



Shire of  
YILGARN

*“good country for hardy people”*

# *Annual Report*

## *2018/2019*

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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**



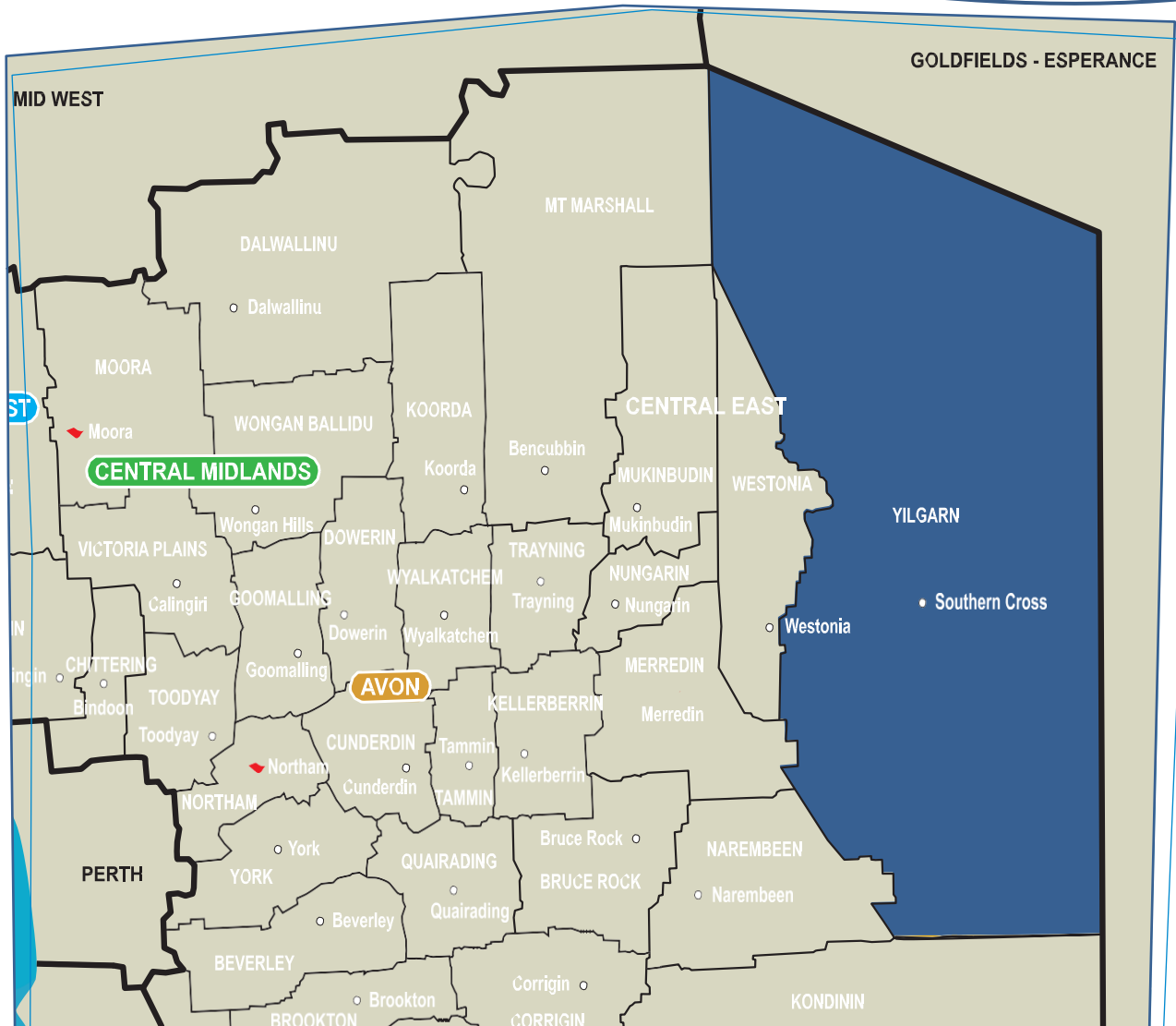
# Councillor Meeting Attendance

Ordinary Meetings of Council are held on the third Thursday of each month with the exception of January. All Council meetings are held in the Yilgarn Chambers located in the Shire of Yilgarn administration building, 24 Antares Street, Southern Cross. The Council and Committee meetings are open to the public and there is public question time at the beginning of both Council and Committee meetings at which time the general public may ask questions on any Local Government matter. Meeting dates and times are subject to change, if this does occur, notice of such change is advertised as per the requirements of the Local Government Act 1995.

	Ordinary Meetings Of Council	Special Meetings of Council	Audit Committee Meetings	Annual Electors Meeting
<b>Cr O Truran</b>	10 of 11	1 of 2	2 of 2	0 of 1
<b>Cr W Della Bosca</b>	10 of 11	1 of 2	2 of 2	1 of 1
<b>Cr B Close</b>	9 of 11	2 of 2	2 of 2	1 of 1
<b>Cr G Guerini</b>	11 of 11	2 of 2	2 of 2	1 of 1
<b>Cr P Nolan</b>	9 of 11	2 of 2	1 of 2	1 of 1
<b>Cr D Pasini</b>	10 of 11	2 of 2	2 of 2	1 of 1
<b>Cr S Shaw</b>	9 of 11	1 of 2	2 of 2	1 of 1



# Shire of Yilgarn



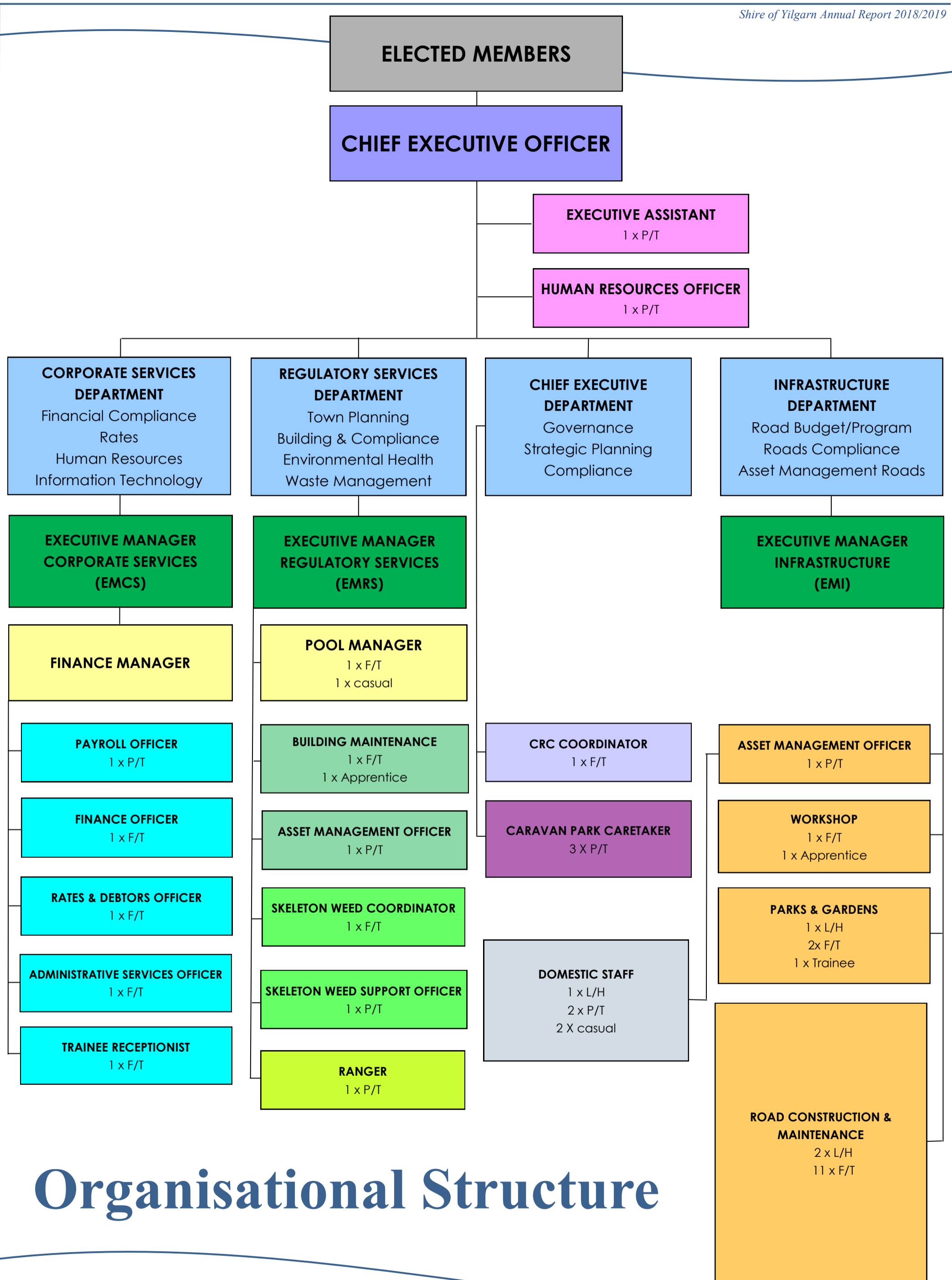
The Shire of Yilgarn is 30,720 square km's in area and has a population of approximately 1200. The Yilgarn is known by many as the gateway to the Wheatbelt and the Goldfields. The name "Yilgarn" is Aboriginal for "white stone or quarts".

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 President Report

It is with pleasure that I present the Annual Report to the ratepayers and residents of the district on the activities of the Shire of Yilgarn for the 2018/2019 financial year in my capacity as Shire President.

It has been a busy 2018/2019 financial year and one where I believe that Council and its staff have continued to provide the services and facilities expected by our ratepayers and residents. In providing the core services, Council has also continued to upgrade and maintain its infrastructure and I am quite proud of the wonderful facilities that we have in the Yilgarn district.

I reported last year that the State Government had commenced a process for the review of the *Local Government Act 1995* and Phase I of this process has now been completed. One of the major changes implemented is that associated with Elected Member training. Prior to nomination for the position of Councillor, the candidate must undertake an on-line course relating the roles and responsibilities of an Elected Member. This ensures that the candidate is fully aware of the obligations before committing to run for the position. If successful in the election process, the Elected Member must then undertake five (5) separate training modules in the first 12 months of holding their position. Whilst training and professional development is important in any role, and one which I totally support, I am somewhat concerned that the onus on mandatory training may deter some of the well intentioned people in standing for Council in the future. I certainly hope I am wrong in this regard.

I am pleased to report that in the year under review, Council was successful in its grant application for funding under the Department of Local Government, Sport and Cultural Industries' Community Sports and Recreation Facilities Fund to the tune of \$700,000 for the new Southern Cross Swimming Pool facility. This funding injection together with Council's Reserve Funds that were specifically set aside for this purpose now allows Council to proceed with the project. It is envisaged that the new facility will be completed by June 2020 and be fully operational and ready for the 2020/2021 swimming season.

Stage I of the asbestos roof removal at the Yilgarn Sports Complex was completed this financial year, with Stage II earmarked in the 2019/2020 Budget. The asbestos removal is a lengthy and costly exercise but one that must be done. I would like to thank the patience of the sporting groups during this process and no doubt there will be further inconvenience during the Stage II works, but ultimately, the health and safety to all users of the facility is paramount.

As I write this report, the final touches are being made to the Central East Aged Care Alliance Inc., (CEACA) units in Antares Street. Council has been working with 11 local governments across the Wheatbelt area to deliver 75 quality aged care units in their various towns. Whilst there will be eligibility requirements to tenancy of the 2 units in Southern Cross, it is hoped that they will provide meaningful accommodation for those eligible persons.



At the Australia Day Awards for 2019, Mrs Anne Hanretty was awarded the Citizenship Award and on behalf of Council and the community I would like to congratulate Anne for the work she has done in the community to receive this prestigious award. Anne has been heavily involved with sporting groups in the Shire, having major involvement with the Southern Cross Football Club and Yilgarn Basketball Association and it was great to see her work acknowledged accordingly. I would also like to congratulate the Yilgarn Bowls and Southern Cross Tennis Club Catering Committee in taking out the Community Group Award. The work that the Club's do in catering for all type of events and functions is appreciated by the community.

One of the major expenditure items within Council's area of operations is that associated with road construction and maintenance. I believe that the Shire of Yilgarn is the envy of many of our neighbouring Shires, simply due to the quality roads that are prepared and maintained by our excellent outside works crew under the direction of Council's Executive Manager Infrastructure, Robert Bosenberg. On behalf of Council and the residents of the district, I would like to thank the entire crew for the work that they do throughout the course of the year to maintain our vast network of roads.

I sincerely thank my fellow Councillors for the support that they have given me in the year under review. As a cohort of Councillors, I believe that we work cooperatively together and all of the decisions made are considered in the best interests of the Shire and our residents. We do not necessarily agree on all decisions, and nor should we, but we do respect each other's opinions during our deliberations.

A big thank you also goes to our hard working administration staff who are the front of our organisation. They are the ones that keep the Shire ticking over, whether it be the front office staff or our capable financial people keeping all in check to meet the ever increasing governance requirements that are imposed on our sector.

Prior to closing, this year I again make mention of and thank the huge number of volunteers in our community who do a mountain of work to make their organisations/clubs operate smoothly. Sometimes I think our volunteers are somewhat forgotten in the work that they do to provide the services that exist within our towns and district. Your contribution is greatly appreciated and I urge you to continue to maintain this level of activism for the benefit of our community.

*Cr Onida Truran*  
**SHIRE PRESIDENT**



# Chief Executive Officers Report

I present this Annual Report to outline the activities of the Shire of Yilgarn for the 2018/2019 financial year.

Whilst the 2017/2018 financial year had a 0% rate increase, Council was compelled to increase rates by 1.5% in 2018/2019 to meet the provision of services and capital expenditure during the course of the year. Although an increase, the 1.5% increase was considered minimal and in line with CPI however, Council is committed to keeping rates as low as possible for the benefit of all ratepayers.

From a financial perspective, the Shire of Yilgarn is in a sound financial position. Council has healthy Reserve Funds, strongly constructed cash reserves and well maintained infrastructure. Yet it is concerning that the financial ratios in the annual reporting process do not necessarily reflect this healthy position. The Shire of Yilgarn, as with other rural Local Governments, are bound by the strict Australian Accounting Standards and its associated reporting standards with financial ratios fluctuating from year to year dependant upon grant funding and capital expenditure within a particular financial year. Too often the financial ratios are taken as the barometer of financial stability, yet they are merely a formula that have considerable variables associated with them and can reflect the local government in an adverse manner.

During the course of the 2018/2019 financial year the Minister for Local Government commenced the review of the Local Government Act 1995 with Phase 1 being completed and Phase II continuing. Whilst the Shire President in her report commented on the mandatory training for Elected Members that was introduced during the Phase I process, it is hoped that in Phase II the Minister will recognise the burden that rural local governments face with the reporting standards that are imposed upon them, particularly with limited human resources. Rural local governments are subject to the same reporting and accounting standards to that of the larger regional and metropolitan authorities and this imbalance needs to be addressed.

Local Government is entering a period of change and Council and its officers need to be ready to meet the challenges ahead. Soon the Office of Auditor General (OAG) will be taking responsibility for the auditing functions of the Shire of Yilgarn. We are one of the last local governments in the State to transition to the OAG auditing process and we know from other rural local governments that their auditing fees have doubled under this regime, and their compliance requirements have increased considerably. Whilst compliance is a necessity, it does mean that additional workloads will be required with the same amount of employees and therefore, methods will have to be introduced to meet the increasing compliance standards imposed upon us.

During the course of the year Council continued to maintain a strong association with its neighbouring Councils and in particular, with its partners the Shires of Westonia, Merredin, Bruce Rock and Kellerberrin as members of the Wheatbelt East Regional Organisation of Councils (WEROC). WEROC meets regularly and is committed to promoting the region and has embarked upon a number of projects over the years in this regard. Council is also an active member of the Great Eastern Country Zone of the Western Australian Local Government Association and meets quarterly with 15 other member councils to pursue greater outcomes for the Wheatbelt region. This forum has the ability to lobby the peak organisation of Local Government in Western Australia and also the State and Australian Governments.

It is always difficult to outline all of the achievements and other issues that have arisen in the year under review when presenting a report of this type, but I am more than happy to expand further on any matters that residents may wish to discuss on the year under review, or, on future projects that Council is considering.

Before closing, I would like to sincerely thank the Shire President and Councillors for the support that they have given to all employees at the Shire over the past 12 months. Having a supportive Council provides the workforce with the confidence that they can achieve the results that are expected of them. To our employees, I say thank you for your commitment

Lastly, I acknowledge Council's Executive team in Robert Bosenberg, Executive Manager Infrastructure, Nic Warren, Executive Manager Regulatory Services, and Cameron Watson, Executive Manager Corporate Services, for the support that they have given me and for the professional way in which they have managed their respective portfolios within Council's operations.

