



A Fortunate Place

# ANNUAL REPORT

# 2019 - 2020

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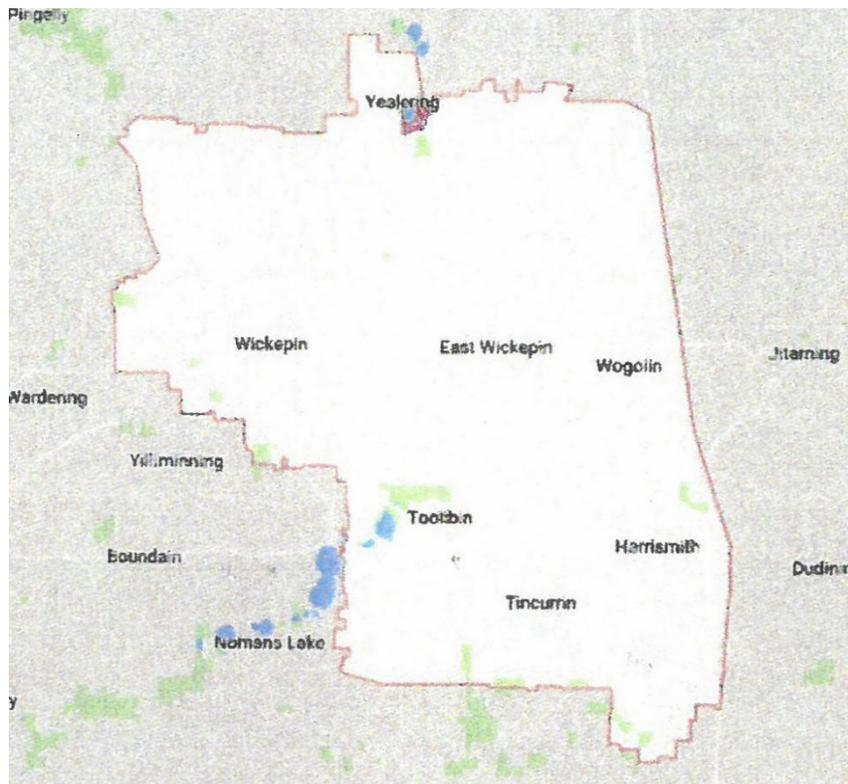


### Authority and Legislation

The Shire of Wickepin is a statutory organisation responsible to the Minister for Local Government. It operates under the provisions of the *Local Government Act 1995 (as amended)*.

### Shire of Wickepin Location & Information

Shire office and chambers	77 Wogolin Road, WICKEPIN
Postal address	PO Box 19, Wickepin 6370
Telephone	9888 1005
Facsimile	9888 1074
Email	<a href="mailto:admin@wickepin.wa.gov.au">admin@wickepin.wa.gov.au</a>
Website	<a href="http://www.wickepin.wa.gov.au">www.wickepin.wa.gov.au</a>
Office hours	8.30am – 4.30pm Monday to Friday



The Shire of Wickepin covers an area of 1,989 sq km and is made up of the townsites and localities of Wickepin, Yealering, Harrismith, Tincurrin and Toolibin.

## STRATEGIC COMMUNITY PLAN 2018 – 2028

The Shire's Strategic Community Plan 2018 – 2028 outlines the community's priorities and visions for the future of the Shire of Wickepin as a whole, and sets out the key short term and medium term strategies required to implement and achieve these aspirations.

The Strategic Community Plan will help shape the services that the Shire will deliver over the next ten years to support the community. The Strategic Community Plan was developed using feedback received by the community, staff and councilors of the Shire of Wickepin. It has a key place in the Shire's delivery and management of services and infrastructure, and it is important to our community because it:

- Provides short term and medium term strategies with a long term vision in mind
- Includes core drivers to use as a decision making criteria in the future – developed by council
- Identifies our strengths, the risks and opportunities for council
- Identifies who the plan is for (community – electors, ratepayers, permanent residents and temporary visitors) and who the Shire needs to work with to achieve its goals
- Provides points of measurement which can be linked to council and staff key performance indicators



A complete copy of the Shire's Strategic Community Plan 2018 – 2028 can be found via [www.wickepin.wa.gov.au](http://www.wickepin.wa.gov.au).

## COUNCIL MEMBERS



**Cr Julie Russell**  
President  
Elected - 2005  
Retiring - 2023



**Cr Wes Astbury**  
Deputy President  
Elected - 2013  
Retiring - 2021



**Cr Steven Martin**  
Elected - 2001  
Retiring - 2021



**Cr Fran Allan**  
Elected - 2008  
Retiring - 2023



**Cr Allan Lansdell**  
Elected - 2011  
Retiring - 2023



**Cr Nathan Astbury**  
Elected - 2017  
Retiring - 2021



**Cr Sarah Hyde**  
Elected - 2017  
Retiring - 2021



**Cr John Mearns**  
Elected - 2019  
Retiring - 2023

### Council Meetings

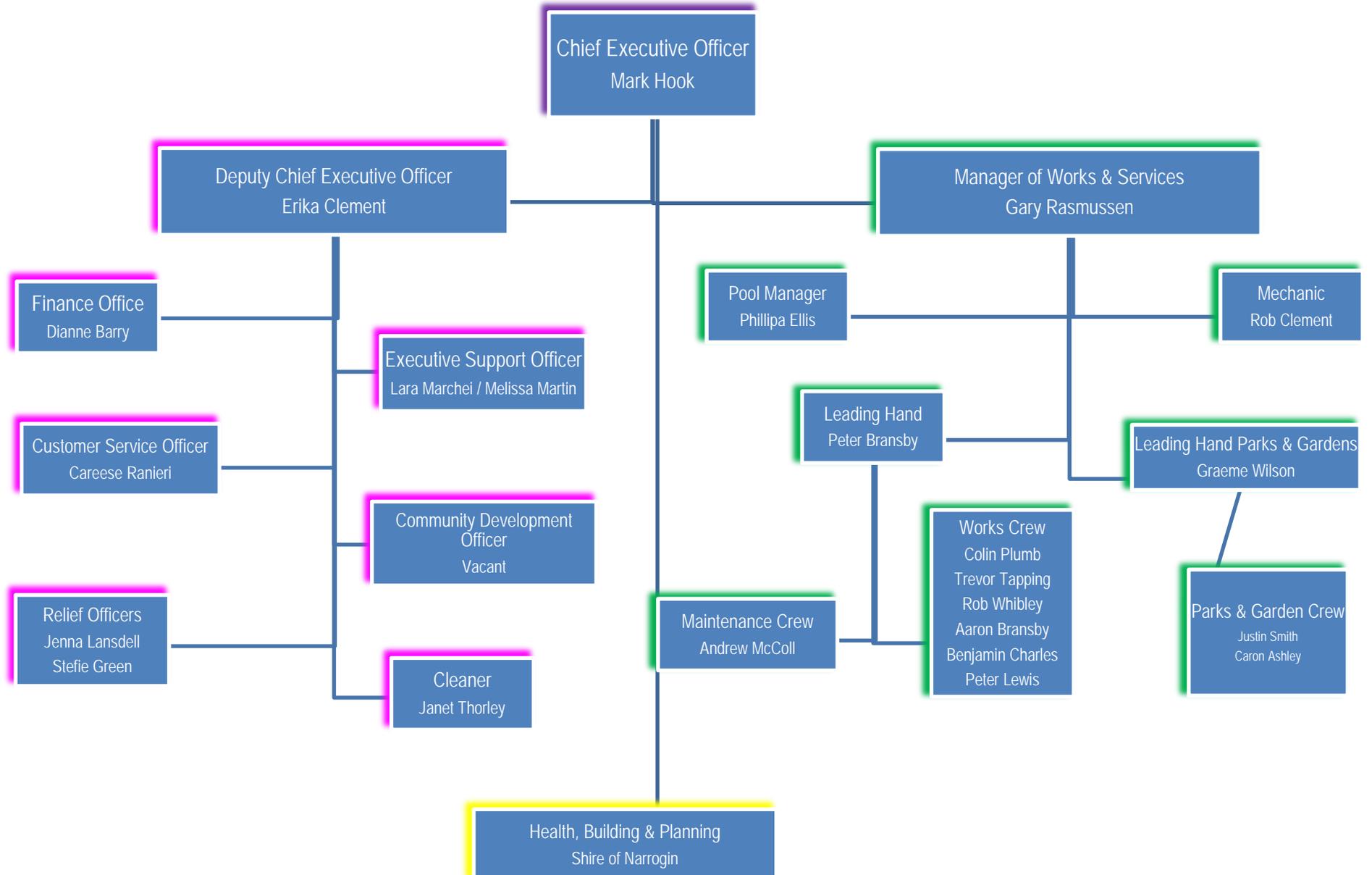
Full council meetings are held on the third Wednesday of the month commencing at 3.30pm. By resolution no meeting is held in January. Public question time for 15 minutes is held at the beginning of each meeting where questions may be asked with or without notice or an issue considered relevant to the operation of council. In some cases prior notification of a proposed question is considered prudent, particularly if the matter requires some research. Residents are also permitted to attend the whole council meeting if desired, however are not permitted to speak (unless directed by the President) or take part in debate on any agenda item.

### Elections

Elections are normally every two years. Voting at council elections is not compulsory; however participation by residents in elections is vital to the effectiveness of local government. Residents not included on the State Electoral Roll should contact the Australian Electoral Commission.

Non-resident owners or occupiers of rateable property in the Shire of Wickepin that are on the State Electoral Roll are eligible to enrol to vote by completing an enrolment application to the Shire of Wickepin.

# ORGANISATIONAL STRUCTURE & STAFF



## SHIRE STATISTICS & INFORMATION

Distance from Perth (km)	210
Area (sq km)	1,989
Length sealed roads (km)	157
Length unsealed roads (km)	717
Population	715
Councillors	8
Electors	551
Dwellings	421
Employees	28
Rates Levied (2018/19)	\$1,480,802
Revenue	\$2,815,390

### Wickepin

Wickepin contains rich agricultural lands that were opened for settlement in 1893. The locality began as a watering point known as Yarling and was used by early sandalwood cutters. The Shire is still a wealthy farming area with excellent wool and lamb production.

Cropping is done on a large scale with wheat, oats, barley, lupins and canola grown.

Wickepin is well known for being the home of Albert Facey. The town offers excellent facilities for travellers. Great walks, a BBQ area, children's playgrounds.



### Yealering



The townsite of Yealering is nestled next to a picturesque lake and is thought to be the only country town in Western Australia with a lake within the town boundary. It is home to a wide variety of bird life.

Take a walk around the town and call into the Yealering Hotel which was featured in the 'Waltz through the Hills' miniseries.

The land surrounding the lake was first released in the 1870's and Yugoslav migrants began a market garden at the present townsite before it was officially recognised as a town in 1907.

The BBQ facilities at the lake make Yealering as an ideal place for a day out kayaking, windsurfing and enjoying nature walks.

### Harrismith

Harrismith is recognised internationally for the wide variety of wildflowers that grow in the area. A well-defined walk trail surrounds the town and showcases the magnificent display of orchids, verticordias, grevilleas and banksias.

Visitors will also enjoy a beautiful restored display of historical machinery and memorabilia assembled by the local community, including information on the Rabbit Proof Fence.

The fence was built to protect Western Australian crops and pasture lands from the destructive scourge of the rabbit. It represents a unique response to the overwhelming environmental problem. Doris Pilkington's book, *Follow the Rabbit-Proof Fence* (1996), has been adapted to film. This follows the story of young girls trekking along 2414km of the fence.



## COUNCIL FACILITIES

### Public Library

The library is open Monday to Friday 9am – 4.30pm and is located in the Wickepin Community Resource Centre, Wogolin Rd Wickepin.

### Community Centre

The Wickepin Community Centre is located on Campbell St Wickepin. This facility accommodates a variety of sports including football, netball, hockey, cricket and various indoor sports. The grassed oval is equipped with lighting. The centre also provides a venue for meetings and functions including weddings, discos and a variety of social gatherings. Bookings are to be made at the Shire administration office.

### Wickepin and Yealering Town Halls

Wickepin Town Hall is situated on Johnston St, Wickepin and Yealering Town Hall is situated on Sewell St, Yealering. These halls can host various events and gatherings and bookings are made through the Shire administration office.

### Aquatic Centre

The Wickepin Aquatic Centre is located on Wogolin Rd, Wickepin and was refurbished in 2015. The pool is open 1pm – 6pm every day from 1 November to 31 March each year, with the exception of being closed every second Tuesday, unless the temperature is above 35 degrees. The pool is equipped with bbq facilities for everyone to use.

### Yarling Court Units

4 x 2 bedroom units on Wogolin Rd, Wickepin are available for single rental.

### Cottage Homes

3 x 1 bedroom units and 2 x 2 bedroom units on Wogolin Rd, Wickepin are available for aged rental

### Caravan Parks

The Shire of Wickepin has caravan parks situated in Wickepin, Yealering and Harrismith. Further details of available accommodation can be found via the Shire's website or contacting the Shire administration office.



## Private Works

The Shire's range of modern plant and equipment, operated by Shire of Wickepin staff is available for private works hire. Current hire rates for graders, loaders, trucks, backhoe and other plant are available on the Shire's website.

## Rubbish Collection

Collections are carried out every Monday by contractor. Kerbside recycling collections are carried out every 2<sup>nd</sup> Monday.

## Dog and Cat Registration

Registrations become due on 1 November each year.

Unsterilised dog	1 year	3 years	Lifetime
	\$50.00	\$120.00	\$250
Sterilised dog or cat	\$20.00	\$42.50	\$100

Dog used for tending stock: 25% of ordinary fee

Dog or cat belonging to pensioner: 50% of ordinary fee

## Impounding Dogs

Dog owners have an obligation to keep their dogs under control at all times. Dogs wandering at large present a nuisance and a danger to the public. The Shire carries out dog patrols and responds to complaints. The Dog Act 1976 provides penalties for owners whose dogs are impounded.

## Impounding Cats

All domestic cats over six months of age must be sterilised, microchipped and registered with the Shire. Your cat is required to wear a collar and registration tag to ensure they can be easily identified and returned to you if they become lost. Any cats that are unidentified and remain unclaimed will only be held in the Shire pound for 3 days.

## Department of Transport Licensing Services

The Shire administration office are able to process driver, vehicle and boat licence renewals as well as all other licensing services including computerised theory and hazard perception testing. Licensing hours are 8.30am to 4pm.

