is obtained. This application must be completed by the applicant and forwarded to Main Roads who will liaise directly with the relevant road owner to ensure they have no objections to the access.

### Applicant Details

Operator Name / Company	IAN KNAPP		
Contact Name	IAN KNAPP	Contact Phone Number	98 227 037
Mobile Phone Number	0427 215635	Contact Fax Number	98 227 037
eMail Address	craig.mare.pastoral@gmail.com		

### RAV Networks to be assessed

Tandem Drive RAV Categories 2-10 Refer to the [Prime Mover, Trailer](#) or [Truck, Trailer](#) operating conditions for approved combinations on our website.

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Tri Drive Categories 1-5 Refer to the [Tri Drive Prime Mover, Trailer](#) or [Tri Drive Truck, Trailer](#) operating conditions for approved combinations on our website.

Other Categories (i.e. Oversize Road Train) Refer to the operating conditions of the particular [Permit Product](#) for approved combinations on our website

### Concessional Networks to be assessed

☐ Please tick if Concessional Network Level 1 is required

Vehicle combinations operating on Level 1 must only operate on the relevant RAV Network that is permitted for the equivalent vehicle combination under the [Prime Mover, Trailer](#) or [Truck, Trailer](#) Combinations.

For Concessional Levels 2 and 3 please select the relevant category below

Requested Axle Mass Level		
	Tandem Axle Group	Tri Axle Group
Level 1	17.0t	21.5t
Level 2	17.0t	22.5t
Level 3	17.5t	23.5t

Tandem Drive Concessional RAV Categories 2-10 Refer to the [AMMS Page](#) for approved combinations.

#

Tri Drive Concessional Categories 1-5 Refer to the [AMMS Page](#) for approved combinations.

**Roads to be assessed** Please list all requested roads where RAV Access is required (including start and end points) and attach maps.

Shire of KATANNING:

M<sup>c</sup>Kenzie rd - ~~entry~~

Gibney rd

Withers rd.

San Hills rd

Bibliking rd. S

Filmer rd

Shire of Woodanilling:

Robinson rd.

Shenton rd.

Shire of Broomehill -

Tambellup:

Tie line rd.

Kimberley st.

Old Nardlah rd.

Suggestion: make this form so it can be filled out on computer.



### Roads under consideration for RAV 5





## **Recycled Water Supply Agreement**

**Water Corporation**

**and**

**Shire of Katanning**

WATER CORPORATION  
Legal Services Branch  
629 Newcastle Street Leederville WA 6007  
PO Box 100 Leederville WA 6902  
Phone: (08) 9420 2599  
Fax: (08) 9420 3360  
#15764687

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## **This Recycled Water Supply Agreement**

is made on                                between the following parties:

1.     **Water Corporation**, a statutory body corporate established under the *Water Corporations Act 1995*, of John Tonkin Water Centre, 629 Newcastle Street, Leederville, Western Australia  
(**Corporation**)
2.     **Shire of Katanning**, a local government authority, of 16-24 Austral Terrace, Katanning, Western Australia  
(**Recipient**)

### **Recitals**

- A.     The Corporation has agreed to provide Recycled Water to the Recipient from the Katanning Wastewater Treatment Plant for use in the performance of its functions.
- B.     This Agreement defines the roles and responsibilities of the Corporation and the Recipient with respect to the efficient and effective supply of Recycled Water.

### **This Agreement witnesses**

that in consideration of, among other things, the mutual promises contained in this Agreement, the Parties agree:

## **1 Definitions and Interpretations**

### **1.1 Definitions**

In this Agreement, unless the contrary intention appears:

**Agreement** means this Agreement of understanding as executed by the parties;

**Approval** includes:

- (a)     any authorisation, consent, licence, approval, permit, authority or exemption from, by or with a Governmental Agency; and
- (b)     the Operating Licence;

**Business Day** means a day on which banks are open for business in Perth, Western Australia, excluding a Saturday, Sunday or public holiday;

**Claim** means any action, suit, claim, proceeding, demand, loss, damage, cost (including legal costs) and expense of any nature whatsoever, and howsoever arising, out of, relating to, or connected with this Agreement;

**Commencement Date** means the date on which the last party to sign this Agreement signs;

**Corporation's Address** means the address or facsimile number of the Corporation set out in Schedule 1;

**Corporation's Powers** means all or any rights, powers, remedies, authorities, discretions, privileges or protections exercisable by the Corporation under this agreement, any Act of Parliament or otherwise at law or in equity;

**Delivery Point** means the delivery point described in Schedule 1 and as marked on the Plan;

**DoW** means the Governmental Agency responsible for the administration of the *Rights in Water and Irrigation Act 1914*;

**DoH**: means the Department of Health, Western Australia



**Entitlement** means the volume entitlement of Recycled Water (in kL) to be provided to the Recipient by the Corporation as stated in Schedule 1 which volume will be reviewed at the times specified in Schedule 1;

**Extended Term** is as defined in clause 16;

**Government Agency** means any government or any governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, government Minister, agency or entity in Australia;

**Infrastructure** means the infrastructure to be implemented with respect to the supply of Recycled Water in accordance with this Agreement as set out in Schedule 1;

**kL** means kilolitre or kilolitres as the case requires;

**Loss** means any loss, claim, action, liability, damage, cost, charge, expense, diminution in value or deficiency of any kind or character that any party pays, suffers or incurs or is liable for, including:

- (a) all interest and other amounts payable to third parties;
- (b) all legal (on a full indemnity basis) and other expenses incurred in connection with investigating or defending any claim or action, whether or not resulting in any liability and all amounts paid in settlement of claim or action;
- (c) all losses of profit, and special losses or damages; and
- (d) all consequential losses or damages;

**Metering Point** means the point at which the Corporation will measure the amount of Recycled Water delivered to the Recipient;

**Month** means a calendar month;

**Ombudsman Scheme** means the water services ombudsman scheme established under the *Water Services Act 2012*;

**Operating Licence** means the operating licence granted to the Corporation under the *Water Services Act 2012*;

**Plan** means the sketch plan comprised in Annexure A;

**Permitted Uses** means the specified use of Recycled Water as identified in Schedule 1;

**Process Control Table (PCT)** means the process control table approved by DoH which is set out in Annexure D;

**Quality Standards** means the standards set out in Schedule 2;

**Recipient's Address** means the address or facsimile number of the Recipient set out in Schedule 1;

**Recipient's Obligations** means the obligations of the Recipient under this Agreement or imposed by law in relation to any of the matters referred to in it;

**Recipient's Representative** means the employee or position nominated by the Recipient set out in Schedule 1;

**Recycled Water** means the recycled water to be supplied by the Corporation to the Recipient in accordance with the terms of this Agreement;

**Recycled Water Quality Management Plan (RWQMP)** means the document which is set out in Annexure C;

**Term** means the term of this Agreement as is set out in Schedule 1, as varied by the parties from time to time;

**Wastewater Treatment Plant** means the wastewater treatment plant from which the Recycled Water is supplied as identified in Schedule 1;

**Water** includes a reference to Recycled Water; and

**Year** means, where the context permits or requires:

- (a) for the first Year of the Term, the period on and from the Commencement Date to and including the 30 June next following;
- (b) thereafter, for each successive Year of the Term other than the last Year of the Term, the period from and including 1 July to and including 30 June next following; and
- (c) for the last Year of the Term, the period on and from the 1 July immediately preceding the Termination Date to and including the Termination Date.

## **1.2 Interpretation**

In this Agreement, headings and underlining are for convenience only and do not affect the interpretation of this Agreement and, unless the context otherwise requires:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include any gender;
- (c) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and any Governmental Agency;
- (d) a reference to a part, clause, or Party, is a reference to a part and clause of, and a Party, to, this Agreement.

## **2. Conditions Precedent to supply of Recycled Water**

### **2.1 Supply of Recycled Water**

The Corporation will not supply Recycled Water until the Recipient has:

- (a) obtained all Approvals for the use of the Recycled Water; and
- (b) satisfied the Corporation that it has:
  - (i) Prepared a RWQMP; and
  - (ii) endorsed the PCT,for the Permitted Uses.

### **2.2 Consequence of non-satisfaction**

If any of the conditions specified in clause 2.1 are not satisfied nor waived by notice in writing from the Corporation then the Corporation may terminate this Agreement after the expiry of six months after the Commencement Date.

## **3. Corporation's obligations and responsibility for the supply of Recycled Water**

### **3.1 Supply and Delivery**

- (a) The Corporation will use its best endeavours to supply to the Recipient the Recycled Water up to its Entitlement at the Delivery Point on the provisions of this Agreement.
- (b) Once the Corporation has delivered the Recycled Water to the Delivery Point the Corporation has no further obligations with respect to that Recycled Water.

### **3.2 Recycled Water Quality**



- (a) The Corporation agrees to use its best endeavours to provide Recycled Water at the Delivery Point that meets the Quality Standards.
- (b) In the event that the quality of the Recycled Water has not met the agreed Quality Standards, the Corporation will:
  - (i) advise the Recipient of the event as soon as reasonably practicable;
  - (ii) use its best endeavours to restore water quality of the Recycled Water to the Quality Standards, at the earliest time; and

the Recipient will not be required to take the Recycled Water, until the Recycled Water again meets the Quality Standards.

### **3.3 Notification of changes to Quality Standards**

The Recipient acknowledges that:

- (a) the Corporation may, if required by any Act of Parliament, Authorisation or to comply with a DoH requirement, vary the Quality Standards.
- (b) The Corporation will use its best endeavours to notify the Recipient of any changes in the characteristics of the Recycled Water from the Quality Standards that the Corporation, acting reasonably, considers to be significant.

### **3.4 Variation to Supply**

- (a) In addition to any other of the Corporation's Powers, the Corporation may vary volumes, times, and flow rates from time to time:
  - (i) having regard to Recycled Water resource availability and those other factors as the Corporation, acting reasonably, determines;
  - (ii) following:
    - (A) a direction by the DoW or the DoH;
    - (B) any amendment to or suspension of:
      - (1) the Operating Licence; or
      - (2) any other licence or any other Approval required by the Corporation to operate the Wastewater Treatment Plant or supply Recycled Water that, in the Corporation's reasonable opinion, adversely affects the Corporation's ability to supply volumes, times, and flow rates; or
    - (C) any reduction or suspension in any entitlement that the Corporation may have to Recycled Water under any Authorisation; or
  - (iii) by agreement between the parties.
- (b) The Corporation may determine any variation under clause 3.4(a)(i) or clause 3.4(a)(ii) in its reasonable discretion but will use its best endeavours to give to the Recipient at least 10 Business Days' notice of any material variation proposed.

## **4. Recipient's obligations and responsibilities**

### **4.1 Use and management of Recycled Water**

- (a) The Recipient must use its best endeavours to take at the Delivery Point Recycled Water up to its Entitlement, on the provisions of this Agreement.

- (b) The Recipient will be solely responsible for the management and use of the Recycled Water from the Delivery Point provided that the Recycled Water supplied to the Recipient by the Corporation conforms with the Quality Standards.
- (c) The Recipient will, at its own cost, operate and maintain all systems at the Recipient's side of the Delivery Point necessary to take, store, discharge and use the Recycled Water in accordance with this Agreement.
- (d) The Recipient will be responsible for management of the Recycled Water in accordance with the RWQMP (when required by the DoH).
- (e) The Recipient is responsible for compliance with the PCT and must manage the Recycled Water and Water in accordance with the PCT.

#### **4.2 Permitted Uses**

- (a) The Recipient must only use the Recycled Water for the Permitted Uses unless otherwise agreed between the parties.
- (b) The Recipient must not supply or sell to a third party, any Recycled Water supplied to the Recipient, without the Corporation's written consent. Where the Recipient is permitted to supply the Recycled Water to a third party the Recipient must:
  - (i) effect and maintain all Approvals the Recipient may be required to effect and maintain in respect of any such supply of Recycled Water; and
  - (ii) indemnify and keep the Corporation indemnified against any Loss or Claim by any party or person not a party to this Agreement, to whom the Recipient may supply any Recycled Water supplied to the Recipient by the Corporation pursuant to this Agreement, of any nature whatsoever and howsoever, arising out of, related to or connected with that Recycled Water except and strictly limited to the extent that any Loss or Claim results from Wilful Misconduct or negligence of, or breach of any legislation by, the Corporation or its officers, employees, agents, contractors or sub-contractors.
- (c) The Recipient must comply with any conditions placed on the use of the Recycled Water as set from time to time by the DoH.

#### **5. Risk and title**

Title and all risk in relation to the Recycled Water passes to the Recipient once the Corporation has delivered the Recycled Water to the Delivery Point.

#### **6. Alternative Uses of Recycled Water**

If the Recipient cannot take its full entitlement the parties agree that they will work together to identify alternative uses for the Recycled Water.

#### **7. Measurement, Monitoring and testing**

- (a) The Corporation will undertake any monitoring, testing, documentation or reporting necessary or associated with the supply and delivery of the Recycled Water up to the Delivery Point.
- (b) The Recipient will undertake any monitoring, testing, documentation or reporting necessary or associated with the taking, storage, distribution and use of the Recycled Water from the Delivery Point.
- (c) The parties will make available to the other party, upon request, all monitoring, testing and reporting documentation obtained pursuant to this clause.



- (d) The volumes of Recycled Water supplied to the Recipient will be measured by the Corporation at the Metering Point.

## **8. Approvals**

- (a) The parties agree that the supply of Recycled Water under this Agreement is subject to each of them holding, and continuing to hold, all of the relevant Approvals.
- (b) The parties will, at their own cost, provide one another with reasonable assistance to obtain and continue to hold all of the relevant Approvals.
- (c) If either party fails to hold any of the relevant Approvals, the Corporation may, acting reasonably, suspend the supply of Recycled Water to the Recipient.
- (d) In the event supply is suspended by the Corporation in accordance with clause 8(c) the Corporation may at any time determine acting reasonably, to resume the supply of Recycled Water.

## **9. Infrastructure**

The parties:

- (a) acknowledge that new or modified Infrastructure may be required to supply the Recycled Water in accordance with this Agreement; and
- (b) must promptly comply with their obligations as to the Infrastructure as set out in Schedule 1.

## **10. Backflow prevention**

The Recipient must from time to time:

- (a) take all measures as the Corporation requires and approves, in the manner that the Corporation requires, to prevent backflow of water from the Recipient's services into the Corporation's drinking water supply reticulation distribution system; and
- (b) at the Corporation's request, install, operate and maintain in good working order, at the Recipient's cost, backflow prevention devices, pressure-sustaining valves, air breakers and other devices as the Corporation requires and approves.

## **11. Recycled Water Measurement**

- (a) From the Commencement Date, the Corporation will take meter readings at intervals as determined by the Corporation to assess the volume of Water supplied to the Recipient at the Metering Points.
- (b) If the Measuring Equipment is found to be out of order or reading incorrectly, the Corporation will determine the quantity of the Water supplied by taking a daily average of the quantity actually taken during a comparable period or (where a meter test has shown that the meter is not registering the correct consumption) by adjusting the consumption for the period in accordance with the degree of error found. The quantity so determined by the Corporation will be deemed to have been supplied to the Recipient as the case may be.

## **12. Indemnity**

### **12.1 Indemnity to Corporation**

- (a) The Recipient must indemnify and keep indemnified the Corporation and the Corporation's officers, employees, agents or contractors against any Loss or Claim that they, or any of them, may pay, suffer or incur, or that may be made against them, or any of them in connection with the supply of or use of the Recycled Water under this Agreement, arising out of:
  - (i) a failure by the Recipient to comply with the terms of this Agreement; or
  - (ii) any wilful misconduct or negligent act or omission by the Recipient,except to the extent that any such Loss or Claim is partially or wholly attributable to any negligence on the part of the Corporation or the Corporation's officers and employees.
- (b) The Corporation must indemnify and keep indemnified the Recipient and the Recipient's officers, employees, agents or contractors against any Loss or Claim that they, or any of them, may pay, suffer or incur, or that may be made against them, or any of them in connection with the supply of or use of the Recycled Water under this Agreement, arising out of:
  - (i) a failure by the Corporation to comply with the terms of this Agreement; or
  - (ii) any wilful misconduct or negligent act or omission by the Corporation,except to the extent that any such Loss or Claim is partially or wholly attributable to any negligence on the part of the Recipient or the Recipient's officers and employees.

## **12.2 Monetary limits**

- (a) The total liability of the Corporation and its servants and agents, to the Recipient for all Claims, including interest on any Claim accruing from the date on which the Claim first arose to the date of judgment, settlement, deduction or set off, is limited in the aggregate to:
  - (i) in respect of any event covered by any policy of insurance, will be limited to the amount recovered or recoverable under that policy of insurance in respect of that event under the policy of insurance; and
  - (ii) in respect of any other event will be limited to \$100,000,so that the Recipient will have no further Claim against the Corporation for any amount of Loss in excess of those limits.
- (b) The total liability of the Recipient and its servants and agents, to the Corporation for all Claims, including interest on any Claim accruing from the date on which the Claim first arose to the date of judgment, settlement, deduction or set off, is limited in the aggregate to:
  - (i) in respect of any event covered by any policy of insurance, will be limited to the amount recovered or recoverable under that policy of insurance in respect of that event under the policy of insurance; and
  - (ii) in respect of any other event will be limited to \$250,000,so that the Corporation will have no further Claim against the Recipient for any amount of Loss in excess of those limits.

The parties agree that the limitation of liability at clause 12.2(b) will not apply to the indemnity provided by the Recipient to the Corporation at clause 4.2(b)(ii).

## **13. Public Liability Insurance**

- (a) The parties must effect and maintain throughout the Term of the Agreement Public Liability Insurance covering all Claims and liabilities, howsoever caused:



- (i) In respect of:
  - (A) Any injury or illness to or death of any person;
  - (B) Any physical loss, damage or destruction to any property; and
  - (C) The loss of use of tangible property whether it has been physically lost, destroyed or damaged or not;
- (ii) Whether arising out of or connected with any act, matter or thing whatsoever, including but not limited to, any pollution.

Which Insurances shall each provide cover in respect of each and every occurrence to an amount not less than \$20 million in respect of all losses occurring during each period of insurance.

- (b) A party will, upon request by the other party, provide the party with evidence that the insurances required under this clause have been effected and are in full force and effect.
- (c) If a party fails to take out or maintain the insurances required under this clause then that failure to ensure, or failure to maintain insurance will be treated as a Default of this Agreement.

#### **14. Termination**

- (a) In addition to any other rights, powers or remedies provided by law, the Corporation may by notice in writing served on the Recipient, terminate this Agreement at any time with immediate effect if in the Corporation's opinion, acting reasonably, use of the Recycled Water by the Recipient or any other party, represents a threat to public health or is causing environmental damage.
- (b) In addition to any other rights, powers or remedies provided by law, if the Recipient fails to:
  - (i) duly and punctually comply with the Recipient's Obligations or defaults under the terms of this Agreement; and
  - (ii) fails to remedy that non-compliance or default to the Corporation's satisfaction within 30 days of the Corporation serving or being deemed to have served notice on the Recipient of that non-compliance requiring the Recipient to remedy it,

the Corporation may by further notice in writing served or being deemed to have served on the Recipient, terminate this Agreement at any time with immediate effect.
- (c) The Corporation will cease supplying Recycled Water to the Recipient upon that date which is the earlier of the date of termination of any Authorisation required by the parties under Clause 8, the expiry of the Term, or a date determined by the Corporation under subclause 14(a) or 14(b).
- (d) If this Agreement is terminated, the Corporation will be under no obligation to supply and the Recipient will have no right or entitlement to receive any Recycled Water.
- (e) The expiry or termination of this Agreement will not affect any rights of the parties against one another in respect of any act, omission, matter, or thing occurring, or under this Agreement prior to that expiry or termination.

#### **15. Re-negotiation of Agreement**

If this Agreement is terminated as a result of the expiry of the Term, the parties may re-negotiate the terms for the continued supply of Recycled Water to the Recipient. The

terms of this Agreement do not in any way limit the substance of re-negotiation between the parties.

## **16. Option to extend Term**

- (a) The Recipient may request that this Agreement be extended beyond the Term for the period of a further five years (Extended Term), except this clause 16(a) will not apply during the Extended Term.
- (b) If the Corporation accepts the Recipient's request, the parties may however agree changes to the terms and conditions of this Agreement during the Extended Term if considered necessary for the improved performance of the Agreement.
- (c) If the Recipient proposes to extend the Term, the Recipient must advise the Corporation of its intention to do so in writing at least 6 months prior to the anticipated expiry date of the Term or any extension of the Term.
- (d) If the Recipient has not served a written notice under clause 16(a), the Agreement will terminate on the expiration of the Term automatically and without need for any further notice.
- (e) If the parties have not agreed on all terms and conditions for the Extended Term by the expiry of the Term, the Agreement will terminate automatically, without need for any further notice, on that date, and thereafter the Recipient will have no further entitlement to the Recycled Water and neither party is under any obligation to the other otherwise than in respect of an obligation that arose prior to that date or a breach that was committed prior to that date.

## **17. Dispute resolution**

### **17.1 Election by Recipient**

The Recipient may elect to have any dispute resolved:

- (a) under the Ombudsman Scheme but only if the dispute in question is within the scope of the Ombudsman Scheme ; or
- (b) under the succeeding provisions of this clause 17;  
and
- (c) if the Recipient gives to the Corporation notice of any dispute that notice must be in writing specifying whether the Recipient elects to have the dispute resolved in accordance with clause 17.1(a) or clause 17.1(b) and, if it fails to do so, the dispute will be resolved in accordance with clause 17.1(a) if the dispute in question is within the scope of the Ombudsman Scheme and otherwise in accordance with clause 17.1(b); and
- (d) if the Corporation gives the Recipient a written notice of any dispute, the Recipient must, within 10 Business Days of receiving or being deemed to have received that notice, give to the Corporation a written notice specifying whether the Recipient elects to have the dispute resolved in accordance with clause 17.1(a) or clause 17.1(b) and, if it fails to do so, the dispute will be resolved in accordance with clause 17.1(a) if the dispute in question is within the scope of the Ombudsman Scheme and otherwise in accordance with clause 17.1(b).

### **17.2 General**

A dispute that arises during the performance of this agreement will be resolved, wherever possible, at the level where the dispute initially arises.

### **17.3 Referral to Representatives**



If, within 15 Business Days of a dispute arising, it has not been resolved, the dispute will be referred to the Recipient's Representative, and to the Corporation's Representative.

#### **17.4 Representatives to meet**

The Representatives referred to in the preceding clause must meet within 5 Business Days after the dispute is referred to them, and attempt to resolve the dispute. If they resolve the dispute, the parties will adhere to their resolution.

#### **17.5 Further steps - mediation**

If the Representatives cannot resolve the dispute within 10 Business Days of their first meeting, the dispute will be taken to a mediation process. If the parties agree, they will appoint, by agreement, an independent mediator, or, if they fail to agree on an independent mediator within 15 Business Days of their first meeting, the President of the Law Society of Western Australia (Inc) for the time being, or the President's nominee, may, at the request of either party, appoint an independent mediator, and the costs of that mediator will be borne equally by the Corporation and the Recipient. Except to the extent inconsistent with this clause, the mediation will be conducted in accordance with the then current mediation rules of the Law Society of Western Australia.

#### **17.6 Place of mediation**

The parties will hold the mediation in Perth, Western Australia and, subject to clause 17.8, must comply with any resolution facilitated between them by the independent mediator.

#### **17.7 Parties to continue to perform**

Each party must continue to perform their obligations under this agreement, notwithstanding any dispute, or the commencement of any legal proceedings, under this clause 17.

#### **17.8 Steps if party dissatisfied**

If a party is dissatisfied with proceedings before the mediator, it may take that action as it considers appropriate, including commencing legal proceedings. For the avoidance of doubt, the right referred to in this clause 17.8 is not in any way dependent on or conditional upon the initiation or completion of the proceedings before the mediator.

### **18. Warranties**

#### **18.1 No other representations or warranties by Corporation**

So far as permitted by law, except for:

- (a) the express terms and warranties set out in this Agreement; and
- (b) those implied terms or warranties that are imposed by law that are mandatory and cannot be excluded,

the Corporation gives no warranties regarding the Recycled Water, or any other goods or services supplied or to be supplied by it, whether relating to defects in quality or characteristics, or otherwise, and all other conditions, warranties, stipulations or other statements whatsoever, whether express or implied, by act of Parliament, at common law, or otherwise howsoever, are expressly excluded.

#### **18.2 Recipient's skill and judgment**

The Recipient warrants to and agrees with the Corporation that, when entering into this Agreement it relied exclusively on the following matters independently of any statements, inducements or representations made by or on behalf of the Corporation (including by the Corporation's officers, employees, or agents or any other person acting on the Corporation's behalf):

- (a) the terms, warranties and representations expressly contained in this agreement;
- (b) the skill and judgment of the Recipient, its consultants and representatives; and
- (c) opinions and advice obtained by the Recipient independently of the Corporation, or of the Corporation's officers, employees, or agents or any other persons acting on the Corporation's behalf.

### **18.3 Independent warranties**

Each warranty in this clause is independent and is not limited by reference to any other warranty in the relevant clause.

### **19. Assignment**

The Recipient will not, without the Corporation's prior written consent, assign, mortgage, charge or encumber this Agreement or any part of it or any right, benefit, moneys or interest under it. The consent the Corporation may not unreasonably withhold, but the Corporation may give that consent on any terms and conditions the Corporation reasonably requires.

### **20. Severance**

If any term or part of this Agreement is or becomes for any reason invalid or unenforceable at law, then in that event that term or part of this Agreement will be deemed to be severed from this Agreement without thereby affecting the remainder of this Agreement and the remainder of this Agreement will continue to be valid and enforceable in all things.

### **21. Entire agreement**

This Agreement supersedes all previous agreements in respect of its subject matter and embodies the entire agreement between the parties.

### **22. Limitation of liability**

Neither party will be liable to the other for any loss of business, loss of opportunity, loss of profit, loss of any contract or for any indirect or consequential loss or damage whether arising out of the breach of this Agreement or otherwise, including without limitation, negligence.

### **23. Service of notices**

- (a) Any notice or other communication including, but not limited to, any request, demand, consent or approval, to or by a party to this Agreement:
  - (i) must be in legible writing and in English addressed as shown below:
    - (A) if to the Corporation, to the Corporation's Address; and
    - (B) if to the Recipient to the Recipient's Representative at the Recipient's Address,

or as specified to the sender by any party by notice;
  - (ii) where the sender is a company, must be signed by an officer or under the common seal of the sender or by solicitors acting for that company;
  - (iii) is regarded as given by the sender and received by the addressee:
    - (A) if by delivery in person, when delivered to the addressee;
    - (B) if by post, 5 days from and including the date of postage; or
    - (C) if by facsimile transmission, whether or not legibly received, when transmitted to the addressee,

but if the delivery or receipt is on a day which is not a Business Day or is after 4.00 p.m. (addressee's time) it is regarded as received at 9.00 am on the following Business Day; and

- (iv) can be relied upon by the addressee and the addressee is not liable to any other person for any consequences of that reliance if the addressee believes it to be genuine, correct and authorised by the sender.
- (b) A facsimile transmission is regarded as legible unless the addressee telephones the sender within 2 hours after transmission is received or regarded as received under the preceding subclause and informs the sender that it is not legible.
- (c) In this clause, a reference to an addressee includes a reference to an addressee's officers, agents or employees.

**24. Governing Law**

- (a) This Agreement shall be governed by and construed in accordance with the laws of the State of Western Australia.
- (b) Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia, and of any courts that have jurisdiction to hear appeals from any of those courts, and waives any right to object to any proceedings being brought in those courts.

**25. Modifications or Amendment**

A purported modification, variation or amendment of this Agreement shall not have any force or effect unless it is in writing and executed by the parties.

**26. Waiver**

Waiver of any breach, or provision of, or any default under, this Agreement must be in writing and signed by the Party granting the waiver.

**27. Survival of Certain Clauses**

Clause 12 (Indemnity), clause 18 (Warranties), clause 22 (Limitation of Liability) and clause 24 (Governing Law) survive the termination or expiry of this Agreement.

**28. Further Assurances**

Each Party must do all things and execute all further documents necessary to give full effect to this Agreement.

**29. Costs**

Each Party will bear their own costs in respect of the negotiation and preparation of this Agreement.



## Schedule 1 Particulars

<b>Recipient</b>	Shire of Katanning
<b>Recipient's Address</b>	16-24 Austral Terrace Katanning WA 6317
<b>Recipient's Representative</b>	Chief Executive Officer
<b>Corporation's Address</b>	P O Box 100 Leederville WA 6902
<b>Entitlement</b>	101,000 kL/year
<b>Entitlement Review Times</b>	Annually from the date of execution of this Agreement.
<b>Corporation's Infrastructure obligations</b>	Own, operate and maintain chlorination facilities and recycled water pump station at the Water Corporation's Storage Dam site.
<b>Recipient's Infrastructure obligations</b>	The Recipient to take ownership of components beyond the nominated point of delivery and assume ongoing operation and maintenance of these works.
<b>Term</b>	Ten (10) years with effect from the date of execution of this Agreement
<b>Permitted Uses</b>	Irrigation of the Braeside Primary School Oval, Katanning Primary School Oval, Katanning Leisure Centre Ovals and Public Open Space at Prosser Park.
<b>Delivery Point</b>	At the connection of the Corporation's recycled water main to the Shire's main near the intersection of Adam St, Drove St and Katanning-Nyabing Road.
<b>Wastewater Treatment Plant</b>	Katanning WWTP.