*Peter Clarke*  
**CHIEF EXECUTIVE OFFICER**



# Executive Manager Corporate Services Report

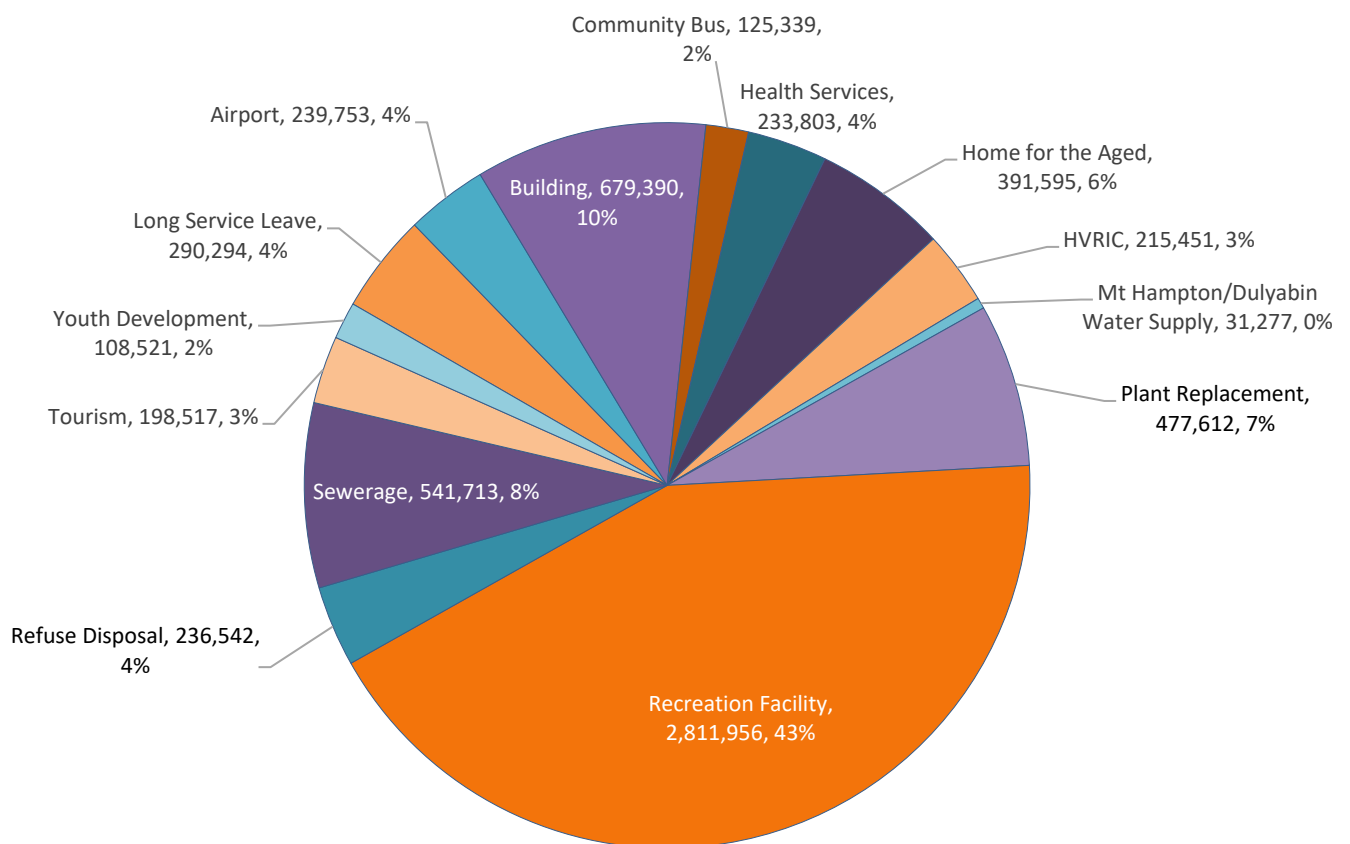
## FINANCIAL SUMMARY

Council concluded the financial year with an unadjusted net Current Asset position of \$10.871m, which is an increase of \$2.226m on the 2018 reported figure of \$8.645m. This increase is partly due to the pre-payment of \$1.694m of Councils 2018/19 Federal Assistance Grants and an increase in Reserves of \$0.476m.

Council’s Auditor, Moore Stephens, has completed an Audit of the Shire of Yilgarn Financial Statements for the period 1<sup>st</sup> July 2018 to 30<sup>th</sup> June 2019 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

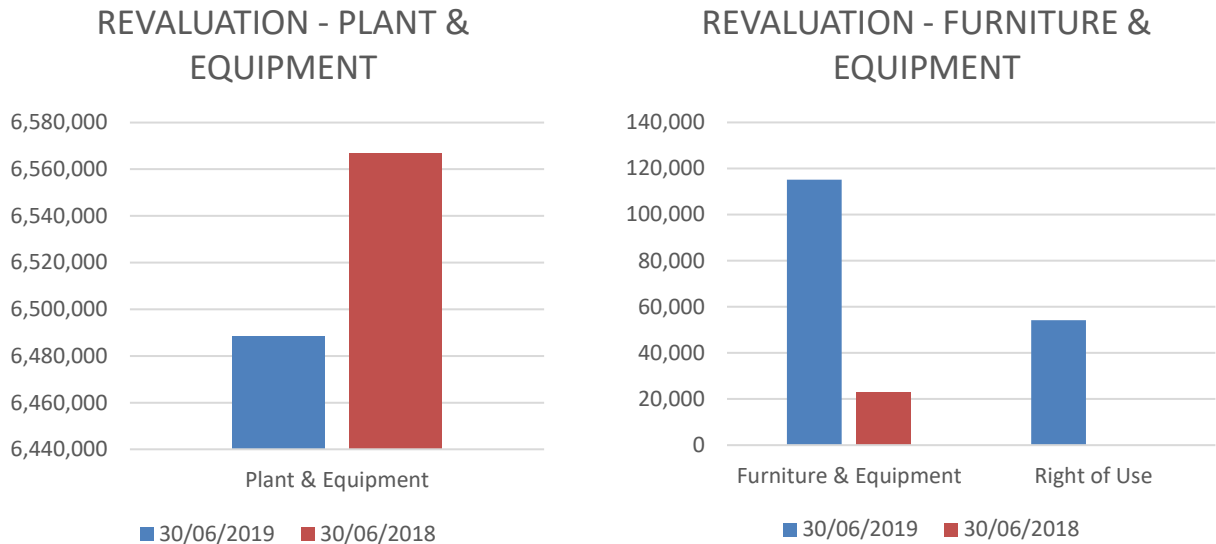
As at 30th June 2019, Council held \$6,581,763 within several different special purpose Reserve accounts, being as the following chart



**Fair Value of Assets**

The Shire’s Furniture, Plant & Equipment asset group underwent a fair value revaluation during the year resulting in an increment on Revaluation of Fixed Assets of \$67,636.

The Furniture, Plant & Equipment asset group has a carrying amount at the end of the year of



\$6,657,637 and is distributed as follows:

Plant and Equipment Asset Class includes the following groups of assets:

- Major Plant items include assets such as Graders, Loaders, Excavators, Prime Movers and the larger Bush Fire Fighting Vehicles.
- Minor Plant items include assets such as Light Vehicles including Light Attach Fire Fighting Vehicles, Generators, Ride on Mowers and larger workshop appliances.

Furniture & Equipment is predominantly assets associated with the internal fit out of Councils Administrative & Works offices and Community facilities such as the Southern Cross Medical Centre, Community Centre and Recreation Complex.

Council also maintains a Register of Small, Portable and Attractive assets which is a list of assets that fall below the statutory minimum of \$5,000 asset acquisition value but still require recording. This register was also reviewed and updated during the fair value process.

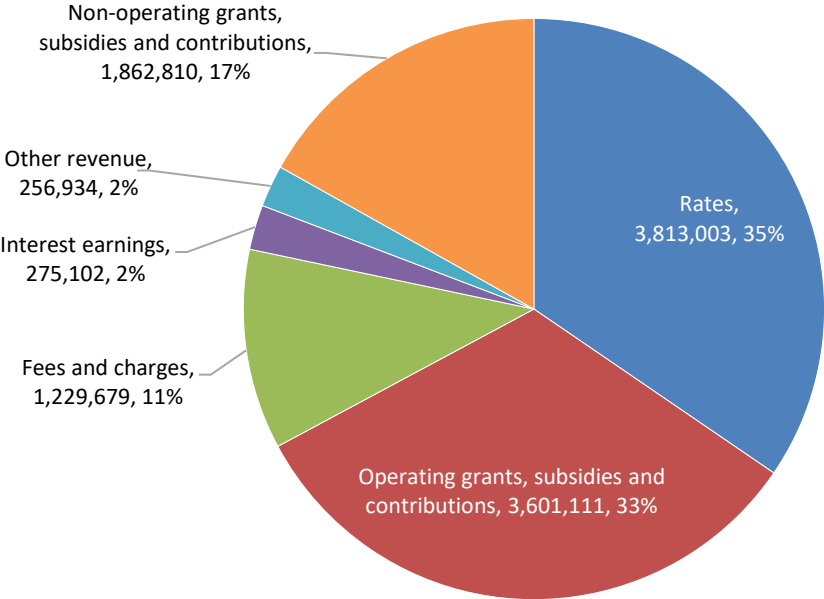
A description of what “Fair Value of Assets and Liabilities” is and an indication as to how an asset is to be valued under Australian Accounting Standard AASB 13 can be found in the financial report.

**Revenue**

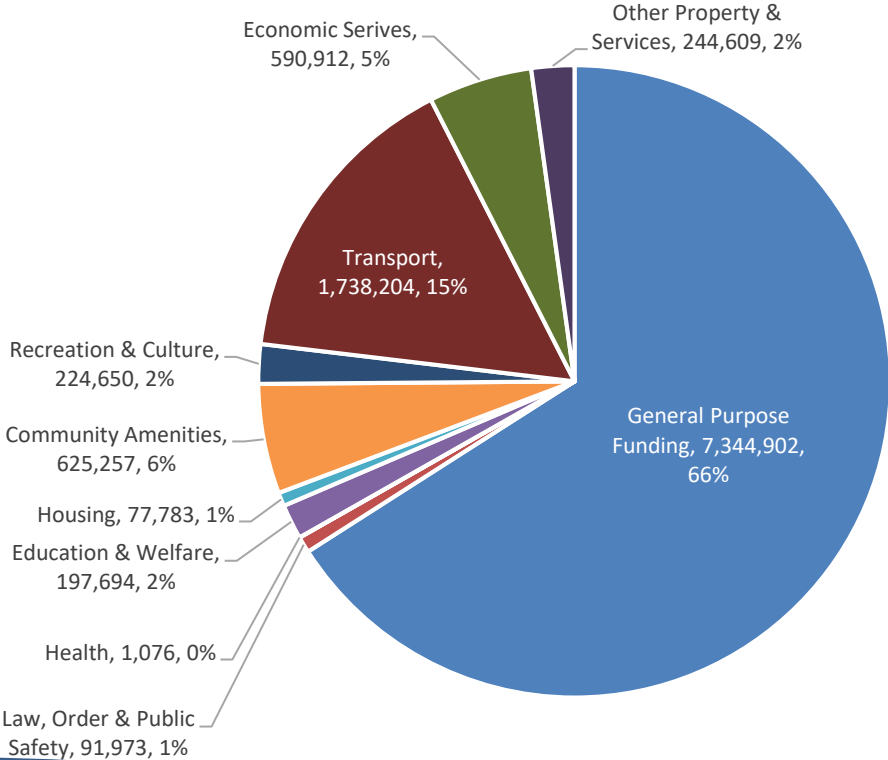
Council receives its revenue from several diverse sources, primarily through Rates & Service Charges, User Fees, Interest earnings and Operating & Non-Operating Grants.

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

The following chart is an indication of the source and amount of the available income streams, both operating and non-operating, in the 2018/2019 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 Single Persons Quarters. Unimproved Values relate more to rural farmland and mining tenements.

GRV (Town) are revalued every 5 years with 2018 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.

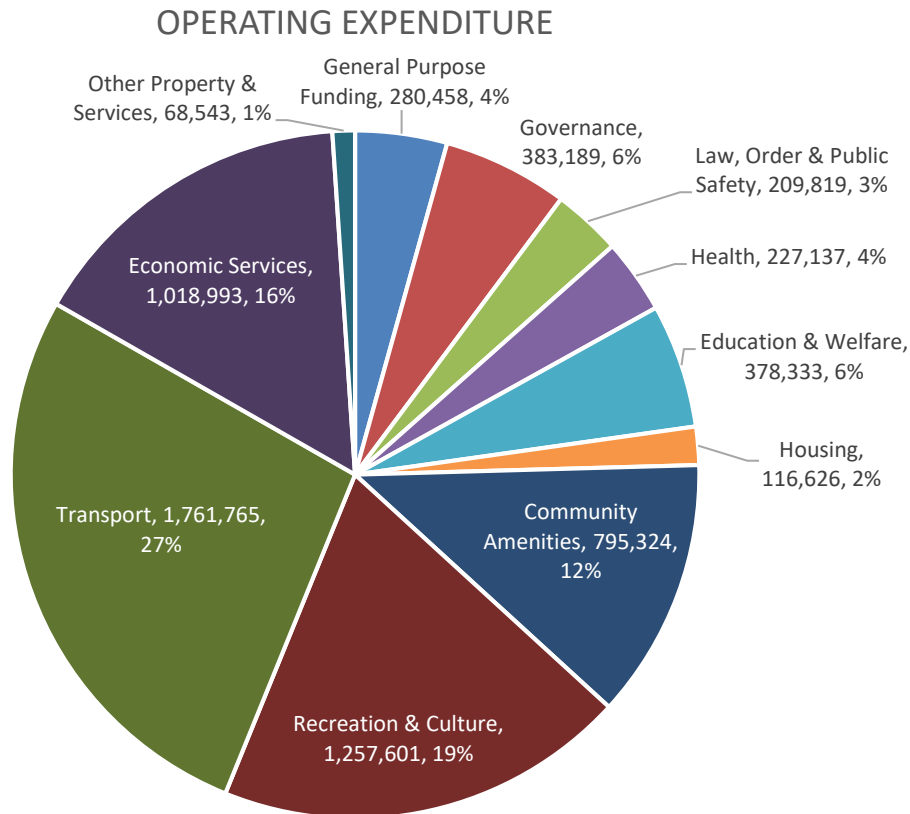
Council sets its rate budget to generate overall revenue for each type of rating and is sympathetic to those ratepayers where increases are higher than average due to increased valuations. Unfortunately, there is little that Councils can do, except encourage those ratepayers unhappy with their valuation, 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	No Properties	Rate Revenue	Average Valuation	Average Rate Revenue
<b>Differential General Rate</b>					
GRV - Residential / Industrial	11.1773	388	\$379,406	8,718	978
GRV - Commercial	7.8681	27	\$74,759	30,751	2,769
GRV - Minesites	15.7362	4	\$83,333	132,396	20,833
GRV - Single Persons Quarter	15.7362	11	\$122,593	71,049	11,145
UV - Rural	1.7487	360	\$1,709,785	267,819	4,749
UV - Mining	17.3058	356	\$1,349,400	21,046	3,790
<b>Minimum Payment</b>					
GRV - Residential / Industrial	500	120	\$60,000		
GRV - Commercial	400	15	\$6,000		
GRV - Minesites	400	3	\$1,200		
GRV - Single Persons Quarter	400	1	\$400		
UV - Rural	400	39	\$15,600		
UV - Mining	400	227	\$90,800		

## 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 (**figures adjusted for Depreciation**).



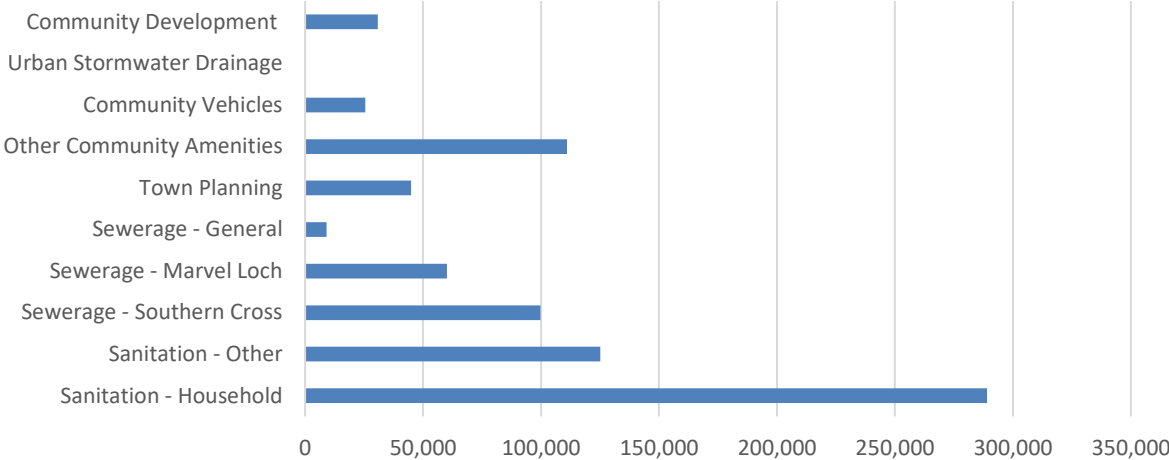
A brief description of the service-oriented activities/programs graphed above are:

<i>GOVERNANCE</i>	To provide a decision-making process for the efficient allocation of scarce resources.
<i>GENERAL PURPOSE FUNDING</i>	To collect revenue to allow for the provision of services.
<i>LAW, ORDER &amp; PUBLIC SAFETY</i>	To provide services to help ensure a safer and environmentally conscious community.
<i>HEALTH</i>	To provide an operational framework for environmental and community health.
<i>EDUCATION AND WELFARE</i>	To provide services to disadvantaged persons, the elderly, children and youth.
<i>HOUSING</i>	To provide and maintain staff, professional and elderly / disabled residents housing.
<i>COMMUNITY AMENITIES</i>	To provide services required by the community such as waste disposal, sewerage, cemetery and Town Planning.
<i>RECREATION AND CULTURE</i>	To establish and effectively manage infrastructure and resource which will help the social well-being of the community.
<i>TRANSPORT</i>	To provide safe, effective and efficient transport services and infrastructure to the community.
<i>ECONOMIC SERVICES</i>	To help promote the shire and its economic wellbeing.
<i>OTHER PROPERTY AND SERVICES</i>	To monitor and control council's overheads operating accounts including plant operations, private works and engineering office expenses.

