



Shire of  
YILGARN

*"good country for hardy people"*

# *Annual Report*

## *2017/2018*

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## OUR VISION

**The Shire of Yilgarn is a strong farming and mining community. We are a progressive Shire where people of all ages love to call home. Tourism is a key industry and local businesses thrive.**

# Our Councillors

**President  
Cr Onida  
Truran**

**Term  
2015-2019**



**Deputy  
President  
Cr Wayne  
Della Bosca**

**Term  
2017-2021**



**Cr David  
Pasini**

**Term  
2015-2019**



**Cr Bryan  
Close**

**Term  
2017-2021**



**Cr Phil  
Nolan**

**Term  
2015-2019**



**Cr Gary  
Guerini**

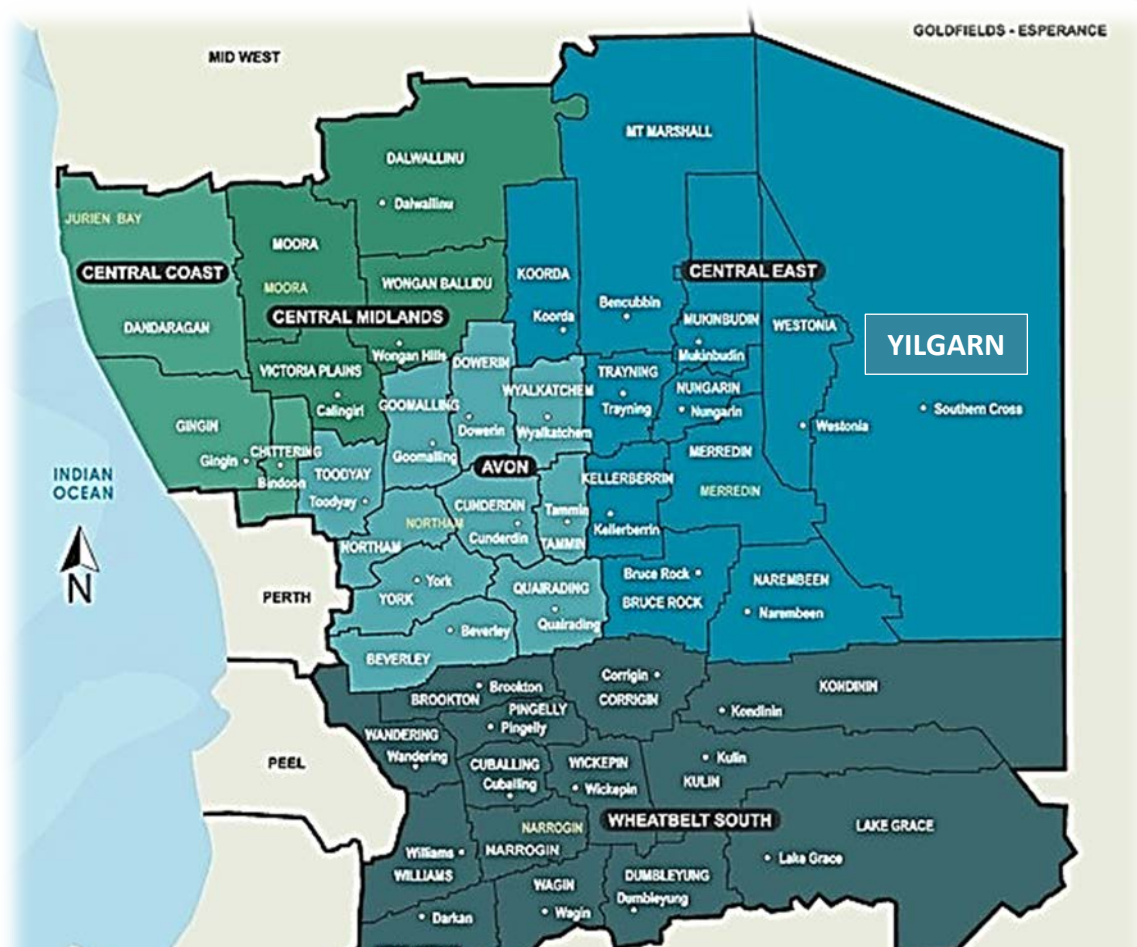
**Term  
2017-2021**



**Cr Suzy  
Shaw**

**Term  
2017-2021**





The Shire of Yilgarn is 30,720 square km's in area and has a population of approximately 1200. The Yilgarn is known by many as the gateway to the Wheatbelt and the Goldfields. The name "Yilgarn" is Aboriginal for "white stone or quarts".

The two major industries in the area are Mining and Rural. Gold, gypsum, salt and iron ore are mined, while grain, wool, sheep, cattle and pigs are the focus of the rural industry. The co-existence of mining and agriculture has balanced the Yilgarn economy, with the two (economies) supplementing and complimenting each other through their respective boom and bust cycles.

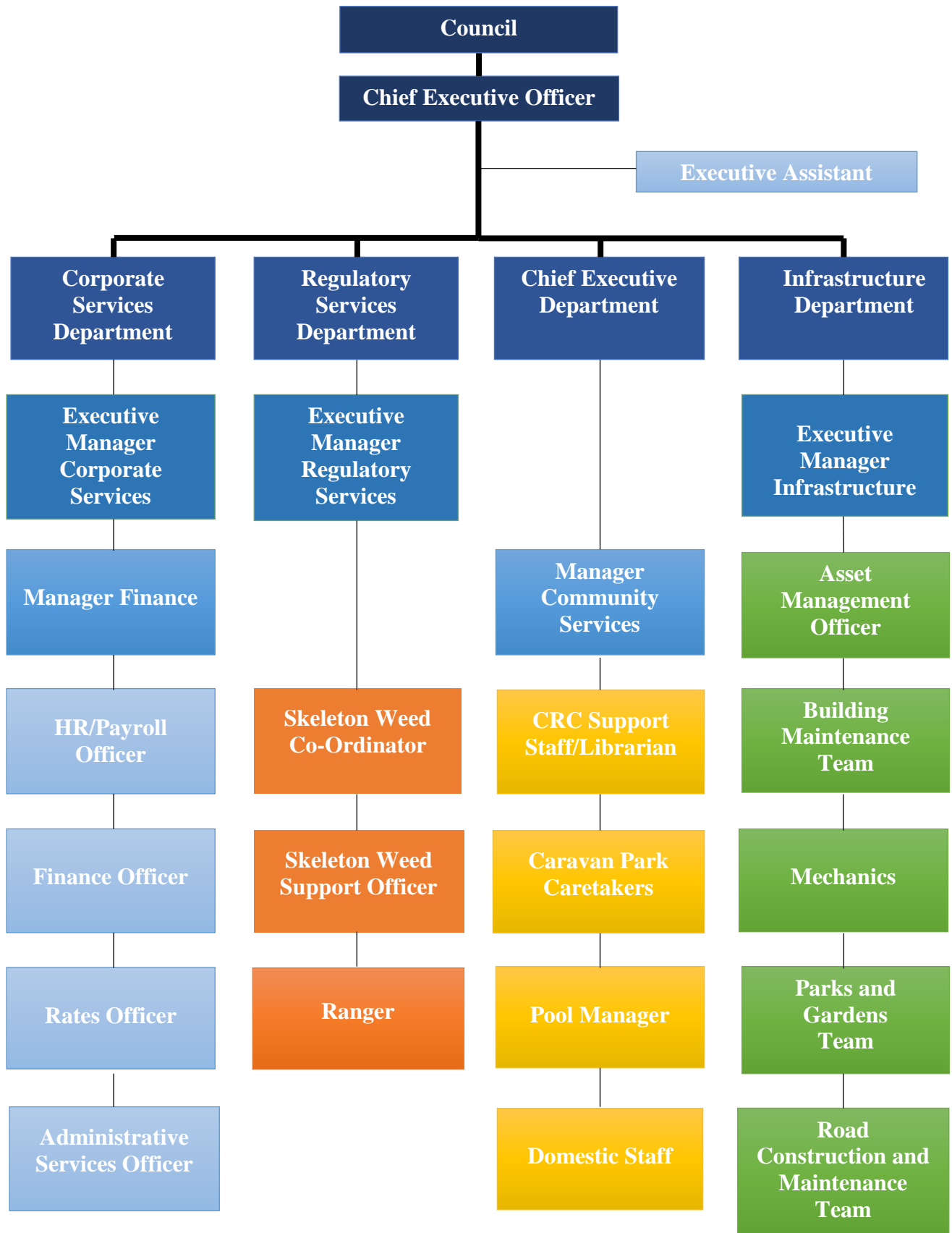
Gold was first discovered at Eenuin and Golden Valley in late 1887. In early 1888 Tom Riesley and Mick Toomey discovered gold in the locality they named "Southern Cross" after the stars which had been their guide. All the streets, parks and the salt lake, which passes through the town, are named after stars and constellations.

Southern Cross is the major town centre of the Shire which is 370km east of Perth along the Great Eastern Highway. Other townsites include Bodallin, Bullfinch, Ghooli, Marvel Loch, Koolyanobbing, Moorine Rock and Yellowdine.

Tourism is another growing industry in the Yilgarn with there being many wonderful attractions including Frog Rock, Karalee Dam, Hunts Soak and the Yilgarn History Museum.



# Organisational Structure



# Shire Presidents Report

I am pleased to present the Annual Report to the ratepayers and residents of the district on the activities of the Shire of Yilgarn during the course of the 2017/2018 financial year in my capacity as Shire President.

The 2017/2018 financial year has been a productive one for the Shire of Yilgarn, apart from some instability in the CEO position, which I will outline later in this report however, all in all the Shire of Yilgarn's completed and future planning for projects remained on track.

Western Australians delivered a new State Government to power in March 2017 and with that the McGowan Government made some sweeping reforms in respect to Machinery of Government changes. One of the first commitments by the new Local Government Minister was the review of the Local Government Act 1995 and Council and staff are now well and truly involved in this process. It is hoped that this review will address many of the legislative hurdles that currently exist and that a modern piece of legislation will be introduced to meet the changing demands of the local government industry.

In previous Annual Reports I have made mention of the planning for a new Swimming Pool facility in Southern Cross and Council has been diligently planning and allocating savings in a specific Reserve Fund for this purpose. Council is now at a point where it has available funds to support a grant application to the Department of Local Government, Sport and Cultural Industries and an application will be submitted in September of 2018 in the hope of securing the remaining funds to support this development. If successful, it is planned for the new facility to commence construction at the end of the 2019 swimming season.

The Shire of Yilgarn continues to be an active member of the Central East Aged Care Alliance Inc., (CEACA) and has been working with the 11 local governments in the Wheatbelt to deliver approximately 75 quality aged care units in various towns. Southern Cross will secure 2 of these units and construction is expected to commence in the latter part of 2018. The units will be managed by CEACA through an external housing agency and conditions of eligibility will be imposed upon tenancy.

Council Elections were conducted in October 2017 with Councillors Wayne Della Bosca, Bryan Close, Garry Guerini and Suzy Shaw being elected unopposed. Congratulations are extended to Wayne and Bryan on re-nominating and Council welcomes back Garry Guerini after having served 3 years between 2012–2015. We welcome Suzy Shaw for her first stint on Council and I'm positive that Suzy will find being a Councillor both rewarding and challenging.

At the Australia Day Awards for 2018 Mrs Michelle Calderbank was awarded the Citizenship Award and on behalf of Council and the community I would like to congratulate Michelle for the work she has done in the community to receive this prestigious award. Michelle has been a driving force behind engaging with our youth and her work with the Young Entertainers in producing quality shows for the community is to be commended. We all certainly hope that Michelle will continue in this valuable work as our youth certainly need these opportunities.

The closure of the Waste Transfer Station and re-development of the Southern Cross Waste Disposal Site commenced in earnest in the year under review and considerable funding was allocated to achieve the infrastructure necessary for the re-developed facility. Whilst there has been some angst from the community regarding opening times of the facility, having the site manned to ensure a well maintained and managed facility is paramount to its success. Opening times are currently being trialled and Council will reassess these following consultation with the community.

As I mentioned earlier in my report, it has been a rather unstable year in the Chief Executive Officer position following the resignation of Brian Jones in September 2017 due to ill-health. Council commenced the recruitment process upon Brian's resignation but due to the number of CEO positions being sought by local governments throughout the State at that time, the talent pool was somewhat limited. Following this unsuccessful process, it was decided by Council that it would be prudent to defer recruitment and appoint Acting CEO's for a period of 12 months, which is allowable under the Local Government Act. Arrangements were made for Ray Hooper, Pascoe Durtanovich and Peter Clarke, all seasoned local government professionals, to undertake these duties during this period.

Mr Clarke commenced Acting CEO duties in April 2017 on a 6 month Contract with the intention of staying until a permanent appointment was made. In June 2018 a second round of recruitment was undertaken and again it was not a fruitful exercise. Discussions then ensued with Mr Clarke regarding his interest in applying for the position and I'm pleased to advise that Peter did apply and has now signed a 3 year Contract of Employment that will expire in August 2021. This will ensure that Council has regained continuity in the CEO position and we welcome Peter back into the fold, having previously served the Shire as CEO between the years 1996 – 2001 and 2003 – 2010. I would like to sincerely thank Councillors and staff for the way in which they coped during the above period of instability.

Prior to closing, I would like to thank my fellow Councillors for the support that they have given me over the past 12 months. Also, to all of the Shire of Yilgarn's employees, your dedication to your work is appreciated and in particular, for meeting the goals and directions set by Council during the past 12 months. Last but not least, I would like to thank all of our volunteers in the community who work tirelessly to make the district a better place to live. Whether it be volunteering in Bush Fire and Fire and Rescue services, St. John Ambulance, sporting clubs and other general community activities, without your involvement and dedication the Yilgarn district would not operate as smoothly as it currently does.

***Cr Onida Truran***  
***Council President***



# Acting Chief Executive Officer Report

I present this Annual Report to outline the activities of the Shire of Yilgarn for the 2017/2018 financial year.

Having only commenced in the A/CEO role in April 2017 my involvement in the 2017/2018 financial year was limited however, judging by the work and projects that have been achieved in the year under review, another successful year was evident for the Shire of Yilgarn.

In respect to rates, a 0% rate increase for the 2017/2018 financial year was adopted by Council. Council realised that in the current economic climate it was incumbent upon them to lessen some of the other external financial burdens upon the ratepayers. Whilst this will not always be achievable due to Council's own costs in engaging a significant workforce and undertaking projects that are expected from the community, I'm positive that this decision was appreciated by the ratepayers of the district.

The Shire of Yilgarn has always maintained a comprehensive Reserve Fund portfolio for future planning and this continues to be the case. Council over many years has prudently set aside funds in specific Reserves which lessens the impact on annual Budgets when major projects are undertaken. As mentioned in the Shire President's Annual Report, the Swimming Pool is just one of the significant projects that could not be undertaken without sound financial planning. The above Reserves have enabled the Shire of Yilgarn to remain debt free, however there are arguments that some level of debt is not a bad thing as future generations are paying for major projects implemented. Whilst there hasn't been the need to source loan funds at this stage, there may well be instances in the future where loans may need to be raised for a significant project.

The sheer size of the Shire of Yilgarn necessitates a significant road network and to maintain such a network, a modern plant fleet is a pre-requisite. Council continues to have a sound plant replacement program to ensure that our roads are maintained to a high level. In my brief travels since being back in the Yilgarn, I have been impressed with the quality of gravel roads and extension of the bitumen to high use roads and strategic routes. Robert Bosenberg, Council's Executive Manager Infrastructure, and his entire team should be congratulated for the work that they do to enable ratepayers and residents of the district to travel on safe and well maintained roads and by meeting the expectations of Council in this regard.