## Schedule 2 Quality Standards of Recycled Water

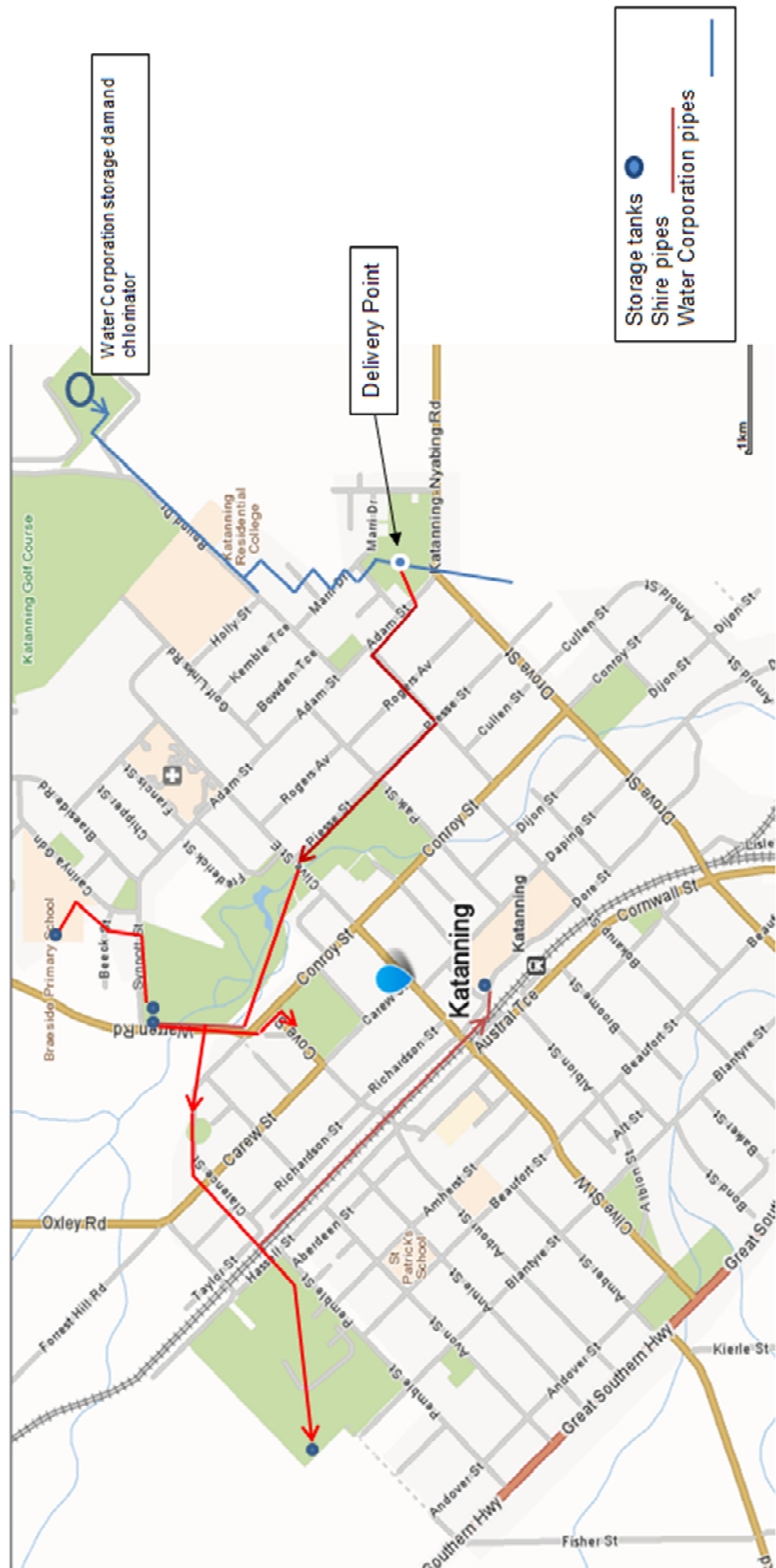
At the post chlorination sample point [ID S7014479]:

Parameter	Unit	Range
pH	n/a	6.5 – 8.5
<i>E.coli</i>	CFU/100mL	<1000
Total Chlorine	mg/L	>1.0

**Schedule 3   Not Used**

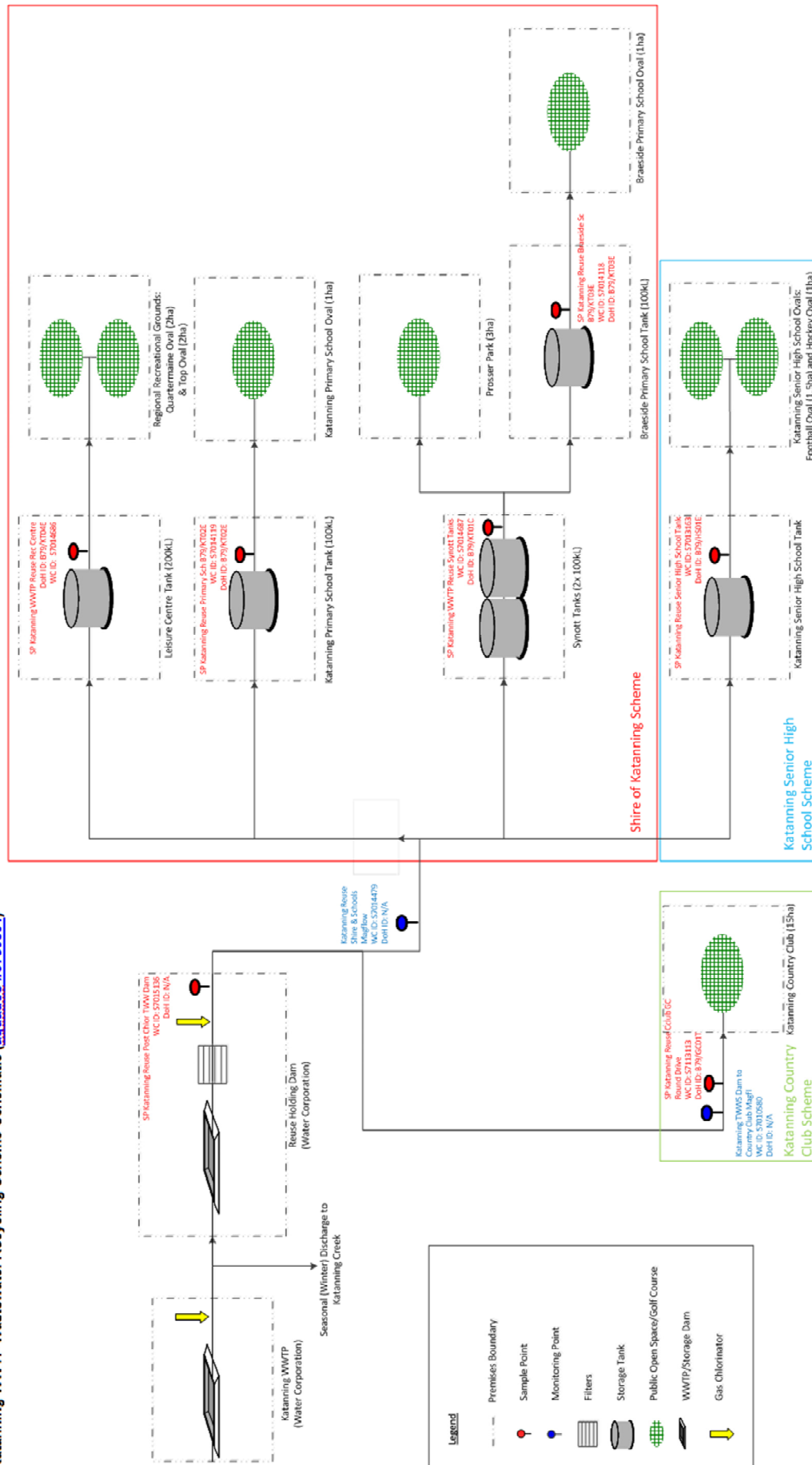
**Schedule 4 Not Used**

Annexure A – Plan





Katanning WWTP Wastewater Recycling Scheme Schematic ([aquadoc #8765551](#))



## **Annexure B – Not Used**

**Annexure C – Recycled Water Quality Management Plan (RWQMP)**

**Katanning WWTP**

Wastewater Recycling Scheme

(Shire of Katanning)

RWQMP

Doc ID #13466366 (draft)

**Annexure D – Process Control Table**

**Katanning WWTP**

Wastewater Recycling Scheme

(Shire of Katanning)

Process Control Table

Doc ID #9361815

Signing Page

Executed by the parties as an agreement:

Signed for  
Water Corporation  
by a duly authorised officer  
in the presence of:

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Authorised Officer

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

The common seal of  
Shire of Katanning  
is affixed to this  
document:

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Authorised Officer

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date





Shire of  
**Katanning**  
Heart of the Great Southern

Annual Report  
2015 – 2016



Heart of the Great Southern

This document is available in other formats on request for people with disability.

Street Address: 16-24 Austral Terrace, Katanning WA 6317  
Postal Address: PO Box 130, Katanning WA 6317  
Phone: 9821 9999 Fax: 9821 9998  
Email: [admin@katanning.wa.gov.au](mailto:admin@katanning.wa.gov.au)  
Website: [www.katanning.wa.gov.au](http://www.katanning.wa.gov.au)  
Facebook: [www.facebook.com/ShireOfKatanning](http://www.facebook.com/ShireOfKatanning)  
Twitter: [www.twitter.com/Katanning\\_Shire](http://www.twitter.com/Katanning_Shire)



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## President's Report

I am pleased to present to the community, the Shire of Katanning Annual Report for the 2015/2016 financial year.

A warm welcome to all those of you that have chosen to make Katanning their home.

My term of President commenced in October 2015. I pay tribute to past President Alan Mc Farland. Alan served on Council for 18 years; we thank him for his service and commitment to Katanning.

Highlights for the year

- SERCUL review of Piesse Lake
- Workforce Review
- Probity and Procurement Audit
- Appointed Manager of Works
- Continue to liaise with Nigel Oakey from The Dome Group in relation to the Old Mill Development.
- Appointed Slavin Architects to the Early Childhood Hub Project
- Council moved to seek tenders for Design and Construction of the Administration and Civic Centre
- Tender for Addition to Katanning Leisure Centre – Gymnastics.
- Harmony Festival



Julian Murphy was appointed CEO and commenced at the Shire of Katanning late August 2015.

Almost everyone agrees that Julian was faced with more challenges than your average Local Government. Julian has made significant inroads in developing a positive conversation with the community, his open and relaxed manner and willingness to meet with community groups has been appreciated by many of our residents.

This achieved, he has been steadily working through other issues, as the Councillors Performance Review attested, Julian has had a heavy workload without a full compliment of Executive staff – we acknowledge the challenges have been wide ranging.

There is no doubt that the leadership our CEO has provided has created the positive change the community were looking - Thankyou Julian.

I take this opportunity to thank Deputy President Craig McKinley for your support in the 2015/16 year. To Councillors particularly those Councillors who are supporting the new leadership and drive for more accountability and community engagement – Thank you for your willingness to be involved in serving our community.

I would also like to thank our residents, you have embraced and supported the new leadership team and assisted us to foster positive progress for our Community.

The staff at the Shire of Katanning are the backbone of the organisation and deliver the services to the community. The endeavour over the 2015/16 year in workforce support and development has enabled the staff group to develop both skill and enthusiasm which has resulted in a more positive experience for both staff and community alike. Thank you to all staff, your efforts are very much appreciated.

Katanning has been very fortunate in receiving funding for much needed upgrades in infrastructure and amenity, I believe that Katanning has a great future and with informed planning, fiscal responsibility and community engagement we can strive for and achieve sustainability and vibrancy and in the long term.

**Cr Liz Guidera**  
**President**



## Chief Executive Officer's Report

2015 - 2016 was a year of significant change for the Shire of Katanning including changes in leadership both with the CEO and Council.

I commenced in the role of CEO in August 2015 and spent a significant amount of time in the first three months getting to know the Shire and building relationships with community groups, stakeholders and our neighbouring local governments.

Council elections were held in October 2015 which saw three new Councillors elected as well as the election of new President and Deputy President. An extraordinary election was required in February 2016 to fill a further vacancy created by a resignation.



The Shire of Katanning Community Strategic Plan identifies the priorities and aspirations identified by the community through public consultation. The Shire continues to work towards the implementation of strategies outlined in the Plan, the progress of which is reported within this year's Annual Report.

A number of significant projects have been progressed throughout the year including:

- Katanning Early Childhood Hub
- Great Southern Roundabout Construction
- Clive Street Upgrade
- Piesse Lake Development
- Lake Ewlyamartup Boat Ramp and Facilities
- Katanning Hotel Restoration

The Shire of Katanning has been successful in attracting significant funding through the Royalties for Regions – Growing Our South initiative of \$15.7M and Lotterywest of \$2M for the Katanning Heritage Centre project to continue upgrades to facilities in Katanning in the Welcome precinct and at Piesse Lake.

Council also approved the transfer of the Old Katanning Flour Mill to Dome Coffees Australia to facilitate the development of a new hotel and Dome café; the first of its type in Western Australia.

During 2015 - 2016 I undertook a review of the organisation's workforce and worked with the Department of Local Government to undertake a Probity Audit of the Shire's procurement and purchasing procedures. The resulting recommendations of both processes have largely been implemented with the aim of improving the Shire's policies, practices and procedures.

The Shire has worked towards improving the way it engages with the community and be transparent and accountable in the way it operates. To achieve this, the Shire engages with the community on a number of levels including the use of social media. Information on Shire activities is distributed through the Shire Matters Newsletter, Website and Facebook page.

I would like to thank the Katanning Community for the open and friendly welcome that was provided to me on starting in the job and express my appreciation to the Council and the Staff for the support they have provided over the past year.

**Julian Murphy**  
**Chief Executive Officer**

## Katanning in Brief

The Shire of Katanning is located in the Upper Great Southern Region of Western Australia three hours drive south east of Perth.

Katanning is a vibrant country community founded on rural industries.

Katanning provides a range of services to meet the community's needs including education, health, recreation facilities and affordable land and housing.

Shire of Katanning Statistics	
Distance from Perth	283km
Area	1,523 sq km
Length of Sealed Roads	255.1km
Length of Unsealed Roads	528.6km
Population	4,428
Number of Electors	2,419
Number of Dwellings	2,141
Total Rates Levied	3,165,208
Total Revenue	16,085,565
Number of Employees	64 FTE

## Councillors



**Cr Liz Guidera**  
**Shire President**

Ph: 0418 926 218  
Term expires 2019



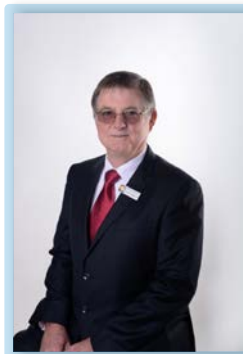
**Cr Craig McKinley**  
**Deputy Shire President**

Ph: 0423 128 069  
Term expires 2017



**Cr Owen Boxall**

Ph: 0428 899 024  
Term expires 2017



**Cr John Goodheart**

Ph: 0407 193 118  
Term expires 2019



**Cr Richard Kowald**

Ph: 0427 969 926  
Term expires 2017



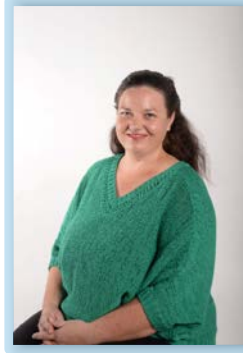
**Cr Danny McGrath**

Ph: 0427 876 117  
Term expires 2017



**Cr Alep Mydie**

Ph: 0487 182 144  
Term expires 2017



**Cr Serena Sandwell**

Ph: 0428 887 246  
Term expires 2019



**Cr Martin Van  
Koldenhoven**

Ph: 9821 1695  
Term expires 2019

## Executive Management Team



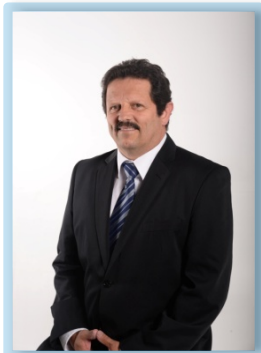
**Julian Murphy**  
**Chief Executive Officer**

Governance  
Community Relations  
Human Resources  
OSH and Risk



**Andrew Holden**  
**Deputy Chief Executive Officer**

Corporate Services  
Finance and Rates  
Customer Service and Administration  
Information Technology



**Uwe Striepe**  
**Director Engineering and Development**

Engineering  
Public Works  
Ranger Services  
Parks and Gardens  
Building Control, Environmental Health and Planning Services



**Sam Davis**  
**Executive Manager Projects and Community Building**

Strategic Planning  
Community Development  
Leisure Centre  
Library and Art Gallery  
Aquatic Centre

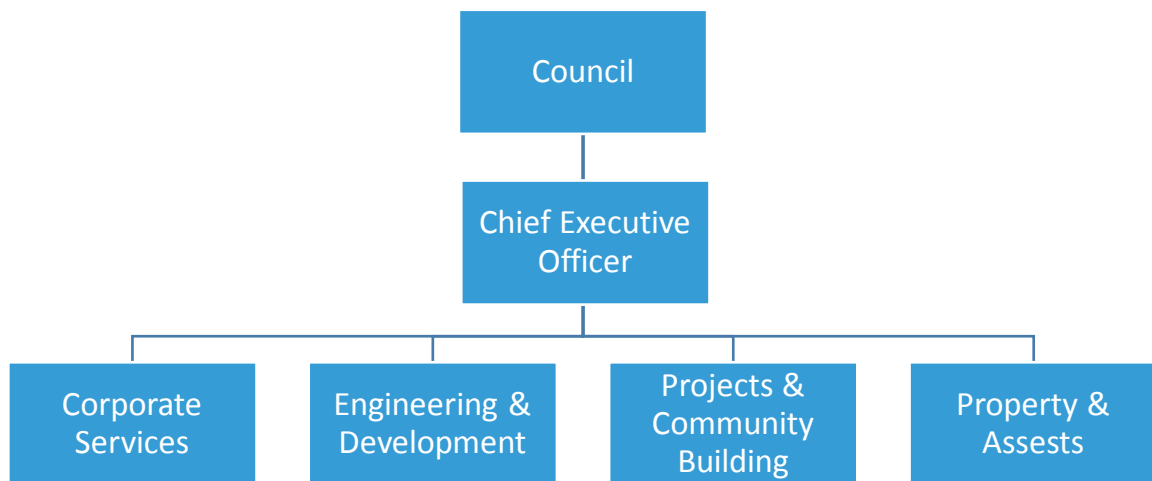




**Andrus Budrikis**  
**Executive Manager Property and Assets**

Building Maintenance  
Infrastructure Management  
Saleyards  
Asset Management

## Organisational Structure

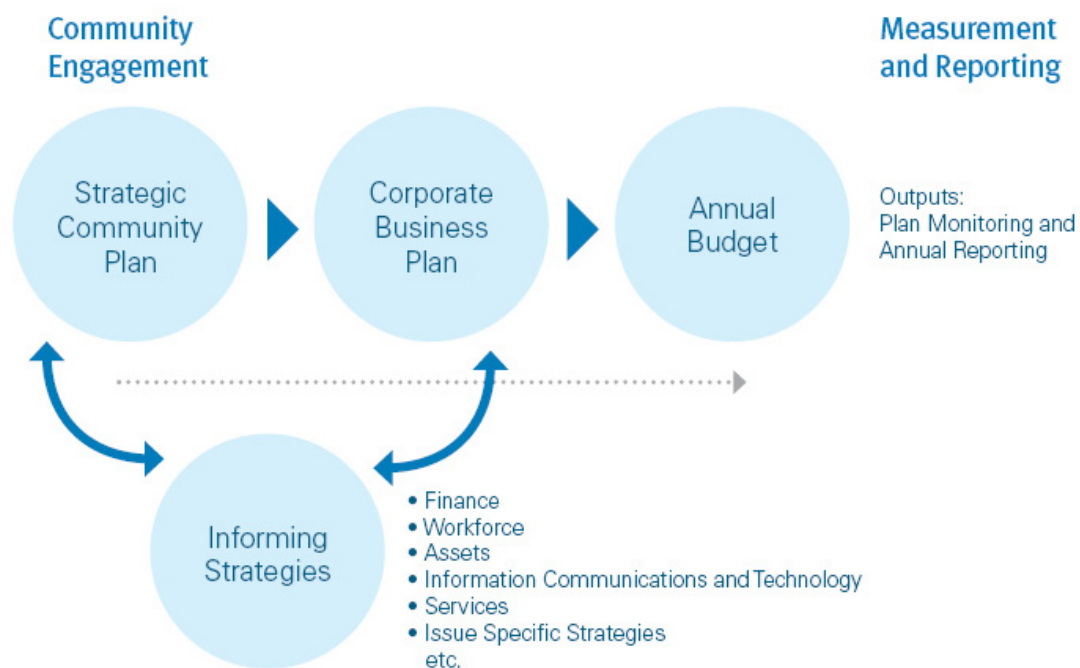


## Strategic Community Plan

In 2010, the Western Australian State Government introduced legislation requiring Local Governments to prepare an Integrated Planning and Reporting (IPR) Framework by June 2013. Integrated planning ensures that Councils Strategic Plan reflect the community aspirations, visions, and priorities of the district.

The Shire consulted widely with the community to produce the Strategic Community Plan and other plans within the IPR Framework.

The diagram below highlights the components of the framework:



## Elements of Integrated Planning and Reporting Framework

In accordance with the legislation and following extensive community input, Council adopted its Strategic Community plan in February 2013.

The plan is Council's principal planning and strategy document, which means that it governs all of the work that the Shire undertakes, either through direct services delivery, partnership arrangements, or advocacy on behalf of the community.

In accordance with the legislations, Council is required to report to the community annually its progress towards achieving the objectives.

### Strategic Community Plan 2015-2016 – Progress

#### Our Vision

*"Together, We're Building Katanning's Future"*

In partnership with Council the community has developed a clear and powerful vision to build the future of Katanning based on an evolution of growth and progression. By mid 2023 the Shire of Katanning will;

Achieve a population of 15,000 by embracing its aboriginal, agricultural, multicultural and built heritage as it moves forward as a cohesive community seeking investment in economic, environmental and social infrastructure. Our aim is to achieve self supporting growth and recognition as the inland heart of the Great Southern.

### *Key Focus element one: Community and Culture*

#### **1. Improve lifestyle**

	Activity	Key elements
1.1	Community Space	Prepare a structure plan around Piesse Park incorporating open space upgrades. <b>Status:</b> Public consultation executed, Katanning SuperTown Heritage Centre Project \$15.7 million funding announced and Master Plan drafted by Sercul.
		Produce medium density housing around Piesse Park with an 'urban living in the country' theme. <b>Status:</b> Draft LPS5 published.
		Develop guidelines and planning requirements to deliver significant shade to car parking areas. <b>Status:</b> Not yet started.
		Engage with LandCorp and the Department of Housing for the timely delivery of lots and housing to the market. <b>Status:</b> Katanning SuperTown Heritage Centre Project
		Pursue quality affordable housing for Local and State Government transient employees. <b>Status:</b> GSDC Affordable Housing Project.
1.2	Options for specific needs	Provide a range of affordable housing that accommodates young adults within and around the town centre. <b>Status:</b> GSDC Affordable Housing Project.
		Identify a suitable location for a future senior citizens centre. <b>Status:</b> Ongoing- studies developed.
		Provide for a lifestyle village at Thompson Park and/or Kobeelya. <b>Status:</b> Thompson Park under consideration.
		Provide a range of housing that accommodates the aged within and around the town centre. <b>Status:</b> Business Case developed.
1.3	Safety and security	Plan for indigenous police officer recruitment or a local indigenous community patrol. <b>Status:</b> Subject to WA Police resourcing.

#### **2. Expand Health**

	Activity	Key elements
2.1	Medical facilities	Establish a growth strategy for the regional hospital and other public services. <b>Status:</b> Facilitated new GP.
2.2	Community justice	Encourage the development of a human services hub.

		<b>Status:</b> Involved with the Great Southern Housing Plan and Workforce Development Plan.
2.3	Community health	<p>Identify the extent of land required and develop a Regional Health Campus.  <b>Status:</b> Upgrades to Katanning Hospital commenced.</p> <p>Consolidate health services and practices within the vicinity of the Regional Health Campus.  <b>Status:</b> Ongoing</p> <p>Create an early childhood hub for the region.  <b>Status:</b> FAA Signed \$5.7million. Slavin Architects appointed May 2016.</p>
2.4	Community education	<p>Katanning High School to be recognised and promoted for excellence.  <b>Status:</b> Ongoing.</p> <p>Develop improved early childhood and 'in school' education opportunities for 'at risk' groups.  <b>Status:</b> Funding approved for development of Early Childhood Hub.</p> <p>Encourage the establishment of a private boarding school.  <b>Status:</b> In discussion with Katanning Middle School Committee.</p> <p>Encourage expansion of TAFE to embrace the Centre of Agricultural and Engineering Excellence.  <b>Status:</b> Major input to Katanning Workforce Plan 2015-2018.</p> <p>Develop mentorship programs to expose youth to the career and lifestyle options available in a rural setting.  <b>Status:</b> Traineeships offered at the Library and Shire Administration. Work experience at the Shire offered through the High School.</p>

### 3. Develop Cultural Diversity

	Activity	Key elements
3.1	Community markets	<p>Investigate the possibility of a local produce market being located at the railway station.  <b>Status:</b> Under review.</p> <p>Develop community markets with a multicultural flavour.  <b>Status:</b> Under review.</p>
3.2	Cultural recognition	<p>Compile and integrate a collection of local art works and records into local Noongar facilities.  <b>Status:</b> Under review.</p> <p>Upgrade landscaping and include interpretative signage and art in park adjacent to current Noongar Centre.  <b>Status:</b> MAEEP report to State Government in 2015.</p> <p>Identify culturally significant sites and encourage Noongar representatives to monitor operations that involve digging in these areas.  <b>Status:</b> Under review.</p>
3.3	Involvement equality	<p>Develop and adopt a policy on community engagement and social media.  <b>Status:</b> Working progress.</p> <p>Provide a mechanism to embrace and encourage entrepreneurship in the ethnic community.</p>

		<p><b>Status:</b> Harmony Festival has been used as a conduit to support local members of the community to experience catering. A pilot project is being developed for 2017 to support locals to offer craft and food.</p>
		<p>Upgrade the Centrelink agency in town to a full time central office with staff specialised in migrant user groups.</p> <p><b>Status:</b> Under review.</p>

### Key Focus element two: Environment and Land Use

#### 4. Strategise Water Management

	Activity	Key elements
4.1	Groundwater	<p>Upgrade culverts on rural roads.</p> <p><b>Status:</b> Ongoing.</p>
4.2	Storm and waste water	<p>Prepare drainage and flood strategy for the Katanning town site.</p> <p><b>Status:</b> Completed, needs to be revised.</p> <p>Prepare a drainage plan for Clive Street and Austral Terrace.</p> <p><b>Status:</b> Not yet started.</p> <p>Upgrade pedestrian crossings to meet AS1428 and to limit risk to public safety during peak flow events.</p> <p><b>Status:</b> Not yet started.</p>
4.3	Natural waterways	<p>Continue the Living Streams project along the Katanning Creek.</p> <p><b>Status:</b> Under consideration as part of the Katanning SuperTown Heritage Centre Project.</p>
4.4	Water Supply	<p>Undertake a Water Balance Study and Water Management Study for the town and its catchment, and proceed with costed and sound recommendations.</p> <p><b>Status:</b> A strategic water management plan was completed. Costed recommendations not yet completed. A project proposal was developed with the Shire of Kojonup to seek funding.</p>

#### 5. Increase Climate and Ecology Footprint

	Activity	Key elements
5.1	Use of native flora and fauna	<p>Undertake strategic planting of native vegetation along waterways and road reserves.</p> <p><b>Status:</b> Under review.</p> <p>Develop a Street Tree and Parkland Replacement Master Plan incorporating locally occurring tree species.</p> <p><b>Status:</b> Under review.</p> <p>Compile a comprehensive register of local bush tucker plant species to be incorporated into revegetation works around the town site and develop interpretative signage for these plantings with local indigenous artists.</p> <p><b>Status:</b> Under review.</p> <p>Develop policies on using locally native species in Public Open Space areas, streetscapes and as part of any future landscaping packages within front gardens.</p> <p><b>Status:</b> Under review.</p>

5.2	Carbon reduction	Develop policies for the Shire to reduce its carbon emissions through practical means. <b>Status:</b> Design of new Shire Administration office incorporates energy efficiency. Incorporation of Solar panels at the Saleyards and Staff Housing.
		Develop all new Shire buildings on solar passive and energy efficient principles. <b>Status:</b> Early Childhood Hub and new Shire Administration office will feature passive energy systems. Incorporation of Solar panels at the Saleyards and Staff Housing.
		Encourage existing and new businesses with assistance to undertake water and energy assessments. <b>Status:</b> Under review.
		Encourage small scale power generation on individual lots. <b>Status:</b> Under review.
		Develop policies for sustainable building and development for all residential and commercial construction, and for all builders operating in the Shire to support recycling, reuse and to be HIA Green Smart accredited. <b>Status:</b> Under review.
		Subject to demonstrated viability studies construct a biomass plant that uses locally contracted feedstock. <b>Status:</b> Discussions underway.
5.3	Natural resource protection	Continue the strategic Landcare plantings within the Shire. <b>Status:</b> Ongoing.
		Implement a policy for verge planting with a focus on appropriate native species. <b>Status:</b> Under review.
		Provide awareness raising information in sustainable living/ building to existing & new residential residents & businesses. <b>Status:</b> Inkind and financial support for Landcare in their annual Eco Week event.
		Support the restoration of Lake Ewlyamartup. <b>Status:</b> Grant received.
5.4	Biodiversity strategies	Provide awareness raising information and training in sustainable farming practices to small rural holders. <b>Status:</b> Landcare.
		Retain where possible all key bush areas within the town and on the edge to assist with water management, habitat and ecology and developing a unique sense of place. <b>Status:</b> Ongoing.
		Investigate the commercialisation of native foods and other products that builds on previous studies and assist primary producers produce commercialised native products and develop robust markets. <b>Status:</b> Ongoing.
		Investigate the feasibility of establishing a Centre for Agricultural and Engineering Excellence with the intention to improving the sustainability and profitability across all aspects of the existing agriculture sector. <b>Status:</b> Katanning Workforce Development Plan 2015 –

		2018. Land surrounding the Katanning Leisure Centre has been investigated for agricultural uses.
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## 6. Develop Land Use

	Activity	Key elements
6.1	A focus on safety and security	Extend the Town's security surveillance coverage. <b>Status:</b> CCTV upgrade grant submitted.
6.2	Flexible land use planning	<p>Establish a minimal hierarchy of plans required to facilitate development. <b>Status:</b> New Planning Scheme drafted and advertised. LPS5 is minimalist and includes Deemed Provisions.</p> <p>Support the infill of urban blocks to avoid urban sprawl. <b>Status:</b> Residential Density Codings increased under LPS5.</p> <p>Introduce urban expansion areas for residential and industrial development and review density coding in underdeveloped areas to achieve the maximum benefit from future development. <b>Status:</b> DIAs identified in Planning Strategy and shown as Future Urban or Future Industry in LPS5. Residential Density Codings reviewed and increased in LPS5.</p> <p>Promote the natural transition of service industry uses out of the town centre to an expanded Light Industrial Area. <b>Status:</b> Draft LPS5 includes 'new' Enterprise zone and combined Town Centre-Commercial zone.</p> <p>Promote residential expansion in the N and NE corridors and special residential expansion in the southwest corridor. <b>Status:</b> DIAs identified in Local Planning Strategy.</p> <p>Laneways may be retained/redeveloped with grouped housing or maintain the existing local character on a street by street basis. <b>Status:</b> Ongoing.</p>
6.3	Structure plans for new areas	<p>Prepare a Structure Plan for the residential area bounded by Warren Road and Katanning Dumbleyung Road to consolidate lots, formalise the multiple use corridor and provide a more appropriate transition to future residential development areas. <b>Status:</b> Priority Structure Plan developed and advertised.</p> <p>Prepare a Structure Plan for Clive Street between the main street precinct and Piesse Park to provide a higher density residential and mixed use transition from the main street to the medium density precincts. <b>Status:</b> Not yet started.</p> <p>Prepare a Structure Plan for the Crosby Street and Clive Street area to encourage consolidation and resolve access issues to the highway and provide an attractive interface to the entrance to the town. <b>Status:</b> Not yet started.</p>



		<p>Prepare a Structure Plan for the O'Callaghan Park area to facilitate development of the mining construction camp and to facilitate the future transition of the area to other uses post mine construction.</p> <p><b>Status:</b> Technical and background documents prepared (including Flora Assessment).</p>
		<p>Prepare a Structure Plan for the eastern industrial expansion to facilitate a range of industrial initiatives.</p> <p><b>Status:</b> Structure Plan prepared – land swap with DAFWA being progressed. Awaiting approval.</p>
6.4	Heritage protection strategies	<p>Prepare a local planning policy to create a Heritage Precinct along Austral Terrace and pursue upgrading of heritage buildings and streetscapes.</p> <p><b>Status:</b> Strategy and Scheme Objectives apply to ensure sensitive development and upgrade. Austral Terrace, between the Roller Flour Mill and King George Hotel is within an identified Heritage Precinct – Place number 1338. Policy 9.13 established for Clive Street and Austral Terrace Revitalisation Front Facade Incentive.</p> <p>Identify suitable uses for the railway buildings and appropriate landscaping.</p> <p><b>Status:</b> Ongoing.</p> <p>Develop painting, character and signage policies sympathetic to the age and character of historic buildings.</p> <p><b>Status:</b> Under review.</p>

### Key Focus element three: Facilities and Services

#### 7. Pursue Facility Development

	Activity	Key elements
7.1	Town Hall improvements	<p>Upgrading and adaption of the town hall as a regional entertainment centre.</p> <p><b>Status:</b> New kitchen and bar almost complete. Ongoing.</p>
7.2	Sports facility consolidation	<p>Identify incentives for the Bowling Club to relocate to the Country Club or Leisure Centre.</p> <p><b>Status:</b> Continuing to encourage co-location also part of Piesse Lake Structure Plan and approved for Katanning SuperTown Heritage Centre Project funding.</p>
7.3	Recreation improvements	<p>Expand Leisure Centre to accommodate gymnastics and additional multifunctional spaces.</p> <p><b>Status:</b> Construction expected to commence late 2016.</p>
7.4	New facilities	<p>Identify a suitable site for a Motorplex.</p> <p><b>Status:</b> Site Identified.</p> <p>Utilise the Unit Hotel and surrounding land as a new Administration Centre.</p> <p><b>Status:</b> Renovation Unit Hotel underway. Expected to finish end of 2016.</p> <p>Pursue additional recreational activities and facilities at Lake Ewlyamartup.</p> <p><b>Status:</b> Facilities upgrade expected to be finished August 2016.</p>

## 8. Maintain Transport Systems

	Activity	Key elements
8.1	Freight routes and road linkage	Create dedicated transport links between the heavy industry area and regional transport routes. <b>Status:</b> Ongoing.
		Review intersection layouts and turn lanes to reinforce Marmion Street as the freight route. <b>Status:</b> Under review.
		Consider the connectivity of Warren Road to the regional sale yards by creation of a new east skirting link. <b>Status:</b> Not yet started.
		Create integrated car parking areas with direct access to the street rather than rely on individual developers. <b>Status:</b> New extensive parking created behind the Town Square and SportsPower complex.
8.2	Pedestrian routes	Incorporate safe and efficient pedestrian routes throughout existing and future residential areas. <b>Status:</b> Ongoing.
8.3	Cycleways	Incorporate safe and efficient cycle routes throughout existing and future residential areas. <b>Status:</b> Ongoing.