## Health Building & Planning

The Shire of Wickepin's Health, Building and Planning services are contracted through the Shire of Narrogin. They can be contacted on 9890 0900.

## Mosquito Control

To assist in controlling mosquitos the following preventative measures should be taken:

- Ensure that all vents to plumbing installations are fitted with a mosquito proof cowl.
- Remove all rubbish which may hold water from around the yard, eg old drums, tyres and disused containers.
- Ensure that all water tanks have properly fitted lids and treat water with paraffin oil or kerosene in sufficient quantity to provide a film of oil across the surface.

Council staff fog the Wickepin townsite on regular occasions when conditions are suitable and adult mosquitos are active.

## PRESIDENT'S REPORT

It gives me great pleasure to present my President's report on the Wickepin Shire Council's activities for the 2019/2020 financial year.

Council has made a significant investment in maintaining and improving Community Assets throughout the Shire of Wickepin. State and Federal grant funds and Council's own rate income allowed the Shire of Wickepin to invest in the infrastructure required for a sustainable community.

The Shire of Wickepin had a rural rate increase of 0% and a town rate increase of 0% for 2019/2020, however some properties did receive a rate rise due to an increase in valuation of the individual properties by the Valuer General, based on the sales history for the area for the previous 12 months. Rates levied within the Shire allows council to keep pace with the general CPI expenses, whilst also allowing for necessary improvements, along with sustaining a high level of services and infrastructure for our communities.

### Financial Assistance Grants

The Shire of Wickepin acknowledges the importance of Federal Grants Income through the Financial Assistance Grants program to assist in the continued delivery of Council's services and infrastructure. The Shire of Wickepin wishes to acknowledge that Council received \$1,643,555 in 2019/2020 under the Financial Assistance Grants Scheme.

### 2019/2020 Major Achievements

1. Wickepin Town Hall floor sanding & sealing
2. Wickepin Town Hall roof repairs
3. Harrismith Hall exterior painted
4. Yealering Bowling Club roof replacement
5. New shed at 7 Rintel St, Wickepin
6. Administration office phone upgrade
7. Depot carport extension
8. New backhoe, tip truck and ride on mower

### Roads, Plant and Infrastructure

Council has continued its significant contribution to the ongoing maintenance and upgrade of the Shire road network during the 2019/2020 financial year and undertook a \$1,354,691 road program this year.

Council undertook the following road and footpath program in 2019/2020:

Road Name	Works	Total
Sprigg Rd	Spot resheeting, seal floodway	91,283
Line Rd	Final seal	85,229
Elsinore Rd	Clearing and gravel sheeting	121,668
Inkiepinkie Rd	Gravel sheeting	39,198
Wickepin Harrismith Rd	Widen culvert, install safety barrier	68,454
Collins St	Widen culvert, extend footpath	58,317
Footpath construction	Repair, replace footpaths, pram ramps Wickepin	20,000
Tree Lopping	Various roads	73,884
Annual maintenance program	Maintenance all roads	273,033

The Federal Government's Roads to Recovery Program continued in 2019/2020. The objective of the Roads to Recovery program is to contribute to the Infrastructure Investment Programme through supporting maintenance of the nation's Local Road Infrastructure Asset, which facilitates greater transportation access for all road users and improved safety, economic and social outcomes.

From 2014-2015 to 2019-2020 the Federal Government has provided \$3.2 billion under the Roads to Recovery programme, to be distributed to Australia's local Councils; State and Territory Governments responsible for local roads in the unincorporated areas (where there are no councils), and the Indian Ocean Territories.

Council is very conscious of the need to maintain the Shire's road network to a high standard. Manager of Works, Mr Gary Rasmussen, along with the outside works staff team, are to be highly commended for their continued good work and full programme achievements once again this year.

#### **Administration Staff**

On behalf of the Shire of Wickepin community I would like to thank CEO Mr Mark Hook, DCEO Mrs Erika Clement, and the current administration staff team for their continued outstanding efforts over the past year.

Council strives to achieve the best outcomes for all of our communities and continues to endeavour to secure additional services, as well as ensuring the road network and infrastructure programs benefit all of the communities in the Shire of Wickepin.

I sincerely thank Deputy Shire President Cr Wes Astbury for his support and all fellow councillors for their contributions and personal support over the 2019/2020 financial year.

Thank you

**Cr Julie Russell**

Shire President JP



## CHIEF EXECUTIVE OFFICER'S REPORT

It is with much pleasure that I present my Chief Executive Officer's Report to the Shire of Wickepin and the Wickepin Community for the year ending 30 June 2020.

### Staff

There have been a number of staff movements this year within the Shire of Wickepin. Our Community Development Officer Dianna Blacklock resigned and was replaced by Michelle Hetherington who has resigned so the position is currently vacant and the search for a new CDO has begun.

Lara and Mel have since been appointed to Executive Support Officer in a permanent job share capacity. The Customers Services Officer position has been filled by Careese Ranieri and we welcome Careese to the Shire of Wickepin. Careese came from a scholarship via the Shire of Cuballing.

Council's outside works force has also seen some changes and we welcome Caron Ashley to the gardening crew and Peter Lewis and Ben Charles to the outside works crew.

Council had an extensive construction program and this was all accomplished by our very capable outside workforce. Thank you to all the Shire of Wickepin staff for your dedication and high level of work for the Shire of Wickepin.

Thank you to Erika Clement, Deputy CEO, who continues to manage the financial side of the Shire of Wickepin in an exceptional way and manages all the office staff. Thank you to Gary Rasmussen, Manager of Works and services, for the running of council's road programs and the outside staff also at an exceptional high level.

### Loans

Council generally tries to have a no Loan Policy other than for Self Supporting Loans to support Wickepin Community and Sporting Groups. Council was able to carry this philosophy over into the 2019/2020 financial year and no new loans were raised during 2019/2020.

### Lake Yealering Living Lakes

2019/2020 saw the completion of stage 3 of the Living Lakes Project. The Wheatbelt Natural Resource Management Wheatbelt NRM was responsible for the construction phase of this project which commenced in December 2017.

This engineering project was designed to keep more water in the lake with improved water quality. It means the lakes can be enjoyed later into summer. An added bonus is the foreshore works that provide improved landscaping and access to the foreshore of the lake.





## Finance

At the end of the financial year for 2019/20 the situation in relation to council's reserve funds are as follows:

		2020 Actual Opening Balance	2020 Actual Transfer to	2020 Actual Transfer (from)	2020 Actual Closing Balance	2020 Budget Opening Balance	2020 Budget Transfer to	2020 Budget Transfer (from)	2020 Budget Closing Balance	2019 Actual Opening Balance	2019 Actual Transfer to	2019 Actual Transfer (from)	2019 Actual Closing Balance
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>4. RESERVES - CASH BACKED</b>													
(a)	Reserves cash backed - Leave Reserve	97,494	1,257		98,751	97,494	1,762		99,256	95,446	2,048		97,494
(b)	Reserves cash backed - Plant Reserve	333,214	4,290		337,504	333,214	6,022	(34,000)	305,236	205,371	127,843		333,214
(c)	Reserves cash backed - Building Reserve	488,547	6,308		494,856	488,547	8,829	(350,000)	147,376	505,100	16,447	(33,000)	488,547
(d)	Reserves cash backed - Fire Fighting Reserve	22,606	285		22,891	22,606	409		23,015	22,143	816		22,606
(e)	Reserves cash backed - Cottage Homes Reserve	38,307	15,501		53,808	38,307	15,692		53,999	37,492	463		38,307
(f)	Reserves cash backed - Special Events Reserve	14,640	189		14,828	14,640	265		14,905	14,332	308		14,640
(g)	Reserves cash backed - Computer Reserve	25,990	5,335		31,325	25,990	6,470		32,460	20,550	5,440		25,990
(h)	Reserves cash backed - Young Singles Accommodation Reserve	84,307	6,087		90,394	84,307	7,524		91,831	74,704	9,603		84,307
(i)	Reserves cash backed - Saleyards Reserve	34,104	5,440		39,544	34,104	6,616		40,720	28,493	5,611		34,104
(j)	Reserves cash backed - Sewerage Reserve	222,448	43,707		266,154	222,448	45,858		268,306	179,259	43,189		222,448
(k)	Reserves cash backed - Refuse Reserve	121,945	1,573		123,518	121,945	2,204		124,149	119,270	2,675		121,945
(l)	Reserves cash backed - Land Development Reserve	116,731	1,505		118,236	116,731	2,110		118,841	114,393	2,338		116,731
(m)	Reserves cash backed - Aged Persons Accommodation Reserve	268,131	3,458		271,589	268,131	4,846	(267,221)	5,756	188,416	79,715		268,131
(n)	Reserves cash backed - Swimming Pool Reserve	173,853	27,242		201,095	173,853	34,144		207,997	165,307	8,546		173,853
(o)	Reserves cash backed - Albert Facey Homestead Reserve	9,785	126		9,911	9,785	177		9,962	9,580	205		9,785
(p)	Reserves cash backed - Fuel Facility Reserve	50,536	23,952		74,488	50,536	14,213		64,749	25,000	25,536		50,536
		2,102,638	146,255	0	2,248,893	2,102,638	157,141	(651,221)	1,608,558	1,804,856	330,783	(33,000)	2,102,638

## Financial Ratios

As part of our annual reporting process we are required to report on a series of financial ratios which helps to give an indication of the Council Financial Position for the year 2019/20.

Ratio	Description	Result	Prescribed Standard
Current Ratio	Indicates the Shire's ability to meet short term debt obligations	2.04	Standard is met if ratio is greater than 1
Asset Sustainability Ratio	Indicates that the Shire is replacing or renewing existing non-financial assets at the same rate that its overall asset stock is wearing out	0.30	Standard is met if ratio is 0.9 or higher
Debt Service Cover Ratio	Indicates the Shire ability to repay its debt including lease payments	35.28	Basic standard is met if ratio is greater than or equal to 2. Advanced standard is met if the ratio is greater than 5
Operating Surplus Ratio	Indicates the Shire's ability to cover its operational; costs and have revenues available for Capital funding or other purpose.	(1.84)	Basic standard is met between 0.01 and 0.15. Advanced standard met if ratio is greater than 0.15
Own Source Revenue Coverage Ratio	Indicates the Shire's ability to cover its costs through its own revenue efforts	0.27	Basic standard is met between 0.4 and 1.6. Intermediate standard met if ratio is between 0.6 and 0.9. Advanced standard met if ratio is greater than 0.9
Asset Consumption Ratio	Measures the extent to which depreciable assets have been consumed by comparing their written down value to their replacement cost.	0.92	Standard is met if ratio is 0.5 or greater. The standard is improving if the ratio is between 0.6 and 0.75
Asset Renewal Funding Ratio	Measures the ability of the Shire to fund its projected asset renewal/replacements in the future.	N/A	Standard is met if the ratio is between 0.75 and 0.95. Standard is improving if the ratio is between 0.95 and 1.05

### **National Competition Policy**

The Clause 7 Statement on the application of National Competition Policy to local government requires certain information to be provided in the Annual Report.

### **Competitive Neutrality**

Council has reviewed all areas of operations to determine the existence or otherwise of significant business activities.

A significant business activity is defined as an activity with an income in excess of \$200,000 pa, which is not a regulatory service (community service obligation) and which is not already contracted out.

Accordingly, it has been determined that Council has no significant business activity for the purposes of competitive neutrality as it relates to the National Competition Policy Clause 7 Statement.

### **Disability Service Plan Statement**

The Disability Services Amendment Act 1999 requires local governments to report annually on their Disability Service Plan achievements. The achievements for the year ended 30 June 2020 are listed below and grouped into the outcome areas addressed in the Shire of Wickepin Disability Service Plan.

**Outcome 1:** People with disabilities have the same opportunities as other people to access the services of, and any events organised by the Shire of Wickepin.

Council is responsive to the needs of the community to ensure equality is maintained with respect to access to council services and events.

**Outcome 2:** People with disabilities have the same opportunities as other people to access the buildings and other facilities by the Shire of Wickepin.

Any new public council buildings meet required minimum standards with respect to access. Council will be working with local businesses with a view to encouraging improved access as necessary.

**Outcome 3:** People with disabilities receive information from a public authority in a format that will enable them to access the information, as readily as other people are able to access it.

Information about the functions, facilities and services provided by the Shire is prepared using clear and concise language. If necessary, this information can be made in alternative formats i.e. large print, verbal etc. on request. During the year no such requests were received.

**Outcome 4:** People with disabilities receive the same level and quality of services from the staff of the Shire of Wickepin as other people receive from the staff of the Shire.

**Outcome 5:** People with disabilities have the same opportunities as other people to make complaints to the Shire of Wickepin.

Council and staff treat any complaints received equally and without bias. No official complaints were received during the year.

**Outcome 6:** People with disabilities have the same opportunities as other people to participate in any public consultation by the Shire of Wickepin.

Venues which are utilised for community participation in Council process are selected with the objective of ensuring access for all members of the community.

## State Records Act 2000

The Shire of Wickepin uses a hybrid hard copy and electronic records management system. All records created and received in the course of business are captured and stored according to the Shire's Record Keeping Plan. As required under the State Records Act 2000 the Shire of Wickepin Record Keeping Plan has been revised, submitted to and approved by the State Records Office in December 2016.

All records are disposed of in accordance with the General Disposal Authority for Local Government Records. The Disposal Authority defines the minimum periods of time that different classes of records must be kept (retention periods) and provides guidelines for destruction of records after they have met the retention requirements of the schedule. The Administration Officer annually recommends disposal of records in accordance with the State Records Act guidelines.

Standard 2 Principle 6 requires council to ensure that employees comply with the Record Keeping Plan. The following activities have been undertaken to ensure staff awareness and compliance:

1. New employees who commence with the Shire of Wickepin complete basic records registration in house training as part of their induction;
2. Staff information sessions were held as required.

The staff induction program ensures employees are made aware of their roles and responsibilities in regards to their compliance with the Shire's Record Keeping Plan.

## Fruit Fly Baits

Council continues with the fruit fly baiting program by supplying free fruit fly baits. Any ratepayer or elector can receive their free fruit fly bait each year by going to Ewen Rural Supplies and ask for your free fruit fly bait.

## Mosquito Spraying

Council continues its annual mosquito spraying program to control the level of mosquitos around the towns of Wickepin, Yealering, Harrismith and Tincurrin. If you have a major mosquito issue please advise the administration office.