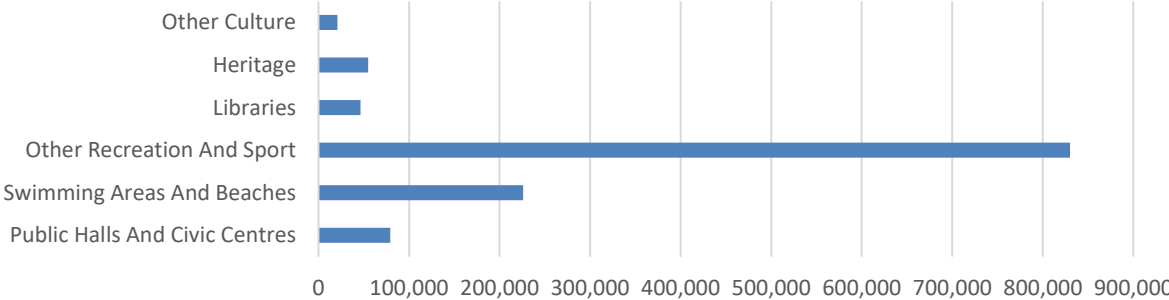


The following charts further breakdown the top 4 expenditure areas into their various sub-programs.

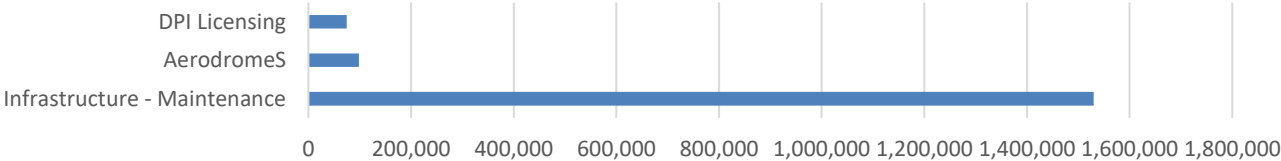
### COMMUNITY AMENITIES



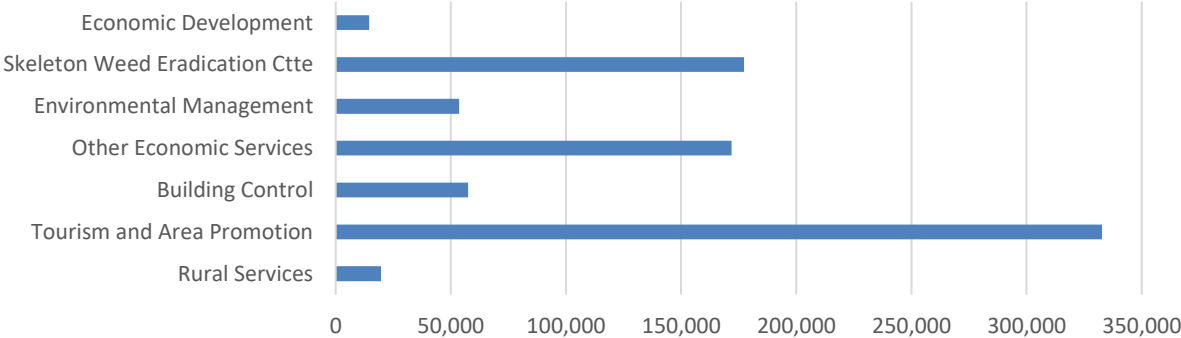
### RECREATION & CULTURE



### TRANSPORT

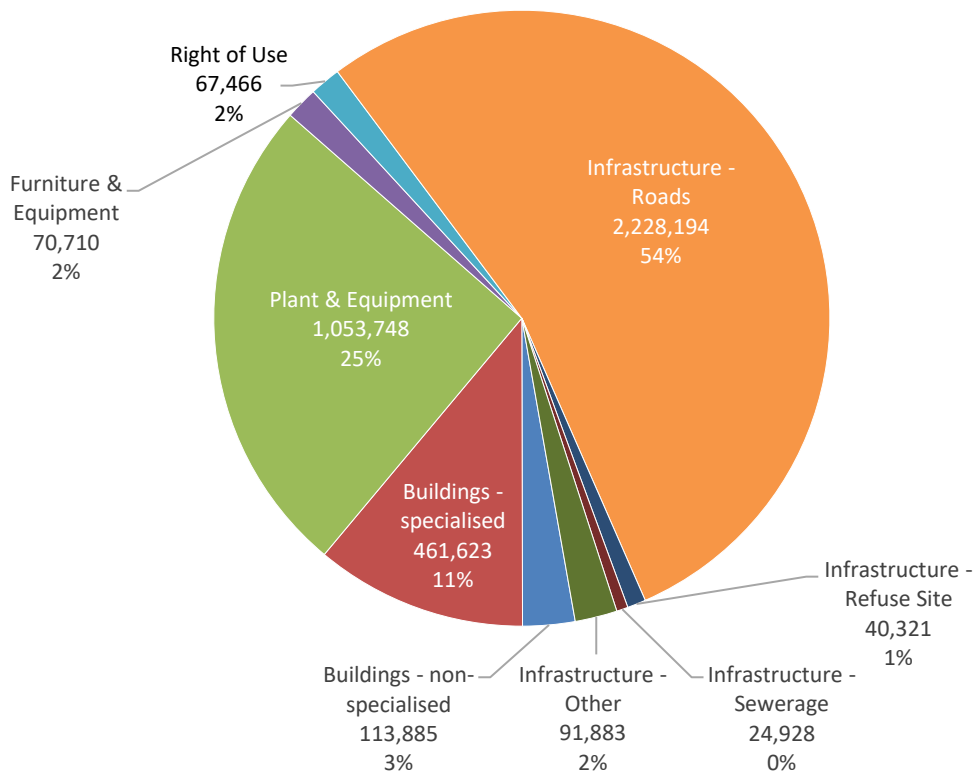


### ECONOMIC SERVICES



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

Capital expenditure in 2018/2019 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 2020-2030**  
 The four-yearly review (Regulation 19C (4)) of Councils Strategic Community Plan is currently underway (Nov 2019) with the involvement of the district’s electors and ratepayers. This process is being carried out through in person community meetings and online surveys. The final version of the 2020-2030 Strategic Community Plan will be presented for Council adoption early in the 2020 calendar year.

- ***Corporate Business Plan 2018/19 to 2022/2023***

This plan was reviewed in 2018/19. 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 2018/2019 to 2023/2024***

The Shire of Yilgarn Forward Capital Works Plan was reviewed in 2018/19 and its content assisted with the formulation of the 2019/20 Budget process.

- ***Adopted 2019/2020 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 2020. Naturally, copies of the 2019/2020 adopted budget, which reflected income and expenditure associated with this Annual Report are also available.

*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)*

M40	6 km's 10mm bitumen reseal	(\$180,064)
Koolyanobbing Road	3 km's constructed to a 7 metre prime seal	(\$566,759)
Koolyanobbing Road	3 km's 10mm bitumen reseal	(\$96,857)
Moorine South Road	9 km's 10mm bitumen reseal	(\$261,662)

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

Cramphorne Road	1.5 km's constructed to a 7 metre prime seal	(\$244,111)
Cramphorne Road	2 km's 10mm bitumen reseal	(\$59,596)
Bodallin South Road	1.5 km's constructed to a 7 metre prime seal	(\$240,375)

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

Koolyanobbing Road	2km's 10mm bitumen reseal	(\$49,533)
Kent Road	2 km's x 9m x 150mm gravel overlay	(\$74,291)
Nulla Nulla South Road	2 km's x 9m x 150mm gravel overlay	(\$76,873)
Southern Cross South Road	2 km's x 9m x 150mm gravel overlay	(\$93,652)
Cockatoo Tank Road	2 km's x 9m x 150mm gravel overlay	(\$86,300)
Emu Fence Road	2 km's x 9m x 150mm gravel overlay	(\$97,489)
Gatley Road	2 km's x 9m x 150mm gravel overlay	(\$95,625)

#### Maintenance Gravel Sheeting

In the 2018/2019 Financial Year Councils maintenance and construction staff have had a very productive year with a total of 6 kilometers of road constructed to a bitumen prime seal stage, 22.5 kilometers of bitumen reseal works carried out and 12 kilometers of gravel sheeting completed. A further one kilometre of maintenance gravel sheeting was also carried out on Brennand Road

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 2018/2019 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 2018/2019 Financial Year council assisted various community groups (*in-kind*) with the following:

#### Car and Collectors Show

Marking out oval, Supplying additional bins, installing/dismantling portable fencing for external alcohol consumption area (\$1,375)

#### Southern Cross District High School

School carnival (\$546)

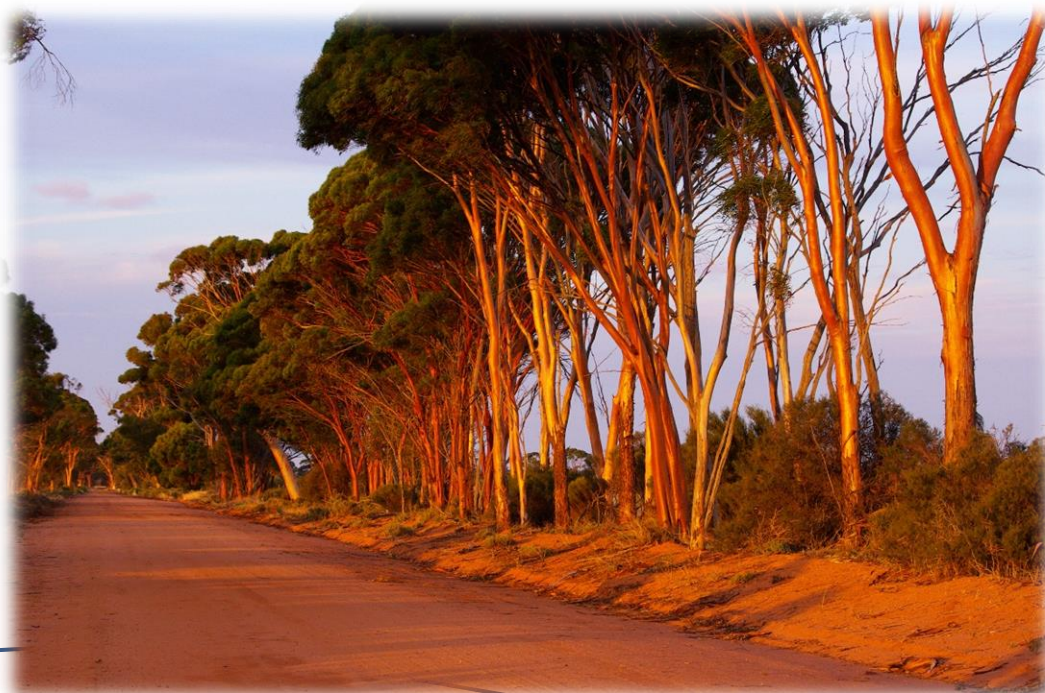
### **Plant Replacement**

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

3 x Tray Back Utility	1 x Dual Cab Utility	1 x Executive Sedan
1 x Flat Deck Truck	1 x Grader	1 x Community Bus

***Robert Bosenberg***

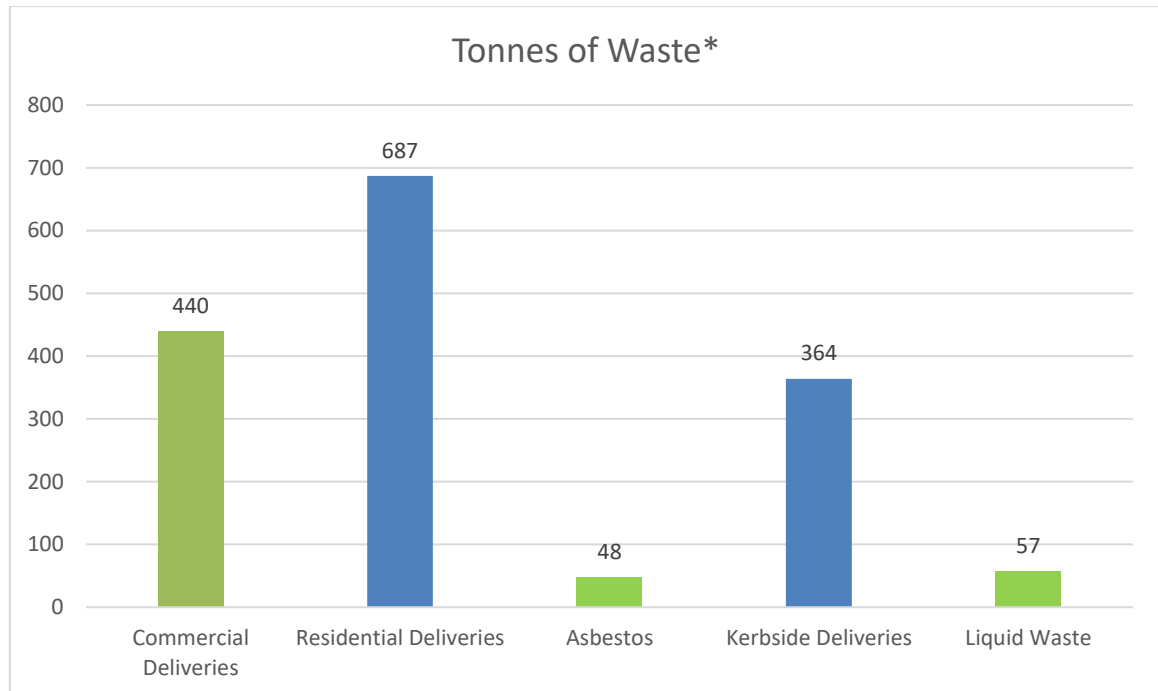
***EXECUTIVE MANAGER INFRASTRUCTURE***



# Executive Manager Regulatory Services

## 1. WASTE

After opening in May of 2018, the new Southern Cross Landfill Facility was operational for its first full year. In the 2018/2019 period the following deposited were made:



\*The values are estimations based on volumes.

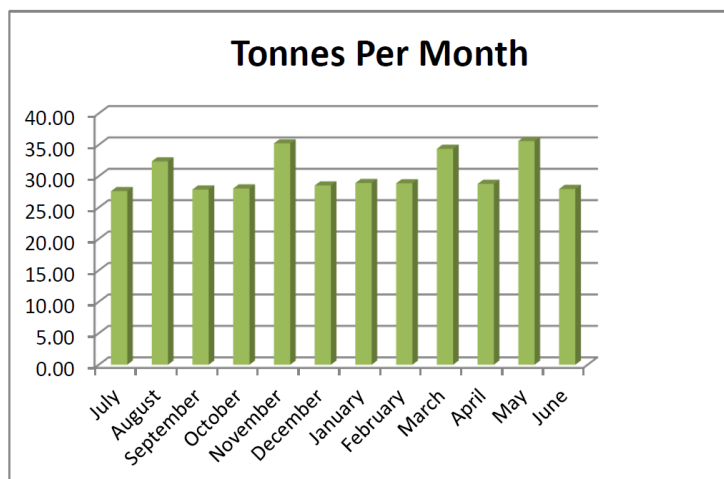
Out of the Commercial and Residential deliveries above, based on an estimated volume, 116 tonnes of green waste was delivered.

The Shire has begun stockpiling green waste, with the option to mulch and re-use, although little demand has been seen for this; or to burn and landfill, which will significantly reduce the amount of materials going into the trenches and extend the life of the landfill site.

The following kerbside and bulk recycling collections were undertaken by Avon waste:

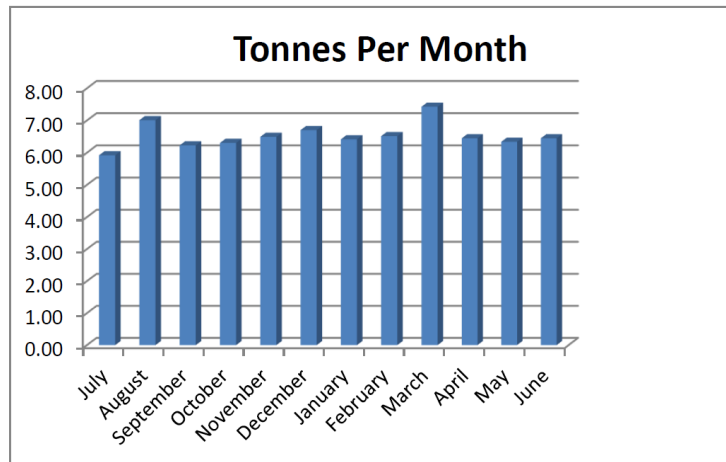
### Kerbside General Rubbish:

Month	Tonnes Per Month
July	27.61
August	32.35
September	27.86
October	28.03
November	35.22
December	28.51
January	28.90
February	28.85
March	34.36
April	28.76
May	35.60
June	27.95
<b>Total</b>	<b>364.00</b>



**Kerbside and Bulk Recycling:**

Month	Tonnes Per Month
July	5.92
August	7.01
September	6.23
October	6.30
November	6.49
December	6.70
January	6.41
February	6.51
March	7.43
April	6.45
May	6.34
June	6.45
<b>Total</b>	<b>78.24</b>



From the above amounts, it is estimated that 15.6 tonnes of bulk recycling was collected.

In the 2018/2019 annual year, \$28,542.26 was collected through waste charges, a significant increase from the previous year where only \$6,947.00 was collected, this is a direct result on the manned tip site.

Unfortunately, a rise in the occurrences of dumped rubbish has been noticed, one individual was fined and staff are actively investigating further incidents, with any identified persons to be dealt with under the Litter Act 1979.

The following facility upgrades were undertaken during the period:

- Perimeter fencing continued;
- DrumMuster enclosure completed; and
- Green waste storage cells erected.

