



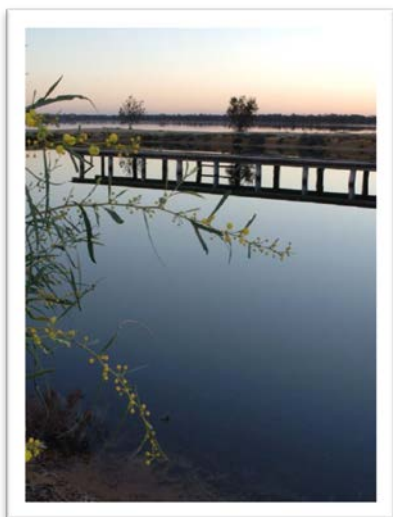
Shire of
Wickepin

Annual Report

16/17

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Office hours: 8.30am – 4.30pm
Monday to Friday

Council Overview

The Shire of Wickepin is a local government consisting of eight elected councillors. The council members elect the President and Deputy President every two years.

The current members of the Shire of Wickepin are:

			<i>Elected</i>	<i>Retires October</i>
Cr Julie Russell	9888 1097	President	2005	2019
Cr Wes Astbury	9883 1021	Deputy President	2013	2017
Cr Grayden Lang	9888 4001		2013	2017
Cr Ross Easton	9883 2002		2005	2017
Cr Steven Martin	9888 6062		2001	2017
Cr Gerri Hinkley	9883 2062		2007	2019
Cr Fran Allan	9888 7071		2008	2019
Cr Allan Lansdell	9888 1449		2011	2019

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.

Council Staff

Chief Executive Officer
Deputy Chief Executive Officer
Manager Works & Services
Executive Support Officer
Finance Officer
Customer Service Officer
EHO/Building Surveyor
Community Development Officer

Mark Hook
Natalie Manton
Peter Vlahov
Leah Pearson
Amanda Bullock
Samantha Dawes
Vacant
Lee Parker

ceo@wickepin.wa.gov.au
dceo@wickepin.wa.gov.au
works@wickepin.wa.gov.au
eso@wickepin.wa.gov.au
finance@wickepin.wa.gov.au
admin@wickepin.wa.gov.au
eho@wickepin.wa.gov.au
cdo@wickepin.wa.gov.au

Works Foreman
Leading Hand Construction
Mechanic
Grader Drivers
Plant Operators

Peter Bransby
Peter Arnol
Matthew Pockran
Colin Plumb
Trevor Tapping, Andrew McColl,
Allan Hemley, Bob Read
Peter Marsh
Graeme Wilson
Justin Smith
Janet Thorley, Kelly Cochrane,
Maureen Preedy



Refuse & Recycling
Gardener
Gardener
Cleaners



Contractors
Swimming Pool Manager

James Matthews



Auditor

Butler Settineri
Unit 16, First Floor
Spectrum Offices
100 Railway Road
SUBIACO WA 6008



Town Planner

Landvision
Land Planning & Mapping Consultants
Suite 5, 16 Nicholson Road
Subiaco 6008



Bank

ANZ
Bintamilling Arcade
Narrogin 6312



Services
Council Depot
Wickepin Swimming Pool
Wickepin Caravan Park
Wickepin Community Centre
Yealering Caravan Park
Harrismith Caravan Park

9888 1252
9888 1015
9888 1089
9888 1125
0428 787 426
9883 1010

President's Report

It gives me great pleasure to present my President's report on the Wickepin Shire Council's activities for the 2016/2017 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 Wickepin Shire to invest in the infrastructure required for a sustainable community.

The Shire of Wickepin had a rural rate increase of 2% and a town rate increase of 3% for 2016/2017, which is necessary to keep pace with the general CPI and to allow for further improvements along with an increased level of services and infrastructure.

Financial Assistance Grants

The Shire of Wickepin acknowledges the importance of its Federal Grants through the Financial Assistance Grants program for the continued delivery of Council's services and infrastructure. The Shire of Wickepin wishes to acknowledge that Council received \$1,482,021 in 2016/2017 under the Financial Assistance Grants Scheme.

2016-2017 Major Achievements

1. Upgrade Walk Trails – Wickepin, Harrismith and Yealering	\$64,800
2. Swimming Pool - Lane Ropes, Shade Shelter and Painting	\$22,532
3. Depot - New Fence and extend sign shed	\$20,721
4. Purchase of iPads for Councillors	\$10,061
5. Fence Refuse Site Wickepin	\$9,020
6. Harrismith Cemetery Upgrade	\$3,325



Roads, Plant and Infrastructure

Council has continued its significant contribution to the ongoing maintenance and upgrade of the Shire road network during the 2016/2017 financial year and undertook a \$1,638,807 road program this year.