## 9. Develop Waste Management

	Activity	Key elements
9.1	Regional waste facility	Develop Katanning to be a Regional Waste Management Facility servicing the Central Great Southern Region. <b>Status:</b> Ongoing and underway.
9.2	Recycling programs	Establish a building materials re-use depot at the Regional Waste Management Facility. <b>Status:</b> Not yet started.
9.3	Waste minimisation	Incorporate extensive recycling and reuse as part of the expanded waste management program including developing new products and business based on the waste streams. <b>Status:</b> Ongoing.
9.4	Waste re-use programs	Link waste streams from the Regional Waste Management Facility with other wastes to produce composts, garden fertilisers and agricultural products. <b>Status:</b> Not yet started.

### Key Focus element four: Leadership and Development

## 10. Pursue Economic Development

	Activity	Key elements
10.1	Industrial development	Monitor the availability of power and water supplies to service potential industrial users. <b>Status:</b> Ongoing.
		Promote the Katanning gas pipeline route option for the Bunbury to Albany pipeline. <b>Status:</b> Under review.

		Identify and compile sufficient land to accommodate new services and business opportunities. <b>Status:</b> Ongoing. LPS5 identifies new “Enterprise” zone and Industrial Precincts. Investigate/pursue disposal of former saleyards.
		Conduct a feasibility study into a dedicated food processing precinct. <b>Status:</b> Ongoing.
		Establish a heavy industrial precinct to accommodate businesses servicing the mining and agricultural sectors. <b>Status:</b> LPS5 has designated Industrial Precincts; Structure Plans prepared.
		Identify, and protect from competing uses, land for future expansion of the Light Industrial Area. <b>Status:</b> Priority Structure Plan for DAFWA land swap.
		Locate a transformational construction camp in O’Callaghan Park. <b>Status:</b> Subject land designated in LPS5, preliminary technical and background assessments prepared.
10.2	Economic initiatives	Pursue the development of a Business Case for a Call Centre, Data Storage Centre, ISP or other digital economic initiatives. <b>Status:</b> Not yet started.
		Promote Katanning’s capacity to accommodate businesses that benefit from the Fibre Optic Hub. <b>Status:</b> Ongoing.
		Promote establishing of an Economic Development Officer, business advice centre and business incubator. <b>Status:</b> Ongoing refurbishment of the Unit Hotel to accommodate KRBA and possible business incubator.
		Establish a working party to work closely with the Western Australian Meat Marketing CoOperative to identify and plan for future expansion. <b>Status:</b> Ongoing.
		Build a business case to develop an agrifood precinct that takes into account linkages with the Western Australian Meat Marketing Co-Operative. <b>Status:</b> Ongoing.
		Pursue a Memorandum of Understanding with Ausgold in respect to workforce accommodation, integration and local procurement. <b>Status:</b> Not yet started.
		Pursue a land swap of the Curlew precinct with O’Callaghan Park. <b>Status:</b> Ongoing liaison with Department of Lands. Valuation obtained. Reflected in LPS5.
		Locate an agrifood precinct in a location that takes into account the location and linkages to the Western Australian Meat Marketing Co-Operative. <b>Status:</b> Structure plans prepared for Henry Street and Eastern Industrial Precincts, with opportunities for co-location and Agrifoods.

10.3	CBD revitalisation	Assemble land to accommodate parking, major retailers and government offices in the town centre. <b>Status:</b> Ongoing. Completion of parking at rear of Town Square and Sports Power.
		Encourage major retailers to locate adjacent to the Main street. <b>Status:</b> Ongoing.
		Refresh the retail environment and make the shopping experience more enjoyable. <b>Status:</b> Ongoing. Streetscape project and facade subsidy.
		Pursue activation of the upper levels of buildings to give an added dimension to land use. <b>Status:</b> Ongoing.
		Adhere to retail development within a clearly defined town centre boundary. <b>Status:</b> Ongoing and in accordance with TPS4 and LPS5.
10.4	Higher density residential	Utilise bowling club land for medium density housing if club relocated. <b>Status:</b> Ongoing conferral, LPS5 designates land as Special Site. Katanning SuperTown Heritage Centre Project funding approved that incorporates residential development of the land.
		Promote R40 medium density housing opportunities on land affording views of Piesse Park. <b>Status:</b> LPS5 designates Piesse Lake as R40. Structure Plan prepared and advertised. Katanning SuperTown Heritage Centre Project funding includes the development of land adjacent to Piesse Lake.
		Encourage redevelopment of Department of Housing lots on Synott Ave for medium density housing. <b>Status:</b> Last development built by the Department was of higher density consistent with lots across Synott Ave.
		Encourage the progressive consolidation and redevelopment of defined areas close to town and Piesse Park. <b>Status:</b> Development of Structure Plans commenced.

## 11. Pursue Community Development

	Activity	Key elements
11.1	Tourism and promotion	Undertake economic modelling on the feasibility of land subdivision and subsidised servicing of residential lots. <b>Status:</b> Katanning SuperTown Heritage Centre Project funding partly develops residential lots.
		Develop a Tourism and Marketing Strategy and a Market Prospectus outlining economic and social opportunities. <b>Status:</b> Under review.
		Pursue opportunities to install sculptural iconic elements and an interpretive trail. <b>Status:</b> Not yet commenced.
		Create roundabouts, entry statements and enhance the tree lined avenue on Great Southern Highway. <b>Status:</b> Great Southern Highway roundabout

		<p>construction commenced.</p> <p>Develop a market feasibility to increase the supply of short stay accommodation.  <b>Status:</b> Premier Flour Mill Hotel in the Old Mill encouraged by Council support and the Great Southern Project.</p>
11.2	Participation and engagement	<p>Establish a local content taskforce to act as mediator with Ausgold and other businesses.  <b>Status:</b> Not yet started.</p> <p>Establish a Community Development working group and a Community Development Officer position.  <b>Status:</b> Ongoing.</p> <p>Undertake an audit of skills and experience of the Shire's extensive migrant population.  <b>Status:</b> Planning underway for Asset Mapping.</p> <p>Pursue quality affordable housing for Local and State Government transient employees.  <b>Status:</b> Great Southern Housing Project.</p>
11.3	Image and esteem	<p>Forge partnerships between key industries and local businesses to ensure their future in the town.  <b>Status:</b> Forge partnerships.</p> <p>Create a Place Manager/Town Centre Manager position to maintain a vibrant and vital business mix.  <b>Status:</b> Not yet started.</p> <p>Create visual landscape linkages from the Main Street to Great Southern Highway and Piesse Park.  <b>Status:</b> KAN Flag Project and roundabout</p> <p>Enhance built form to town entries through high quality infill development and design guidelines.  <b>Status:</b> FAA Grant and Lotteries</p> <p>Work closely with community groups and allow them ownership of projects and ideas.  <b>Status:</b> Ongoing. New group Katanning Action Network and their Flag Project idea.</p>
11.4	Regional profile	<p>Promote the creation of a Centre for Agriculture and Engineering Excellence, including the Western Australian Meat Marketing Co-Operative.  <b>Status:</b> Structure Plans prepared for Henry Street and Eastern Industrial Precincts, with focus on Agri Business and opportunities for value-adding. Katanning Workforce Development Plan 2015 – 2018.</p> <p>Investigate ways in which Katanning can become a centre for carbon management.  <b>Status:</b> Under review.</p> <p>Build a business case for the development of a detention centre, prison and/or a migrant transition centre.  <b>Status:</b> Business case for migrant transition centre completed.</p>

## 12. Lead in Governance

	Activity	Key elements
12.1	Accountability	<p>Maximise technology to improve customer service across the organisation.</p> <p><b>Status:</b> Moved to Synergy Records Management and discussion underway for IT to move to Cloud based.</p>
12.2	Legal and ethical compliance	<p>Integrate risk management practices within project, strategic and operational processes.</p> <p><b>Status:</b> Ongoing.</p>
12.3	Business capacity	<p>Plan for redevelopment of the current Shire of Katanning Administration Office by 2015.</p> <p><b>Status:</b> Architect tender advertised.</p>
		<p>Prepare and implement a Business Continuity Plan.</p> <p><b>Status:</b> Ongoing.</p>
		<p>Prepare and implement an Information Management Disaster Recovery Plan.</p> <p><b>Status:</b> Ongoing.</p>
12.4	Structural change	<p>Pursue resource sharing opportunities with neighbouring Shires.</p> <p><b>Status:</b> Ongoing.</p>

## Major Projects Snapshot



**Outdoor Gym**



**Bus Shelter and TransWA**



**Early Childhood Hub**





**RV Friendly Town Status**



**\$15.72 million Katanning SuperTowns Heritage Centre Project Funding Announcement**



**\$2 million Welcome Precinct and Piesse Lake Development Funding Announcement**



**Fly Your Flag**

# Compliance

## National Competition Policy

This policy was introduced by the Commonwealth Government in 1995 to promote competition for the benefit of business, consumers and the economy by removing unnecessary protection of monopolies of markets where competition can be enhanced. It effects local governments as factors such as exemption from company and income tax or possible local regulations and laws may give local government a potential advantage over private contractors.

In respect to Council's responsibilities in relation to the National Competition Policy the Shire reports as follows:

- No business enterprise of the Shire of Katanning has been classified by the Australian Bureau of Statistics as either a Public Trading Enterprise or a Public Financial Enterprise.
- Competitive neutrality has not applied to any activities undertaken by the Shire in this reporting period.
- No allegations of non-compliance with the competitive neutrality principles have been made by any private entity.
- The principles of competitive neutrality will be implemented in respect of any relevant activity undertaken during the next financial reporting period.

## Freedom of Information

In complying with the *Freedom of Information Act 1992*, the Shire of Katanning is required to prepare and publish an information statement.

The Shire of Katanning's Information Statement is reviewed annually and is available via Council's website or at the Shire administration office. The information statement contains information on the type of documents available to the public and how to access those documents.

Nil enquiries were received during the 2015-2016 period.

## State Records Act

The *State Records Act 2000* requires the Shire maintains and disposes of all records in the prescribed manner.

Principle 6 – Compliance: Government Organisations ensure their employees comply with the record keeping plan.

Rationale: An organisation and its employees must comply with the organisation's record keeping plan. Organisations should develop and implement strategies for ensuring that each employee is aware of the compliance responsibilities.

Minimum Compliance Requirements:

The record keeping plan is to provide evidence to adduce that:

1. The efficiency and effectiveness of the organisation's record keeping system is evaluated not less than once every 5 years.
2. The organisation conducts a record keeping training program.
3. The efficiency and effectiveness of the record keeping training program is reviewed from time to time.

4. The organisation's induction program addresses employee roles and responsibilities in regard to their compliance with the organisation's record keeping plan.

The Shire has complied with items 1 to 4.

## Disability Access and Inclusion Plan

All Western Australian Local Government Authorities are required to develop and implement Disability Access and Inclusion Plans in accordance with the Disability Services Act (1993) to ensure people with disability have the same opportunity as others to access council services, facilities, information, employment and civic participation. The Shire of Katanning offers many services that ensure the community is inclusive of people with disability and their families.

People with disabilities represent a significant section of the Katanning community. According to the Disability Services Commission (Disability Services Commission website, 2004) the number of people living in the Shire of Katanning who have a disability is 17.8% of the total population. This represents almost one in five people or approximately 900 people. Given that Katanning is also a regional service provider for the Shires of Broomehill, Woodanilling, Dumbleyung, Kojonup, Gnowangerup and Kent it can be estimated that the number of people with Disabilities for who the Shire of Katanning provides services and facilities is significantly higher than 1000.

The vast majority of people with a disability (or disabilities) live in the community. It is therefore important that they have the same opportunities and choices as other people to participate in community life.

Given the broad range of services provided to its communities, Local Government plays a vital role in the lives of people with disabilities, their carers and families.

In 2015-2016 the following Shire initiatives contributed towards the achievement of the DAIP outcomes:

- Two new unisex disabled access toilets were constructed next to the Town Hall. This location is central to all the primary shopping locations in Katanning as well as banks, the Shire offices and other community resources. These two facilities replace a public toilet that did not have disabled access.
- The Shire applied for and was successful in obtaining grant funding for a Changing Places Restroom. The restroom will be a secure, clean environment containing specialised facilities such as a hoist, adult change table, an automatic door and also space for two people, to be used by people with a disability and carers.
- There are two Disabled Parking Bays currently in the CBD: one in Daping St and one in Richardson St, with plans for two disabled parking bays to be in place behind the Town Square in the near future.
- The Shire of Katanning financially supported the development of a community garden at the Community Resource Centre. The garden is an all accessible space where fruit, vegetables and flowers are grown but also has a range of interesting and engaging projects such as aquaponics and garden sculpture.
- Accessibility has been a primary focus for the Shire in regard to people with a disability in the 2015-2016 year. Although it is something that has always been considered for the Shire events, programs or community consultations in the last year accessibility was highlighted as an issue to pay particular attention to. This was to ensure that all events/programs catered for people with a range of disabilities.

- The Shire has also had the main entrance door to the Administration Building repaired and up graded to a quicker and smoother opening double door access. This allows a better level of access for all members of the community, particularly mobility impaired persons.

## Employee Remuneration Disclosure

Regulation 19B of the *Local Government (Administration) Regulation 1996* requires the Shire to include the following information in its Annual Report:

- The number of employees of the Shire entitled to an annual salary of \$100,000 or more; and
- The number of those employees with an annual salary entitlement that falls within each band of \$10,000 over \$100,000.

Set out below, in bands of \$10,000, is the number of employees of the Shire entitled to an annual salary of \$100,000 or more.

### Salary Range

\$ From	\$ To	Number of Employees
100,000	109,999	
110,000	119,999	
120,000	129,999	
130,000	139,999	5
140,000	149,999	
150,000	159,999	
160,000	169,999	1
<b>Total</b>		6

## Public Interest Disclosures

*The Public Interest Disclosures Act 2003* facilitates the disclosure of public interest information, and provides protection for those making such disclosure and those who are the subject of disclosures. The Act provides a system for the matters disclosed to be investigated and for appropriate action to be taken.

The Chief Executive Officer has complied with all obligations under the Act including:

Appointing the Deputy Chief Executive Officer as the PID officer for the organisation and publishing an internal procedure relating to the Shire's obligation.

Providing protection from detrimental action or the threat of detrimental action for an employee of the Shire who makes an appropriate disclosure of public interest information.

## Complaints Register

Section 5.121 of the *Local Government Act 1995* requires the Annual Report to contain details of the entries made in the Complaints Register regarding complaints made about elected members.

Nil complaints were lodged against elected members during the 2015-2016 period.

## Achievements and Awards

- Winner Local Government Children's Environment and Health Awards: Smoke Free Environment Category
- Carrolup Centenary and Exhibition Launch at the Gallery and Town Hall
- Dome Cafe renovation of the Flour Mill commenced
- ABC program BackRoads filmed
- Piesse Statue 100<sup>th</sup> Birthday

# Annual Financial Report

2015 – 2016



Heart of the Great Southern

**SHIRE OF KATANNING**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

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Principal place of business:  
16-24 Austral Terrace  
Katanning WA 6317



**SHIRE OF KATANNING  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

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

Signed as authorisation of issue on the 30<sup>th</sup> day of MARCH 2017

  
\_\_\_\_\_  
Julian P. Murphy  
Chief Executive Officer

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

	NOTE	2016 \$	2016 Budget \$	2015 \$
<b>Revenue</b>				
Rates	23	3,434,226	3,433,320	3,165,208
Operating grants, subsidies and contributions	30	1,696,947	1,998,289	4,124,974
Fees and charges	29	1,983,817	1,981,951	1,810,338
Interest earnings	2(a)	395,944	317,607	424,493
Other revenue	2(a)	336,494	237,456	217,539
		<u>7,847,428</u>	<u>7,968,623</u>	<u>9,742,552</u>
<b>Expenses</b>				
Employee costs		(4,361,862)	(3,427,237)	(3,797,677)
Materials and contracts		(1,886,446)	(2,891,037)	(1,904,772)
Utility charges		(376,029)	(391,077)	(354,137)
Depreciation on non-current assets	2(a)	(3,179,636)	(2,118,664)	(2,082,746)
Interest expenses	2(a)	(17,059)	(16,565)	(36,424)
Insurance expenses		(261,156)	(263,665)	(225,243)
Other expenditure		(284,850)	(211,541)	(392,138)
		<u>(10,367,038)</u>	<u>(9,319,786)</u>	<u>(8,793,137)</u>
		(2,519,610)	(1,351,163)	949,415
Non-operating grants, subsidies and contributions	30	5,105,625	13,894,955	6,304,555
Profit on asset disposals	21	229,841	829,570	38,458
(Loss) on asset disposals	21	0	(438,155)	(59,096)
Fair value adjustments to financial assets at fair value through profit or loss		(10,388)	0	0
<b>Net result</b>		<u><b>2,805,468</b></u>	<u><b>12,935,207</b></u>	<u><b>7,233,332</b></u>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	13	813,887	0	54,525,082
Units in Local Government House Trust		0	0	(187,474)
Initial Recognition of Vested Land		0	0	515,000
<b>Total other comprehensive income</b>		<u><b>813,887</b></u>	<u><b>0</b></u>	<u><b>54,852,608</b></u>
<b>Total comprehensive income</b>		<u><u><b>3,619,355</b></u></u>	<u><u><b>12,935,207</b></u></u>	<u><u><b>62,085,940</b></u></u>

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

**SHIRE OF KATANNING**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

	NOTE	2016 \$	2016 Budget \$	2015 \$
<b>Revenue</b>	2(a)			
Governance		830,113	73,210	233,063
General purpose funding		4,138,458	4,765,372	6,815,096
Law, order, public safety		171,959	181,899	173,659
Health		3,215	4,950	4,719
Education and welfare		98,537	96,658	86,075
Housing		208,643	210,995	169,700
Community amenities		951,107	940,798	898,161
Recreation and culture		540,656	465,697	372,755
Transport		219,329	289,636	226,468
Economic services		574,504	884,409	691,468
Other property and services		110,907	55,000	71,388
		<u>7,847,428</u>	<u>7,968,624</u>	<u>9,742,552</u>
<b>Expenses</b>	2(a)			
Governance		(134,662)	153,332	(208,920)
General purpose funding		(1,019,814)	(1,459,468)	(1,380,207)
Law, order, public safety		(370,551)	(339,448)	(331,499)
Health		(111,766)	(121,403)	(103,514)
Education and welfare		(232,191)	(241,991)	(329,816)
Housing		(257,798)	(228,814)	(222,397)
Community amenities		(1,148,022)	(1,265,587)	(983,996)
Recreation and culture		(2,340,606)	(2,345,229)	(1,993,012)
Transport		(3,116,359)	(1,812,444)	(1,984,797)
Economic services		(1,505,517)	(1,602,402)	(1,303,769)
Other property and services		(112,693)	(39,768)	85,215
		<u>(10,349,979)</u>	<u>(9,303,222)</u>	<u>(8,756,712)</u>
<b>Finance costs</b>	2(a)			
Housing		(5,383)	(5,218)	(6,835)
Community amenities		(1,728)	(1,602)	(2,130)
Recreation and culture		(6,887)	(6,658)	(7,768)
Transport		0	(3,087)	(17,533)
Economic services		0	0	(2,159)
Other property and services		(3,061)	0	0
		<u>(17,059)</u>	<u>(16,565)</u>	<u>(36,425)</u>
		<u>(2,519,610)</u>	<u>(1,351,163)</u>	<u>949,415</u>
Non-operating grants, subsidies and contributions	30	5,105,625	13,894,955	6,304,555
Profit on disposal of assets	21	229,841	829,570	38,458
(Loss) on disposal of assets	21	0	(438,155)	(59,096)
Fair value adjustments to financial assets at fair value through profit or loss	4	(10,388)	0	0
<b>Net result</b>		<u>2,805,468</u>	<u>12,935,207</u>	<u>7,233,332</u>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	13	813,887	0	54,525,082
Units in Local Government House Trust		0	0	(187,474)
Initial Recognition of Vested Land		0	0	515,000
<b>Total other comprehensive income</b>		<u>813,887</u>	<u>0</u>	<u>54,852,608</u>
<b>Total comprehensive income</b>		<u><u>3,619,355</u></u>	<u><u>12,935,207</u></u>	<u><u>62,085,940</u></u>

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

**SHIRE OF KATANNING**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30TH JUNE 2016**

	NOTE	2016 \$	2015 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	33,174,567	19,570,755
Trade and other receivables	4	852,547	1,321,167
Inventories	5	25,308	25,308
<b>TOTAL CURRENT ASSETS</b>		<b>34,052,422</b>	<b>20,917,230</b>
<b>NON-CURRENT ASSETS</b>			
Other receivables	4	173,736	156,202
Investment in Local Government House	6	108,332	118,720
Property, plant and equipment	7	50,859,888	50,937,022
Infrastructure	8	107,033,913	104,803,477
<b>TOTAL NON-CURRENT ASSETS</b>		<b>158,175,869</b>	<b>156,015,421</b>
<b>TOTAL ASSETS</b>		<b>192,228,291</b>	<b>176,932,651</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	22,585,676	10,897,952
Current portion of long term borrowings	10	76,812	115,030
Provisions	11	636,655	438,498
<b>TOTAL CURRENT LIABILITIES</b>		<b>23,299,143</b>	<b>11,451,480</b>
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	9	22,565	22,565
Long term borrowings	10	145,043	221,855
Provisions	11	47,716	142,282
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>215,324</b>	<b>386,702</b>
<b>TOTAL LIABILITIES</b>		<b>23,514,467</b>	<b>11,838,182</b>
<b>NET ASSETS</b>		<b>168,713,824</b>	<b>165,094,469</b>
<b>EQUITY</b>			
Retained surplus		91,635,776	89,423,702
Reserves - cash backed	12	9,957,708	9,364,314
Revaluation surplus	13	67,120,340	66,306,453
<b>TOTAL EQUITY</b>		<b>168,713,824</b>	<b>165,094,469</b>

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

**SHIRE OF KATANNING**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2014</b>		<b>82,296,654</b>	<b>9,258,030</b>	<b>11,781,371</b>	<b>103,336,055</b>
Comprehensive income					
Net result		7,233,332	0	0	7,233,332
Changes on revaluation of assets	13	<u>0</u>	<u>0</u>	<u>54,525,082</u>	<u>54,525,082</u>
Total comprehensive income		7,233,332	0	54,525,082	61,758,414
Transfers from/(to) reserves		<u>(106,284)</u>	<u>106,284</u>	<u>0</u>	<u>0</u>
<b>Balance as at 30 June 2015</b>		<b>89,423,702</b>	<b>9,364,314</b>	<b>66,306,453</b>	<b>165,094,469</b>
Comprehensive income					
Net result		2,805,468	0	0	2,805,468
Changes on revaluation of assets	13	<u>0</u>	<u>0</u>	<u>813,887</u>	<u>813,887</u>
Total comprehensive income		2,805,468	0	813,887	3,619,355
Transfers from/(to) reserves		<u>(593,394)</u>	<u>593,394</u>	<u>0</u>	<u>0</u>
<b>Balance as at 30 June 2016</b>		<b><u>91,635,776</u></b>	<b><u>9,957,708</u></b>	<b><u>67,120,340</u></b>	<b><u>168,713,824</u></b>

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

**SHIRE OF KATANNING**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

	NOTE	2016 Actual \$	2016 Budget \$	2015 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		3,284,680	3,430,796	3,149,832
Operating grants, subsidies and contributions		2,337,404	2,580,100	4,124,974
Fees and charges		1,983,817	1,981,951	1,810,336
Interest earnings		395,944	317,607	592,245
Goods and services tax		549,695	63,216	53,994
Other revenue		336,494	237,456	455,886
		<u>8,888,034</u>	<u>8,611,126</u>	<u>10,187,267</u>
<b>Payments</b>				
Employee costs		(4,728,168)	(3,419,390)	(3,529,620)
Materials and contracts		(1,617,543)	(3,440,759)	(2,916,466)
Utility charges		(376,029)	(391,077)	(354,137)
Interest expenses		(17,353)	(9,202)	(36,806)
Insurance expenses		(261,156)	(263,665)	(225,243)
Goods and services tax		(589,520)	(86,039)	(79,163)
Other expenditure		(315,765)	(211,540)	(392,138)
		<u>(7,905,534)</u>	<u>(7,821,672)</u>	<u>(7,533,573)</u>
<b>Net cash provided by (used in) operating activities</b>	14(b)	<u>982,500</u>	<u>789,454</u>	<u>2,653,694</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment		(671,111)	(18,140,254)	(1,206,962)
Payments for construction of infrastructure		(1,152,100)	(1,790,011)	(1,053,610)
Payments for work in progress		(2,861,701)	0	(5,484,290)
Non-operating grants, subsidies and contributions		17,005,025	13,894,955	6,304,555
Proceeds from sale of fixed assets		416,229	1,573,803	219,847
Funding provided for asset creation		0	(8,262,681)	1,668,878
<b>Net cash provided by (used in) investment activities</b>		<u>12,736,342</u>	<u>(12,724,188)</u>	<u>448,418</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of debentures		(115,030)	(115,030)	(448,369)
Proceeds from new debentures		0	1,500,000	0
<b>Net cash provided by (used in) financing activities</b>		<u>(115,030)</u>	<u>1,384,970</u>	<u>(448,369)</u>
<b>Net increase (decrease) in cash held</b>		13,603,812	(10,549,764)	2,653,743
Cash at beginning of year		19,570,755	19,587,739	16,917,012
<b>Cash and cash equivalents at the end of the year</b>	14(a)	<u><u>33,174,567</u></u>	<u><u>9,037,975</u></u>	<u><u>19,570,755</u></u>

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

**SHIRE OF KATANNING  
RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2016**

	NOTE	2016 Actual \$	2016 Budget \$	2015 Actual \$
<b>Net current assets at start of financial year - surplus/(deficit)</b>		2,264,136	1,983,464	723,300
		<u>2,264,136</u>	<u>1,983,464</u>	<u>723,300</u>
<b>Revenue from operating activities (excluding rates)</b>				
Governance		846,749	670,141	249,839
General purpose funding		707,676	1,332,053	3,649,886
Law, order, public safety		171,959	181,899	190,231
Health		3,215	4,950	4,719
Education and welfare		98,537	96,658	88,287
Housing		208,643	210,995	169,700
Community amenities		957,612	940,798	898,161
Recreation and culture		540,656	465,697	372,755
Transport		249,073	522,275	229,366
Economic services		751,460	884,409	691,468
Other property and services		110,907	55,000	71,388
		<u>4,646,487</u>	<u>5,364,875</u>	<u>6,615,800</u>
<b>Expenditure from operating activities</b>				
Governance		(134,662)	(147,847)	(208,920)
General purpose funding		(1,019,814)	(1,459,468)	(1,380,207)
Law, order, public safety		(370,551)	(339,448)	(331,499)
Health		(111,766)	(121,403)	(103,514)
Education and welfare		(232,191)	(241,991)	(329,816)
Housing		(263,181)	(234,032)	(229,232)
Community amenities		(1,149,750)	(1,268,189)	(986,126)
Recreation and culture		(2,347,493)	(2,353,995)	(2,059,865)
Transport		(3,116,359)	(1,949,399)	(2,002,341)
Economic services		(1,505,517)	(1,602,402)	(1,305,928)
Other property and services		(126,142)	(39,768)	85,215
		<u>(10,377,426)</u>	<u>(9,757,942)</u>	<u>(8,852,233)</u>
<b>Operating activities excluded from budget</b>				
(Profit) on disposal of assets	21	(229,841)	(829,570)	(38,458)
Loss on disposal of assets	21	0	438,155	59,096
Movement in investment in Local Government House		(10,388)	0	0
Budget variance		0	(768)	0
Movement in Amherst Village tenants reducing equity		13,693	0	60,158
Movement in accrued salaries and wages		(434,251)	0	302,381
Movement in accrued interest on debentures		(294)	0	(383)
Movement in deferred pensioner rates (non-current)		(17,534)	0	(2,415)
Movement in employee benefit provisions		103,591	0	(75,951)
Depreciation and amortisation on assets	2(a)	3,179,636	2,118,664	2,082,746
<b>Amount attributable to operating activities</b>		<u>(862,191)</u>	<u>(683,122)</u>	<u>2,387,174</u>
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions		5,105,625	13,894,955	6,304,555
Proceeds from disposal of assets	21	416,229	1,573,803	219,847
Work in Progress		(2,861,701)	0	(5,484,290)
Purchase of property, plant and equipment	7(b)	(671,111)	(18,140,254)	(1,206,962)
Purchase and construction of infrastructure	8(b)	(1,152,100)	(1,790,011)	(1,053,610)
<b>Amount attributable to investing activities</b>		<u>836,942</u>	<u>(4,461,507)</u>	<u>(1,220,460)</u>
<b>FINANCING ACTIVITIES</b>				
Repayment of debentures	22(a)	(115,030)	(115,030)	(448,369)
Proceeds from new debentures	22(a)	0	1,500,000	0
Transfers to reserves (restricted assets)	12	(1,910,135)	(2,605,282)	(1,290,788)
Transfers from reserves (restricted assets)	12	1,316,741	2,931,621	1,184,504
<b>Amount attributable to financing activities</b>		<u>(708,424)</u>	<u>1,711,309</u>	<u>(554,653)</u>
<b>Surplus(deficiency) before general rates</b>		<u>(733,673)</u>	<u>(3,433,320)</u>	<u>(901,072)</u>
<b>Total amount raised from general rates</b>	23	<u>3,430,782</u>	<u>3,433,320</u>	<u>3,165,208</u>
<b>Net current assets at June 30 c/fwd - surplus/(deficit)</b>	24	<u><b>2,697,109</b></u>	<u><b>0</b></u>	<u><b>2,264,136</b></u>

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

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Preparation**

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

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

**Critical accounting estimates**

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

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

**The local government reporting entity**

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

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

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

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

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

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

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

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



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

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

**(c) Cash and Cash Equivalents**

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

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

**(d) Trade and Other Receivables**

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

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

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

**(e) Inventories**

***General***

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

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

***Land held for sale***

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

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

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

**(f) Fixed Assets**

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

***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.

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

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

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

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

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

***Land under control***

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

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

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

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

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the 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.

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

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

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

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

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

***Depreciation***

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

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

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

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

	<b>Capitalisation Threshold</b>	<b>Depn Rate</b>	<b>Useful Life</b>
Land and Buildings	Buildings - \$5,000	2%	50 Years
	Land - ALL	N/A	N/A
Furniture and fittings	\$5,000	10%	10 years
Equipment	\$5,000	10%-33.3%	3 to 10 years
Plant	\$5,000	10%-20%	5 to 10 years
Motor Vehicles	ALL	25%	4 years
Painting and sculptures	ALL	1%	100 years
Drainage	\$10,000	2%	50 years
Parks and ovals	\$10,000	5%	20 years
Footpaths	\$10,000	2%	50 years
Bridges	\$10,000	2%	50 years
Roads	\$10,000	2.5%-5%	20 to 40 years
Other Infrastructure	\$10,000	2%-5%	20 to 50 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 KATANNING**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

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

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

***Capitalisation threshold***

Expenditure on items purchased under the capitalisation threshold for each asset class listed above are not capitalised. Rather, they are recorded on an asset inventory listing.

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

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

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

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

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

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

***Fair value hierarchy***

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

**Level 1**

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

**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.

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

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

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

***Valuation techniques***

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

**Market approach**

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

**Income approach**

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

**Cost approach**

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

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

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

**(h) Financial Instruments**

***Initial recognition and measurement***

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

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

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

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

**(h) Financial Instruments (Continued)**

***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

initially recognised and the maturity amount calculated using the effective interest rate method.

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

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

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

***(ii) Loans and receivables***

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

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

***(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.

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

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

**(h) Financial Instruments (Continued)**

***Classification and subsequent measurement***

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

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

***(v) Financial liabilities***

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

***Impairment***

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

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

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

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.

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

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

**(i) Impairment of Assets**

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

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

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

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

**(j) Trade and Other Payables**

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

**(k) Employee Benefits**

**Short-term employee benefits**

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

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

**Other long-term employee benefits**

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

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



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

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

**(l) Borrowing Costs**

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

**(m) Provisions**

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

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

**(n) Leases**

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

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

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

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

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

**(o) Investment in Associates**

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

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

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

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

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

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

**(p) Interests in Joint Arrangements**

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

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

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

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

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Grants and contributions received over which the local government does not have full control are recognised as a liability as disclosed at Notes 2(c) and 9.