Council continues to support community groups by way of financial contributions towards their particular events and I believe that the groups and organisations are appreciative of this support. The Shire of Yilgarn's annual Community Funding program is another way in which community groups and sporting organisations can source funding for much needed equipment and again, this demonstrates that Council is committed to supporting local organisations.

I have been particularly impressed with the quality of staff at the Shire of Yilgarn and have appreciated all the support that I have been given during my short term in the year under review. From the Executive Management team, outside works crew and inside staff, you can certainly see the level of commitment that is displayed to their duties and they often go beyond these duties to deliver a quality service to the residents of the district.

I would also like to thank the Shire President, Deputy Shire President and all Councillors for their support to not only myself but to all staff at the Shire in the year under review and look forward to this support and cooperation continuing in the years to come.

***Peter Clarke***

***Acting Chief Executive Officer***



# Executive Manager Corporate Services

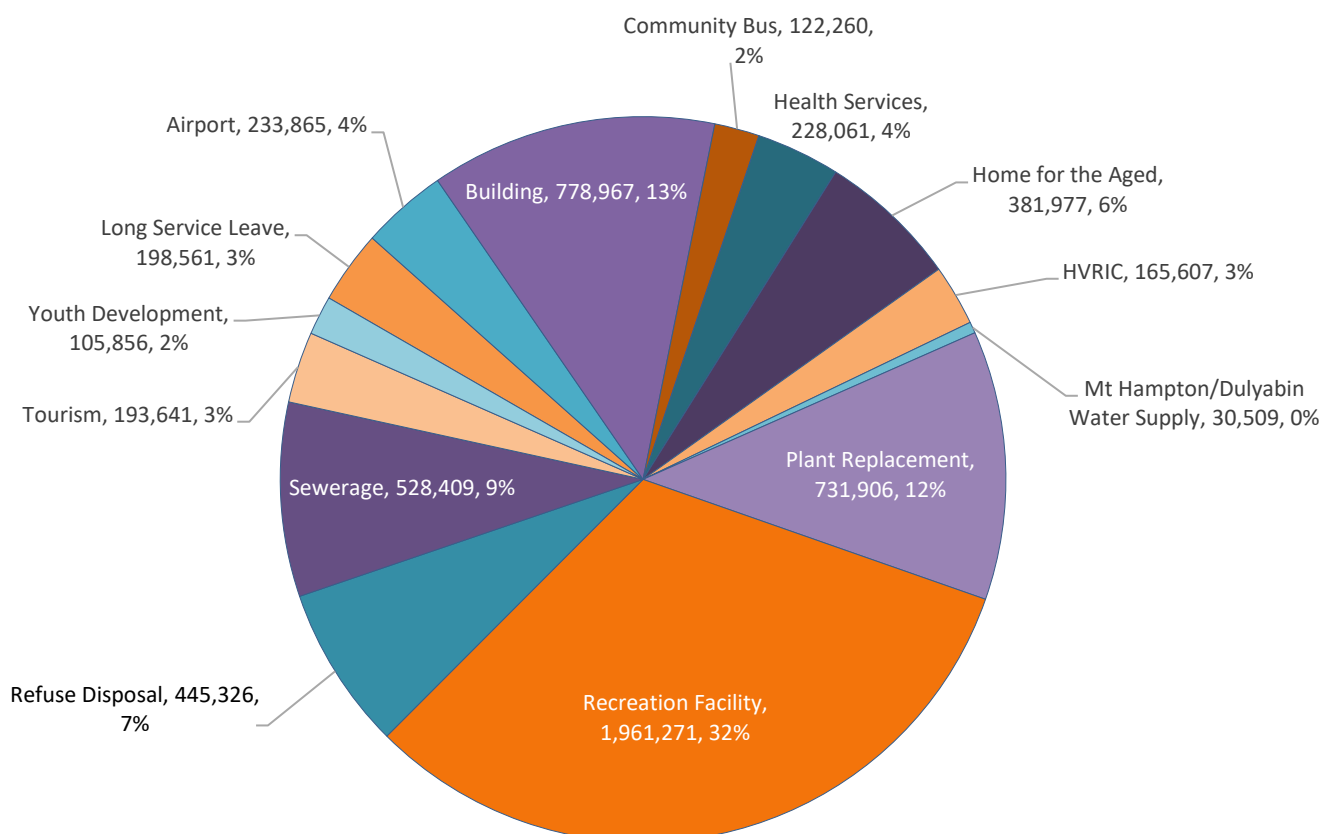
## FINANCIAL SUMMARY

Council concluded the financial year with an unadjusted net Current Asset position of \$7.828m, which is an increase of \$1.368m on the 2017 reported figure of \$6.460m. This increase is partly due to the pre-payment of 50% (\$1.119m) of Councils 2018/19 Federal Assistance Grants and an increase in Reserves of \$0.475m.

Council's Auditor, Moore Stephens, has completed an Audit of the Shire of Yilgarn Financial Statements for the period 1<sup>st</sup> July 2017 to 30<sup>th</sup> June 2018 and has submitted an Independent Auditor Report to that effect. A copy of the Report can be found in the final pages of this document, in addition to the Annual Financial Statements.

## Reserve Funds

As at 30th June 2018, Council held \$6,106,216 within several different special purpose Reserve accounts, being as the following chart

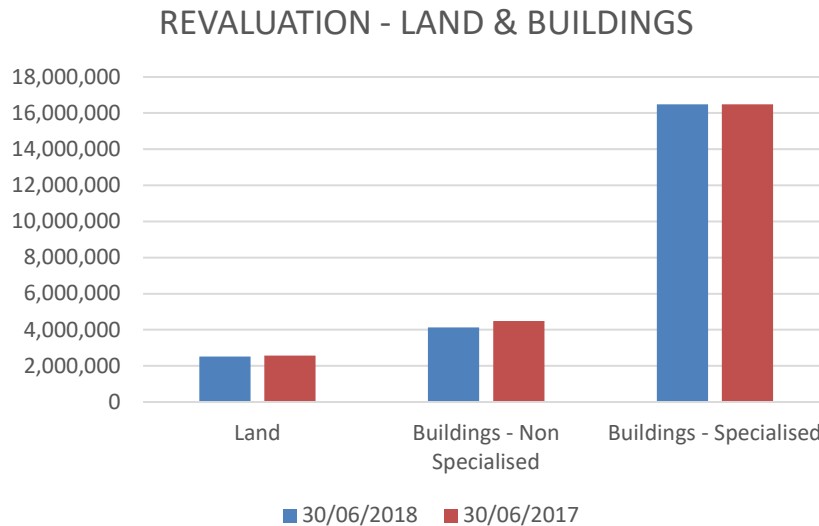




## Fair Value of Assets

The Shire's Land & Buildings asset group underwent a fair value revaluation during the year resulting in an increment on Revaluation of Fixed Assets of \$2,531,559.

The Land & Buildings asset group has a carrying amount at the end of the year of \$23,119,575 and is distributed as follows:



Buildings – Non Specialised are residential in nature; these being staff and professional housing, homes for the aged and independent living units.

Buildings – Specialised are buildings such as the administration centre & depot buildings, sport & recreation buildings and community centres.

A description of what “Fair Value of Assets and Liabilities” is and an indication as to how an asset is to be valued under Australian Accounting Standard AASB 13 can be found on page 45 of the financial report.

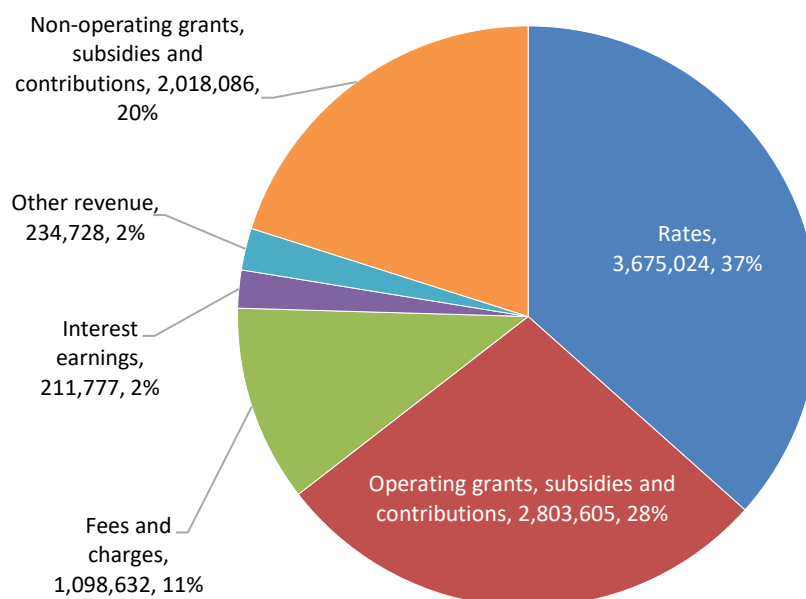


## Revenue

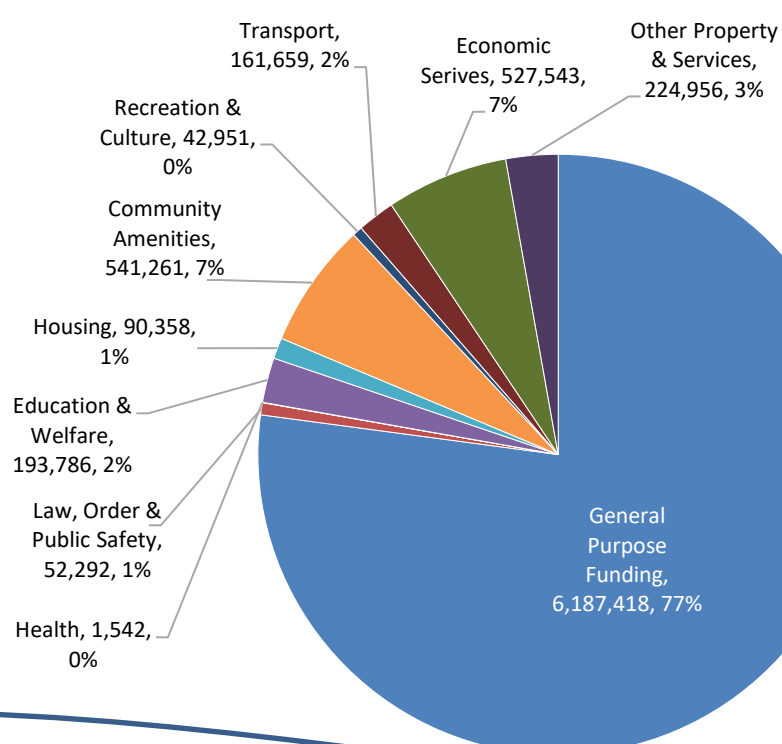
Council receives its revenue from several diverse sources, primarily through Rates & Service Charges, User Fees, Interest earnings and Grants.

Rates and service charges and user fees & charges are the only income streams that Council has any influence over that can effect the desired outcome.

The following chart is an indication of the source and amount of the available income streams in the 2017/2018 financial year:



The graph below illustrates Councils operating revenue by Program as opposed to Nature and Type as indicated above.



## Rating

The amount of revenue raised from rates depends upon three factors:

- The type of rate – Gross Rental Value (GRV) or Unimproved Value (UV)
- The valuation of the property; and
- The rate in the dollar set for each Rate Type.

Gross Rental Values are generally applied to properties within town sites as well as mining infrastructure and Unimproved Values relate more to rural farmland and mining tenements.

GRV (Town) are revalued every 5 years with 2013 being the last revaluation year. UV (Farming / Mining) are revalued every year. Property valuations are set by the Valuer General and are outside Councils control. Variations in valuation can be quite widespread throughout the Shire and can create inconsistencies in the rates applied to individual properties, which in turn can create confusion and uncertainty.

Council sets its rate budget to generate overall revenue for each type of rating and is sympathetic to those ratepayers where increases are higher than average due to increased valuations. Unfortunately, there is little that Councils can do, except encourage those ratepayers unhappy with their valuation, to appeal to the Valuer General. Councils staff are more than happy to provide advice regarding this process.

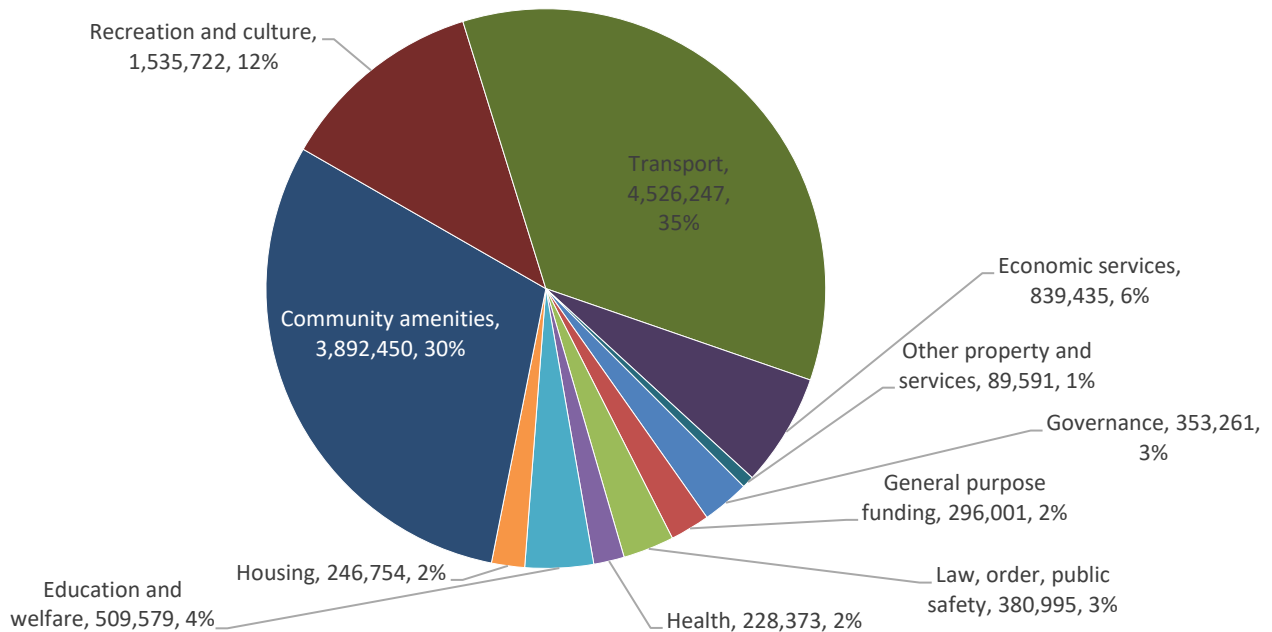
Council has elected to use a Differential Rating Model based on the individual lands zoning.

RATE TYPE	Rate in \$ / Min	Rate Revenue	Average Valuation	Average Rate Revenue
<b>Differential General Rate</b>				
GRV - Residential / Industrial	11.0121	\$319,048	\$7,671	\$822
GRV - Commercial	7.7518	\$77,160	\$29,276	\$2,269
GRV - Minesites	15.5036	\$18,629	\$30,040	\$4,657
GRV - Single Persons Quarter:	15.5036	\$263,331	\$188,724	\$29,259
UV - Rural	1.9274	\$1,657,852	\$259,501	\$4,469
UV - Mining	17.4810	\$1,256,971	\$13,834	\$2,367
<b>Minimum Payment</b>				
GRV - Residential / Industrial	500	\$63,500		
GRV - Commercial	400	\$2,800		
GRV - Minesites	400	\$1,200		
GRV - Single Persons Quarter:	400	\$400		
UV - Rural	400	\$15,600		
UV - Mining	400	\$104,271		



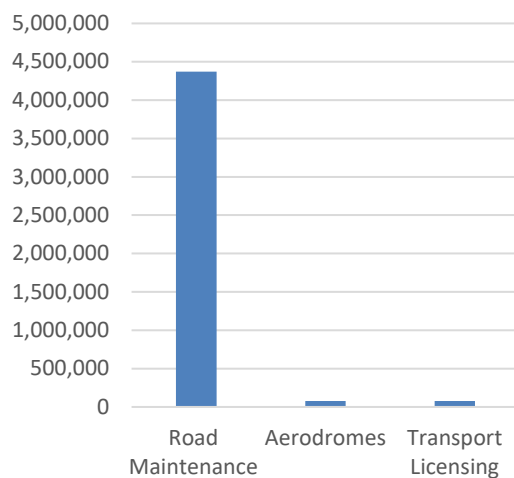
## Expenditure

Council's operating expenditure was mainly in the areas of road maintenance, recreation & culture and community amenities as can be seen from the following graph.