Council undertook the following road and footpath program in 2016/2017:

Road Name	Works	Total
Pingelly Wickepin	Shoulder & Culvert Widening, Reconstruct, Prime & Seal Various Sections	102,542
Wickepin Corrigin	Shoulder & Culvert Widening, Reconstruct, Prime & Seal Various Sections	231,733
Yealering South road	Reconstruct and two coat seal	173,617
Aileen Road	Gravel sheeting, widening and Clearing	51,538
Lomos South Road	Reconstruct Cement Stabilisation Stage 2	175,380
Richter Street	Reseal 5.5m 2035m ²	5,245
Rintel Street	Reseal 6.2m 1426m ²	3,537
Central Avenue	Reseal 6.2m 2431m ²	5,768
Rose Street	Laneway by Williamsons Reseal 600m ²	4,545
Tincurrin South Road	Reseal 6.5m 19240m ²	23,427
Wickepin Harrismith Road	Black Asphalt 1017m ²	41,487
Wickepin Corrigin Road	Reseal	48,239
Pingelly Wickepin Road	Repair various failures between	4,800
Wickepin Harrismith Road	Repair various failures between	10,000
Foot Path Construction	Repair replace footpaths	26,934
Gillmanning Road	Gravel sheeting, widening, reduction of veg & signs	24,668
Dorakin Road	Gravel sheeting, widening, reduction of veg & signs	50,753
Tree Lopping	Contract Lopping	54,545
Annual Maintenance Program	Maintenance all Roads	425,600
Malyalling Road	Realign Mutton road to form a complying ninety degree T-junction at Malyalling road	51,660

The Federal Governments Roads to Recovery Program continued in 2016/17. 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 access for Australians and improved safety, economic and social outcomes.

From 2014-15 to 2018-19 the Government will provide \$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 and the Manager of Works, Mr Peter Vlahov, as well as the outside works staff team, are to be commended on their continued good work and achievements once again this year.

Staff

On behalf of the Wickepin Shire community I would like to thank CEO Mark Hook, Deputy CEO Natalie Manton, and the inside 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 contribution and personal support over the 2016/2017 financial year.

Thank You

Cr Julie Russell
Shire President J.P

Chief Executive Officer's Report

It is with much pleasure that I present my Chief Executive Officers Report to the Shire of Wickepin and the Wickepin Community for the year ending 30 June 2017.

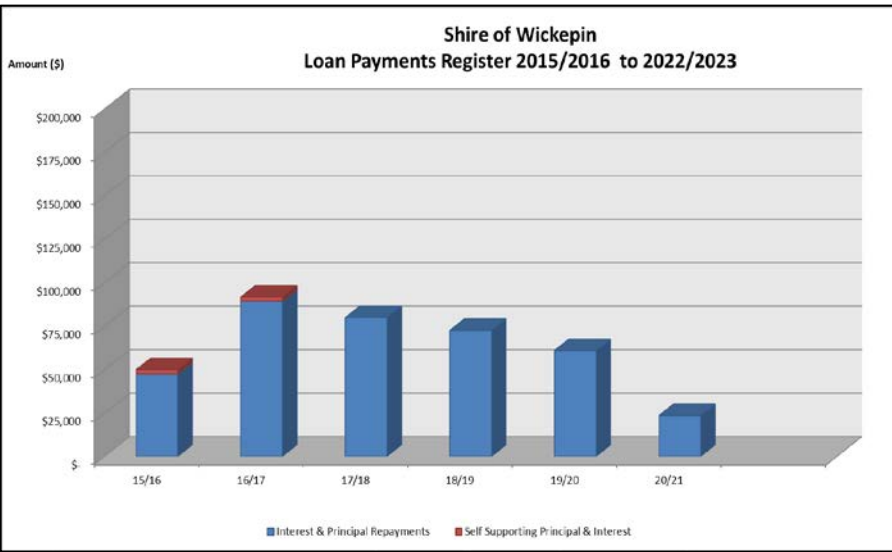
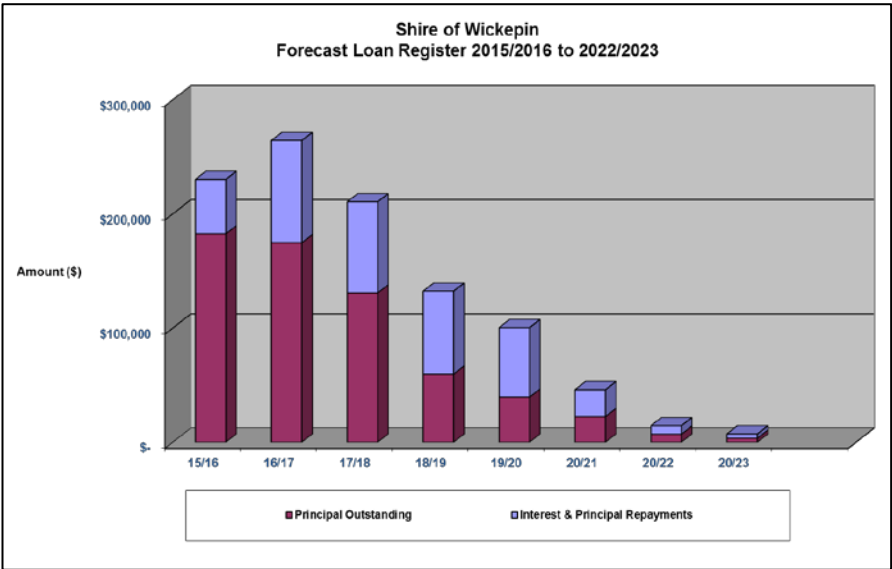
Staff