## Chemical Containers

Council continues to be involved in the DrumMuster program. The DrumMuster collections are notified through the Watershed News and Facebook and collections are generally between the hours of 8.00am & 4.30pm by appointment only. Bookings are essential so please contact the Shire office for appointment advising of number of drums for disposal.



## Economic Regulation Authority

### Approval of Outstanding Financial Hardship Policies

The Water Services Code of Conduct (Customer Service Standards) 2013 (Code), which commenced on 18 November 2013, requires certain water licensees to have a financial hardship policy (Policy) approved by the Economic Regulation Authority (Authority).

The Authority approved the Shire of Wickepin Hardship Policy on 16 May 2014.



## Public Interest Disclosure Act

The Shire of Wickepin is committed to the aims and objectives of the *Public Interest Disclosure Act 2003*. It recognises the value and importance of contributions of staff to enhance administrative and management practices and strongly supports disclosures being made by staff regarding corrupt or other improper conduct. The Shire of Wickepin takes all reasonable steps to provide protection to staff who make such disclosures from any detrimental action in reprisal for the making of a disclosure. The Shire of Wickepin does not tolerate any of its officers, employees or contractors engaging in acts of victimisation or reprisal against those who make public interest disclosures. These acts should be reported immediately to the Public Interest Disclosure Officer or the Chief Executive Officer. The Shire of Wickepin is required under the Public Interest Disclosure Act to report on the extent

to which the Chief Executive Officer has complied with the obligations of the Act. The Chief Executive Office Mr Mark John Hook has been appointed as council's Public Interest Disclosure Officer.

No Public Interest Disclosures were received by the Shire of Wickepin during 2019/20.

### Facebook & Instagram

The Shire of Wickepin is on Facebook and Instagram. We have found this a great way to keep the community updated with news and happenings around the Shire. Community members who have 'liked' or 'follow' the Shire are able to keep up-to-date with what the Shire of Wickepin is doing from our comments and pictures, and are able to write questions/comments on our platforms. So far it has proved to be successful and is constantly growing. So please like us on Facebook and follow us on Instagram so we can keep you up to date with the happenings around the Shire.



### Register of Complaints

The Local Government Act 1995 Section 5.121 requires the complaints officer of the local government to maintain a register of complaints which records all complaints that result in an action under the Local Government Act 1995 Section 5.110 (6)(b) or (c). For the purposes of Section 5.53(2) (hb) of the Local Government Act 1995 it is advised that the Shire of Wickepin received Zero (0) complaints during the 2019/20 financial year.

### Freedom of Information

In accordance with Section 96 and 97 of the Freedom of Information Act 1992, the Shire is required to publish an information statement which details the process for applying for information under the Act, as well as information that the Shire provides outside the Act. This document is available from the Shire's administration office or the website.

During 2019/20 the Shire received zero (0) Freedom of Information applications, and 0 (0) referrals for third party consultation. The Act requires that all applications are responded to within 45 days.

### Waste Disposal

Council engages the services of Great Southern Waste Disposal to collect the kerbside waste every Monday morning. The Wickepin, Yealering, Harrismith and Tincurrin tip sites are open 24 hours 7 days a week. Please separate recyclable materials from your general household waste.

Asbestos, liquid salvage and bulk waste are accepted by prior arrangement. Steel, timber, tyres, batteries and waste oil is also accepted please drop off in the signed areas. Green waste must also be separated and dropped off in the signed areas.

Great Southern Waste collects fortnightly recycling in the town of Yealering and Wickepin. Households are provided with a 240 litre recycling bin. The recycling program is working well with great community support. Recycling Bins are collected every 2nd Monday and people can only place the following items into the bins:

- Glass: clean bottles and jars (lids removed)
- Plastic: empty bottles and containers with 1,2 or 3 printed on the bottom (lids removed)
- Paper: clean, untied newspapers, papers, magazines, telephone books, envelopes
- Cardboard: clean, flattened boxes and cartons
- Aluminium & Steel: cans, tins, clean foil, aerosol cans
- Liquid Paperboard: milk, juice & laundry detergent cartons

All recycling must be placed loose in your yellow recycling bin. Please do not place any plastic bags in your bin.

**Non-Recyclable Materials:** Do **NOT** place the following in your recycling bin.

- Green waste, lawn clippings, plastic bags, food scraps, liquids, nappies/sanitary items, polystyrene, glossy magazines, appliances, toys, clothing, tools

Recycling is provided in the townsites of Harrismith and Tincurrin by dropping off your recyclables at the transfer station in each townsite and at the Wickepin Refuse Site.

## **Integrated Planning**

In accordance with the Local Government (Administration) Regulations 1996 the Shire has adopted the new Integrated Planning and Reporting (IPR) framework. Integrated planning ensures that council's Strategic Plans reflect the community aspirations, visions and priorities of the district.

The key priorities (based upon survey results and number of discussions in which these arose) that the community identified during the process included:

### **HIGH PRIORITY**

- Maintenance and improvement of road infrastructure.
- Maintenance and continual improvement of parks and gardens, creating a reason to visit and stop in the Shire.
- Growing the economic impact of Lake Yealering.
- Lifestyle and amenity development.
- Supporting the agricultural industry, agricultural innovation and business diversification.

### **MEDIUM PRIORITY**

- Tourism product development.
- Opportunity to work closely with community organisations to achieve mutual goals.
- Improved partnerships to address youth attraction and retention, drug and alcohol education and awareness.

These priorities have all been reflected in the goals and strategies of our plan.

As part of the IPR framework, council has adopted the following plans,

- Long Term Financial Plan
- Asset Management Plan
- Workforce Plan
- Corporate Business Plan 2015 – 2020
- Strategic Community Plan 2018 – 2028

Copies of these plans are available from the Shire of Wickepin website [www.wickepin.wa.gov.au](http://www.wickepin.wa.gov.au)

## **Disclosure of Annual Salaries**

Local governments are required to include in their annual report the number of employees of the local government entitled to an annual salary of \$100,000 or more, and the number of employees with an annual salary entitlement that falls within each band of \$10,000 over \$100,000.

For the year 2019/2020 the Shire of Wickepin had one employee with a salary exceeding \$100,000 in the \$120,000 to \$130,000 band.

## **Thank You**

I would like to take this opportunity to thank all of the Shire of Wickepin staff for their continued efforts over the whole of the 2019/20 financial year. Thank you to council for their support over the year, in particular Shire President Cr Julie Russell and Deputy Shire President Cr Wes Astbury.

## **Mark J Hook**

**Chief Executive Officer**

## COMMUNITY DEVELOPMENT OFFICER'S REPORT

The following report highlights a range of the community projects undertaken by the Shire of Wickepin CDO during the 2019-20 financial year. Dianna Blacklock held the position of Community Development Officer from September 16, 2019 to May 20, 2020.

Note. The CDO position was vacant June 5 to September 16 2019 and again from May 20 to July 7, 2020.

### COVID 19

The Covid 19 pandemic impacted on the Shire and on various CDO projects including the cancellation or postponement of planned events.

The CDO's role from March 2020 involved keeping the community informed on the status of the pandemic and dissemination of updates and guidelines via social media to ensure public health and safety.



### CANCELLED EVENTS 2020

Wickepin Art Prize 2020

Anzac Day Service (April 2020)

Winter Weekend – Country Music and Dancing (June 2020)

A Fortunate Life – Theatre 180 Regional Tour (July 2020)

Floorball – Workshop (May 2020)

### DRIVE THE LINE

#### Southern Wheatbelt Tourism Collaboration

Collaborative destination marketing campaign including seven local Shires – Wickepin, Cuballing, Pingelly, Wagin, Dumbleyung and Brookton.

Aimed to raise the profile of Southern Wheatbelt - the built form, natural assets, hospitality and experiences unique to the area as a self-drive itinerary targeting the day-tripper and weekend segments. The name draws inspiration from the rail infrastructure which shares a similar alignment and creates a point of difference for the region.

The group worked on a strategic plan to present to the respective councils for adoption.

The CDO's met three times since November 2019 and worked collaboratively to develop a strategic plan to present to their respective councils for financial support.

## WOGOLIN PLAYGROUND

Community consultation was conducted in October 2019 with an overall a positive response supporting the existing plans.

Construction drawings for stages 1, 2a & 2b were commissioned by Nature Play. Once received, these drawings will enable progress to the next stage.

\$1.7m as per Concept Plan costing to be budgeted for the 4 building phases over the next 4-5 years.

Community suggestions included

- More shade, undercover areas
- Equipment to cater for toddlers (already included)
- Road safety including fencing and zebra crossing (barrier already included)
- More seating, water feature, drinking fountains
- Special needs equipment (already included)
- Bird attracting plants local to the area (already included)
- Climbing equipment (already included)
- Locating playground in a different site
- BBQ area, lighting and tie up rails for animals
- Half-court basketball

The majority of these suggestions have already been included and will be incorporated into the area as per requested.

Funds to be sourced once endorsed by council via:

- Council contribution
- State and Federal Government Contributions via grants: Sport and Recreation, Community Grants Hub, Lotterywest
- Local groups and individuals - donations
- Industry sponsorship



## YEALERING REGATTA





Boats of all shapes and sizes paddled it out at the Lake Yealering Regatta on October 26, 2019.

The biannual event, supported by the Shire of Wickepin is organised by the Wickepin Community Resource Centre and the Yealering Regatta Committee, aims to provide summer entertainment for the local community and also bring in visitors.

About 500 people came along to watch the races and enjoy the festivities. As well as boat races, the event featured numerous food and market stalls, live musicians and bands, among other entertainment, and fireworks to finish off the day.

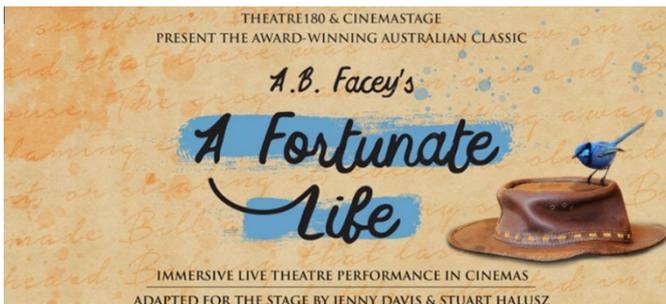
### **THEATRE 180 – A FORTUNATE LIFE**

Perth based theatre-company 'Theatre 180' presented to the Albert Facey Homestead Committee to ask for local input and support for 'A Fortunate Life' Production.

The production offers the experience of live theatre performed in a cinema setting using the screens to provide the magnificent backdrops to the live cast. It is a striking collaboration between artists of stage and screen and honours the trials and triumphs of A.B Facey, and the award-winning Australian classic autobiography, A Fortunate Life.

Theatre 180 submitted a grant application to tour rural WA premiering in Wickepin in 2020.

The tour was scheduled to visit Wickepin in July 2020 but was however cancelled due to Covid restrictions and will be rescheduled for a later date.



## HE SHED SHE SHED

In November 2019, He Shed She Shed Banksia and Ball Sculptures were installed, with the Banksia located in the Shire grounds and the Bike Ball next to the memorial wall in the main street.

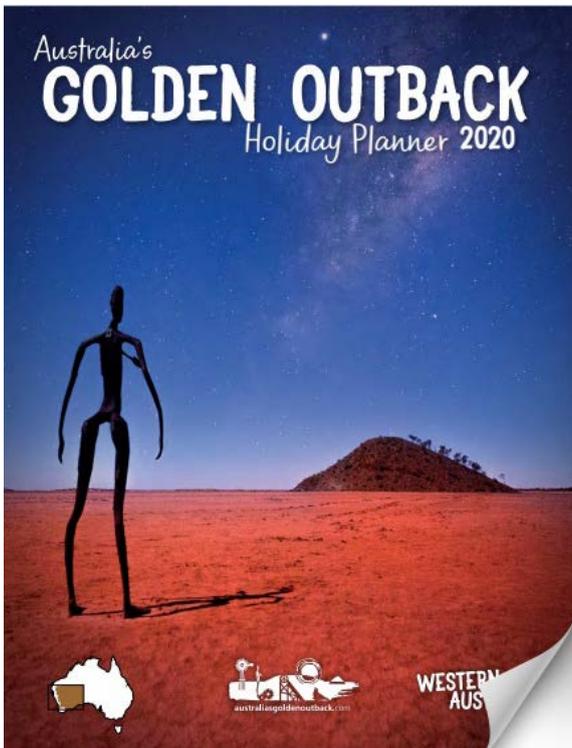
The Shire continues to support other He Shed, She Shed projects including the production of a Christmas tree for the main street of Wickepin.



## TOURSIM AND PROMOTION

Wickepin was included in Australia's Golden Outback Holiday Planner 2020.

200 Brochures of Wickepin and Yealering sent to the Caravan and Camping Show 20 - 22 March 2020.



**Shire of WICKEPIN** Population 738

**WICKEPIN** 227km south-east of Perth  
The Wickepin area was settled in 1909 as a service centre for broad-acre grain and sheep farming in the area. The shire covers an area of 988,900 hectares and includes the towns of Wickepin, Yealering, Harrismithe and Tincurrin. The towns within the Shire of Wickepin has many historical sites, street art and walking trails. It also boasts impressive sporting and recreational facilities including: a football, hockey and cricket oval, indoor netball and basketball courts, synthetic bowling greens, 25 metre swimming pool, golf courses and tennis courts. Community facilities include a Post Office, Community Health Centre, and Ambulance, Community Resource Centre library, playgroup and singles housing.  
RV dump point and 24 hour fuel available.  
Shire of Wickepin  
Wickepin Community Resource Centre  
Wickepin\_shire

**YEALERING** 241km south-east of Perth  
The small town of Yealering is located 27km north of Wickepin, with a population of approximately 100 people. Yealering is known to be the only country town in Western Australia with a lake within the town boundary and is part of the living lakes initiative.

**TINCURRIN** 262km south-east of Perth  
The small town of Tincurrin is located 50km south of Wickepin, also showcases a stunning display of wildflowers. Although the population of Tincurrin is very small, residents of the area maintain a wonderful community spirit. The first official school in Tincurrin opened in 1939 when the One-teacher school building moved to Tincurrin.