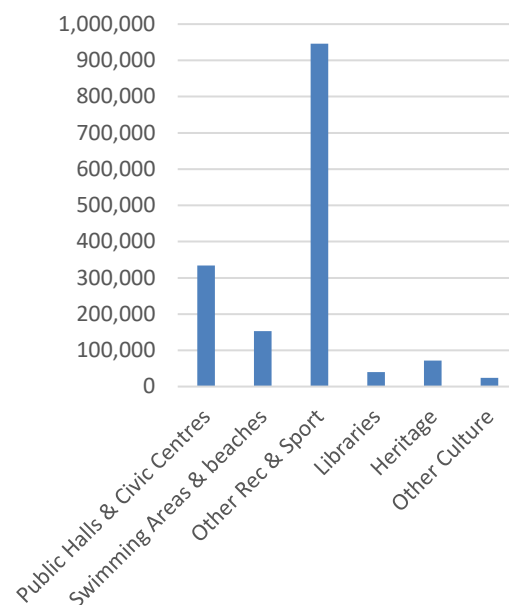


The following charts further breakdown the top 3 expenditure areas into their various sub-programs.

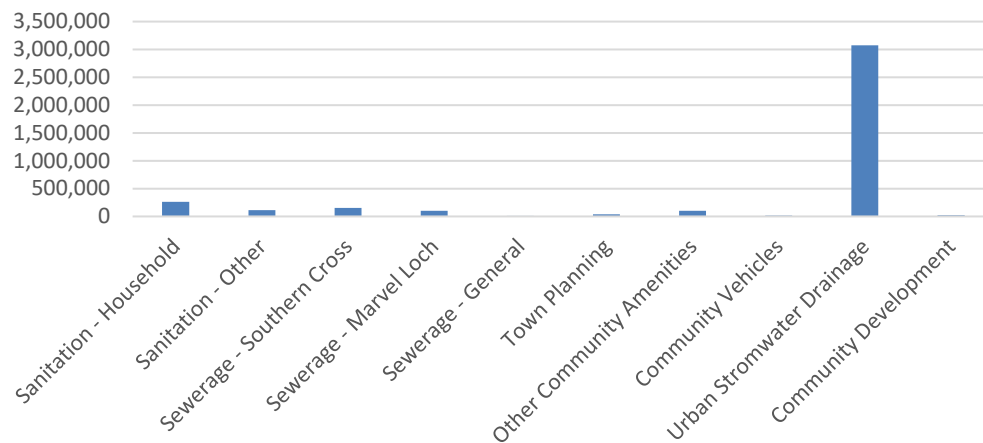
Sch 12 - TRANSPORT



Sch 11 - RECREATION & CULTURE



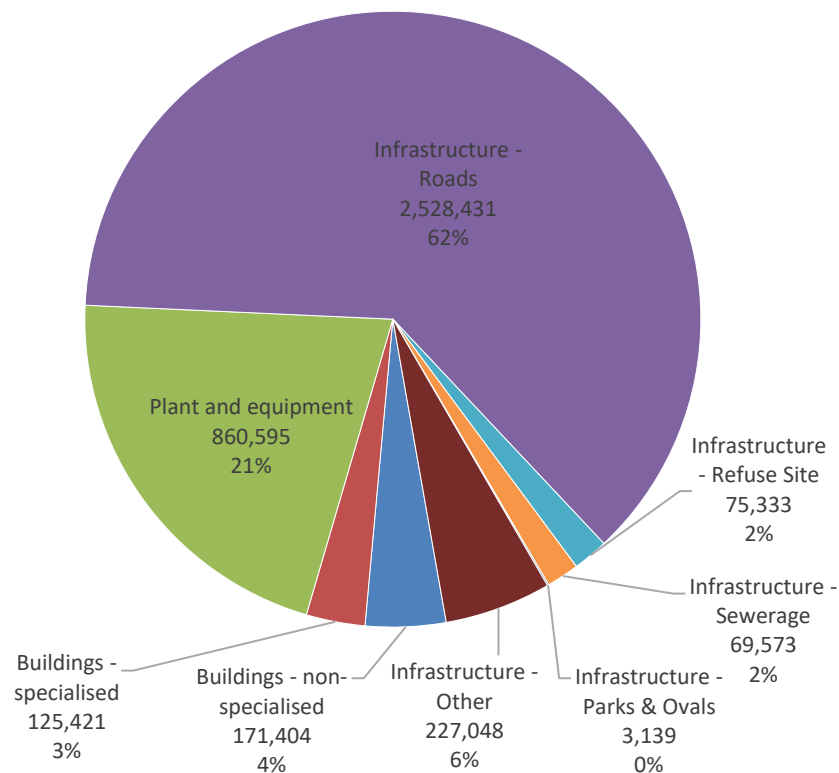
## Sch 10 - COMMUNITY AMENITIES



A brief description of the service-oriented activities/programs graphed above can be found at Note 26 on page 47 of the financial report.

Council's capital expenditure was mainly in the areas of roads and replacement of Plant & Equipment.

Capital expenditure in 2017/2018 was broken down as follows.



## OTHER DOCUMENTS

Members of the public are encouraged to read Council's other publications which are available from the Shire Library / Community Resource Centre.

These include:

- ***Plan for the Future***

All local governments are currently required to produce a plan for the future under S5.56 (1) of the *Local Government Act 1995*. Regulation 19C (inserted in Gazette 26 Aug 2011 p.3483-4), 19DA (inserted in Gazette 26 Aug 2011 p.3484- 5)19DB (inserted in Gazette 26 Aug 2011 p.3485-6) where amended in the Local Government (Administration) Regulations 1996 to enact the changes.

- ***Community Strategic Plan 2016-2026***

In April 2016 the four-yearly review (Regulation 19C (4)) with electors and ratepayers was conducted. The final version of the 2016-2026 Strategic Community Plan was presented for Council adoption in July 2016, the plan was reviewed and adopted by Council in July 2018.

- ***Corporate Business Plan 2018/19 to 2021/2022***

This plan was review in 2017/18. It details the services, operations and projects a local government will deliver within a defined period. It also includes the processes for delivery and associated costs.

- ***Forward Capital Works Plan 2015/2016 to 2019/2020***

The Shire of Yilgarn Forward Capital Works Plan was reviewed in 2015/16 and its content assisted with the formulation of the 2017/18 Budget process.

- ***Adopted 2018/2019 Budget***

Council's Budget is a working document used by Council's staff on a daily basis, detailing Council income and expenditure for the twelve months to 30 June 2019. Naturally, copies of the 2017/2018 adopted budget, which reflected income and expenditure associated with this Annual Report are also available.

## IN CONCLUSION

I wish to thank Council's Administrative team who have worked tirelessly to provide their valuable contribution during the year and I look forward to working with Council and for the Community in 2018/2019.

***Cameron Watson***

***Executive Manager Corporate Services***





# Executive Manager Infrastructure Report

## Parks and Gardens, Road Maintenance and Construction Works

### Roads 2030 Regional Road Development Strategic Program

*(Funding Source – Municipal 1/3 - Main Roads 2/3)*

Bodallin North Road	14 km's 10mm bitumen reseal	(\$426,345)
Koolyanobbing Road	3 km's constructed to a 7 metre prime seal	(\$556,078)
Koolyanobbing Road	3.5 km's 10mm bitumen reseal	(\$127,265)

### Roads to Recovery Program *(Funding Source – Federal 100%)*

Three Boys Road	2.1 km's 10mm bitumen reseal	(\$60,963)
Cramphorne Road	2 km's constructed to a 7 metre prime seal	(\$305,186)
Cramphorne Road	1.5 km's 10mm bitumen reseal	(\$42,518)
Cramphorne Road	3 km's x 9m x 150mm gravel overlay	(\$177,356)
Emu Fence Road	5 km's x 9m x 150mm gravel overlay	(\$203,629)
Southern Cross South Road	5 km's x 9m x 150mm gravel overlay	(\$187,200)
Bullfinch Evanston Road	3 km's x 9m x 150mm gravel overlay	(\$119,213)

### Council Programs *(Municipal Funding 100%)*

Landfill Access Road	3.5km's 10mm bitumen reseal	(\$76,451)
Algenib Street	400 metres 10mm bitumen reseal	(\$6,337)
Antares Street Asphalt Overlay	300 metres	(\$75,439)
Airstrip Access Road	500 metres	(\$28,277)
Southern Cross South Road	2 km's x 9m x 150mm gravel overlay	(\$77,813)
Nulla Nulla South Road	2 km's x 9m x 150mm gravel overlay	(\$59,144)

## Maintenance Gravel Sheeting

A further one kilometre of maintenance gravel sheeting has been carried out on Bullfinch Evanston Road

In the 2017/2018 Financial Year Councils maintenance and construction staff have had a very productive year with a total of 5 kilometers of road constructed to a bitumen prime seal stage, 25 kilometers of bitumen reseal works carried out and 21 kilometers of gravel sheeting completed. Over all council's construction, maintenance grading and bitumen repair work force have maintained a good standard of roadwork's and road maintenance through-out the 2017/2018 Financial Year.

## Parks and Gardens

The maintenance works carried out by council's gardening staff on council's parks and reserves within the Shire of Yilgarn (*Bodallin, Moorine Rock, Bullfinch, Marvel Loch and Southern Cross*) has been to a good standard with some good verbal comments received by council from the public, sporting sector and tourism sector.

In 2017/2018 Financial Year council assisted various community groups (*in-kind*) with the following:

### Yilgarn Agriculture Society

Setup of tents and portable stage, traffic management for street parade supplying additional bins and sports ground cleanup	(\$5,479)
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### Car and Collectors Show

Marking out oval, Supplying additional bins, installing/dismantling portable fencing for external alcohol consumption area	(\$735)
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### SX Motor Bike Club

Weed Slashing/Cleanup of Camping Area, maintenance on access road	(\$4,042)
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## Plant Replacement

As part of councils ongoing plant replacement program, the following light vehicles and road plant equipment was purchased:

- 1 x Tray Back Utility
- 1 x Dual Cab Utility
- 1 x Executive Sedan
- 1 x Eight Wheel Tip Truck
- 1 x Grader
- 1 x SP Mower

## Buildings

Capital upgrades have been carried out on the following council owned buildings:

### Yilgarn Occasional Child Care Centre (\$21,400)

Remove old type windows and replace with required safety standard windows, renewal of kitchen storage cupboard and hot water system

### Homes for Aged (\$85,150)

Refurbish unit one (*which includes*) new kitchen cupboards, new stove, installing inbuilt wardrobe to bedroom, replace front and rear windows with new and installing security screens to windows, laying new floor lino throughout, replace internal doors and paint internally throughout. Replace three garden shed and concrete pads

### Staff Housing

#### 2 Libra (\$49,800)

Renew carpet, replace damaged wood heater, replace water damaged pantry, replace damaged doors and wardrobes, repair water damaged ceiling and repaint internally

#### 120 Antares Street (\$23,275)

Install reverse cycle air-conditioned to living area, replace kitchen cabinetry

### Landfill Site (\$80,600)

Lay concrete pad and erect shed, install toilet septic tank/leach drainage, install stage one of 2.4 metre chainmesh fencing, purchase generator and install lighting and power points to shed

### Sports Complex (\$29,600)

Renewal bar ceiling, upgrade oval lighting/pole (*southern end stage two*), patch and paint kitchen and bar/lounge area, repaint external toilet

### Caravan Park (\$101,400)

Refurbish unit Sandalwood Lodge, upgrade reception door entry for disability access, erect campers kitchen shed, replace reception veranda, replace ageing grey water drainage to caravan parking bays

**Robert Bosenberg**  
**Executive Manager Infrastructure**





# EXECUTIVE MANAGER REGULATORY SERVICES

## Waste

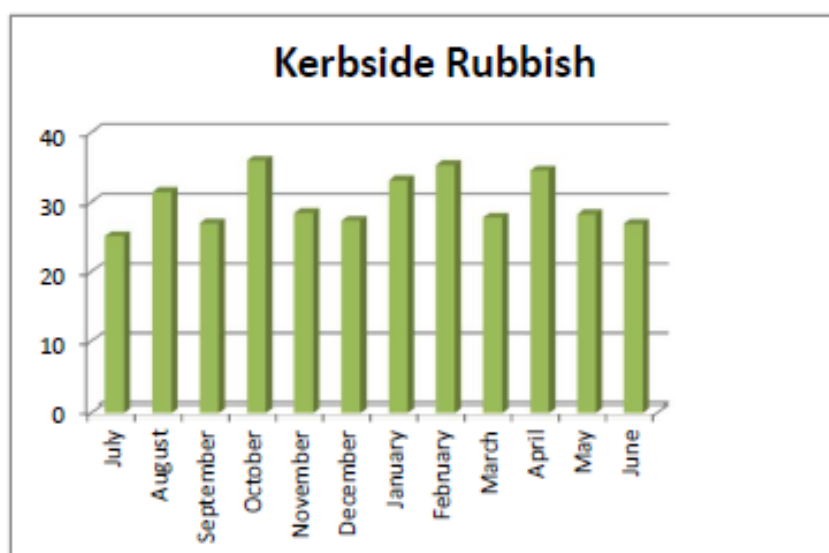
The Shire opened the Southern Cross landfill facility to the general public on the 29<sup>th</sup> May 2018, which coincided with the closure of the transfer station. The transfer station had been in operation for around 5 years, where prior to, it was the Southern Cross landfill facility. Rehabilitation planning was initiated during 2017/2018, with a closure plan and rehabilitation to be implement in the next reporting period.



It is estimated more than 1,000 tonnes of general waste was deposited in the Southern Cross landfill during the reporting period. During the year, the following was collected by Avon Waste:

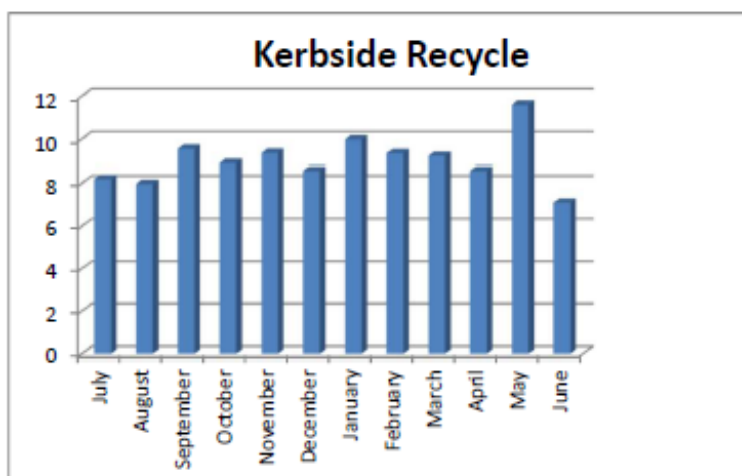
### Kerbside General Rubbish:

Month	Tonnes Per Month
July	29.26
August	29.99
September	35.04
October	28.08
November	30.86
December	34.02
January	27.17
February	29.65
March	36.09
April	28.36
May	28.31
June	32.96
Total	369.77



## Kerbside and Bulk Recycling

Month	Tonnes Per Month
July	5.91
August	5.58
September	5.68
October	6.12
November	6.33
December	6.23
January	5.91
February	6.01
March	6.22
April	6.15
May	5.73
June	5.51
<b>Total</b>	<b>71.36</b>



Please Note: These figures include Bulk Recycling, estimated at 1.2 Tonnes per month (annual amount 14.40t)

## Health, Planning & building

During the reporting period there were:

- Six Development Applications totalling almost \$1,500,000 in expected development costs were approved;
- Ten building permits were issued for constructions totalling more than \$130,000 in expected building costs;
- Three sewage treatment systems were approved;
- Seven Food premise inspections were conducted; &
- 18 private swimming pools were inspected.