The shire administration staff movements have been relatively static this year and I would like to thank all the staff for their hard work and dedication during the 2016/2017 financial year. Welcome to Samantha Dawes who has joined the Shire of Wickepin administration staff in the position of Customer Service Officer.

An increasingly large road construction and maintenance program was accomplished during the year by a very capable outside works staff, led by Peter Vlahov. Thank you to all the outside staff for their dedication and high work levels to the Shire of Wickepin. Welcome to Matthew Pockran who has taken up the position as mechanic.

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 2016/2017 financial year and no new loans were raised during the 2016/2017 financial year.

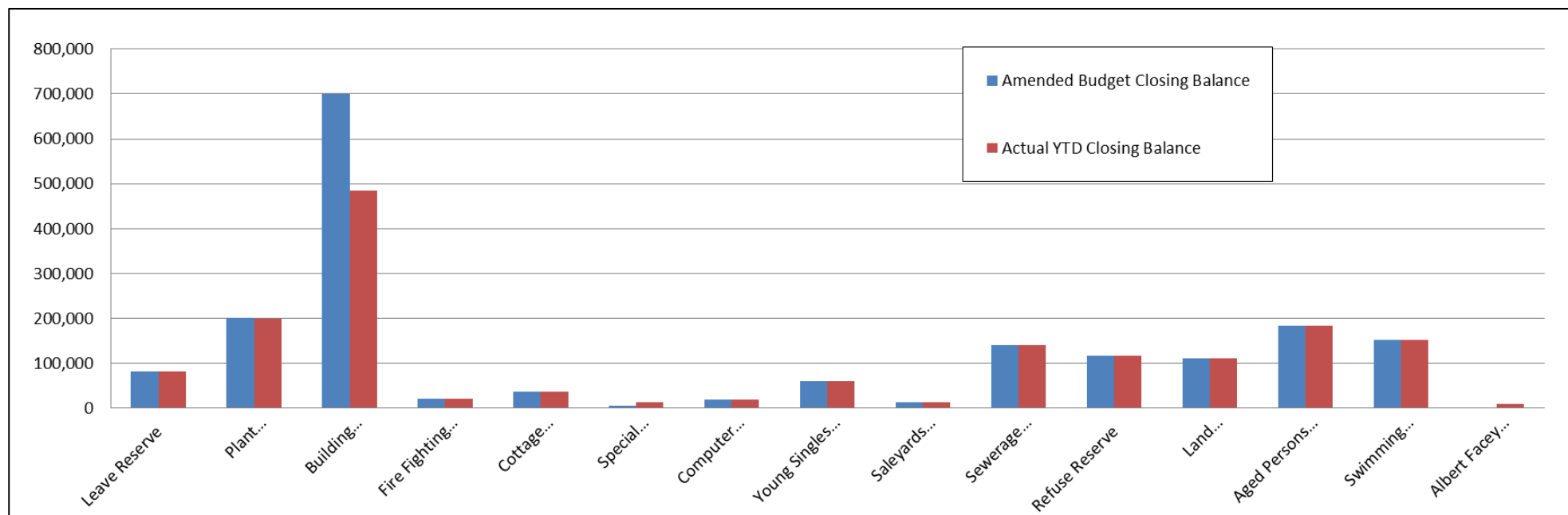


Finance

At the end of the financial year for 2016/2017 the situation in relation to Council's reserve funds are as follows:

2016-17				
Name	Opening Balance	Interest Earned	Transfers In	YTD Closing Balance
	\$	\$	\$	\$
Leave Reserve	64,711	1,644	15,217	81,572
Plant Replacement Reserve	171,245	3,937	25,000	200,182
Building Reserve	253,506	5,829	224,645	483,980
Fire Fighting Reserve	20,648	475		21,123
Cottage Homes Reserve	7,988	184	29,000	37,172
Special Events Reserve	4,807	203	9,000	14,010
Computer Reserve	19,636	451		20,087
Young Singles Accommodation Reserve	52,098	1,198	8,000	61,296
Saleyards Reserve	12,796	294	100	13,190
Sewerage Reserve	118,313	2,720	20,000	141,033
Refuse Reserve	114,080	2,623		116,703
Land Development Reserve	109,202	2,511		111,713
Staff Housing Reserve	0			0
Aged Persons Accommodation Reserve	180,045	4,140		184,185
Swimming Pool Reserve	114,193	2,626	35,000	151,819
Albert Facey Homestead Reserve	0	95	9,269	9,364
	1,243,268	28,930	375,231	1,647,429

Year to Date Reserve Balance to End of Year Estimate



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 2012 are listed below and grouped into the outcome areas addressed in the Shire of Wickepin Disability Service Plan.

Outcome1: 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. One member of the Administration staff commenced a Diploma in Records Management to be completed by 31 December 2017;
2. Two new employees commenced with the Shire of Wickepin and completed basic records registration in house training as part of their induction;
3. 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 centre.

Chemical Containers

Council continues to be involved in the DrumMuster program. The DrumMuster collections are notified through the Watershed News 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.



Please note - If you have more than 50 drums, please make a morning booking.

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 the 16th May 2014.

Economic Regulation Authority

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 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 2016/2017.

Facebook

The Shire of Wickepin is on Facebook and have found this a great way to keep the community updated with news and happenings around the Shire. Community members who have 'liked' the page 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 page. So far it has proved to be successful and is constantly growing.



The link to the Shire of Wickepin Facebook page is www.facebook.com/pages/Shire-of-Wickepin

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 2015/2016 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 2016/2017 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.

Asbestos, liquid salvage and bulk waste are accepted by prior arrangement. Steel, timber, tyres, batteries and waste oils 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 at each household. The recycling program is working well with great community support.

Recycling is provided in the Townsites of Harrismith and Tincurrin by dropping of your recyclables at the recycling yards in each Townsite



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 Councils Strategic Plans reflect the community aspirations, visions and priorities of the district.

The themes in the current Strategic Community Plan 2012-2022 are:

- (1) **To Develop and Maintain Quality Services and Infrastructure:**
A sustainable and extensive transport system that allows for efficient travel within the local government and to other rural and metropolitan areas
- (2) **To Ensure the Protection and Improvement of the Environment**
A protected and enhanced environment that is aesthetically beautiful and provides benefits for generations to come
- (3) **To Promote the Development of a Viable and Diversified Local Economy:**
A strong, diversified economic and industrial base that provides new and varied employment opportunities for all age groups
- (4) **To Provide and Encourage the use of a Variety of Recreational, Educational and Cultural Facilities:**
A healthy, strong and connected community that is actively engaged and involved
- (5) **To Provide Efficient, Effective and Accountable Governance.**
Availability of council services, personal development opportunities and adequate resident and staff accommodation to attract and retain quality resources.
- (6) **To Promote the Shire as a Focal Point in the Development of the Greater Region**
A council actively involved in promoting regional facilities and activities to its community and neighbouring regions.

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 2012 – 2022

Copies of these plans are available from the Shire of Wickepin website www.wickepin.wa.gov.au.

The Shire of Wickepin will be commencing the community consultation for the overall review of its existing Strategic Community Plan during the 2017/2018 financial year. Please ensure you are part of the Community Consultation process.

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 2016/2017 the Shire of Wickepin had one employee with a salary exceeding \$100,000 in the \$110,000 to \$120,000 band.

Thank You

I would like to take this opportunity to thank all of the Shire of Wickepin staff for their continued efforts over whole off the 2016/2017 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 2016 - 2017

The following pictorial report highlights a range of the community projects undertaken by the Community Development Officer at the Shire of Wickepin during the 2016-17 financial year.