**2. HEALTH, PLANNING & BUILDING**

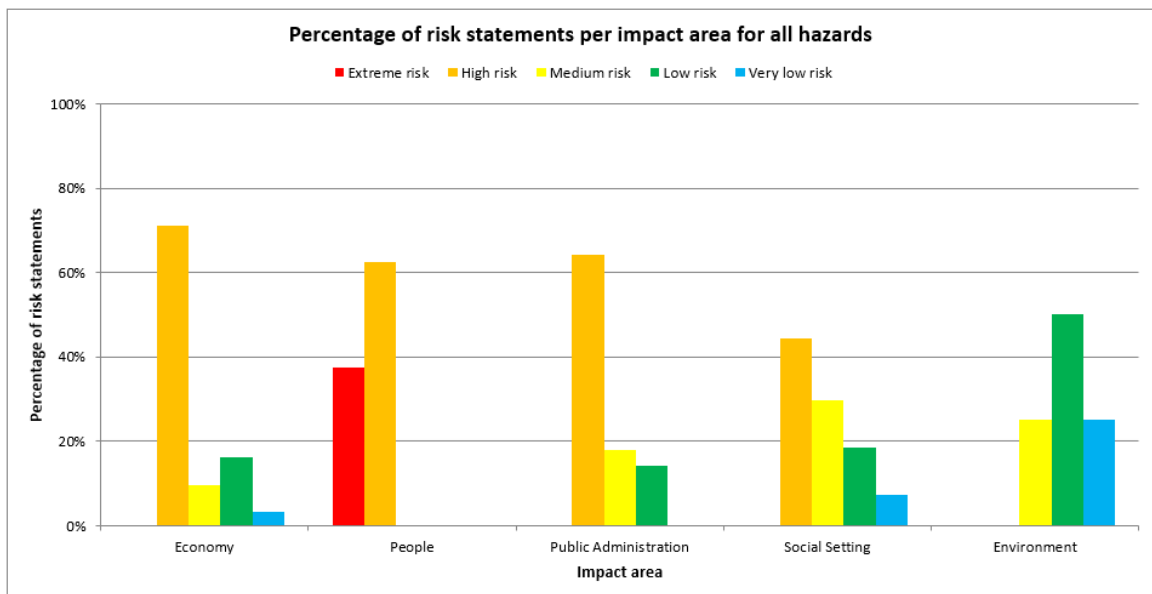
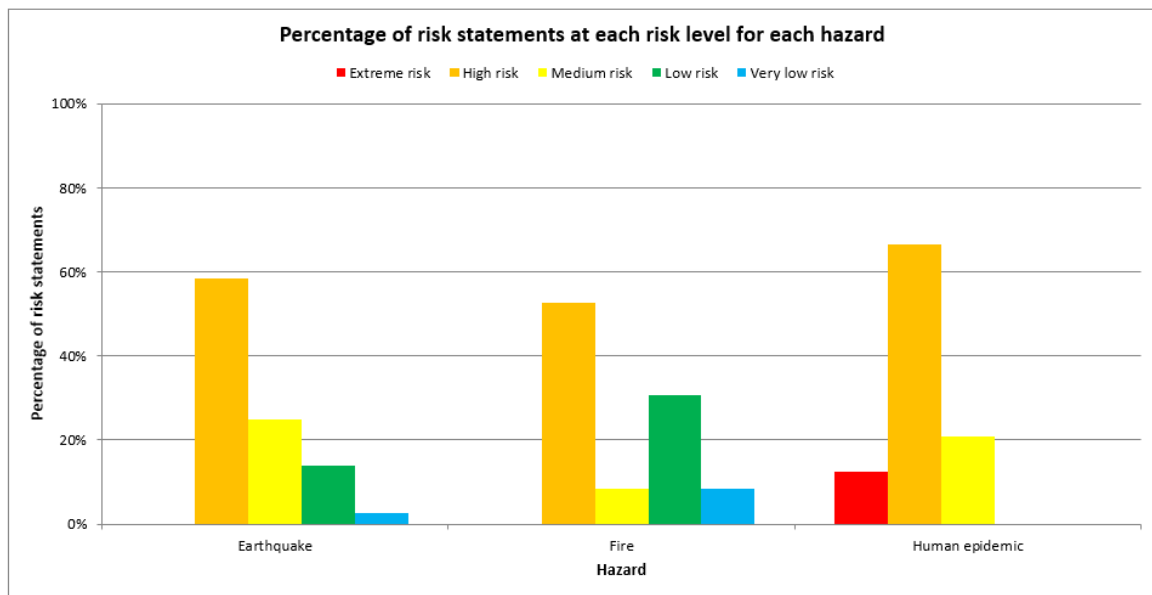
During the reporting period there were:

- 12 Development Applications totalling over \$1,800,000 in expected development costs were approved;
- Nine building permits were issued for constructions totalling more than \$1,051,000 in expected building costs;
- Three sewage treatment systems were approved;
- Six food premise inspections were conducted; &
- Two notices were issued under the Local Government Act 1995.

### 3. LOCAL EMERGENCY MANAGEMENT COMMITTEE (LEMC)

The Shire of Westonia and Yilgarn’s Local Emergency Management Committee (LEMC) met twice throughout the year, to discuss issues related to emergency management preparedness within the two Shires.

On the 21<sup>st</sup> August 2018, the LEMC met with relevant state responders to workshop the Shire’s first three scenarios for the State Risk Project. The LEMC looked at fire, earthquake and human epidemic with a “worst case” scenario posed for each hazard. A number of risk statements for each hazard were posed, with the LEMC risk rating each statement via likelihood versus consequence. The following findings were identified:





#### **4. RANGER SERVICES**

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 2018/2019 the Shire had 97 dog registrations (new and renewed) and 16 cat registrations (new and renewed).

#### **5. SEWAGE**

The Shires treated effluent system discharged 8445 Kilolitres of treated 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 \$21,000 in scheme water costs.

The reuse system had issues with keeping the levels of Suspended Solids down, and as such, an extensive overhaul of the filtration and backwash system was undertaken. The levels of Suspended Solids seem to have lowered significantly and this will be monitored through the Shire's sampling obligations.

#### **8. Yilgarn Volunteer Bush Fire Brigade**

The Volunteer Bush Fire Brigade received a new appliance shed at Moorine Rock through the ESL capital grants. This will house the Moorine Rock 4.4 vehicle, and will allow access to the vehicle for other brigades or the SXVFRS.

The following appointments were made at the September 2018 Bush Fire Advisory Committee Meeting:

Chief Bush Fire Control Officer – Ron Burro  
Deputy Chief Bush Fire Control Officer North – John Roberts  
Deputy Chief Bush Fire Control Officer South – Alan Nicholson

During the period, the following incidents were reported:

Lead Brigade	Date	Location	Type	Suspected Cause
Moorine Rock	20/11/2018	Moorine Rock	Scrub	Crow vs Power Lines
Mt Hampton	16/12/2018	Jilbadgie Reserve	Scrub	Lightning
Bodallin	13/01/2018	Griffiths Street	Scrub	Unknown
Miners Settlement	14/01/2019	Marvel Loch	Rubbish	Unknown
Moorine Rock	08/02/2019	Granich Rd + Nulla Nulla Rd	Scrub	Lighting
Miners Settlement	19/03/2019	Emu Fence Road	Grass	Controlled Burn

*Nic Warren*  
**EXECUTIVE MANAGER REGULATORY SERVICES**



# Manger 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 2018/19:

• Big Morning Tea – free use of Senior Citizen Centre (\$100)
• Candles by Candlelight – free use of Community Centre kitchen (\$70)
• Chiropractor – free use of consultation room in Senior Citizen Centre (\$70 per day)
• Diabetes WA – free use of complex lounge for 1-day (\$180)
• Moorine Rock Primary School - \$100 donation for book prizes
• Pipeline Challenge - overnight camping at oval and use of facilities (\$120)
• Podiatrist – free use of consultation room in Senior Citizen Centre for 2 days and overnight stay at Caravan Park every 7 weeks (\$250 per visit)
• SCDHS - \$100 donation for achievement awards
• SCDHS - use of Community Centre for rehearsals and school concert (\$230)
• SCDHS – use of videoconferencing facilities at CRC (\$50)
• SCDHS P&C - use of Recreation Centre lounge for student disco (\$120)
• Scott’s Walk – free use of rec centre lounge for fundraising event (\$120)
• Southern Cross Hospital – free use of chairs for 50-year anniversary (\$20)
• Southern Cross Football Club – free use of oval for cricket game (\$105)
• Southern Cross Golf Club – free use of Community bus for opening weekend (\$33.66)
• School sporting carnivals - free use of oval and pool (\$315)
• Uniting Church - free use of rec centre lounge for charity bike riders stay (120)
• Various clubs and groups received free Crosswords advertising
• Veterinarian - monthly use of Recreation Centre for consultation (\$70 per visit)
• WACHS – Parenting sessions – free use of CRC conference room (\$40)
• Yilgarn Basketball Association – waiver of annual lease fee for first year (\$1550)
• Yilgarn Entertainers - use of Community Centre for meetings (\$160 per meeting)
• Yilgarn History Museum – free reprint of research books (\$300.40)
• Yilgarn Motor Enthusiast - \$3000 donation towards Car & Bike Show 2018
• Yilgarn Motor Enthusiast - use of Netball Pavilion for meetings & storage
• Yilgarn Motor Enthusiast - use of Recreation Centre for Car & Bike Show 2018, (\$1470)
• Yilgarn Motor Enthusiast – use of Community Centre for fundraising event, (\$160)
• Yilgarn Netball - \$70 medal sponsorship 2018
• Yilgarn Young Entertainers - use of Community Centre for rehearsals and performance (\$230)

## 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 2018/19

Applicant	Equipment/Item	Amount
CWA –SC Branch	Oliso smart iron for patchwork	\$200
Yilgarn Motoring Enthusiast	9 foldable gazebos	\$1337.88
Mt Hampton Tennis Club	Defibrillator	\$1896.80
Mt Hampton Progress Ass.	Fridge	\$1099
SC Tennis Club	Laptop & Microsoft Office for office bearer	\$1203

All recipient purchased the items applied for and acquitted the funding by 30 June 2019.

## 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:

Date	Grantee	Name	Purpose	On behalf of	Amount Applied for	Amount Received
14/09/2019	Sports Australia	Community Sports Infrastructure Grant	Contribution to new aquatic facility	Shire	\$500,000	\$0.00
27/09/2019	Department of Local Government, Sport and Culture	CSRFF	Contribution to new aquatic facility	Shire	\$850,000	\$700,000
17/10/2019	Department of Infrastructure Regional Development	Stronger Communities Program-Focus Tourism	Accessible unisex toilet-Constellation park	Shire	\$8,777	\$8,777

## Functions and events

The Shire of Yilgarn offered a variety of functions and events in 2018/19 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:

24/08/18	Comedy night, well received event with total of 67 people attending
29/08/18	A boy named Cash - Concert very successful with 89 people attending Music workshop attended by ten students age ten
10&11/11/18	Kids – Big weekend out 32 children attended on Saturday and 12 children to the Soccer clinic and game on Sunday, with an average age of 8 years The extremely bad weather conditions on Saturday may have contributed to the low attendance.

## Other business

- **Billeting Student program**

From 11 -15 March 2019 Southern Cross hosted 20 students from Notre Dame and Curtin University. The students were billeted with local residents and visited WA Salt, all schools, the Southern Cross Hospital, General Practice, St John's Ambulance, Pollard's Farm and the Yilgarn History Museum.

All students enjoyed their stay 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. This is a three-year program which means we will welcome students again in March 2020.

- **Mt Hampton Tennis Courts**

The Shire of Yilgarn applied twice for funding from the Department of Local Government, Sport and Cultural Industries, through the Community Sporting and Recreation Facilities Fund (CSRFF) for a co-contribution towards the resurfacing of the two Mt Hampton tennis courts. Both applications were unsuccessfully and therefore Council decided to fully support the project and paid \$28.5000 towards the refurbishment. The Mt Hampton Tennis Club co-contributes \$13.500 in cash and also provided free labour, transport of materials and supplied accommodation and meals for the workers who installed the courts.

fully installed, \$ 42k, 13.5 from club

- **Constellation Park**

Council has received a grant of \$8777 from the Department of Infrastructure, Regional Development and Cities through the Stronger Communities Programme - Focus Tourism to erect a unisex accessible toilet at Constellations Park.

Further plans are to move the current playground equipment closer to the rotunda, install shade and a water fountain.

The park is going to be a toddler friendly facility which will be added to and upgraded annually.

- Wheatbelt Youth Council inaugural meeting with D. Thirlwell (WAPol), M. Everett (Deputy Principal DCDHS) and 2 student councillors
- Saint Fireball donated \$500 towards Senior activities.
- Yilgarn Motoring Enthusiast are using netball pavilion for meetings and one room for storage.
- St. Joseph Primary School submitted a picture for the “shoWcAse in Pixels” exhibition-formerly known as Banners in the Terrace competition. All entries will be displayed on the digital tower at the heart of Yagan Square.

## Caravan Park



Caravan Park successfully re-accredited with Australian Tourism Accreditation Program for 2018/19 which allows the Shire to continue to display the “tick of approval”.

The last two room of the B-side was fully refurbished this year.

The new camper’s kitchen was further equipped with a freezer, chairs and island bench and will receive as last addition a gas cook top in the next financial year.

The Sandalwood lodge veranda received a unified look with new tables and “Yilgarn-blue” chairs.

Relief care taker Petrus Jonker resigned in September 2018 and Phathiwe Mudau resumed his duties in November 2018.

## Swimming pool & new aquatic facility

The 2018/19 pool season was again successful with the pool opening on time on 1 November 2018. Pool Manager Gary Stewart fulfilled his third year of service with the Shire and operated the pool smoothly and without any accidents or incidents.

Council has again made the generous decision to waiver the entry fee to the swimming pool for the 2018/19 season, allowing the community to use the pool free of charge. A total of 8478 patrons attended the pool until its closure for the season on 31 March 2019.

This was the last season for this pool which served the community for almost 60 years as council has obtained funding and saved a substantial amount in trust to build a new aquatic facility for the community.

Due to funding and acquittal obligations, Council had to make the hard decision to forgo one season without a swimming pool, which means that there will be no swimming pool facility in 2019/20.

Tenders were invited for the design of the new facility and Council has awarded the tender to Donovan Payne Architects from Perth at the May Council meeting.

# CRC

## 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 2019/20.
- Molly Philipps received a 12 months traineeship with the CRC and Shire
- CRC participated in the price collection for the 2018/2019 Regional Price Index for a fee of \$500
- Sarah Pollard started work experience at the CRC, once a week for 2 hours

## Future funding

In April 2018 a new funding model was proposed, 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 was anticipated to be announced in 2018/19.

In August 2018 the Hon. Alannah MacTiernan MLC, Minister for Regional Development announced that the funding for all CRC has been reinstated until and a new agreement is in place until June 2020.

## Functions

The CRC has offered 21 functions covering IT workshops, health and wellbeing sessions, business related and general topics, with a total of 366 people attending single sessions, and 64 of those people returning to attend follow up sessions. One function was 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.

14/09/18	Men's Night Out, Glenn Mitchell and Regional Men's Health speaking about men's mental and physical health, 30 men attended the event with positive feedback from those who attended
14/10/18	Libra Colour Fun Run Very successful event with high number of early registrations and a total of 73 attending besides rain and cooler temperatures.
17/11/18	Christmas shopping day Well received and frequented event with 12 stall and around 60 patrons throughout the day
09/03/19	Ladies Day Very successful and well received day with a total of 52 ladies attending. Attendance was down compared to last year by 19.
Ongoing	Boot scooting and Yoga Both have been proven very popular and will continue

## Grant funding

The CRC applied for the following grants to support projects in 2018/19:

Date	Grantee	Name	Purpose	On behalf of	Amount Applied for	Amount Received
17/08/2019	COTA	Seniors Week- Celtic Illusion-a night out for the seniors	Theatre visit	CRC	\$973.70	\$973.70
31/08/2019	WAAMH WA association of Mental Health	WA Mental Health Week	Contribution toward Libra Colour Fun Run	CRC	\$409.10	\$409.10
22/02/2019	DPIRD	Regional traineeship program	Contribution toward trainee position	CRC/Shire	\$30,000	\$30,000

*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	2
\$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 2018-2019 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 2018/2019 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 2019/2020 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 and based on the revised timeframes, will now be reviewed by September 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 reviewed by September 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 is currently undertaking a community consultation process for the new 2020 - 2030 Plan which will be adopted in June 2020.