**PLACES OF INTEREST**  
**Lake Yealering**  
In a picturesque setting with picnic and barbecue facilities, Lake Yealering is an ideal place for a variety of water sports including skiing, swimming, sailing and windsurfing. There are nature walks throughout the surrounding bush land and black swans are a regular sight on the lake.  
Overlooking the lake are modern sporting facilities including tennis courts, bowling green and cricket oval. The 18 hole golf course surrounds the lake and the 5th hole features a unique tee box set out over the water. The Town Hall, caravan park and picnic facilities are located on the lake shore.

**PLACES OF INTEREST**  
**Lake Toolbin**  
Lake Toolbin is located at the southern end of the Shire of Wickepin near Harrismithe and is recognised as a wetland of international importance under the Ramsar Convention. The unique woodland of sheoaks and paperbarks grow across the lake floor supporting a diverse range of waterbirds, many of which breed on the lake.  
Toolbin is now the largest remaining freshwater wetland in the Wheatbelt area of Western Australia and attracts many visitors and researchers every year.

**PLACES OF INTEREST**  
**HARRISMITHE** 268km south-east of Perth  
Harrismithe is located 45km south east of Wickepin and the area boasts some of Western Australia's most unique wildflowers. An established wildflower walk trail with informative signage surrounds the town and showcases the magnificent display orchids, werronnies, grevillias and banksias.  
Visitors to the town will enjoy the display of historical machinery and memorabilia assembled by local community members including information about the well renowned Rabbit Proof Fence. Facilities in the town include a Town Hall, Caravan Park and accommodation units, cricket oval as well as an 18 hole golf and club house.

**Shire of Wickepin**  
Wickepin Road  
Wickepin WA 6370  
Tel: (08) 9888 1005  
Email: admin@wickepinwa.gov.au  
www.wickepinwa.gov.au  
or contact: Midwestern Community Resource Centre  
Tel: (08) 9888 1000

1 Yealering Lake - Living Lake with plenty of birds. 2 Albert Facey Homestead - A historical site. 3 Bird park - Interpretive machinery. 4 Burning spring in Wickepin.

45 | The Wheatbelt | wact@thegoldenoutback.com

## CLEAN UP AUSTRALIA DAY



On Wednesday 25 March, 2020 the Wickepin Primary School, together with the Shire of Wickepin participated in Clean Up Australia Day. The Shire supplied support and refreshments and Keep Australia Beautiful supplied the equipment needed to carry out the event. The school children covered Whyte Rd, Campbell St, around the town oval, Collin St, Johnston St and finished on Henry St, collecting 4 large bags of rubbish. At the conclusion of the event the students presented the Shire with a thank you letter to show their appreciation

## AED CABINETS

The Shire purchased two external AED Cabinets to be positioned both in the main street of Wickepin and Yealering. This will ensure access to a defibrillator 24hrs / 7 days a week via a locked box placed outside the public toilets on the Main St in Wickepin and the back of the Town Hall (Lakeside) in Yealering. An automated external defibrillator (AED) is a portable electronic device that automatically diagnoses the life-threatening cardiac arrhythmias of ventricular fibrillation (VF) and pulseless ventricular tachycardia,[1] and is able to treat them through defibrillation. With simple audio and visual commands, AEDs are designed to be simple to use for the layperson, and the use of AEDs is taught in many first aid, certified first responder, and basic life support (BLS) level cardiopulmonary resuscitation (CPR) classes.



## AUSTRALIA DAY BREAKFAST

Australia Day Breakfast was a great success with a large crowd at the Wickepin Community Centre enjoying the breakfast cooked by Shire Councillors and staff.

Congratulations to all the 2019 Community Award Winners.

Citizen of the Year: **CLINTON HEMLEY**

Senior Citizen of the Year: **LINLEY ROSE**

Community Group of the Year: **WICKEPIN HISTORY GROUP**

Facey Group Progressive Agriculture: **KINGUSSIE FARMING**



## WAR MEMORIAL

### Saluting Their Service— Grant Application

The Shire of Wickepin applied for \$47,000 grant from the Saluting Their Service Commemorative Program to upgrade the WW1 & WW2 Honour Boards - compiled by Steffie Green. The application for funding was unsuccessful and will be re-submitted for the next STSC grant round later in 2020.



As per the 19/20 budget purchase of a WW2 inlay memorial plaque was installed in April 2020

## FLOORBALL

The CDO applied for funding through the Department of Local Government Sport and Culture Industries to support an initiative by the Wickepin Police to run regular Floorball sessions at the local Community Centre.

The Police officers will be recruiting, organising and delivering the project with the support of the Shire and the CDO.

The Shire successfully received funds of \$2,000 for the project.

The WA Floorball Association showed interest in getting involved and promoting the sport in the Wheatbelt, offering to hold an exhibition match in Wickepin, along with coaching and refereeing workshops to kick start the program.

An introductory session planned for May 2020 WA was postponed due to Covid restrictions. Acquittal of the DLGSC grant has been extended to July 2021.

## COMMUNITY GRANTS

Each year the Shire of Wickepin makes a budget provision of a maximum of 2.5% of the previous year's levied rates to distribute to community and sporting organisations. The objective of the funding is to establish or improve playing areas or buildings necessary for the conduct of sport or for community use, support or major sporting and community events, support for sporting or coaching clinics, to assist community groups in establishing a service, activity seen as a need for the betterment of and improvement to the enjoyment of life within the community, and increasing visitors to the region.

Lake Yearling Progress Assoc.	Lake Yealering Regatta	\$7,200
WDSC	Replacement Electrical Switchboards	\$3,935
Lake Yealering Bowling Club	Replace Reticulation water tank	\$1,500
Lake Yealering Progress Assoc.	Fencing around butchers shop	\$1,500
Wickepin Golf Club	Replacement of Mower	\$6,136
Wickepin Football Club	Purchase of strapping tables	\$1,600
Wickepin History Group	Framing Wickepin's Historical Photos	\$591
Wickepin Tennis Club	Removal of Lawn in entry section of courts and replace with Astro Turf. Replace recycling Bin. Purchase new Swing set. Upgrade Two tennis Nets.	\$908
She Shed He Shed	Close in half of second shed	\$1,582
Wickepin Bowling Club	Replacement of old shade cloth on Shade on bowling green	\$3,026
Toolibin Tennis Club	Install tank and pressure pump to water clay courts	\$2,500

**SHIRE OF WICKEPIN**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

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**COMMUNITY VISION**

A collaborative Council, dedicated to maintaining and developing our community assets for the benefit of our residents whilst supporting a strong community, a vibrant economy, successful businesses and a sound environment.

Principal place of business:  
77 Wogolin Road  
Wickepin WA 6370

**SHIRE OF WICKEPIN  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

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

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

The attached financial report of the Shire of Wickepin for the financial year ended 30 June 2020 is based on proper accounts and records to present fairly the financial position of the Shire of Wickepin at 30 June 2020 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 16<sup>th</sup> day of December 2020

  
\_\_\_\_\_  
Chief Executive Officer  
  
Mark Hook  
\_\_\_\_\_  
Name of Chief Executive Officer



**SHIRE OF WICKEPIN**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>Revenue</b>				
Rates	21(a)	1,362,081	1,359,691	1,359,580
Operating grants, subsidies and contributions	2(a)	1,825,837	934,267	1,748,901
Fees and charges	2(a)	522,444	430,494	532,426
Interest earnings	2(a)	48,333	61,500	64,879
Other revenue	2(a)	864	0	0
		<b>3,759,559</b>	<b>2,785,952</b>	<b>3,705,786</b>
<b>Expenses</b>				
Employee costs		(1,145,700)	(1,163,845)	(1,184,021)
Materials and contracts		(1,019,350)	(1,258,593)	(1,099,910)
Utility charges		(215,997)	(169,550)	(186,356)
Depreciation on non-current assets	9(b)	(4,707,209)	(4,645,059)	(4,675,032)
Interest expenses	2(b)	(1,762)	(2,050)	(3,368)
Insurance expenses		(193,194)	(206,870)	(166,166)
		<b>(7,283,212)</b>	<b>(7,445,967)</b>	<b>(7,314,853)</b>
		<b>(3,523,653)</b>	<b>(4,660,015)</b>	<b>(3,609,067)</b>
Non-operating grants, subsidies and contributions	2(a)	656,234	656,234	552,461
Profit on asset disposals	9(a)	2,823	4,959	5,400
(Loss) on asset disposals	9(a)	(31,979)	(53,495)	(200,836)
Fair value adjustments to financial assets at fair value through profit or loss		0	0	52,551
		<b>627,078</b>	<b>607,698</b>	<b>409,576</b>
<b>Net result for the period</b>		<b>(2,896,575)</b>	<b>(4,052,317)</b>	<b>(3,199,491)</b>
<b>Total comprehensive income for the period</b>		<b>(2,896,575)</b>	<b>(4,052,317)</b>	<b>(3,199,491)</b>

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



**SHIRE OF WICKEPIN**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>Revenue</b>				
	2(a)			
Governance		24,243	105	13,465
General purpose funding		3,062,154	2,206,214	3,016,923
Law, order, public safety		102,447	82,105	95,918
Health		0	0	100
Education and welfare		755	300	214
Housing		84,318	75,250	96,051
Community amenities		184,815	171,363	171,309
Recreation and culture		22,969	18,832	34,468
Transport		135,823	137,468	130,642
Economic services		87,373	58,815	74,003
Other property and services		54,662	35,500	72,693
		<b>3,759,559</b>	<b>2,785,952</b>	<b>3,705,786</b>
<b>Expenses</b>				
	2(b)			
Governance		(425,704)	(460,690)	(423,931)
General purpose funding		(77,389)	(84,005)	(84,513)
Law, order, public safety		(214,376)	(224,858)	(193,043)
Health		(25,121)	(25,220)	(20,075)
Education and welfare		(11,273)	(29,985)	(11,693)
Housing		(131,062)	(158,688)	(139,195)
Community amenities		(343,650)	(410,981)	(372,789)
Recreation and culture		(1,061,811)	(1,082,137)	(1,006,809)
Transport		(4,613,622)	(4,701,163)	(4,719,767)
Economic services		(222,573)	(221,562)	(229,279)
Other property and services		(154,869)	(44,628)	(110,391)
		<b>(7,281,450)</b>	<b>(7,443,917)</b>	<b>(7,311,485)</b>
<b>Finance Costs</b>				
	2(b)			
Education and welfare		0	(792)	0
Housing		(792)	0	(2,166)
Recreation and culture		(970)	(1,258)	(1,202)
		<b>(1,762)</b>	<b>(2,050)</b>	<b>(3,368)</b>
		<b>(3,523,653)</b>	<b>(4,660,015)</b>	<b>(3,609,067)</b>
Non-operating grants, subsidies and contributions	2(a)	656,234	656,234	552,461
Profit on disposal of assets	9(a)	2,823	4,959	5,400
(Loss) on disposal of assets	9(a)	(31,979)	(53,495)	(200,836)
Fair value adjustments to financial assets at fair value through profit or loss		0	0	52,551
		<b>627,078</b>	<b>607,698</b>	<b>409,576</b>
<b>Net result for the period</b>		<b>(2,896,575)</b>	<b>(4,052,317)</b>	<b>(3,199,491)</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
<b>Total comprehensive income for the period</b>		<b>(2,896,575)</b>	<b>(4,052,317)</b>	<b>(3,199,491)</b>

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



**SHIRE OF WICKEPIN**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2020**

	NOTE	2020 \$	2019 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	4,735,086	3,704,011
Trade and other receivables	6	162,616	94,772
Other financial assets	5(a)	6,582	6,326
<b>TOTAL CURRENT ASSETS</b>		<b>4,904,284</b>	<b>3,805,109</b>
<b>NON-CURRENT ASSETS</b>			
Other financial assets	5(b)	67,388	73,105
Property, plant and equipment	7	16,883,446	17,161,179
Infrastructure	8	97,855,053	100,900,426
<b>TOTAL NON-CURRENT ASSETS</b>		<b>114,805,887</b>	<b>118,134,710</b>
<b>TOTAL ASSETS</b>		<b>119,710,171</b>	<b>121,939,819</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	460,435	189,481
Capital Grant Liabilities	12	428,777	0
Borrowings	13(a)	6,582	31,014
Employee related provisions	14	204,292	186,855
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,100,086</b>	<b>407,350</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	13(a)	13,972	20,554
Employee related provisions	14	12,209	31,436
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>26,181</b>	<b>51,990</b>
<b>TOTAL LIABILITIES</b>		<b>1,126,267</b>	<b>459,340</b>
<b>NET ASSETS</b>		<b>118,583,904</b>	<b>121,480,479</b>
<b>EQUITY</b>			
Retained surplus		6,624,435	9,667,265
Reserves - cash backed	4	2,248,893	2,102,638
Revaluation surplus	10	109,710,576	109,710,576
<b>TOTAL EQUITY</b>		<b>118,583,904</b>	<b>121,480,479</b>

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



**SHIRE OF WICKEPIN  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2020**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2018</b>		<b>13,164,539</b>	<b>1,804,855</b>	<b>109,710,576</b>	<b>124,679,970</b>
Comprehensive income					
Net result for the period		(3,199,491)	0	0	(3,199,491)
Total comprehensive income		(3,199,491)	0	0	(3,199,491)
Transfers from reserves	4	33,000	(33,000)	0	0
Transfers to reserves	4	(330,783)	330,783	0	0
<b>Balance as at 30 June 2019</b>		<b>9,667,265</b>	<b>2,102,638</b>	<b>109,710,576</b>	<b>121,480,479</b>
Comprehensive income					
Net result for the period		(2,896,575)	0	0	(2,896,575)
Total comprehensive income		(2,896,575)	0	0	(2,896,575)
Transfers to reserves	4	(146,255)	146,255	0	0
<b>Balance as at 30 June 2020</b>		<b>6,624,435</b>	<b>2,248,893</b>	<b>109,710,576</b>	<b>118,583,904</b>