Wickepin Sculpture Workshops September 2016 – October 2016

The Wickepin Sculpture Project engaged artist Neil Elliott in a 6 day residency based in Wickepin between September and October 2016. Neil facilitated a series of weekend sculpture workshops with local residents using repurposed wood, found objects, farm junk and recycled materials.

The workshops were held at a project art space created in the Wickepin She Shed He Shed community space. The art space was open to visitors and provided inspiration and the sharing of ideas between participants as well as a central place for discussions with the artist-in-residence. A key component of the project was to motivate and inspire those in the community and to create engagement and conversation.

Participants worked on their own individual sculpture pieces and collectively on a community sculpture. Neil provided a brief to the participants prior to the workshops explaining the focus on regional bird life and the idea of creating fun sculptural pieces. He encouraged community discussion on the subject. Neil worked closely with workshop participants and Shire of Wickepin staff throughout the weekends to help refine ideas and assist in determining the form the community sculpture would take.

The community sculpture created has been called the 'Bird Park' and is installed along the Wickepin Heritage Walk Trail. A series of local 'birds' has been created from the found and recycled objects. They have been attached to salvaged Western Power poles from Wickepin, creating a striking upright sculpture.

Shire would like to acknowledge the funding support of Community Arts Network WA.



Wickepin Art Prize 14 - 16 October 2016

Art Prize 2016 had over 170 artworks on display with artists from around the Shire, the South West and Perth. Judging was done by Neil Elliot, an artist and sculptor from Perth who had been facilitating the Sculpture Workshops leading up to the Art Prize. The Acquisitive Prize was won by Jo Duffy with her artwork 'Sunset Ridge'. This is on display at the Shire Administration Office.

'Arty Party' opening night entertained 200 locals and visitors. Cr Wes Astbury MC'ed for the evening and introduced judge Neil Elliott; Kate Russell, daughter of Arthur Russell; and announced the winners of the Townscape and Cultural Planning Committee Garden Awards.

'Feast on Art', a long table lunch, was held amongst the artworks on Sunday. Around 50 people sat down to enjoy the food, company and art. Catering deliciously provided by Christine Hill Food.

The Arthur Russell Exhibition was held in the front room of the Town Hall and ran all weekend. Arthur's daughter, Kate Russell, loaned around 50 of Arthur's works, along with photos and memorabilia spanning many years, to Wickepin for the exhibition. Kate generously gifted the Shire with an artwork of Arthur's from 1993, titled Babakin.



Wickepin Cemetery Opening 14 October 2016

Following the completion of the Yealering cemetery, work commenced on an upgrade to the Wickepin cemetery and niche wall. Feedback and comments were received during 2013/14 and plans were finalised during 2014 prior to a period of consultation with family and community members. The upgrade to the Wickepin Cemetery was completed December 2015. This included a new Granite Niche Wall, gazebo and seating. Landscaping was completed during the winter months of 2016. The cemetery upgrade provided an opportunity to update the records of those interred in the wall.

The official opening of the Wickepin Granite Niche Wall had a large crowd gather to hear Hon Terry Waldron representing Hon Paul Miles Minister for Local Government, Community Services; Seniors and Volunteering and Youth officially open the redevelopment. CEO Mark Hook MC'ed the opening and Rev Linda Myres blessed the cemetery.



Albert Facey Memorial Horse and Carriage Drive 14 - 16 October 2016

The Avon and Hills Carriage Driving club invited three other clubs (Albany Club, Murray & Districts Club and the West Australian Harness Society) to join them in Wickepin for a weekend of pleasure driving.

Saturday was a busy day in town with the CRC holding markets, the Art Prize open to the public and the Horse and Carriage Drivers parading through town in period costume before putting on an obstacle course event in Johnston Park. The Carriage Drivers, still in period costume, then descended on the Albert Facey Homestead for afternoon tea. This was followed by music and dance at Helen and Ray Lewis's shearing shed on Saturday evening.

The carriage drivers headed out on the Arthur Russell Memorial Drive to the Malyalling Cricket Grounds on Sunday morning to enjoy a spot of cricket and lunch at the MCG shed. The carriage drivers were based at the Wickepin Community Centre grounds. They left the area in immaculate condition.

It should be noted that the Public Relations credibility and advertising the Shire of Wickepin achieved through the waived use of facilities is worth thousands of dollars.