## Local Emergency Management Committee (LEMC)

The Shire of Westonia and Yilgarn's Local Emergency Management Committee (LEMC) met three times throughout the year to discuss issues related to emergency management preparedness within the shires. The Shires have adopted the Westonia and Yilgarn Local Emergency Management Arrangements. These arrangements are available to the public via the respective Shire's websites and feedback is welcomed.

## Yilgarn Local Action Group - Skeleton Weed

The Yilgarn Local Action Group has continued their good work in 2017/2018.

The Winter treatments were completed in September 2017 with 283.703 hectares treated with 1,540 Litres of the chemical Fallowboss. 88 hectares was treated with the chemical Lontrell.

During the Summer search period there were 32 new finds with eight Code-Four paddocks re-infested. 1,500 hectares of surveillance was carried out by contractors and the Department of Primary Industries and Regional Development in addition to the farmers self-searching.

## Ranger Services

The local ranger Ms Day has continued with her work with the Shire, this year clocking up 25 years of service, of which she was celebrated at the Western Australian Rangers Association gala dinner.



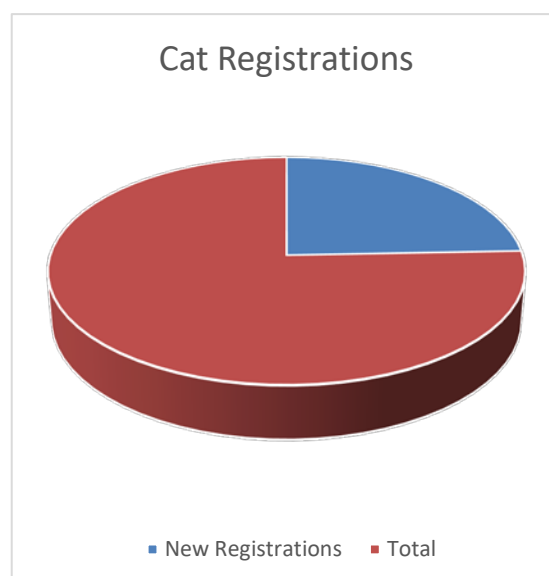
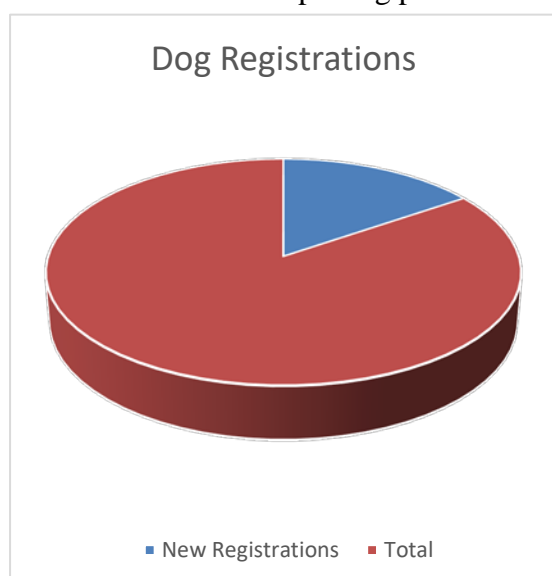
Ms Day has continued her valuable work around Southern Cross, providing regular patrols, call-outs and trapping feral cats.

The WA Contract Ranger Service visits have also been continuing on a fortnightly basis, undertaking the following:

- Registration checks of dogs and cats;
- Fire fuel risk inspections prior to bushfire season;
- Townsite patrols; &
- Re-homing of surrendered or unclaimed animals.

In 2017/2018 the Shire had 45 dogs registered for the first time, with a total of 246 registered dogs at the end of the reporting period.

In 2017/2018, the Shire had 10 cats registered for the first time, with a total of 31 registered cats at the end of the reporting period.



## Sewage

The Shires treated effluent system discharged 9017 Kilolitres of effluent for use on the oval, dog park (behind netball/basketball courts) and constellation park.

Based on the rate per kilolitre of scheme water, this has saved the Shire almost \$22,000 in scheme water costs.

The sewage system pump pits have now all been installed with alarm diallers, which notify relevant individuals of power outages and high level faults, enabling investigation and addressing of the issue, much quicker than the previous method, which involved community members advising when sewerage was running down the street.

## CCTV

The Shire installed CCTV at the depot to coincide with the recently installed depot building. Given the majority of the Shire's assets are located at the depot this was seen as essential in assisting to further secure the shires assets.

Upgrades to the existing CCTV systems were also undertaken through the annual maintenance program.

## Yilgarn Volunteer Bush Fire Brigade

Cr Wayne Della Bosca stepped down as Chief Bush Fire Control Officer in October 2017. Wayne served as Chief for almost 10 years and is commended for his service to the Yilgarn Shire and the community.

Stepping into the role of CBFCO was Ron Burro, with John Roberts and Alan Nicholson filling the North and South Deputy positions respectively.

During the period the following incidents were reported:

- Koolyanobbing-Bullfinch Road – Landscape Fire – 22/10/2017;
- Southern Cross-Marvel loch Road – Landscape Fire – 26/10/2017;
- Marvel Loch Road, Southern Cross – Landscape Fire – 25/01/2018;
- Neendojer Rock Nature Reserve – Landscape Fire – 06/02/2018
- Southern Cross-Marvel Loch Road – Landscape Fire – 26/02/2018;
- Southern Cross – Rubbish Fire – 25/03/2018;
- Carstairs Road, Moorine Rock – Landscape Fire – 26/03/2018;
- Moorine Rock – Landscape Fire – 29/03/2018;
- Great Eastern Highway, Ghooli – Landscape Fire – 01/04/2018;
- Great Eastern Highway Bodallin - Landscape Fire – 21/04/2018;

**Nic Warren**

**Executive Manager Regulatory Services**



# Manager Community Services Report

## Community

### Community contributions - Cash or in-kind donations and waiver of fees and charges

The Shire of Yilgarn supports local clubs and groups by allowing them to use shire facilities free of charge. The shire also supports certain service providers to use facilities free of charge to enable them to bring important services (e.g. chiropractor, physiotherapist, podiatrist and veterinarian) to the town for the benefit of the community.

The following cash donations, in-kind and free of charge contribution were made in 2017/18:

- Big Morning Tea - use of Senior Citizen Centre
- Candles by Candlelight - use of Community Centre kitchen & photocopies of song books
- Chiropractor - fortnightly use of consultation room in Senior Citizen Centre
- Golf Club - use of Community bus
- Moorine Rock Primary School - \$100 donation for book prizes
- Pipeline Challenge - overnight camping at oval and use of facilities
- Podiatrist - 2 days use of consultation room in Senior Citizen Centre and overnight stay at Caravan Park every 7 weeks
- Primary Health - use of Recreation Centre lounge & court for 11-week health program
- SCDHS - \$100 donation for achievement awards
- SCDHS - use of Community Centre for rehearsals and school concert
- SCDHS P&C - use of Recreation Centre lounge for student disco
- SCDHS P&C- waiver of itinerant food vendor fee
- School sporting carnivals - free use of oval and pool
- Southern Cross Motorcycle Club - \$5000 donation towards King of the Cross 2017
- Uniting Church - overnight camping at oval and use of facilities for charity group
- Uniting Church - use of Community Centre kitchen
- Various clubs and groups received free Crosswords advertising
- Veterinarian - monthly use of Recreation Centre for consultation
- Wheatbelt Regional Cricket Council - use of oval for T20 Blast Cup
- Yilgarn Agricultural Society – use of Recreation Centre, road closure for parade of 2017
- Yilgarn Motor Enthusiast - \$3000 donation towards Car & Bike Show 2017
- Yilgarn Motor Enthusiast - use of CRC for meetings
- Yilgarn Motor Enthusiast - use of Recreation Centre for Car & Bike Show 2017
- Yilgarn Netball - \$100 medal sponsorship 2017
- Yilgarn Netball - use of Recreation Centre lounge for Bingo night
- Yilgarn Young Entertainers - use of Community Centre for rehearsals and performance

### Community Funding Program

The Shire of Yilgarn Community Funding Program was developed to provide a source of funding for non-profit organisations operating within the district and to assist community organisations in maximising their future development.

Council approved the following grants from the Community Funding Program 2017/18

<b>Applicant</b>	<b>Equipment / item</b>	<b>Amount</b>
Moorine Rock Tennis Club	Ball machine	\$499
CRC / Carpet Bowlers	Two bowls rakes,	\$402
CWA SC branch	Laptop, printer, Microsoft software	\$1,034
Golf Club	Replace kitchen cupboards and sink	\$2,000
Yilgarn History Museum	Special packing and storing material for historic artefacts	\$2,000
Mt Hampton Tennis Club	Box of tennis balls, first aid kit, metal locker	\$585
SC Tennis Club	Rebound net, tennis balls, three tennis racquets	\$784
St Joseph's P&F	Landscape and handyman equipment and tools, BBQ	\$1,046

### Grant funding

The Shire of Yilgarn has applied for a range of grants to support Shire projects, as well as on behalf of community groups and clubs to support their efforts.

Here an overview of all applications:

<b>Date</b>	<b>Grantee</b>	<b>Name</b>	<b>Purpose</b>	<b>On Behalf Of</b>	<b>Amount Applied ex GST</b>	<b>Amount Received</b>
20/09/2016	Wheatbelt Development Commission/ Royalties for Regions	Community Chest Funding	Contribution towards outdoor gym	Shire	\$25,000	\$25,000
08/05/2017	National Library Australia	Community Heritage Grants	MOSAIC training for 6 volunteers	Museum	\$3,698.40	\$0
20/06/2017	SOYF - EOI	Build Your Balance	Balance equipment for targeted exercise with seniors to improve balance	Shire	\$299.20	\$0
22/06/2017	Department of Communities	Thank a Volunteer Day	Roll & hit up & sausage sizzle at Bowls/Tennis	Shire	\$800	\$800
28/07/2017	SOYF	Build Your Balance	Balance equipment for targeted exercise with seniors to improve balance	Shire	\$299.30	\$0
				<b>TOTAL</b>	<b>\$30,096.9</b>	<b>\$25,800</b>

## Functions and events

The Shire of Yilgarn offered a variety of functions and events in 2017/18 to its residents most are staples in the annual events calendar, such as Australia Day, ANZAC Day, Christmas light competition and the annual senior's luncheon. These are all very popular and well received functions. Further to the annual functions we try to offer a variety of events to the community. This year we offered the following:

- |          |   |
|----------|---|
| 08/02/18 | Thank a volunteer function,<br>Sausage sizzle and roll-up with whole of community being invited.  |
| 23/05/18 | Loose ends - children/family show, well received performance but low attendance numbers of 30 children & 23 adults, which made it a \$110 per child expenditure |

## General business

- **Outdoor gym**

The Shire of Yilgarn has received a Community Chest grant of \$25,000 funded by Royalties for Regions administered through the Wheatbelt Development Commission towards the total cost of \$65,000 for the Southern Cross Outdoor Fitness Centre.

The outdoor fitness centre is located in the old Ag-society shed and comprises of 14 equipment items.

The Outdoor fitness centre was officially opened on 15 February 2018 by Shire President Onida Truran and the Hon Kyle McGinn MLC, Member for Mining and Pastoral.

- **Soccer goals**

The Shire has been working with the SCDHS student council and the wish for some soccer goals at Constellation Park was expressed by the students. The Shire commissioned the fabrication of two soccer goals with local trades and the goals were installed in December 2017.

- **Student billeting program**

From 13-16 March 2018 Southern Cross hosted 18 students from Notre Dame and Curtin University. The students were billeted with local residents and visited WA Salt, various schools, the GP and hospital, St John's Ambulance, Nulla Nulla Farm Retreat and Parnana Pikurtu Wildlife Sanctuary and the Yilgarn History Museum.

All students had a great time thanks to all the welcoming people and helpers.

The immersion program is an initiative by Rural Health West, Curtin University and Notre Dame University supported by WEROC councils (Yilgarn, Westonia, Merredin, Bruce Rock and Kellerberrin). This is a three-year program which means Southern Cross will welcome students again in March 2019.



- **RAC Elephant mural**

The Southern Cross CRC / Shire of Yilgarn successfully applied for one of five road safety murals offered by the RAC's Elephant in the Wheatbelt mural project. The mural was installed on the Coffee Lounge's wall facing the Great Eastern Highway and the chosen theme was fatigue. The mural was installed by professional artist Paul DeeJ and completed in 4 days early December 2018.

The installation of the mural was free of charge to the Shire, which offered free accommodation to the artist at the Caravan Park. The RAC also generously paid a local tradesman to replace the corrugated iron on the wall prior to installation.

It is hoped that the mural besides its important road safety message also attracts people travelling through to stop and spent some time and money in Southern Cross.

## Caravan Park



Southern Cross Caravan Park has been successfully accepted into Stage 2 of the free Caravan Industry Development Initiative CIDI program. This initiative was designed to address key business, workforce and developmental priorities and identified opportunities for business improvement as well as providing a pathway to national accreditation through the Caravan Industry Association of Australia (CIAA).

The Caravan Park was through the CIDI program accredited with the Australian Tourism Accreditation Program, which allows the Shire to display the tick of approval, above.

The new camper's kitchen was fitted out with sinks and storage and will be fully equipped in 2018/19.

Another Sandalwood room has been fully refurbished and a new window has been installed at the side of the reception.

Caravan Park Caretaker couple Peter & Debra Gordon have been awarded another one-year contract with view of 2-year extensions. Relief caretaker Ron Goodhill resigned and Petrus Jonker started in the position.



## Swimming pool

The 2017/18 pool season was very successful with the pool opening on time on 1 November 2017. Pool Manager Gary Stewart fulfilled his second year of service with us and operated the pool smoothly and without any accidents or incidents.

Council has again made the generous decision to waive the entry fee to the swimming pool for the 2017/18 season, allowing the community to use the pool free of charge. A total of 8568 patrons attended the pool until its closure for the season on 31 March 2018.

## Community Resource Centre

### General business

- Shire of Yilgarn calendar print and distribution organised
- Entered a new contract with Department of Human Services for Centrelink access point at CRC for 2018/19
- Trainee Chloe Eatts resigned in May 2017
- Kayla Cuffe successfully finished her traineeship on 19/09/2017 and has successfully attained the role of Finance Officer at the Shire of Yilgarn

### Future funding

In January 2017 a tender was submitted applying for 9 months and 2 years of future funding from 1 October 2017. With the change in Government the tender has been modified to funding for 18 months from 1 October 2017 with an extension option of another 15 months.

The tender was awarded by the Government in July 2017.

In April 2018 a new funding model was proposed to all CRC's with Southern Cross CRC offered 30% less funding and a 30% decrease in requested opening hours. Feedback was sought by the Department of Primary Industries and Regional Development and the outcome is anticipated to be announced in 2018/19.

### Functions

The CRC has offered 27 functions covering IT workshops, health and wellbeing sessions, business related and general topics, with a total of 310 people attending. Five functions were cancelled due to no or very low registrations. The below functions have been successful and will be included into the annual events calendar, where possible and practicable.