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

SHIRE OF WICKEPIN  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		1,366,741	1,359,691	1,340,014
Operating grants, subsidies and contributions		2,267,980	934,267	1,745,391
Fees and charges		522,444	430,494	532,426
Interest received		48,333	61,500	64,879
Goods and services tax received		(78,736)	0	(31,485)
Other revenue		864	0	0
		4,127,626	2,785,952	3,651,225
<b>Payments</b>				
Employee costs		(1,052,838)	(1,163,845)	(1,160,855)
Materials and contracts		(850,181)	(1,258,593)	(961,156)
Utility charges		(215,997)	(169,550)	(186,356)
Interest expenses		(1,762)	(2,050)	546
Insurance paid		(193,194)	(206,870)	(166,166)
Goods and services tax paid		0	0	25,910
		(2,313,972)	(2,800,908)	(2,448,077)
<b>Net cash provided by (used in) operating activities</b>	15	1,813,654	(14,956)	1,203,148
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	7(a)	(652,555)	(1,745,279)	(523,833)
Payments for construction of infrastructure	8(a)	(969,002)	(977,576)	(756,371)
Non-operating grants, subsidies and contributions	2(a)	656,234	656,234	552,461
Proceeds from financial assets at amortised cost - self supporting loans		6,326	6,326	6,081
Proceeds from financial assets at fair values through profit and loss		(865)	0	0
Proceeds from sale of property, plant & equipment	9(a)	208,296	205,379	150,674
<b>Net cash provided by (used in) investment activities</b>		(751,566)	(1,854,916)	(570,988)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	13(b)	(31,014)	(31,013)	(29,365)
<b>Net cash provided by (used in) financing activities</b>		(31,014)	(31,013)	(29,365)
<b>Net increase (decrease) in cash held</b>		1,031,074	(1,900,885)	602,795
Cash at beginning of year		3,704,011	3,565,169	3,101,216
<b>Cash and cash equivalents at the end of the year</b>	15	4,735,086	1,664,284	3,704,011

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

**SHIRE OF WICKEPIN**  
**RATE SETTING STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>OPERATING ACTIVITIES</b>			
<b>Net current assets at start of financial year - surplus/(deficit)</b>	22 (b) 1,372,360	1,405,043	1,144,645
	1,372,360	1,405,043	1,144,645
<b>Revenue from operating activities (excluding rates)</b>			
Governance	27,066	105	16,265
General purpose funding	1,711,760	846,523	1,774,179
Law, order, public safety	102,447	82,105	95,918
Health	0	0	100
Education and welfare	755	300	214
Housing	84,318	75,250	96,051
Community amenities	184,815	171,363	171,309
Recreation and culture	22,969	18,832	34,468
Transport	135,823	142,427	133,242
Economic services	87,373	58,815	74,003
Other property and services	54,662	35,500	72,693
	2,411,988	1,431,220	2,415,891
<b>Expenditure from operating activities</b>			
Governance	(425,704)	(465,549)	(429,406)
General purpose funding	(77,389)	(84,005)	(84,513)
Law, order, public safety	(214,376)	(224,858)	(234,343)
Health	(25,121)	(25,220)	(20,075)
Education and welfare	(11,273)	(30,777)	(11,693)
Housing	(131,854)	(158,688)	(141,361)
Community amenities	(343,650)	(410,981)	(386,285)
Recreation and culture	(1,062,781)	(1,083,395)	(1,077,481)
Transport	(4,645,601)	(4,749,799)	(4,750,451)
Economic services	(222,573)	(221,562)	(263,895)
Other property and services	(154,869)	(44,628)	(116,186)
	(7,315,191)	(7,499,462)	(7,515,689)
Non-cash amounts excluded from operating activities	22(a) 4,717,138	4,695,357	4,877,804
<b>Amount attributable to operating activities</b>	1,186,295	32,158	922,651
<b>INVESTING ACTIVITIES</b>			
Non-operating grants, subsidies and contributions	2(a) 656,234	656,234	552,461
Proceeds from disposal of assets	9(a) 208,296	205,379	150,674
Proceeds from financial assets at amortised cost - self supporting loans	6,326	6,326	6,081
Purchase of property, plant and equipment	7(a) (652,555)	(1,745,279)	(523,833)
Purchase and construction of infrastructure	8(a) (969,002)	(977,576)	(756,371)
<b>Amount attributable to investing activities</b>	(750,701)	(1,854,916)	(570,988)
<b>FINANCING ACTIVITIES</b>			
Repayment of borrowings	13(b) (31,014)	(31,013)	(29,365)
Transfers to reserves (restricted assets)	4 (146,255)	(157,141)	(330,783)
Transfers from reserves (restricted assets)	4 0	651,221	33,000
<b>Amount attributable to financing activities</b>	(177,269)	463,067	(327,148)
<b>Surplus/(deficit) before imposition of general rates</b>	258,325	(1,359,691)	24,514
<b>Total amount raised from general rates</b>	21(a) 1,350,394	1,359,691	1,347,846
<b>Surplus/(deficit) after imposition of general rates</b>	22(b) <b>1,608,722</b>	<b>0</b>	<b>1,372,360</b>

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

**SHIRE OF WICKEPIN**  
**INDEX OF NOTES TO THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

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## 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.

### AMENDMENTS TO LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

The *Local Government (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards. Prior to 1 July 2019, *Financial Management Regulation 16* arbitrarily prohibited a local government from recognising as assets Crown land that is a public thoroughfare, i.e. 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 pertaining to vested land, including land under roads acquired on or after 1 July 2008, were not recognised in previous financial reports of the Shire. This was not in accordance with the requirements of AASB 1051 *Land Under Roads* paragraph 15 and AASB 116 *Property, Plant and Equipment* paragraph 7.

From 1 July 2019, the Shire has applied AASB 16 *Leases* which requires leases to be included by lessees in the statement of financial position. Also, the *Local Government (Financial Management) Regulations 1996* have been amended to specify that vested land is a right-of-use asset to be measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included in the statement of financial position) rather than at fair value. The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost.

The Shire has not recognised vested land or vested improvements.

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

### NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

On 1 July 2020 the following new accounting standards are to be adopted:

- AASB 1059 *Service Concession Arrangements: Grantors*
- AASB 2018-7 *Amendments to Australian Accounting Standards - Materiality*

AASB 1059 *Service Concession Arrangements: Grantors* is not expected to impact the financial report.

Specific impacts of AASB 2018-7 *Amendments to Australian Accounting Standards - Materiality*, have not been identified.

### CRITICAL ACCOUNTING ESTIMATES

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

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

### THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

**SHIRE OF WICKEPIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**2. REVENUE AND EXPENSES**

**REVENUE RECOGNITION POLICY**

Recognition of revenue is dependant on the source of revenue and the associated terms and conditions associated with each source of revenue and recognised as follows:

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates- General rates	General Rates	Over time	Payment dates adopted by Council during the year.	None	Adopted by Council Annually	When taxable event occurs	Not Applicable	When Rates Notice is issued
Service Charges	Charge for a specific service	Over time	Payment dates adopted by Council during the year.	None	Adopted by Council Annually	When taxable event occurs	Not Applicable	When Rates Notice is issued
Grant Contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not met	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms	Output method based on project milestones and/or completion date matched to performance obligations as inputs shared.
Grants, subsidies or contributions for the construction of non-financial assets	Construction of acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not met	Set by mutual agreement with the funding body	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms	Output method based on project milestones and/or completion date matched to performance obligations as inputs shared.
Grants, subsidies or contributions with no contractual commitments	General appropriations and contributions with no reciprocal commitment	No Obligation	Not Applicable	Not applicable	Cash Received	On receipt of funds	Not applicable	When assets are controlled
Fees and charges	Various	Single point in time	Full payment prior to issue	None	Set by State legislation	Based on timing of issue of the associated rights	No refunds	On payment of the license registration or approval or inspection event or provision of service
Fees and charges - waste management collections	Kerbside collection service	Single point in time	Payment on a annual basis in advance	None	Adopted annually by Council	Apportioned equally across the collection period	Not Applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Fees and charges - memberships	Pool membership	Over time	Payment in advance in full	None	Adopted annually by Council	Apportioned equally across the access period	Returns limited to repayment of transaction	Output method over 6 months matched access right
Fees and charges - fines	Fines issued for breaches of local laws	Single point in time	Payment in full within the defined time	None	Adopted annually by Council through local laws	When the taxable event occurs	Not Applicable	When fine notice is issued
Other revenue-commissions	Commissions on licensing	Single point in time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not Applicable	When assets are controlled
Other revenue - reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not Applicable	when claim is agreed

**SHIRE OF WICKEPIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**2. REVENUE AND EXPENSES**

**(a) Grant revenue**

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

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
<b>Operating grants, subsidies and contributions</b>			
Governance	5,000	0	0
General purpose funding	1,643,355	778,553	1,587,178
Law, order, public safety	51,014	31,246	44,509
Recreation and culture	2,000	0	0
Transport	124,468	124,468	117,214
	<b>1,825,837</b>	<b>934,267</b>	<b>1,748,901</b>
<b>Non-operating grants, subsidies and contributions</b>			
Transport	656,234	656,234	552,461
	<b>656,234</b>	<b>656,234</b>	<b>552,461</b>
	<b>2,482,071</b>	<b>1,590,501</b>	<b>2,301,362</b>
<b>Fees and charges</b>			
Governance	19,243	105	13,465
General Purpose Funding	8,533	6,470	6,488
Law, order, public safety	51,433	50,859	51,409
Health	0	300	100
Education and welfare	755	0	214
Housing	84,318	75,250	96,051
Community amenities	184,815	171,363	171,309
Recreation and culture	19,958	18,832	33,265
Transport	11,356	13,000	13,428
Economic services	87,373	58,815	74,004
Other property and services	54,663	35,500	72,693
	<b>522,444</b>	<b>430,494</b>	<b>532,426</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Grants, subsidies and contributions**

Operating grants, subsidies and contributions are grants, subsidies or contributions that are not non-operating in nature.

Non-operating grants, subsidies and contributions are amounts received for the acquisition or construction of recognisable non-financial assets to be controlled by the local government.

**Fees and Charges**

Revenue (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees.

**(a) Revenue**

**Contracts with customers and transfers for recognisable non-financial assets**

Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire was recognised during the year for the following nature or types of goods and services:

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Operating grants, subsidies and contributions	1,825,837	934,267	1,748,901
Fees and charges	522,444	430,494	532,426
Non-operating grants, subsidies and contributions	656,234	656,234	552,461
	<b>3,004,515</b>	<b>2,020,995</b>	<b>2,833,788</b>

**SHIRE OF WICKEPIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

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

Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire is comprised of:

Other revenue from contracts with customers recognised during the year	2,348,281	1,364,761	2,281,327
Other revenue from performance obligations satisfied during the year	656,234	656,234	552,461
	3,004,515	2,020,995	2,833,788

Information about receivables, contract assets and contract liabilities from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:

Trade and other receivables from contracts with customers	1,710		
Contract liabilities from contracts with customers	(428,777)		0

Contract liabilities for contracts with customers primarily relate to grants with performance obligations received in advance, for which revenue is recognised over time as the performance obligations are met.

Information is not provided about remaining performance obligations for contracts with customers that had an original expected duration of one year or less.

Consideration from contracts with customers is included in the transaction price.

Performance obligations in relation to contract liabilities from transfers for recognisable non financial assets are satisfied as project milestones are met or completion of construction or acquisition of the asset. All associated performance obligations are expected to be met over the next 12 months.

**Revenue from statutory requirements**

Revenue from statutory requirements was recognised during the year for the following nature or types of goods or services:

General rates	1,350,394	1,348,004	1,347,846
	1,350,394	1,348,004	1,347,846

**Other revenue**

Other	864		
	864	0	0

**Interest earnings**

Financial assets at amortised cost - self supporting loans	970	1,258	1,202
Interest on reserve funds	27,117	38,000	38,717
Rates instalment and penalty interest (refer Note 21(b))	5,435	4,500	4,677
Other interest earnings	14,811	17,742	20,283
	48,333	61,500	64,879

**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.

SHIRE OF WICKEPIN  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2020

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

**Auditors remuneration**

- Audit of the Annual Financial Report

**Interest expenses (finance costs)**

Borrowings

Note	2,020 Actual \$	2020 Budget \$	2019 Actual \$
	19,000	19,000	16,000
	19,000	19,000	16,000
13(b)	1,762	2,050	3,368
	1,762	2,050	3,368

**SHIRE OF WICKEPIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**3. CASH AND CASH EQUIVALENTS**

NOTE	2020 \$	2019 \$
Cash at bank and on hand	4,735,086	3,704,011
<b>Total cash and cash equivalents</b>	<b>4,735,086</b>	<b>3,704,011</b>
<b>Restrictions</b>		
requirements which limit or direct the purpose for which the resources may be used:		
- Cash and cash equivalents	2,859,141	2,241,480
	<b>2,859,141</b>	<b>2,241,480</b>
The restricted assets are a result of the following specific purposes to which the assets may be used:		
Reserves - cash backed	4	2,248,893
Contract liabilities from contracts with customers	12	428,777
Bonds & Deposits		181,471
<b>Total restricted assets</b>	<b>2,859,141</b>	<b>2,241,480</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Cash and cash equivalents**

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

**Restricted assets**

Restricted asset balances are not available for general use by the local government due to externally imposed restrictions. Externally imposed restrictions are specified in an agreement, contract or legislation. This applies to reserves, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement.

**SHIRE OF WICKEPIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**4. RESERVES - CASH BACKED**

	2020 Actual Opening Balance	2020 Actual Transfer to	2020 Actual Transfer (from)	2020 Actual Closing Balance	2020 Budget Opening Balance	2020 Budget Transfer to	2020 Budget Transfer (from)	2020 Budget Closing Balance	2019 Actual Opening Balance	2019 Actual Transfer to	2019 Actual Transfer (from)	2019 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Reserves cash backed - Leave Reserve	97,494	1,257		98,751	97,494	1,762		99,256	95,446	2,048		97,494
(b) Reserves cash backed - Plant Reserve	333,214	4,290		337,504	333,214	6,022	(34,000)	305,236	205,371	127,843		333,214
(c) Reserves cash backed - Building Reserve	488,547	6,308		494,856	488,547	8,829	(350,000)	147,376	505,100	16,447	(33,000)	488,547
(d) Reserves cash backed - Fire Fighting Reserve	22,606	285		22,891	22,606	409		23,015	22,143	816		22,606
(e) Reserves cash backed - Cottage Homes Reserve	38,307	15,501		53,808	38,307	15,692		53,999	37,492	463		38,307
(f) Reserves cash backed - Special Events Reserve	14,640	189		14,828	14,640	265		14,905	14,332	308		14,640
(g) Reserves cash backed - Computer Reserve	25,990	5,335		31,325	25,990	6,470		32,460	20,550	5,440		25,990
(h) Reserves cash backed - Young Singles Accommodation Reserve	84,307	6,087		90,394	84,307	7,524		91,831	74,704	9,603		84,307
(i) Reserves cash backed - Saleyards Reserve	34,104	5,440		39,544	34,104	6,616		40,720	28,493	5,611		34,104
(j) Reserves cash backed - Sewerage Reserve	222,448	43,707		266,154	222,448	45,858		268,306	179,259	43,189		222,448
(k) Reserves cash backed - Refuse Reserve	121,945	1,573		123,518	121,945	2,204		124,149	119,270	2,675		121,945
(l) Reserves cash backed - Land Development Reserve	116,731	1,505		118,236	116,731	2,110		118,841	114,393	2,338		116,731
(m) Reserves cash backed - Aged Persons Accommodation Reserve	268,131	3,458		271,589	268,131	4,846	(267,221)	5,756	188,416	79,715		268,131
(n) Reserves cash backed - Swimming Pool Reserve	173,853	27,242		201,095	173,853	34,144		207,997	165,307	8,546		173,853
(o) Reserves cash backed - Albert Facey Homestead Reserve	9,785	126		9,911	9,785	177		9,962	9,580	205		9,785
(p) Reserves cash backed - Fuel Facility Reserve	50,536	23,952		74,488	50,536	14,213		64,749	25,000	25,536		50,536
	2,102,638	146,255	0	2,248,893	2,102,638	157,141	(651,221)	1,608,558	1,804,856	330,783	(33,000)	2,102,638

All reserves are supported by cash and cash equivalents and are restricted within equity as Reserves - cash backed.