Shire of Wickepin would like to extend a massive thank you to those that helped make the many events held over the Art Prize Weekend of the 14 -16th October successful. A mammoth weekend only made possible through the help and willingness of many volunteers.



ANZAC Day 25 April 2017

Shire of Wickepin celebrated Anzac Day with John Duckworth, Vietnam Veteran, addressing the community. Irene Moore led the Prayer of Remembrance and Shire President, Cr Julie Russell, led the proceedings. Colin Plumb, Vietnam Veteran, and Murray Lang, Freeman of the Shire, supported with the running of the service.

David Koppers, grandson of Dave and Charlotte Astbury, was the musician for the Last Post and Reveille. Local schoolchildren from Wickepin and Yealering presented readings. A shared community morning tea was enjoyed by a crowd of over 100 people.

The morning was a great success with John Duckworth reducing the crowd to tears and laughter with his stories of the war and football.



Dryandra Country Art Food & Wine Trail 6 – 7 May 2017

Wickepin, Cuballing, Narrogin and Williams created a haven of art, food & wine with a big dose of country air and hospitality for the 5th annual art trail held over the Mother's Day weekend.

Visitors numbering around 500 from the Great Southern and Perth areas spent the weekend exploring the region and visiting Wickepin and the Shire as part of the trail.

The Wickepin Town Hall was filled with art displays by Caroline Coate, Mesha Hall, Debra Scidone, Helen Warrilow and a photographic display by Rachel Guinness. Prema Sexton created a photographic portraiture pop-up studio; She Shed He Shed wowed everyone with the diversity and quality of their recycled/upcycled metal sculptures; Silvery Moon created bespoke silver jewellery; Something Painted, TinkerBay Frames and That's Sew Kate showed the region the depth of local artisans; Selina's Garden was abundant with greenery; Christine Hill Food catered all weekend; Belinda Dycer awed everyone with her floral art. Wickepin Community Resource Centre organised a market day with street performers and vintage cars on the Saturday to coincide with the trail.

This is a growing event and every year the organisation becomes more streamlined from a Shire perspective. Support is given in-kind. The Trail is a positive Public Relations exercise for the Shire, besides the obvious tourism and advertising spin-offs it brings to the district.



Wickepin Winter Weekend 9 -11 June 2017

Campfire Country are David and Therese Higginson. They are based near Bridgetown and have a loyal following of friends who follow them around the state to participate in country dancing and music.

A number of caravan clubs including the West Coast Wags and The South West Wanderers also arrived to join in for the weekend. This brought the number of caravans at the Community Centre to around 80. The Caravan Park was full, as was the accommodation at the Wickepin Hotel. Visitors were from Geraldton, Albany, Perth, Newdegate and everywhere in between.



The Weekend consisted of an Old Time Dance on Friday with Campfire Country providing the music. Around 300 people spent the evening swinging around the Town Hall to a list of dances. Supper was provided by the crowd. Saturday included line-dancing and boot-scooting with Campfire Country and friends singing and playing. A number of line-dancing groups joined and taught the 200+ strong crowd some new dances during the day. Saturday evening hosted a Country Music concert with over 8 different musicians and a number of poets. A wind-up session held on Sunday morning created the opportunity to learn a few new dances with Campfire Country again providing the music. A strong crowd of over 100 dancers took to the floor.

Those visiting and organising the event have all been enthusiastic about the weekend, the facilities on offer and the wonderful Wickepin Town Hall. The profits (\$3050) from the doors sales have been donated by Campfire Country to the Wickepin St John Ambulance to assist in purchasing heart-start machinery.