03/11/17	Seniors week activity - Art Prize visit and lunch for seniors in Merredin funded by Seniors Week Grant, 9 attendees
18/11/17	Christmas Markets, Senior Citizen Centre, free, ~ 60 patrons
23/3/18	Personal care workshop, 7 registered and attended
24/03/18	Yilgarn Ladies Day, Rec centre, successful event with a total of 70 attending and very positive feedback.
10/06/18	Thermal cooker info session, 8 attendees, well received

### Grant funding

The CRC applied for the following grants to support projects in 2017/18:

Date	Grantee	Name	Purpose	On Behalf Of	Amount Applies ex GST	Amount Received
18/08/2017	COTA	Seniors Week Grant	Bus trip to Merredin to visit art. Prize and lunch at Chinese restaurant	CRC	\$430.00	\$430.00
09/02/2018	DPIRD	CRC Trainee Grant	Cost of trainee salary	CRC	\$20,000	\$20,000
				<b>TOTAL</b>	<b>\$20,430</b>	<b>\$20,430</b>

### Other

- ✓ \$500 donation from Saint Fire Ball received for purchase of exercise equipment for seniors groups

***Jenny Gemund***  
***Manager Community Services***



# Statutory Compliance

## Remuneration

Regulation 19B of the Local Government (Administration) Regulations states the Annual Report in to include the number of Employees with an annual salary of \$100,000 or more going up in \$10,000 increments.

Salary Range	Number of Employees
\$100,001 to \$110,000	1
\$110,001 to \$120,000	1
\$180,001 to \$190,000	1

## Register of Complaints and Minor Breach

In accordance with section 5.53(2) and 5.121 of the Local Government Act 1995, the Annual Report is required to disclose the number of Complaints of Minor Breach received each year.

**For the year 2017-2018 the Shire of Yilgarn received no Complaints of Minor Breach**

## Disability Access and Inclusion Plan

The Shire of Yilgarn is committed to ensuring that the community is accessible and inclusive for people with disabilities, their families, and carers. The Shires Disability Access and Inclusion Plan addressed our commitments and can be found on the Shires website. Whilst no capital upgrades were undertaken, the Shire staff continued to ensure all residents and visitors to the Shire had access to facilities and events.

## National Competition Policy

In accordance with statutory requirements set down in the National Competition Policy legislation, outlined below is a compliance report for the Shire of Yilgarn.

## Competitive Neutrality

The Shire of Yilgarn does not have a business activity which generates a user pays income of \$200,000 or more, therefore no obligation exists for the Municipality to conduct a Public Benefits Test. Nonetheless, the Shire of Yilgarn remains committed to the principals of Competitive Neutrality.

## State Records Act 2000 - Record Keeping Plan

In compliance with the State Records Act 2000, as required by Standard 2, Principle 6, Council maintains a Record Keeping Plan which is reviewed annually by the Chief Executive Officer.

## Public Interest Disclosures

In compliance with the Public Interest Disclosure Act 2003, as required by Section 23, part 1, Council has appointed a PID Officer in the agency, being the Chief Executive Officer, and Council has published internal procedures relating to the agency's obligations.

No disclosures were received in relation to the Shire of Yilgarn during the 2017/2018 financial year.

## Freedom of Information Act 1992 -Information Statement

In compliance with the Freedom of Information Act 1992 Council has an Information Statement that can be obtained from the Shire's Administration Office. It is proposed to present to Council in the 2018/2019 financial year a revised Information Statement for adoption.

## Financial Management Review

As per the Local Government (Financial Management) Regulations 1996, the Chief Executive Officer is to undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 3 financial years) and report to the local government the results of those reviews.

The last review was undertaken in the 2016/2017 financial year with the next review required by 30 June 2019.

## Audit Regulation 17 Review

Guidelines released from the Department of Local Government, Sport and Cultural Industries has revised the timeframes surrounding this audit. An amendment to Regulation 17(2) of the Local Government (Audit) Regulations 1996 requires the CEO to undertake a review of audit systems and procedures no less than once in every 3 financial years. This change will introduce consistency in CEO responsibilities to review financial management and audit systems and procedures in a timely manner.

The last review was carried out in the 2016/2017 financial year and based on the revised timeframes, will now be required to be reviewed by 30 June 2019



## Plan for the Future

The Shire of Yilgarn Strategic Community Plan was reviewed in 2018/2019. The plan is the Shire's key Strategic Planning document.

Council's other planning documents, including the Corporate Business Plan, Forward Capital Works Plan, Workforce Plan and Long Term Financial Plan are reviewed/updated as required.

The above documents collectively form the Shire's plan for the future.

The Local Government Act, 1995 requires that Council provide an overview of the Plan for the Future, detailing activities that are prepared to commence or continue in the next financial year be included in the Shire's Annual Report.

### **In 2018/2019 major projects to be undertaken are roadworks including the following:**

Korda-Bullfinch Rd 10mm Reseal (SLK 15.0-21.0)	180k
Koolyanobbing Rd-Construct to 7m & Seal (SLK 5.0-8.0)	565k
Moorine South Rd-10mm Reseal (SLK 0.0-8.5)	262k
Koolyanobbing Rd-10mm Reseal (SLK 2.0-5.0)	96k
Cramphorne Rd-Bitumen Reseal-(SLK 21.8-23.8)	58k
Cramphorne Rd Construct to 7m & Seal (SLK 5.0-8.0)	244k
Bodallin South Road-Construct to 7m Seal (SLK 1.2-2.7)	240k
Concreate Footpath-Lennenberg St Marvel Loch	27k
Kent Rd-Gravel Overlay (SLK 9.5-11.5)	80k
Nulla Nulla South Rd-Formation & Gravel Overlay (SLK 18.0-20.0)	87k
Southern Cross South Rd-Formation & Gravel Overlay (SLK 18.0-20.0)	94k
Cockatoo Tank Rd- Formation and Gravel Overlay (SLK 3.0-5.0)	97k
Emu Fence Rd-Formation & Gravel Overlay (SLK 133.0-135.0)	97k
Gatley Rd-Formation & Gravel Overlay (SLK 6.5-8.5)	91k
Koolyanobbing Rd-Bitumen Reseal (SLK 25.0-27.0)	50k
Parking Area Corner Antares St & GEH-Sealing & Kerbing	38k
Archernar St-Asphalt Overlay	161k

**Building Maintenance including the following:**

Homes for the Aged	Refurbish one of the units
Southern Cross Sports Complex board,	Roof replacement (stage 1), replace internal score replace entry glass doors
Mt Hampton Tennis Courts	Resurface courts
Caravan Park campers entry	Renovate a unit at Sandlewood Lodge, upgrade Kitchen and BBQ area, upgrade drainage, replace signage

**Major Purchase of plant include**

Major Plant John Deere	770 Grader, Mitsubihi Truck, Community Bus, Loader for Refuse Site
Light Vehicles	Parks & Gardens Ute, Handyman Ute, 2x Works Ute, CEO & EMRS Vehicles
Miscellaneous Plant	Jumping Compactor, Plate Compactor, Traffic Counter



*2017-2018*

*Annual Financial  
Report  
&  
Independent  
Auditors Report*



**SHIRE OF YILGARN**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2018**

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**COMMUNITY VISION**

A strong, vibrant and progressive Shire that retains strength in it's communities by way of continual promotion of agriculture and mining as the Shires major industries, with an added focus on tourism, to ensure that a robust economic and social base is retained for all residents.

*Principal place of business:*  
23 Antares Street  
Southern Cross  
WA 6426



**SHIRE OF YILGARN  
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 Yilgarn 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 Yilgarn 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 15<sup>th</sup> day of FEBRUARY 2019



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Peter Clarke  
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	18(a)	3,675,024	3,686,020	3,708,006
Operating grants, subsidies and contributions	2	2,803,605	1,895,230	3,701,459
Fees and charges	2	1,098,632	1,020,814	1,049,254
Interest earnings	2(a)	211,777	178,000	155,406
Other revenue	2(a)	228,364	160,800	261,321
		8,017,402	6,940,864	8,875,446
<b>Expenses</b>				
Employee costs		(2,956,211)	(2,522,247)	(2,530,097)
Materials and contracts		(1,021,240)	(1,789,009)	(1,397,390)
Utility charges		(401,919)	(414,250)	(321,776)
Depreciation on non-current assets	9(b)	(6,429,444)	(5,533,092)	(5,533,726)
Insurance expenses		(246,268)	(260,470)	(188,621)
Other expenditure		(149,511)	(238,315)	(137,705)
		(11,204,593)	(10,757,383)	(10,109,315)
		(3,187,191)	(3,816,519)	(1,233,869)
Non-operating grants, subsidies and contributions	2	2,710,880	1,890,070	2,883,357
Profit on asset disposals	9(a)	36,780	0	0
(Loss) on asset disposals	9(a)	(513,614)	(46,500)	(471,455)
(Loss) on revaluation of Infrastructure		0	0	(438,149)
<b>Net result</b>		<b>(953,145)</b>	<b>(1,972,949)</b>	<b>739,884</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	10	2,789,208	0	(87,915,506)
<b>Total other comprehensive income</b>		<b>2,789,208</b>	<b>0</b>	<b>(87,915,506)</b>
<b>Total comprehensive income</b>		<b>1,836,063</b>	<b>(1,972,949)</b>	<b>(87,175,622)</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>				
General purpose funding	2(a)	6,187,418	5,012,495	7,022,610
Law, order, public safety		52,291	89,350	68,732
Health		1,542	11,000	949
Education and welfare		193,786	179,195	182,750
Housing		90,358	87,480	73,360
Community amenities		534,897	551,484	537,143
Recreation and culture		42,951	45,050	44,832
Transport		161,658	392,410	306,502
Economic services		527,543	496,838	480,468
Other property and services		224,958	75,562	158,100
		8,017,402	6,940,864	8,875,446
<b>Expenses</b>				
Governance	2(a)	(353,251)	(416,874)	(340,084)
General purpose funding		(296,001)	(265,573)	(257,750)
Law, order, public safety		(602,985)	(460,108)	(543,266)
Health		(228,373)	(227,996)	(217,385)
Education and welfare		(509,579)	(514,140)	(520,913)
Housing		(246,754)	(290,590)	(200,620)
Community amenities		(3,889,815)	(2,490,843)	(2,384,151)
Recreation and culture		(1,536,540)	(1,628,654)	(1,478,312)
Transport		(2,612,269)	(3,506,430)	(3,192,887)
Economic services		(839,435)	(909,413)	(855,500)
Other property and services		(89,591)	(46,762)	(118,447)
		(11,204,593)	(10,757,383)	(10,109,315)
		(3,187,191)	(3,816,519)	(1,233,869)
Non-operating grants, subsidies and contributions	2	2,710,880	1,890,070	2,883,357
Profit on disposal of assets	9(a)	36,780	0	0
(Loss) on disposal of assets	9(a)	(513,614)	(46,500)	(471,455)
(Loss) on revaluation of Infrastructure		0	0	(438,149)
		2,234,046	1,843,570	1,973,753
<b>Net result</b>		<b>(953,145)</b>	<b>(1,972,949)</b>	<b>739,884</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	10	2,789,208	0	(87,915,506)
<b>Total other comprehensive income</b>		<b>2,789,208</b>	<b>0</b>	<b>(87,915,506)</b>
<b>Total comprehensive income</b>		<b>1,836,063</b>	<b>(1,972,949)</b>	<b>(87,175,622)</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	2016
		\$	\$	\$
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	3	7,827,723	6,469,459	4,567,375
Trade and other receivables	5	778,666	587,554	565,036
Inventories	6	39,137	85,850	44,849
<b>TOTAL CURRENT ASSETS</b>		<b>8,645,526</b>	<b>7,142,863</b>	<b>5,177,260</b>
<b>NON-CURRENT ASSETS</b>				
Other receivables	5	62,710	58,260	49,127
Property, plant and equipment	7	29,975,418	28,228,331	28,766,979
Infrastructure	8	230,351,826	231,791,418	320,571,109
<b>TOTAL NON-CURRENT ASSETS</b>		<b>260,389,954</b>	<b>260,078,009</b>	<b>349,387,215</b>
<b>TOTAL ASSETS</b>		<b>269,035,480</b>	<b>267,220,872</b>	<b>354,564,475</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	11	275,080	347,000	545,897
Provisions	13	454,755	417,828	400,608
<b>TOTAL CURRENT LIABILITIES</b>		<b>729,835</b>	<b>764,828</b>	<b>946,505</b>
<b>NON-CURRENT LIABILITIES</b>				
Provisions	13	65,477	51,939	38,244
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>65,477</b>	<b>51,939</b>	<b>38,244</b>
<b>TOTAL LIABILITIES</b>		<b>795,312</b>	<b>816,767</b>	<b>984,749</b>
<b>NET ASSETS</b>		<b>268,240,168</b>	<b>266,404,105</b>	<b>353,579,726</b>
<b>EQUITY</b>				
Retained surplus		60,713,954	62,142,419	62,898,159
Reserves - cash backed	4	6,106,216	5,630,896	4,135,272
Revaluation surplus	10	201,419,998	198,630,790	286,546,295
<b>TOTAL EQUITY</b>		<b>268,240,168</b>	<b>266,404,105</b>	<b>353,579,726</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	RETAINED SURPLUS	RESERVES - CASH BACKED	REVALUATION SURPLUS	TOTAL EQUITY
		\$	\$	\$	\$
<b>Balance as at 1 July 2016</b>		<b>62,518,701</b>	<b>4,135,272</b>	<b>286,546,296</b>	<b>353,200,268</b>
Prior period adjustments		379,458	0	0	379,458
Adjusted balance as at July 2016		62,898,159	4,135,272	286,546,296	353,579,726
Comprehensive income					
Net result		739,884	0	0	739,884
Changes on revaluation of assets	10	0	0	(87,915,506)	(87,915,506)
Total comprehensive income		739,884	0	(87,915,506)	(87,175,622)
Transfers from/(to) reserves		(1,495,624)	1,495,624	0	0
<b>Balance as at 30 June 2017</b>		<b>62,142,419</b>	<b>5,630,896</b>	<b>198,630,790</b>	<b>266,404,105</b>
Comprehensive income					
Net result		(953,145)	0	0	(953,145)
Changes on revaluation of assets	10	0	0	2,789,208	2,789,208
Total comprehensive income		(953,145)	0	2,789,208	1,836,063
Transfers from/(to) reserves		(475,320)	475,320	0	0
<b>Balance as at 30 June 2018</b>		<b>60,713,954</b>	<b>6,106,216</b>	<b>201,419,998</b>	<b>268,240,168</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		3,433,030	3,869,721	3,639,688
Operating grants, subsidies and contributions		2,801,497	1,895,230	3,710,184
Fees and charges		1,098,632	1,020,814	1,049,255
Interest earnings		211,777	178,000	155,406
Goods and services tax		519,183	0	514,818
Other revenue		228,364	160,800	261,321
		8,292,483	7,124,565	9,330,672
<b>Payments</b>				
Employee costs		(2,903,167)	(2,538,963)	(2,519,336)
Materials and contracts		(1,049,026)	(1,644,611)	(1,617,134)
Utility charges		(401,919)	(414,250)	(321,776)
Insurance expenses		(246,268)	(260,470)	(188,621)
Goods and services tax		(482,643)	0	(492,877)
Other expenditure		(149,511)	(238,315)	(137,705)
		(5,232,534)	(5,096,609)	(5,277,449)
<b>Net cash provided by (used in) operating activities</b>	14	3,059,949	2,027,956	4,053,223
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment		(1,835,672)	(1,483,365)	(2,146,344)
Payments for construction of infrastructure		(2,903,523)	(3,142,336)	(3,166,288)
Non-operating grants, subsidies and contributions		2,710,880	1,890,070	2,883,357
Proceeds from sale of fixed assets		314,630	248,500	272,136
<b>Net cash provided by (used in) investment activities</b>		(1,713,685)	(2,487,131)	(2,157,139)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from self supporting loans		12,000	6,000	6,000
<b>Net cash provided by (used in) financing activities</b>		12,000	6,000	6,000
<b>Net increase (decrease) in cash held</b>		1,358,264	(453,175)	1,902,084
Cash at beginning of year		6,469,459	6,449,367	4,567,375
<b>Cash and cash equivalents at the end of the year</b>	14	7,827,723	5,996,192	6,469,459

