



# SHIRE OF VICTORIA PLAINS

## Annual Report

1 July 2017 – 30 June 2018

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## 1 PRESIDENT'S REPORT

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The 2017/18 shire reporting year was a busy one, with some notable achievements, however a number of projects were not able to be completed in this budget year.

Making a major structural change, Council after consultation with electors, accepted the majority opinion of electors and reduced council membership from nine to seven councillors at the October 2017 election. Four wards were retained and in those wards where voting was required to elect councillors a very high portion of the electors cast a vote.. Indeed, it was pleasing to witness such high interest in the democratic process. Your council now has a gender representation of four women and three men, reflecting a widespread community desire for more women in positions of influence.

Both Council and I as President, wish to acknowledge and thank those councillors who retired at the last election for the services they gave to the people of the Shire over a number of years.

Governance issues generally took considerable attention of council and staff during the year. Council chose to put extra resources into updating the Shires Policies and Local Laws while continuing to direct funds to maintaining and improving assets as well as limited budget funds would responsibly allow.

Notable events and projects for the year included –

- the well attended ANZAC day service to remember and honour the 100 years since the end of World War 1;
- progress with new aged housing facilities in Calingiri and Bolgart;
- establishment of the first parts of the Mogumber chicken farm;
- opening of the New Norcia bypass and the realignment of that section of the Calingiri -New Norcia road;
- continued upgrades of sections of the Toodyay-Bindi road.; and
- agreement with CBH on the expansion of the Calingiri bin facilities.

Your Deputy President Cr. Bantock and I attended the National Local Government Convention in Canberra which gave us an opportunity to lobby politicians on issues of relevance to our Shire.

We welcome our new Works and Services Manager, Bob Edwards, and other new staff while wishing those who left us future success and satisfaction in their futures.

I take this opportunity to thank all Councillors for their input representing the interests of the shire residents and thank all staff for their efforts towards the Shire's ongoing success and sustainability.

**David Lovelock**  
President

## 2 CHIEF EXECUTIVE OFFICER'S REPORT

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As the Shire continues to grow, upgrading and developing new infrastructure has been a key priority.

### Overall financial position

The Shire is remaining steady with the budget remaining in the black.

Due in part to the challenges of increasing reporting requirements, the services of an experienced local government finance consultant were engaged during the year resulting in improved reporting and compliance.

### Example capital works

Some of the major capital works for the year included –

- Roads-
  - Toodyay-Bindi Bindi Road had two kilometres reconstructed, sealed and white-lined.
  - Yerecoin South East had four kilometres of shoulder reconstructed and five hundred metres of deep drainage installed and pavement reconstruction.
  - Konnongorring West had three kilometres of gravel sheeting applied.
  - Boxhall Road had three kilometres of gravel sheeting applied.
  - Erickson Road had two kilometres of gravel sheeting applied
  - Golf Course Road had three kilometres of gravel sheeting applied.
  - Mogumber-Yarawindah Road received edge break repairs and line-marking.
  - Mofflin Street, Calingiri had a concrete footpath installed.
- Building-
  - Two aged accommodation units were built at Bolgart.
  - Two aged accommodation units were built at Calingiri.
  - Upgrade works at Shire residence in Calingiri.
  - An air-conditioner unit was upgraded at the Shire Administration building at Calingiri.
  - Computer up-grades of hardware and software at Calingiri administration.
  - OH&S up-grades of office furniture and equipment.
- Plant and Vehicle Replacement\_
  - A 9,000 litre steel water tank was refurbished.
  - Fitting of a custom- built body to the Shire Rangers vehicle.
- Community Facilities-
  - There has been some disability access upgrade to public buildings.

All throughout our Shire, the past year has seen notable development of the Muchea Bypass which is on track, and will have significant flow on effects for the Shire including improved safety, productivity and growth opportunities for the Shire.

The Calingiri Sport and Recreational Centre is currently being refurbished and apart from the health and social benefits of this facility, it will provide employment and training opportunities for the community.

Further, the Shire continues to prioritise investment in its Road Program and continues to advocate for funding in this area.

To better service the growth of the District, the Shire has improved services within the 2017/18 financial year including –

- Agricultural Lime route upgrades.
- Development within the areas of waste and recycling.

### Legislative Review

A range of matters were addressed during the year, including the following.

a) Integrated planning

A Strategic Community Plan 2017/18 to 2027/28 was developed after community consultation. The Shire aims to expand and develop a range of recreation, cultural and sporting facilities to enhance the liveability of the Region.

b) Local laws

The Local Government Act requires a review of all local laws every 8 years. The review was completed in late 2017, and Council resolved to repeal a number of outdated laws which were no longer relevant, and to instead adopt a series of new local laws reflecting changed circumstances and the current legislative environment.

The statutory process is quite long, and while most have now been completed, several remain underway or require further revision before adoption and application.

c) Review of legislation

Two significant events occurred during the year –

- i) the Government announced a detailed review of the Local Government Act. While this will take several years before coming into effect, the impacts of it are likely to be significant; and
- ii) the second raft of provisions of the Public Health Act 2016, replacing the Health Act 1911, came into effect. This new Act impacts the Shire administratively, and will impact the community on a practical level in time, once the new Regulations are proclaimed.

### Conclusion

We continue to update systems within the Shire administration in an effort to improve efficiencies to residents. As always, there are challenges balancing the needs of the community, the requirements of different localities, turnover of staff and the ever-increasing demands of reporting and compliance.

Finally, I extend my thanks to all staff for their continued efforts.

**Glenda Teede**

Chief Executive Officer

### 3 OVERVIEW – PLAN FOR THE FUTURE

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The Local Government Act 1995 s.5.53(2) requires that the annual report is to contain –  
 (e) an overview of the plan for the future of the district made in accordance with section 5.56, including major initiatives that are proposed to commence or to continue in the next financial year

#### 3.1 **Modification of Plans**

In accordance with the Local Government (Administration) Regulations r.19CA it is noted that –

- a) a new Strategic Community Plan was adopted on 28 March 2018; and
- b) no modifications to the Corporate Business Plan were made.

#### 3.2 **Strategic Community Plan**

A new Strategic Community Plan was adopted in March 2018, following extensive consultation in the community and public meetings in the towns.

The SCP identified the following as community priorities –

<b>1.</b>	<b>Community – to enhance and improve a sense of community in the Shire</b>
1.1	Better publicise upcoming events and activities in the Shire
1.2	Improve aged care and support
1.3	Promote community health and wellbeing
1.4	Support sporting, volunteer and community groups
1.5	Increase community activities
1.6	Develop new / reuse existing community facilities
<b>2.</b>	<b>Economic – to improve and add to local economic development and activity</b>
2.1	Examine opportunities to diversify the local economy through initiatives such as tourism
2.2	Improve tourist / caravan park accommodation
2.3	Improve community connectivity
2.4	Initiatives to reverse ageing population
2.5	Art installations to support marketing of localities
2.6	Review land supply in town sites
2.7	Create a regional brand that encompasses all towns
2.8	Develop a business and industry attraction strategy
<b>3.</b>	<b>Environment – to protect or improve the natural environment</b>
3.1	Undertake initiatives to improve recycling
3.2	Support environmental sustainability initiatives and community forums
<b>4.</b>	<b>Infrastructure – to maintain / add to infrastructure used by the community</b>
4.1	Undertake town beautification programs
4.2	Improve utilities (power, water, etc.)
4.3	Maintain / improve community facilities to an agreed standard
4.4	Develop a process to deal with miscellaneous works requests
4.5	Improve facilities for trucks and drivers
4.6	Instigate a road verge maintenance program

<b>5.</b>	<b>Civic leadership – to better allocate scarce resources and effectively interact with the community</b>
5.1	Measures to improve relationship and communication between Council and community
5.2	Improve elected member performance
5.3	Develop an advocacy and lobbying capacity
5.4	Measures to improve organisational efficiency

Most of the matter identified are operational improvements, and undergo continual assessment. A number of specific matter are noted in relation to these priorities –

#### 1.6 – Calingiri Gym

The squash courts were assessed by Local Government Insurance Service as not meeting required standards, and accordingly were closed, pending repair and are being re-purposed for use as part of the gym area.

#### 3.1 – Recycling

Options for recycling continue to be explored. Given the international situation with closure of markets for materials to be recycled, and the absence of facilities in Western Australia, the cost of recycling many materials continues to increase.

#### 4.5 – Major works on the agricultural lime works continues, and Council, in recent times, has agreed to participate in the development of a business case for the investment of \$500 million into the routes.

In addition, realignment of the New Norcia-Calingiri Road will assist with entry and exit to the Calingiri CBH facilities and stacking distance for trucks between the railway line and the Bindi Bindi-Toodyay Road.

#### 5.1 – As noted by the President, the numbers of councillors was reduced from 9 to 7 at the local government election held in October 2017.

Measures to improve organisational efficiency included contracts for service with a number of specialist providers in environmental health, building, finance, governance.

### **3.3 Corporate Business Plan**

The last detailed review of the Corporate Business Plan was adopted for the 2027-2017 year, and consequently is now out-of-step with the Strategic Community Plan.

A detailed revision of the Corporate Business Plan is programmed for early 2019.