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 2019/2020 major projects to be undertaken are roadworks including the following:**

Korda/Bullfinch Rd 6 km 10mm Bitumen Reseal (SLK 9.0-15.0)	187k
Koolyanobbing Rd-3km Construct to 7m & Seal (SLK 8.0-11.0)	593k
Koolyanobbing Rd-3km 10mm Bitumen Reseal (SLK 5.0-8.0)	98K
Moorine South Rd-8km 10mm Bitumen Reseal (SLK 8.5-16.5)	263k
Cramphorne Rd-1.5km Bitumen Reseal-(SLK 7.0-8.5 )	51k
Cramphorne Rd 2.5km Formation & Gravel Overlay (SLK 19.3-21.8)	114k
Bodallin South Road-2.7km 10mm Bitumen Reseal (SLK 0.0-2.7)	89k
Bodallin South Rd-1.1km Construct to 7m & Seal (SLK 4.9-6.0)	390k
Southern Cross South Rd-3km Form & Gravel Overlay (SLK 13.4-16.4)	142k
Gatley Rd-2.5km Formation and Gravel Overlay (SLK 0.0-2.5)	119K
Kent Rd-2km Formation & Gravel Overlay (SLK 18.3-20.3km)	93k
Nulla Nulla South Rd-2km Formation & Gravel Overlay (SLK 35.5-37.5)	93k
Cockatoo Tank Rd-2km Formation & Gravel Overlay (SLK 5.0-7.0)	108k
Emu Fence Rd-2km Formation & Gravel Overlay (SLK 135.5-137.5)	98k
Koolyanobbing Rd-2km 10mm Bitumen Reseal (SLK 25.0-27.0)	57k
Three Boys Rd-1.4km Construct to 7m Seal (SLK 1.9-3.3)	261k
Acheneer St-Bitumen Reseal, Altair to Spica Street	60k
Antares St- Sealing and Kerbing Corner Parking Area	33k
Footpath Construction-Lennenberg St & Spica St	79k
General Road Maintenance	1.3m

**Building Maintenance and Construction including the following:**

Construction Mount Hampton Fire Appliance Shed	47k
Install Automatic Doors & Replace Cabinetry at Medical Centre	28k
Various Shire Housing Upgrades and Renewals	42k
Construct Public Toilets at Constellation Park	30k
Kitchenette & Septic Sheds at Men’s Shed	17k
Replace Swimming Pool Complex	4.3m
Recreation Centre Improvements including Stage 2 of Roof Replacement	365k
Replace Soft Fall Surface at Yilgarn Bowls and Tennis Club	50k
Repair and Paint External Wall and Install Toilet at Historical Museum	106k
Various Depot Upgrades	64k
Renovations to Two Sandalwood Lodge Units at the Caravan Park	80k
Various Upgrades at the Shire Administration Building	41k

**Major Purchase of Plant Include**

Major Plant	CAT Smooth Drum Vibrating Roller, 8 Wheel Truck, Skid Steer Loader
Light Vehicles	Works Ute x1, EMI Ute, EMCS Executive SUV, Parks and Gardens Ute x 1



***2018-2019***

***Annual Financial  
Report***

***&***

***Independent  
Auditors Report***



**SHIRE OF YILGARN**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2019**

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**COMMUNITY VISION**

A strong, vibrant and progressive Shire that retains strength in its 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

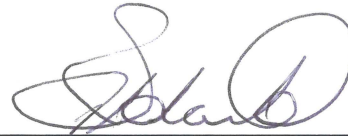
**SHIRE OF YILGARN  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019**

*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 2019 is based on proper accounts and records to present fairly the financial position of the Shire of Yilgarn at 30 June 2019 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 19<sup>th</sup> day of December 2019



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Peter Clarke  
Chief Executive Officer

SHIRE OF YILGARN  
STATEMENT OF COMPREHENSIVE INCOME  
BY NATURE OR TYPE  
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	2019 Actual \$	2019 Budget \$	Restated 2018 Actual \$
<b>Revenue</b>				
Rates	25(a)	3,842,363	3,901,988	3,675,024
Operating grants, subsidies and contributions	2(a)	3,601,111	1,547,122	2,803,605
Fees and charges	2(a)	1,229,179	1,174,058	1,098,632
Interest earnings	2(a)	275,102	209,837	211,777
Other revenue	2(a)	267,419	158,000	228,364
		9,215,174	6,991,005	8,017,402
<b>Expenses</b>				
Employee costs		(3,247,786)	(2,988,383)	(2,956,211)
Materials and contracts		(1,343,155)	(2,002,092)	(1,021,240)
Utility charges		(461,631)	(426,892)	(401,919)
Depreciation on non-current assets	10(b)	(6,633,239)	(8,017,000)	(6,429,444)
Insurance expenses		(277,287)	(261,938)	(246,268)
Other expenditure		(168,466)	(165,382)	(145,199)
		(12,131,564)	(13,861,687)	(11,200,281)
		(2,916,390)	(6,870,682)	(3,182,879)
Non-operating grants, subsidies and contributions	2(a)	1,862,810	1,519,579	2,710,880
Profit on asset disposals	10(a)	106,558	56,411	36,780
(Loss) on asset disposals	10(a)	(134,050)	(101,550)	(513,614)
Fair value adjustments to financial assets at fair value through profit or loss	7(b)	70,068	0	0
		1,905,386	1,474,440	2,234,046
<b>Net result for the period</b>		<b>(1,011,004)</b>	<b>(5,396,242)</b>	<b>(948,833)</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	11	442	0	2,789,208
<b>Total other comprehensive income for the period</b>		<b>442</b>	<b>0</b>	<b>2,789,208</b>
<b>Total comprehensive income for the period</b>		<b>(1,010,562)</b>	<b>(5,396,242)</b>	<b>1,840,375</b>

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



**SHIRE OF YILGARN**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30TH JUNE 2019**

	NOTE	2019 Actual \$	2019 Budget \$	Restated 2018 Actual \$
<b>Revenue</b>				
	2(a)			
General purpose funding		7,384,245	5,285,737	6,187,418
Law, order, public safety		53,665	73,110	52,291
Health		1,076	6,000	1,542
Education and welfare		197,694	165,680	193,786
Housing		77,783	91,000	90,358
Community amenities		625,257	588,094	534,897
Recreation and culture		34,453	31,850	42,951
Transport		46,896	82,900	161,658
Economic services		587,692	531,170	527,543
Other property and services		206,413	135,464	224,958
		9,215,174	6,991,005	8,017,402
<b>Expenses</b>				
	2(a)			
Governance		(443,248)	(439,463)	(353,251)
General purpose funding		(279,185)	(252,824)	(296,001)
Law, order, public safety		(449,288)	(418,840)	(602,985)
Health		(246,906)	(269,767)	(228,373)
Education and welfare		(520,596)	(564,458)	(509,579)
Housing		(234,629)	(336,771)	(246,754)
Community amenities		(925,653)	(4,020,927)	(3,889,815)
Recreation and culture		(1,763,175)	(1,825,561)	(1,536,540)
Transport		(6,215,314)	(4,630,482)	(2,612,269)
Economic services		(1,001,358)	(1,027,767)	(839,435)
Other property and services		(52,212)	(74,827)	(85,279)
		(12,131,564)	(13,861,687)	(11,200,281)
		(2,916,390)	(6,870,682)	(3,182,879)
Non-operating grants, subsidies and contributions	2(a)	1,862,810	1,519,579	2,710,880
Profit on disposal of assets	10(a)	106,558	56,411	36,780
(Loss) on disposal of assets	10(a)	(134,050)	(101,550)	(513,614)
Fair value adjustments to financial assets at fair value through profit or loss	7(b)	70,068	0	0
		1,905,386	1,474,440	2,234,046
<b>Net result for the period</b>		<b>(1,011,004)</b>	<b>(5,396,242)</b>	<b>(948,833)</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	11	442	0	2,789,208
<b>Total other comprehensive income for the period</b>		<b>442</b>	<b>0</b>	<b>2,789,208</b>
<b>Total comprehensive income for the period</b>		<b>(1,010,562)</b>	<b>(5,396,242)</b>	<b>1,840,375</b>

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

SHIRE OF YILGARN  
STATEMENT OF FINANCIAL POSITION  
AS AT 30TH JUNE 2019

	NOTE	2019	Restated*	Restated*
		\$	2018	1 July 2017
		\$	\$	\$
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	3	10,299,161	7,827,723	6,469,459
Trade receivables	5	541,353	776,056	587,554
Other financial assets	7(a)	6,000	6,000	0
Inventories	6	29,909	39,137	85,850
<b>TOTAL CURRENT ASSETS</b>		<b>10,876,423</b>	<b>8,648,916</b>	<b>7,142,863</b>
<b>NON-CURRENT ASSETS</b>				
Trade receivables	5	53,584	61,210	58,260
Other financial assets	7(b)	71,568	1,500	0
Property, plant and equipment	8(a)	29,190,095	29,697,238	27,952,003
Infrastructure	9(a)	227,991,102	230,347,290	231,780,718
<b>TOTAL NON-CURRENT ASSETS</b>		<b>257,306,349</b>	<b>260,107,238</b>	<b>259,790,981</b>
<b>TOTAL ASSETS</b>		<b>268,182,772</b>	<b>268,756,154</b>	<b>266,933,844</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	12	633,810	278,470	347,000
Employee related provisions	14	522,232	454,755	417,828
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,156,042</b>	<b>733,225</b>	<b>764,828</b>
<b>NON-CURRENT LIABILITIES</b>				
Employee related provisions	14	79,840	65,477	51,939
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>79,840</b>	<b>65,477</b>	<b>51,939</b>
<b>TOTAL LIABILITIES</b>		<b>1,235,882</b>	<b>798,702</b>	<b>816,767</b>
<b>NET ASSETS</b>		<b>266,946,890</b>	<b>267,957,452</b>	<b>266,117,077</b>
<b>EQUITY</b>				
Retained surplus		58,944,687	60,431,238	61,855,391
Reserves - cash backed	4	6,581,763	6,106,216	5,630,896
Revaluation surplus	11	201,420,440	201,419,998	198,630,790
<b>TOTAL EQUITY</b>		<b>266,946,890</b>	<b>267,957,452</b>	<b>266,117,077</b>

\*see note 31 for details regarding the restatement as a change in accounting policy.

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

**SHIRE OF YILGARN**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30TH JUNE 2019**

	NOTE	RESTATED RETAINED SURPLUS	RESERVES CASH BACKED	REVALUATION SURPLUS	TOTAL EQUITY
		\$	\$	\$	\$
<b>Balance as at 1 July 2017</b>		<b>62,142,419</b>	<b>5,630,896</b>	<b>198,630,790</b>	<b>266,404,105</b>
Change in Accounting Policy	31	(287,028)	0	0	(287,028)
<b>Balance as at 1 July 2017 (Restated)</b>		<b>61,855,391</b>	<b>5,630,896</b>	<b>198,630,790</b>	<b>266,117,077</b>
Comprehensive income					
Net result for the period (restated)		(948,833)	0	0	(948,833)
Other Comprehensive income	11	0	0	2,789,208	2,789,208
Total comprehensive income		(948,833)	0	2,789,208	1,840,375
Transfers from/(to) reserves		(475,320)	475,320	0	0
<b>Balance as at 30 June 2018 (Restated)</b>		<b>60,431,238</b>	<b>6,106,216</b>	<b>201,419,998</b>	<b>267,957,452</b>
Comprehensive income					
Net result for the period		(1,011,004)	0	0	(1,011,004)
Other Comprehensive income	11	0	0	442	442
Total comprehensive income		(1,011,004)	0	442	(1,010,562)
Transfers from/(to) reserves		(475,547)	475,547	0	0
<b>Balance as at 30 June 2019</b>		<b>58,944,687</b>	<b>6,581,763</b>	<b>201,420,440</b>	<b>266,946,890</b>

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

SHIRE OF YILGARN  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		4,139,521	4,251,988	3,433,030
Operating grants, subsidies and contributions		3,601,111	1,547,122	2,801,497
Fees and charges		1,179,135	1,174,058	1,098,632
Interest received		275,102	209,837	211,777
Goods and services tax received		583,075	0	519,183
Other revenue		256,935	158,000	228,364
		10,034,879	7,341,005	8,292,483
<b>Payments</b>				
Employee costs		(2,847,189)	(2,988,383)	(2,903,167)
Materials and contracts		(1,320,553)	(1,947,092)	(1,049,026)
Utility charges		(461,631)	(426,892)	(401,919)
Insurance paid		(277,287)	(261,938)	(246,268)
Goods and services tax paid		(554,167)	0	(482,643)
Other expenditure		(168,786)	(165,382)	(149,511)
		(5,629,613)	(5,789,687)	(5,232,534)
<b>Net cash provided by (used in) operating activities</b>	15	4,405,266	1,551,318	3,059,949
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	9(a)	(1,742,896)	(2,131,468)	(1,835,672)
Payments for construction of infrastructure	9(a)	(2,385,326)	(2,723,871)	(2,903,523)
Non-operating grants, subsidies and contributions	2(a)	1,862,810	1,519,579	2,710,880
Proceeds from sale of property, plant & equipment	10(a)	331,584	305,500	314,630
<b>Net cash provided by (used in) investment activities</b>		(1,933,828)	(3,030,260)	(1,713,685)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from self supporting loans		0	6,000	12,000
<b>Net cash provided by (used in) financing activities</b>		0	6,000	12,000
<b>Net increase (decrease) in cash held</b>		2,471,438	(1,472,942)	1,358,264
Cash at beginning of year		7,827,723	7,826,566	6,469,459
<b>Cash and cash equivalents at the end of the year</b>	15	10,299,161	6,353,624	7,827,723

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

SHIRE OF YILGARN  
RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	2019 Actual	2019 Budget	Restated 2018 Actual
		\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
Net current assets at start of financial year - surplus/(deficit)	26	2,002,036	2,002,036	960,246
		2,002,036	2,002,036	960,246
<b>Revenue from operating activities (excluding rates)</b>				
General purpose funding		3,574,968	1,755,854	2,546,233
Law, order, public safety		53,665	73,110	52,291
Health		1,076	1,000	1,542
Education and welfare		197,694	165,680	193,786
Housing		77,783	84,500	90,358
Community amenities		625,257	580,594	534,897
Recreation and culture		34,453	31,850	42,951
Transport		153,454	65,459	198,438
Economic services		587,692	531,170	527,543
Other property and services		276,481	161,316	224,958
		5,582,523	3,450,533	4,412,997
<b>Expenditure from operating activities</b>				
Governance		(443,248)	(464,463)	(353,251)
General purpose funding		(279,185)	(320,824)	(296,001)
Law, order, public safety		(449,288)	(418,840)	(1,054,200)
Health		(246,906)	(281,767)	(234,850)
Education and welfare		(520,596)	(568,458)	(509,579)
Housing		(234,629)	(336,771)	(246,754)
Community amenities		(966,063)	(1,178,220)	(3,891,283)
Recreation and culture		(1,763,175)	(1,896,523)	(1,567,746)
Transport		(6,296,204)	(5,961,752)	(2,635,517)
Economic services		(1,001,358)	(1,027,767)	(839,437)
Other property and services		(64,962)	(114,827)	(85,279)
		(12,265,614)	(12,570,212)	(11,713,897)
Non-cash amounts excluded from operating activities	26	6,612,333	6,139,939	6,904,603
<b>Amount attributable to operating activities</b>		1,931,278	(977,704)	563,949
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	2(a)	1,862,810	1,691,515	2,710,880
Proceeds from disposal of assets	10(a)	331,584	305,500	314,630
Purchase of property, plant and equipment	9(a)	(1,742,896)	(1,627,853)	(1,835,672)
Purchase and construction of infrastructure	9(a)	(2,385,326)	(2,610,872)	(2,903,523)
<b>Amount attributable to investing activities</b>		(1,933,828)	(2,241,710)	(1,713,685)
<b>FINANCING ACTIVITIES</b>				
Proceeds from self supporting loans	12(b)	0	0	12,000
Transfers to reserves (restricted assets)	4	(1,105,450)	(634,335)	(1,771,830)
Add Back: movement in leave reserve (restricted assets)	26	91,733	0	(26,095)
Transfers from reserves (restricted assets)	4	629,903	950,548	1,296,512
<b>Amount attributable to financing activities</b>		(383,814)	316,213	(489,413)
<b>Surplus/(deficit) before imposition of general rates</b>		(386,364)	(2,903,201)	(1,639,149)
<b>Total amount raised from general rates</b>	25	3,809,277	3,901,952	3,641,185
<b>Surplus/(deficit) after imposition of general rates</b>	26	<b>3,422,913</b>	<b>998,751</b>	<b>2,002,036</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 Interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying 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 recreational facility of State or regional significance. Consequently, some assets, including land under roads acquired on or after 1 July 2008, have not been recognised in this financial report. This is not *Under Roads paragraph 15* and *AASB 116 Property, Plant and Equipment paragraph 7*.

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the report has been prepared on the accrual basis and is based on historical costs, modified,

### 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.

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 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 statements of those monies appears at Note 28 to these financial statements.

## 2. REVENUE AND EXPENSES

### (a) Revenue

#### Grant Revenue

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

	2019 Actual \$	2019 Budget \$	2018 Actual \$
<b>Operating grants, subsidies and contributions</b>			
General purpose funding	3,229,862	1,163,412	2,292,438
Law, order, public safety	45,347	54,510	44,749
Education and welfare	138,261	98,800	127,132
Community amenities	0	1,000	800
Transport	9,401	54,400	130,894
Economic services	178,240	175,000	207,592
	<b>3,601,111</b>	<b>1,547,122</b>	<b>2,803,605</b>
<b>Non-operating grants, subsidies and contributions</b>			
Law, order, public safety	38,308	51,000	679,435
Recreation and culture	182,979	0	25,000
Transport	1,641,523	1,468,579	2,004,470
Economic services	0	0	1,975
	<b>1,862,810</b>	<b>1,519,579</b>	<b>2,710,880</b>
<b>Total grants, subsidies and contributions</b>	<b>5,463,921</b>	<b>3,066,701</b>	<b>5,514,485</b>

#### SIGNIFICANT ACCOUNTING POLICIES

##### Grants, donations and other contributions

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

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

##### Grants, donations and other contributions (Continued)

a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 24.