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 July 1 b/fwd - surplus</b>				
		960,246	1,018,922	308,590
		960,246	1,018,922	308,590
<b>Revenue from operating activities (excluding rates)</b>				
General purpose funding		2,546,233	1,360,300	3,348,429
Law, order, public safety		52,291	89,350	68,732
Health		1,542	11,000	949
Education and welfare		193,786	179,195	182,750
Housing		90,358	87,480	73,360
Community amenities		534,897	551,484	537,143
Recreation and culture		42,951	45,050	44,832
Transport		198,438	392,410	306,502
Economic services		527,543	496,838	480,468
Other property and services		224,958	75,562	158,100
		4,412,997	3,288,669	5,201,265
<b>Expenditure from operating activities</b>				
Governance		(353,251)	(416,874)	(340,084)
General purpose funding		(296,001)	(265,573)	(257,750)
Law, order, public safety		(1,054,200)	(460,108)	(941,821)
Health		(234,850)	(227,996)	(217,385)
Education and welfare		(509,579)	(514,140)	(520,913)
Housing		(246,754)	(290,590)	(200,620)
Community amenities		(3,889,815)	(2,490,843)	(2,384,151)
Recreation and culture		(1,569,214)	(1,639,654)	(1,478,312)
Transport		(2,633,024)	(3,537,430)	(3,253,109)
Economic services		(839,435)	(909,413)	(855,500)
Other property and services		(92,084)	(51,262)	(569,274)
		(11,718,207)	(10,803,883)	(11,018,919)
<b>Operating activities excluded</b>				
(Profit) on disposal of assets	9(a)	(36,780)	0	0
Loss on disposal of assets	9(a)	513,614	46,500	471,455
Loss on revaluation of fixed assets	8(b)	0	0	438,149
Movement in deferred pensioner rates (non-current)		(16,450)	0	(15,133)
Movement in employee benefit provisions (non-current)		(7,008)	0	13,695
Depreciation and amortisation on assets	9(b)	6,429,444	5,533,092	5,533,726
<b>Amount attributable to operating activities</b>		537,856	(916,700)	932,828
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions		2,710,880	1,890,070	2,883,357
Proceeds from disposal of assets	9(a)	314,630	248,500	272,136
Purchase of property, plant and equipment	7(b)	(1,835,672)	(1,483,365)	(2,146,344)
Purchase and construction of infrastructure	8(b)	(2,903,523)	(3,142,336)	(3,166,288)
<b>Amount attributable to investing activities</b>		(1,713,685)	(2,487,131)	(2,157,139)
<b>FINANCING ACTIVITIES</b>				
Proceeds from self supporting loans	12(a)	12,000	6,000	6,000
Transfers to reserves (restricted assets)	4	(1,771,831)	(1,518,038)	(2,111,437)
Transfers from reserves (restricted assets)	4	1,296,511	1,263,674	615,813
<b>Amount attributable to financing activities</b>		(463,320)	(248,364)	(1,489,624)
<b>Surplus(deficiency) before general rates</b>		(1,639,149)	(3,652,195)	(2,713,935)
<b>Total amount raised from general rates</b>	18	3,641,185	3,652,195	3,674,181
<b>Net current assets at June 30 c/fwd - surplus/(deficit)</b>	19	<b>2,002,036</b>	<b>0</b>	<b>960,246</b>

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

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 to the extent they are not in-consistent with the *Local Government Act 1995* and accompanying regulations.), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1995* and accompanying regulations. Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise.

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 aquired 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 AASB 116 Property, Plant and Equipment.

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 23 to these financial statements.

2. REVENUE AND EXPENSES

(a) Revenue

	2018 Actual	2017 Actual
	\$	\$
<b>Other revenue</b>		
Reimbursements and recoveries	94,927	194,935
Other	133,437	66,386
	228,364	261,321
<b>Fees and Charges</b>		
General purpose funding	9,034	7,074
Law, order, public safety	3,542	7,959
Health	1,542	949
Education and welfare	63,140	66,235
Housing	90,358	71,215
Community amenities	531,333	532,576
Recreation and culture	16,272	11,609
Transport	7,714	5,380
Economic services	319,388	330,231
Other property and services	56,309	16,026
	1,098,632	1,049,254

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

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>		
General purpose funding	2,292,438	3,151,236
Law, order, public safety	44,749	60,773
Education and welfare	127,132	30,744
Community amenities	800	1,527
Recreation and culture	0	32,000
Transport	130,894	281,741
Economic services	207,592	139,009
Other property and services	0	4,429
	2,803,605	3,701,459
<b>Non-operating grants, subsidies and contributions</b>		
Law, order, public safety	679,435	922,631
Recreation and culture	25,000	13,128
Transport	2,004,470	1,947,598
Economic services	1,975	0
	2,710,880	2,883,357
<b>Total grants, subsidies and contributions</b>	<b>5,514,485</b>	<b>6,584,816</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 Note 17.

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 17(c))

2018 Actual	2018 Budget	2017 Actual
\$	\$	\$
125,108	108,000	105,846
7,994	25,000	27,844
78,675	45,000	21,716
211,777	178,000	155,406



2. REVENUE AND EXPENSES (Continued)

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report
- Other financial services

2018	2017
\$	\$
27,141	25,746
9,267	16,630
36,408	42,376

**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		1,574,415	719,502
Restricted		6,253,308	5,749,957
		<b>7,827,723</b>	<b>6,469,459</b>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Leave Reserve	4	198,561	224,656
Plant Replacement Reserve	4	731,907	420,856
Building Reserve	4	778,966	564,484
Airport Reserve	4	233,865	130,428
Land Development Reserve	4	0	60,208
Sewerage Reserve	4	528,409	515,490
Mt Hampton / Dulyalbin Reserve	4	30,509	29,763
Recreation Facility Reserve	4	1,961,271	986,714
Homes for the Aged Reserve	4	381,977	372,638
Refuse Disposal Reserve	4	445,325	434,438
Community Bus Reserve	4	122,260	119,271
Health Services Reserve	4	228,062	203,786
Unspent Grants Reserve	4	0	1,128,580
HVRIC Reserve	4	165,607	72,523
Youth Development Reserve	4	105,856	103,268
ICT Equipment and Furniture Reserve	4	0	74,886
Tourism Reserve	4	193,641	188,907
Unspent grants	17	147,092	119,061
		<b>6,253,308</b>	<b>5,749,957</b>

**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

**Cash and cash equivalents (Continued)**

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. 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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Leave Reserve	224,656	5,577	(31,672)	198,561	224,656	5,391	0	230,047	219,107	5,549	0	224,656
Plant Replacement Reserve	420,856	311,051	0	731,907	420,856	310,100	0	730,956	410,461	10,395	0	420,856
Building Reserve	564,484	214,482	0	778,966	564,485	213,547	0	778,032	550,542	113,942	(100,000)	564,484
Airport Reserve	130,428	103,437	0	233,865	130,429	103,130	0	233,559	127,207	3,221	0	130,428
Land Development Reserve	60,208	519	(60,727)	0	60,208	0	(60,208)	0	58,721	1,487	0	60,208
Sewerage Reserve	515,490	12,919	0	528,409	515,490	12,371	0	527,861	502,758	12,732	0	515,490
Mt Hampton / Dulyalbin Reserve	29,763	746	0	30,509	29,763	714	0	30,477	29,028	735	0	29,763
Recreation Facility Reserve	986,714	974,557	0	1,961,271	986,714	836,913	0	1,823,627	669,159	817,555	(500,000)	986,714
Homes for the Aged Reserve	372,638	9,339	0	381,977	372,638	8,943	0	381,581	363,434	9,204	0	372,638
Refuse Disposal Reserve	434,438	10,887	0	445,325	434,439	10,426	0	444,865	423,708	10,731	0	434,439
Community Bus Reserve	119,271	2,989	0	122,260	119,271	2,862	0	122,133	116,325	2,946	0	119,271
Health Services Reserve	203,786	24,276	0	228,062	203,785	4,890	0	208,675	198,752	5,033	0	203,785
Unspent Grants Reserve	1,128,580	0	(1,128,580)	0	1,128,580	0	(1,128,580)	0	19,740	1,108,840	0	1,128,580
HVRIC Reserve	72,523	93,084	0	165,607	72,523	1,740	0	74,263	72,523	0	0	72,523
Youth Development Reserve	103,268	2,588	0	105,856	103,268	2,478	0	105,746	100,717	2,551	0	103,268
ICT Equipment and Furniture Reserve	74,886	646	(75,532)	0	74,886	0	(74,886)	0	73,036	1,850	0	74,886
Tourism Reserve	188,907	4,734	0	193,641	188,907	4,533	0	193,440	184,241	4,666	0	188,907
Museum Reserve	0	0	0	0	0	0	0	0	15,813	0	(15,813)	0
	5,630,896	1,771,831	(1,296,511)	6,106,216	5,630,898	1,518,038	(1,263,674)	5,885,262	4,135,272	2,111,437	(615,813)	5,630,896

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
Leave Reserve	Ongoing	To be used to fund Long Service Leave requirements.
Plant Replacement Reserve	Ongoing	To be used for the purchase of major plant.
Building Reserve	Ongoing	To be used for major construction and improvements to Council's Buildings.
Airport Reserve	Ongoing	To be used for the upkeep and any major upgrade works to the Southern Cross Airport.
Land Development Reserve	Closed	To be used for the acquisition of land in the Southern Cross townsite for future expansion of the town.
Sewerage Reserve	Ongoing	Water Schemes.
Mt Hampton / Dulyalbin Reserve	Ongoing	water from these facilities.
Recreation Facility Reserve	Ongoing	To be used To fund any major projects relating To Recreation within the community.
Homes for the Aged Reserve	Ongoing	To be used as a conduit for the placement of rental income from all twelve units, providing funding for future redevelopment works at this facility.
Refuse Disposal Reserve	Ongoing	To be used To meet future costs of major works to be carried out at Refuse Disposal Sites within the Shire of Yilgarn. Funds held in this Reserve will
Community Bus Reserve	Ongoing	To provide a conduit Reserve for the proceeds from the hire of the Yilgarn Community Bus.
Health Services Reserve	Ongoing	To be used to maintain the Health Service GP practice and associated assets.
Unspent Grants Reserve	Ongoing	To provide adequate record keeping and disclosure of tied grants received, the source of funds and related expenditure.
HVRIC Reserve	Ongoing	To provide adequate disclosure of funds received under the HVRIC and the relevant road funds are expended on.
Youth Development Reserve	Ongoing	To be used for the development of Youth in the Yilgarn District.
ICT Equipment and Furniture Reserve	Closed	To be used for the future of Councils computer systems and furniture and equipment.
Tourism Reserve	Ongoing	To be used to fund tourism in the Yilgarn District.

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

## 5. TRADE AND OTHER RECEIVABLES

### Current

Rates outstanding
Sundry debtors
GST receivable
Loans receivable - clubs/institutions
Provision for doubtful debts

### Non-current

Rates outstanding - pensioners
Self - supporting loan - Non current

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

### Rates outstanding

Includes:

- 1 to 5 years

### Sundry debtors

Includes:

- up to one month
- one to three months
- 3 months to one year
- 1 to 5 years

2018	2017
\$	\$
716,170	490,626
34,226	32,118
42,116	78,656
6,000	6,000
(19,846)	(19,846)
778,666	587,554
61,210	44,760
1,500	13,500
62,710	58,260
716,170	490,626
22,786	11,769
1,405	7,060
3,712	166
6,323	7,269

## 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**

**6. INVENTORIES**

**Current**

Stock on Hand

2018	2017
\$	\$
39,137	85,850
39,137	85,850

**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**

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

Land and buildings	2018	2017
	\$	\$
Land - freehold land at:		
- Independent valuation 2018 - level 3	1,457,000	0
- Management valuation 2018 - level 3	26,000	0
- Independent valuation 2015 - level 3	0	115,000
- Independent valuation 2015 - level 2	0	1,369,000
- Management valuation 2015 - level 3	0	35,031
	1,483,000	1,519,031
Land - vested in and under the control of Council at:		
- Management valuation 2018 - level 3	1,053,475	0
- Management valuation 2015 - level 3	0	1,053,475
	1,053,475	1,053,475
<b>Total land</b>	<b>2,536,475</b>	<b>2,572,506</b>
Buildings - non-specialised at:		
- Independent valuation 2018 - level 3	4,124,500	2,510,000
- Additions after valuation - cost	0	1,997,365
Buildings - non-specialised - Less: accumulated depreciation	0	(381,233)
	4,124,500	4,126,132
Buildings - specialised at:		
- Independent valuation 2018 - level 3	16,484,600	14,931,000
- Management valuation 2015 - level 3	0	185,285
- Management valuation 2018 - level 3	237,194	0
- Additions after valuation - cost	0	1,253,651
Buildings - specialised - Less: accumulated depreciation	2,548	(1,606,288)
	16,724,342	14,763,648
<b>Total buildings</b>	<b>20,848,842</b>	<b>18,889,780</b>
<b>Total land and buildings</b>	<b>23,385,317</b>	<b>21,462,286</b>
Furniture and equipment at:		
- Independent valuation 2016 - level 2	40,987	40,987
Furniture and equipment - Less: accumulated depreciation	(17,808)	(8,565)
	23,179	32,422
Plant and equipment at:		
- Independent valuation 2016 - level 2	6,057,136	5,828,177
- Additions after valuation - cost	1,912,810	1,714,513
Plant and equipment - Less: accumulated depreciation	(1,403,024)	(809,067)
	6,566,922	6,733,623
<b>Total property, plant and equipment</b>	<b>29,975,418</b>	<b>28,228,331</b>

## 7. PROPERTY, PLANT AND EQUIPMENT (Continued)

### (b) Movements in Carrying Amounts

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

	Land - freehold land	Land - vested in and under the control of Council	Total land	Buildings - non- specialised	Buildings - specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2016	1,519,031	1,053,475	2,572,506	4,251,586	15,305,169	19,556,755	22,129,261	40,987	6,596,732	28,766,980
Additions	0	0	0	134,155	297,676	431,831	431,831	0	1,714,513	2,146,344
(Disposals)	0	0	0	0	0	0	0	0	(743,591)	(743,591)
Depreciation (expense)	0	0	0	(259,609)	(839,197)	(1,098,806)	(1,098,806)	(8,565)	(834,031)	(1,941,402)
Carrying amount at 30 June 2017	1,519,031	1,053,475	2,572,506	4,126,132	14,763,648	18,889,780	21,462,286	32,422	6,733,623	28,228,331
Additions	0	0	0	171,404	128,418	299,822	299,822	0	1,535,850	1,835,672
(Disposals)	0	0	0	0	(25,331)	(25,331)	(25,331)	0	(766,133)	(791,464)
Revaluation increments/ (decrements) transferred to revaluation surplus	(36,031)	0	(36,031)	18,503	2,806,736	2,825,239	2,789,208	0	0	2,789,208
Depreciation (expense)	0	0	0	(191,539)	(949,129)	(1,140,668)	(1,140,668)	(9,243)	(936,418)	(2,086,329)
Carrying amount at 30 June 2018	1,483,000	1,053,475	2,536,475	4,124,500	16,724,342	20,848,842	23,385,317	23,179	6,566,922	29,975,418