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 received 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 received in a previous reporting period which were obtained in respect of the local government's operations for the current reporting period.

**(r) Superannuation**

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

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

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

**(t) Rounding Off Figures**

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

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

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

**(u) Comparative Figures**

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

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

**(v) Budget Comparative Figures**

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

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

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

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

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

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

	<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 2018	This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The effect of this Standard will depend upon the nature of future transactions the Shire has with those third parties it has dealings with. It may or may not be significant.
(iii)	AASB 16 Leases	February 2016	1 January 2019	Under AASB 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability onto their statement of financial position for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 117 Leases which currently do not impact the statement of financial position will be required to be capitalised on the statement of financial position once AASB 16 is adopted. Currently, operating lease payments are expensed as incurred. This will cease and will be replaced by both depreciation and interest charges. Based on the current number of operating leases held by the Shire, the impact is not expected to be significant.

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

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

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

Title	Issued / Compiled	Applicable <sup>(1)</sup>	Impact
(iv) AASB 2014-3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations  [AASB 1 & AASB 11]	August 2014	1 January 2016	This Standard amends AASB 11: <i>Joint Arrangements</i> to require the acquirer of an interest (both initial and additional) in a joint operation in which the activity constitutes a business, as defined in AASB 3: <i>Business Combinations</i> , to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations.  Since adoption of this Standard would impact only acquisitions of interests in joint operations on or after 1 January 2016, management believes it is impracticable at this stage to provide a reasonable estimate of such impact on the Shire's financial statements.
(v) AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation  [AASB 116 & 138]	August 2014	1 January 2016	This Standard amends AASB 116 and AASB 138 to establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. It also clarifies the use of revenue-based methods to calculate the depreciation of an asset is not appropriate nor is revenue generally an appropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.  Given the Shire currently uses the expected pattern of consumption of the future economic benefits of an asset as the basis of calculation of depreciation, it is not expected to have a significant impact.
(vi) AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	December 2014	1 January 2017	Consequential changes to various Standards arising from the issuance of AASB 15.  It will require changes to reflect the impact of AASB 15.

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

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

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

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

Notes:

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

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

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

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

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

These new and revised standards were as follows:

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

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

**2. REVENUE AND EXPENSES**

**(a) Net Result**

The Net result includes:	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
(i) Charging as an expense:		
<b>Auditors remuneration (previous auditor)</b>		
- Audit of the Annual Financial Report	23,625	26,510
- Audit fees associated with grant acquittals	2,300	19,250
- Other Services	3,396	0
<b>Auditors remuneration (current auditor)</b>		
- Audit of the Annual Financial Report	10,396	0
<b>Depreciation</b>		
Buildings - Non-specialised	794,759	790,993
Furniture and Equipment	5,330	5,330
Plant	467,499	434,186
Paintings & Sculptures	2,306	1,355
Motor Vehicles	157,747	139,072
Equipment	173,569	159,877
Infrastructure - Roads	1,055,059	396,292
Infrastructure - Footpaths	70,747	56,290
Infrastructure - Drainage	349,834	72,430
Infrastructure - Parks and Ovals	4,900	4,900
Infrastructure - Other	84,870	19,069
Infrastructure - Bridges	13,016	2,952
	<u>3,179,636</u>	<u>2,082,746</u>
<b>Interest expenses (finance costs)</b>		
Debentures (refer Note 22 (a))	17,059	36,424
	<u>17,059</u>	<u>36,424</u>
<b>Rental charges</b>		
- Operating leases	5,775	6,845
	<u>5,775</u>	<u>6,845</u>
(ii) Crediting as revenue:		
<b>Significant revenue</b>		
- Initial recognition of Vested Land - Golf Course	0	515,000
	<u>0</u>	<u>515,000</u>
<b>Other revenue</b>		
Reimbursements and recoveries	40,403	217,539
Other	296,091	0
	<u>336,494</u>	<u>217,539</u>



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

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

**(a) Net Result (Continued)**

	<b>2016 Actual</b>	<b>2016 Budget</b>	<b>2015 Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Interest earnings</b>			
- Reserve funds	255,361	23,417	324,586
- Other funds	90,611	55,000	71,339
Other interest revenue (refer note 28)	49,972	239,190	28,568
	<u>395,944</u>	<u>317,607</u>	<u>424,493</u>

**(b) Statement of Objective**

In order to discharge its responsibilities to the community, Council 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**

***"Together, We're Building Katanning's Future"***

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

**GOVERNANCE**

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

**GENERAL PURPOSE FUNDING**

Rates, general purpose government grants and interest revenue.

**LAW, ORDER, PUBLIC SAFETY**

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

**HEALTH**

Food quality and pest control, inspection of abattoir and operation of child health clinic, analytical testing and environmental health administration.

**EDUCATION AND WELFARE**

Year round care, housing for the aged and educational services.

**HOUSING**

Management and maintenance of staff and rental housing.

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

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

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

**COMMUNITY AMENITIES**

Rubbish collections, recycling, refuse site operations, litter control, administration of the town planning scheme, cemetery operations, public toilet facilities, sewerage and protection of the **environment**.

**RECREATION AND CULTURE**

Maintenance and operation of the Town Hall, the aquatic centre, recreation centre, library, community arts program, cultural activities and various reserves.

**TRANSPORT**

Construction and maintenance of streets, roads, bridges, footpaths, street lighting, traffic management and airport. Purchase and disposal of Council's road plant, parking control and police licensing.

**ECONOMIC SERVICES**

Building control, saleyards, tourism and area promotion, standpipes and pest control.

**OTHER PROPERTY AND SERVICES**

Private works operations, plant repairs and operation costs, stock and materials, property leases and rental, salaries and wages of council employees.

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

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

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

Conditions Over Grants/Contributions		Opening Balance <sup>(1)</sup> 1/07/14 \$	Received <sup>(2)</sup> 2014/15 \$	Expended <sup>(3)</sup> 2014/15 \$	Closing Balance <sup>(1)</sup> 30/06/15 \$	Received <sup>(2)</sup> 2015/16 \$	Expended <sup>(3)</sup> 2015/16 \$	Closing Balance 30/06/16 \$
Grant/Contribution	Function/ Activity							
Country Local Government Fund 2011/2012 (Reg. Gym/Entertainment Centre)	Governance	466,607	0	(141,208)	325,399	0	(284,541)	40,858
Country Local Government Fund 2012/2013 Admin Building	Governance	535,968	0	(380,745)	155,223	0	(154,609)	614
Supertown - RDL	Governance	6,880,636	99,936	(4,564,265)	2,416,307	15,362	(1,515,601)	916,068
RDL - Early Childhood Hub	Governance	0	5,731,117	0	5,731,117	98,545	(49,063)	5,780,599
RDL Main Street Stage 2	Governance	0	350,374	(1,561)	348,813	0	(263,097)	85,716
Supertown - RDL	Governance	0	0	0	0	15,720,000	0	15,720,000
Cat Act Sterilisation Project	Law, Order & Public Safety	9,573	0	(64)	9,509	0	(9,028)	481
Kidsport - Department for Communities	Recreation & Culture	33,731	0	(26,070)	7,661	10,000	(16,552)	1,109
Community Safe Speed Promise Grant	Transport	4,225	0	(205)	4,020	0	(3,016)	1,004
Country Local Government Fund (Regional Waste Initiative)	Governance	0	0	0	0	56,707	(56,707)	0
DFES (Fire Truck Shed Door)	Law, Order & Public Safety	0	0	0	0	10,580	(10,580)	0
Blackspot Funding	Transport	0	0	0	0	46,640	(46,640)	0
MRWA - Bridges	Transport	0	0	0	0	21,400	(21,400)	0
Regional Road Group	Transport	0	0	0	0	250,000	(250,000)	0
Roads to Recovery	Transport	0	100,000	(100,000)	0	688,322	(568,713)	119,609
Youth Activities Grant Income	Education and Welfare	0	0	0	0	31,170	(31,170)	0
National Youth Week Grant (CPFS Grant)	Education and Welfare	0	0	0	0	1,000	(1,000)	0
NAIDOC Week Grant Income	Education and Welfare	0	0	0	0	6,100	(5,545)	555
Grant Income (CDW) <i>Thank a Volunteer Day</i>	Education and Welfare	0	0	0	0	1,000	(1,000)	0
Harmony Festival Grant	Education and Welfare	0	0	0	0	30,000	(30,000)	0
All Ways 5 Days Project	Education and Welfare	0	0	0	0	23,231	(23,231)	0
Club Development Officer Program	Education and Welfare	0	0	0	0	20,000	(20,000)	0
DSR Recreation Centre Activity Pilot Program	Recreation & Culture	0	0	0	0	5,000	(5,000)	0
Childrens Book Week	Recreation & Culture	0	0	0	0	2,225	(2,225)	0
Lotterywest Heritage Grant	Governance	0	0	0	0	30,000	(30,000)	0
Total		7,930,740	6,281,427	(5,214,118)	8,998,049	17,067,282	(3,398,718)	22,666,613
					2015			
					\$			
Grants received recognised as revenue					501,812	2,284,669		
Grants received recognised as a liability - see Note 9					8,496,237	20,381,944		
					8,998,049	22,666,613		

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

	<b>Note</b>	<b>2016</b>	<b>2015</b>
		<b>\$</b>	<b>\$</b>
<b>3. CASH AND CASH EQUIVALENTS</b>			
Unrestricted		550,246	1,208,392
Restricted		<u>32,624,321</u>	<u>18,362,363</u>
		<u>33,174,567</u>	<u>19,570,755</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Plant replacement reserve	12	989,843	153,220
Employee leave entitlement reserve	12	432,139	419,406
Amherst Village Building Maintenance Reserve	12	86,712	118,812
Amherst Village refundable Deposit Reserve	12	1,087,099	800,786
Saleyard reserve	12	956,175	928,000
Waste management reserve	12	849,056	824,037
Land and buildings reserve	12	2,821,739	2,474,750
Land and building facilities for senior reserve	12	581,654	564,515
New saleyard plant reserve	12	182,912	1,168,470
Gravel reserve	12	1,970,379	1,912,318
Unspent grants	2(c)	<u>22,666,613</u>	<u>8,998,049</u>
		<u>32,624,321</u>	<u>18,362,363</u>

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

<b>4. TRADE AND OTHER RECEIVABLES</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Rates outstanding	338,838	206,826
Sundry debtors	584,566	1,121,424
GST receivable	105,837	66,012
Accrued Income	13,944	88,200
Provision for doubtful debts	(190,888)	(164,062)
Payments in Advance	250	2,767
	<u>852,547</u>	<u>1,321,167</u>
<b>Non-current</b>		
Rates outstanding - pensioners	173,736	156,202
	<u>173,736</u>	<u>156,202</u>
<b>5. INVENTORIES</b>		
<b>Current</b>		
Fuel and materials	10,516	10,516
History books	14,792	14,792
	<u>25,308</u>	<u>25,308</u>
<b>6. INVESTMENTS</b>		
<b>Non-current</b>		
Investment in Local Government House	108,332	118,720
	<u>108,332</u>	<u>118,720</u>

**SHIRE OF KATANNING**  
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**7 (a). PROPERTY, PLANT AND EQUIPMENT**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Land - Freehold		
- Independent valuation 2013 - level 2	9,599,100	9,599,100
- Additions after valuation - cost	<u>131,261</u>	<u>131,261</u>
	9,730,361	9,730,361
Buildings - Non-specialised at:		
- Independent valuation 2013 - level 2	11,881,000	11,881,000
- Additions after valuation - cost	26,729,960	26,419,404
Less accumulated depreciation	<u>(1,856,070)</u>	<u>(1,061,311)</u>
	36,754,890	37,239,093
Total land and buildings	<u>46,485,251</u>	<u>46,969,454</u>
Furniture and Equipment at:		
- Management valuation 2016 - level 2	17,860	0
- Management valuation 2013 - level 2	0	53,300
- Additions after valuation - cost	0	3,262
Less accumulated depreciation	<u>0</u>	<u>(10,659)</u>
	17,860	45,903
Plant at:		
- Management valuation 2016 - level 2	3,073,928	0
- Management valuation 2013 - level 1	0	2,619,799
- Additions after valuation - cost	0	946,442
Less accumulated depreciation	<u>0</u>	<u>(822,241)</u>
	3,073,928	2,744,000
Paintings & Sculptures at:		
- Independent valuation 2015 - level 2	230,591	230,591
Less accumulated depreciation	<u>(2,306)</u>	<u>0</u>
	228,285	230,591
Motor Vehicles at:		
- Management valuation 2016 - level 2	591,160	0
- Management valuation 2013 - level 1	0	188,000
- Additions after valuation - cost	0	408,724
Less accumulated depreciation	<u>0</u>	<u>(167,720)</u>
	591,160	429,004
Equipment at:		
- Management valuation 2016 - level 2	462,967	0
- Management valuation 2013 - level 1	0	691,426
- Additions after valuation - cost	437	140,396
Less accumulated depreciation	<u>0</u>	<u>(313,752)</u>
	463,404	518,070
	<u>50,859,888</u>	<u>50,937,022</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 KATANNING**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**7. PROPERTY, PLANT AND EQUIPMENT (Continued)**

**(b) Movements in Carrying Amounts**

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

	Balance at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) Transferred to Revaluation \$	Revaluation (Losses)/ Reversals Through to Profit or Loss \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Transfers \$	Carrying Amount at the End of Year \$
Land - Freehold	9,730,361	0	0	0	0	0	0	0	9,730,361
<b>Total land</b>	<b>9,730,361</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,730,361</b>
Buildings - Non-specialised	37,239,093	104,256	(19,166)	0	0	0	(794,759)	225,466	36,754,890
<b>Total buildings</b>	<b>37,239,093</b>	<b>104,256</b>	<b>(19,166)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(794,759)</b>	<b>225,466</b>	<b>36,754,890</b>
<b>Total land and buildings</b>	<b>46,969,454</b>	<b>104,256</b>	<b>(19,166)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(794,759)</b>	<b>225,466</b>	<b>46,485,251</b>
Furniture and Equipment	45,903	0	0	(22,713)	0	0	(5,330)	0	17,860
Plant	2,744,000	276,022	(36,174)	557,579	0	0	(467,499)	0	3,073,928
Paintings & Sculptures	230,591	0	0	0	0	0	(2,306)	0	228,285
Motor Vehicles	429,004	290,396	(131,048)	160,555	0	0	(157,747)	0	591,160
Equipment	518,070	437	0	118,466	0	0	(173,569)	0	463,404
<b>Total property, plant and equipment</b>	<b>50,937,022</b>	<b>671,111</b>	<b>(186,388)</b>	<b>813,887</b>	<b>0</b>	<b>0</b>	<b>(1,601,210)</b>	<b>225,466</b>	<b>50,859,888</b>

**SHIRE OF KATANNING**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**7. 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>Land - Freehold</b>					
Land - Freehold	Level 2	Market approach using recent observable market data for similar properties / income approach using discounted cashflow methodology	Independent registered valuer	June 2013	Price per hectare / market borrowing rate
Buildings - Non-specialised	Level 2	Improvements to land valued using cost approach using depreciated replacement cost	Independent registered valuer	June 2013	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
<b>Furniture and Equipment</b>	Level 3	Cost approach using depreciated replacement cost	Management valuation	June 2016	Purchase costs and current condition, residual values and remaining useful life assessments (Level 3) inputs
<b>Plant</b>					
- Management valuation 2016	Level 2	Market approach using recent observable market data for similar items	Independent registered valuer	June 2016	Open market values of similar items adjusted for condition and comparability.
<b>Paintings &amp; Sculptures</b>	Level 2	Market approach using recent observable market data for similar properties / income approach using discounted cashflow methodology	Independent registered valuer	June 2015	Market price
<b>Motor Vehicles</b>	Level 2	Market approach using recent observable market data for similar items	Independent registered valuer	June 2016	Open market values of similar items adjusted for condition and comparability.
<b>Equipment</b>	Level 2	Market approach using recent observable market data for similar items	Management valuation	June 2016	Open market values of similar items adjusted for condition and comparability.

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 KATANNING**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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<b>8 (a). INFRASTRUCTURE</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Infrastructure - Roads		
- Management valuation 2015 - level 3	76,787,269	76,787,269
- Additions after valuation - cost	1,136,466	0
Less accumulated depreciation	<u>(1,055,059)</u>	<u>0</u>
	76,868,676	76,787,269
 Infrastructure - Footpaths		
- Management valuation 2015 - level 3	2,531,537	2,531,537
Less accumulated depreciation	<u>(70,747)</u>	<u>0</u>
	2,460,790	2,531,537
 Infrastructure - Drainage		
- Management valuation 2015 - level 3	12,587,177	12,587,177
Less accumulated depreciation	<u>(349,834)</u>	<u>0</u>
	12,237,343	12,587,177
 Infrastructure - Parks and Ovals		
- Management valuation 2015 - level 3	92,396	332,396
- Additions after valuation - cost	0	0
Less accumulated depreciation	<u>(300)</u>	<u>(9,934)</u>
	92,096	322,462
 Infrastructure - Other		
- Management valuation 2015 - level 3	3,394,801	3,394,801
- Additions after valuation - cost	15,634	0
Less accumulated depreciation	<u>(84,870)</u>	<u>0</u>
	3,325,565	3,394,801
 Infrastructure - Bridges		
- Management valuation 2015 - level 3	650,813	650,813
Less accumulated depreciation	<u>(13,016)</u>	<u>0</u>
	637,797	650,813
 Infrastructure - Works in progress		
- Additions at Cost	8,529,418	8,529,418
- Additions 2016	2,882,228	0
Less accumulated depreciation	<u>0</u>	<u>0</u>
	11,411,646	8,529,418
	<u><u>107,033,913</u></u>	<u><u>104,803,477</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 KATANNING**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**8. INFRASTRUCTURE (Continued)**

**(b) Movements in Carrying Amounts**

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

	Balance as at the Beginning of the Year	Additions	(Disposals)	Revaluation Increments/ (Decrements) Transferred to Revaluation	Revaluation (Loss)/ Reversal Transferred to Profit or Loss	Impairment (Losses)/ Reversals	Depreciation (Expense)	Transfers	Carrying Amount at the End of the Year
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Infrastructure - Roads	76,787,269	1,136,466	0	0	0	0	(1,055,059)	0	76,868,676
Infrastructure - Footpaths	2,531,537	0	0	0	0	0	(70,747)	0	2,460,790
Infrastructure - Drainage	12,587,177	0	0	0	0	0	(349,834)	0	12,237,343
Infrastructure - Parks and Ovals	322,462	0	0	0	0	0	(4,900)	(225,466)	92,096
Infrastructure - Other	3,394,801	15,634	0	0	0	0	(84,870)	0	3,325,565
Infrastructure - Bridges	650,813	0	0	0	0	0	(13,016)	0	637,797
Infrastructure - Works in progress	8,529,418	2,882,228	0	0	0	0	0	0	11,411,646
<b>Total infrastructure</b>	<b>104,803,477</b>	<b>4,034,328</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,578,426)</b>	<b>(225,466)</b>	<b>107,033,913</b>

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

**(c) Fair Value Measurements**

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
<b>Infrastructure - Roads</b>	Level 3	Cost approach using depreciated replacement cost	Management Valuation	June 2015	Construction costs and current condition, residual values and remaining useful life assessments (Level 3) inputs
<b>Infrastructure - Footpaths</b>	Level 3	Cost approach using depreciated replacement cost	Management Valuation	June 2015	Construction costs and current condition, residual values and remaining useful life assessments (Level 3) inputs
<b>Infrastructure - Drainage</b>	Level 3	Cost approach using depreciated replacement cost	Management Valuation	June 2015	Construction costs and current condition, residual values and remaining useful life assessments (Level 3) inputs
<b>Infrastructure - Parks and Ovals</b>	Level 3	Cost approach using depreciated replacement cost	Independent Valuation	June 2015	Construction costs and current condition, residual values and remaining useful life assessments (Level 3) inputs
<b>Infrastructure - Other</b>	Level 3	Cost approach using depreciated replacement cost	Management Valuation	June 2015	Construction costs and current condition, residual values and remaining useful life assessments (Level 3) inputs
<b>Infrastructure - Bridges</b>	Level 3	Cost approach using depreciated replacement cost	Management Valuation	June 2015	Construction costs and current condition, 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 KATANNING**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>9. TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Sundry creditors	723,713	593,133
Accrued interest on debentures	390	684
Accrued salaries and wages	14,627	448,878
ATO liabilities	49,681	85,327
Accrued Expenses	242,017	114,082
Amherst Deposits	1,173,304	1,159,611
Income received in advance	20,381,944	8,496,237
	<u>22,585,676</u>	<u>10,897,952</u>
<b>Non-Current</b>		
Provision for excess on changeover Amherst Village Units	22,565	22,565
	<u>22,565</u>	<u>22,565</u>

**10. LONG-TERM BORROWINGS**

<b>Current</b>		
Secured by floating charge		
Debentures	76,812	115,030
	<u>76,812</u>	<u>115,030</u>
<b>Non-current</b>		
Secured by floating charge		
Debentures	145,043	221,855
	<u>145,043</u>	<u>221,855</u>

Additional detail on borrowings is provided in Note 22.

**11. PROVISIONS**

	<b>Provision for Annual Leave \$</b>	<b>Provision for Long Service Leave \$</b>	<b>Total \$</b>
<b>Opening balance at 1 July 2015</b>			
Current provisions	344,212	94,286	438,498
Non-current provisions	0	142,282	142,282
	<u>344,212</u>	<u>236,568</u>	<u>580,780</u>
Additional provision	226,054	97,312	323,366
Amounts used	(219,775)	0	(219,775)
<b>Balance at 30 June 2016</b>	<u>350,491</u>	<u>333,880</u>	<u>684,371</u>
<b>Comprises</b>			
Current	350,491	286,164	636,655
Non-current	0	47,716	47,716
	<u>350,491</u>	<u>333,880</u>	<u>684,371</u>

**SHIRE OF KATANNING**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**12. RESERVES - CASH BACKED**

	Actual 2016 Opening Balance \$	Actual 2016 Transfer to \$	Actual 2016 Transfer (from) \$	Actual 2016 Closing Balance \$	Budget 2016 Opening Balance \$	Budget 2016 Transfer to \$	Budget 2016 Transfer (from) \$	Budget 2016 Closing Balance \$	Actual 2015 Opening Balance \$	Actual 2015 Transfer to \$	Actual 2015 Transfer (from) \$	Actual 2015 Closing Balance \$
Plant replacement reserve	153,220	836,623	0	989,843	153,219	831,473	0	984,692	279,706	12,956	(139,442)	153,220
Employee leave entitlement reserve	419,406	12,733	0	432,139	419,405	10,485	0	429,890	400,533	18,873	0	419,406
Amherst Village Building Maintenance Reserve	118,812	3,607	(35,707)	86,712	118,811	2,970	(36,567)	85,214	147,000	6,932	(35,120)	118,812
Amherst Village refundable Deposit Reserve	800,786	354,313	(68,000)	1,087,099	800,786	220,020	0	1,020,806	496,289	523,384	(218,887)	800,786
Saleyard reserve	928,000	28,175	0	956,175	928,000	23,200	(200,000)	751,200	886,242	41,758	0	928,000
Waste management reserve	824,037	25,019	0	849,056	824,037	20,601	0	844,638	787,454	36,583	0	824,037
Land and buildings reserve	2,474,750	538,989	(192,000)	2,821,739	2,474,750	1,405,401	(1,497,372)	2,382,779	2,034,942	453,121	(13,313)	2,474,750
Employee retention reserve	0	0	0	0	0	0	0	0	6,829	635	(7,464)	0
Land and building facilities for senior reserve	564,515	17,139	0	581,654	564,515	14,113	0	578,628	539,113	25,402	0	564,515
New saleyard project reserve	361,014	10,961	(189,063)	182,912	361,014	9,025	(370,039)	0	811,382	38,581	(488,949)	361,014
New saleyard plant reserve	807,456	24,515	(831,971)	0	807,457	20,186	(827,643)	0	1,040,613	48,172	(281,329)	807,456
Gravel reserve	1,912,318	58,061	0	1,970,379	1,912,319	47,808	0	1,960,127	1,827,927	84,391	0	1,912,318
	<u>9,364,314</u>	<u>1,910,135</u>	<u>(1,316,741)</u>	<u>9,957,708</u>	<u>9,364,313</u>	<u>2,605,282</u>	<u>(2,931,621)</u>	<u>9,037,974</u>	<u>9,258,030</u>	<u>1,290,788</u>	<u>(1,184,504)</u>	<u>9,364,314</u>

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

**SHIRE OF KATANNING**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**12. RESERVES - CASH BACKED (Continued)**

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 Reseve</b>	<b>Anticipated date of use</b>	<b>Purpose of the reserve</b>
Plant replacement reserve	Ongoing	To be used for future plant purchases
Employee leave entitlement reserve	Ongoing	To be used to fund accrued employee leave entitlements
Amherst Village Building Maintenance Reserve	Ongoing	To be used for maintenance at Amherst Village
Amherst Village refundable Deposit Reserve	Ongoing	To be used to fund refundable deposits at Amherst Village
Saleyard reserve	Ongoing	To be used for future capital and maintenance works
Waste management reserve	Ongoing	To be used for future capital and maintenance works
Land and buildings reserve	Ongoing	To provide for construction and maintenance of council owned buildings
Employee retention reserve	Ongoing	To be used to fund contracted obligations
Land and building facilities for senior reserve	Ongoing	To be used for construction and maintneance of land and buildings for the use of seniors
New saleyard project reserve	Ongoing	To be used for future capital and maintenance works
New saleyard plant reserve	Ongoing	To be used to fund plant purchases
Gravel reserve	Ongoing	To be used to fund the costs of meeting Shire's future gravel and construction requirements

**SHIRE OF KATANNING**  
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**13. REVALUATION SURPLUS**

	2016	2016	2016	2016	2016	2015	2015	2015	2015	2015
	Opening	Revaluation	Revaluation	Total	Closing	Opening	Revaluation	Revaluation	Total	Closing
	Balance	Increment	Decrement	Movement on	Balance	Balance	Increment	Decrement	Movement on	Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land and buildings surplus	7,435,230	0	0	0	7,435,230	7,305,230	130,000	0	130,000	7,435,230
Painting and sculptures surplus	210,339	0	0	0	210,339	96,865	113,474	0	113,474	210,339
Plant surplus	453,443	557,579	0	557,579	1,011,022	475,633	0	(22,190)	(22,190)	453,443
Equipment surplus	460,880	118,466	0	118,466	579,346	460,880	0	0	0	460,880
Furniture surplus	24,486	0	(22,713)	(22,713)	1,773	24,486	0	0	0	24,486
Motor Vehicle Revaluation	0	160,555	0	160,555	160,555	0	0	0	0	0
Infrastructure - roads surplus	39,578,114	0	0	0	39,578,114	0	39,578,114	0	39,578,114	39,578,114
Infrastructure - footpaths surplus	2,528,431	0	0	0	2,528,431	900,866	1,627,565	0	1,627,565	2,528,431
Infrastructure - drainage surplus	12,554,137	0	0	0	12,554,137	2,117,035	10,437,102	0	10,437,102	12,554,137
Infrastructure - parks and ovals surplus	263,516	0	0	0	263,516	273,120	0	(9,604)	(9,604)	263,516
Infrastructure - other surplus	2,490,477	0	0	0	2,490,477	127,255	2,363,222	0	2,363,222	2,490,477
Infrastructure - Bridges surplus	307,400	0	0	0	307,400	0	307,400	0	307,400	307,400
	<u>66,306,453</u>	<u>836,600</u>	<u>(22,713)</u>	<u>813,887</u>	<u>67,120,340</u>	<u>11,781,370</u>	<u>54,556,877</u>	<u>(31,794)</u>	<u>54,525,083</u>	<u>66,306,453</u>

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

**SHIRE OF KATANNING**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**14. NOTES TO THE STATEMENT OF CASH FLOWS**

**(a) Reconciliation of Cash**

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

	<b>2016</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cash and cash equivalents	<u>33,174,567</u>	<u>9,037,975</u>	<u>19,570,755</u>

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

Net result	2,805,468	12,935,207	7,233,332
Non-cash flows in Net result:			
Depreciation	3,179,636	2,118,665	2,082,746
(Profit)/Loss on sale of asset	(229,841)	(391,415)	20,638
Changes in assets and liabilities:			
(Increase)/Decrease in receivables	451,086	642,503	444,717
(Increase)/Decrease in inventories	10,388	(2,487)	43,924
Increase/(Decrease) in payables	11,667,197	(977,860)	(791,157)
Increase/(Decrease) in provisions	103,591	359,796	(75,951)
Grants contributions for the development of assets	<u>(17,005,025)</u>	<u>(13,894,955)</u>	<u>(6,304,555)</u>
Net cash from operating activities	<u>982,500</u>	<u>789,454</u>	<u>2,653,694</u>

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>(c) Undrawn Borrowing Facilities</b>		
<b>Credit Standby Arrangements</b>		
Bank overdraft limit	250,000	250,000
Bank overdraft at balance date	0	0
Credit card limit	65,000	65,000
Credit card balance at balance date	<u>(897)</u>	<u>(2,443)</u>
<b>Total amount of credit unused</b>	<u>314,103</u>	<u>312,557</u>
<b>Loan facilities</b>		
Loan facilities - current	76,812	115,030
Loan facilities - non-current	<u>145,043</u>	<u>221,855</u>
<b>Total facilities in use at balance date</b>	<u>221,855</u>	<u>336,885</u>
<b>Unused loan facilities at balance date</b>	<u>NIL</u>	<u>NIL</u>



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

**15. CONTINGENT LIABILITIES**

There is a contingent liability of a maximum of \$129,766 (2015: \$265,194) in respect of possible obligations for future payments to vacating residents of units in Amherst Village for one half of the excess of the Refundable Capital Deposit paid by the next succeeding resident of the unit over the Refundable Capital Deposit paid by the vacating resident of the unit.

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>16. CAPITAL AND LEASING COMMITMENTS</b>		
<b>(a) Operating Lease Commitments</b>		
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	6,300	5,834
	<u>6,300</u>	<u>5,834</u>

**(b) Capital Expenditure Commitments**

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

**17. JOINT VENTURE ARRANGEMENTS**

The Shire is not involved in any joint venture arrangements.

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

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Governance	722,544	19,768,226
General purpose funding	388,877	206,825
Law, order, public safety	383,503	413,132
Health	95,000	96,000
Education and welfare	815,600	557,766
Housing	3,988,126	5,536,530
Community amenities	307,386	1,572,317
Recreation and culture	9,450,113	10,584,396
Transport	93,733,000	94,447,616
Economic services	37,945,717	31,722,211
Other property and services	6,950,723	3,032,153
Unallocated	37,447,702	8,995,479
	<u>192,228,291</u>	<u>176,932,651</u>

**SHIRE OF KATANNING**  
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	2016	2015	2014
<b>19. FINANCIAL RATIOS</b>			
Current ratio	1.09	1.28	0.87
Asset sustainability ratio	1.31	0.94	1.16
Debt service cover ratio	6.79	6.29	7.20
Operating surplus ratio	(0.36)	0.16	0.25
Own source revenue coverage ratio	0.62	0.64	0.85

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 61 of this document.

Two of the 2016 and 2015 ratios disclosed above are 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 \$1,000,441.

The early payment was considered to be "one-off" and if recognised in the year to which the allocation related, the calculations in the 2016 and 2015 columns above would be as follows:

	2016	2015
Debt service cover ratio	14.36	4.22
Operating surplus ratio	(0.20)	(0.01)

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

**20. TRUST FUNDS**

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

	<b>1 July 2015 \$</b>	<b>Amounts Received \$</b>	<b>Amounts Paid (\$)</b>	<b>30 June 2016 \$</b>
Transport licensing scheme	34,868	2,996,345	(2,993,485)	37,728
Saleyard bonds	250	2,250	(1,553)	947
Katanning leisure centre bonds	2,284	5,886	(8,036)	134
Town hall bonds	390	3,730	(3,230)	890
Other bonds and guarantees	7,740	570	(660)	7,650
Carpark contribution liability	8,168	0	0	8,168
Public open space contribution	38,000	0	0	38,000
Agricultural society contribution	8,000	3,818	(2,000)	9,818
BCITF	4,639	12,715	(14,694)	2,660
Art prize	200	0	0	200
Building licence	4,040	9,495	(11,937)	1,598
Cat trap bond	0	90	0	90
Sale of paintings	0	687	(830)	(143)
	<u>108,579</u>			<u>107,740</u>

**SHIRE OF KATANNING**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**21. DISPOSALS OF ASSETS - 2015/16 FINANCIAL YEAR**

The following assets were disposed of during the year.