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

## 2. REVENUE AND EXPENSES (Continued)

### (a) Revenue (Continued)

#### Other revenue

Reimbursements and recoveries  
 Other

#### Fees and Charges

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

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

#### Interest earnings

Reserve accounts interest  
 Rates instalment and penalty interest (refer Note 25(c))  
 Other interest earnings

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
	102,816	69,500	94,927
	164,603	88,500	133,437
	267,419	158,000	228,364
	12,581	7,000	9,034
	4,318	4,600	3,542
	1,076	1,000	1,542
	58,599	65,880	63,140
	77,783	91,000	90,358
	624,189	576,594	531,333
	19,723	13,850	16,272
	4,395	5,500	7,714
	396,916	356,170	319,388
	29,599	52,464	56,309
	1,229,179	1,174,058	1,098,632
	150,515	134,337	125,108
	91,889	65,500	78,675
	32,698	10,000	7,994
	275,102	209,837	211,777

### SIGNIFICANT ACCOUNTING POLICIES

#### Interest earnings

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

#### Interest earnings (Continued)

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes



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

**(b) Expenses**

**Auditors remuneration**

- Audit of the Annual Financial Report
- Other services

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
	46,442	36,300	27,141
	2,500	4,500	9,267
	48,942	40,800	36,408

### 3. CASH AND CASH EQUIVALENTS

	NOTE	2019	2018
		\$	\$
Cash at bank and on hand		10,299,161	7,827,723
		10,299,161	7,827,723
<b>Comprises:</b>			
- Unrestricted cash and cash equivalents		3,078,759	1,574,365
- Restricted cash and cash equivalents		7,220,402	6,253,358
		10,299,161	7,827,723
The following restrictions have been imposed by regulations or other externally imposed requirements:			
<b>Reserve accounts</b>			
Leave Reserve	4	290,294	198,561
Plant Replacement Reserve	4	477,612	731,907
Building Reserve	4	679,390	778,966
Airport Reserve	4	239,753	233,865
Sewerage Reserve	4	541,713	528,409
Mt Hampton / Dulyalbin Reserve	4	31,277	30,509
Recreation Facility Reserve	4	2,811,956	1,961,271
Homes for the Aged Reserve	4	391,595	381,977
Refuse Disposal Reserve	4	236,541	445,325
Community Bus Reserve	4	125,338	122,260
Health Services Reserve	4	233,805	228,062
HVRIC Reserve	4	215,451	165,607
Youth Development Reserve	4	108,521	105,856
Tourism Reserve	4	198,517	193,641
		6,581,763	6,106,216
<b>Other restricted cash and cash equivalents</b>			
Bonds and Deposits	12	316,497	0
Unspent Grants	24	322,142	147,142
<b>Total restricted cash and cash equivalents</b>		7,220,402	6,253,358

#### 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.

SHIRE OF YILGARN  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30TH JUNE 2019

4. RESERVES - CASH BACKED

	2019 Actual Opening Balance	2019 Actual Transfer to	2019 Actual Transfer (from)	2019 Actual Closing Balance	2019 Budget Opening Balance	2019 Budget Transfer to	2019 Budget Transfer (from)	2019 Budget Closing Balance	2018 Actual Opening Balance	2018 Actual Transfer to	2018 Actual Transfer (from)	2018 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Leave Reserve	198,561	115,836	(24,103)	290,294	198,561	4,368	0	202,929	224,655	5,577	(31,671)	198,561
(b) Plant Replacement Reserve	731,907	15,705	(270,000)	477,612	731,906	16,102	(307,000)	441,008	420,856	311,051	0	731,907
(c) Building Reserve	778,966	18,424	(118,000)	679,390	778,967	17,137	(262,165)	533,939	564,484	214,482	0	778,966
(d) Airport Reserve	233,865	5,888	0	239,753	233,865	5,145	0	239,010	130,428	103,437	0	233,865
(e) Land Development Reserve	0	0	0	0	0	0	0	0	60,208	519	(60,727)	0
(f) Sewerage Reserve	528,409	13,304	0	541,713	528,409	11,625	0	540,034	515,490	12,919	0	528,409
(g) Mt Hampton / Dulyalbin Reserve	30,509	768	0	31,277	30,509	671	0	31,180	29,763	746	0	30,509
(h) Recreation Facility Reserve	1,961,271	850,685	0	2,811,956	1,961,271	543,148	0	2,504,419	986,714	974,557	0	1,961,271
(i) Homes for the Aged Reserve	381,977	9,618	0	391,595	381,977	8,403	(93,483)	296,897	372,638	9,339	0	381,977
(j) Refuse Disposal Reserve	445,325	9,016	(217,800)	236,541	445,326	9,797	(225,000)	230,123	434,438	10,887	0	445,325
(k) Community Bus Reserve	122,260	3,078	0	125,338	122,260	2,690	(117,500)	7,450	119,271	2,989	0	122,260
(l) Health Services Reserve	228,062	5,743	0	233,805	228,061	0	0	228,061	203,786	24,276	0	228,062
(m) Unspent Grants Reserve	0	0	0	0	0	0	0	0	1,128,580	0	(1,128,580)	0
(n) HVRIC Reserve	165,607	49,844	0	215,451	165,607	3,643	0	169,250	72,523	93,084	0	165,607
(o) Youth Development Reserve	105,856	2,665	0	108,521	105,856	2,329	0	108,185	103,268	2,588	0	105,856
(p) ICT Equipment and Furniture Reserve	0	0	0	0	0	0	0	0	74,886	646	(75,532)	0
(q) Tourism Reserve	193,641	4,876	0	198,517	193,641	4,260	0	197,901	188,907	4,734	0	193,641
	6,106,216	1,105,450	(629,903)	6,581,763	6,106,216	629,318	(1,005,148)	5,730,386	5,630,896	1,771,830	(1,296,510)	6,106,216

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
(a) Leave Reserve	Ongoing	To be used to fund Long Service Leave requirements.
(b) Plant Replacement Reserve	Ongoing	To be used for the purchase of major plant.
(c) Building Reserve	Ongoing	To be used for major construction and improvements to Council's Buildings.
(d) Airport Reserve	Ongoing	To be used for the upkeep and any major upgrade works to the Southern Cross Airport.
(e) Land Development Reserve	Closed	To be used for the acquisition of land in the Southern Cross townsite for future expansion of the town.
(f) Sewerage Reserve	Ongoing	Water Schemes.
(g) Mt Hampton / Dulyalbin Reserve	Ongoing	Water from these facilities.
(h) Recreation Facility Reserve	Ongoing	To be used To fund any major projects relating To Recreation within the community.
(i) 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.
(j) 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.
(k) Community Bus Reserve	Ongoing	To provide a conduit Reserve of the proceeds from the hire of the Yilgarn Community Bus.
(l) Health Services Reserve	Ongoing	To be used to maintain the Health Service GP practice and associated assets.
(m) Unspent Grants Reserve	Ongoing	To provide adequate record keeping and disclosure of tied grants received, the source of funds and related expenditure.
(n) HVRIC Reserve	Ongoing	To provide adequate disclosure of funds received under the HVRIC and the relevant road funds are expended on.
(o) Youth Development Reserve	Ongoing	To be used for the development of Youth in the Yilgarn District.
(p) ICT Equipment and Furniture Reserve	Ongoing	To be used for the future of Councils computer systems and furniture and equipment.
(q) Tourism Reserve	Ongoing	To be used to fund tourism in the Yilgarn District.

## 5. TRADE RECEIVABLES

### Current

Rates receivable	
Sundry receivables	
GST receivable	
ESL Levied	
Allowance for impairment of receivables	

### Non-current

Pensioner's rates and ESL deferred	
------------------------------------	--

2019	2018
\$	\$
435,466	716,170
62,213	34,226
53,653	42,116
5,046	3,390
(15,025)	(19,846)
541,353	776,056
53,584	61,210
53,584	61,210

### 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.

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

#### Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 27.

#### Previous accounting policy: Impairment of trade receivables

In the prior year, the impairment of trade receivables was assessed based on the incurred loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively to determine whether there was objective evidence that an impairment had been incurred but not yet identified. For these receivables the estimated impairment losses were recognised in a separate provision for impairment.

#### Classification and subsequent measurement

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.

Trade receivables are held with the objective to collect the contractual cashflows and therefore measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.

## 6. INVENTORIES

### Current

Stock on Hand

### Carrying amount at 1 July

Inventories expensed during the year

### Carrying amount at 30 June

	2019	2018
	\$	\$
	29,909	39,137
	29,909	39,137
	39,137	85,850
	(9,228)	(46,713)
	29,909	39,137

## 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.

### Land held for resale

Land held for development and resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development.

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

## 7. OTHER FINANCIAL ASSETS

### (a) Current assets

Other loans and receivables

2019	2018
\$	\$
6,000	6,000
6,000	6,000

### Financial assets previously classified as loans and receivables

- Loans receivable - clubs/institutions

6,000	6,000
6,000	6,000

### (b) Non-current assets

Other loans and receivables

1,500	1,500
-------	-------

Financial assets at fair value through profit and loss

70,068	0
71,568	1,500

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

*Unlisted equity investments- Local Government House Trust*

70,068	0
70,068	0

### Financial assets previously classified as loans and receivables

- Loans receivable - clubs/institutions

1,500	1,500
1,500	1,500

During the year, the following gains/(losses) were recognised in profit and loss:

Fair value gains/(losses) on equity investments at fair value through profit

and loss are recognised in other gains/(losses) and classified as other

property and services

70,068	0
70,068	0

Units in Local Government House were recognised at their fair value as at 30 June 2018. Changes in the fair value of units in Local Government House recognised as a non-current financial asset at fair value through profit and loss have not been recognised nor considered as they are unlikely to be material and unable to be reliably determined at the time of preparation of these Statements.

### SIGNIFICANT ACCOUNTING POLICIES

#### Other financial assets at amortised cost

The Shire classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

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

The Shire classifies the following financial assets at fair value through profit and loss:

- debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- equity investments which the Shire has not elected to recognise fair value gains and losses through other comprehensive income.

#### Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 27.

### SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Previous accounting policy: available for sale financial assets

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

#### Previous accounting policy: Loans and receivables

Non-derivative financial assets with fixed or determinable payments that were not quoted in an active market and are solely payments of principal and interest were classified as loans and receivables and are subsequently measured at amortised cost, using the effective interest rate method.

## 8. PROPERTY, PLANT AND EQUIPMENT

### (a) 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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance as at 1 July 2017 (Restated)</b>	1,272,031	1,053,475	2,325,506	4,126,132	14,740,400	18,866,532	21,192,038	32,422	6,727,543	27,952,003
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)
Assets written off	15,000	0	15,000	0	(17,552)	(17,552)	(2,552)	0	700	(1,852)
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)
<b>Carrying amount at 30 June 2018 (Restated)</b>	1,251,000	1,053,475	2,304,475	4,124,500	16,683,542	20,808,042	23,112,517	23,179	6,561,542	29,697,238
<b>Comprises:</b>										
Gross carrying amount at 30 June 2018	1,251,000	1,053,475	2,304,475	4,124,500	16,683,542	20,808,042	23,112,517	40,987	7,963,046	31,116,550
Accumulated depreciation at 30 June 2018	0	0	0	0	0	0	0	(17,808)	(1,401,504)	(1,419,312)
<b>Carrying amount at 30 June 2018 (Restated)</b>	1,251,000	1,053,475	2,304,475	4,124,500	16,683,542	20,808,042	23,112,517	23,179	6,561,542	29,697,238
Additions	0	0	0	113,885	461,623	575,508	575,508	70,710	1,096,678	1,742,896
(Disposals)	0	0	0	0	(40,410)	(40,410)	(40,410)	(12,750)	(305,916)	(359,076)
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	0	0	0	0	0	35,414	(34,972)	442
Depreciation (expense)	0	0	0	(184,129)	(924,051)	(1,108,180)	(1,108,180)	(1,443)	(781,782)	(1,891,405)
<b>Carrying amount at 30 June 2019</b>	1,251,000	1,053,475	2,304,475	4,054,256	16,180,704	20,234,960	22,539,435	115,110	6,535,550	29,190,095
<b>Comprises:</b>										
Gross carrying amount at 30 June 2019	1,251,000	1,053,475	2,304,475	4,238,385	17,102,208	21,340,593	23,645,068	115,110	6,535,550	30,295,728
Accumulated depreciation at 30 June 2019	0	0	0	(184,129)	(921,504)	(1,105,633)	(1,105,633)	0	0	(1,105,633)
	1,251,000	1,053,475	2,304,475	4,054,256	16,180,704	20,234,960	22,539,435	115,110	6,535,550	29,190,095

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

### (b) 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 assessments (Level 3) inputs
Buildings - non-specialised	Level 2	Market Approach using observable market data or similar properties	Independent registered Valuers	June 2018	Price per square metre
Buildings - specialised	Level 3	Market Approach using observable market data or similar properties	Independent registered Valuers	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Furniture and equipment	Level 2	Market Approach using observable market data or similar assets	Management valuation	June 2019	Price per items
Plant and equipment	Level 2	Market Approach using observable market data or similar assets	Independent Valuers and Management Valuation	June 2019	Price per items
Furniture and equipment	Level 3	Cost approach using depreciated replacement cost	Independent Valuers and Management Valuation	June 2019	Purchase costs and current condition, residual values and remaining useful life assessments inputs
Plant and equipment	Level 3	Cost approach using depreciated replacement cost	Independent Valuers and Management Valuation	June 2019	Purchase costs and current condition, residual values and remaining useful life assessments inputs

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

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



## 9. INFRASTRUCTURE

### (a) 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 -						Parks and	Aerodromes	Other (inc	Total
	Roads & Laneways	Footpaths	Drainage	Refuse site	Sewerage	Townscape	Ovals		Digital Infra)	Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance as at 1 July 2017- Restated</b>	169,782,989	1,547,317	51,945,292	158,260	3,919,125	5,250	137,650	952,150	3,332,685	231,780,718
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)
Assets written off	0	0	0	0	0	0	6,164	0	0	6,164
<b>Carrying amount at 30 June 2018</b>	169,404,491	1,464,801	50,785,885	219,982	3,901,367	1,855	138,618	939,070	3,491,221	230,347,290
<b>Comprises:</b>										
Gross carrying amount at 30 June 2018	172,311,420	1,547,317	51,945,292	233,593	3,988,698	5,250	151,489	952,150	3,559,732	234,694,941
Accumulated depreciation at 30 June 2018	(2,906,929)	(82,516)	(1,159,407)	(13,611)	(87,331)	(3,395)	(12,871)	(13,080)	(68,511)	(4,347,651)
<b>Carrying amount at 30 June 2018</b>	169,404,491	1,464,801	50,785,885	219,982	3,901,367	1,855	138,618	939,070	3,491,221	230,347,290
Additions	2,228,194	0	0	40,321	24,928	29,729	0	0	62,154	2,385,326
Assets Written (off)/back	0	0	0	4,100	0	1,743	1,668	0	(7,191)	320
Depreciation (expense)	(4,381,053)	(100,336)	(119,150)	(4,918)	(16,509)	(223)	(1,179)	(19,012)	(99,454)	(4,741,834)
Transfer	48,935,677	0	(48,935,677)	0	0	0	0	0	0	0
<b>Carrying amount at 30 June 2019</b>	216,187,309	1,364,465	1,731,058	259,485	3,909,786	33,104	139,107	920,058	3,446,730	227,991,102
<b>Comprises:</b>										
Gross carrying amount at 30 June 2019	366,073,727	2,748,917	3,074,478	273,914	4,013,625	34,979	148,189	952,150	3,614,487	380,934,466
Accumulated depreciation at 30 June 2019	(149,886,418)	(1,384,452)	(1,343,420)	(14,429)	(103,839)	(1,875)	(9,082)	(32,092)	(167,757)	(152,943,364)
<b>Carrying amount at 30 June 2019</b>	216,187,309	1,364,465	1,731,058	259,485	3,909,786	33,104	139,107	920,058	3,446,730	227,991,102

SHIRE OF YILGARN  
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FOR THE YEAR ENDED 30TH JUNE 2019

9. INFRASTRUCTURE (Continued)

(b) Fair Value Measurements

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

## 10. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE)

### SIGNIFICANT ACCOUNTING POLICIES

#### Fixed assets

Each class of fixed assets within either 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 where the fair value of the asset at date of acquisition is equal to or above \$5,000. All assets are 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 and no more than five 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.

### AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

#### 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 Standard AASB 1051 Land Under Roads* and the fact *Local Government (Financial Management) Regulation 16(a)(i)* prohibits local governments from recognising such land as an asset.

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

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

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

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**10. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE) (Continued)**

**(a) Disposals of Assets**

	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss	2019 Budget Net Book Value	2019 Budget Sale Proceeds	2019 Budget Profit	2019 Budget Loss	2018 Actual Net Book Value	2018 Actual Sale Proceeds	2018 Actual Profit	2018 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Buildings - specialised	40,410	0	0	(40,410)	0	0	0	0	25,331	0	0	(25,331)
Furniture and equipment	12,750	0	0	(12,750)	0	0	0	0	0	0	0	0
Plant and equipment	305,916	331,584	106,558	(80,890)	350,639	305,500	56,411	(101,550)	766,133	314,630	36,780	(488,283)
	359,076	331,584	106,558	(134,050)	350,639	305,500	56,411	(101,550)	791,464	314,630	36,780	(513,614)

The following assets were disposed of during the year.

	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss
	\$	\$	\$	\$
<b>Buildings- Specialised</b>				
<b>Community amenities</b>				
Mt Hampton Tennis Club	40,410	0	0	(40,410)
	40,410	0	0	(40,410)
<b>Furniture and equipment</b>				
<b>Other property and services</b>				
CRC0001 - CRC Photocopier	8,500	0	0	(8,500)
CRC0001 - CANON PHOTOCOPIER	4,250	0	0	(4,250)
	12,750	0	0	(12,750)
<b>Plant and equipment</b>				
<b>Transport</b>				
TRAILER - COMMUNITY BUS	1,400	0	0	(1,400)
TRAILER - BOX CAR (GREY)	1,200	0	0	(1,200)
GRADER - JOHN DEERE 770G - 1GJO560	134,501	85,000	0	(49,501)
TRAILER - JOHN PAPAS - GARDENERS(YL7404)	1,080	0	0	(1,080)
ROAD BROOM	1,000	0	0	(1,000)
UTE - 2015 TOYOTA LANDCRUISER 70 SC(YL38)	24,743	46,818	22,075	0
UTE - 2015 TOYOTA LANDCRUISER WORKMATE(YL5067)	15,745	43,455	27,710	0
UTE - 2015 TOYOTA HILUX - YL13	20,963	28,182	7,219	0
2016 TOYOTA KLUGER GRANDE AWD - YL1	0	32,187	32,187	0
UTE - 2016 FORD XSL RANGER DUAL 4X4 - YL252	15,886	30,033	14,147	0
BUS - FUSO ROSA STANDARD 4.9L MANUAL	44,976	27,273	0	(17,703)
TRUCK - 2013 FUSO FIGHTER 1024 CAB CHASSIS(YL329)	44,006	35,000	0	(9,006)
BOOM SPRAY - SKELETON WEED LAD	416	3,636	3,220	0
	305,916	331,584	106,558	(80,890)
	359,076	331,584	106,558	(134,050)

## 10. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE) (Continued)

### (b) Depreciation

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Buildings - non-specialised	184,129	293,146	191,539
Buildings - specialised	924,051	868,667	949,129
Furniture and equipment	1,443	9,414	9,243
Plant and equipment	781,782	472,698	936,418
Infrastructure - Roads & Laneways	4,381,053	2,954,129	2,906,929
Footpaths	100,336	84,046	82,516
Drainage	119,150	3,130,353	1,159,407
Refuse site	4,918	13,863	13,611
Sewerage	16,509	88,950	87,331
Townscape	223	3,458	3,395
Parks and Ovals	1,179	8,701	8,335
Aerodromes	19,012	13,322	13,080
Other (inc Digital Infra)	99,454	69,569	68,511
Laneways	0	6,683	0
	6,633,239	8,017,000	6,429,444

### 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.

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.