From the current Corporate Business Plan –

<b>Goals and Outcomes</b>	<b>Status</b>
<b>1. Growth</b>	
1.1. Facilitate land release	<ul style="list-style-type: none"> <li>a) Working towards feasibility report for proposed Bolgart industrial area</li> <li>b) Land release and use subject to WA Planning Commission Policy and Guidelines</li> <li>c) Local Planning Scheme may require amendment to suit changed conditions and expectations</li> </ul>
1.2. Promote sustainable management of the environment	<ul style="list-style-type: none"> <li>a) For future consideration</li> <li>b) To be referenced in Planning Policies to be developed</li> </ul>
1.3. Promote sustainable water management	<ul style="list-style-type: none"> <li>a) Monthly salinity testing in Bolgart and Mogumber for analysis</li> <li>b) Options for emergency water supplies at Mogumber</li> <li>c) Constant testing of water quality at Piawanning desalination plant</li> </ul>

<b>2. Community</b>	
2.1. Promote and develop health and education	<ul style="list-style-type: none"> <li>a) Support of physical and mental health initiatives</li> <li>b) Support of physical activities classes etc</li> <li>c) Maintenance of Calingiri Gym</li> <li>d) Support of Suicide Prevention Advisory Group</li> </ul>
2.2. Promote community prosperity	On-going efforts
2.3. Promote community enrichment	<ul style="list-style-type: none"> <li>a) Annual community grants program for local organisations</li> <li>b) Continuing upgrade of children's playgrounds</li> <li>c) Support of community events and initiatives</li> </ul>
<b>3. Shire Infrastructure</b>	
3.1. Sustainable management of Shire infrastructure	<ul style="list-style-type: none"> <li>a) Maintenance, upgrade, construction of roads</li> <li>b) Roads condition survey for asset management purposes</li> <li>c) 10 year roads program to be developed and considered in Annual Budgets</li> </ul>
3.2. Achieve sustainable waste management	<ul style="list-style-type: none"> <li>a) On-going investigation for waste management</li> <li>b) Participation in Avon Regional Organisation of Council s joint waste tender proposed</li> </ul>
3.3. Sustainable management of community buildings	<ul style="list-style-type: none"> <li>a) Maintenance, upgrade, renewal of buildings</li> <li>b) Buildings condition survey to be carried out</li> <li>c) 10 year buildings program to be developed and considered in Annual Budgets</li> </ul>
<b>4. Governance</b>	
4.1. Strong financial management	<ul style="list-style-type: none"> <li>a) Buildings and road data to be incorporated into – <ul style="list-style-type: none"> <li>- asset management planning</li> <li>- long term financial plans (minimum of 15 years)</li> </ul> </li> <li>b) Consultant engaged to improve compliance and reporting</li> </ul>
4.2. Excellence in human resources management	On-going development of administrative processes
4.3. Full compliance with statutory requirements	<ul style="list-style-type: none"> <li>a) Compliant Delegations Register finalised</li> <li>b) Compliant Policy Manual under development</li> <li>c) Local laws review completed and resolutions implemented</li> <li>d) On-going development and improvement of compliance efforts</li> </ul>
4.4. Promote and develop advocacy	On-going efforts
4.5. Pursue and develop innovative solutions	<ul style="list-style-type: none"> <li>a) Resource sharing and joint arrangements – <ul style="list-style-type: none"> <li>- Bolgart and Calingiri aged housing units – in cooperation with Toodyay and Goomalling</li> <li>- Regional waste tender planned – in cooperation with other members of Avon Regional Organisation of Councils</li> </ul> </li> <li>b) Consultant engaged to improve compliance and reporting</li> </ul>
4.6. Strong administrative service and facilities	On-going development of administrative processes
4.7. Pursue development of excellent communication services	On-going development of processes with focus on – <ul style="list-style-type: none"> <li>- website</li> <li>- newsletter</li> <li>- Facebook</li> </ul>



## 4 STATUTORY MATTERS

### 4.1 Disability Services Act 1993

The Disability Services Act 1993 s.29 requires the Shire to report on implementation of their Disability Access Inclusion Plan. Further, the Disability Services Regulations require that the report contain information on –

- a) progress made by the Shire and any agents and contractors in achieving the desired outcomes; and
- b) the strategies implemented to inform its agents and contractors of its Disability Access and Inclusion Plan.

The Shire's Disability Access Inclusion Plan (DAIP) 2015–2020 outlines the strategies and actions the Shire undertakes in working towards ensuring access and inclusion for all community members.

The DAIP comprises seven outcome areas which identify and address barriers that may prevent people with disability from accessing and enjoying the services, programs and facilities the Shire provides.

Strategy	
Outcome	Time
<b>1. People with disability have the same opportunities as other people to access the services of and any events organised by, the Shire of Victoria Plains</b>	
1.1. Disability planning is used in all new buildings	Ongoing
1.2. Develop links with other strategies, agencies and frameworks	Ongoing
1.3. Additional Public Toilet facilities for people with disability to be made available	Ongoing
1.4. Parking spaces for people with disability to be allocated at key access positions at Shire offices	Ongoing
1.5. Update refuse services to include specialised rubbish collection services if required	As required
1.6. Procedures for monitoring effectiveness, including Staff training to ensure awareness of the DAIP requirements	Ongoing
1.7. Procedural changes to include disability planning in new buildings	Ongoing
<b>2. People with disability will have the same opportunities as other people to access the buildings and other facilities of the Shire of Victoria Plains</b>	
2.1. Monitor Shires Access Plan to ensure it incorporates all planned activities and functions throughout the Shire	ongoing
2.2. New buildings to include disability and inclusion consideration at design stage	Ongoing
2.3. Develop link with other strategies and frameworks	Ongoing
2.4. Update Refuse Service to include specialised rubbish collection services	As required
2.5. Procedures for monitoring effectiveness	Ongoing
2.6. Disability Access Audit Report on Shire buildings	June 2011
<b>3. People with disability receive information from the Shire of Victoria Plains in a format that will enable them to access the information as readily as other people are able to access it</b>	
3.1. CD Disc containing council information on request	As required
3.2. Large print shire info on request	As required
3.3. Inform staff of DAIP requirements	Ongoing

<b>4. People with disability receive the same level and quality of service from the staff of the Shire of Victoria Plains as other people receive from the staff of the Shire of Victoria Plains</b>	
4.1. Allocate Duties, Responsibilities and accountability for DAIP	Ongoing
4.2. Deliver DAIP awareness training including disability communication training	Ongoing
4.3. Develop training matrix to include refresher training for DAIP	Ongoing
<b>5. People with disability have the same opportunity as other people to make complaints to the Shire of Victoria Plains</b>	
5.1. Ensure complaints procedure and outcome satisfaction form is made available in large print and CD	As required
5.2. Ensure staff who manage complaints procedure are aware of responsibilities and new procedures	Ongoing
5.3. Develop training matrix to include refresher training for DAIP	Ongoing
<b>6. People with disability have the same opportunities as other people to participate in consultation with the Shire of Victoria Plains</b>	
6.1. Invitation to people with disability to have a say in planning	Oct 2011
6.2. Invitation to be an ongoing disability community representative	Oct 2011
<b>7. People with disability have the same opportunities as other people to obtain and maintain employment with the Shire of Victoria Plains</b>	
7.1. People with disability are encouraged to apply for positions with the Shire	Ongoing

During 2017-2018, many tasks were on-going in nature. No priority issues were identified and no specific actions were required or undertaken.

It is planned that the DAIP will be reviewed during 2019/2020. Input, feedback and contributions from the community will be sought.

The Shire's DAIP is posted on our website, together with an Accessibility Notice.

#### **4.2 Formal complaints of breach**

The *Local Government Act 1995* s.5.53(2)(hb) requires reporting of the formal complaints entered into a register under section 5.121 that require action in accordance with section 5.110(6)(b) or (c).

No. of complaints recorded	Method of dealing with complaints
0	Apology
0	Sanction
0	Training

#### **4.3 Employee remuneration**

The *Local Government (Administration) Regulations 1996* r.19B requires that employee remuneration in specific bands be reported.

The Shire's executive remuneration is assessed against skills, qualifications, experience and the responsibilities of the position.

The figures below represent a cash base salary but do not include vehicle allowances, non-monetary benefits such as professional memberships or superannuation in accordance with policy.

Salary Band	30 June 2018	30 June 2017
\$120,001 - \$130,000		1
\$130,001 - \$140,000	1	1

#### 4.4 Modification of statutory plans

The *Local Government (Administration) Regulations* r.19CA requires that information concerning modification of planning for the future be disclosed –

a) Strategic Community Plan

A new Strategic Business Plan was developed and adopted after extensive community consultation, and adopted in January 2018 for the 10 year period 2017/2018 to 2027/2028.

b) Corporate Business Plan

The Corporate Business Plan adopted for the period 2016/2017 to 2019/2020 remains unmodified.

A full review of the CBP is proposed in 2018/2019, and will involve the following plans being reviewed and likely replaced –

- Workforce Plan
- Asset Management Plans
- Long Term Financial Plan

#### 4.5 Legislative Review

All Local Governments are required to assess which of their local laws might impact on competition and conduct a review of each to determine how any restrictive practices might be overcome. The annual report is to include a statement of which local laws have been reviewed, the conclusions of those reviews and a forward strategy for all local laws still to be reviewed.

All of the Shire of Victoria Plains Local Laws were reviewed within this period and Council adopted an action plan on progressing these matters.

For a list of the new Local Laws please refer to the Shire of Victoria Plains website or the Department of Local Government, Sporting and Cultural Industries website.

The actions for local laws during the year were –

Local law reviewed	Decision	New local law	Date published in Government Gazette
Long Service Leave Local Law 1951	Repeal	None	29 August 2017
Motels Local Law 1960	Repeal	None	29 August 2017
Keeping of Bees 1966	Repeal	None	29 August 2017
Speed of Vehicles Local Law 1968	Repeal	None	29 August 2017
Fire Control Local Law 1998	Repeal	None	29 August 2017
N/A	N/A	Bush Fire Brigades Local Law 2017	29 August 2017
Dogs Local Law 1987	Replace	Dogs Local Law 2018	6 March 2018
N/A	N/A	Fencing Local Law 2018	6 March 2018

Cemetery Local Law 1998	Replace	Cemeteries Local Law 2018	4 September 2018
Extractive Industries Local Law 1988	Replace	Extractive Industries Local Law 2018	4 September 2018
Pipes and Pipelines Beneath Roads and Footpaths 1958	Repeal	Public Places and Local Government Property Local Law 2018	4 September 2018
Prevention of Damage to Streets 1965	Repeal		
Removal and Disposal of Obstructing Animals or Vehicles 1969	Repeal		
Standing Orders Local Law 1997	Repeal	Meeting Procedures Local Law 2018	26 October 2018
Health Local Law 2003	Continue	N/A	N/A

The following proposed local laws remain under review –

- Amenity dealing with animals, environment and nuisance matters;
- Waste – domestic collection matters, management of refuse sites etc.