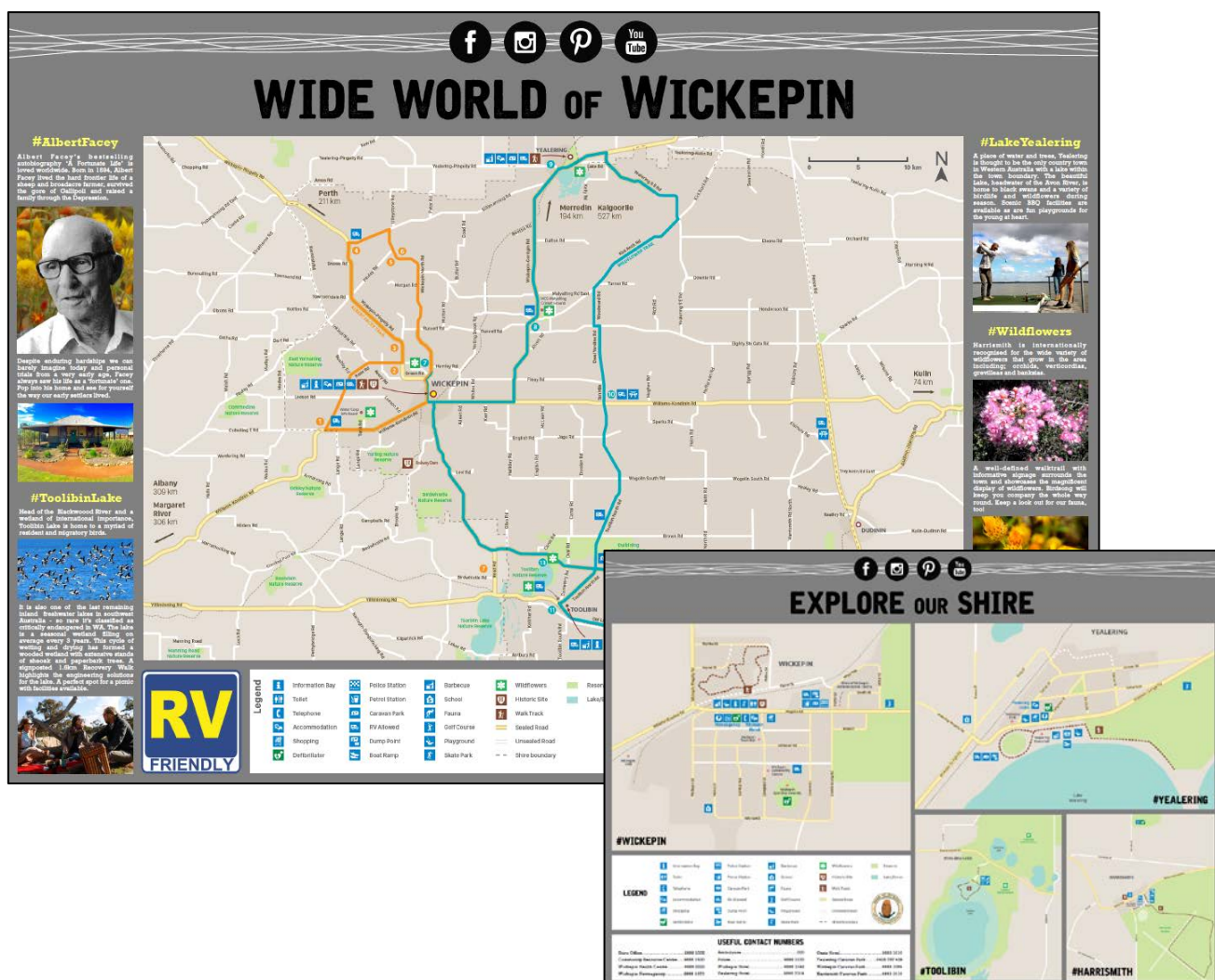
Tourism, Marketing and Promotion

Spin-off promotion for the entire Shire of Wickepin as a result of the events held during the year is very good. Public Relations credibility and advertising the Shire of Wickepin achieves through allowing the use of its facilities is worth thousands of dollars. Shire had many minutes of free regional ABC radio airtime promoting events and the Shire in general. Caravan clubs and individuals are making separate trips to experience Lake Yealering, wildflowers and Harris Smith and to further explore the town and surrounds of Wickepin as a result of the events held during the year. The positive promotion and complimentary word-of-mouth advertising for the Shire are well-worth the investment in the weekends/events and in Shire waiving or reducing fees. The aim of good Public Relations is to generate a positive and favourable view of the Shire and persuade our public, employees and stakeholders to maintain this view. These events are achieving this aim.

We have still advertised in the traditional tourism lift outs aimed at the over 45's, caravanners and gray nomads. We continue to attract the younger set that is enthusiastic on taking road trips and exploring through our instagram account: @wickepin_shire for those of you who would like to contribute and post images of the Shire.

Councillors and members of the public are encouraged to friend, like or follow our social media pages and share the content and posts that the shire staff regularly posts. Adding comments to the posts also raises the profile of the post and encourages more social traffic to the Shire of Wickepin, which in turn raises the global profile of the Shire.

Shire of Wickepin has enlisted the help of Tangelo to create a new digital map of the Shire and the townsites for tourist purposes. The ESO and CDO incorporated images and text of the Shire with the map creating an A3 tourist map. These will be distributed to local businesses and tourism venues.