#### Depreciation rates

Typical estimated useful lives for the different asset classes for the current and prior years are included in the table below:

Asset Class	Useful life
Buildings	5 to 50 years
Furniture and equipment	6 to 20 years
Plant and equipment	4 to 20 years
Sealed roads and streets formation	not depreciated
pavement seal	50 years
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads formation	not depreciated
pavement	50 years
Footpaths	20-27 years
Sewerage piping	100 years
Water supply piping and drainage systems	75 years
Refuse site	33-50 years

#### Depreciation (Continued)

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.

11. REVALUATION SURPLUS

	2019 Opening Balance	2019 Revaluation Increment	2019 Revaluation (Decrement)	Total Movement on Revaluation	2019 Closing Balance	2018 Opening Balance	2018 Revaluation Increment	2018 Revaluation (Decrement)	Total Movement on Revaluation	2018 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land and Buildings	10,694,824	0	0	0	10,694,824	10,730,855	0	(36,031)	(36,031)	10,694,824
Revaluation surplus - Buildings - non-specialised	18,503	0	0	0	18,503	0	18,503	0	18,503	18,503
Revaluation surplus - Buildings - specialised	2,806,736	0	0	0	2,806,736	0	2,806,736	0	2,806,736	2,806,736
Revaluation surplus - Furniture and equipment	21,871	35,414	0	35,414	57,285	21,871	0	0	0	21,871
Revaluation surplus - Plant and equipment	2,299,879	0	(34,972)	(34,972)	2,264,907	2,299,879	0	0	0	2,299,879
Revaluation surplus - Infrastructure - Roads & Laneways	122,800,813	0	0	0	122,800,813	122,800,813	0	0	0	122,800,813
Revaluation surplus - Footpaths	1,549,051	0	0	0	1,549,051	1,549,051	0	0	0	1,549,051
Revaluation surplus - Drainage	56,442,078	0	0	0	56,442,078	56,442,078	0	0	0	56,442,078
Revaluation surplus - Sewerage	2,703,283	0	0	0	2,703,283	2,703,283	0	0	0	2,703,283
Revaluation surplus - Parks and Ovals	396,014	0	0	0	396,014	396,014	0	0	0	396,014
Revaluation surplus - Aerodromes	1,686,946	0	0	0	1,686,946	1,686,946	0	0	0	1,686,946
	201,419,998	35,414	(34,972)	442	201,420,440	198,630,790	2,825,239	(36,031)	2,789,208	201,419,998

Movements on revaluation of property, plant and equipment (including infrastructure) 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.

## 12. TRADE AND OTHER PAYABLES

### Current

Sundry creditors
Accrued salaries and wages
ATO liabilities
Bonds and Deposits (refer to Note 3)

2019	2018
\$	\$
212,988	199,614
29,225	26,965
75,100	51,891
316,497	0
<b>633,810</b>	<b>278,470</b>

### SIGNIFICANT ACCOUNTING POLICIES

#### Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect

#### Trade and other payables (Continued)

of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

### 13. INFORMATION ON BORROWINGS

	2019	2018
<b>(a) Undrawn Borrowing Facilities</b>	<b>\$</b>	<b>\$</b>
<b>Credit Standby Arrangements</b>		
Credit card limit	15,000	15,000
Credit card balance at balance date	(3,211)	(1,077)
<b>Total amount of credit unused</b>	<b>11,789</b>	<b>13,923</b>

#### 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.



## 14. EMPLOYEE RELATED PROVISIONS

### Employee Related Provisions

#### Opening balance at 1 July 2018

Current provisions

Non-current provisions

Additional provision

#### Balance at 30 June 2019

#### Comprises

Current

Non-current

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2018			
Current provisions	282,336	172,419	454,755
Non-current provisions	0	65,477	65,477
	282,336	237,896	520,232
Additional provision	28,888	52,952	81,840
Balance at 30 June 2019	311,224	290,848	602,072
Comprises			
Current	311,224	211,008	522,232
Non-current	0	79,840	79,840
	311,224	290,848	602,072

#### Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date

More than 12 months from reporting date

	2019	2018
	\$	\$
Less than 12 months after the reporting date	311,224	282,336
More than 12 months from reporting date	290,848	237,896
	602,072	520,232

Timing of the payment of current leave liabilities is difficult to determine as it is dependent on future decisions of employees. Expected settlement timings are based on information obtained from employees and historical leave trends and assumes no events will occur to impact on these historical trends.

### 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.

## 15 NOTES TO THE STATEMENT OF CASH FLOWS

### Reconciliation of Cash

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

	2019 Actual	2019 Budget	Restated 2018 Actual
	\$	\$	\$
Cash and cash equivalents	10,299,161	6,353,624	7,827,723

### Reconciliation of Net Cash Provided By Operating Activities to Net Result

Net result	(1,011,004)	(5,396,242)	(948,833)
Non-cash flows in Net result:			
Fair value adjustments to financial assets at fair value through profit or loss	(70,068)	0	0
Assets written back	(320)	0	(4,312)
Depreciation	6,633,239	8,017,000	6,429,444
(Profit)/loss on sale of asset	27,492	45,139	476,834
Changes in assets and liabilities:			
(Increase)/decrease in receivables	242,329	350,000	(207,562)
(Increase)/decrease in inventories	9,228	(10,000)	46,713
Increase/(decrease) in payables	355,340	65,000	(71,920)
Increase/(decrease) in provisions	81,840	0	50,465
Grants contributions for the development of assets	(1,862,810)	(1,519,579)	(2,710,880)
Net cash from operating activities	4,405,266	1,551,318	3,059,949

## 16 TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2019	Restated 2018
	\$	\$
Governance	4,247,575	912,740
General purpose funding	494,541	1,660,273
Law, order, public safety	4,047,502	3,623,488
Health	673,534	722,561
Education and welfare	4,367,448	4,975,992
Housing	3,472,420	2,817,484
Community amenities	7,616,279	54,682,099
Recreation and culture	15,432,940	15,158,401
Transport	218,206,927	176,482,332
Economic services	1,893,094	1,831,399
Other property and services	7,320,808	5,765,362
Unallocated	409,704	120,633
	<b>268,182,772</b>	<b>268,752,764</b>

## 17. CONTINGENT LIABILITIES

### Contaminated Sites

The Shire of Yilgarn has identified the following sites, in relation to land owned, vested or leased that is known to be or suspected of being contaminated and at the time of this report the value and timing of remediation has not been ascertained:-

- (1) Southern Cross- Reserve 378902, , Southern Cross South Rd
- (2) Bullfinch-Reserve 13731, Bullfinch/Southern Cross Rd
- (3) Marvel Loch-UCL, Marvel Loch/Forrestania Rd
- (4) Moorine Rock-Reserve 20911, Great Eastern Highway
- (5) Bodallin- Reserve 19674, Bodallin South Rd

## 18. POST BALANCE SHEET EVENTS

The Shire does not have any known subsequent event at the reporting date.

## 19. JOINT ARRANGEMENTS

The Shire had no joint arrangement with any other Shires as at 30 June 2019 and 30 June 2018.

## 20. MAJOR LAND TRANSACTIONS

The Shire did not participate in any major land transactions during the 2018/19 financial year.

## 21. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Shire did not participate in any trading undertakings and major trading undertakings during the 2018/19 financial year.

## 22. CAPITAL AND LEASING COMMITMENTS

### (a) Capital Expenditure Commitments

The Shire does not have any capital commitments as at 30 June 2019 and 30 June 2018.

### (b) Operating Lease Commitments

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

Payable:

- not later than one year
- later than one year but not later than five years
- later than five years

2019	2018
\$	\$
14,232	0
40,264	0
0	0
<b>54,496</b>	<b>0</b>

### SIGNIFICANT ACCOUNTING POLICIES

#### Leases

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

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

#### Leases (Continued)

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

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight line basis over the lease term.

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

## 23. RELATED PARTY TRANSACTIONS

### Elected Members Remuneration

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

	<b>2019 Actual</b>	<b>2019 Budget</b>	<b>2018 Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Meeting Fees	25,900	26,500	23,600
President's Allowance	8,000	8,000	8,000
Deputy President's Allowance	2,000	2,000	2,000
Travelling Expenses	2,968	5,000	3,722
Telecommunications Allowance	18,971	18,060	2,338
	<b>57,839</b>	<b>59,560</b>	<b>39,660</b>

### Key Management Personnel (KMP) Compensation Disclosure

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

	<b>2019 Actual</b>	<b>2018 Actual</b>
	<b>\$</b>	<b>\$</b>
Short-term employee benefits	519,053	474,831
Post-employment benefits	75,661	56,169
Other long-term benefits	13,315	14,803
	<b>608,029</b>	<b>545,803</b>

#### *Short-term employee benefits*

These amounts include all salary, 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.

## 23. RELATED PARTY TRANSACTIONS (Continued)

### 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:	2019 Actual	2018 Actual
	\$	\$
Sale of goods and services	280,230	2,867
Purchase of goods and services	4,850	102,765

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

#### *i. Key management personnel*

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

#### *ii. Other Related Parties*

The associate person of KMP was employed by the Shire under normal employment terms and conditions.

#### *iii. Entities subject to significant influence by the Shire*

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

## 24. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	Opening Balance <sup>(1)</sup>	Received <sup>(2)</sup>	Expended <sup>(3)</sup>	Closing Balance <sup>(1)</sup>	Received <sup>(2)</sup>	Expended <sup>(3)</sup>	Closing Balance
	1/07/17	2017/18	2017/18	30/06/18	2018/19	2018/19	30/06/19
	\$	\$	\$	\$	\$	\$	\$
<b>Governance</b>							
DLG - Strategic Planning	12,740	0	0	12,740	0	0	12,740
<b>Recreation and culture</b>							
Sport & Recreation Grant - Swimming Pool	0	0	0	0	175,000	0	175,000
<b>Transport</b>							
Heavy Vehicle Road Improvement Condition	103,887	121,549	(93,034)	132,402	49,844	(49,844)	132,402
<b>Education and Welfare</b>							
Kidsporty Grant	2,434	0	(434)	2,000	0	0	2,000
<b>Total</b>	<b>119,061</b>	<b>121,549</b>	<b>(93,468)</b>	<b>147,142</b>	<b>224,844</b>	<b>(49,844)</b>	<b>322,142</b>

**Notes:**

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

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

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

SHIRE OF YILGARN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019

25. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	2018/19 Actual Rateable Value \$	2018/19 Actual Rate Revenue \$	2018/19 Actual Interim Rates \$	2018/19 Actual Back Rates \$	2018/19 Actual Total Revenue \$	2018/19 Budget Rate Revenue \$	2018/19 Budget Interim Rate \$	2018/19 Budget Back Rate \$	2018/19 Budget Total Revenue \$	2017/18 Actual Total Revenue \$
<b>Differential general rate / general rate</b>												
<b>Gross rental valuations</b>												
Residential/ Industrial	0.111773	389	3,362,596	375,847	6,781	0	382,628	370,566	0	0	370,566	319,048
Commercial	0.078681	27	830,275	65,718	6,792	0	72,510	63,949	0	0	63,949	77,160
Minesites	0.157362	4	529,564	83,333	0	0	83,333	83,333	0	0	83,333	18,629
Single Persons Quarters	0.157362	11	781,534	121,895	0	0	121,895	308,999	0	0	308,999	263,331
<b>Unimproved valuations</b>												
Rural	0.017487	360	96,414,731	1,680,106	1,067	0	1,681,173	1,686,013	0	0	1,686,013	1,657,852
Mining	0.173058	356	7,492,415	1,294,613	53,496	9,253	1,357,362	1,315,307	0	0	1,315,307	1,256,971
<b>Sub-Total</b>		1,147	109,411,115	3,621,512	68,136	9,253	3,698,901	3,828,167	0	0	3,828,167	3,592,991
<b>Minimum payment</b>	\$											
<b>Gross rental valuations</b>												
Residential/ Industrial	500	120	202,986	60,000	0	0	60,000	61,500	0	0	61,500	63,500
Commercial	400	15	180,611	6,000	0	0	6,000	6,000	0	0	6,000	2,800
Minesites	400	3	2,409	1,200	0	0	1,200	1,200	0	0	1,200	1,200
Single Persons Quarters	400	1	400	400	0	0	400	400	0	0	400	400
<b>Unimproved valuations</b>												
Rural	400	39	390,945	15,600	0	0	15,600	15,600	0	0	15,600	15,600
Mining	400	227	661,518	90,800	9,891	0	100,691	96,000	0	0	96,000	104,271
<b>Sub-Total</b>		405	1,438,869	174,000	9,891	0	183,891	180,700	0	0	180,700	187,771
		1,552	110,849,984	3,795,512	78,027	9,253	3,882,792	4,008,867	0	0	4,008,867	3,780,762
Excess rates							29,360				0	0
Discounts/concessions (refer Note 25(b))							(102,875)				(140,000)	(139,577)
<b>Total amount raised from general rate</b>							3,809,277				3,868,867	3,641,185
Ex-gratia rates							33,086				33,085	33,839
<b>Totals</b>							3,842,363				3,901,988	3,675,024

**SIGNIFICANT ACCOUNTING POLICIES**

**Rates**

Control over assets acquired from rates is obtained at the receipt of the rates.



25 RATING INFORMATION (Continued)

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

Rates Discounts

Rate or Fee Discount Granted	Discount	Discount	2019 Actual	2019 Budget	2018 Actual	Circumstances in which Discount is Granted
	%	\$	\$	\$	\$	
All GRV & UV Rate Types (Excluding Sewerage, ESL and Household & Recycling water collection charges)	5.00%	140,000	102,875	140,000	139,577	Rates paid within 35 days of the date of issue noted on the rate notice
		140,000	102,875	140,000	139,577	



## 25. RATING INFORMATION (Continued)

### (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	7/09/2018	0	0%	11.00%
<b>Option Two</b>				
First instalment	7/09/2018	0	5.50%	11.00%
Second instalment	9/11/2018	10	5.50%	11.00%
<b>Option Three</b>				
First instalment	7/09/2018	0	5.50%	11.00%
Second instalment	9/11/2018	10	5.50%	11.00%
Third instalment	11/01/2019	10	5.50%	11.00%
Fourth instalment	8/03/2019	10	5.50%	11.00%

	Actual \$	Budget \$	Actual \$
Interest on unpaid rates	91,889	65,000	78,675
Charges on instalment plan	11,530	4,500	4,750
	<u>103,419</u>	<u>69,500</u>	<u>83,425</u>

## 26. RATE SETTING STATEMENT INFORMATION

	2018/19 (30 June 2019 Carried Forward)	2018/19 Budget (30 June 2019 Carried Forward)	Restated 2018/19 (1 July 2018 Brought Forward)
Note	\$	\$	\$
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
<b>Adjustments to operating activities</b>			
	(319)	0	(4,312)
Less:- Assets (written back) / on			
Less: Profit on asset disposals	(106,558)	(56,411)	(36,780)
Movement in pensioner deferred rates (non-current)	7,626	0	(16,450)
Movement in employee benefit provisions (non-current)	14,363	0	19,087
Add: Loss on disposal of assets	134,050	101,550	513,614
Add: Fair Value adjustments to financial assets at fair value	(70,068)	0	0
Add: Depreciation on assets	6,633,239	6,094,800	6,429,444
<b>Non cash amounts excluded from operating activities</b>	<b>6,612,333</b>	<b>6,139,939</b>	<b>6,904,603</b>
<b>Adjustments to net current assets</b>			
Less: Reserves - restricted cash	(6,581,762)	(5,735,403)	(6,106,216)
Less: Loans receivable - clubs/institutions	(6,000)	0	(6,000)
Add: Cash Backed Leave Reserves	290,294	198,561	198,561
<b>Total adjustments to net current assets</b>	<b>(6,297,468)</b>	<b>(5,536,842)</b>	<b>(5,913,655)</b>
<b>Net current assets used in the Rate Setting Statement</b>			
Total current assets	10,876,423	7,286,227	8,645,526
Less: Total current liabilities	(1,156,042)	(750,634)	(729,835)
Less: Total adjustments to net current assets	(6,297,468)	(5,536,842)	(5,913,655)
<b>Net current assets used in the Rate Setting Statement</b>	<b>3,422,913</b>	<b>998,751</b>	<b>2,002,036</b>

## 27. FINANCIAL RISK MANAGEMENT

This note explains the Shire's exposure to financial risks and how these risks could affect the Shire's future financial performance.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables and financial assets	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
Liquidity risk	other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

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 finance area identifies, evaluates and manages financial risks in close co-operation with the operating divisions. Council have approved the overall risk management policy and provide policies on specific areas such as investment policy.

### (a) Interest rate risk

#### Cash and cash equivalents

The Shire's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the Shire to cash flow interest rate risk.

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the Shire to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents are reflected in the table below.