The next review required by the LG Act is due in 2024.

## **4.6 Other Matters**

### **4.6.1 Record Keeping**

In line with Section 19 of the State Records Act 2000, local governments are required to have a Record Keeping Plan that is approved by the State Records Office (SRO). The plan applies to employees, councillors and contractors.

The Record Keeping Plan is the primary means of providing evidence of compliance with the Act and the implementation of best practice record keeping in the organisation. In line with Section 17 of the Act, the Shire, councillors and staff are legally required to comply with the actions listed in the plan.

The Shire is committed to the management of records in accordance with legislative requirements and best practice. It is planned that the Shire's Record Keeping Plan will be reviewed in 2018/2019.

### **4.6.2 Public Interest Disclosure**

In accordance with the Public Interest Disclosure Act 2003, there are provisions to make disclosures under that Act. The procedures set out the processes in respect to protected disclosures generally, to protect people from reprisal for making protected disclosures, and to provide guidance on investigations.

In the 2017/2018 financial year, no disclosures relating to improper conduct were made to the Shire and therefore no disclosures were referred.

### **4.6.3 Freedom of Information Act 1992**

The Shire of Victoria Plains is subject to the provisions of the Freedom of Information (FOI) Act 1992, which gives individuals and organisations a general right of access to information held by the Shire. The Act also provides the right of appeal in relation to decisions made by the Shire to refuse access to information applied for under the Act.

The Shire did not receive any FOI applications in the 2017/2018 financial year.

5 ANNUAL FINANCIAL REPORT

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**SHIRE OF VICTORIA PLAINS**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2018**

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**COMMUNITY VISION**

Our Vision Statement is an expression of what we aspire to ensure the Shire of Victoria Plains is like for people who live here in the future:-

**The Shire of Victoria Plains**  
**Many Localities**  
**One Perfect Lifestyle**  
**A Place To Grow**

Principal place of business:  
28 Cavell Street  
CALINGIRI WA 6569

**SHIRE OF VICTORIA PLAINS  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

*Local Government Act 1995  
Local Government (Financial Management) Regulations 1996*

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

The attached financial report of the Shire of Victoria Plains for the financial year ended 30 June 2018 is based on proper accounts and records to present fairly the financial position of the Shire of Victoria Plains at 30 June 2018 and the results of the operations for the financial year then ended in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 25th day of February 2019



Chief Executive Officer

Glenda Teede

Name of Chief Executive Officer

**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30TH JUNE 2018**

	NOTE	2018 Actual \$	2018 Budget \$	2017 Actual \$
<b>Revenue</b>				
Rates	24(a)	2,387,518	2,328,653	2,334,698
Operating grants, subsidies and contributions	2	1,180,050	503,373	1,576,655
Fees and charges	2	212,602	153,065	222,386
Interest earnings	2(a)	47,130	123,000	84,853
Other revenue	2(a)	166,429	116,357	107,827
		3,993,729	3,224,448	4,326,419
<b>Expenses</b>				
Employee costs		(1,611,616)	(1,459,493)	(1,475,286)
Materials and contracts		(1,750,000)	(1,287,322)	(1,165,962)
Utility charges		(109,076)	(84,850)	(77,019)
Depreciation on non-current assets	10(b)	(1,896,036)	(1,944,577)	(1,801,324)
Interest expenses	2(a)	(20,653)	(22,066)	(21,413)
Insurance expenses		(126,717)	(203,379)	(187,746)
Other expenditure		(153,704)	(358,600)	(382,005)
		(5,667,802)	(5,360,287)	(5,110,755)
		(1,674,073)	(2,135,839)	(784,336)
Non-operating grants, subsidies and contributions	2	1,928,541	2,259,693	1,218,177
Profit on asset disposals	10(a)	16,508	3,000	3,528
(Loss) on asset disposals	10(a)	(27,124)	(22,000)	(61,433)
<b>Net result</b>		<b>243,852</b>	<b>104,854</b>	<b>375,936</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	11	17,276,442	0	177,649
<b>Total other comprehensive income</b>		<b>17,276,442</b>	<b>0</b>	<b>177,649</b>
<b>Total comprehensive income</b>		<b>17,520,294</b>	<b>104,854</b>	<b>553,585</b>

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



**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30TH JUNE 2018**

	NOTE	2018 Actual \$	2018 Budget \$	2017 Actual \$
<b>Revenue</b>				
	2(a)			
Governance		(785)	1,808	7,597
General purpose funding		3,466,978	2,890,744	3,880,591
Law, order, public safety		64,588	43,236	70,237
Health		6,747	2,263	3,205
Education and welfare		33,675	0	1,093
Housing		68,963	124,154	94,318
Community amenities		98,717	73,232	107,594
Recreation and culture		30,848	21,035	36,652
Transport		80,457	4,878	(4,728)
Economic services		42,378	28,718	37,210
Other property and services		101,163	34,380	92,650
		3,993,729	3,224,448	4,326,419
<b>Expenses</b>				
	2(a)			
Governance		(506,332)	(475,767)	(441,898)
General purpose funding		(353,550)	(308,057)	(286,531)
Law, order, public safety		(294,175)	(295,665)	(230,296)
Health		(140,232)	(150,664)	(107,706)
Education and welfare		(55,118)	(48,038)	(38,409)
Housing		(290,720)	(194,686)	(233,807)
Community amenities		(392,888)	(434,191)	(424,461)
Recreation and culture		(550,185)	(606,311)	(625,230)
Transport		(2,848,916)	(2,597,789)	(2,534,682)
Economic services		(203,407)	(211,550)	(145,295)
Other property and services		(11,626)	(15,503)	(21,028)
		(5,647,149)	(5,338,221)	(5,089,343)
<b>Finance Costs</b>				
	2(a)			
Housing		0	0	(154)
Community amenities		(1,085)	(5,222)	(1,642)
Recreation and culture		(15,100)	(16,844)	(16,034)
Economic services		(4,468)	0	(3,582)
		(20,653)	(22,066)	(21,412)
		(1,674,073)	(2,135,839)	(784,336)
Non-operating grants, subsidies and contributions	2	1,928,541	2,259,693	1,218,177
Profit on disposal of assets	10(a)	16,508	3,000	3,528
(Loss) on disposal of assets	10(a)	(27,124)	(22,000)	(61,433)
		1,917,925	2,240,693	1,160,272
		<b>243,852</b>	<b>104,854</b>	<b>375,936</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	11	17,276,442	0	177,649
<b>Total other comprehensive income</b>		<b>17,276,442</b>	<b>0</b>	<b>177,649</b>
<b>Total comprehensive income</b>		<b>17,520,294</b>	<b>104,854</b>	<b>553,585</b>

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

**STATEMENT OF FINANCIAL POSITION  
AS AT 30TH JUNE 2018**

	NOTE	2018 \$	2017 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	1,090,475	1,279,074
Trade and other receivables	6	320,665	553,112
Inventories	7	40,612	41,242
<b>TOTAL CURRENT ASSETS</b>		<b>1,451,752</b>	<b>1,873,428</b>
<b>NON-CURRENT ASSETS</b>			
Other receivables	6	232,119	246,948
Investments	4	52,551	0
Property, plant and equipment	8	11,534,856	12,652,969
Infrastructure	9	117,233,320	98,345,403
<b>TOTAL NON-CURRENT ASSETS</b>		<b>129,052,846</b>	<b>111,245,320</b>
<b>TOTAL ASSETS</b>		<b>130,504,598</b>	<b>113,118,748</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	443,682	517,138
Current portion of long term borrowings	13(a)	61,335	58,691
Provisions	14	136,945	144,031
<b>TOTAL CURRENT LIABILITIES</b>		<b>641,962</b>	<b>719,860</b>
<b>NON-CURRENT LIABILITIES</b>			
Long term borrowings	13(a)	416,698	478,577
Provisions	14	28,459	23,128
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>445,157</b>	<b>501,705</b>
<b>TOTAL LIABILITIES</b>		<b>1,087,119</b>	<b>1,221,565</b>
<b>NET ASSETS</b>		<b>129,417,479</b>	<b>111,897,184</b>
<b>EQUITY</b>			
Retained surplus		22,329,228	21,989,545
Reserves - cash backed	5	624,847	720,678
Revaluation surplus	11	106,463,404	89,186,962
<b>TOTAL EQUITY</b>		<b>129,417,479</b>	<b>111,897,184</b>

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

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30TH JUNE 2018**

	NOTE	RESERVES			TOTAL EQUITY
		RETAINED SURPLUS	CASH/INVESTMENT BACKED	REVALUATION SURPLUS	
		\$	\$	\$	\$
<b>Balance as at 1 July 2016</b>		<b>21,419,565</b>	<b>914,722</b>	<b>89,009,313</b>	<b>111,343,599</b>
Comprehensive income					
Net result		375,936	0	0	375,936
Changes on revaluation of assets	11	0	0	177,649	177,649
Total comprehensive income		375,936	0	177,649	553,585
Transfers from/(to) reserves		194,044	(194,044)	0	0
<b>Balance as at 30 June 2017</b>		<b>21,989,545</b>	<b>720,678</b>	<b>89,186,962</b>	<b>111,897,184</b>
Comprehensive income					
Net result		243,852	0	0	243,852
Changes on revaluation of assets	11	0	0	17,276,442	17,276,442
Total comprehensive income		243,852	0	17,276,442	17,520,294
Transfers from/(to) reserves		95,831	(95,831)	0	0
<b>Balance as at 30 June 2018</b>		<b>22,329,228</b>	<b>624,847</b>	<b>106,463,404</b>	<b>129,417,479</b>