In accordance with Council resolutions or adopted budget 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) Reserves cash backed - Leave Reserve	Ongoing	To be used to fund annual and long service leave requirements
(b) Reserves cash backed - Plant Reserve	Ongoing	To be used for the purchase of road plant, machinery and equipment
(c) Reserves cash backed - Building Reserve	Ongoing	To be used for the construction of new buildings, predominantly staff housing
(d) Reserves cash backed - Fire Fighting Reserve	Ongoing	To be used to fund the provision of bush fire equipment for brigades
(e) Reserves cash backed - Cottage Homes Reserve	Ongoing	To be used for the future maintenance and construction of new Cottage Homes Units
(f) Reserves cash backed - Special Events Reserve	Ongoing	To be used to fund special events and celebrations
(g) Reserves cash backed - Computer Reserve	Ongoing	To be used for the purchase, upgrade or replacement of hardware as necessary
(h) Reserves cash backed - Young Singles Accommodation Reserve	Ongoing	Additional income over expenditure held for future repairs or improvements
(i) Reserves cash backed - Saleyards Reserve	Ongoing	Additional income over expenditure held for future repairs or improvements
(j) Reserves cash backed - Sewerage Reserve	Ongoing	Additional income over expenditure held for future repairs or improvements
(k) Reserves cash backed - Refuse Reserve	Ongoing	Additional income over expenditure for the future creation or maintenance of the refuse site
(l) Reserves cash backed - Land Development Reserve	Ongoing	Income received from the sale of the English house, held for the future development of the English Land
(m) Reserves cash backed - Aged Persons Accommodation Reserve	Ongoing	To be used for the construction and future maintenance requirements for the Aged Person accommodation units
(n) Reserves cash backed - Swimming Pool Reserve	Ongoing	To be used to fund major repairs or improvements at the Wickepin Swimming Pool
(o) Reserves cash backed - Albert Facey Homestead Reserve	Ongoing	To be used for the refurbishment and future maintenance of Albert Facey Homestead
(p) Reserves cash backed - Fuel Facility Reserve	Ongoing	To be used for future maintenance and upgrade of Wickepin Fuel Facility

**SHIRE OF WICKEPIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**5. OTHER FINANCIAL ASSETS**

**(a) Current assets**

Financial assets at amortised cost

2020	2019
\$	\$
6,582	6,326
6,582	6,326

**Other financial assets at amortised cost**

Self supporting loans

6,582	6,326
6,582	6,326

**(b) Non-current assets**

Financial assets at amortised cost

Financial assets at fair value through profit and loss

13,972	20,554
53,416	52,551
67,388	73,105

**Financial assets at amortised cost**

Self supporting loans

13,972	20,554
13,972	20,554

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

Units in Local Government House Trust

53,416	52,551
53,416	52,551

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 13(b) as self supporting loans.

**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 23.

**SHIRE OF WICKEPIN**  
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**6. TRADE AND OTHER RECEIVABLES**

**Current**

Rates receivable	
Trade and other receivables	
GST receivable	

2020	2019
\$	\$
50,685	48,211
1,710	15,076
110,221	31,485
<b>162,616</b>	<b>94,772</b>

**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 23.

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

SHIRE OF WICKEPIN  
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7. 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	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 at 1 July 2018</b>	1,279,000	1,279,000	2,025,654	11,157,517	13,183,171	14,462,171	85,637	3,021,092	17,568,900
Additions		0	68,283	43,294	111,577	111,577	34,725	377,531	523,833
Asset Write Off- Change in accounting policy				(12,675)	(12,675)	(12,675)	(20,292)	(17,190)	(50,157)
(Disposals)	0	0	0		0	0	0	(206,243)	(206,243)
Depreciation (expense)		0	(30,953)	(228,414)	(259,367)	(259,367)	(20,052)	(395,735)	(675,154)
<b>Carrying amount at 30 June 2019</b>	1,279,000	1,279,000	2,062,984	10,959,722	13,022,706	14,301,706	80,018	2,779,455	17,161,179
<b>Comprises:</b>									
Gross carrying amount at 30 June 2019	1,279,000	1,279,000	2,142,944	11,414,951	13,557,895	14,836,895	112,349	3,706,907	18,656,151
Accumulated depreciation at 30 June 2019	0	0	(79,960)	(455,229)	(535,189)	(535,189)	(32,331)	(927,452)	(1,494,972)
<b>Carrying amount at 30 June 2019</b>	1,279,000	1,279,000	2,062,984	10,959,722	13,022,706	14,301,706	80,018	2,779,455	17,161,179
Additions		0	12,727	73,390	86,117	86,117		566,438	652,555
(Disposals)	0	0	0	0	0	0	0	(237,452)	(237,452)
Depreciation (expense)		0.00	(19,191)	(253,047)	(272,238)	(272,238)	(20,256)	(422,322)	(714,816)
<b>Carrying amount at 30 June 2020</b>	1,279,000	1,279,000	2,056,520	10,780,065	12,836,585	14,115,585	59,762	2,686,119	16,861,466
<b>Comprises:</b>									
Gross carrying amount at 30 June 2020	1,279,000	1,279,000	2,155,671	11,488,341	13,644,012	14,923,012	134,329	3,939,632	18,996,973
Accumulated depreciation at 30 June 2020	0	0	(99,151)	(708,276)	(807,427)	(807,427)	(52,587)	(1,253,513)	(2,113,527)
<b>Carrying amount at 30 June 2020</b>	1,279,000	1,279,000	2,056,520	10,780,065	12,836,585	14,115,585	81,742	2,686,119	16,883,446

SHIRE OF WICKEPIN  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2020

7. 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 3	Market Approach using recent observable market data similar properties	Independent	June 2017	Purchase cost and current condition (Level 3), residual values and remaining useful life assessments (Level 3) inputs.
Buildings - non-specialised	Level 3	Market Approach using recent observable data similar properties	Independent	June 2017	Improvements to land using residual values and remaining useful life assessments (Level 3) inputs.
Buildings - specialised	Level 3	Improvements to land valued using the cost approach using depreciated replacement cost	Independent	June 2017	Improvements to land using residual values and remaining useful life assessments (Level 3) inputs.

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

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

Following a change to *Local Government (Financial Management) Regulation 17A*, plant and equipment type assets (being plant and equipment and furniture and equipment) are to be measured under the cost model, rather than at fair value. This change is effective from 1 July 2019 and represents a change in accounting policy.

Revaluations carried out previously were not reversed as it was deemed fair value approximates cost at the date of change.

SHIRE OF WICKEPIN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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8. 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 - Roads	Other infrastructure Footpaths	Other infrastructure Drainage & Sewerage	Other infrastructure Parks & Ovals	Other infrastructure Bridges	Total Infrastructure
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2018</b>	95,348,166	920,308	777,150	5,284,020	1,904,000	104,233,644
Additions	701,741	8,612	3,762	42,256		756,371
(Disposals)	0	0	0	(89,710)	0	(89,710)
Depreciation (expense)	(3,666,370)	(17,429)	(7,777)	(270,223)	(38,080)	(3,999,879)
<b>Carrying amount at 30 June 2019</b>	92,383,537	911,491	773,135.00	4,966,344	1,865,920	100,900,426
<b>Comprises:</b>						
Gross carrying amount at 30 June 2019	96,049,907	928,920	780,912	5,236,566	1,904,000	104,900,305
Accumulated depreciation at 30 June 2019	(3,666,370)	(17,429)	(7,777)	(270,223)	(38,080)	(3,999,879)
<b>Carrying amount at 30 June 2019</b>	92,383,537	911,491	773,135	4,966,343	1,865,920	100,900,426
Additions	925,006	18,996	0	25,000	0	969,002
Depreciation (expense)	(3,666,372)	(17,632)	(7,810)	(262,500)	(38,080)	(3,992,394)
Transfers				(21,980)		(21,980)
<b>Carrying amount at 30 June 2020</b>	89,642,171	912,855	765,325	4,706,863	1,827,840	97,855,054
<b>Comprises:</b>						
Gross carrying amount at 30 June 2020	96,974,912	947,916	780,912	5,230,776	1,904,000	105,838,516
Accumulated depreciation at 30 June 2020	(7,332,741)	(35,061)	(15,587)	(523,914)	(76,160)	(7,983,463)
<b>Carrying amount at 30 June 2020</b>	89,642,171	912,855	765,325	4,706,862	1,827,840	97,855,053

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

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - Roads	Level 3	Cost approach using depreciated replacement cost	Independent	June 2018	Construction costs and current condition and remaining useful life assessments (Level 3). Based on Valuation report from Talis
Other infrastructure Footpaths	Level 3	Cost approach using depreciated replacement cost	Independent	June 2018	Construction costs and current condition and remaining useful life assessments (Level 3). Based on Valuation report from Talis
Other infrastructure Drainage & Sewerage	Level 3	Cost approach using depreciated replacement cost	Independent	June 2018	Construction costs and current condition and remaining useful life assessments (Level 3). Based on Valuation report from Talis
Other infrastructure Parks & Ovals	Level 3	Cost approach using depreciated replacement cost	Independent	June 2018	Construction costs and current condition and remaining useful life assessments (Level 3). Based on Valuation report from Griffin
Other infrastructure Bridges	Level 3	Cost approach using depreciated replacement cost	Independent	June 2018	Construction costs and current condition and remaining useful life assessments (Level 3). Based on Valuation report from Griffin

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

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

**SHIRE OF WICKEPIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**9. FIXED ASSETS**

**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**

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)*. These assets are expensed immediately

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

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 zero cost or otherwise significantly less than fair value, 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 that are land, buildings and infrastructure 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 land, buildings and infrastructure is determined at least every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on vested land acquired by the Shire.

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 land, buildings and infrastructure and vested improvements 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 prior to 1 July 2019**

In accordance with the then *Local Government (Financial Management) Regulation 16(a)(ii)*, the Shire was previously required to include as an asset (by 30 June 2013), vested 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.

**Land under roads prior to 1 July 2019**

In Western Australia, most 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 then *Local Government (Financial Management) Regulation 16(a)(i)* which arbitrarily prohibited local governments from recognising such land as an asset. This regulation has now been deleted.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, the then *Local Government (Financial Management) Regulation 16(a)(i)* prohibited 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 was not included as an asset of the Shire.

**Land under roads from 1 July 2019**

As a result of amendments to the *Local Government (Financial Management) Regulations 1996*, effective from 1 July 2019, vested land, including land under roads, are treated as right-of-use assets measured at zero cost. Therefore, the previous inconsistency with AASB 1051 in respect of non-recognition of land under roads acquired on or after 1 July 2008 has been removed, even though measurement at zero cost means that land under roads is still not included in the statement of financial position.

The vested land has been measured at zero cost and the Shire does not have any vested improvements.

**SHIRE OF WICKEPIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**9. FIXED ASSETS**

**(a) Disposals of Assets**

	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss	2020 Budget Net Book Value	2020 Budget Sale Proceeds	2020 Budget Profit	2020 Budget Loss	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Buildings - specialised									12,675			(12,675)
Furniture and equipment									20,292			(20,292)
Plant and equipment	237,452	208,296	2,823	(31,979)	253,915	205,379	4,960	(53,496)	223,433	150,674	5,400	(78,159)
Other infrastructure Parks & Ovals									89,710			(89,710)
	<u>237,452</u>	<u>208,296</u>	<u>2,823</u>	<u>(31,979)</u>	<u>253,915</u>	<u>205,379</u>	<u>4,960</u>	<u>(53,496)</u>	<u>346,110</u>	<u>150,674</u>	<u>5,400</u>	<u>(200,836)</u>

The following assets were disposed of during the year.

	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
	\$	\$	\$	\$
<b>Plant and Equipment</b>				
<b>Governance</b>				
CEO Vehicles	68,868	71,690	2,823	0
<b>Transport</b>				
Volvo Backhoe	168,585	136,606	0	(31,979)
	<u>237,453</u>	<u>208,296</u>	<u>2,823</u>	<u>(31,979)</u>
	<u>237,453</u>	<u>208,296</u>	<u>2,823</u>	<u>(31,979)</u>

**SHIRE OF WICKEPIN**  
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**9. FIXED ASSETS**

**(b) Depreciation**

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Buildings - non-specialised	19,191		30,953
Buildings - specialised	253,047	273,059	228,414
Furniture and equipment	20,256	21,000	20,052
Plant and equipment	422,322	360,000	395,735
Infrastructure - Roads	3,666,372	3,660,000	3,666,370
Other infrastructure Footpaths	17,632	17,000	17,429
Other infrastructure Drainage & Sewerage	7,810	7,000	7,777
Other infrastructure Parks & Ovals	262,500	270,000	270,223
Other infrastructure Bridges	38,080	37,000	38,080
	4,707,210	4,645,059	4,675,033

**Revision of useful lives of plant and equipment**

**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	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Sealed roads and streets formation	not depreciated
pavement	50 years
- bituminous seals	20 years
Gravel roads formation	not depreciated
pavement	50 years
gravel sheet	20 years
Formed Roads -formation	not depreciated
-pavement	50 years
Footpaths	20 years
Water supply piping and drainage systems	75 years
Infrastructure - Parks & Ovals	30 to 50 years

**Depreciation on revaluation**

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.