	Actual Net Book Value \$	Actual Sale Proceeds \$	Actual Profit \$	Actual Loss \$	Budget Net Book Value \$	Budget Sale Proceeds \$	Budget Profit \$	Budget Loss \$
<b>Governance</b>								
Old Mill - Clive St (B2027)	0	0	0	0	299,999	1	0	(299,998)
Lot 964 Great Southern Highway (L87)	0	0	0	0	11,000	360,000	349,000	0
Block 53 Annie st (LB0001)	0	0	0	0	3,164	48,000	44,836	0
11 Hassell Street (B09)	0	0	0	0	70,501	270,000	199,499	0
Mazda CX-5 (P760, MV93)	0	0	0	0	28,000	28,000	0	0
Mitsubishi Challenger (MV88, P749)	14,374	24,545	10,171	0	17,376	19,000	1,624	0
Mazda 6 (MV85, P746)	16,143	20,909	4,766	0	22,181	22,000	0	(181)
CEO's vehicle (MV91)	38,757	40,456	1,699	0	46,000	45,000	0	(1,000)
DCEO's vehicle	0	0	0	0	28,000	28,000	0	0
<b>Community amenities</b>								
Isuzu MU-X LSM (P761, MV94)	23,390	29,895	6,505	0	24,000	23,000	0	(1,000)
<b>Transport</b>								
Mitsubishi Challenger (MV90, P751)	11,755	22,727	10,972	0	24,028	26,000	1,972	0
Isuzu MU-X LSM (P759, MV92)	26,629	33,065	6,436	0	28,108	26,000	0	(2,108)
2008 Hyundai Van (Building Maintenance, P228, P228)	0	0	0	0	12,161	8,000	0	(4,161)
Hino Tipping Truck (P500, P1)	0	0	0	0	(44,110)	60,000	104,110	0
Daf Tipping Truck (P672, PE72)	0	0	0	0	112,053	65,000	0	(47,053)
JCB Backhoe (P672, PE72)	0	0	0	0	49,764	60,000	10,236	0
Replace New Holland Tractor (P216, HP16)	24,088	26,000	1,912	0	28,288	30,000	1,712	0
John Deere 1445 4WD mower (P520, PE37)	5,786	11,255	5,469	0	(14,926)	8,000	22,926	0
Isuzu 6x4 Tipping Truck (P134, HP12)	0	0	0	0	7,406	50,000	42,593	0
Volvo backhoe (P710, PE712)	0	0	0	0	24,798	45,000	20,202	0
Volvo excavator (P699, PE146)	0	0	0	0	141,064	90,000	0	(51,064)
Takeuchi skid steer (P590, P6165)	0	0	0	0	22,002	8,000	0	(14,002)
Iseki mower (P521, PE69)	6,300	11,255	4,955	0	13,002	5,000	0	(8,002)
Hustler fastrak (P701, PE148)	0	0	0	0	5,016	3,000	0	(2,016)
Snorkel rough terrain (P714, PE161)	0	0	0	0	(860)	30,000	30,860	0
60kva Cummins generator (P292, PE145)	0	0	0	0	8,003	7,000	0	(1,003)
Kerbing machine (P742, PE180)	0	0	0	0	18,567	12,000	0	(6,567)
<b>Economic services</b>								
Sale of old saleyards infrastructure	19,166	196,122	176,956	0	197,802	197,802	0	0
	<u>186,388</u>	<u>416,229</u>	<u>229,841</u>	<u>0</u>	<u>1,182,387</u>	<u>1,573,803</u>	<u>829,570</u>	<u>(438,155)</u>

**SHIRE OF KATANNING**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**22. INFORMATION ON BORROWINGS**

**(a) Repayments - Debentures**

Particulars	Principal 1 July 2015	New Loans	Principal Repayments		Principal 30 June 2016		Interest Repayments	
	\$	\$	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Housing</b>								
146 Conroy St Duplex	75,632		23,426	23,426	52,206	52,206	5,383	5,218
<b>Community amenities</b>								
154 Plant purchase - compactor	50,789		16,374	16,374	34,415	34,415	1,728	1,602
<b>Recreation and culture</b>								
148 Acquatic Centre	114,601		20,306	20,306	94,295	94,295	6,887	6,658
<b>Transport</b>								
149 Plant purchases	42,180		42,180	42,180	0	0	1,190	1,317
<b>Economic services</b>								
155 Plant purchase - road sweeper	53,683		12,744	12,744	40,939	40,939	1,871	1,770
	336,885	0	115,030	115,030	221,855	221,855	17,059	16,565
	336,885	0	115,030	115,030	221,855	221,855	17,059	16,565

All loan repayments were financed by general purpose revenue.

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

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

**(b) New Debentures - 2015/16**

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total	Interest Rate	Amount Used		Balance Unspent
	Actual	Budget				Interest & Charges		Actual	Budget	
	\$	\$				\$	%	\$	\$	\$
156 - Admin Building	0	1,500,000	Unknown	Debentures	20	975,000	6.50%	0	1,500,000	0
	0	1,500,000				975,000		0	1,500,000	0

The Shire did not take up any new debentures during the year ended 30 June 2016.

**(c) Unspent Debentures**

The Shire did not have any unspent debentures as at 30 June 2016.

**(d) Overdraft**

The Shire has not utilised an overdraft facility during the financial year although an overdraft facility of \$250,000 with the Commonwealth Bank does exist.

**SHIRE OF KATANNING**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**23. RATING INFORMATION - 2015/16 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>General rate</b>											
GRV	0.089634	1,147	18,781,488	1,683,460	(431)	0	1,683,029	1,683,460	4,000	1,000	1,688,460
UV	0.101050	548	111,574,000	1,127,455	3,962	681	1,132,098	1,127,455	(4,000)	0	1,123,455
<b>Sub-Total</b>		1,695	130,355,488	2,810,915	3,531	681	2,815,127	2,810,915	0	1,000	2,811,915
<b>Minimum payment</b>	<b>Minimum \$</b>										
GRV	870	653	4,202,821	568,110	0	0	568,110	568,110	0	0	568,110
UV	870	103	4,937,693	89,610	0	0	89,610	89,610	0	0	89,610
<b>Sub-Total</b>		756	9,140,514	657,720	0	0	657,720	657,720	0	0	657,720
		<b>2,451</b>	<b>139,496,002</b>	<b>3,468,635</b>	<b>3,531</b>	<b>681</b>	<b>3,472,847</b>	<b>3,468,635</b>	<b>0</b>	<b>1,000</b>	<b>3,469,635</b>
Discounts/concessions (refer note 27)							(42,065)				(40,000)
<b>Total amount raised from general rate</b>							<b>3,430,782</b>				<b>3,429,635</b>
Ex-gratia rates							3,444				3,685
<b>Totals</b>							<b>3,434,226</b>				<b>3,433,320</b>

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

**24. NET CURRENT ASSETS**

Composition of net current assets

	2016 (30 June 2016 Carried Forward) \$	2016 (1 July 2015 Brought Forward) \$	2015 (30 June 2015 Carried Forward) \$
<b>Surplus/(Deficit) 1 July 15 brought forward</b>	<u>2,697,109</u>	<u>2,264,136</u>	<u>2,264,136</u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents			
Unrestricted	550,246	1,208,392	1,208,392
Restricted	32,624,321	18,362,363	18,362,363
Receivables			
Rates outstanding	338,838	206,826	206,826
Sundry debtors	584,566	1,121,424	1,121,424
GST receivable	105,837	66,012	66,012
Loans receivable - clubs/institutions	250	2,767	2,767
Accrued Income	13,944	88,200	88,200
Provision for doubtful debts	(190,888)	(164,062)	(164,062)
Inventories			
Fuel and materials	10,516	10,516	10,516
History books	14,792	14,792	14,792
<b>LESS: CURRENT LIABILITIES</b>			
Trade and other payables			
Sundry creditors	(723,713)	(593,134)	(593,134)
Accrued interest on debentures	(390)	(684)	(684)
Accrued salaries and wages	(14,627)	(448,878)	(448,878)
ATO liabilities	(49,681)	(85,327)	(85,327)
Accrued Expenses	(242,017)	(114,082)	(114,082)
Income received in advance	(20,381,944)	(8,496,237)	(8,496,237)
Debentures	(76,812)	(115,030)	(115,030)
Provisions			
Provision for annual leave	(350,491)	(438,498)	(438,498)
Provision for long service leave	(286,164)	0	0
<b>Unadjusted net current assets</b>	<u><b>11,926,583</b></u>	<u><b>10,625,360</b></u>	<u><b>10,625,360</b></u>
<b>Adjustments</b>			
Less: Reserves - restricted cash	(9,957,708)	(9,364,314)	(9,364,314)
Less: Loans receivable - clubs/institutions	(250)	0	0
Less: Employee entitlements not expected to be utilised	636,655	438,498	438,498
Add: Debentures	76,812	115,030	115,030
Add: Accrued Wages and interest	15,017	449,562	449,562
<b>Adjusted net current assets - surplus/(deficit)</b>	<u><b>2,697,109</b></u>	<u><b>2,264,136</b></u>	<u><b>2,264,136</b></u>

**Difference**

There was no difference between the surplus/(deficit) 1 July 2015 brought forward position used in the 2016 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2015 audited financial report.



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

**25. SPECIFIED AREA RATE - 2015/16 FINANCIAL YEAR**

The Shire of Katanning did not levy specified area rates in 2015/16.

**26. SERVICE CHARGES - 2015/16 FINANCIAL YEAR**

The Shire did not impose any service charges.

**SHIRE OF KATANNING**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**27. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS - 2015/16 FINANCIAL YEAR**

**Rates Discounts**

<b>Rate or Fee Discount Granted</b>	<b>Discount % or \$</b>	<b>Actual \$</b>	<b>Budget \$</b>	<b>Circumstances in which Discount is Granted</b>
Discount on current rates	2.00%	40,760	40,000	A discount is offered to rate payers who pay the full amount, including arrears and other charges received on or before 35 days after the date appearing on the rate notice. The discount applies to interim rates issued after the billing date.
		<u>40,760</u>	<u>40,000</u>	

**Waivers or Concessions**

<b>Rate or Fee and Charge to which the Waiver or Concession is Granted</b>	<b>Type</b>	<b>Discount % or \$</b>	<b>Actual \$</b>	<b>Budget \$</b>
Rates payable on lots 2, 130 & 4 Round Drive	Concession	50%	1,305	1,256
			<u>1,305</u>	<u>1,256</u>

<b>Rate or Fee and Charge to which the Waiver or Concession is Granted</b>	<b>Circumstances in which the Waiver or Concession is Granted and to whom it was available</b>	<b>Objects of the Waiver or Concession</b>	<b>Reasons for the Waiver or Concession</b>
Rates payable on lots 2, 130 & 4 Round Drive	50% of rates payable by the Club	To recognise contributions to the community by the Club	Support to the Club for the contribution made.

**SHIRE OF KATANNING**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**28. INTEREST CHARGES AND INSTALMENTS - 2015/16 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-Sep-16			11.00%
<b>Option Two</b>				
First Instalment	30-Sep-16			
Second Instalment	02-Feb-17	10	5.50%	
<b>Option Three</b>				
First Instalment	30-Sep-16			
Second Instalment	01-Dec-16	10	5.50%	
Third Instalment	02-Feb-17	10	5.50%	
Fourth Instalment	06-Apr-16	10	5.50%	

	<b>Revenue \$</b>	<b>Budgeted Revenue \$</b>
Interest on unpaid rates	38,919	17,000
Interest on instalment plan	11,053	0
Charges on instalment plan	12,635	23,000
	<u>62,607</u>	<u>40,000</u>

**SHIRE OF KATANNING**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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<b>29. FEES &amp; CHARGES</b>	<b>2016</b> <b>\$</b>	<b>2015</b> <b>\$</b>
Governance	185	606
General purpose funding	19,468	20,941
Law, order, public safety	18,660	16,183
Health	3,215	3,618
Education and welfare	3,118	7,895
Housing	57,000	58,354
Community amenities	874,036	829,425
Recreation and culture	405,674	307,493
Transport	8,167	8,707
Economic services	571,907	542,946
Other property and services	22,387	14,170
	<u>1,983,817</u>	<u>1,810,338</u>

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

**30. GRANT REVENUE**

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

<b>By Nature or Type:</b>	<b>2016</b> <b>\$</b>	<b>2015</b> <b>\$</b>
<b>Operating grants, subsidies and contributions</b>		
Governance	101,802	213,102
General purpose funding	978,406	3,201,184
Law, order, public safety	151,055	149,929
Education and welfare	94,319	80,393
Community amenities	7,313	11,497
Recreation and culture	118,586	54,329
Transport	222,135	217,762
Economic services	(1,207)	139,259
Other property and services	24,538	57,519
	<u>1,696,947</u>	<u>4,124,974</u>
<b>Non-operating grants, subsidies and contributions</b>		
Governance	0	4,642,092
General purpose funding	3,988,683	0
Law, order, public safety	10,580	335,106
Recreation and culture	0	86,717
Transport	1,106,362	498,640
Economic services	0	742,000
	<u>5,105,625</u>	<u>6,304,555</u>
	<u>6,802,572</u>	<u>10,429,529</u>

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

**31. EMPLOYEE NUMBERS**

The number of full-time equivalent employees at balance date

<u>63</u>	<u>60</u>
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**32. ELECTED MEMBERS REMUNERATION**

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

	<b>2016</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
Meeting Fees			
President's attendance fees	10,000	10,000	10,000
Councillors' attendance fees	80,000	80,000	80,000
President's allowance	20,000	20,000	20,000
Deputy President's allowance	5,000	5,000	5,000
Travelling expenses	437	1,000	437
Telecommunications allowance	9,900	9,900	9,900
	<u>125,337</u>	<u>125,900</u>	<u>125,337</u>

**33. MAJOR LAND TRANSACTIONS**

The Shire did not participate in any major land transactions during the 2015/16 financial year.

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

The Shire did participate in trading undertakings for the purpose of utilising the Katanning Leisure Centre and Saleyards, but expenditure did not exceed \$2,000,000 each, which means the trading undertakings are exempt for reporting purposes as per Local Government (Functions and General) Regulations 1996 (Regulation 9) and therefore financial transactions are not required to be disclosed.

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

**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:*

	<b>Carrying Value</b>		<b>Fair Value</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial assets</b>				
Cash and cash equivalents	33,174,567	19,570,755	33,174,567	19,570,755
Receivables	1,026,283	1,477,369	1,026,283	1,477,369
	<u>34,200,850</u>	<u>21,048,124</u>	<u>34,200,850</u>	<u>21,048,124</u>
<b>Financial liabilities</b>				
Payables	22,585,676	10,897,952	22,585,676	10,897,952
Borrowings	221,855	336,885	235,150	314,782
	<u>22,807,531</u>	<u>11,234,837</u>	<u>22,820,826</u>	<u>11,212,734</u>

Fair value is determined as follows:

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

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

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

**(a) Cash and Cash Equivalents**

**Financial assets at fair value through profit and loss**

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

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

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

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

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

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Impact of a 1% <sup>(1)</sup> movement in interest rates on cash		
- Equity	187,372	195,708
- Statement of Comprehensive Income	187,372	195,708

**Notes:**

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

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

**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>2016</b>	<b>2015</b>
Percentage of rates and annual charges		
- Current	34%	8%
- Overdue	66%	92%
Percentage of other receivables		
- Current	51%	96%
- Overdue	49%	4%



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

**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>2016</u></b>					
Payables	22,585,676	0	0	22,585,676	22,585,676
Borrowings	76,812	145,043	0	221,855	221,855
	<u>22,662,488</u>	<u>145,043</u>	<u>0</u>	<u>22,807,531</u>	<u>22,807,531</u>
<b><u>2015</u></b>					
Payables	10,897,952	22,565	0	10,920,517	10,897,952
Borrowings	131,595	244,638	0	376,234	336,885
	<u>11,029,547</u>	<u>267,203</u>	<u>0</u>	<u>11,296,751</u>	<u>11,234,837</u>

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

**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 Effective Interest Rate %
<b><u>Year ended 30 June 2016</u></b>								
<b>Borrowings</b>								
<b>Fixed rate</b>								
Debentures	0	86,621	40,938	94,295	0	0	221,854	5.40%
Weighted average Effective interest rate	0.00%	5.72%	3.43%	5.97%	0.00%	0.00%		
<b><u>Year ended 30 June 2015</u></b>								
<b>Borrowings</b>								
<b>Fixed rate</b>								
Debentures	42,180	0	126,421	53,682	114,601	0	336,884	4.89%
Weighted average Effective interest rate	5.73%	0.00%	5.71%	3.43%	5.97%	0.00%		

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

### **REPORT ON THE FINANCIAL REPORT**

We have audited the accompanying financial report of the Shire of Katanning, which comprises the statement of financial position as at 30 June 2016, statement of comprehensive income by nature or type, statement of comprehensive income by program, statement of changes in equity, statement of cash flows and the rate setting statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by Chief Executive Officer.

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

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

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

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

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

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

#### ***Opinion***

In our opinion, the financial report of the Shire of Katanning 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 2016 and of its financial performance and its cash flows for the year ended on that date; and
- b) complying with Australian Accounting Standards (including Australian Accounting Interpretations).

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

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

During the course of the audit we became aware of the following instances where the Shire did not comply with the *Local Government Act 1995 (as amended)* and the *Local Government (Financial Management) Regulations 1996 (as amended)*:

**Submission of Financial Report**

- The accounts and financial report for the year ended 30 June 2016 were not submitted to the auditor by 31 October 2016 being the extension of time granted in accordance with Section 6.4(3) of the Act.
- The Annual Financial Report for the year ended 30 June 2015 was not submitted to the Department of Local Government within 30 days of the auditor's report becoming available, as required by Local Government (Financial Management) Regulation 51(2).

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

- a) There are no matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- b) Except as detailed above, no other matters indicating non-compliance with Part 6 of the *Local Government Act 1995 (as amended)*, the *Local Government (Financial Management) Regulations 1996 (as amended)* or applicable financial controls of any other written law were noted during the course of our audit.
- c) In relation to the Supplementary Ratio Information presented at page 62 of this report, we have reviewed the calculation for the Asset Consumption Ratio as presented and nothing has come to our attention to suggest it is not:
  - i. reasonably calculated; and
  - ii. based on verifiable information.

The Asset Renewal Funding Ratio was not calculated and hence no review was carried out.

- d) All necessary information and explanations were obtained by us.
- e) All audit procedures were satisfactorily completed in conducting our audit

MOORE STEPHENS  
CHARTERED ACCOUNTANTS



DAVID TOMASI  
PARTNER

Signed at Perth this 20<sup>th</sup> day of March 2017.

**SHIRE OF KATANNING  
SUPPLEMENTARY RATIO INFORMATION  
FOR THE YEAR ENDED 30TH JUNE 2016**

**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>2016</b>	<b>2015</b>	<b>2014</b>
Asset consumption ratio	0.97	0.97	0.71
Asset renewal funding ratio	N/A	0.99	0.98

The above ratios are calculated as follows:

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

**N/A - The ratios have not been calculated as the relevant strategic plans require thorough review.**



Shire of  
**Katanning**  
Heart of the Great Southern

Katanning Administration & Civic Building  
Project Management Plan  
Draft 20/03/2017



Heart of the Great Southern

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## Project – Katanning Administration & Civic Building

### 1. Introduction

#### 1.1. Project Description & Charter

The construction of new Administration Building is identified as a priority project in the Shire's Plan for the Future 2009-2014 and in the Shire's Strategic Plan. The current Shire office and administration were built in the early 1960s and is unable to meet the current and anticipated future needs of the Shire Administration.

In October 2011, Council received a Preliminary Business Case Needs Assessment and Options Analysis for the new Administration Building.

In September 2012, Council purchased the Katanning Unit Hotel (Lot 102) and requested and received approval from Regional Development Lands (RDL) to utilise a portion of the Supertowns Grant funding for the Heritage Precinct to fund the purchase. At the same time purchased the adjoining vacant (Lot 103) from its own funds. Lot 102 and 103 have a combined area of over 3,000 square metres.

In December 2012, Council received another report which identified the site ideal for the Shire's Administration Building and encouraged Council to consider additional space for other community purposes. The then design proposal was for a 2,100 square metres building with an estimated cost of five million dollars. The style of design/ construction was a single story "tilt-up" concrete panel commercial building similar to urban shopping and commercial developments.

In order to accommodate the new Administration building, approximately three-quarters of the existing hotel has been demolished. The remaining 300 square metres of floor area has now been re-developed as a Business Incubator (ground floor) and Shire administration space (first floor).

At the June 2016 Ordinary Council meeting Council endorsed a new approach to the design and construction of the Katanning Administration & Civic Building where a professional architect would be engaged to design the new facility and tenders called for the construction of the facility.

The new facility is planned around a 1500m<sup>2</sup> building with additional space available on the first floor of the Katanning Hotel. It is envisaged that the two buildings be connected (budget permitting).

The subject land comprises Lot 102 (42) and Lot 103 (52) **Austral Terrace**, Katanning.

The property is zoned Town Centre under the Shire of Katanning Town Planning Scheme No. 4 (TPS4). The draft Local Planning Scheme No.5 (LPS5) designates the subject land as 'Commercial'.

The subject land is Place Number 01342 in the TPS4 Heritage List/ Municipal Inventory – Category 2 (adopted 25 January 1996). The subject land is also within an identified Heritage Precinct.

Accordingly, the New Administration Building is to be designed to satisfy the statutory requirements of the Town Planning Scheme No. 4/Local Planning Scheme No. as applicable at



the time, together the matters listed in Clause 67 of the Planning and Development (Local Planning Schemes) Regulations 2015 (LPS Regulations), in particular criteria k – n. The building should also fulfil to relevant recommendations and actions set out in the endorsed Shire Katanning Planning Strategy (May 2013) and the Super Town Growth and Implementation Plan (July 2012).

The site address is 42-52 (lot 102 & 103) Austral Terrace, Katanning. Lot 102 (1731 sqm) and Lot 103 (1665 sqm) giving a total of 3396 sqm. Lot 102 includes the remaining Katanning Hotel that has been refurbished into office spaces. The ground floor offices were purpose built for community business incubator and the upper floor for Shire purposes. If suitable, the hotel's additional office spaces -first floor can be incorporated and linked for the new administration and civic building use. It is also required for this project to link the designated exit chamber area with the new building.

Lots 102 & 103 received approval for amalgamation in August 2013 which expired on 24 July 2016. Amalgamation was not achieved due to the conditions setting out Western Power's provision of an underground electricity supply to the lots. (Refer Appendix 4- WAPC). A licensed Surveyor has been appointed to prepare and submit the Deposited Plan.

## 1.2. Project Objectives

*The following project objectives were developed and included in the Request for Tender for the architect.*

### *Client / User Statement*

We want a modern facility that can accommodate future growth and an architectural design that will strengthen the site's cultural and historical significance. An architectural infill that leverages on the streetscapes' existing character and that will without resorting to direct mimicry signify Katanning's growth, bringing our past with our present.

### *Functional Objectives*

- To provide a work environment that accounts for functional, ergonomic and spatial needs of staff and elected members. A work environment that is suitable, comfortable and functional.
- To design for flexibility of space utility and future growth.
- To design a link and incorporate existing unit hotel (business incubator) to new administration building.
- To meet universal access in accordance with the Western Australian Equal Opportunity Act 1984, the Disability Discrimination Act 1992, the Disability Standards AS1428 (2012) and the National Construction Code, the requirements of people with disabilities as both employees and clients, such as: wheelchair access, toilet facilities, prominent signage, access to lift control.
- To design a well-coordinated ambient noise and lighting controls with appropriate internal surfaces and office joinery. Functional space that meets privacy and lighting level requirements and staff comfort.
- To function as emergency operations centre when needed.

## *Design Objectives*

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To design a built environment that provides value to the community representing Katanning's history, culture and achievements. A new Shire administration and civic building that will engender community pride and will leverage on site's existing streetscape.

## *Design Criteria*

---

### **Character**

Architectural character that links the past to the present. An environment that fosters visual harmony or unity that is sympathetic to its surroundings. Enhance existing views and vistas to & from the new development across townscape.

### **Scale**

Design that recognises the streetscape predominant scale (height, bulk, density, grain) creating a rhythm of building frontages.

### **Form**

The infill design should be sympathetic with the predominant form of its neighbours. The design should be cohesive to its existing streetscape. The form needs not to copy but should relate to the streetscape positively.

Form to be medium to high quality finish. Form that will create the link from the existing unit hotel to the new administration and civic building.

### **Materials and Colours**

An infill building that recognises characteristic materials, textures and colours used locally and in adjacent buildings. These can be re-interpreted and incorporated as part of the new design. Materials and colours of adjacent buildings should not be copied but used as a point of reference. Modern materials can be used as long as their proportion and details are harmonious within the streetscape's historical context. Materials to be medium to high quality finish.

### **Detailing**

Common details at the existing streetscape such as verandahs and chimneys create a distinct character in the precinct. While these needs not to be copied, modern details should reinterpret and create relationships between new and old.

Ecologically sustainable design such as but not limited to solar panels and water tanks should be sensitively located and designed not to intrude on the cohesiveness of the area.

### **Function and forward looking**

A site and building footprint that caters for future growth from 40 to 60 staff. Functional environment that is accessible, flexible and meeting the Shire's operational needs.

## *Environmental Objectives*

---

The facilities must be planned and designed according to general site design principles including orientation, grading and landscape form, aesthetics, construction, plant material selection, signage and amenities. The facility needs to meet a self-assessed 5 Star Green star design or NABERS 4.5 Star Energy base building rating and 4 Star Water rating.

The environmental objectives include:

- To design a facility that has lower impact to the environment and has lower whole of life-cycle cost.
- To incorporate solar-passive design to minimise water and energy usage.
- To provide generous amount of natural lighting.
- To design for good indoor air quality using low or non-toxic finishes and using acceptable ventilation levels and system design.
- To allow for indoor plants in improving air quality whenever possible.
- To allow for stormwater harvesting and grey water recycling (if possible).

### *Spatial Requirements*

Room description	Notes
Reception	Caters to 2 front office staff
Licensing office	For 1 examinee and must be visible to reception staff
Lobby	Information board and form filling tables
Multi-purpose Council chamber	Chamber that can be utilise for formal civic meetings, informal council forum meetings and public civic functions. Chamber that is suitable for meetings, training and workshops.
Conference/ Training room (for at least 20)	Room that can be utilise for external emergency services team, with video conferencing facilities
Kitchenette and obscured bar area	Catering facilities to conference/ training room and council chamber
Small meeting room	Room that can be used for interviews and for councillors to hold private meeting/ consultation
Public toilets	
CEO Office adjacent to Executive Assistance office	CEO Office requires ample secured storage, consultation desk and access to CCTV monitors
Directors office x4	
Fire and Emergency Services Manager's office	Close access to exit
Ranger' office	Close access to exit
HR office	
Finance manager's office	
Records office	Access to a complying records printer

Archives room	
Vault/ Strong room	
Printing and stationary supplies room	Plotter, multi-function printer, paper & ink supplies, binder, laminating machines, etc.
Staff work area x 30	To be divided to different directorate. Minimum 13 sqm. Workpoint density target. Workstations should include storage for individual use (1x pedestal storage cabinet), team use (2x tambours per 3 people). Desks and chairs should be ergonomically sound, fully adjustable, suitable for universal access and consistent with the work function. Furniture should be consistent with the modular design and free-standing to allow economical reallocation and re-use. Custom designed, built in furniture, curtains and drapes should be avoided.
Staff Kitchen, lounge area and outdoor courtyard	
Staff toilet with 1 shower unit (bicycle end of trip facilities)	
Staff meeting room- 4 person & 10 person	
Storage	For spare monitors, computers, etc.
Cleaner's storage with cleaner's sink	
First Aid station/ Sick room	
Link to existing unit hotel	Provide secondary exit access for unit hotel when possible
Bicycle parking and end-of-trip facilities	Secure bicycle storage space (1:20 workpoints), accessible showers and change facilities (1:10 bicycle storage space) and personal storage facilities for each bicycle storage area. Bicycle parking made available for visitors and is sheltered and enables passive surveillance.

An estimated floor area of 1,500 square meters is required. The administration area needs to be capable of being isolated and secured from the civic/ council chamber/ emergency services.

### Exterior Requirements

- External landscape
- Forecourt and a place for the Australian flag
- Public seating (if possible)
- Public carpark

- Design addressing existing streetscape
- Car parking requirements are set out Schedule 5 of TPS4.
- The minimum number of car parking bays for the different uses, corresponding floor areas and requirements are:
  - Offices: 1 per 50sqm of Nett Lettable Area – Proposed office area, approx. 900sqm = 18 bays
  - Place of Public Assembly: 22 per 100sqm – Gallery and function Hall, approx. 210sqm = 45 bays.
  - Given the site is included on the Heritage List (Municipal Inventory) Council has discretion to vary parking requirements.

#### *Special furnishing and equipment requirements*

---

Most office fit-out will be brand new. Some minor exceptions may apply to some equipment such as servers, racks, plotters, multi-function printers and office chairs.

Some old recovered timber from the renovated unit hotel needs to be utilised and incorporated with the design. Re-use/ incorporation of existing materials from current administration building and council chamber furniture are encouraged.

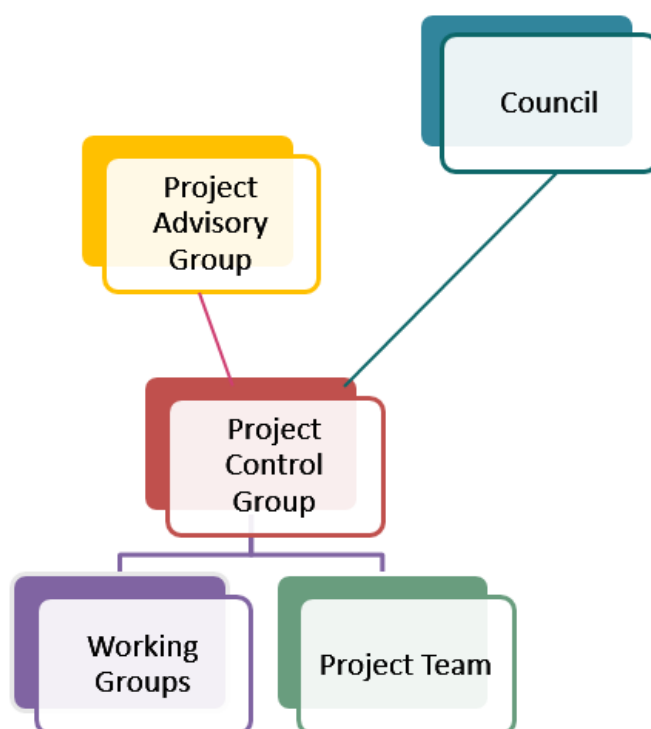
## 2. Project Organisation

### 2.1. Project Management Strategy

The project is being managed by the Shire of Katanning. The Shire's appointed project manager is the Executive Manager of Property & Assets and will be the project manager for the project, including any sub-projects, unless otherwise nominated in the Project Management Plan. The Executive Manager of Projects and Community Building will remain a member of the management structure and manage aspects of this programme.

The Project Management Plan (this document) is a working document and will develop as the project is more fully defined and refined. The Project Manager is responsible for developing the Project Management Plan and updating and issuing the plan regularly.

The project will be controlled by the Project Control Group (PCG) who will act as the gateway of reporting to Council and the Project Advisory Group. The PCG will oversee the management of the Project Team and Working Groups through the project manager.



### 2.2. Project Advisory Group (PAG)

The Project Advisory Group (PAG) consisting of high level stakeholders and community representation will provide high level advice and guidance to the project through the Project Control Group.

It is proposed that Council forms a Project Advisory Group (PAG) consisting of the previous Council Working Group members, the Shire President and two members of the public. The role

of the PAG will include reviewing the design development stage including contributing to the finishes schedule, interior design and external landscape and courtyard design.

### **2.3. Project Control Group (PCG)**

The Shire Project Control Group will consist of the CEO, Executive Manager Projects and Community Building, and the Executive Manager Property & Assets. The PCG will make decisions with regard to project resourcing, scope, funding and implementation. Where necessary the PCG can refer decisions to the PAG or Council as required and/or as outlined in the Project Management Plan.