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

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30TH JUNE 2018**

	NOTE	2018 Actual	2018 Budget	2017 Actual
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		\$	\$	\$
<b>Receipts</b>				
Rates		2,422,261	2,328,653	2,355,734
Operating grants, subsidies and contributions		1,167,281	712,373	1,296,510
Fees and charges		211,351	153,065	222,386
Interest earnings		231,047	123,000	84,853
Goods and services tax		306,641	10,000	40,006
Other revenue		166,429	116,357	107,827
		4,505,010	3,443,448	4,107,316
<b>Payments</b>				
Employee costs		(1,589,694)	(1,439,493)	(1,556,399)
Materials and contracts		(1,846,286)	(1,337,322)	(864,566)
Utility charges		(109,076)	(84,850)	(77,019)
Interest expenses		(20,870)	(22,066)	(19,942)
Insurance expenses		(126,717)	(203,379)	(187,746)
Goods and services tax		(282,252)	0	0
Other expenditure		(153,704)	(358,600)	(382,186)
		(4,128,599)	(3,445,710)	(3,087,858)
<b>Net cash provided by (used in) operating activities</b>	15	376,411	(2,262)	1,019,458
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment		(1,489,003)	(1,352,700)	(856,986)
Payments for construction of infrastructure		(1,076,523)	(1,512,533)	(1,819,993)
Non-operating grants, subsidies and contributions		1,928,541	2,259,693	1,218,177
Proceeds from sale of fixed assets		112,963	291,500	311,632
<b>Net cash provided by (used in) investment activities</b>		(524,022)	(314,040)	(1,147,170)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of long term borrowings		(59,235)	(58,691)	(49,036)
Proceeds from self supporting loans		18,247	15,993	14,031
Proceeds from new long term borrowings		0	0	175,000
<b>Net cash provided by (used in) financing activities</b>		(40,988)	(42,698)	139,995
<b>Net increase (decrease) in cash held</b>		(188,599)	(359,000)	12,284
Cash at beginning of year		1,279,074	1,345,047	1,266,790
<b>Cash and cash equivalents at the end of the year</b>	15	1,090,475	986,047	1,279,074

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

**RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2018**

	NOTE	2018 Actual	2018 Budget	2017 Actual
		\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>				
		474,406	639,000	290,100
		474,406	639,000	290,100
<b>Revenue from operating activities (excluding rates)</b>				
Governance		8,003	4,808	7,597
General purpose funding		1,149,504	562,091	1,610,592
Law, order, public safety		64,588	43,236	70,237
Health		6,747	2,263	3,205
Education and welfare		33,675	0	1,093
Housing		68,963	124,154	94,318
Community amenities		98,717	73,232	107,594
Recreation and culture		30,848	21,035	36,652
Transport		88,177	4,878	(4,728)
Economic services		42,378	28,718	37,210
Other property and services		101,163	34,380	96,175
		1,692,763	898,795	2,059,945
<b>Expenditure from operating activities</b>				
Governance		(506,332)	(475,767)	(466,239)
General purpose funding		(353,550)	(308,057)	(286,531)
Law, order, public safety		(321,299)	(295,665)	(230,296)
Health		(140,232)	(150,664)	(107,706)
Education and welfare		(55,118)	(48,038)	(38,409)
Housing		(290,720)	(194,686)	(233,961)
Community amenities		(393,973)	(439,413)	(426,103)
Recreation and culture		(565,285)	(623,155)	(641,264)
Transport		(2,848,916)	(2,612,789)	(2,560,230)
Economic services		(207,875)	(211,550)	(148,877)
Other property and services		(11,626)	(22,503)	(32,572)
		(5,694,926)	(5,382,287)	(5,172,188)
<b>Operating activities excluded</b>				
(Profit) on disposal of assets	10(a)	(16,508)	(3,000)	(3,528)
Loss on disposal of assets	10(a)	27,124	22,000	61,433
Movement in deferred pensioner rates (non-current)		(3,058)	0	(2,199)
Movement in employee benefit provisions (non-current)		5,331	0	(17,171)
Depreciation and amortisation on assets	10(b)	1,896,036	1,944,577	1,801,324
<b>Amount attributable to operating activities</b>		(1,618,832)	(1,880,915)	(982,284)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions		1,928,541	2,259,693	1,218,177
Proceeds from disposal of assets	10(a)	112,963	291,500	311,455
Purchase of property, plant and equipment	8(b)	(1,489,003)	(1,352,700)	(856,986)
Purchase and construction of infrastructure	9(b)	(1,076,523)	(1,512,533)	(1,819,993)
<b>Amount attributable to investing activities</b>		(524,022)	(314,040)	(1,147,347)
<b>FINANCING ACTIVITIES</b>				
Repayment of long term borrowings	13(a)	(59,235)	(58,691)	(49,036)
Proceeds from new long term borrowings	13(b)	0	0	175,000
Proceeds from self supporting loans	13(a)	18,247	15,993	14,031
Transfers to reserves (restricted assets)	5	(14,169)	(91,000)	(18,716)
Transfers from reserves (restricted assets)	5	110,000	0	212,760
<b>Amount attributable to financing activities</b>		54,843	(133,698)	334,039
<b>Surplus(deficiency) before general rates</b>		(2,088,011)	(2,328,653)	(1,795,592)
<b>Total amount raised from general rates</b>	24	2,317,474	2,328,653	2,269,999
<b>Net current assets at June 30 c/fwd - surplus/(deficit)</b>	25	<b>229,463</b>	<b>0</b>	<b>474,406</b>

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**1. 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) and Interpretations of the Australian Accounting Standards Board, and the Local Government Act 1995 and accompanying regulations.

The Local Government (Financial Management) Regulations 1996 take precedence over Australian Accounting Standards. Regulation 16 prohibits a local government from recognising as assets Crown land that is a public thoroughfare, such as land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or any other sporting or recreational facility of State or regional significance. Consequently, some assets, including land under roads acquired on or after 1 July 2008, have not been recognised in this financial report. This is not in accordance with the requirements of AASB 1051 Land Under Roads paragraph 15 and MSB 116 Property, Plant and Equipment paragraph 7.

Accounting policies which have been adopted in the preparation of this financial report 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.

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 27 to these financial statements.

**AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY  
Land under roads**

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

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

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

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

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

## 2. REVENUE AND EXPENSES

### (a) Revenue

#### Other revenue

Reimbursements and recoveries  
 Other

#### Fees and Charges

Governance  
 General purpose funding  
 Law, order, public safety  
 Health  
 Housing  
 Community amenities  
 Recreation and culture  
 Transport  
 Economic services  
 Other property and services

	2018 Actual	2017 Actual
	\$	\$
Reimbursements and recoveries	97,233	0
Other	69,196	107,827
	166,429	107,827
Governance	4,073	3,277
General purpose funding	9,818	2,852
Law, order, public safety	4,058	3,553
Health	3,472	644
Housing	59,864	57,444
Community amenities	87,478	104,702
Recreation and culture	8,619	6,527
Transport	40	0
Economic services	24,784	21,702
Other property and services	10,396	21,685
	212,602	222,386

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

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

**(a) Revenue (Continued)**

**Grant Revenue**

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

	2018	2017
	\$	\$
<b>Operating grants, subsidies and contributions</b>		
Governance	0	1,336
General purpose funding	1,023,394	1,481,116
Law, order, public safety	52,525	61,647
Education and welfare	30,918	820
Community amenities	0	955
Recreation and culture	0	12,687
Transport	73,213	0
Other property and services	0	18,094
	1,180,050	1,576,655
<b>Non-operating grants, subsidies and contributions</b>		
Law, order, public safety	367,351	0
Education and welfare	0	64,299
Housing	677,241	20,000
Recreation and culture	0	1,133,878
Transport	883,949	0
	1,928,541	1,218,177
<b>Total grants, subsidies and contributions</b>	<b>3,108,591</b>	<b>2,794,832</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Grants, Donations and Other Contributions**

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

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over

**Grants, Donations and Other Contributions (Continued)**

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 23. That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current period.

**Interest earnings**

- Loans receivable - clubs/institutions  
- Reserve funds  
- Other funds  
Other interest revenue (refer note 24(e))

	2018	2018	2017
	Actual	Budget	Actual
	\$	\$	\$
- Loans receivable - clubs/institutions	11,067	13,000	0
- Reserve funds	11,108	16,000	18,023
- Other funds	6,552	82,000	44,109
Other interest revenue (refer note 24(e))	18,403	12,000	22,721
	47,130	123,000	84,853



**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

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

**(b) Expenses**

**Auditors remuneration**

- Audit of the Annual Financial Report
- Other Audit Services

**Interest expenses (finance costs)**

- Long term borrowings (refer Note 13(a))

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
	15,294	11,404
	1,375	0
	<b>16,669</b>	<b>11,404</b>
	20,653	21,413

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

3. CASH AND CASH EQUIVALENTS	NOTE	2018 \$	2017 \$
Unrestricted		439,678	558,396
Restricted		650,797	720,678
		1,090,475	1,279,074
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Long Service Leave Reserve	5	4,437	28,843
Plant Reserve	5	67,678	66,264
Housing Reserve	5	37,400	70,966
Sewerage Scheme Reserve	5	77,578	76,096
Refuse Site Reserve	5	278,983	273,653
Building Maintenance Reserve	5	77,292	75,815
Infrastructure Reserve	5	74,135	121,837
Gymnasium Reserve	5	7,344	7,204
Unspent grants	23	25,950	0
		650,797	720,678

### SIGNIFICANT ACCOUNTING POLICIES

#### 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 with original maturities of three months or less that are readily convertible to known amounts of

#### Cash and cash equivalents (Continued)

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.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

#### 4. INVESTMENTS

##### Non-current

##### Available for sale financial assets

Investment in WALGA Local Government House Trust \*

2018
\$
52,551
52,551

##### \* Investment in WALGA Local Government House Trust

This note discloses the Equity the Shire has in the Local Government House Trust as a consequence of a contribution towards the cost of purchasing Local Government House. The total contribution by all Councils towards the cost of the WALGA building was \$582,000. There are 620 units in the Local Government House Unit Trust, 3 of which are held by the Shire of Victoria Plains.

The Shire has capitalised its share in the Local Government House Trust for the first time this year based on the trust's 30 June 2018 audited financial statements.

#### SIGNIFICANT ACCOUNTING POLICIES

##### Classification and subsequent measurement

###### (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) 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.

###### (iii) Available-for-sale financial assets

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

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

##### 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).

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.