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
<b>2019</b>					
Cash and cash equivalents	0.95%	10,299,161	0	10,297,811	1,350
<b>2018</b>					
Cash and cash equivalents	0.98%	7,827,723	0	7,826,373	1,350

#### Sensitivity

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.

	2019	2018
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	102,992	78,277

\* Holding all other variables constant

#### Borrowings

The Shire does not have any borrowings as at 30 June 2019 and 30 June 2018.

## 27. FINANCIAL RISK MANAGEMENT (Continued)

### (b) Credit risk

#### Trade Receivables

The Shire's major receivables comprise rates annual charges and user fees and charges. 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

The Shire applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable.

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2018 or 30 June 2019 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors. There are no material receivables that have been subject to a re-negotiation of repayment terms.

The loss allowance as at 30 June 2019 and 1 July 2018 (on adoption of AASB 9) was determined as follows for rates receivable. No expected credit loss was forecast on 1 July 2018 or 30 June 2019 for rates receivable as penalty interest applies to unpaid rates and properties associated with unpaid rates may be disposed of to recover unpaid rates.

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
<b>30 June 2019</b>					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	4,987	257,864	78,666	147,533	489,050
Loss allowance	0	0	0	0	0

#### 01 July 2018

Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	11.19%	
Gross carrying amount	10,331	371,116	218,604	177,329	777,380
Loss allowance	0	0	0	19,846	19,846

The loss allowance as at 30 June 2019 and 1 July 2018 (on adoption of AASB 9) was determined as follows for sundry receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
<b>30 June 2019</b>					
Sundry Receivables					
Expected credit loss	1.36%	18.10%	8.18%	65.60%	
Gross carrying amount	37,926	1,981	840	21,466	62,213
Loss allowance	516	359	69	14,081	15,025

#### 01 July 2018

Sundry Receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	0%
Gross carrying amount	22,786	1,145	260	10,035	34,226
Loss allowance	0	0	0	0	0

## 27. FINANCIAL RISK MANAGEMENT (Continued)

### (c) Liquidity risk

#### Payables

Payables are 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.

The contractual undiscounted cash flows of the Shire's Payables are set out in the liquidity table below. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
<u>2019</u>	\$	\$	\$	\$	\$
Payables	633,810	0	0	633,810	633,810
	633,810	0	0	633,810	633,810
<u>2018</u>					
Payables	278,470	0	0	278,470	278,470
	278,470	0	0	278,470	278,470

## 28. TRUST FUNDS

Funds held at balance date which are required to be held in trust and which are not included in the financial statements are as follows:

	1 July 2018	Amounts Received	Amounts Paid	Reclassified to restricted cash (see note 3)	30-Jun-19
	\$	\$	\$		\$
Police Licencing	5,758	562,796	(562,796)	(5,758)	0
Builders Levy (BCITF)	5,340	3,005	(1,750)	(6,595)	0
TransWA Bookings	3,790	12,810	(13,621)	(2,979)	0
Staff Personal Deductions	42,937	39,928	(40,558)	(42,307)	0
Housing Tenancy Bonds	10,660	1,180	(220)	(11,620)	0
Hall Hire Bonds	3,108	0	(3,108)	0	0
Security Key Bonds	1,530	700	(2,180)	(50)	0
Skeleton Weed	53,887	0	0	(53,887)	0
Community Groups	2,754	250	(2,215)	(789)	0
Third Party Contributions	6,548	928	(1,138)	(6,338)	0
Rates Overpaid	15,756	7,867	(5,969)	(17,654)	0
Medical Services Provision	107,093	0	0	(107,093)	0
YBTC Sinking Fund	26,664	6,666	0	(33,330)	0
Dump Point	92	0	0	(92)	0
SXFC Sinking Fund	2,000	1,000	0	(3,000)	0
Museum Trust	15,813	11,883	(2,691)	(25,005)	0
	303,730	649,013	(636,246)	(316,497)	0

All bonds and deposits have now been transferred to restricted cash at Note 3 and shown as a current liability at Note 12.



## 29. INITIAL APPLICATION OF AUSTRALIAN 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 associated with the amendment of existing standards, the only new standard with material application is AASB 9 *Financial Instruments*.

### AASB 9 Financial instruments

AASB 9 *Financial Instruments* replaces AASB 139 *Financial Instruments: Recognition and Measurement* for annual reporting periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Shire applied AASB 9 retrospectively, with an initial application date of 1 July 2018. The adoption of AASB 9 has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with AASB 9.7.2.15, the Shire has not restated the comparative information which continues to be reported under AASB 139. Differences arising from adoption have been recognised directly in accumulated surplus/(deficit).

There was no effect of adopting AASB 9 as at 1 July 2018 for the following reasons:-

-No additional remeasurement needed for the expected credit losses under AASB 9 for both sundry debtors and rates debtors.

-The Shire does not have any available-for-sale financial assets.

### (a) Classification and measurement

Under AASB 9, financial assets are subsequently measured at amortised cost, fair value through other comprehensive income (fair value through OCI) or fair value through profit or loss (fair value through P/L). The classification is based on two criteria: the Shire's business model for managing the assets; and whether the assets' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Shire's business model was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on financial assets are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

## 29. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS (Continued)

The classification and measurement requirements of AASB 9 did not have a significant impact on the Shire. The following are the changes in the classification of the Shire's financial assets:

- Trade receivables and Loans and advances (i.e. Other debtors) classified as Loans and receivables as at 30 June 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Financial assets at amortised cost beginning 1 July 2018.

In summary, upon the adoption of AASB 9, the Shire had the following required (or elected) reclassifications as at 1 July 2018:

AASB 139 category	AASB 139 value \$	AASB 9 category Financial assets at amortised cost \$	Fair value through OCI \$	Fair value through P/L \$
<b>Loans and receivables</b>				
Trade receivables	791,760	791,760	0	0
Loans and advances	7,500	7,500	0	0
	<u>799,260</u>	<u>799,260</u>	0	0

### (b) Impairment

The adoption of AASB 9 has fundamentally changed the Shire's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the Shire to recognise an allowance for ECLs for all financial assets not held at fair value through P/L.

Upon adoption of AASB 9, the Shire did not need to recognise an additional impairment on the Shire's trade receivables.

Set out below is the reconciliation of the ending impairment allowances in accordance with AASB 139 to the opening loss allowances determined, in accordance with AASB 9:

	Impairment under AASB 139 as at 30 June 2018 \$	Remeasurement \$	ECL under AASB 9 as at 01 July 2018 \$
Trade receivables under AASB 139 / Financial assets at amortised cost under AASB 9	19,846	0	19,846
	<u>19,846</u>	0	<u>19,846</u>

### 30. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE YEARS

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.

This note explains management's assessment of the new and amended pronouncements that are relevant to the Shire, the impact of the adoption of AASB 15 *Revenue from Contracts with Customers*, AASB 16 *Leases* and AASB 1058 *Income for Not-for-Profit Entities*. These standards are applicable to future reporting periods and have not yet been adopted.

The Shire will adopt AASB 15 Revenue from Contracts with Customers (issued December 2014) on 1 July 2019 resulting in changes in accounting policies. In accordance with the transition provisions AASB 15, the Shire will adopt the new rules prospectively with the cumulative effect of initially applying these rules recognised on 1 July 2019. In summary the following adjustments are expected to be made to the amounts recognised in the Statement of Financial Position at the date of initial application (1 July 2019):

Note	AASB 118 carrying amount		AASB 15 carrying amount
	30 June 2019	Reclassification	01 July 2019
<b>Contract liabilities - current</b>	\$	\$	\$
Unspent grants and contributions	0	322,142	322,142
Adjustment to retained surplus from adoption of AASB 15	30(d)	0	(322,142)
			322,142

#### (b) Leases

The Shire adopted AASB 16 prospectively from 1 July 2019 which resulted in changes in accounting policies. In accordance with the transition provisions of AASB 16, the Shire has applied this Standard to its leases retrospectively, with the cumulative effect of initially applying AASB 16 recognised on 1 July 2019. In applying the AASB 16 under the specific transition provisions chosen, the Shire will not restate comparatives for prior reporting periods.

On adoption of AASB 16, the Shire will recognise a right-of-use asset in relation to a lease liabilities which had previously been classified as an 'operating lease' applying AASB 117. These lease liabilities will be measured at the present value of the remaining lease payments, discounting using the lessee's incremental borrowing rate on 1 July 2019.

	2019
	\$
Lease liability recognised as at 1 July 2019	54,496
Right of use asset recognised as at 1 July 2019	54,496

The above figures have not calculated at the present value of the remaining lease payments and the Shire did not expect the lease liabilities and the right of use of asset to change significantly.

On adoption of AASB 16 Leases (issued February 2016), for leases which had previously been classified as an 'operating lease' when applying AASB 117, the Shire is not required to make any adjustments on transition for leases for which the underlying asset is of low value. Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with Financial Management Regulation 17A (5).

In applying AASB 16 for the first time, the Shire will use the following practical expedient permitted by the standard.  
 - The exclusion of initial direct costs from the measurement of the right-of-use asset at the date of initial application.

### 30. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE YEARS (Continued)

#### (c) Income For Not-For-Profit Entities

The Shire will adopt AASB 1058 *Income for Not-for-Profit Entities* (issued December 2016) on 1 July 2019 which will result in changes in accounting policies. In accordance with the transition provisions AASB 1058, the Shire will adopt the new rules retrospectively with the cumulative effect of initially applying AASB 1058 recognised at 1 July 2019. Comparative information for prior reporting periods shall not be restated in accordance with AASB 1058 transition requirements.

In applying AASB 1058 retrospectively with the cumulative effect of initially applying the Standard on 1 July 2019 changes will occur to the following financial statement line items by application of AASB 1058 as compared to AASB 1004 Contributions before the change:

	AASB 1004 carrying amount		AASB 1058 carrying amount
Note	30 June 2019	Reclassification	01 July 2019
	\$	\$	\$
Trade and other payables	633,810	(29,360)	604,450
30(d)	633,810	(29,360)	604,450

Prepaid rates are, until the taxable event for the rates has occurred, refundable at the request of the ratepayer. Therefore the rates received in advance give rise to a financial liability that is within the scope of AASB 9. On 1 July 2019 the prepaid rates will be recognised as a financial asset and a related amount recognised as a financial liability and no income recognised by the Shire. When the taxable event occurs the financial liability will be extinguished and the Shire will recognise income for the prepaid rates that have not been refunded.

Assets that were acquired for consideration, that were significantly less than fair value principally to enable the Shire to further its objectives, may have been measured on initial recognition under other Australian Accounting Standards at a cost that was significantly less than fair value. Such assets are not required to be remeasured at fair value.

Volunteer Services in relation to Volunteer Fire Services will not be recognised in revenue and expenditure as the fair value of the services cannot be reliably estimated.

#### (d) Impact of changes to Retained Surplus

The impact on the Shire of the changes as at 1 July 2019 is as follows:

	Note	Adjustments	2019
			\$
Retained surplus - 30 June 2019			58,944,687
Adjustment to retained surplus from adoption of AASB 15	30(a)	(322,142)	
Adjustment to retained surplus from adoption of AASB 1058	30(c)	(29,360)	(351,502)
Retained surplus - 01 July 2019			58,593,185

### 31 CHANGE IN ACCOUNTING POLICY

Balances relating to the 2018 comparative period have been amended due to a change in accounting policy. These amendments have been adjusted as shown below and, in accordance with the requirements of AASB 101, a statement of financial position as at the beginning of the earliest comparative period has been included (refer statement of financial position column labelled as at 1 July 2017).

On the 26 June 2018 Paragraph 17A (5) was inserted into Local Government (Financial Management) Regulations 1996.

The regulation stated an asset is to be excluded from the assets of a local government if the fair value of the asset at the date of acquisition by the local government is under \$5 000.

Australian Accounting Standard AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, requires this amendment to the asset values to be treated as a change in accounting policy. The standard requires balances to be adjusted retrospectively, unless it is impracticable to determine the period-specific or cumulative effects of the change.

The Shire has applied this change retrospectively, adjusting the Financial report opening balances as at 1 July 2017. Assets with a fair value at the date of acquisition of under \$5,000 and purchased prior to 30 June 2018 have been excluded from the assets of the Shire.

The impacts of the changes in the accounting policy on the prior year comparatives are disclosed below.

2017	30 June 2017 Original Balance	Amount of Adjustment	1 July 2017 Restated
	\$	\$	\$
<b><u>STATEMENT OF FINANCIAL POSITION</u></b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	28,228,331	(276,328)	27,952,003
Infrastructure	231,791,418	(10,700)	231,780,718
<b>Equity</b>			
Retained Surplus	62,142,419	(287,028)	61,855,391
<b><u>Financial Ratios</u></b>			
Asset Consumption Ratio	0.99	0.26	1.25
	30 June 2018 Original Balance	Amount of Adjustment	30th June 2018 Restated
	\$	\$	\$
<b><u>STATEMENT OF COMPREHENSIVE INCOME</u></b>			
<b>By Nature or Type</b>			
<b>Expenses</b>			
Other expenditure	149,511	(4,312)	145,199
Net result for the period	(953,145)	4,312	(948,833)
Total comprehensive income for the period	1,836,063	4,312	1,840,375
<b>By program</b>			
<b>Expenses</b>			
Other property and services	89,591	4,312	85,279
Net result for the period	(953,145)	4,312	(948,833)
Total comprehensive income for the period	1,836,063	4,312	1,840,375
<b><u>STATEMENT OF FINANCIAL POSITION</u></b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	29,975,418	(278,180)	29,697,238
Infrastructure	230,351,826	(4,536)	230,347,290
<b>Equity</b>			
Retained Surplus	60,713,954	(282,716)	60,431,238
<b><u>RATE SETTING STATEMENT</u></b>			
Other property and services	89,591	(4,312)	85,279
Non-cash amounts excluded from operating activities			
Amount attributable to operating activities	6,882,820	(4,312)	6,878,508
<b><u>Note 15:-NOTES TO THE STATEMENT OF CASH FLOWS</u></b>			
Net result	953,145	(4,312)	948,833
Assets written back	0	(4,312)	(4,312)
<b><u>Note 16:-TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY</u></b>			
Other property and services	6,048,078	(282,716)	5,765,362
Total	269,035,480	(282,716)	268,752,764
<b><u>Note 23:-RATE SETTING STATEMENT INFORMATION</u></b>			
Assets written back	0	(4,312)	(4,312)
<b><u>Note 32:-FINANCIAL RATIOS</u></b>			
Asset consumption ratio	0.99	(0.01)	0.98

### 32. OTHER SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

#### b) Current and non-current classification

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

#### c) Rounding off figures

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

#### d) Comparative figures

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

a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

#### h) Fair value hierarchy

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

##### Level 1

Measurements based on quoted prices (unadjusted) in active markets for date.

##### Level 2

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

##### Level 3

Measurements based on unobservable inputs for the asset or liability.

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

#### Valuation techniques

The Shire selects a valuation technique that is appropriate in the circumstances asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

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

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

### 33. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
<p><b>GOVERNANCE</b></p> <p>To provide a decision making process for the efficient allocation of scarce resources.</p>	<p>Includes the activities of members of council and the administrative support available to the council for the provision of governance of the assisting elected members and ratepayers on matters which do not concern specific council services.</p>
<p><b>GENERAL PURPOSE FUNDING</b></p> <p>To collect revenue to allow for the provision of services.</p>	<p>To collect revenue to allow for the provision of services.</p>
<p><b>LAW, ORDER, PUBLIC SAFETY</b></p> <p>To provide services to help ensure a safer and environmentally conscious community.</p>	<p>Supervision and enforcement of various local laws relating to fire prevention and animal control.</p>
<p><b>HEALTH</b></p> <p>To provide an operational framework for environmental and community health.</p>	<p>Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.</p>
<p><b>EDUCATION AND WELFARE</b></p> <p>To provide services to disadvantaged persons, the elderly, children and youth</p>	<p>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.</p>
<p><b>HOUSING</b></p> <p>To provide and maintain elderly residents housing.</p>	<p>Provision and maintenance of elderly residents housing.</p>
<p><b>COMMUNITY AMENITIES</b></p> <p>To provide services required by the community.</p>	<p>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.</p>
<p><b>RECREATION AND CULTURE</b></p> <p>To establish and effectively manage infrastructure and resource which will help the social well being of the community.</p>	<p>Maintenance of public halls, civic centres, aquatic centre, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.</p>

### 33 ACTIVITIES/PROGRAMS (CONTINUED)

#### 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.



### 34. FINANCIAL RATIOS

	2019 Actual	2018 Actual	2017 Actual
Current ratio	6.67	4.50	2.58
Asset consumption ratio	0.63	0.98	1.25
Asset renewal funding ratio	0.33	0.29	N/A
Asset sustainability ratio	0.34	0.49	0.85
Operating surplus ratio	(0.52)	(0.42)	(0.62)
Own source revenue coverage ratio	0.45	0.44	0.46

The above ratios are calculated as follows:

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset consumption ratio	$\frac{\text{depreciated replacement costs of depreciable assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation}}$
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	$\frac{\text{own source operating revenue}}{\text{operating expense}}$

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

### REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Level 15, Exchange Tower,  
2 The Esplanade, Perth, WA 6000

PO Box 5785, St Georges Terrace, WA 6831

T +61 (0)8 9225 5355

F +61 (0)8 9225 6181

[www.moorestephens.com.au](http://www.moorestephens.com.au)

### 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 2019, 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 records; and
- b) fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2019 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) In our opinion, the following matters indicate a significant adverse trend in the financial position of the Shire:
  - The Operating Surplus Ratio and the Asset Sustainability Ratio have been below the Department of Local Government, Sport and Cultural Industries standards for the past 3 years as reported in the financial report.
- b) All required information and explanations were obtained by us.
- c) All audit procedures were satisfactorily completed in conducting our audit.
- d) 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 2019 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-SAIEN CHAI  
PARTNER

Signed at Perth this 19<sup>th</sup> day of December 2019