### **2.4. Working Groups (WG)**

Working Groups are created to help develop the scope as necessary so as to align with and enhance the project objectives. The number of groups required will be determined by the nature of the differing projects. These groups will be advisory groups formed to consist of relevant experts, community members, staff and Councillors' as is required so the group can adequately provide advice during the scoping and design phases to the Project Team. The number and makeup of working groups will be determined by the PCG upon the advice of the Project Manager.

The New Shire Admin & Civic Building PCG will create staff working groups, and other working groups, as appropriate to inform the design process.

### **2.5. Project Team**

The Project Team consists of the Executive Manager Property & Assets (project manager), Executive Manager Projects & Community Building, Shire staff assigned to the project, Consultants appointed to the project.

### **2.6. Stakeholders**

This list below is the list of stakeholders as identified:

1. Shire of Katanning Councillors
2. Shire employees
3. Katanning historical society
4. FESA
5. DOT Licensing
6. Community
7. Project sponsor

## **3. Outline Scope**

### **a. Scope Development Strategy**

#### *Concept Plan*

A concept plan was been developed and presented to the public, Councillors, and senior staff on 20/12/2016. Feedback from this presentation was incorporated into a revised concept plan that was presented to Councillors and senior staff on 21/2/2017. Feedback from this forum has been incorporated into the current Sketch Design version (Schematic Design 20/3/2017)

### *Public Consultation Strategy/ Working Groups*

As indicated the initial concept plan was presented to a public forum on 20/12/2016. A further public presentation will be made after Council endorses the Sketch Design.

To enhance the design outcome and include further public input it is proposed that a PAG be formed that includes 2 community members.

### *Sub Projects*

If required a number of sub-projects will be created to deliver the scope in packages as determined by the Project Team and approved by the PCG. Consultants will be appointed to each sub-project as required. Once engaged these consultants will be involved in further refinement of the scope for each sub-project working with the PCG and Working Groups.

### *Operational Plans*

Operational Plans that are identified as a requirement for the delivery of a project objective will be developed in parallel with development of the scope for sub-projects. A strategy for this will be formulated as the need arise in consultation with the PCG.

## **b. Scope Management**

The development of the scope, and subsequent management of the scope, will be overseen by the Project Control Group and managed by the Project Manager.

## **4. Project Structure & Approvals Plan**

### **4.1. Project Phases**

The project is divided into PHASES. These are:

1. PHASE 1: Project Start Up & Feasibility
2. PHASE 2: Project Definition
3. PHASE 3: Project Initiation
4. PHASE 4: Project Design
5. PHASE 5: Project Execution
6. PHASE 6: Project Close Out

Each Phase is composed of a number of tasks and deliverables. A list of the general tasks is shown below. A more detailed description of the tasks and deliverables during the Design and Execution stages are described in *Section 10: Procurement Management Plan* of this document.

*Note: RFX refers to either a Request for Tender (RFT) or Request for Quotation (RFQ)*

### **4.2. PHASE 1: Project Start Up & Feasibility**

#### **PHASE 1 OUTLINE TASKS:**



1. Feasibility Study/ Business Case/ Accommodation Outline. (*Approval: Project Control Group/ Council*)
2. Establish PAG if required and other control measures. (*Approval: Project Control Group/ Council*)
3. Create Working Groups as required. (*Approval: Project Control Group*)
4. Establish project resource requirements. (*Approval: Project Control Group*)
5. Establish project budget parameters and funding source(s). (*Approval: Project Control Group/ Council*)

#### **4.3. PHASE 2: Project Definition**

##### **PHASE 2 OUTLINE TASKS:**

6. Develop Project Scope document/ Project Brief (*Approval: Project Control Group/ Council*)
7. Develop Project Management Plan (*Approval: Project Control Group/ Council*)
8. Formulate Draft Project Programme (*Approval: Project Control Group*)

#### **4.4. PHASE 3: Project Initiation**

##### **PHASE 3 OUTLINE TASKS:**

9. Conduct RFx to appoint an architect (lead consultant) to undertake Concept Planning (*Approval: Project Control Group*)
10. Create Working Groups/ Public Consultation strategy as required. (*Approval: Project Control Group*)
11. Conduct RFx to appoint a Quantity Surveyor. (*Approval: Project Control Group*)

#### **4.5. PHASE 4: Project Design (3 Stages)**

##### **PHASE 4 STAGES:**

12. Concept Design Stage (*Concept Design and Indicative Budget approved by Council*)
13. Sketch Design (*Sketch Design & Preliminary Cost: Approval Project Control Group/ Council*)
14. Design Development Stage (*DD Documentation and Limit of Cost approved by Project Control Group/ Council*)

#### **4.6. PHASE 5: Project Execution**

##### **PHASE 5 STAGES:**

15. Documentation Stage (*Approval Project Control Group*)
16. Tendering Stage (*Successful contractor approved by Council*)
17. Construction & Handover Stage (*Approval Project Control Group*)

#### **4.7. PHASE 6: Project Close-Out**

##### **PHASE 6 STAGES:**

18. Defects & Finalisation Stage (*Approval Project Control Group*)
19. Defects Liability Stage (*Approval Project Control Group*)
20. Post Occupancy Reports (*Approval Project Control Group*)
21. Final Certificates (*Approval Project Control Group*)
22. Project Completion (*Approval Project Control Group*)

### **5. Cost Estimates**

Details	Budget (post 1/7/16)
Consultant Fees	\$ 400,000.00
Construction cost	\$ 4,680,000.00
Electrical Sub-station	\$ 200,000.00
Fit out budget	\$ 624,000.00
Open parking area/ landscape	\$ 167,000.00
<b>SUB TOTAL PROJECT</b>	<b>\$ 6,071,000.00</b>
Project Management	\$ 60,000.00
Admin allocation (Overhead)	\$ 72,000.00
Contingency	\$ 97,000.00
<b>TOTAL PROJECT COST</b>	<b>\$ 6,300,000.00</b>

## 6. Program

Refer to Draft Programme V

## 7. Funding Obligations

Source of Funding	Available Funds
CLGF Individual 12/13	\$ 601,437.00
Supertown Stage 1 Interest	\$ 500,000.00
Land & Building Reserve	\$ 2,398,563.00
External Loan	\$ 3,498,214.00
<b>PROJECT TOTALS</b>	<b>\$ 6,998,214.00</b>
Project Budget (Annual Budget 2016/17)	\$ 6,998,214.00
Spend to Date (30.6.2016)	\$ 698,214.00
2016/17 Budget	\$ 3,923,000.00
Future Years	\$ 2,377,000.00
<b>Total Project Budget 1/7/2017 onwards</b>	<b>\$ 6,300,000.00</b>

The CLGF 12/13 grant has been fully spent. The final milestone/ activity is the "Tender acceptance by Council for the construction of the new administration building" with a milestone date of 30/8/2017.

The Katanning Supertown Stage 1 grant has accrued interest of over \$500,000. The total amount available for this project has to be confirmed.

## 8. Resource Plan

To Shire of Katanning can deliver this project with the current staff resources. The Executive Manager of Property & Assets will be the project manager with an estimated commitment of 0.2 FTE.

## 9. Risk

The following items have been identified as risks:

1. The project funding being sourced from the Supertown Stage 1 accrued interest may come under scrutiny from the new State Government.
2. The funds expended from CLGF 12/13 have been received and spent. The final milestone has been adjusted to the tender acceptance by Council for the construction of the new administration building. The revised date is 30/8/2017. The design/ documentation and calling of tenders must adhere to the current programme to achieve this milestone.
3. The first quantity surveyor's cost report has not yet been received so confirmation of the project budget is not possible based on the current design at this stage.

## 10. Procurement Management Plan

### 10.1. Overview

The overall procurement strategy will be managed by the Shire of Katanning. The Shire has appointed the Executive Manager of Property & Assets as the overall Project Manager for this project.

The new Katanning Administration & Civic Building is currently in the Sketch Design stage of the project (Phase 4/ Task 13.).

Generally the project management team is responsible for completing Phases 1 to 3 prior to the appointment of external consultants although consultants may be commissioned to undertake aspects of these phases (eg feasibility studies, master planning). Details of consultants to be appointed are described in section 10.2 below.

The project management team will develop the brief for the project from the information gathered during the feasibility phase. The project management team will develop the necessary RFx's to engage lead consultant for the project and will conduct the RFx's to engage lead consultants. The lead consultants (architect/ landscape architect/ commissioned project manager) will conduct RFx's to obtain quotes for the service and other sub-consultants. The results of these RFx's will be forwarded to the project management team along with the lead consultant's recommendation. All RFxs will be conducted according to the Shire of Katanning's Procurement Policy.

Lead Consultants and Service Consultants will be directly engaged by the Shire of Katanning. All consultants will be engaged under AS 4122 – 2010 General Conditions of Contract for Consultants.

The lead consultants will co-ordinate the work of services and sub-consultants. The project management team will maintain overall responsibility for ensuring the design team adheres to the briefs and that projects are developed to satisfy project objectives.

Cost control will involve the commissioning of a Quantity Surveyor (QS) by the Shire of Katanning to provide quantity surveying services for the project as a whole. The QS will deliver cost plans at the Concept (Indicative Cost), Sketch Design (Preliminary Cost), Design Development (Limit of Cost) and Pre-tender stages.

The project management team will conduct RFx's for the construction contract. All RFx's will conform to the Shire of Katanning Procurement Policy and the Shire of Katanning Buy Local policy.

Lead Consultants will be responsible for contract administration of contracts during the Construction Stage.

## **10.2. Detailed Phase Requirements**

The following are the general requirements for each stage of the Design and Execution phases. Further clarifications of detailed requirements of the deliverables during these stages are included in the brief document for each consultant.

### **10.2.1. Concept Design Stage and Approval**

The aim of this stage is to produce a Concept (or Schematic) Design and review the Indicative Cost as an approval document. These documents will be used for preliminary approval by the Shire of Katanning (Principal) sufficient to allow the consultants to proceed with the Sketch Design stage. The Concept Design drawings should clearly articulate the design intent and building form as well demonstrate that the concept will lead to accommodating all the brief requirements.

Deliverables:

- Concept Plan (Architect)
- Indicative Cost (QS)
- Programme (Project Manager)

The Concept Plan will include, but not be limited to;

- 1:250 Site plan indicating
  - building footprint and adjoining built form,
  - points of site entry,
  - vehicle, pedestrian and disabled access to the site and the building;
  - car parking areas
  - indicative path network;
  - building service areas including rubbish, outside storage, delivery area etc.;
  - site landscaping areas
- 1:100 floor plans with indicative functional areas and room layouts, circulation, plant, utility and services areas.
- 1:100 elevations and sections with preliminary schedule of materials & finishes

The Architect shall consult with the Principal to ensure the Concept Plan address the Scope of Work. It is expected that the Concept Plans will align to meet the objectives of the Scope of Work.

The Architect shall prepare an Indicative Cost Plan with the Shire appointed Quantity Surveyor based on the Concept Plans. Where the cost estimate exceeds the project budget,

the Project Manager may instruct the Architect to refine the Concept Plans to reduce the project costs.

At the conclusion of this project phase the Architect will be fully informed to present the preferred Concept Plan to the Project Control Group and/ or Council for endorsement. Provide a minimum of 3 printed copies of all final Concept Design documentation to the Principal.

### **10.2.2. Sketch Design Stage and Approval**

The aim of this stage is to produce a Sketch Design, with associated scoping and costing (Preliminary Cost) and obtain approval to move to the Design Development Stage. The Concept Design will be further developed to confirm that the brief requirements can be fully satisfied spatially and within budget. The architectural form will be developed to an advanced stage and will be demonstrated through 3D modelling.

Deliverables:

- Appointment of Sub-Consultants (Architect & sub-consultants)
- Sketch Design (Sub-consultants) includes cost estimate from service consultants. Sub-consultants to draft brief requirements for each discipline and have these signed off by the Project Manager. Indicative services layouts (1:100) and services report.
- Sketch Design (Architect) including plans (1:100), Elevations (1:100), Site Plan (1:250), Detailed scope and agreed brief, 3D modelling.
- Sketch Design Report (Architect & sub-consultants)
- Preliminary Cost (QS)
- Programme Update (Project Manager)

The following is a detailed list of inclusions in the Sketch Design documentation;

- 1:250 Site plan indicating
  - Building footprint and adjoining built form,
  - Points of site entry,
  - Points of onsite stormwater disposal
  - Utility service requirements to the building;
  - Vehicle, pedestrian and disabled access to the site and the building;
  - Sufficient car parking, loading and unloading bays;
  - Path network;
  - Site forecourt and flag pole location;
  - Building service areas including rubbish, outside storage, delivery area etc.;
  - Night time security lighting;
  - Clear entry statement to facility; and
  - Site landscaping and reticulation.
- 1:100 floor plans with indicative area for various shire departments i.e. engineering, finance, project management, community development, property, records, etc. showing room layouts, access ways, indoor/outdoor play areas, utility areas etc.;
- 1:100 elevations and sections showing proposed building form, roof shape, architectural design features etc.;
- Conceptual sketches or design vision board for outdoor and interior design concepts;
- Provision of utility services and emergency fire and security services;

- Accommodate seasonal variation including wet weather protection, heating, cooling, summer shade, prevailing winds etc.;
- Stormwater drainage;
- Potential rainwater harvesting and grey water re-use; and
- Solar sensitive design to optimise energy efficiency
- Schedule of materials, finishes and colour board
- 3D models and perspectives suitable to fully demonstrate the building design.
- Report on each of the building service's indicating basic type, extent of service, and cost options and estimated operating and maintenance costs.
- Report on building design including summary of areas

The Architect shall prepare a Preliminary Cost Plan with the Quantity Surveyor based on the Sketch Design documents. Where the cost estimate significantly exceeds the project budget, the Project Manager may instruct the architect and sub-consultants to refine the Sketch Design to bring the project on budget

The Architect and sub-consultants shall prepare a risk analysis addressing the building design and services design. The risk analysis will focus on the risks inherent in the proposed design, the project budget, delivery of the project, facility tenancy and operation, and ongoing maintenance. The objective of the risk analysis is to identify potential construction project variations, utility servicing constraints, user group conflicts, whole of life cost constraints, statutory limitations, budget sensitivities etc.

At the conclusion of this project stage the Architect will be fully informed to present the preferred Sketch Design package to the Project Control Group and/ or Council for approval. Provide a minimum of 3 printed copies of all final Sketch Design documentation to the Principal.

### **10.2.3. Design Development Stage and Approval**

The aim of this stage is to produce a developed set of documents for approval by Council of the scope and limit-of-cost, for design-freeze, so that construction contract documentation may proceed with a minimum of scope changes. It is expected that the cost estimate will be accurate at this stage and it is the responsibility of all design consultants to ensure the design is developed to the extent that this aim can be achieved.

Deliverables:

- Developed design drawings includes Sketch Design drawing requirements plus room layouts (1:50), detailed sections, extent of finishes, structure, materials and fittings (Architect & sub-consultants)
- Scope of Work summaries (Architect & sub-consultants)
- Design Development Report (Architect & sub-consultants)
- Limit of Cost (QS)
- Programme Update (Project Manager)

The following is a detailed list of inclusions in the Design Development documentation;

- Building layout and other architectural features required for the contract documents;
- Structural features and elements required to support the building, including independent structure design and review;

- Energy efficiencies, passive solar opportunities, heating & cooling, air-conditioning, window treatments, shade areas, seasonal variation;
- Water wise fittings, water wise gardens, waste water recycling opportunities, stormwater drainage, sewer systems, hot water systems;
- Maintenance minimisation, optimise moving elements, replacement elements, passive energy, contemporary technology, graffiti proof surfaces;
- Disabled and pram access, ramps, doorways, toilets & change rooms, server bench heights;
- Passive security design for indoor and outdoor children activity areas;
- Back of building, rubbish bin storage, bulk waste products, catering deliveries, bulk item storage, hose down area;
- Landscaping, water sensitive design gardens, shade trees, low maintenance turf selection, shade structures, outside furniture, rubbish bins, directional signage, fencing and gates, reticulation and bores;
- Civil works, earthworks, car parks, pavements, paths, drainage, trenching, utilities, street lighting, path lighting, bollards, access gates;
- Site security, motion sensitive lighting, CCTV, smart alarm system, swipe card security, internal locking system, smoke alarms, fire hydrant pumps, fire reels and extinguishers, CPTED design principles, emergency exits; and
- Materials and finishes, floor coverings, colour schedule, fixed furniture and joinery, window treatments, wet area surfaces, lighting, material fabrics, internal signage, graphics, power points, plumbing details.
- Office fit-out schedule

During the design development phase, the Architect and sub-consultants are to initiate and/or obtain all relevant Authority approvals for the proposed Works. Approvals that are likely to be required are

- |                      |   |
|----------------------|---|
| • Shire of Katanning | Planning Approval                           |
| • Western Power      | Power supply upgrade and connection;        |
| • Water Corporation  | Water supply upgrade and connection;        |
| • Water Corporation  | Sewer connection;                           |
| • Telstra/ NBN       | Phone / fax / internet / mobile connection; |
| • DFES               | Fire engineering approval                   |
| • WAPC               | Amalgamation of lots (if required)          |

Where the cost estimates and/or timelines do not satisfy the project budget and/or delivery deadlines, the Principal may instruct the architect to refine the design to reduce anticipated project costs and/or timelines.

Where construction budget becomes an issue with the Shire's long term financial plan, the Principal may instruct the architect to refine design and construction tender documentation to anticipate a staged construction.

The Architect shall ensure that the design, including the services consultant's designs, are sufficiently developed, integrated and complete to progress the project to contract documentation with the minimum risk for any design changes.

Allow to supply periodic copies of documents and drawings during the design development stage for review and approval purposes.

Provide reports and drawings both in AutoCAD and PDF format on digital storage device delivered to the Project Manager. Provide a minimum of 3 printed copies of all final Design Development documentation to the Principal.

#### **10.2.4. Documentation Stage and Approval**

The aim of this stage is to produce a set of construction documents that can be used for construction and obtaining quotes from contractors.

Deliverables:

- Construction Contract Drawings (Architect & sub-consultants)
- Construction Specifications (Architect & sub-consultants)
- Bill of Quantities (if required by QS)
- Pre-tender Cost Estimate (QS)
- All certification required under law (Architect & sub-consultants)

A list of Provisional Sums and Prime Cost (PC) items must be clearly shown in the tender documents.

The Architect and sub-consultants shall assist the Project Manager to prepare a full set of Contract Documents and associated Tender/ Quotation Documentation. If identified by the project manager a Forward Works package may also be required. The fitout of the building may also be a separate package.

The Architect will co-ordinate the sub-consultants, and shall work with the Project Manager, to prepare and integrate the following documents into a tender or quotation package (note any other required documentation identified in previous stages is to be included in this list):

- Detailed civil engineering drawings;
- Technical specifications for bulk earthworks and civil engineering;
- Detailed building design drawings;
- Technical specifications for building;
- Detailed electrical design drawings.;
- Technical specifications for electrical works;
- Detailed Landscaping drawings and planting schedules;
- Technical specifications for landscaping (including reticulation);
- Detailed mechanical engineering drawings;
- Technical specifications for mechanical engineering works;
- Detailed structural engineering drawings;
- Technical specifications for structural engineering works;
- Fire Engineering Solution and Report
- Energy Assessment
- BCA compliance reports and certification
- Schedule of fitted furniture, fitments and internal fittings;
- Schedule of office furniture and fit-out;
- Schedule of items to be supplied by the Principal;



- Schedule of fees and charges for head works and approvals;
- Bill of quantities to support drawings and technical specifications (if required);
- Any other and all certification required under the law (eg. Certificate of Design Compliance).

The Architect and sub-consultants may prepare these Contract Documents and Tender/ Quotation documentation as separate items, consolidated items or integrated items, such that all of the items are addressed in the Tender/ Quotation.

The Architect and sub-consultants will need to provide a clear hierarchy of document authority to ensure prospective respondents are informed.

The Architect and sub-consultants shall make all necessary documentation available in electronic format suitable for on line tendering/ quoting.

#### **10.2.5. Tender/ Quotation Stage and Approval**

Generally a public Request for Tender (RFT) will be held to select the construction head contractor. The RFT process will be conducted by the project manager with the assistance of the architect. The Shire of Katanning is working towards conducting a public RFT to select suitable contractors to be placed on a Shire of Katanning Preferred Head Contractor Panel. If this panel has been created prior to this project going to tender then the preferred method of selecting a construction head contractor will be to request a quotation from the suitable panel members (RFQ).

Deliverables:

- RFT for Construction Head Contract (or RFQ)
- Tender/ Quotation evaluation and reports
- Tender/ Quotation acceptance recommendation (Architect & sub-consultants)
- Acceptance of Tender/ Quote by Council (Shire of Katanning)
- Confirmation of appointment of Head Contractor (Shire of Katanning)

The Architect shall provide advice to the Project Manager on appropriate Tender advertising (if required), timeframes and industry practices relevant to the construction contract. The Architect and sub-consultants shall make themselves available to respond to technical and project enquiries during the construction contract tendering/ quotation period. The Architect and sub-consultants shall assist the Project Manager to prepare Contract Addenda if required.

The Principal shall undertake the advertising for the construction contract.

The Architect and sub-consultants shall assist the Principal assess tenders for the construction contract. The project manager will form a Tender/ Quotation Assessment Panel with the approval of the Project Control Group to assess the submissions.

The Architect and sub-consultants shall lend their expertise, experience, skills industry practices and norms to evaluate non-conforming tenders, out of scope offers and other features of the submitted tenders/ quotes to assist the Assessment Panel to recommend the best value for money offer to the Council.

The Architect and sub-consultants will be expected to provide a report informing their recommendation to the Assessment Panel based on its specialised knowledge of the project and their understanding of the Contract Documents and Tender/ Quotation Documentation.

The Architect and sub-consultants are expected to be available to respond to queries from the Principal and Council. The Architect may be required to assist the Project Manager to conduct the following meetings/ briefings

- Convening of the Tender/ Quotation Assessment Panel;
- Public opening of the Tenders (if an RFT is held);
- Rejection of non-conforming Tenders;
- Meeting and interviewing shortlisted Tenderer(s);
- Recommendation to appoint preferred Contractor;
- Project Sponsor Briefing;
- Council Briefing;
- Council Agenda Briefing; and
- Council meeting.

Following the Council resolution to appoint a preferred Construction Head Contractor, the Principal will issue formal notification to the successful Contractor and advise all unsuccessful respondents. The Principal may request advice from the Architect and sub-consultants to clarify feedback to unsuccessful respondents.

During the Tender/ Quotation assessment period the Architect and sub-consultants will need to maintain utmost confidentiality in accordance with Local Government protocols and code of conduct.

#### **10.2.6. Construction and Handover Stages**

The aim of the construction stage is to ensure the delivery of the project as documented. This includes scope, quality, cost and programme. Contracts are normally administered by the lead consultant. The construction stage is complete once the Certificate for Practical Completion is issued.

##### **Deliverables:**

- Drafting of Building Contract(s) (Architect assisting the Project Manager)
- Signing of Contract(s) (Shire of Katanning)
- Building License (Contractor)
- Site Establishment (Architect/ Shire of Katanning)
  - Insurance Certification
  - Management Plans
    - Construction Management Plan (Contractor)
    - HSE Management Plan (Contractor)
  - Contract Security documents (Contractor)
  - Contractor Induction (Shire of Katanning)
- Construction Period – Monthly
  - Site Meeting Minutes (Contractor)
  - Architect's Progress Reports (Architect)
  - Cost Report including Variations requested/ pending and approved. (QS or Architect)

- Updated RFI Register (Architect & sub-consultants)
- Updated Architect's Instructions Register (Architect & sub-consultants)
- Updated Variation Quotations & Orders Register (Architect & sub-consultants)
- Non-Conforming Work Register (Architect & sub-consultants)
- Progress Claims (Contractor)
- Progress Certificate (Architect/ sub-consultants and QS)
- Project Managers Report
- Handover
  - Guarantees and Warranties (Contractor)
  - As Constructed documentation all disciplines (Architect & sub-consultants)
  - Operational Maintenance Manuals (Contractor)
  - Defects Hit-list pre and post Practical Completion (Architect & sub-consultants)
  - Notice of Completion (Contractor)
  - Certificate of Completion (BCA Consultant)
  - Certificate of Occupancy
  - Practical Completion Certificate (Architect & sub-consultants)

**Construction Period Generally:** In general terms the architect and sub-consultants during the construction period will:

- Initiate the Contract and assist the Principal to issue formal instruments;
- Obtain statutory approvals;
- Assess and approve the Contractors management plans prior to Works;
- Obtain Contractors securities prior to Works;
- Establish a communication management plan;
- Attend site meetings and ensure appropriate sub-consultants attend as required;
- Modify existing drawings and/or specifications or prepare additional drawings and/or specifications required to clarify the Works;
- Provide advice and technical support to the Principal and the Contractor as required;
- Issue Contract instructions including Principal initiated Variations;
- Assess requests for Contract Variations and provide recommendations to the Principal;
- Act to resolve potential and realised Contractual disputes;
- Assess progress claims against deliverables and make recommendations for payments to the Principal;
- Issue Contract Certificates authorised by the Principal;
- Inspect the Works for compliance; and
- Report monthly to the Principal on project progress.

The Architects monthly progress reports will need to include at least the following items:

- % of project Works completed and updated timelines and deadlines;
- Summary of Superintendents directions;
- Summary and status of Contractual variations and/or disputes;
- Summary of progress claims against approved Contract value and approved variations;
- Updated Project Cost Plan;

- Critical issues and non-conformances, including corrective action;
- OH&S issues and work site incidents;
- Management Plan updates required;
- Contractor and subcontractor(s) performance reports; and
- Record of formal communications.

**Practical Completion and Handover:** The Architect and the sub-consultants will ensure that the following items are completed or complied with to obtain Practical Completion and allow for the building to be occupied by the Principal:

- Final non-conformance / outstanding items meeting prior to Practical Completion;
- All certification required to comply with and obtain a Certificate of Completion and to obtain a Certificate of Occupancy.
- Practical Completion handover meeting;
- Issue of a Practical Completion Defects List;
- Certificate of Practical Completion;
- Return of Contract / Project securities as per the Contract;
- 3 sets of As-constructed drawings (Architectural and other consultant drawings) – electronic copies to be clearly marked “AS CONSTRUCTED DRAWINGS”. Format to be AutoCAD Version and PDF file format copied in a digital storage device.

**Maintenance Manuals:** The Maintenance and Operation Manual is for use of the Shire, as a guide to operation and maintenance of the installation and shall include as a minimum:

1. Schedule of all Mechanical, Electrical, Electronic and Security equipment incorporated in the works;
2. Recommended preventative maintenance schedule for each item of equipment;
3. The capital cost and design useful life of each item of equipment;
4. Indicative costing of preventative maintenance; and
5. Capital replacement program for each item of equipment.
6. General description of installation.
7. Systems (with a separate description for each system).
8. Start and stop procedures.
9. Equipment suppliers/manufacturers (including names address and telephone numbers).
10. Equipment details.
11. Maintenance requirements.
12. Manufacturer's handbooks.
13. Performance data sheets.
14. Wiring diagrams, as applicable.
15. Testing and commissioning results.
16. "As built" drawings.
17. Warranties summary.
18. Warranties and guarantees.
19. Emergency Service Contractor.
20. List of suppliers and their contact telephone numbers.
21. Submit 3 copies of maintenance manuals per trade.
22. Submit manuals for mechanical, electrical, plumbing, kitchen equipment, specialist floor finishes, etc.

23. Paper Bound (A3 folded in plastic A4 sleeves plus A1) and electronic copy (PDFs, Excel and AutoCAD latest release) shall be included in the manuals.
24. All manuals to be white with blue lettering stating the Shire's name, project title and manual title on the front and side of the manual.

#### **10.2.7. Defects and Finalisation Stage**

For the duration of the Defects Period all defects will be reported to the project team for rectification if they are defects under the contract. The defects stage, and contract, is complete once the Final Certificate is issued.

A post occupancy report will be required from the Lead Consultant and sub-consultants.

#### **Deliverables:**

- Defects Lists including Final Defects List (Architect & sub-consultants)
- Final Report (Architect & sub-consultants)
- Final Certificate (Architect & sub-consultants)
- Funding Grant Acquittal (Shire of Katanning)
- Post Occupancy Report (Architect & sub-consultants)

The Architect will compile and submit to the Principal 2 copies of final completion report, signed by the Architect that includes as a minimum:

- Final completion certificate
- Authorisation to release the Contractor's final bank guarantee
- Contractor's Performance Report.
- Financial Statement on the Project Cost Plan and close out report.

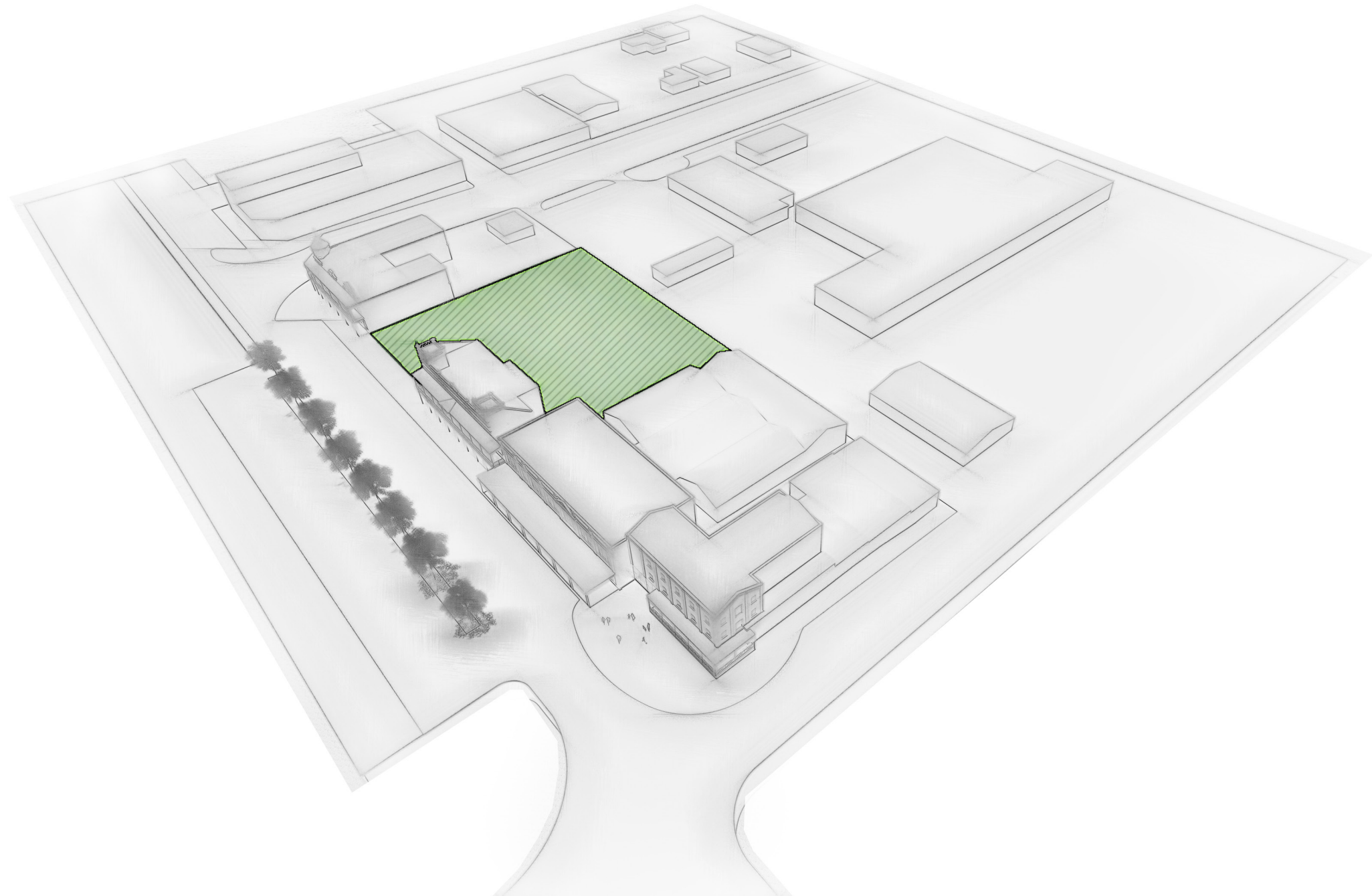
#### **Post Occupancy Report:**

After 12 months of occupancy, building stakeholders will be asked to fill in a Post Occupancy Evaluation (POE) Report. The POE report is aimed to provide facilities users and project stakeholders the opportunity to provide feedback in regards to meeting the project objectives, facilities' functional performance, technical and environmental performance, economic and aesthetic performance. This POE report may highlight areas that require design adjustments to address operational and maintenance issues.