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.

#### SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Impairment (Continued)

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.

##### Initial recognition and measurement

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

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

##### Classification and subsequent measurement

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

Amortised cost is calculated as:

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

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

##### 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.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

5. RESERVES - CASH BACKED

	2018 Actual Opening Balance	2018 Actual Transfer to	2018 Actual Transfer (from)	2018 Actual	2018 Budget Opening Balance	2018 Budget Transfer to	2018 Budget Transfer (from)	2018 Budget Closing Balance	2017 Actual Opening Balance	2017 Actual Transfer to	2017 Actual Transfer (from)	2017 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Long Service Leave Reserve	28,843	594	(25,000)	4,437	28,419	600	0	29,019	77,267	1,577	(50,000)	28,844
Plant Reserve	66,264	1,414	0	67,678	65,545	77,178	0	142,723	150,944	3,080	(87,760)	66,264
Housing Reserve	70,966	1,434	(35,000)	37,400	70,063	1,480	0	71,543	142,742	3,224	(75,000)	70,966
Sewerage Scheme Reserve	76,096	1,482	0	77,578	76,218	1,610	0	77,828	74,574	1,522	0	76,096
Refuse Site Reserve	273,653	5,330	0	278,983	273,830	5,786	0	279,616	267,922	5,730	0	273,652
Building Maintenance Reserve	75,815	1,477	0	77,292	75,837	1,602	0	77,439	74,201	1,614	0	75,815
Infrastructure Reserve	121,837	2,298	(50,000)	74,135	122,658	2,592	0	125,250	120,012	1,825	0	121,837
Gymnasium Reserve	7,204	140	0	7,344	7,216	152	0	7,368	7,060	144	0	7,204
	720,678	14,169	(110,000)	624,847	719,786	91,000	0	810,786	914,722	18,716	(212,760)	720,678

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
Long Service Leave Reserve	Ongoing	To be used to fund annual and long service leave requirements.
Plant Reserve	Ongoing	To be used for the purchase of major plant.
Housing Reserve	Ongoing	To be used in the procurement of staff housing.
Sewerage Scheme Reserve	Ongoing	To be used to maintain and improve the Calingiri sewerage system.
Refuse Site Reserve	Ongoing	To be used to fund future refuse site development.
Building Maintenance Reserve	Ongoing	To be used for long term maintenance of Shire buildings.
Infrastructure Reserve	Ongoing	To be used for future infrastructure development to ensure long term Shire sustainability.
Gymnasium Reserve	Ongoing	To be used for future purchases and replacement of gymnasium equipment.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**6. TRADE AND OTHER RECEIVABLES**

**Current**

Rates outstanding	
Sundry debtors	
GST receivable	
Loans receivable - clubs/institutions	
ESL Receivable	
Accrued Income	
Provision for doubtful debts	

**Non-current**

Rates outstanding - pensioners	
Loans receivable - clubs/institutions	

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

**Rates outstanding**

Includes:

Past due and not impaired	
Impaired	

**Sundry debtors**

Includes:

Past due and not impaired	
Impaired	

	2018	2017
	\$	\$
	27,350	61,081
	226,083	210,812
	45,194	69,583
	16,815	17,175
	0	4,070
	6,474	190,391
	(1,251)	0
	<b>320,665</b>	<b>553,112</b>
	9,757	6,699
	222,362	240,249
	<b>232,119</b>	<b>246,948</b>
	37,107	67,780
	0	0
	9,061	21,041
	1,250	0

**SIGNIFICANT ACCOUNTING POLICIES**

**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.

**Classification and subsequent measurement**

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.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

## 7. INVENTORIES

### Current

Fuel and materials

	2018	2017
	\$	\$
	40,612	41,242
	40,612	41,242

### SIGNIFICANT ACCOUNTING POLICIES

#### 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.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**8 (a). PROPERTY, PLANT AND EQUIPMENT**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Land and buildings		
Land - freehold land at:		
- Independent valuation 2017 - level 2	440,000	440,000
- Independent valuation 2017 - level 3	382,000	382,000
- Independent valuation 2018 - level 2	232,500	0
	<u>1,054,500</u>	<u>822,000</u>
Total land	1,054,500	822,000
Buildings - non-specialised at:		
- Independent valuation 2017 - level 2	970,000	1,615,000
- Additions after valuation - cost	16,279	0
Less: accumulated depreciation	(19,400)	0
	<u>966,879</u>	<u>1,615,000</u>
Buildings - specialised at:		
- Independent valuation 2017 - level 3	4,980,102	4,980,102
- Additions after valuation - cost	1,009,647	0
Less: accumulated depreciation	(100,278)	0
	<u>5,889,471</u>	<u>4,980,102</u>
Total buildings	6,856,350	6,595,102
Total land and buildings	<u>7,910,850</u>	<u>7,417,102</u>
Furniture and equipment at:		
- Independent valuation 2016 - level 3	187,461	187,461
- Additions after valuation - cost	47,000	47,000
Less: accumulated depreciation	(67,543)	(29,554)
	<u>166,918</u>	<u>204,907</u>
Plant and equipment at:		
- Independent valuation 2016 - level 3	1,535,429	1,549,384
- Additions after valuation - cost	455,760	427,277
Less: accumulated depreciation	(343,103)	(156,749)
	<u>1,648,086</u>	<u>1,819,912</u>
Motor Vehicles at:		
- Independent valuation 2016 - level 3	1,376,086	1,518,151
- Additions after valuation - cost	650,930	220,220
Less: accumulated depreciation	(218,014)	(114,817)
	<u>1,809,002</u>	<u>1,623,554</u>
Construction other than Buildings at:		
- Independent valuation 2015 - level 3	0	1,725,778
Less: accumulated depreciation	0	(138,284)
	<u>0</u>	<u>1,587,494</u>
<b>Total property, plant and equipment</b>	<u>11,534,856</u>	<u>12,652,969</u>

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

8. 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.

	Land - freehold land	Total land	Buildings - non- specialised	Buildings - specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Motor Vehicles	Construction other than Buildings	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2016</b>	1,136,000	1,136,000	1,634,024	4,980,102	6,614,126	7,750,126	187,461	1,592,384	1,815,151	1,656,636	13,001,758
Additions	0	0	109,018	0	109,018	109,018	47,000	427,277	273,691	0	856,986
(Disposals)	0	0	0	0	0	0	0	(43,000)	(350,471)	0	(393,471)
Revaluation increments/ (decrements) transferred to revaluation surplus	(314,000)	(314,000)	0	0	0	(314,000)	0	0	0	0	(314,000)
Depreciation (expense)	0	0	(128,042)	0	(128,042)	(128,042)	(29,554)	(156,749)	(114,817)	(69,142)	(498,304)
<b>Carrying amount at 30 June 2017</b>	822,000	822,000	1,615,000	4,980,102	6,595,102	7,417,102	204,907	1,819,912	1,623,554	1,587,494	12,652,969
Additions	0	0	16,279	997,546	1,013,825	1,013,825	0	28,483	430,710	15,985	1,489,003
(Disposals)	0	0	0	0	0	0	0	(1,152)	(122,427)	0	(123,579)
Revaluation increments/ (decrements) transferred to revaluation surplus	232,500	232,500	(632,101)	0	(632,101)	(399,601)	0	0	0	0	(399,601)
Depreciation (expense)	0	0	(32,299)	(100,278)	(132,577)	(132,577)	(37,989)	(186,642)	(135,350)	(69,142)	(561,700)
Transfers	0	0	0	12,101	12,101	12,101	0	(12,515)	12,515	(1,534,337)	(1,522,236)
<b>Carrying amount at 30 June 2018</b>	1,054,500	1,054,500	966,879	5,889,471	6,856,350	7,910,850	166,918	1,648,086	1,809,002	0	11,534,856



## 8. 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 and buildings</b>					
Land - freehold land	2	Sales comparison approach and cost approach	Independent Registered valuers	June 2017	Price per hectare
Land - freehold land	2	Sales comparison approach and cost approach	Independent Registered valuers	June 2018	Price per hectare
Land - freehold land	3	Improvements to land valued using cost approach using depreciated replacement cost	Independent registered valuers	June 2017	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Buildings - non-specialised	2	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2017	Price per square metre
Buildings - specialised	3	Improvements to land valued using cost approach using depreciated replacement cost	Independent registered valuers	June 2017	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Furniture and equipment</b>	3	Cost approach using depreciated replacement cost	Independent Registered valuers	June 2016	Residual values and remaining useful life assessments
<b>Plant and equipment</b>	3	Cost approach using depreciated replacement cost	Independent Registered valuers	June 2016	Residual values and remaining useful life assessments
<b>Motor Vehicles</b>	3	Cost approach using depreciated replacement cost	Independent Registered valuers	June 2016	Residual values and remaining useful life assessments
<b>Construction other than Buildings</b>	3	Cost approach using depreciated replacement cost	Independent Registered valuers	June 2015	Improvements to buildings using 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 by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**9 (a). INFRASTRUCTURE**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Infrastructure - Roads		
- Management valuation 2015 - level 3	0	91,031,759
- Management valuation 2018 - level 3	150,189,096	0
- Additions after valuation - cost	0	3,198,641
Less: accumulated depreciation	(38,744,786)	(2,870,044)
	<u>111,444,310</u>	<u>91,360,356</u>
Infrastructure - Footpaths		
- Management valuation 2015 - level 3	0	447,999
- Management valuation 2018 - level 3	899,241	0
- Additions after valuation - cost	0	93,286
Less: accumulated depreciation	(235,431)	(28,219)
	<u>663,810</u>	<u>513,066</u>
Infrastructure - Other		
- Management valuation 2015 - level 3	0	6,327,839
- Independent valuation 2018 - level 3	6,211,100	0
- Additions after valuation - cost	0	404,158
Less: accumulated depreciation	(3,198,400)	(260,016)
	<u>3,012,700</u>	<u>6,471,981</u>
Infrastructure - Bridges		
- Independent valuation 2018 - level 3	6,840,000	0
Less: accumulated depreciation	(4,727,500)	0
	<u>2,112,500</u>	<u>0</u>
<b>Total infrastructure</b>	<u>117,233,320</u>	<u>98,345,403</u>

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**9. 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.