**Amortisation**

All intangible assets with a finite useful life, are amortised on a straight-line basis over the individual asset's useful life from the time the asset is held for use.

The residual value of intangible assets is considered to be zero and the useful life and amortisation method are reviewed at the end of each financial year.

Amortisation is included within Depreciation on non-current assets in the Statement of Comprehensive Income and in the note above.

SHIRE OF WICKEPIN  
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10. REVALUATION SURPLUS

	2020 Opening Balance	2020 Change in Accounting Polic	2020 Revaluation Increment	2020 Revaluation (Decrement)	Total Movement on Revaluation	2020 Closing Balance	2019 Opening Balance	2019 Revaluation Increment	2019 Revaluation (Decrement)	Total Movement on Revaluation	2019 Closing Balance
	\$		\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	938,591		0	0	0	938,591	938,591	0	0	0	938,591
Revaluation surplus - Buildings - non-specialised	765,898		0	0	0	765,898	765,898	0	0	0	765,898
Revaluation surplus - Buildings - specialised	12,601,349		0	0	0	12,601,349	12,601,349	0	0	0	12,601,349
Revaluation surplus - Furniture and equipment	45,766		0	0	0	45,766	45,766	0	0	0	45,766
Revaluation surplus - Plant and equipment	591,386		0	0	0	591,386	591,386	0	0	0	591,386
Revaluation surplus - Infrastructure - Roads	90,802,972		0	0	0	90,802,972	90,802,972	0	0	0	90,802,972
Revaluation surplus - Infrastructure Footpaths	435,213		0	0	0	435,213	435,213	0	0	0	435,213
Revaluation surplus - Infrastructure Sewerage	471,686		0	0	0	471,686	471,686	0	0	0	471,686
Revaluation surplus - Infrastructure Parks & Ovals	1,153,715		0	0	0	1,153,715	1,153,715	0	0	0	1,153,715
Revaluation surplus - Infrastructure Bridges	1,904,000		0	0	0	1,904,000	1,904,000	0	0	0	1,904,000
	109,710,576		0	0	0	109,710,576	109,710,576	0	0	0	109,710,576

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.

SHIRE OF WICKEPIN  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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11. TRADE AND OTHER PAYABLES

**Current**

Sundry creditors	
Prepaid rates	
Accrued salaries and wages	
ATO liabilities	
Bonds and deposits held	
Accrued Interest	

2020	2019
\$	\$
126,582	0
20,815	13,682
15,285	12,991
115,755	23,397
181,471	138,842
527	569
460,435	189,481

**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 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

**Prepaid rates**

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Shire recognises revenue for the prepaid rates that have not been refunded.

## 12. CAPITAL GRANT LIABILITIES

	2020	2019
	\$	\$
<b>Current</b>		
Capital Grant Liabilities	428,777	0
	428,777	0

### SIGNIFICANT ACCOUNTING POLICIES

#### Capital Grant Liabilities

With respect to transfers for recognisable non-financial assets, Capital Grant Liabilities represent performance obligations which are not yet satisfied.

Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

**SHIRE OF WICKEPIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**13. INFORMATION ON BORROWINGS**

**(a) Borrowings**

	2020	2019
	\$	\$
Current	6,582	31,014
Non-current	13,972	20,554
	<u>20,554</u>	<u>51,568</u>

**(b) Repayments - Borrowings**

Particulars	Loan Number	Institution	Interest Rate	Actual	30 June 2020	30 June 2020	30 June 2020	Budget	30 June 2020	30 June 2020	30 June 2020	Actual	30 June 2019	30 June 2019	30 June 2019
				Principal 1 July 2019	Actual Principal repayments	Actual Interest repayments	Actual Principal outstanding	Principal 1 July 2019	Budget Principal repayments	Budget Interest repayments	Budget Principal outstanding	Principal 1 July 2018	Actual Principal repayments	Actual Interest repayments	Actual Principal outstanding
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Housing</b>															
Ceo Residence	100	WATC	5.87%	24,688	24,688	792	0	24,687	24,687	792	0	47,972	23,284	2,166	24,688
				<u>24,688</u>	<u>24,688</u>	<u>792</u>	<u>0</u>	<u>24,687</u>	<u>24,687</u>	<u>792</u>	<u>0</u>	<u>47,972</u>	<u>23,284</u>	<u>2,166</u>	<u>24,688</u>
<b>Self Supporting Loans</b>															
<b>Recreation and culture</b>															
WDSC Bowling Greens	102	WATC	4.00%	26,880	6,326	970	20,554	26,880	6,326	1,258	20,554	32,961	6,081	1,202	26,880
				<u>26,880</u>	<u>6,326</u>	<u>970</u>	<u>20,554</u>	<u>26,880</u>	<u>6,326</u>	<u>1,258</u>	<u>20,554</u>	<u>32,961</u>	<u>6,081</u>	<u>1,202</u>	<u>26,880</u>
				<u>51,568</u>	<u>31,014</u>	<u>1,762</u>	<u>20,554</u>	<u>51,567</u>	<u>31,013</u>	<u>2,050</u>	<u>20,554</u>	<u>80,933</u>	<u>29,365</u>	<u>3,368</u>	<u>51,568</u>

\* WA Treasury Corporation

Self supporting loans are financed by payments from third parties. These are shown in Note 5 as other financial assets at amortised cost. All other loan repayments were financed by general purpose revenue.

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

	2020	2019
	\$	\$
<b>(c) Undrawn Borrowing Facilities</b>		
<b>Credit Standby Arrangements</b>		
Bank overdraft limit		
Bank overdraft at balance date		
Credit card limit	5,000	5,000
Credit card balance at balance date	0	(1,502)
<b>Total amount of credit unused</b>	5,000	3,498
<b>Loan facilities</b>		
Loan facilities - current	6,582	31,014
Loan facilities - non-current	13,972	20,554
<b>Total facilities in use at balance date</b>	20,554	51,568
<b>Unused loan facilities at balance date</b>	Nil	Nil

**SIGNIFICANT ACCOUNTING POLICIES**

**Financial liabilities**

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

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

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

**Borrowing costs**

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

**Risk**

Information regarding exposure to risk can be found at Note 23.

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14. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
<b>Opening balance at 1 July 2019</b>			
Current provisions	92,772	94,083	186,855
Non-current provisions	0	31,436	31,436
	92,772	125,519	218,291
Additional provision	7,576	2,843	10,419
Amounts used		(12,209)	(12,209)
<b>Balance at 30 June 2020</b>	100,348	116,153	216,501
<b>Comprises</b>			
Current	100,348	103,944	204,292
Non-current		12,209	12,209
	100,348	116,153	216,501
	<b>2020</b>	<b>2019</b>	
	\$	\$	
Less than 12 months after the reporting date	199,854	182,770	
More than 12 months from reporting date	21,103	39,317	
Expected reimbursements from other WA local governments	(4,456)	(3,796)	
	216,501	218,291	

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:

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Cash and cash equivalents	4,735,086	1,664,284	3,704,011
<b>Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>			
Net result	(2,896,575)	(4,052,317)	(3,199,491)
Non-cash flows in Net result:			
Adjustments to fair value of financial assets at fair value through profit and loss	0		(52,551)
Depreciation on non-current assets	4,707,210	4,645,059	4,675,033
(Profit)/loss on sale of asset	29,156	48,536	195,437
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(67,844)		(28,652)
Increase/(decrease) in payables	270,954		148,209
Increase/(decrease) in provisions	(1,790)		17,625
Increase/(decrease) in contract liabilities	428,777		
Non-operating grants, subsidies and contributions	(656,234)	(656,234)	(552,461)
Net cash from operating activities	1,813,654	(14,956)	1,203,148

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16. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2020	2019
	\$	\$
Governance	747,054	764,118
General purpose funding	42,592	662,455
Law, order, public safety	571,096	30,806
Education and welfare	85,000	85,000
Housing	2,120,122	2,119,032
Community amenities	3,130,430	3,135,151
Recreation and culture	13,104,362	13,390,305
Transport	94,725,243	97,578,739
Economic services	1,098,092	1,124,255
Other property and services	1,196,014	636,059
Unallocated	2,890,165	2,413,898
	119,710,171	121,939,818

## 17. CONTINGENT LIABILITIES

The Shire has no contingent liabilities

## 18. SUBSEQUENT EVENTS

The Shire has no subsequent events to report

## 19. RELATED PARTY TRANSACTIONS

### Elected Members Remuneration

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

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Meeting fees	11,850	12,500	12,700
President's allowance	4,500	4,500	4,500
Deputy President's allowance	1,000	1,000	1,000
Travelling expenses	4,509	6,195	6,405
Telecommunications allowance	4,205	4,500	4,205
	<u>26,063</u>	<u>28,695</u>	<u>28,810</u>

### Key Management Personnel (KMP) Compensation Disclosure

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

	2,020 Actual	2,019 Actual
	\$	\$
Short-term employee benefits	346,223	324,317
Post-employment benefits	47,422	41,966
Other long-term benefits	41,833	45,054
	<u>435,478</u>	<u>411,337</u>

#### *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.

## 19. 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.

The following transactions occurred with related parties:	2020 Actual	2019 Actual
	\$	\$
Sale of goods and services	10,769	10,000
Purchase of goods and services	16,424	26,512
<b>Amounts outstanding from related parties:</b>		
Loans to associated entities	20,534	23,748
<b>Amounts payable to related parties:</b>		
Trade and other payables	9,763	32,745

### Related Parties

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

*i. Key management personnel*

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

*ii. 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.

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20. INVESTMENT IN JOINT ARRANGEMENTS

Share of joint operations

The Shire of Wickepin jointly owns an Outdoor Movie Screen and Projector with the Shires of Cuballing and Pingelly. The Movie Screen and Projector are stored at the Wickepin Community Centre. The Shire of Cuballing has relinquished its joint ownership of the Speed Trailer

	2020	2019
	\$	\$
Inventory	1,200	12,900
Total assets	1,200	12,900
Total liabilities	0	0

The Shire of Wickepin has joint venture agreements with the Housing Authority for the provision of housing at 10 Wogolin Road - Yarning Court (4 Units) and 17 Collins St- Duplex. The ownership of the assets are determined by the equity agreement which includes the percentage of each parties equitable interest. In terms of the agreement the Shire contributed the land and the Department contributed funds to construct. The Shire manages the property and tenancy. All rental income and expenses are recorded in the respective line items of the financial statements

Land & Buildings	85,546	87,328
Less: Accumulated Depreciation	(1,782)	(1,782)
	83,764	85,546
Statement of Comprehensive income		
Other revenue	25,464	38,454
Other expenditure	(20,118)	(24,373)
Net result for the period	5,346	14,081
<b>Other comprehensive income</b>		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Changes in asset revaluation surplus		
<b>Total other comprehensive income for the period</b>	0	0
<b>Total comprehensive income for the period</b>	5,346	14,081

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**21. RATING INFORMATION**

(a) Rates

RATE TYPE	Rate in	Number	2019/20	2019/20	2019/20	2019/20	2019/20	2019/20	2019/20	2018/19
Differential general rate / general rate	\$	of	Actual	Actual	Actual	Actual	Actual	Budget	Budget	Budget
		Properties	Rateable	Rate	Interim	Back	Total	Rate	Interim	Back
			Value	Revenue	Rates	Rates	Revenue	Revenue	Rate	Rate
			\$	\$	\$	\$	\$	\$	\$	\$
<b>Gross rental valuations</b>										
Gross Rental Valuations	7.0302	194	1,819,215	127,894			127,894	127,894		127,894
<b>Unimproved valuations</b>										
Unimproved Valuations	0.9386	278	132,731,703	1,322,278	(2,533)		1,319,745	1,321,841	(111)	1,321,730
<b>Sub-Total</b>		472	134,550,918	1,450,172	(2,533)	0	1,447,639	1,449,735	(111)	1,449,624
<b>Minimum payment</b>	Minimum									
	\$									
<b>Gross rental valuations</b>										
Gross Rental Valuations	400	63	91,032	25,200			25,200	25,200		25,200
<b>Unimproved valuations</b>										
Unimproved Valuations	400	15	325,246	6,000			6,000	6,000		6,000
<b>Sub-Total</b>		78	416,278	31,200	0	0	31,200	31,200	0	31,200
		550	134,967,196	1,481,372	(2,533)	0	1,478,839	1,480,935	(111)	1,480,824
Discounts (Note 21(b))							(128,445)			(132,820)
<b>Total amount raised from general rate</b>							1,350,394			1,348,004
Concessions (Note 21(b))							(47)			(47)
Ex-gratia rates							11,734			11,734
<b>Totals</b>							1,362,081			1,359,691

**SIGNIFICANT ACCOUNTING POLICIES**

**Rates**

Control over assets acquired from rates is obtained at the commencement of the rating period.

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Shire recognises revenue for the prepaid rates that have not been refunded.