The architect is to prepare a suitable survey document and the Principal will facilitate this survey process. The architect will consolidate a summarised POE report.

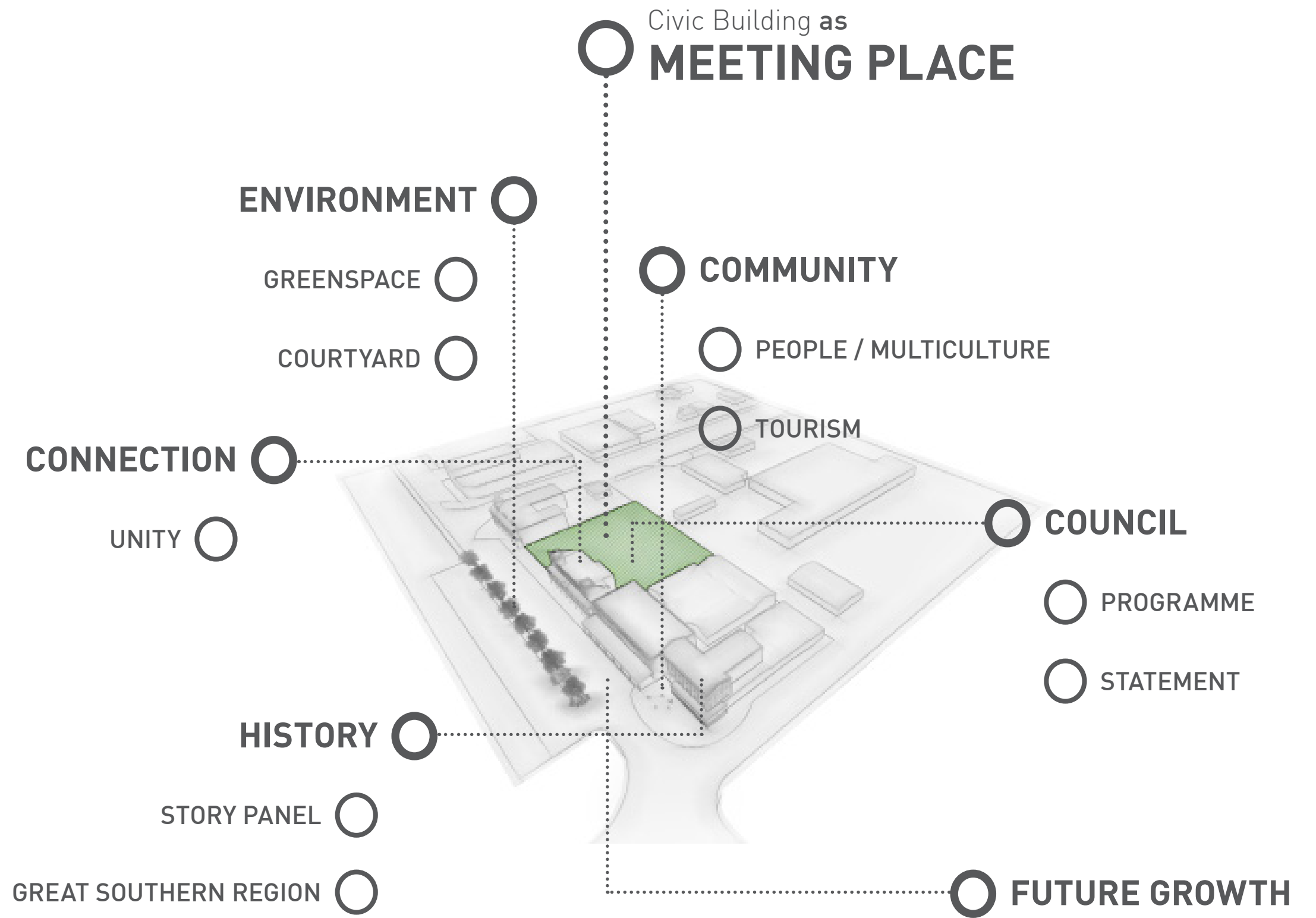
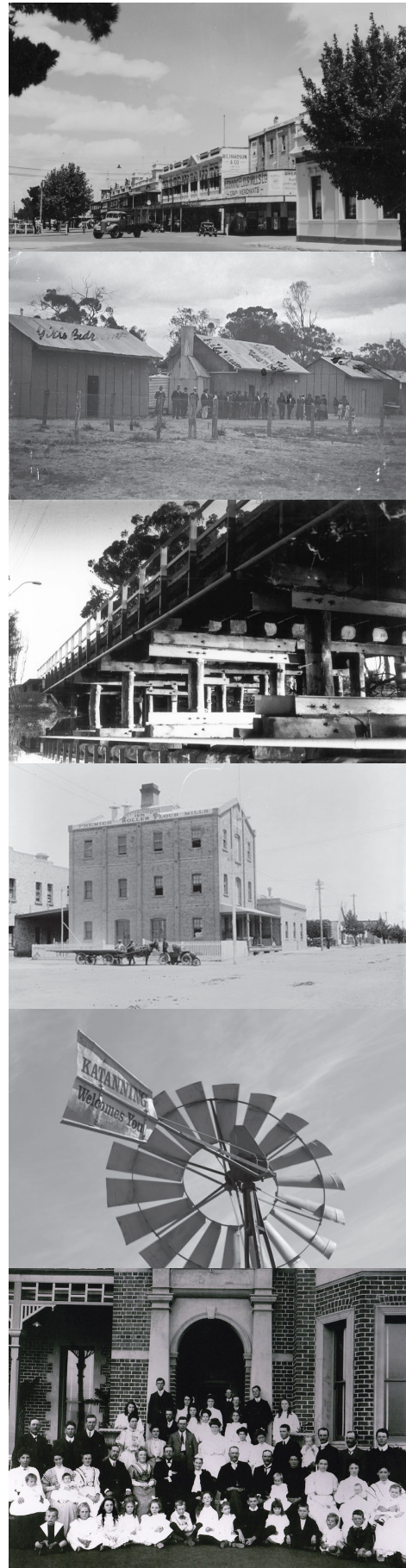
## **11. References**

- Ordinary Council meeting 28 June 2016
- Shire of Katanning 2017 Annual Budget
- RFT 05- 2016 Appendix 1 *Brief to Architect*

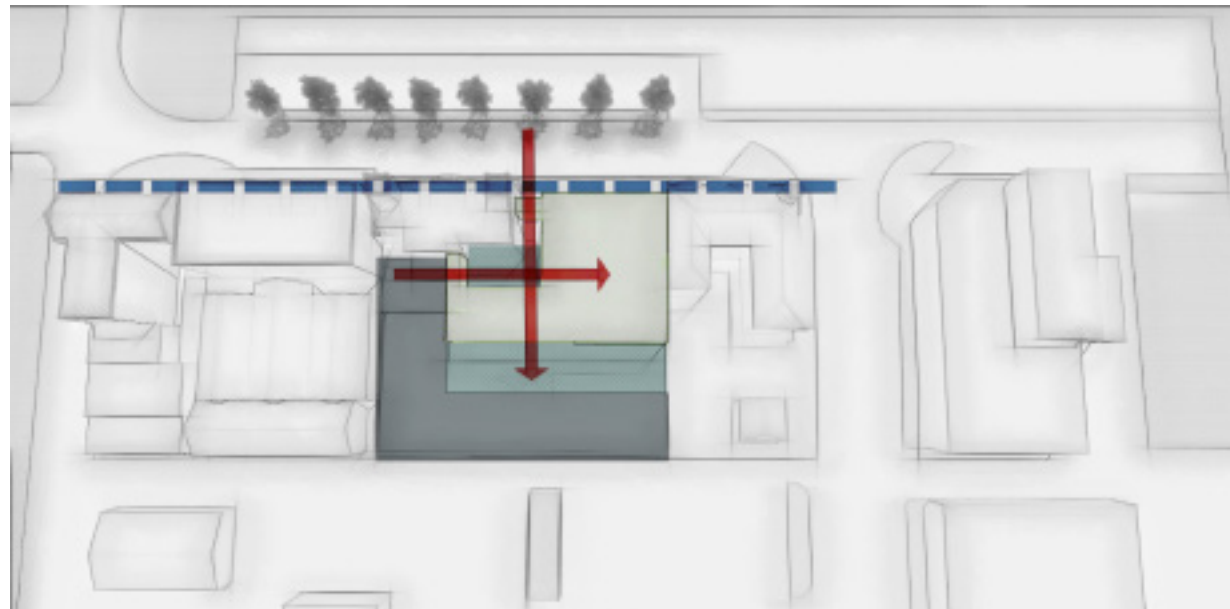




# KATANNING

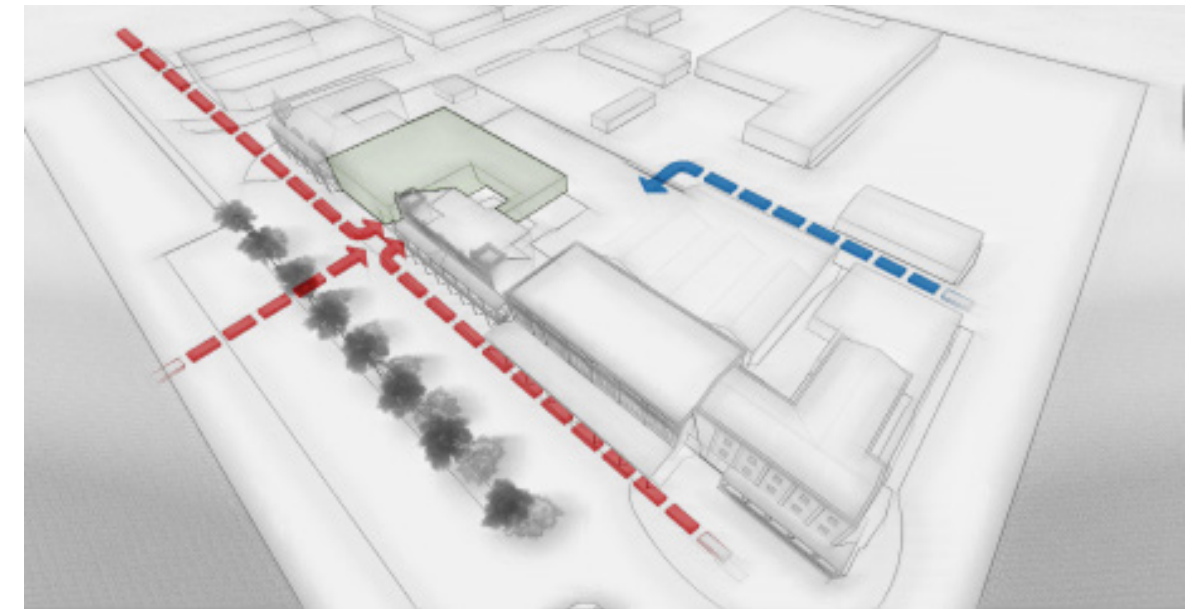
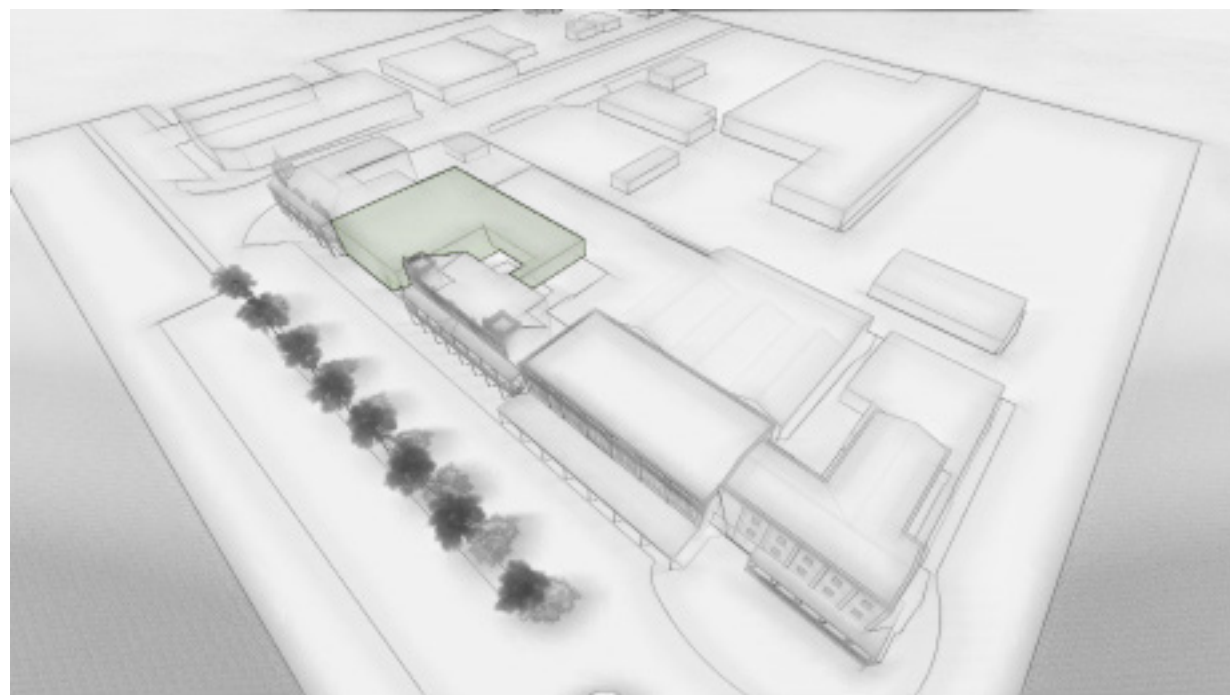


# SITE PLANNING



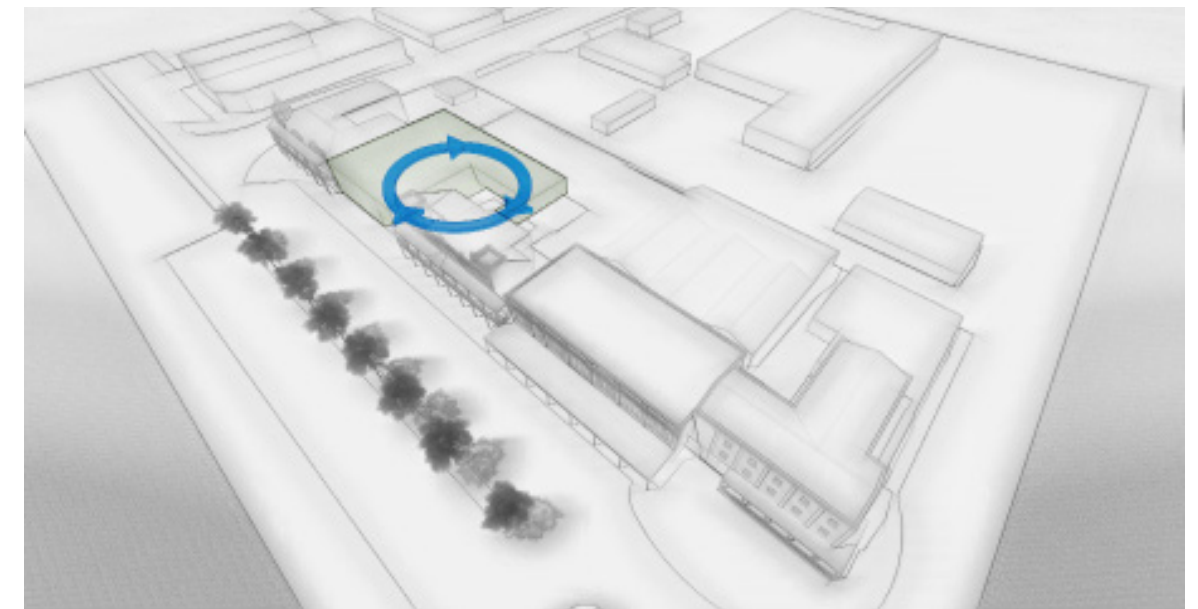
## SITE CONFIGURATION

- Setback from adjacent buildings; aligned with Roller Flour Mill.
- Carpark spaces located to the rear of site, optimising building frontage
- Green spaces connect users to the building and become a meeting place for people to assemble and reflect, with historical story panels



## SITE ACCESS

- Access corridor draws pedestrians in off Austral Terrace
- Cars have rear access
- Vehicle / pedestrian movement offers similar experience

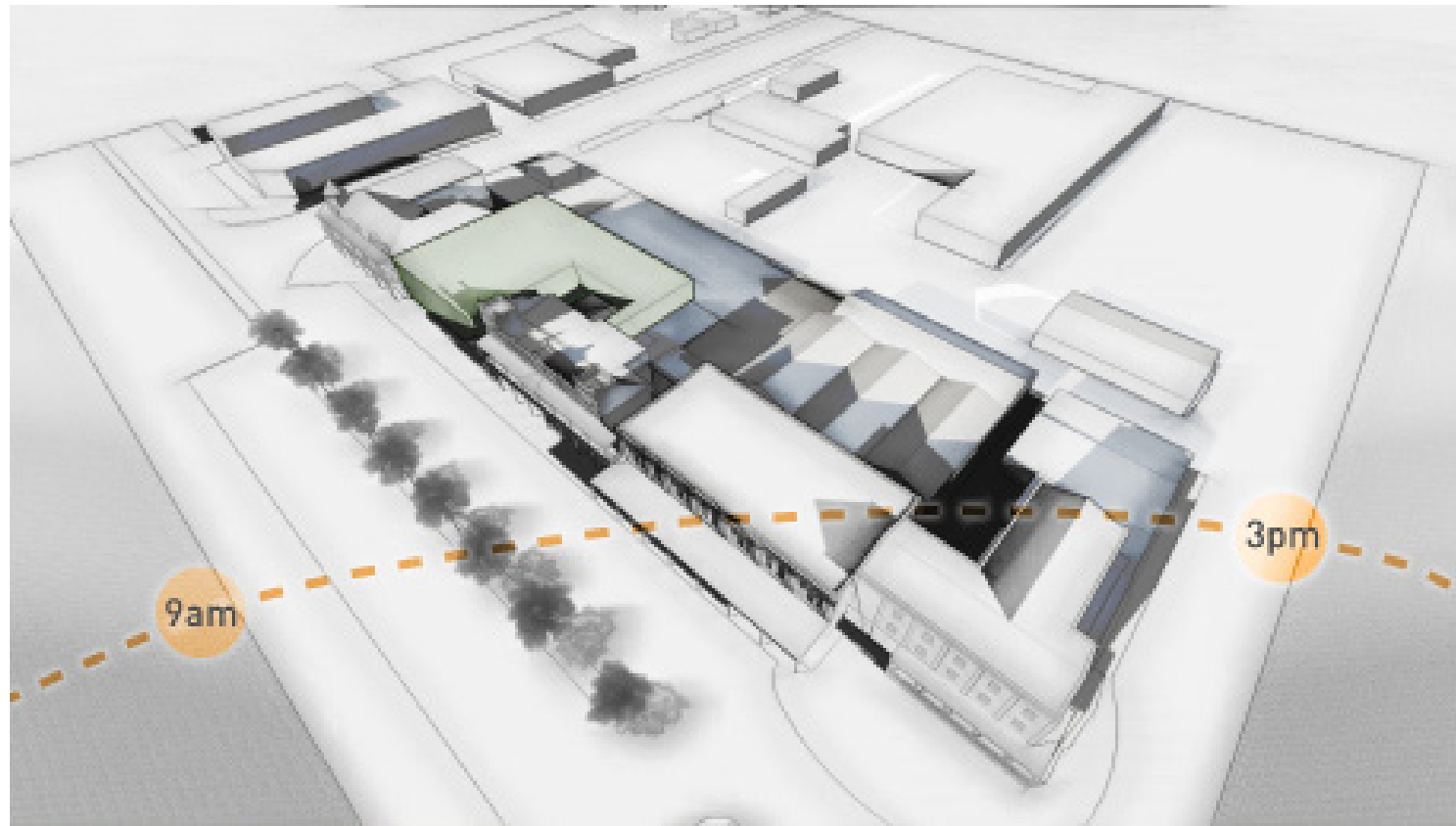


## CIRCULAR LINK

- Physical + visual connection
- Link on upper floor to allow building separation



# SUSTAINABILITY



## SUN STUDY

- 9am + 3pm winter solstice
- Optimal solar panel locations determined by sun saturation
- Location of carpark spaces and green spaces to optimise overshadowing and northern light



## ENVIRONMENTAL STRATEGY

- 5 star Greenstar or 4.5 star rated NABERS self-assessment
- Solar hot water for wet areas and amenities
- Solar storage for power usage within the facility
- Water harvesting for external use and external irrigation
- Passive design
- Natural ventilation
- Zero scape gardens
- Natural daylighting & heat loss prevention
- Sustainable engineering systems
- Reducing energy demands through micro-cogeneration systems
- Green features
- An energy efficiency interaction to publicly display the building's sustainable initiatives

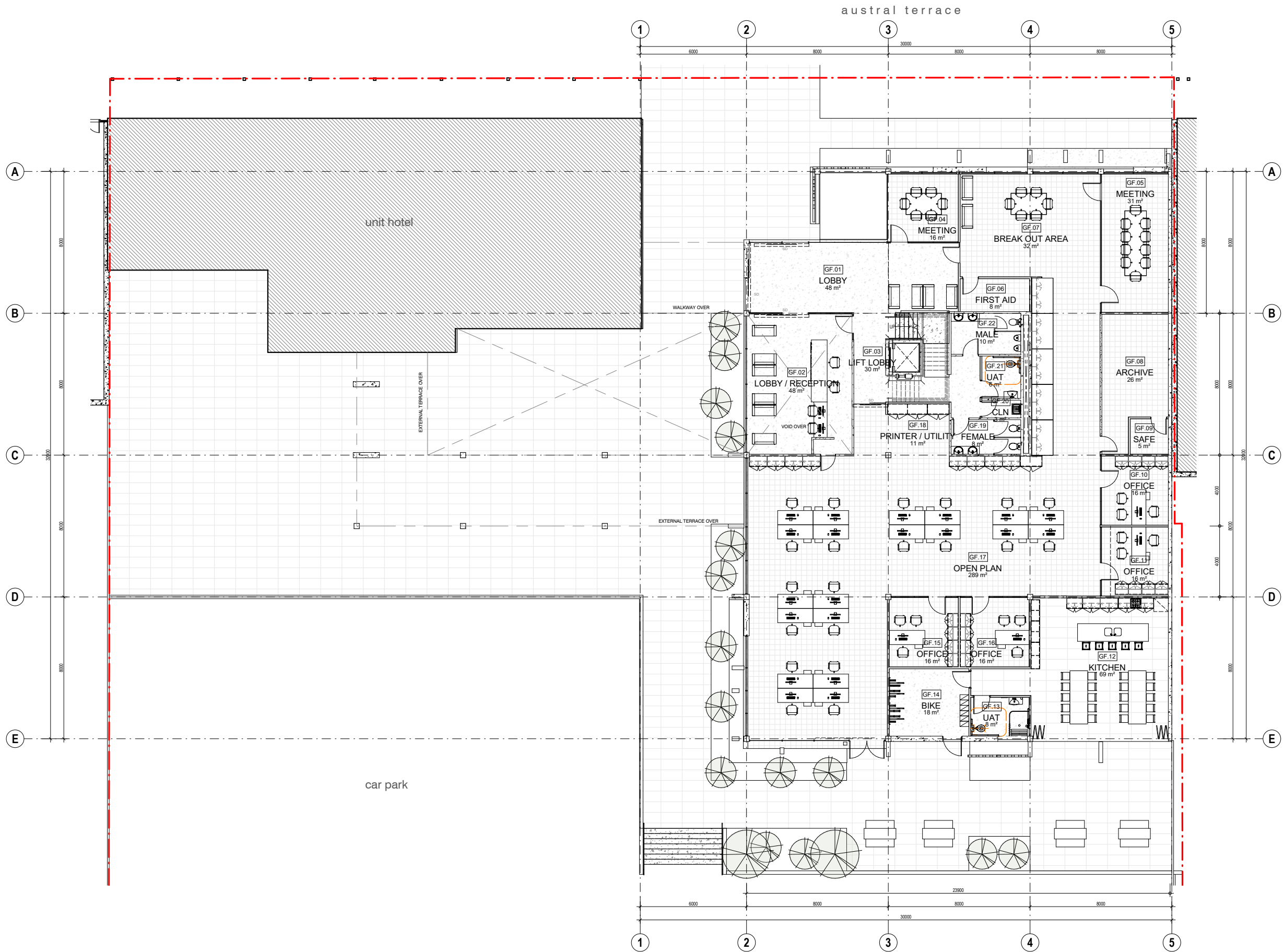
# STREETSCAPE



## ARCHITECTURAL OBJECTIVES

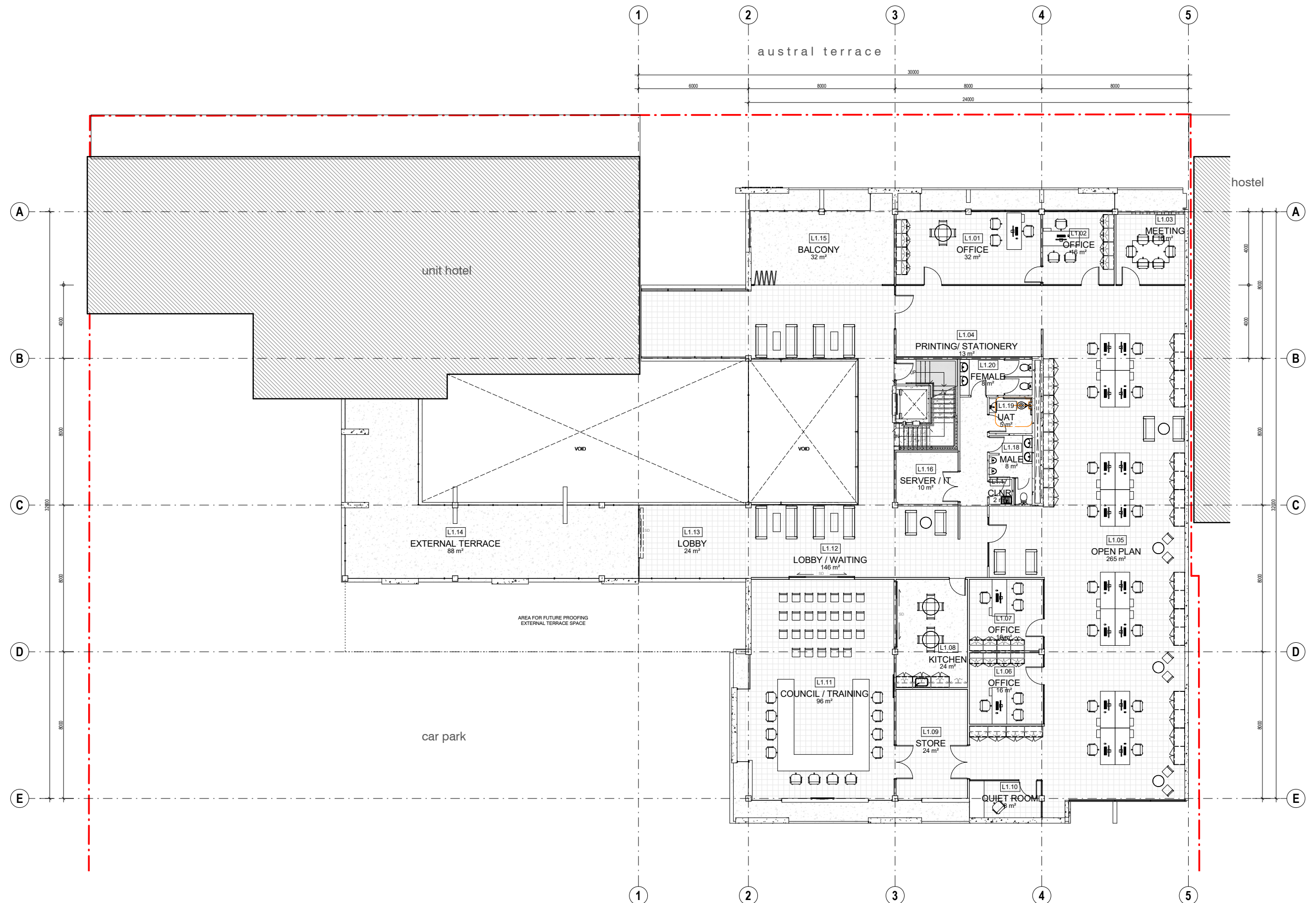
- Buildings along Austral Terrace have strong vertical and horizontal grid
- Consistent rhythm unique to each building
- Proposed grid to be sympathetic to rhythm of streetscape
- 2-storey building maintaining relative scale of adjacent buildings
- Use of recovered timber from Unit Hotel + recycled timber sourced locally
- Unique architectural detailing
- Individual character

# SCHEMATIC DESIGN - GROUND FLOOR

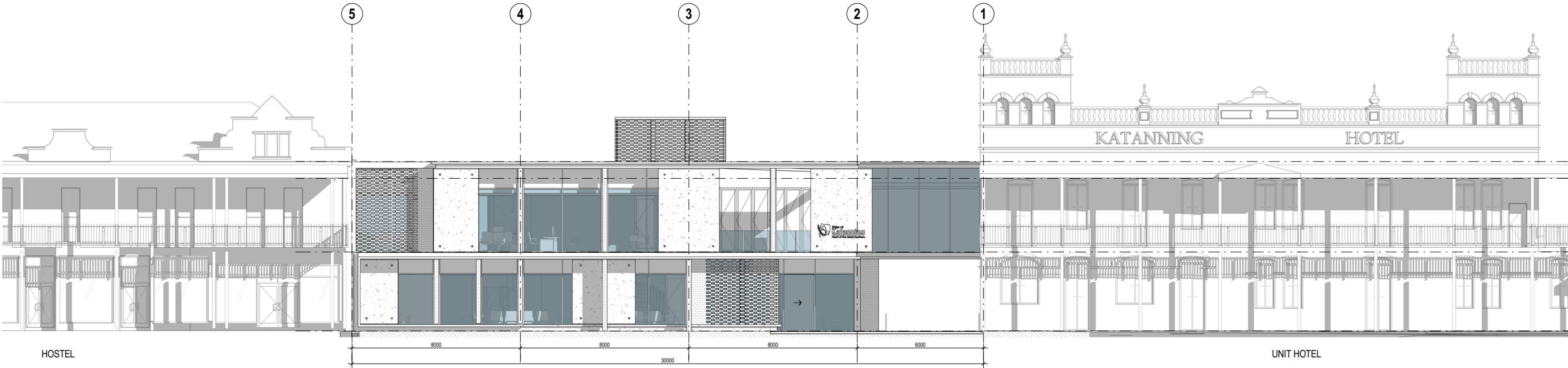




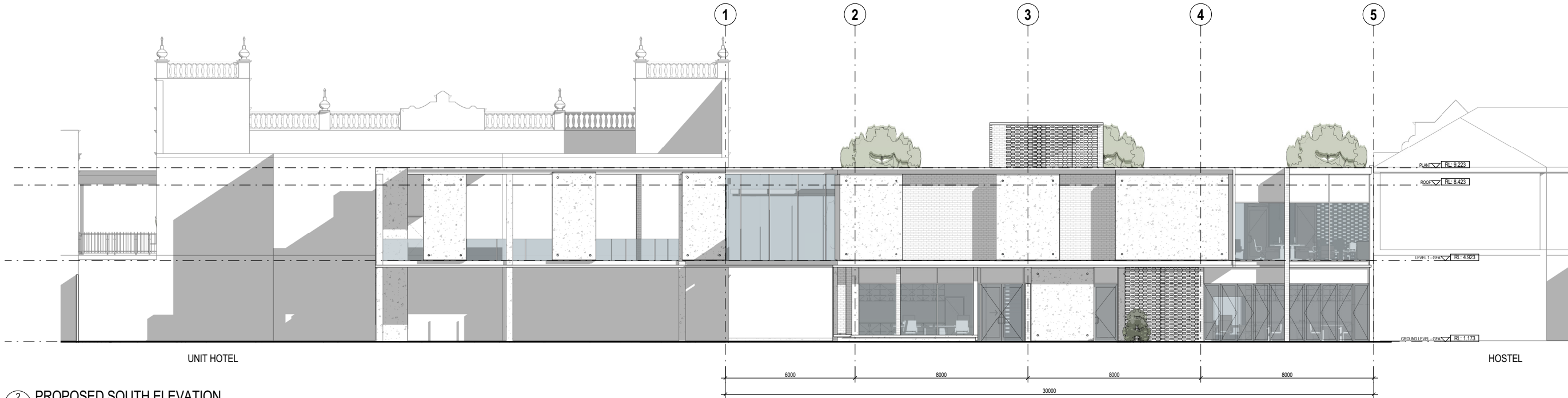
# SCHEMATIC DESIGN - LEVEL 1



# SCHEMATIC DESIGN - ELEVATIONS

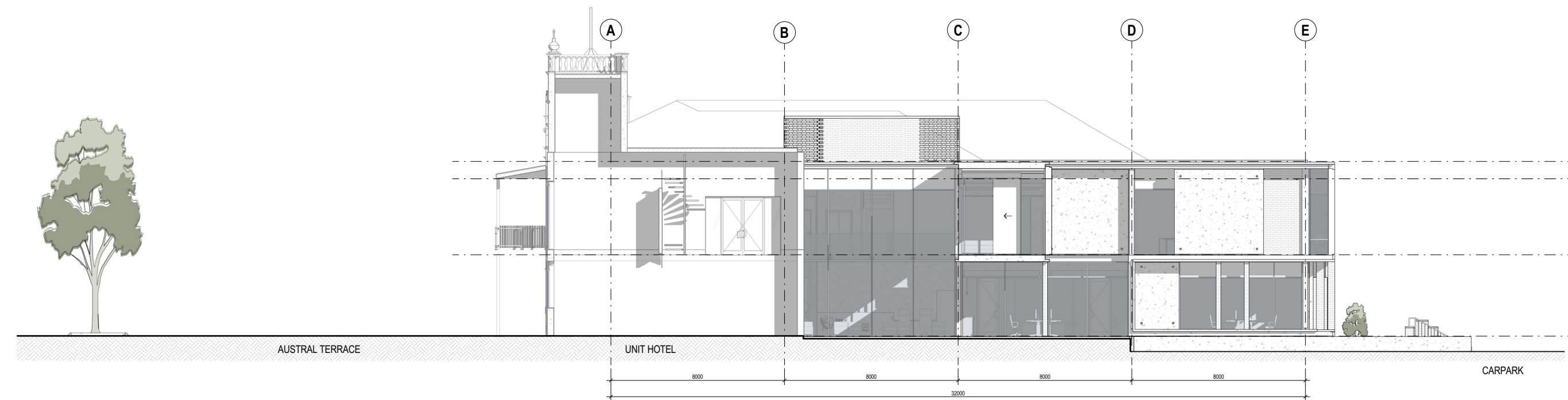


1 PROPOSED NORTH ELEVATION  
1:100



2 PROPOSED SOUTH ELEVATION  
1:100

# SCHEMATIC DESIGN - ELEVATIONS



1 PROPOSED WEST ELEVATION  
1:100



# AUSTRAL TERRACE PERSPECTIVE





# AUSTRAL TERRACE PERSPECTIVE





# SOUTH PERSPECTIVE





# SOUTH PERSPECTIVE







## Katanning - Compliance Audit Return 2016

### Certified Copy of Return

Please submit a signed copy to the Director General of the Department of Local Government and Communities together with a copy of section of relevant minutes.