## 7. PROPERTY, PLANT AND EQUIPMENT (Continued)

### (c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
<b>Land and buildings</b>					
Land - freehold land	Level 2	Market Approach using recent observable market data or similar properties	Independent registered valuers	June 2018	Price per hectare
Land - vested in and under the control of Council	Level 3	Improvements to land valued using cost approach using depreciated replacement cost	Management valuation	June 2018	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Buildings - non-specialised	Level 2	Market Approach using recent observable market data or similar properties	Independent registered valuers	June 2018	Price per square metre
Buildings - specialised	Level 3	Market Approach using recent observable market data or similar properties	Independent valuers and Management valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Furniture and equipment</b>					
	Level 2	Market Approach using recent observable market data or similar assets	Management valuation	June 2016	Price per item
	Level 2	Market Approach using recent observable market data or similar assets	Management valuation	June 2016	Price per item
<b>Plant and equipment</b>					

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**

**8 (a). INFRASTRUCTURE**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Infrastructure - Roads		
- Management valuation 2017 - level 3	169,782,989	169,782,989
- Additions after valuation - cost	2,528,431	0
Infrastructure - Roads - Less: accumulated depreciation	(2,906,929)	0
	<b>169,404,491</b>	<b>169,782,989</b>
Infrastructure - Footpaths		
- Management valuation 2017 - level 3	1,547,317	1,547,317
Infrastructure - Footpaths - Less: accumulated depreciation	(82,516)	0
	<b>1,464,801</b>	<b>1,547,317</b>
Infrastructure - Drainage		
- Management valuation 2017 - level 3	51,945,292	51,945,292
Infrastructure - Drainage - Less: accumulated depreciation	(1,159,407)	0
	<b>50,785,885</b>	<b>51,945,292</b>
Infrastructure - Refuse site		
- Management valuation 2017 - level 3	158,260	158,260
- Additions after valuation - cost	75,333	0
Infrastructure - Refuse site - Less: accumulated depreciation	(13,611)	0
	<b>219,982</b>	<b>158,260</b>
Infrastructure - Sewerage		
- Management valuation 2017 - level 3	3,919,125	3,919,125
- Additions after valuation - cost	69,573	0
Infrastructure - Sewerage - Less: accumulated depreciation	(87,331)	0
	<b>3,901,367</b>	<b>3,919,125</b>
Infrastructure - Townscape		
- Management valuation 2017 - level 3	5,250	5,250
Infrastructure - Townscape - Less: accumulated depreciation	(3,395)	0
	<b>1,855</b>	<b>5,250</b>
Infrastructure - Parks and Ovals		
- Management valuation 2017 - level 3	148,350	148,350
- Additions after valuation - cost	3,139	0
Infrastructure - Parks and Ovals - Less: accumulated depreciation	(8,335)	0
	<b>143,154</b>	<b>148,350</b>
Infrastructure - Aerodromes		
- Management valuation 2017 - level 3	952,150	952,150
Infrastructure - Aerodromes - Less: accumulated depreciation	(13,080)	0
	<b>939,070</b>	<b>952,150</b>
Infrastructure - Other (inc digital infra)		
- Management valuation 2017 - level 3	3,332,685	3,332,685
- Additions after valuation - cost	227,047	0
Infrastructure - Other (inc digital infra) - Less: accumulated depreciation	(68,511)	0
	<b>3,491,221</b>	<b>3,332,685</b>
<b>Total infrastructure</b>	<b>230,351,826</b>	<b>231,791,418</b>

## 8. INFRASTRUCTURE (Continued)

### (b) Movements in Carrying Amounts

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

	Infrastructure - Roads	Infrastructure - Footpaths	Infrastructure - Drainage	Infrastructure - Refuse site	Infrastructure - Sewerage	Infrastructure - Townscape	Infrastructure - Parks and Ovals	Infrastructure - Aerodromes	Infrastructure - Other (inc digital infra)	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2016</b>	232,883,872	2,012,022	72,597,136	1,003,155	9,300,643	185,333	553,344	565,788	1,469,816	320,571,109
Additions	2,762,806	0	6,278	22,700	134,777	0	10,433	0	229,294	3,166,288
Revaluation increments/ (decrements) transferred to revaluation surplus	(64,091,503)	(416,327)	(19,094,242)	(850,369)	(5,403,874)	(174,884)	(405,416)	396,014	1,686,946	(88,353,655)
Depreciation (expense)	(1,772,186)	(48,378)	(1,563,880)	(17,226)	(112,421)	(5,199)	(10,011)	(9,652)	(53,371)	(3,592,324)
<b>Carrying amount at 30 June 2017</b>	169,782,989	1,547,317	51,945,292	158,260	3,919,125	5,250	148,350	952,150	3,332,685	231,791,418
Additions	2,528,431	0	0	75,333	69,573	0	3,139	0	227,047	2,903,523
Depreciation (expense)	(2,906,929)	(82,516)	(1,159,407)	(13,611)	(87,331)	(3,395)	(8,335)	(13,080)	(68,511)	(4,343,115)
<b>Carrying amount at 30 June 2018</b>	169,404,491	1,464,801	50,785,885	219,982	3,901,367	1,855	143,154	939,070	3,491,221	230,351,826



## 8. INFRASTRUCTURE (Continued)

### (c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - Roads	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2017	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3 inputs)
Infrastructure - Footpaths	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2017	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3 inputs)
Infrastructure - Drainage	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2017	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3 inputs)
Infrastructure - Refuse site	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2017	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3 inputs)
Infrastructure - Sewerage	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2017	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3 inputs)
Infrastructure - Townscape	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2017	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3 inputs)
Infrastructure - Parks and Ovals	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2017	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3 inputs)
Infrastructure - Aerodromes	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2017	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3 inputs)
Infrastructure - Other (inc digital infra)	Level 3	Cost approach using depreciated replacement cost	Independent valuation	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.

9. 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.

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 Standards 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 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 105, Local Government (Financial Management) Regulation 4(2)* provides, in the event of such and 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.

9. 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</b>								
<b>Law, order, public safety</b>								
P5130 South Yilgarn 2.4 Fire Appliance	126,591	0	0	(126,591)	0	0	0	0
PB5315 BFB Fast Attack Bodallin	53,086	0	0	(53,086)	0	0	0	0
PB5316 Central Fast Attack (CBFCO)	53,821	0	0	(53,821)	0	0	0	0
PB5317 BFB Yilgarn South (Bulfinch)	54,374	0	0	(54,374)	0	0	0	0
PB5322 South Yilagrn 2.4 Fire Appliance	163,343	0	0	(163,343)	0	0	0	0
<b>Health</b>								
2015 Toyota Kluger GX 2WD	25,613	19,136	0	(6,477)	0	0	0	0
<b>Community amenities</b>								
Toyota Aurion	6,364	6,364	0	0	0	0	0	0
Public Toilets	1,468	0	0	(1,468)	0	0	0	0
<b>Recreation and culture</b>								
Boldallin Tennis Club	2,568	0	0	(2,568)	0	0	0	0
Community Hall	23,478	0	0	(23,478)	0	0	0	0
Mower - Ride on Turf Toro	16,460	11,300	0	(5,160)	16,000	5,000	0	(11,000)
<b>Transport</b>								
Ute - 2015 Ford Ranger XLT	34,349	34,545	196	0	36,000	35,000	0	(1,000)
Ute - 2014 Toyota Landcruiser 4.5L	35,535	39,091	3,556	0	45,000	35,000	0	(10,000)
Truck - Mitsubishi Fuso Water	85,755	65,000	0	(20,755)	85,000	75,000	0	(10,000)
Grader - 2009 John Deere 770G	80,711	113,739	33,028	0	85,000	75,000	0	(10,000)
<b>Other property and services</b>								
2015 - Toyota Kluger GX 2WD	27,948	25,455	0	(2,493)	28,000	23,500	0	(4,500)
	791,464	314,630	36,780	(513,614)	295,000	248,500	0	(46,500)

(b) Depreciation

	2018	2017
	\$	\$
Buildings - non-specialised	191,539	259,609
Buildings - specialised	949,129	839,197
Furniture and equipment	9,243	8,565
Plant and equipment	936,418	834,031
Infrastructure - Roads	2,906,929	1,772,186
Infrastructure - Footpaths	82,516	48,378
Infrastructure - Drainage	1,159,407	1,563,880
Infrastructure - Refuse site	13,611	17,226
Infrastructure - Sewerage	87,331	112,421
Infrastructure - Townscape	3,395	5,199
Infrastructure - Parks and Ovals	8,335	10,011
Infrastructure - Aerodromes	13,080	9,652
Infrastructure - Other (inc digital infra)	68,511	53,371
	6,429,444	5,533,726

9. 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:

Buildings - non-specialised	30 to 50 Years
Buildings - specialised	30 to 50 Years
Furniture and equipment	5 to 10 Years
Plant and equipment	5 to 10 Years
Infrastructure - Roads	12 to 50 Years
Infrastructure - Footpaths	50 Years
Infrastructure - Laneways	15 Years
Infrastructure - Aerodromes	30 Years
Infrastructure - Refuse	Not Depreciated
Infrastructure - Sewerage	50 Years
Infrastructure - Drainage	50 Years
Infrastructure - Parks & Ovals	Not Depreciated
Infrastructure - Townscape	Not Depreciated
Infrastructure - Other	12 to 50 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.

## 10. REVALUATION SURPLUS

	2018	2018	2018	2018	2018	2017	2017	2017	2017	2017
	Opening	Revaluation	Revaluation	Total	Closing	Opening	Revaluation	Revaluation	Total	Closing
	Balance	Increment	(Decrement)	Movement on	Balance	Balance	Increment	(Decrement)	Movement on	Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land and buildings	10,730,855	0	(36,031)	(36,031)	10,694,824	10,730,855	0	0	0	10,730,855
Revaluation surplus -Buildings - non-specialised	0	18,503	0	18,503	18,503	0	0	0	0	0
Revaluation surplus -Buildings - specialised	0	2,806,736	0	2,806,736	2,806,736	0	0	0	0	0
Revaluation surplus -Furniture and equipment	21,871	0	0	0	21,871	21,871	0	0	0	21,871
Revaluation surplus -Plant and equipment	2,299,879	0	0	0	2,299,879	2,299,879	0	0	0	2,299,879
Revaluation surplus - Infrastructure - Roads	122,800,813	0	0	0	122,800,813	186,892,316	0	(64,091,503)	(64,091,503)	122,800,813
Revaluation surplus - Infrastructure - Footpaths	1,549,051	0	0	0	1,549,051	1,965,378	0	(416,327)	(416,327)	1,549,051
Revaluation surplus - Infrastructure - Drainage	56,442,078	0	0	0	56,442,078	75,536,320	0	(19,094,242)	(19,094,242)	56,442,078
Revaluation surplus - Infrastructure - Refuse site	0	0	0	0	0	645,894	0	(645,894)	(645,894)	0
Revaluation surplus - Infrastructure - Sewerage	2,703,283	0	0	0	2,703,283	8,107,157	0	(5,403,874)	(5,403,874)	2,703,283
Revaluation surplus - Infrastructure - Townscape	0	0	0	0	0	346,626	0	(346,626)	(346,626)	0
Revaluation surplus - Infrastructure - Parks and Ovals	396,014	0	0	0	396,014	0	396,014	0	396,014	396,014
Revaluation surplus - Infrastructure - Aerodromes	1,686,946	0	0	0	1,686,946	0	1,686,946	0	1,686,946	1,686,946
	198,630,790	2,825,239	(36,031)	2,789,208	201,419,998	286,546,296	2,082,960	(89,998,466)	(87,915,506)	198,630,790

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.



11. TRADE AND OTHER PAYABLES

Current

Sundry creditors  
Accrued salaries and wages  
ATO liabilities  
ESL Levied

2018	2017
\$	\$
199,614	270,723
26,965	29,253
51,891	47,024
(3,390)	0
275,080	347,000

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.

12. INFORMATION ON BORROWINGS

(a) Undrawn Borrowing Facilities

Credit Standby Arrangements

Credit card limit  
Credit card balance at balance date  
**Total amount of credit unused**

2018	2017
\$	\$
15,000	15,000
(1,077)	(1,604)
13,923	13,396

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.

## 13. PROVISIONS

### Opening balance at 1 July 2017

Current provisions  
Non-current provisions

Additional provision

### Balance at 30 June 2018

### Comprises

Current  
Non-current

Provision for Annual Leave	Provision for Long Service Leave	Total
\$	\$	\$
242,013	175,815	417,828
0	51,939	51,939
242,013	227,754	469,767
40,323	10,142	50,465
282,336	237,896	520,232
282,336	172,419	454,755
0	65,477	65,477
282,336	237,896	520,232

Current annual and long service leave liabilities have been classified as current as there are no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities as expected to occur as detailed below.

### Current Provisions

Within 12 months of the end of the reporting period

Annual Leave	Long Service Leave	Total
\$	\$	\$
282,336	172,419	454,755

## 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.

## 14. 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:

	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
Cash and cash equivalents	7,827,723	5,996,192	6,469,459
<b>Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>			
Net result	(953,145)	(1,972,949)	739,884
Non-cash flows in Net result:			
Depreciation	6,429,444	5,533,092	5,533,726
(Profit)/loss on sale of asset	476,834	46,500	471,455
Loss on revaluation of fixed assets	0	0	438,149
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(207,562)	183,701	(37,651)
(Increase)/decrease in inventories	46,713	42,925	(41,001)
Increase/(decrease) in payables	(71,920)	84,757	(198,897)
Increase/(decrease) in provisions	50,465	0	30,915
Grants contributions for the development of assets	(2,710,880)	(1,890,070)	(2,883,357)
Net cash from operating activities	3,059,949	2,027,956	4,053,223

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

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

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Governance	912,740	2,741,627
General purpose funding	1,660,273	535,386
Law, order, public safety	3,623,488	3,773,803
Health	722,561	747,100
Education and welfare	4,975,992	4,448,798
Housing	2,817,484	3,221,870
Community amenities	54,682,099	57,717,656
Recreation and culture	15,158,401	13,054,868
Transport	176,482,332	174,432,147
Economic services	1,831,399	1,633,104
Other property and services	6,048,078	4,598,567
Unallocated	120,633	315,946
	<b>269,035,480</b>	<b>267,220,872</b>

## 16. 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	23,600	26,500	20,350
President's allowance	8,000	8,000	8,000
Deputy President's allowance	2,000	2,000	2,000
Travelling expenses	3,722	5,000	2,337
Telecommunications allowance	2,338	6,500	725
	39,660	48,000	33,412

### 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	474,831	391,370
Post-employment benefits	56,169	58,248
Other long-term benefits	14,803	9,566
	545,803	459,184

#### 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.

### 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
	\$	\$
Sale of goods and services	2,867	4,207
Purchase of goods and services	102,765	79,468
Amounts payable to related parties:		
Trade and other payables	0	2,625

### 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.



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17. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	Opening Balance <sup>(1)</sup> 1/07/16	Received <sup>(2)</sup> 2016/17	Expended <sup>(3)</sup> 2016/17	Closing Balance <sup>(1)</sup> 30/06/17	Received <sup>(2)</sup> 2017/18	Expended <sup>(3)</sup> 2017/18	Closing Balance 30/06/18
	\$	\$	\$	\$	\$	\$	\$
<b>Governance</b>							
DLG - Strategic Planning	12,740	0	0	12,740	0	0	12,740
<b>Education and welfare</b>							
KidSport Grant	7,000	0	(4,566)	2,434	0	(434)	2,000
<b>Recreation and culture</b>							
Museum Upgrade - Lotterywest	0	13,128	(13,128)	0	0	0	0
<b>Transport</b>							
Heavy Vehicle Road Improvement Condition	72,523	45,364	(14,000)	103,887	121,549	(93,084)	132,352
<b>Total</b>	92,263	58,492	(31,694)	119,061	121,549	(93,518)	147,092

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.