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**21. RATING INFORMATION (Continued)**

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

**Rates Discounts**

Rate or Fee Discount Granted	Discount %	Discount \$	2020 Actual \$	2020 Budget \$	2019 Actual \$	Circumstances in which Discount is Granted
General Rate Discount	10.00%		128,445	132,820	132,820	
			128,445	132,820	132,820	

**Waivers or Concessions**

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount %	Discount \$	2020 Actual \$	2020 Budget \$	2019 Actual \$
General Rates & Charges Waiver				47	47	
				47	47	0
Total discounts/concessions (Note 21(a))				128,492	132,867	132,820

Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available	Objects of the Waiver or Concession	Reasons for the Waiver or Concession
General Rates & Charges Waiver	Rates Balance less than \$5.00	Write off Small Balances for administration efficiency	Write off Small Balances for administration efficiency

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21. RATING INFORMATION (Continued)

(b) 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	27/09/2019		0.00%	11.00%
<b>Option Three</b>				
First instalment	27/09/2019		5.50%	11.00%
Second instalment	27/11/2019		5.50%	11.00%
Third instalment	28/01/2020		5.50%	11.00%
Fourth instalment	28/03/2020		5.50%	11.00%
		<b>2020 Actual</b> \$	<b>2020 Budget</b> \$	<b>2019 Actual</b> \$
Interest on unpaid rates		5,435	4,500	4,677
		5,435	4,500	4,677

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**22. RATE SETTING STATEMENT INFORMATION**

	2019/20 (30 June 2020 Carried Forward)	2019/20 Budget (30 June 2020 Carried Forward)	2019/20 (1 July 2019 Brought Forward)	2018/19 (30 June 2019 Carried Forward)
Note	\$	\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>				
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>				
Less: Profit on asset disposals	9(a) (2,823)	(4,959)	(5,400)	(5,400)
Less: Movement in liabilities associated with restricted cash		1,762		
Movement in employee benefit provisions (non-current)	(19,227)		7,336	7,336
Add: Loss on disposal of assets	9(a) 31,979	53,495	200,836	200,836
Add: Depreciation on non-current assets	9(b) 4,707,209	4,645,059	4,675,032	4,675,032
<b>Non cash amounts excluded from operating activities</b>	4,717,138	4,695,357	4,877,804	4,877,804
<b>(b) Surplus/(deficit) after imposition of general rates</b>				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
<b>Adjustments to net current assets</b>				
Less: Reserves - cash backed	4 (2,248,891)	(1,608,558)	(2,102,638)	(2,102,638)
Less: Financial assets at amortised cost - self supporting loans	5(a) (6,582)	(6,326)	(6,326)	(6,326)
Less: Current assets not expected to be received at end of year Local Government Housing Units	53,416		52,551	52,551
Add: Current liabilities not expected to be cleared at end of year - Current portion of borrowings	13(a) 6,582	6,582	31,014	31,014
<b>Total adjustments to net current assets</b>	(2,195,475)	(1,608,302)	(2,025,399)	(2,025,399)
<b>Net current assets used in the Rate Setting Statement</b>				
Total current assets	4,904,284	1,845,070	3,805,109	3,805,109
Less: Total current liabilities	(1,100,086)	(236,769)	(407,350)	(407,350)
Less: Total adjustments to net current assets	(2,195,475)	(1,608,302)	(2,025,399)	(2,025,399)
<b>Net current assets used in the Rate Setting Statement</b>	1,608,723	(1)	1,372,360	1,372,360

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23. 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
Market risk - interest rate	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
Credit risk	Cash and cash equivalents, trade receivables, financial assets and	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
Liquidity risk	Borrowings and 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 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 as at the 30 June and the weighted average interest rate across all cash and cash equivalents and term deposits held disclosed as financial assets at amortised cost are reflected in the table below.

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
<b>2020</b>					
Cash and cash equivalents	0.20%	4,735,086	0	1,079,198	3,655,888
<b>2019</b>					
Cash and cash equivalents	0.95%	3,704,011	0	772,747	2,931,264

Sensitivity

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

Impact of a 1% movement in interest rates on profit and loss and equity\*

	2020	2019
	\$	\$
	10,792	7,727

\* Holding all other variables constant

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 13(b).

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

**(b) Credit risk**

**Trade and Other 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 collection performance.

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 2019 or 1 July 2020 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 2020</b>					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	426	30,145	8,647	11,468	50,685
<b>30 June 2019</b>					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	32,971	3,929	1,927	9,384	48,211

The loss allowance as at 30 June 2020 and 30 June 2019 was determined as follows for trade receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
<b>30 June 2020</b>					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	953	668	89		1,710
<b>30 June 2019</b>					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	2,612	11,996	48	420	15,076

## 23. FINANCIAL RISK MANAGEMENT (Continued)

### (c) Liquidity risk

#### Payables and borrowings

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

The contractual undiscounted cash flows of the Shire's payables and borrowings 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
	\$	\$	\$	\$	\$
<b><u>2020</u></b>					
Payables	344,950	0	0	344,950	344,950
Borrowings	6,582	13,972	0	20,554	20,554
	351,532	13,972	0	365,504	365,504
<b><u>2019</u></b>					
Payables	189,481	0	0	189,481	189,481
Borrowings	32,819	22,017	0	54,836	50,639
	222,300	22,017	0	244,317	240,120

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**24. 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.

**(a) AASB 15: Revenue from Contracts with Customers**

The Shire adopted 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 adopted the new rules retrospectively with the cumulative effect of initially applying these rules recognised on 1 July 2019. There were no adjustments made at 1 July 2019 as a result of the adoption of the new accounting standard.

**(b) AASB 1058: Income For Not-For-Profit Entities**

The Shire adopted 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 adopted the new rules retrospectively with the cumulative effect of initially applying AASB 1058 recognised at 1 July 2019. Comparative information for prior reporting periods was not restated in accordance with AASB 1058 transition requirements.

There were no adjustments made at 1 July 2019 as a result of the adoption of the new accounting policy.

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 gave rise to a financial liability that is within the scope of AASB 9.

When the taxable event occurred, the financial liability was extinguished and the Shire occurred, the financial liability was extinguished and the Shire recognised 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.

The table below provides details of the amount by which each financial statement line item is affected in the current reporting period by the application of this Standard as compared to AASB 118 and 1004 and related Interpretations that were in effect before the change.

		2020 \$	Adjustment due to application of AASB 15 and AASB 1058	2020 \$ Compared to AASB 118 and AASB 1004
	Note	As reported under AASB 15 and AASB 1058		
<b>Statement of Comprehensive Income</b>				
<b>Revenue</b>				
Operating grants, subsidies and contributions	2(a)	1,825,837	428,777	2,254,614
Net result		1,825,837	428,777	2,254,614
<b>Statement of Financial Position</b>				
Contract liabilities	12	428,777	(428,777)	0
<b>Statement of Changes in Equity</b>				
Net result		1,825,837	428,777	2,254,614
Retained surplus		6,624,435	428,777	7,053,212

Refer to Note 2(a) for new revenue recognition accounting policies as a result of the application of AASB 15 and AASB 1058.

**(c) AASB 16: Leases**

The Shire adopted AASB 16 retrospectively 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 AASB16 recognised on 1 July 2019. In applying AASB 16, under the specific transition provisions chosen, the Shire will not restate comparatives for prior reporting periods.

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.

The Shire has elected not to apply AASB16 to leases for which underlying assets is at low value.

There were no adjustments made at 1 July 2019 as a result of the adoption of the new standard.

## 25. CHANGE IN ACCOUNTING POLICIES

### (a) Change in Accounting Policies due to regulation changes

Effective 6 November 2020, *Local Government (Financial Management) Regulation 16* was deleted and *Local Government (Financial Management) Regulation 17A* was amended with retrospective application. The changes were effective for financial years ending on or after 30 June 2020 so are required to be applied retrospectively with cumulative effect applied initially on 1 July 2019.

In accordance with the changes, the Shire was required to remove the values attributable to certain crown land assets previously required to be recognised, as well as the associated revaluation surplus at 1 July 2019. These assets should be measured as concessionary lease right-of-use assets at zero cost in accordance with AASB 16.

The vested land has been measured at zero cost and the Shire does not have any vested improvements.

**SHIRE OF WICKEPIN**  
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**26. OTHER SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

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

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

**c) Rounding off figures**

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

**d) Comparative figures**

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

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

**e) Budget comparative figure**

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

**f) Superannuation**

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

**g) Fair value of assets and liabilities**

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

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

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

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

**h) Fair value hierarchy**

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

**Level 1**

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

**Level 2**

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

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

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

**Valuation techniques**

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

**Market approach**

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

**Income approach**

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

**Cost approach**

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

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

**i) Impairment of assets**

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

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

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

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

**SHIRE OF WICKEPIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**26. OTHER SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Leases**

At inception of a contract, the Shire assesses if the contract contains or is a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, a right-of-use asset is recognised at cost and lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Shire uses its incremental borrowing rate

All contracts that are classified as short-term leases (i.e. a lease with a remaining term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Leases for right-of-use assets are secured over the asset being leased.

**Right-of-use assets - valuation**

Right-of-use assets are measured at cost. This means that all right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included in the statement of financial position). The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fair value.

Refer to Note 4 for details on the significant accounting policies applying to vested improvements.

**Right-of-use assets - depreciation**

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers **ownership of the underlying asset, or the cost of the right-of-use asset** asset, or the cost of the right-of-use asset reflects that the Shire anticipates to exercise a purchase option, the specific asset is amortised over the useful life of the underlying asset.

**SHIRE OF WICKEPIN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**27. ACTIVITIES/PROGRAMS**

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

<b>PROGRAM NAME AND OBJECTIVES</b>	<b>ACTIVITIES</b>
<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 district. Other costs relate to the task of 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>Rates, general purpose government grants, and interest revenue.</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, animal control and other aspects of public safety including emergency services</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, immunisation services, mosquito control and the operation of the medical centre</p>
<p><b>EDUCATION AND WELFARE</b></p> <p>To provide services to disadvantaged persons, the elderly, children and youth</p>	<p>Support for childcare, development of services for the aged and rural counselling support.</p>
<p><b>HOUSING</b></p> <p>To provide and maintain staff and other housing</p>	<p>Provision and maintenance of staff and other housing.</p>
<p><b>COMMUNITY AMENITIES</b></p> <p>To provide services required by the community</p>	<p>Rubbish collection, operation of the tip, noise control, support for waste recycling, litter control. Administration of town planning scheme, strategic planning, maintenance of cemetery, public conveniences and town drainage maintenance.</p>
<p><b>RECREATION AND CULTURE</b></p> <p>To establish and effectively manage infrastructure and resources which will help the social and wellbeing of the community.</p>	<p>Maintenance of halls, swimming facilities, recreation centres and various reserves, operation of the library, maintenance of cultural heritage assets.</p>
<p><b>TRANSPORT</b></p> <p>To provide safe, effective and efficient transport services to the community.</p>	<p>Construction and maintenance of streets, roads, footpaths, drainage works, parking facilities cleaning and lighting of streets, depot maintenance and airstrip maintenance.</p>
<p><b>ECONOMIC SERVICES</b></p> <p>To help promote the Shire and its economic wellbeing.</p>	<p>Tourism and area promotion, including the maintenance and operation of caravan parks. Provision of rural services including weed control, vermin control and standpipes. Building control and community development activities.</p>
<p><b>OTHER PROPERTY AND SERVICES</b></p> <p>To monitor and control Council's overhead operating accounts.</p>	<p>Private works operations, plant repair and operation costs and engineering operation costs.</p>

SHIRE OF WICKEPIN  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2020

28. FINANCIAL RATIOS

	2020 Actual	2019 Actual	2018 Actual
Current ratio	2.04	5.05	9.57
Asset consumption ratio	0.92	0.96	0.99
Asset renewal funding ratio	n/a	n/a	n/a
Asset sustainability ratio	0.30	0.23	0.53
Debt service cover ratio	35.28	28.30	36.75
Operating surplus ratio	(1.84)	(1.91)	(1.59)
Own source revenue coverage ratio	0.27	0.26	0.29

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	$\frac{\text{own source operating revenue}}{\text{operating expense}}$



# Auditor General

## INDEPENDENT AUDITOR'S REPORT

To the Councillors of the Shire of Wickepin

Report on the Audit of the Financial Report

### **Opinion**

I have audited the annual financial report of the Shire of Wickepin which comprises the Statement of Financial Position as at 30 June 2020, and the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended, as well as notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Chief Executive Officer.

In my opinion the annual financial report of the Shire of Wickepin:

- (i) is based on proper accounts and records; and
- (ii) fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2020 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

### **Basis for Opinion**

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Shire in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the annual financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

I draw attention to Notes 1 and 9 to the annual financial report, which describe the basis of accounting. The annual financial report has been prepared for the purpose of fulfilling the Shire's financial reporting responsibilities under the Act, including the Local Government (Financial Management) Regulations 1996 (Regulations). My opinion is not modified in respect of these matters:

- (i) Regulation 17A requires a local government to measure vested improvements at fair value and the associated vested land at zero cost. This is a departure from AASB 16 *Leases* which would have required the entity to measure the vested improvements also at zero cost.
- (ii) In respect of the comparatives for the previous year ended 30 June 2019, Regulation 16 did not allow a local government to recognise some categories of land, including land under roads, as assets in the annual financial report.

### **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 the annual financial report that is free from material misstatement, whether due to fraud or error.

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

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

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

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

A further description of my responsibilities for the audit of the annual financial report is located on the Auditing and Assurance Standards Board website at [https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This includes the identification and assessment of the risk of material misstatement due to fraud arising from management override of controls. This description forms part of my auditor's report.

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

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

- (i) In my opinion, the following material matters indicate significant adverse trends in the financial position of the Shire:
  - a. The Asset Sustainability Ratio as reported in Note 27 of the annual financial report has been below the Department of Local Government, Sport and Cultural Industries standard for the past 3 financial years;
  - b. The Operating Surplus Ratio as reported in Note 27 of the annual financial report has been below the Department of Local Government, Sport and Cultural Industries standard for the past 3 financial years; and
  - c. The Own Source Revenue Ratio as reported in Note 27 of the annual financial report has been below the Department of Local Government, Sport and Cultural Industries standard for the past 3 financial years.
- (ii) The following material matters indicating non-compliance with Part 6 of the *Local Government Act 1995*, the Local Government (Financial Management) Regulations 1996 or applicable financial controls of any other written law were identified during the course of my audit:
  - a. The Shire has not reported the Asset Renewal Funding Ratio for 2018, 2019 and 2020 in the annual financial report as required by Regulation 50(1)(c) of the Local Government (Financial Management) Regulations 1996 as planned capital renewals and required capital expenditure were not estimated in a long term financial plan and asset management plan respectively;
  - b. The Local Government (Financial Management) regulations 1996 paragraph 5(2)(c) requires the CEO to undertake a review of the appropriateness and effectiveness of the financial management systems and procedures no less than once every three financial years. The last review took place in October 2016;
  - c. The Local Government (Audit) Regulations 1996 paragraph 17 requires the CEO to undertake a review of the appropriateness and effectiveness of a local government's system and procedures in relation to risk management, internal control and legislative compliance no less than once every three financial years. The last review took place in 2016.
- (iii) All required information and explanations were obtained by me.
- (iv) All audit procedures were satisfactorily completed.
- (v) In my opinion, the Asset Consumption Ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

**Other Matter**

The financial ratios for 2018 in Note 27 of the annual financial report were audited by another auditor when performing their audit of the Shire for the year ending 30 June 2018. The auditor expressed an unmodified opinion on the annual financial report for that year.

**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 Wickepin for the year ended 30 June 2020 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 annual financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this annual financial report. If users of the annual 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 annual financial report to confirm the information contained in this website version of the annual financial report.



CARLY MEAGHER  
ACTING SENIOR DIRECTOR FINANCIAL AUDIT  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
16 December 2020