	Infrastructure - Roads	Infrastructure - Footpaths	Infrastructure - Other	Infrastructure - Bridges	Total Infrastructure
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2016</b>	90,951,446	479,203	6,373,666	0	97,804,315
Additions	1,540,639	48,642	230,712	0	1,819,993
Depreciation (expense)	(1,131,729)	(14,779)	(132,397)	0	(1,278,905)
<b>Carrying amount at 30 June 2017</b>	91,360,356	513,066	6,471,981	0	98,345,403
Additions	1,053,225	23,300	0	0	1,076,525
Revaluation increments/ (decrements) transferred to revaluation surplus	17,278,790	143,682	335,155	(134,135)	17,623,492
Depreciation (expense)	(1,173,811)	(16,238)	(144,287)	0	(1,334,336)
Transfers	2,925,750	0	(3,650,149)	2,246,635	1,522,236
<b>Carrying amount at 30 June 2018</b>	111,444,310	663,810	3,012,700	2,112,500	117,233,320

## 9. INFRASTRUCTURE (Continued)

### (c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - Roads	3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Footpaths	3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Other	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2017	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Bridges	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2017	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

## 10. FIXED ASSETS

### SIGNIFICANT ACCOUNTING POLICIES

#### 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.

#### 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.

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, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework.

#### Revaluation

The fair value of fixed assets is determined at least every three years in accordance with the regulatory framework. At the end of each 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.

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 class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

#### Land under control

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

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

## 10. FIXED ASSETS (Continued)

### (a) Disposals of Assets

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>Plant and Equipment/Motor Vehicles</b>								
<b>Governance</b>								
2016 Toyota Prado VX	50,386	56,364	5,978	0	48,000	50,000	2,000	0
2016 Subaru Outback 3.6R	28,099	30,909	2,810	0	31,500	32,500	1,000	0
<b>Law, order, public safety</b>								
PFT11 Isuzu Fire Tender - Bolgart	43,942	16,818	0	(27,124)	0	0	0	0
<b>Transport</b>								
PTK17 - Hino 9 Tonne Tip Truck with Drop Sides	0	0	0	0	40,000	75,000	35,000	0
PGR9 Cat Grader 120 M Series	0	0	0	0	170,000	120,000	0	(50,000)
Toro Z580D 25hp Ride On Mower	0	0	0	0	4,000	4,000	0	0
Tree Lopper (Woodanilling) - TP1	1,152	8,872	7,720	0	0	0	0	0
<b>Other property and services</b>								
Nissan D40 RX King Cab Ute	0	0	0	0	17,000	10,000	0	(7,000)
	123,579	112,963	16,508	(27,124)	310,500	291,500	38,000	(57,000)

### (b) Depreciation

	2018	2017
	\$	\$
Buildings - non-specialised	32,299	128,042
Buildings - specialised	100,278	0
Furniture and equipment	37,989	29,554
Plant and equipment	186,642	156,749
Motor Vehicles	135,350	114,817
Construction other than Buildings	69,142	69,142
Infrastructure - Roads	1,173,811	1,131,729
Infrastructure - Footpaths	16,238	14,779
Infrastructure - Other	144,287	132,397
	1,896,036	1,777,209

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**10. FIXED ASSETS (Continued)**

**(b) Depreciation (Continued)**

**SIGNIFICANT ACCOUNTING POLICIES**

**Depreciation**

The depreciable amount of all fixed assets including buildings but excluding freehold land and vested 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) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. For example, the gross carrying amount may be restated by reference to observable market data or it may be restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses; or
- b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

**Depreciation rates**

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

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

**Depreciation (Continued)**

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.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

11. REVALUATION SURPLUS

	2018	2018	2018	2018	2018	2017	2017	2017	2017	2017
	Opening	Revaluation	Revaluation	Total	2018	Opening	Revaluation	Revaluation	Total	2017
	Balance	Increment	(Decrement)	Movement on	Closing	Balance	Increment	(Decrement)	Movement on	Closing
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land and buildings	5,048,258	0	(399,601)	(399,601)	4,648,657	4,870,609	491,649	(314,000)	177,649	5,048,258
Revaluation surplus - Furniture and equipment	27,899	0	0	0	27,899	27,899	0	0	0	27,899
Revaluation surplus - Plant and equipment	262,556	0	0	0	262,556	262,556	0	0	0	262,556
Revaluation surplus - Motor vehicles	116,405	0	0	0	116,405	116,405	0	0	0	116,405
Revaluation surplus - Investment in Local Govt House Trust	0	0	52,551	52,551	52,551	0	0	0	0	0
Revaluation surplus - Infrastructure - Roads	78,768,701	17,278,790	0	17,278,790	96,047,491	78,768,701	0	0	0	78,768,701
Revaluation surplus - Infrastructure - Footpaths	274,705	143,682	0	143,682	418,387	274,705	0	0	0	274,705
Revaluation surplus - Infrastructure - Other	3,195,780	335,155	0	335,155	3,530,935	3,195,780	0	0	0	3,195,780
Revaluation surplus - Infrastructure - Bridges	1,492,658	0	(134,135)	(134,135)	1,358,523	1,492,658	0	0	0	1,492,658
	89,186,962	17,757,627	(481,185)	17,276,442	106,463,404	89,009,313	491,649	(314,000)	177,649	89,186,962

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.



**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**12. TRADE AND OTHER PAYABLES**

**Current**

Sundry creditors	
Accrued interest on long term borrowings	
Accrued salaries and wages	
Accrued expenditure	
ATO liabilities	
Payroll Creditors	

	2018	2017
	\$	\$
	342,063	504,309
	3,665	3,882
	9,504	4,099
	18,272	0
	70,178	0
	0	4,848
	<b>443,682</b>	<b>517,138</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**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

**Trade and other payables (Continued)**

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.

### 13. INFORMATION ON BORROWINGS

#### (a) Repayments - Borrowings

Particulars	Principal	New	Principal Repayments		Principal 30 June 2018		Interest Repayments	
	1 July 2017	Loans	Actual	Budget	Actual	Budget	Actual	Budget
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Community amenities</b>								
LOAN 72 Droughtproofing Calingiri	19,938	0	9,646	9,646	10,292	10,292	1,085	1,156
<b>Recreation and culture</b>								
LOAN 82 Calingiri Sports Pavilion	94,376	0	17,241	17,241	77,135	77,135	9,221	4,037
<b>Economic services</b>								
LOAN 84 Piawaning Water Supply	167,240	0	15,811	15,811	151,429	151,429	4,468	4,066
	281,554	0	42,698	42,698	238,856	238,856	14,774	9,259

Particulars	Principal	New	Principal Repayments		Principal 30 June 2018		Interest Repayments	
	1 July 2017	Loans	Actual	Budget	Actual	Budget	Actual	Budget
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Self Supporting Loans</b>								
<b>Recreation and culture</b>								
LOAN 83 Calingiri Football Club	255,714	0	16,537	15,993	239,177	239,721	5,879	12,807
	255,714	0	16,537	15,993	239,177	239,721	5,879	12,807
	537,268	0	59,235	58,691	478,033	478,577	20,653	22,066

Self supporting loans are financed by payments from third parties.  
 All other loan repayments were financed by general purpose revenue.

#### Borrowings

	2018	2017
	\$	\$
Current	61,335	58,691
Non-current	416,698	478,577
	478,033	537,268

#### (b) New Borrowings - 2017/18

There were no new loan borrowing during the 2017/18 financial year.

#### (c) Unspent Borrowings

There were no unspent loan borrowing during the 2017/18 financial year.

#### (d) Undrawn Borrowing Facilities

##### Credit Standby Arrangements

	2018	2017
	\$	\$
Bank overdraft limit	0	0
Bank overdraft at balance date	0	0
Credit card limit	20,000	20,000
Credit card balance at balance date	(2,996)	(12)
<b>Total amount of credit unused</b>	17,004	19,988

##### Loan facilities

Loan facilities - current	61,335	58,691
Loan facilities - non-current	416,698	478,577
<b>Total facilities in use at balance date</b>	478,033	537,268

##### Unused loan facilities at balance date

NIL NIL

#### SIGNIFICANT ACCOUNTING POLICIES

##### Financial liabilities

Financial liabilities are recognised at fair value when the Shire becomes a party to the contractual provisions to the instrument.

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

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.

##### 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.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

## 14. PROVISIONS

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
<b>Opening balance at 1 July 2017</b>			
Current provisions	59,291	84,740	144,031
Non-current provisions	0	23,128	23,128
	59,291	107,868	167,159
Additional provision	21,272	24,368	45,640
Amounts used	(9,543)	(37,852)	(47,395)
<b>Balance at 30 June 2018</b>	71,020	94,384	165,404
<b>Comprises</b>			
Current	71,020	65,925	136,945
Non-current	0	28,459	28,459
	71,020	94,384	165,404

(a) Annual leave liabilities: Assessments indicate that actual settlements of the liabilities is expected to occur as follows:

	2018	2017
	\$	\$
Within 12 months of the end date of the reporting period	60,963	59,291
More than 12 months after the end of the reporting period	10,057	0
	71,020	59,291

(b) Long service leave liabilities: Assessments indicate that actual settlements of the liabilities is expected to occur as follows:

	2018	2017
	\$	\$
Within 12 months of the end date of the reporting period	38,913	30,621
More than 12 months after the end of the reporting period	55,471	77,247
	94,384	107,868

### SIGNIFICANT ACCOUNTING POLICIES

#### 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.

##### Other long-term employee benefits

The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

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

##### Other long-term employee benefits (Continued)

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.