## 18. 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>											
Residential / Industrial	0.1101	388	2,976,174	327,739	(8,691)	0	319,048	327,739	0	0	327,739
Commercial	0.0775	34	995,384	77,160	0	0	77,160	77,160	0	0	77,160
Minesites	0.1550	4	120,160	18,629	0	0	18,629	18,629	0	0	18,629
Single Persons Quarters	0.1550	9	1,698,512	263,331	0	0	263,331	263,331	0	0	263,331
<b>Unimproved valuations</b>											
Rural	0.0193	371	96,274,731	1,658,717	(865)	0	1,657,852	1,658,717	0	0	1,658,717
Mining	0.1748	269	7,346,049	1,252,501	4,470	0	1,256,971	1,257,519	0	0	1,257,519
<b>Sub-Total</b>		1,075	109,411,010	3,598,077	(5,086)	0	3,592,991	3,603,095	0	0	3,603,095
<b>Minimum payment</b>											
<b>Gross rental valuations</b>											
Residential / Industrial	500	127	180,622	63,500	0	0	63,500	63,500	0	0	63,500
Commercial	400	7	19,969	2,800	0	0	2,800	2,800	0	0	2,800
Minesites	400	3	3,340	1,200	0	0	1,200	1,200	0	0	1,200
Single Persons Quarters	400	1	400	400	0	0	400	400	0	0	400
<b>Unimproved valuations</b>											
Rural	400	39	1,975,855	15,600	0	0	15,600	15,200	0	0	15,200
Mining	400	262	145,351	104,800	(529)	0	104,271	106,000	0	0	106,000
<b>Sub-Total</b>		439	2,325,537	188,300	(529)	0	187,771	189,100	0	0	189,100
		1,514	111,736,547	3,786,377	(5,615)	0	3,780,762	3,792,195	0	0	3,792,195
Discounts/concessions (refer note 18(b))							(139,577)				(140,000)
<b>Total amount raised from general rate</b>							3,641,185				3,652,195
Ex-gratia rates							33,839				33,825
<b>Totals</b>							3,675,024				3,686,020

### 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.

## 18. RATING INFORMATION (Continued)

### (b) Discounts, Incentives, Concessions, & Write-offs

#### Rates Discounts

Rate or Fee	Discount	Discount	Actual	Budget	Circumstances in which Discount is Granted
Discount Granted	%	\$	\$	\$	
All GRV & UV Rate Types (Excluding Sewerage, ESL, and Household & Recycling waste collections charges)	5.00%	140,000	139,577	140,000	Rates paid within 35 days of the date of issue noted on the rate notice

### (c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Unpaid Rates Interest Rate
		\$	%	%
<b>Option One</b>				
Single full payment	28-Sep-17	0	0.00%	0.00%
<b>Option Two</b>				
First instalment	28-Sep-17	10	5.50%	11.00%
Second instalment	1-Feb-18	10	5.50%	11.00%
<b>Option Three</b>				
First instalment	28-Sep-17	10	5.50%	11.00%
Second instalment	30-Nov-17	10	5.50%	11.00%
Third instalment	1-Feb-18	10	5.50%	11.00%
Fourth instalment	1-May-18	10	5.50%	11.00%

	2018	2018 Budget
	\$	\$
Interest on unpaid rates	78,675	45,000
Charges on instalment plan	4,750	4,500
	83,425	49,500

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**19. 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>\$</b>	<b>\$</b>	<b>\$</b>
<b>Surplus/(Deficit)</b>	2,002,036	960,246	960,246
<b>CURRENT ASSETS</b>			
Cash and cash equivalents			
Unrestricted	1,574,415	719,502	719,502
Restricted	6,253,308	5,749,957	5,749,957
Receivables			
Rates outstanding	716,170	490,626	490,626
Sundry debtors	34,226	32,118	32,118
GST receivable	42,116	78,656	78,656
Loans receivable - clubs/institutions	6,000	6,000	6,000
Provision for doubtful debts	(19,846)	(19,846)	(19,846)
Inventories			
Stock on Hand	39,137	85,850	85,850
<b>LESS: CURRENT LIABILITIES</b>			
Trade and other payables			
Sundry creditors	(199,612)	(270,723)	(270,723)
Accrued salaries and wages	(26,965)	(29,253)	(29,253)
ATO liabilities	(51,891)	(47,024)	(47,024)
ESL Levied	3,390	0	0
Inter fund transfer account	0	0	0
Trust account	(2)	0	0
Provisions			
Provision for annual leave	(282,336)	(242,013)	(242,013)
Provision for long service leave	(172,419)	(175,815)	(175,815)
<b>Unadjusted net current assets</b>	<b>7,915,691</b>	<b>6,378,035</b>	<b>6,378,035</b>
<b>Adjustments</b>			
Less: Reserves - restricted cash	(6,106,216)	(5,630,896)	(5,630,896)
Less: Loans receivable - clubs/institutions	(6,000)	(6,000)	(6,000)
Add: Cash backed leave reserve	198,561	219,107	219,107
<b>Adjusted net current assets - surplus/(deficit)</b>	<b>2,002,036</b>	<b>960,246</b>	<b>960,246</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.

20. 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	7,827,723	6,469,459	7,827,723	6,469,459
Receivables	841,376	645,814	841,376	645,814
	8,669,099	7,115,273	8,669,099	7,115,273
<b>Financial liabilities</b>				
Payables	275,080	347,000	275,080	347,000
	275,080	347,000	275,080	347,000

Fair value is determined as follows:

Cash and cash equivalents, receivables, payables - estimated to the carrying value which approximates net market value.

Borrowings - estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

20. 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. The Shire 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.

Impact of a 1% <sup>(1)</sup> movement in interest rates on cash	\$	\$
- Equity	78,277	64,695
- Statement of Comprehensive Income	78,277	64,695

Notes:

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



20. 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:

	2018	2017
	%	%
Percentage of rates and annual charges		
- Current	0.00%	0.00%
- Overdue	100.00%	100.00%
Percentage of other receivables		
- Current	60.00%	87.00%
- Overdue	40.00%	13.00%

## 20. 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 are set out in the Liquidity Table below:

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
<b>2018</b>	\$	\$	\$	\$	\$
Payables	275,080	0	0	275,080	275,080
	275,080	0	0	275,080	275,080
<b>2017</b>					
Payables	347,000	0	0	347,000	347,000
	347,000	0	0	347,000	347,000

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**21. 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>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Police Licencing	5,757	616,206	(616,205)	5,758
Builders Levy (BCITF)	4,606	2,220	(1,486)	5,340
TransWA Bookings	3,790	12,933	(12,933)	3,790
Staff Personal Deductions	38,952	37,460	(33,475)	42,937
Housing Tenancy Bonds	20,740	1,280	(11,360)	10,660
Hall Hire Bonds	3,108	350	(350)	3,108
Security Key Bonds	1,530	300	(300)	1,530
Skeleton Weed	33,637	20,250	0	53,887
Community Groups	13,118	0	(10,364)	2,754
Third Party Contributions	6,117	631	(200)	6,548
Rates Overpaid	6,876	14,369	(5,489)	15,756
Medical Services Provision	107,093	0	0	107,093
YBTC Sinking Fund	19,998	6,666	0	26,664
Dump Point	92	0	0	92
SXFC Sinking Fund	1,000	1,000	0	2,000
Museum Trust	15,813	0	0	15,813
	<b>282,227</b>			<b>303,730</b>

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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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.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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	<b>Title</b>	<b>Issued / Compiled</b>	<b>Applicable (1)</b>	<b>Impact</b>
(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

22. ACTIVITIES/PROGRAMS

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

PROGRAM NAME	OBJECTIVE	ACTIVITIES
GOVERNANCE	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.
GENERAL PURPOSE FUNDING	To collect revenue to allow for the provision of services.	To collect revenue to allow for the provision of services.
LAW, ORDER, PUBLIC SAFETY	To provide services to help ensure a safer and environmentally conscious community.	Supervision and enforcement of various local laws relating to fire prevention and animal control.
HEALTH	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.
EDUCATION AND WELFARE	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.
HOUSING	To provide and maintain elderly residents housing.	Provision and maintenance of elderly residents housing.
COMMUNITY AMENITIES	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.
RECREATION AND CULTURE	To establish and effectively manage infrastructure and resource which will help the social well being 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.
TRANSPORT	To provide safe, effective and efficient transport services to the community	Construction and maintenance of roads, streets, footpaths, depots, cycleways, 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, standpipes and building control.
OTHER PROPERTY AND SERVICES	To monitor and control council's overheads operating accounts.	Private works operation, plant repair and operation costs and engineering operation costs.



**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**23 FINANCIAL RATIOS**

	2018	2017	2016
Current ratio	4.50	2.58	1.43
Asset consumption ratio	0.99	0.99	0.98
Asset renewal funding ratio (see note below)	0.29	n/a	1.16
Asset sustainability ratio	0.49	0.85	0.72
Operating surplus ratio	(0.70)	(0.42)	(0.62)
Own source revenue coverage ratio	0.45	0.46	0.49

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. In addition, the Asset Renewal Funding ratio is reduced due to the Shire's updated Asset Management Plan being formulated on an "Own Source" only funding model as a result of a high degree of uncertainty in relation to State and Federal grant availability into the future.

	2017/18	2016/17	2015/16
	\$	\$	\$
Amount of Financial Assistance Grant received during the year relating to the subsequent year.	1,199,235	1,108,800	0
Amount of Financial Assistance Grant received in prior year relating to current year.	1,108,800	0	972,983
Revaluation from prior year	0	438,147	0

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	2.25	2.53	1.43
Operating surplus ratio	(0.72)	(0.54)	(0.43)
Own source revenue coverage ratio	0.45	0.49	0.49

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**24 PRIOR PERIOD CORRECTIONS**

The following adjustments have been made to comparative amounts in the 2016 and 2017 Financial Reports to bring to account financial activities that were incorrectly stated in 2014/15 and 2015/16. Details of this activity is listed below:

- (a) In 2014/15, 2015/16 and 2016/17 the shire received new fire appliances as a contribution from the Department of Fire and Emergency Services (DFES). The accounting treatment of the contributions have been examined and it has been determined the assets and corresponding contributions and depreciation on the assets have not been accounted for in the statements for these years.
- (b) In 2015/16 and 2016/17, the Shire had overlooked to account for the fire appliances that were returned to DFES.

	<b>Original</b>	<b>Corrected</b>	<b>Movement</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>STATEMENT OF COMPREHENSIVE INCOME</b>			
<b>30 June 2017</b>			
<i>By Nature or Type</i>			
Non-operating grants, subsidies & contributions	2,018,086	2,883,357	865,271
Depreciation on non-current assets	(5,375,626)	(5,533,726)	(158,100)
(Loss) on asset disposals	(72,900)	(471,455)	(398,555)
Net result	434,268	739,884	(398,555)
<i>By Program</i>			
Expenses - Law, order & public safety	(382,166)	(543,266)	(161,100)
Non-operating grants, contributions & subsidies	2,018,086	2,883,357	865,271
(Loss) on disposal of assets	(72,900)	(471,455)	(398,555)
Net result	434,268	739,884	(398,555)
<b>STATEMENT OF FINANCIAL POSITION</b>			
<b>30 June 2017</b>			
Property Plant and Equipment	27,543,257	28,228,331	685,074
Retained Surplus	61,457,345	62,142,419	685,074
<b>STATEMENT OF FINANCIAL POSITION</b>			
<b>30 June 2016</b>			
Property Plant and Equipment	28,387,521	28,766,979	379,458
Retained Surplus	62,518,701	62,898,159	379,458
<b>STATEMENT OF CHANGES IN EQUITY</b>			
<b>30 June 2017</b>			
Comprehensive income - net result	434,268	739,884	305,616
<b>STATEMENT OF CASH FLOWS</b>			
<b>30 June 2017</b>			
Payments for purchase of property plant & equipment	(1,281,073)	(2,146,344)	(865,271)
Non-operating grants, subsidies and contributions	2,018,086	2,883,357	865,271

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

**24 PRIOR PERIOD CORRECTIONS (continued)**

**RATE SETTING STATEMENT**

**30 June 2017**

Expenses			
Law, order & public safety	(436,631)	(941,821)	(505,190)
Operating Activities excluded			
Loss on asset disposal	72,900	471,455	398,555
Depreciation and amortisation on assets	5,372,626	5,533,726	161,100
Investing Activities			
Non-operating grants, subsidies and contributions	2,018,086	2,883,357	865,271
Financing Activities			
Purchase of property, plant and equipment	(1,281,073)	(2,146,344)	(865,271)

**NOTE 2**

**30 June 2017**

Revenue			
Non-operating grants, subsidies and contributions			
Law, order & public safety	57,360	922,631	865,271

**NOTE 7(a)**

**30 June 2017**

Plant & equipment			
Independent valuation 2016	5,847,274	5,828,177	(19,097)
Additions	849,242	1,714,513	865,271
Accumulation Depreciation	(647,967)	(809,067)	(161,100)

**NOTE 7(b)**

**30 June 2017**

Plant & Equipment Movement			
Balance at 30 June 2017	6,217,574	6,596,722	379,148
Additions	849,242	1,714,513	865,271
Disposals	(345,036)	(743,591)	(398,555)
Depreciation	(672,931)	(834,031)	(161,100)
Carrying amount at 30 June 2017	5,994,084	6,733,623	739,539

**NOTE 9(b) DEPRECIATION**

**30 June 2017**

Plant & equipment	(672,931)	(834,031)	(161,100)
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**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**24 PRIOR PERIOD CORRECTIONS (continued)**

**NOTE 14**

**30 June 2017**

Net result	434,268	739,884	305,616
Depreciation	5,372,626	5,533,726	161,100
(Profit)/Loss	72,900	471,455	398,555
Grants contributions for the development of assets	(2,018,088)	(2,883,357)	(865,269)

**NOTE 15**

**30 June 2017**

Law, order & public safety	3,088,729	3,773,803	685,074
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**NOTE 23**

**30 June 2017**

Current ratio	2.57	2.58	0.01
Asset consumption ratio	0.99	0.73	(0.26)
Operating surplus ratio	(0.31)	(0.41)	(0.10)
Own source revenue coverage ratio	0.49	0.46	(0.03)

**INDEPENDENT AUDITOR'S REPORT  
TO THE COUNCILLORS OF  
THE SHIRE OF YILGARN**

**REPORT ON THE AUDIT OF THE FINANCIAL REPORT**

***Opinion***

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

In our opinion, the financial report of the Shire of Yilgarn:

- a) is based on proper accounts and reports; and
- b) 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***

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

***Emphasis of Matter – Basis of Preparation***

We draw attention to Note 1 to the financial report, which describes the basis of preparation. 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. Our 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE COUNCILLORS OF THE SHIRE OF YILGARN (CONTINUED)**

### ***REPORT ON THE AUDIT OF THE FINANCIAL REPORT (CONTINUED)***

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

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our 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, misrepresentation, 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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.

We 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 we identify during our audit.

**INDEPENDENT AUDITOR'S REPORT  
TO THE COUNCILLORS OF  
THE SHIRE OF YILGARN (CONTINUED)**

***REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS***

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

- a) All required information and explanations were obtained by us.
- b) All audit procedures were satisfactorily completed in conducting our audit.
- c) In our 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 Yilgarn 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.

MOORE STEPHENS  
CHARTERED ACCOUNTANTS



WEN-SHIEN CHAI  
PARTNER

Signed at Perth this 15<sup>th</sup> day of February 2019