Commercial Enterprises by Local Governments					
No	Reference	Question	Response	Comments	Respondent
1	s3.59(2)(a)(b)(c) F&G Reg 7,9	Has the local government prepared a business plan for each major trading undertaking in 2016.	N/A		Andrew Holden
2	s3.59(2)(a)(b)(c) F&G Reg 7,10	Has the local government prepared a business plan for each major land transaction that was not exempt in 2016.	N/A		Andrew Holden
3	s3.59(2)(a)(b)(c) F&G Reg 7,10	Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2016.	N/A		Andrew Holden
4	s3.59(4)	Has the local government given Statewide public notice of each proposal to commence a major trading undertaking or enter into a major land transaction for 2016.	N/A		Andrew Holden
5	s3.59(5)	Did the Council, during 2016, resolve to proceed with each major land transaction or trading undertaking by absolute majority.	N/A		Andrew Holden

Delegation of Power / Duty					
No	Reference	Question	Response	Comments	Respondent
1	s5.16, 5.17, 5.18	Were all delegations to committees resolved by absolute majority.	Yes	Review of Delegation Register resolved OC8/16 by absolute majority on 23 February 2016. All delegations to committees were revoked at the Ordinary Meeting of Council on 22 November 2016 as per Resolution OC152/16.	Elizabeth French
2	s5.16, 5.17, 5.18	Were all delegations to committees in writing.	N/A	All delegations to committees were revoked at the Ordinary Meeting of Council on 22 November 2016 as per Resolution OC152/16.	Julian Murphy
3	s5.16, 5.17, 5.18	Were all delegations to committees within the limits specified in section 5.17.	N/A	All delegations to committees were revoked at the Ordinary Meeting of Council on 22 November 2016 as per Resolution OC152/16.	Julian Murphy



No	Reference	Question	Response	Comments	Respondent
4	s5.16, 5.17, 5.18	Were all delegations to committees recorded in a register of delegations.	Yes	All delegations to committees were recorded as deleted in the Delegation Register as per Resolution OC152/16 from the Ordinary Meeting of Council on 22 November 2016.	Elizabeth French
5	s5.18	Has Council reviewed delegations to its committees in the 2015/2016 financial year.	Yes	Review of Delegation Register resolved OC8/16 by absolute majority on 23 February 2016.	Elizabeth French
6	s5.42(1), 5.43 Admin Reg 18G	Did the powers and duties of the Council delegated to the CEO exclude those as listed in section 5.43 of the Act.	Yes		Elizabeth French
7	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO resolved by an absolute majority.	Yes	Last review was at the Ordinary Meeting of Council on 22 November 2016 as per Resolution OC152/16.	Elizabeth French
8	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO in writing.	Yes		Taryn Human
9	s5.44(2)	Were all delegations by the CEO to any employee in writing.	Yes	Last correspondence confirming delegations to those employees on 29 January 2016.	Elizabeth French
10	s5.45(1)(b)	Were all decisions by the Council to amend or revoke a delegation made by absolute majority.	Yes	Last review was at the Ordinary Meeting of Council on 22 November 2016 as per Resolution OC152/16.	Elizabeth French
11	s5.46(1)	Has the CEO kept a register of all delegations made under the Act to him and to other employees.	Yes		Elizabeth French
12	s5.46(2)	Were all delegations made under Division 4 of Part 5 of the Act reviewed by the delegator at least once during the 2015/2016 financial year.	Yes	Review of Delegation Register resolved OC8/16 by absolute majority on 23 February 2016.	Elizabeth French
13	s5.46(3) Admin Reg 19	Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record as required.	Yes		Julian Murphy

#### Disclosure of Interest

No	Reference	Question	Response	Comments	Respondent
1	s5.67	If a member disclosed an interest, did he/she ensure that they did not remain present to participate in any discussion or decision-making procedure relating to the matter in which the interest was disclosed (not including participation approvals granted under s5.68).	Yes		Taryn Human



No	Reference	Question	Response	Comments	Respondent
2	s5.68(2)	Were all decisions made under section 5.68(1), and the extent of participation allowed, recorded in the minutes of Council and Committee meetings.	N/A		Julian Murphy
3	s5.73	Were disclosures under section 5.65 or 5.70 recorded in the minutes of the meeting at which the disclosure was made.	Yes		Taryn Human
4	s5.75(1) Admin Reg 22 Form 2	Was a primary return lodged by all newly elected members within three months of their start day.	Yes	John Goodheart	Julian Murphy
5	s5.75(1) Admin Reg 22 Form 2	Was a primary return lodged by all newly designated employees within three months of their start day.	Yes	Primay Returns of new employees started November/December 2016, received in 2017 (within 3 months).	Taryn Human
6	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all continuing elected members by 31 August 2016.	Yes		Taryn Human
7	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all designated employees by 31 August 2016.	Yes		Taryn Human
8	s5.77	On receipt of a primary or annual return, did the CEO, (or the Mayor/ President in the case of the CEO's return) on all occasions, give written acknowledgment of having received the return.	Yes		Taryn Human
9	s5.88(1)(2) Admin Reg 28	Did the CEO keep a register of financial interests which contained the returns lodged under section 5.75 and 5.76	Yes		Taryn Human
10	s5.88(1)(2) Admin Reg 28	Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70 and 5.71, in the form prescribed in Administration Regulation 28.	Yes		Taryn Human
11	s5.88 (3)	Has the CEO removed all returns from the register when a person ceased to be a person required to lodge a return under section 5.75 or 5.76.	Yes		Taryn Human
12	s5.88(4)	Have all returns lodged under section 5.75 or 5.76 and removed from the register, been kept for a period of at least five years, after the person who lodged the return ceased to be a council member or designated employee.	Yes		Julian Murphy
13	s5.103 Admin Reg 34C & Rules of Conduct Reg 11	Where an elected member or an employee disclosed an interest in a matter discussed at a Council or committee meeting where there was a reasonable belief that the impartiality of the person having the interest would be adversely affected, was it recorded in the minutes.	Yes		Julian Murphy



No	Reference	Question	Response	Comments	Respondent
14	s5.70(2)	Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to the Council or a Committee, did that person disclose the nature of that interest when giving the advice or report.	Yes		Julian Murphy
15	s5.70(3)	Where an employee disclosed an interest under s5.70(2), did that person also disclose the extent of that interest when required to do so by the Council or a Committee.	N/A		Julian Murphy
16	s5.103(3) Admin Reg 34B	Has the CEO kept a register of all notifiable gifts received by Council members and employees.	Yes	Accessible on Shire of Katanning website.	Taryn Human

### Disposal of Property

No	Reference	Question	Response	Comments	Respondent
1	s3.58(3)	Was local public notice given prior to disposal for any property not disposed of by public auction or tender (except where excluded by Section 3.58(5)).	N/A		Andrew Holden
2	s3.58(4)	Where the local government disposed of property under section 3.58(3), did it provide details, as prescribed by section 3.58(4), in the required local public notice for each disposal of property.	N/A		Andrew Holden

### Elections

No	Reference	Question	Response	Comments	Respondent
1	Elect Reg 30G (1)	Did the CEO establish and maintain an electoral gift register and ensure that all 'disclosure of gifts' forms completed by candidates and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the candidates.	Yes		Taryn Human

### Finance

No	Reference	Question	Response	Comments	Respondent
1	s7.1A	Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Act.	Yes	In line with Local Government Elections (2015).	Julian Murphy
2	s7.1B	Where a local government determined to delegate to its audit committee any powers or duties under Part 7 of the Act, did it do so by absolute majority.	N/A	Resolved to revoke delegations to Audit & Risk Committee as per resolution OC152/16 at Ordinary Meeting of Council on 22 November 2016 (Carried 8/0).	Andrew Holden



No	Reference	Question	Response	Comments	Respondent
3	s7.3	Was the person(s) appointed by the local government to be its auditor, a registered company auditor.	Yes	Appointed David Tomasi of Moore Stephens on 23/02/16 for the period 01/07/15 to 30/06/18.	Elizabeth French
4	s7.3, 7.6(3)	Was the person or persons appointed by the local government to be its auditor, appointed by an absolute majority decision of Council.	Yes	Carried 7/1.	Elizabeth French
5	Audit Reg 10	Was the Auditor's report for the financial year ended 30 June 2016 received by the local government within 30 days of completion of the audit.	N/A	Audit is yet to be finalised.	Julian Murphy
6	s7.9(1)	Was the Auditor's report for the financial year ended 30 June 2016 received by the local government by 31 December 2016.	No	Audit is yet to be finalised.	Elizabeth French
7	S7.12A(3)	Where the local government determined that matters raised in the auditor's report prepared under s7.9 (1) of the Act required action to be taken by the local government, was that action undertaken.	N/A	Audit is yet to be finalised. When the auditor's report is received, any matters raised will be actioned appropriately.	Julian Murphy
8	S7.12A (4)	Where the local government determined that matters raised in the auditor's report (prepared under s7.9 (1) of the Act) required action to be taken by the local government, was a report prepared on any actions undertaken.	N/A	Audit is yet to be finalised. When the auditor's report is received, any matters raised will be actioned appropriately.	Julian Murphy
9	S7.12A (4)	Where the local government determined that matters raised in the auditor's report (prepared under s7.9 (1) of the Act) required action to be taken by the local government, was a copy of the report forwarded to the Minister by the end of the financial year or 6 months after the last report prepared under s7.9 was received by the local government whichever was the latest in time.	N/A	Audit is yet to be finalised. When the auditor's report is received, any matters raised will be actioned appropriately.	Julian Murphy
10	Audit Reg 7	Did the agreement between the local government and its auditor include the objectives of the audit.	Yes		Elizabeth French
11	Audit Reg 7	Did the agreement between the local government and its auditor include the scope of the audit.	Yes		Elizabeth French
12	Audit Reg 7	Did the agreement between the local government and its auditor include a plan for the audit.	Yes		Elizabeth French
13	Audit Reg 7	Did the agreement between the local government and its auditor include details of the remuneration and expenses to be paid to the auditor.	Yes		Elizabeth French
14	Audit Reg 7	Did the agreement between the local government and its auditor include the method to be used by the local government to communicate with, and supply information to, the auditor.	Yes		Elizabeth French



<b>Local Government Employees</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
1	Admin Reg 18C	Did the local government approve the process to be used for the selection and appointment of the CEO before the position of CEO was advertised.	N/A		Mohammed Aeson
2	s5.36(4) s5.37(3), Admin Reg 18A	Were all vacancies for the position of CEO and other designated senior employees advertised and did the advertising comply with s.5.36(4), 5.37(3) and Admin Reg 18A.	N/A		Julian Murphy
3	Admin Reg 18F	Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position of CEO under section 5.36(4).	N/A		Mohammed Aeson
4	Admin Regs 18E	Did the local government ensure checks were carried out to confirm that the information in an application for employment was true (applicable to CEO only).	N/A		Mohammed Aeson
5	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss a designated senior employee.	N/A	No staff changeover of designated employees (DCEO & DCS).	Julian Murphy

<b>Official Conduct</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
1	s5.120	Where the CEO is not the complaints officer, has the local government designated a senior employee, as defined under s5.37, to be its complaints officer.	Yes	Deputy Chief Executive Officer	Andrew Holden
2	s5.121(1)	Has the complaints officer for the local government maintained a register of complaints which records all complaints that result in action under s5.110(6)(b) or (c).	Yes		Andrew Holden
3	s5.121(2)(a)	Does the complaints register maintained by the complaints officer include provision for recording of the name of the council member about whom the complaint is made.	Yes		Andrew Holden
4	s5.121(2)(b)	Does the complaints register maintained by the complaints officer include provision for recording the name of the person who makes the complaint.	Yes		Andrew Holden
5	s5.121(2)(c)	Does the complaints register maintained by the complaints officer include provision for recording a description of the minor breach that the standards panel finds has occurred.	Yes		Andrew Holden
6	s5.121(2)(d)	Does the complaints register maintained by the complaints officer include the provision to record details of the action taken under s5.110(6)(b) or (c).	Yes		Andrew Holden





## Tenders for Providing Goods and Services

No	Reference	Question	Response	Comments	Respondent
1	s3.57 F&G Reg 11	Did the local government invite tenders on all occasions (before entering into contracts for the supply of goods or services) where the consideration under the contract was, or was expected to be, worth more than the consideration stated in Regulation 11(1) of the Local Government (Functions & General) Regulations (Subject to Functions and General Regulation 11(2)).	Yes		Sue Eastcott
2	F&G Reg 12	Did the local government comply with F&G Reg 12 when deciding to enter into multiple contracts rather than inviting tenders for a single contract.	Yes		Sue Eastcott
3	F&G Reg 14(1) & (3)	Did the local government invite tenders via Statewide public notice.	Yes		Sue Eastcott
4	F&G Reg 14 & 15	Did the local government's advertising and tender documentation comply with F&G Regs 14, 15 & 16.	Yes		Sue Eastcott
5	F&G Reg 14(5)	If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents or each acceptable tenderer, notice of the variation.	Yes		Sue Eastcott
6	F&G Reg 16	Did the local government's procedure for receiving and opening tenders comply with the requirements of F&G Reg 16.	Yes		Sue Eastcott
7	F&G Reg 18(1)	Did the local government reject the tenders that were not submitted at the place, and within the time specified in the invitation to tender.	N/A		Sue Eastcott
8	F&G Reg 18 (4)	In relation to the tenders that were not rejected, did the local government assess which tender to accept and which tender was most advantageous to the local government to accept, by means of written evaluation criteria.	Yes	In line with new Shire of Katanning procedures for written evaluations based on WALGA templates.	Sue Eastcott
9	F&G Reg 17	Did the information recorded in the local government's tender register comply with the requirements of F&G Reg 17.	Yes		Sue Eastcott
10	F&G Reg 19	Was each tenderer sent written notice advising particulars of the successful tender or advising that no tender was accepted.	Yes	In line with new procedures with WALGA based templates.	Sue Eastcott
11	F&G Reg 21 & 22	Did the local governments's advertising and expression of interest documentation comply with the requirements of F&G Regs 21 and 22.	N/A		Sue Eastcott
12	F&G Reg 23(1)	Did the local government reject the expressions of interest that were not submitted at the place and within the time specified in the notice.	N/A		Sue Eastcott



No	Reference	Question	Response	Comments	Respondent
13	F&G Reg 23(4)	After the local government considered expressions of interest, did the CEO list each person considered capable of satisfactorily supplying goods or services.	N/A		Sue Eastcott
14	F&G Reg 24	Was each person who submitted an expression of interest, given a notice in writing in accordance with Functions & General Regulation 24.	N/A		Sue Eastcott
15	F&G Reg 24AD(2)	Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice.	N/A		Sue Eastcott
16	F&G Reg 24AD(4) & 24AE	Did the local government's advertising and panel documentation comply with F&G Regs 24AD(4) & 24AE.	N/A		Sue Eastcott
17	F&G Reg 24AF	Did the local government's procedure for receiving and opening applications to join a panel of pre-qualified suppliers comply with the requirements of F&G Reg 16 as if the reference in that regulation to a tender were a reference to a panel application.	N/A		Sue Eastcott
18	F&G Reg 24AD(6)	If the local government sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an application, notice of the variation.	N/A		Sue Eastcott
19	F&G Reg 24AH(1)	Did the local government reject the applications to join a panel of pre-qualified suppliers that were not submitted at the place, and within the time specified in the invitation for applications.	N/A		Sue Eastcott
20	F&G Reg 24AH(3)	In relation to the applications that were not rejected, did the local government assess which application(s) to accept and which application(s) were most advantageous to the local government to accept, by means of written evaluation criteria.	N/A		Sue Eastcott
21	F&G Reg 24AG	Did the information recorded in the local government's tender register about panels of pre-qualified suppliers, comply with the requirements of F&G Reg 24AG.	N/A		Sue Eastcott
22	F&G Reg 24AI	Did the local government send each person who submitted an application, written notice advising if the person's application was accepted and they are to be part of a panel of pre-qualified suppliers, or, that the application was not accepted.	N/A		Sue Eastcott



No	Reference	Question	Response	Comments	Respondent
23	F&G Reg 24E	Where the local government gave a regional price preference in relation to a tender process, did the local government comply with the requirements of F&G Reg 24E in relation to the preparation of a regional price preference policy (only if a policy had not been previously adopted by Council).	N/A		Sue Eastcott
24	F&G Reg 24F	Did the local government comply with the requirements of F&G Reg 24F in relation to an adopted regional price preference policy.	Yes	Review, revision and adoption September 2016 of Buy Local Regional Price Preference Policy.	Sue Eastcott
25	F&G Reg 11A	Does the local government have a current purchasing policy in relation to contracts for other persons to supply goods or services where the consideration under the contract is, or is expected to be, \$150,000 or less.	Yes	Review, revision and adoption September 2016 of Purchasing Policy.	Sue Eastcott

I certify this Compliance Audit return has been adopted by Council at its meeting on \_\_\_\_\_

\_\_\_\_\_  
Signed Mayor / President, Katanning

\_\_\_\_\_  
Signed CEO, Katanning



January 9, 2017

Katanning Shire Councillors  
Katanning Shire CEO  
PO Box 130  
Katanning WA 6317

PO Box 1544  
Coorparoo DC Q 4151  
**ABN** 44 009 664 073  
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[www.nra.net.au](http://www.nra.net.au)

Email: [admin@katanning.wa.gov.au](mailto:admin@katanning.wa.gov.au)

Dear Councillors

The NRA's membership is comprised of members from all the sub-categories of retail including fashion, groceries, department stores, home wares, hardware, recreational goods, newsagents, fast food, cafes and personal services like hairdressing and beauty. It also includes both large and small businesses.

The NRA believes the time has come to bring trading hours regulations into the 21<sup>st</sup> century, and to ensure that it continues to meet the needs of businesses, customers and employees in our fast-changing world.

**On behalf of all retailers, I would like to take the opportunity to permanently open Katanning for all retail between 10.00 am to 5.00 pm on Sundays.**

For consumers, restrictions on trading hours impinge on consumer choice regarding when (and where) to shop, causing inconvenience and congestion costs. For retailers, there are efficiency costs and administration costs in complying with state trading regimes. But the largest costs are reserved for those retailers who are prevented from trading to the extent they would like. They forego trade to other retailers and also to other avenues of discretionary consumer spending. Restrictions also prevents innovative retailers in the region to rise to the challenges of tourism and passing trade.

Permitting Sunday trading in the Katanning Shire would benefit both consumers and retailers and lead to economic and employment growth in the area, particularly in relation to the local supermarket Woolworths. Woolworths is an iconic Australian retailer which opened its first store in 1924. Woolworths engages more than 3000 large and small suppliers with a focus on local producers. Woolworths is also one of the largest employers in Australia with more than 205,000 employees across the country.





## Consumer

In most locations across the state seven-day trade is now the norm, for example, of the 94 Woolworths stores throughout the state less than 5 per cent of those stores cannot trade on Sunday. The NRA considers that the regional presence of Woolworths is by no means dominant. Our research indicates that when the consumer chooses a store, it is not just the location of the store that impacts their decision but what other retailers are co-located, the ease of access to good parking, and the ability to be able to get everything they need.

In many regional centres that Woolworths stores currently serve, there is no other full range supermarket presence limiting the choices of customers. By having access to a Woolworths, consumers are being given access to high quality fresh food at a low price, with data showing that 40% of the items purchased in a full range supermarket are derived from fresh departments.

In recent NRA research, the majority of customers indicated that the change in trading hours would not change which supermarket retailer they shop at, but would provide them with greater flexibility about when they shop. Most customers are shopping at least weekly, with most conducting a semi-big shop once a week then picking up additional items throughout the week, such as bread, milk or fresh items for that night's meal.

The NRA research received feedback citing greater convenience and the ability to shop in quieter times or freeing up alternative times as the key reasons for supporting the proposal: *"People should be able to shop for groceries when it's convenient for them - people are working longer hours and many also work shifts. Therefore traditional hours are no longer convenient. Also other States in Australia have longer opening hours for supermarkets - Western Australia is being left behind"*

Convenience stores and service stations can trade on Sunday. It is recognised that such businesses offer food and grocery products at higher prices in comparison to full range supermarkets. While these stores will provide 'top-up' shopping alternatives to shoppers, shoppers will be faced with higher prices. The policy of state-wide, uniform pricing was introduced by Woolworths in 2010, and sought to eliminate the decades-old practice of many retailers charging country people higher prices at the checkout for household necessities than would be paid by their counterparts in the cities. Permitting Sunday trading would provide access to food and groceries to the people of Katanning at a low price every day of the week.

Additionally, closing on Sundays encourages consumers to consume more takeaway or restaurant food on Sundays, when they are unable to access a full range supermarket to buy fresh food. These supermarkets now stock a range of quality ready to cook or semi prepared meals that are made with quality ingredients and developed in conjunction with local Australian producers. This affordable range of ready-made meals will feature

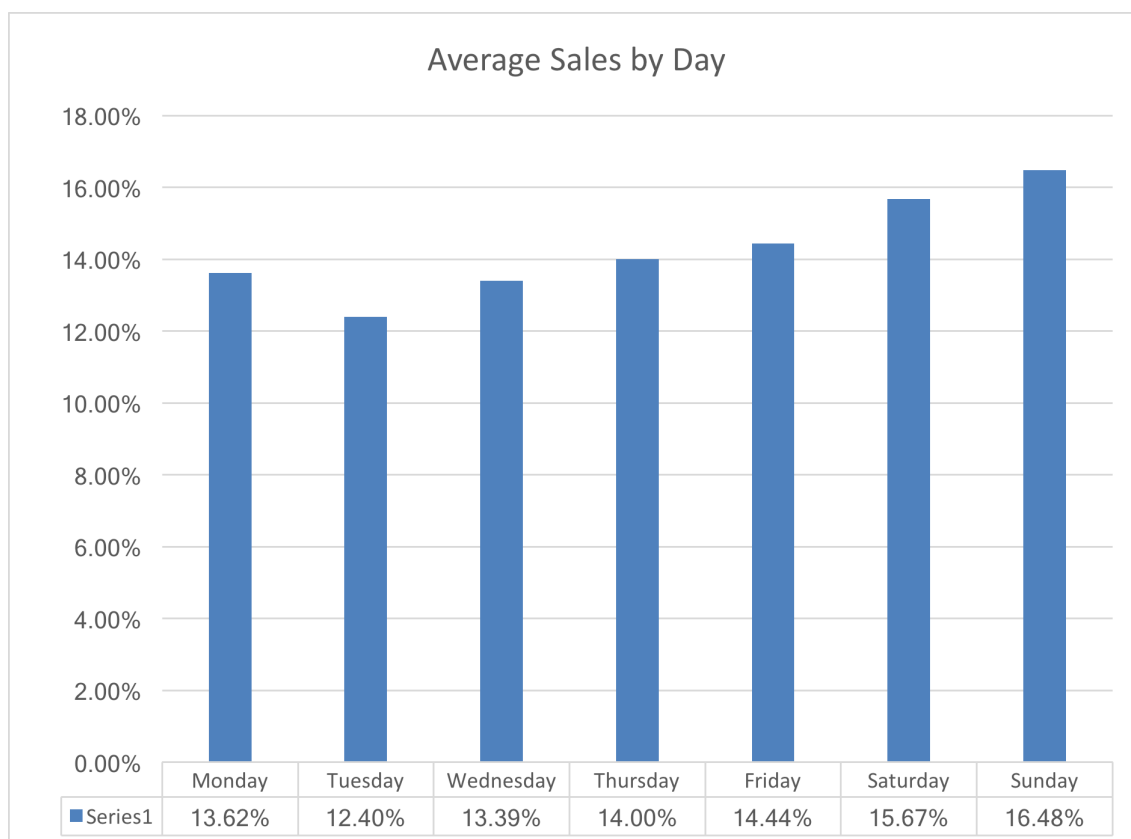


nutritional information and provide a convenient and nutritious alternative to takeaway food.

The range is made up of pre-cut vegetables and mixed salads, soups, curries, quiches, pizza, pasta dishes, marinated meats and fresh sauces. The meals will also come in a range of portion sizes, and start from as little as \$5 per unit. With the current health and obesity challenges existing in Australia, the WA Government should be looking at ways to increase access to fresh nutritious food. Permitting Sunday trading is a simple, cost-effective method to achieve this.

Therefore sales lost by Katanning retailers when closed on Sunday will be lost forever as it is highly unlikely, given the proximity of other centres, that sales would be deferred until the preferred shop opens.

Data has been collected regarding the average percentage mix of sales per day of the Woolworths stores across WA for the weeks commencing November 2016. As this data suggests, a high proportion of sales transactions occur on the weekend, with 15.0 per cent and 14.6per cent occurring on Saturday and Sunday respectively. Essentially, 30 percent of the sales transactions occur on the weekend.





Keeping sufficient stock levels for customers is a major concern for stores like Woolworths. The time taken on a Saturday to run down stock levels, reduce items for clearance and build stock levels up again on a Monday, provides a less than efficient work environment for staff and a less than optimal shopping environment for customers.

### **Small Business**

The National Retail Association believes all business will benefit if they choose to engage in Sunday trade. When Woolworths attracts over 13,000 customers per week to Katanning, other small business such as cafes and restaurants benefit from that additional customer traffic.

In our experience once Sunday trade has been approved additional customers will participate in weekend shopping. When Sunday trade has been approved, there is not just a shift of current customers to a different day, there is also a lift in customer numbers of at least 5 per cent.

### **Employment**

At present, Woolworths employs more than 80 team members within the store. In the Katanning store team members have a diverse mix of age, gender, and employment status. In particular, 20 per cent of Woolworths team members are 20, or younger and 90 per cent of the hours are either full time or part time. This is significant, as this gives the team job security and a clear routine when it comes to allocation of shifts.

It is estimated that Woolworths would engage team members for an additional 80 hours of employment per week if Sunday trade is granted at a higher rate of pay. Woolworths is committed to ensuring that any additional hours generated on a weekend will be voluntary for existing team members. This employment impact for the area would also have a positive effect for the local economy with the additional wages being injected back into the community.

### **Tourism**

WA has a significant and growing population, with research showing that this population undertakes local day trips and overnight visitation in the regions around the major population centres.

Tourists or visitors whose schedules does not recognise any difference between the days of the week have clearly benefited from shops opening on Sunday.

### **Next Steps**

We believe that it is now time for permanent Sunday trading as the benefits to consumers, tourism, costs of living and employment are important for Katanning and the local economy. NRA looks forward to working with the Katanning Shire to introduce Sunday Trading year round and constructively contributing to the economic success of Katanning.



Lifting the restrictions would allow retailers to provide consumers with goods and services at times that are convenient and suited to modern lifestyles. Importantly, the changes have a large potential economic benefit to the community, which are easy to implement at no cost to taxpayers.

We have also identified that introducing permanent Sunday trading in the Katanning area would directly strengthen the region's economic base; develop and promote Katanning as a unique and sought after destination; revitalise the city centre resulting in increased activity; and increase tourist visitor numbers. The Council must be aware that permitting Sunday trading would help to achieve all of these elements, again at no cost to the Council or to taxpayers.

I appreciate your assistance in this matter and look forward to hearing from you.

Kind regards

**David Stout**  
Manager of Industry Policy  
Research & Projects





## NON-METROPOLITAN LOCAL GOVERNMENT AREA EXTENDED TRADING HOURS

### PERMANENT/LONG TERM ADJUSTMENTS

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**Non-metropolitan Local Governments may apply to the Department of Commerce [Consumer Protection] to extend the trading hours for local general retail shops beyond those stipulated in the *Retail Trading Hours Act 1987*.**

When forwarding an application, please provide the following information:

#### **1. Applicant and or Local Government Details**

- Name of applicant / Local Government
- Postal address
- Contact person
- Telephone and fax number
- Email contact

#### **2. Proposed Retail Trading Hours Variation**

Please provide specific details of:

- The variation to existing retail trading hours proposed.
- Evidence of Council meeting at which the extended trading proposal was considered and approved. Please provide a copy of the appropriate council documentation.
- The exact area the trading variation will apply to, for example, Local Government boundaries or town boundaries or street locations etc.

#### **3. Organisations, Groups or Associations Consulted**

Approval of Local Government extended trading hours applications for permanent or long term variations is conditional to assurance that appropriate consultation has occurred with local trader organisations, tourism interests and local members of State Parliament, (MLA's and MLC's) and that the views expressed were taken into account.

Where significant variations to existing hours are proposed,, it is important also for the local community to be provided with an opportunity to comment on the extended trading proposal.

Please provide a list of the organisations, groups or associations consulted prior to taking the decision to apply for extended trading.

Summaries of local surveys undertaken in support of the application should also be provided.

#### **4. Rights of Traders to Exercise Individual Discretion**

Applicant Local Governments must confirm that all local traders are advised of their rights to exercise individual discretion whether to open or not during the proposed trading extension. It is important for traders to be aware of:

- their ability to exercise these rights; and
- the Department's commitment to support their decisions.

#### **5. Impact on Nearby Retailers**

Where the Department of Commerce (Consumer Protection) considers that approval of a Local Government extended trading application is likely to impact on nearby retailers, the views of the organisation representing the traders concerned may be taken into account.

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#### **LODGEMENT OF APPLICATIONS**

Please forward completed applications to:  
**Automotive, Marine and Trading Hours Branch**  
**Department of Commerce [Consumer Protection]**  
**Locked Bag 14**  
**CLOISTERS SQUARE WA 6850**

or by fax to: **(08) 6251 2818**

If you have any enquiries regarding your application please contact  
the Retail Trading Unit on **(08) 6251 1406**.