##### 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.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

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

**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>2018 Actual</b>	<b>2018 Budget</b>	<b>2017 Actual</b>
	\$	\$	\$
Cash and cash equivalents	1,090,475	986,047	1,279,074
<b>Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>			
Net result	243,852	104,854	375,936
Non-cash flows in Net result:			
Depreciation	1,896,036	1,944,577	1,801,324
(Profit)/loss on sale of asset	10,616	19,000	57,905
Changes in assets and liabilities:			
(Increase)/decrease in receivables	229,029	219,000	(219,103)
(Increase)/decrease in inventories	630	0	485
Increase/(decrease) in payables	(73,456)	(50,000)	263,068
Increase/(decrease) in provisions	(1,755)	20,000	(41,981)
Grants contributions for the development of assets	(1,928,541)	(2,259,693)	(1,218,177)
Net cash from operating activities	376,411	(2,262)	1,019,458

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

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

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Governance	930,735	473,856
General purpose funding	37,107	67,779
Law, order, public safety	163,661	177,800
Education and welfare	34,750	10,150
Housing	2,378,206	1,803,297
Community amenities	2,602,014	2,179,293
Recreation and culture	5,214,677	4,986,189
Transport	115,213,096	97,169,420
Economic services	202,380	206,951
Other property and services	3,453,510	3,877,903
Unallocated	274,462	2,166,110
	<b>130,504,598</b>	<b>113,118,748</b>

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**17. CONTINGENT LIABILITIES**

The Shire is not aware of any contingent liabilities as at 30 June 2018.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

## 18. CAPITAL AND LEASING COMMITMENTS

### (a) Capital Expenditure Commitments

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

### (b) Operating Lease Commitments

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

#### SIGNIFICANT ACCOUNTING POLICIES

##### 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 of 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.

##### Leases (Continued)

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 on a straight line basis over the lease term.

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**19. JOINT ARRANGEMENTS**

The Shire together with Homeswest have a joint venture agreement with regards to the provision of two aged persons units in Bolgart and four aged persons units in Calingiri.

The only assets are the land and buildings. Council's twenty five per cent (25%) share of these assets is included in the Property, Plant & Equipment as follows:-

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Non-current assets</b>		
Land and buildings	242,500	225,765
Less: accumulated depreciation	(4,300)	(16,566)
	<b>238,200</b>	<b>209,199</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**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 arrangements providing joint ventures with an interest to net assets are classified as a joint venture and accounted for using the equity method. Refer to note 29 for a description of the equity method of accounting.

**Interests in joint arrangements (Continued)**

Joint 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.



## 20. RELATED PARTY TRANSACTIONS

### Elected Members Remuneration

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

	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
Meeting Fees	57,500	67,500	65,313
President's allowance	6,500	6,500	6,500
Deputy President's allowance	1,625	1,625	1,625
Travelling expenses	10,122	4,000	15,699
Telecommunications allowance	10,257	15,000	8,954
	86,004	94,625	98,091

### Key Management Personnel (KMP) Compensation Disclosure

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

	2018	2017
	\$	\$
Short-term employee benefits	290,093	93,858
Post-employment benefits	37,476	13,805
Other long-term benefits	1,177	0
Termination benefits	32,692	62,214
	361,438	169,877

#### Short-term employee benefits

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

#### Post-employment benefits

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

#### Other long-term benefits

These amounts represent long service benefits accruing during the year.

### Termination benefits

These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given year).

### Transactions with related parties

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

No outstanding balances or provisions for doubtful debts or guaranties exist in relation to related parties at year end.

The following transactions occurred with related parties:

	2018	2017
	\$	\$
Purchase of goods and services	148,780	24,127
<b>Amounts payable to related parties:</b>		
Trade and other payables	16,618	1,226

### Related Parties

The Shire's main related parties are as follows:

*i. Key management personnel*

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

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

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

*iii. Joint venture entities accounted for under the proportionate consolidation method*

The Shire has a one-third interest in an environmental health and building service. The interest in the joint venture entity is accounted for in these financial statements using the proportionate consolidation method of accounting. For details of interests held in joint venture entities, refer to Note 19.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**21. MAJOR LAND TRANSACTIONS**

The Shire did not have any major land transactions at the reporting date

**22. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

The Shire did not have any trading undertakings or major trading undertakings at the reporting date

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**23. CONDITIONS OVER GRANTS/CONTRIBUTIONS**

<b>Grant/Contribution</b>	<b>Opening Balance <sup>(1)</sup> 1/07/16</b>	<b>Received <sup>(2)</sup> 2016/17</b>	<b>Expended <sup>(3)</sup> 2016/17</b>	<b>Closing Balance <sup>(1)</sup> 30/06/17</b>	<b>Received <sup>(2)</sup> 2017/18</b>	<b>Expended <sup>(3)</sup> 2017/18</b>	<b>Closing Balance 30/06/18</b>
	\$	\$	\$	\$	\$	\$	\$
<b>Education and welfare</b>							
Dept of Health - Suicide Prevention Grant	0	0	0	0	20,000	0	20,000
Dept of Local Government & Communities - Well Being Matters Grant	0	0	0	0	6,100	(150)	5,950
<b>Total</b>	0	0	0	0	26,100	(150)	25,950

**Notes:**

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

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

## 24. RATING INFORMATION

### (a) Rates

RATE TYPE	Rate in \$	Number of Properties	Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
<b>Differential general rate / general rate</b>											
<b>Gross rental valuations</b>											
General GRV	0.093242	289	1,833,532	170,962	125	0	171,087	170,962	0	0	170,962
<b>Unimproved valuations</b>											
General UV	0.006969	220	300,951,500	2,097,331	(6,920)	(4,384)	2,086,027	2,097,331	0	0	2,097,331
<b>Sub-Total</b>		509	302,785,032	2,268,293	(6,795)	(4,384)	2,257,114	2,268,293	0	0	2,268,293
<b>Minimum payment</b>											
<b>Gross rental valuations</b>											
General GRV	420	73	92,528	30,660	0	0	30,660	30,660	0	0	30,660
<b>Unimproved valuations</b>											
General UV	550	54	1,426,958	29,700	0	0	29,700	29,700	0	0	29,700
<b>Sub-Total</b>		127	1,519,486	60,360	0	0	60,360	60,360	0	0	60,360
		636	304,304,518	2,328,653	(6,795)	(4,384)	2,317,474	2,328,653	0	0	2,328,653
<b>Total amount raised from general rate</b>							2,317,474				2,328,653
Ex-gratia rates							70,044				65,000
<b>Totals</b>							2,387,518				2,393,653

### SIGNIFICANT ACCOUNTING POLICIES

#### Rates

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**24. RATING INFORMATION (Continued)**

**(b) Specified Area Rate**

No specified area rates were imposed by the Shire during the year ended 30 June 2018.

**(c) Service Charges**

No service charges were imposed by the Shire during the year ended 30 June 2018.

**(d) Discounts, Incentives, Concessions, & Write-offs**

**Rates Discounts**

No rates discount was offered Shire during the year ended 30 June 2018.

**Waivers or Concessions**

No waivers or concessions were offered Shire during the year ended 30 June 2018.

**(e) Interest Charges & Instalments**

<b>Instalment Options</b>	<b>Date Due</b>	<b>Instalment Plan Admin Charge</b>	<b>Instalment Plan Interest Rate</b>	<b>Unpaid Rates Interest Rate</b>
		<b>\$</b>	<b>%</b>	<b>%</b>
<b>Option One</b>				
Single full payment	8-Sep-17			11.00%
<b>Option Two</b>				
First instalment	8-Sep-17			11.00%
Second instalment	8-Dec-17	4.50	5.50%	11.00%
Third instalment	9-Feb-18	4.50	5.50%	11.00%
Fourth instalment	9-Apr-18	4.50	5.50%	11.00%

	<b>2018</b>	<b>2018 Budget</b>
	<b>\$</b>	<b>\$</b>
Interest on unpaid rates	12,182	5,000
Interest on instalment plan	6,221	7,000
Charges on instalment plan	1,719	2,000
	<b>20,122</b>	<b>14,000</b>

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

## 25. NET CURRENT ASSETS

Composition of net current assets for  
the purposes of the Rate Setting Statement

	<b>2018 (30 June 2018 Carried Forward)</b>	<b>2018 (1 July 2017 Brought Forward)</b>	<b>2017 (30 June 2017 Carried Forward)</b>
	\$	\$	\$
<b>Surplus/(Deficit) 1 July 17 brought forward</b>	229,463	474,406	474,406
<b>CURRENT ASSETS</b>			
Cash and cash equivalents			
Unrestricted	439,678	558,396	558,396
Restricted	650,797	720,678	720,678
Receivables			
Rates outstanding	27,350	61,081	61,081
Sundry debtors	226,083	210,812	210,812
GST receivable	45,194	69,583	69,583
Loans receivable - clubs/institutions	16,815	17,175	17,175
ESL Receivable	0	4,070	4,070
Accrued Income	6,474	190,391	190,391
Provision for doubtful debts	(1,251)	0	0
Inventories			
Fuel and materials	40,612	41,242	41,242
<b>LESS: CURRENT LIABILITIES</b>			
Trade and other payables			
Sundry creditors	(342,063)	(504,309)	(504,309)
Accrued interest on long term borrowings	(3,665)	(3,882)	(3,882)
Accrued salaries and wages	(9,504)	(4,099)	(4,099)
Accrued expenditure	(18,272)	0	0
ATO liabilities	(70,178)	0	0
Payroll Creditors	0	(4,848)	(4,848)
Current portion of long term borrowings	(61,335)	(58,691)	(58,691)
Provisions			
Provision for annual leave	(71,020)	(59,291)	(59,291)
Provision for long service leave	(65,925)	(84,740)	(84,740)
<b>Unadjusted net current assets</b>	<b>809,790</b>	<b>1,153,568</b>	<b>1,153,568</b>
<b>Adjustments</b>			
Less: Reserves - restricted cash	(624,847)	(720,678)	(720,678)
Less: Loans receivable - clubs/institutions	(16,815)	(17,175)	(17,175)
Add: Current portion of long term borrowings	61,335	58,691	58,691
<b>Adjusted net current assets - surplus/(deficit)</b>	<b>229,463</b>	<b>474,406</b>	<b>474,406</b>

### Difference

There was no difference between the surplus/(deficit) 1 July 2017 brought forward position used in the 2018 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2017 audited financial report.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

## 26. FINANCIAL RISK MANAGEMENT

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

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

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

The Shire held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2018	2017	2018	2017
	\$	\$	\$	\$
<b>Financial assets</b>				
Cash and cash equivalents	1,090,475	1,279,074	1,090,475	1,279,074
Receivables	552,784	800,060	552,784	800,060
	1,643,259	2,079,134	1,643,259	2,079,134
<b>Financial liabilities</b>				
Payables	443,682	517,138	443,682	517,138
Borrowings	478,033	537,268	515,441	581,752
	921,715	1,054,406	959,123	1,098,890

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.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

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

**(a) Cash and Cash Equivalents**

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

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

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

The Shire manages these risks by diversifying its portfolio and only investing in investments authorised by Local Government (Financial Management) Regulation 19C.

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Impact of a 1% <sup>(1)</sup> movement in interest rates on cash		
- Equity	13,975	15,872
- Statement of Comprehensive Income	13,975	15,872

**Notes:**

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



**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**26. 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>2018</b>	<b>2017</b>
	%	%
Percentage of rates and annual charges		
- Current	0%	0%
- Overdue	100%	100%
Percentage of other receivables		
- Current	99%	94%
- Overdue	1%	6%

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

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

**(c) Payables and 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 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>2018</b>					
Payables	443,682	0	0	443,682	443,682
Borrowings	80,853	258,832	242,374	582,059	478,033
	524,535	258,832	242,374	1,025,741	921,715
<b>2017</b>					
Payables	517,138	0	0	517,138	517,138
Borrowings	80,853	269,633	312,425	662,911	537,268
	597,991	269,633	312,425	1,180,049	1,054,406

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

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

<b>Year ended 30 June 2018</b>	<b>&lt;1 year</b>	<b>&gt;1&lt;2 years</b>	<b>&gt;2&lt;3 years</b>	<b>&gt;3&lt;4 years</b>	<b>&gt;4&lt;5 years</b>	<b>&gt;5 years</b>	<b>Total</b>	<b>Weighted Average Effective Interest Rate</b>
	\$	\$	\$	\$	\$	\$	\$	%
<b>Borrowings</b>								
<b>Fixed rate</b>								
Long term borrowings	20,292	0	0	77,136	0	390,605	488,033	3.96%
Weighted average Effective interest rate	6.58%			4.48%		3.78%		
<b>Year ended 30 June 2017</b>								
<b>Borrowings</b>								
<b>Fixed rate</b>								
Long term borrowings	0	19,937	0	0	20,584	497,276	537,797	2.72%
Weighted average Effective interest rate		6.58%			4.48%	2.49%		

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**27. 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 2017</b>	<b>Amounts Received</b>	<b>Amounts Paid</b>	<b>30 June 2018</b>
	\$	\$	\$	\$
BCITF	953	7,470	(6,171)	2,252
BSL	2,420	12,643	(11,745)	3,318
Gym Key Bonds	642	260	(40)	862
Hall Bonds	540	400	(200)	740
Tip Key Bonds	1,438	100	0	1,538
Transport Licencing	1	307,917	(305,820)	2,098
Other	1,387	640	(489)	1,538
	<u>7,381</u>			<u>12,346</u>

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

Notes:

(1) Applicable to reporting periods commencing on or after the given date.

## 28. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE PERIODS (Continued)

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

Notes:

(1) Applicable to reporting periods commencing on or after the given date.

### Adoption of New and Revised Accounting Standards

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

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

(i) AASB 2016-4 Amendments to Australian Accounting Standards - Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities	1 January 2017
(ii) AASB 2016-7 Amendments to Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities	1 January 2017

## 29. OTHER SIGNIFICANT ACCOUNTING POLICIES

### a) Goods and services tax (GST)

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

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

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

### b) Current and non-current classification

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 or non-current based on the Shire's intentions to release for sale.

### c) Rounding off figures

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

### d) 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 statements that has a material effect on the statement of financial position, 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.

### e) 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.

### f) 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.

### g) Fair value of assets and liabilities

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.

### h) Fair value hierarchy

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

#### Level 1

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

#### Level 2

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

#### Level 3

Measurements based on unobservable inputs for the asset or liability.

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

### Valuation techniques

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

#### Market approach

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

#### 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 the service capacity of an asset.

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.

### i) Impairment of assets

In accordance with Australian Accounting Standards the Shire's cash generating non-specialised 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 specialised assets that are measured under the revaluation model, such as roads, drains, public buildings and the like, no annual assessment of impairment is required. Rather AASB 116.31 applies and revaluations need only be made with sufficient regulatory to ensure the carrying value does not differ materially from that which would be determined using fair value at the ends of the reporting period.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

### 30. ACTIVITIES/PROGRAMS

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

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

<b>PROGRAM NAME</b>	<b>OBJECTIVE</b>	<b>ACTIVITIES</b>
<b>GOVERNANCE</b>	To provide a decision making process for the efficient allocation of scarce resources.	Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.
<b>GENERAL PURPOSE FUNDING</b>	To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
<b>LAW, ORDER, PUBLIC SAFETY</b>	To provide services to help ensure a safer and environmentally conscious community.	Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.
<b>HEALTH</b>	To provide an operational framework for environmental and community health.	Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance
<b>EDUCATION AND WELFARE</b>	To provide services to disadvantaged persons, the elderly, children and youth.	Maintenance of child minding centre, playgroup centre, senior citizen centre and aged care centre. Provision and maintenance of home and community care programs and youth services
<b>HOUSING</b>	To provide and maintain housing.	Provision and maintenance of elderly residents housing.
<b>COMMUNITY AMENITIES</b>	To provide services required by the community.	Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.
<b>RECREATION AND CULTURE</b>	To establish and effectively manage infrastructure and resource which will help the social wellbeing of the community.	Maintenance of public halls, civic centres, aquatic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.
<b>TRANSPORT</b>	To provide safe, effective and efficient transport services to the community.	Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.

**ECONOMIC SERVICES**

To help promote the Shire and its economic wellbeing.

Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building Control.

**OTHER PROPERTY AND SERVICES**

To monitor and control the Shire's overhead operating accounts.

Private works operation, plant repair and operation costs and engineering operation costs.



**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**31. FINANCIAL RATIOS**

	2018	2017	2016
Current ratio	1.26	1.67	1.85
Asset consumption ratio	0.68	0.97	0.98
Asset renewal funding ratio	0.84	0.94	1.03
Asset sustainability ratio	0.71	1.25	0.80
Debt service cover ratio	2.90	13.92	4.48
Operating surplus ratio	(0.60)	(0.32)	(0.86)
Own source revenue coverage ratio	0.50	0.51	0.46

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

Three of the ratios disclosed above were distorted by the early receipt of Financial Assistance Grants.

	2017/18	2016/17	2015/16
	\$	\$	\$
Amount of Financial Assistance Grant received during the year relating to the subsequent year.	541,869	519,192	0
Amount of Financial Assistance Grant received in prior year relating to current year.	519,192	0	484,619

If the events detailed above did not occur, the impacted ratios in the 2018, 2017 and 2016 columns above would be as follows:

	2018	2017	2016
Current ratio	1.22	0.91	3.14
Debt service cover ratio	2.62	6.47	(0.67)
Operating surplus ratio	(0.60)	(0.51)	(0.67)

6 AUDITOR'S REPORT

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## Anderson Munro & Wyllie

CHARTERED ACCOUNTANTS, REGISTERED COMPANY  
AUDITORS AND REGISTERED SMSF AUDITORS

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### INDEPENDENT AUDITOR'S REPORT To the Electors of the Shire of Victoria Plains

#### Report on the Audit of the Financial Report

##### **Opinion**

I have audited the annual financial report of the **Shire of Victoria Plains** which comprises the Statement of Financial Position as at 30 June 2018, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Chief Executive Officer.

In my opinion the annual financial report of the **Shire of Victoria Plains**:

- (i) is based on proper accounts and records; and
- (ii) fairly represents, in all material respects, the results of the operations of the **Shire** for the year ended 30 June 2018 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

##### **Basis for Opinion**

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

##### **Emphasis of Matter – Basis of Accounting**

I draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the **Shire's** financial reporting responsibilities under the Act. Regulation 16 of the Local Government (Financial Management) Regulations 1996 (Regulations), does not allow a local government to recognise some categories of land, including land under roads, as assets in the annual financial report. My opinion is not modified in respect of this matter.

##### **Responsibilities of the Chief Executive Officer and Council for the Financial Report**

The Chief Executive Officer (CEO) of the **Shire** is responsible for the preparation and fair presentation of the annual financial report in accordance with the requirements of the Act, the Regulations and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards. The CEO is also responsible for such internal control as the CEO determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for assessing the **Shire's** ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the State government has made decisions affecting the continued existence of the **Shire**.



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

### **Auditor's Responsibility for the Audit of the Financial Report**

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

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the CEO.
- Conclude on the appropriateness of the CEO's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the **Shire's** ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report, as we cannot predict future events or conditions that may have an impact.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Council and the CEO regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

In accordance with the *Local Government (Audit) Regulations 1996* I report that:

- (i) In my opinion, the following matters indicate significant adverse trends in the financial position of the **Shire**:
  - a. The Operating Surplus ratio has been below the DLGSCI standard for the past three years.



- (ii) No instances of material non-compliance with Part 6 of the *Local Government Act 1995*, the *Local Government (Financial Management) Regulations 1996* or applicable financial controls of any other written law were identified during the course of my audit;
- (iii) All required information and explanations were obtained by me.
- (iv) All audit procedures were satisfactorily completed.
- (v) In my opinion, the asset consumption ratio and the asset renewal ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

#### **Matters Relating to the Electronic Publication of the Audited Financial Report**

This auditor's report relates to the annual financial report of the **Shire of Victoria Plains** for the year ended 30 June 2018 included on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

**BILLY-JOE THOMAS**  
**DIRECTOR**

Joondalup, Western Australia  
25<sup>th</sup> February 2019

**ANDERSON MUNRO & WYLLIE**  
**CHARTERED ACCOUNTANTS**