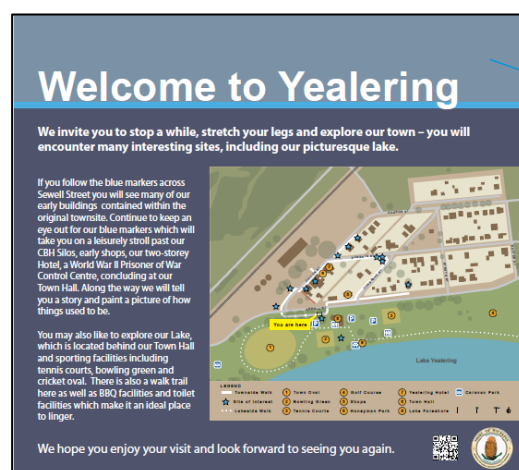


Walk Trail

The Shire of Wickepin was successful in receiving funding from Lotterywest to upgrade the Walk Trail signage in Yealering, Harrismith and Wickepin. The funding enabled the Shire of Wickepin to engage consultants from TPG to create signs for the walk trail focussing on the heritage sites and points of interest in Yealering; wildflowers in Harrismith; and the buildings of note along Wogolin Road in Wickepin. Jason Signs and Midland Monumental manufactured the signs and they have been installed along the trail by the Manager of Works and the works crew.

The design, manufacture and installation of trails signage assists the Shire of Wickepin to encourage more people to engage with and explore the stories, buildings and landscapes that shape their sense of place and environment. The heritage trails signs for the towns of Wickepin and Yealering focus on the historical areas of the town and highlights the interaction between the new and old facets of the area. The trails signs assist users to understand the history of the towns and interpret it in a modern way. The heritage trail signage in Harrismith links the history of the town but mainly focusses on the Wildflower Walk Trail, which has a wide variety of rare orchids and wildflowers. Seats were installed in all 3 townsites to complement the new signage.

Shire would like to acknowledge the funding support of Lotterywest.



Kidsport

The Shire of Wickepin continued to support the Department of Sport and Recreation and local sporting groups to implement the Kidsport program. The Kidsport program involves the distribution of vouchers by local governments to eligible youth assisting them to play organised sport. Shire of Wickepin applies to The Department of Sport and Recreation for a grant for the monies required and then pays individual clubs when invoiced.



Grant Funding

Wickepin Sculpture Project	CAN WA	\$7,655
Sport 4 All Kidsport	Department of Sport and Recreation	\$5,000
Walk Trails Project	Lotterywest	\$36,168
Healthy Community Precinct	Wheatbelt Development Commission	\$28,540
TOTAL		\$77,363

Lee Parker
Community Development Officer

SHIRE OF WICKEPIN
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

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Principal place of business:
77 Wogolin Road
Wickepin

**SHIRE OF WICKEPIN
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017**

**LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996**

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire being the annual financial report and supporting notes and other information for the financial year ended 30 June 2017 are in my opinion properly drawn up to present fairly the financial position of the Shire at 30th June 2017 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed as authorisation of issue on the 11th day of October 2017



Mark Hook
Chief Executive Officer

SHIRE OF WICKEPIN
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2017

	NOTE	2017 \$	2017 Budget \$	2016 \$
Revenue				
Rates	23	1,386,108	1,383,226	1,358,506
Operating grants, subsidies and contributions	30	2,470,126	1,684,723	890,276
Fees and charges	29	441,999	418,377	507,952
Interest earnings	2(a)	48,681	57,600	58,656
		<u>4,346,914</u>	<u>3,543,926</u>	<u>2,815,390</u>
Expenses				
Employee costs		(992,558)	(1,127,120)	(866,331)
Materials and contracts		(1,186,820)	(1,463,420)	(1,078,137)
Utility charges		(174,994)	(171,585)	(159,612)
Depreciation on non-current assets	2(a)	(4,627,982)	(4,653,900)	(4,652,693)
Interest expenses	2(a)	(6,443)	(6,572)	(10,061)
Insurance expenses		(167,187)	(184,989)	(165,963)
		<u>(7,155,984)</u>	<u>(7,607,586)</u>	<u>(6,932,797)</u>
		<u>(2,809,070)</u>	<u>(4,063,660)</u>	<u>(4,117,407)</u>
Non-operating grants, subsidies and contributions	30	786,921	4,195,492	1,023,654
Profit on asset disposals	21	15,799	174,600	12,727
(Loss) on asset disposals	21	(86,321)	(74,000)	(81,176)
(Loss) on revaluation of furniture and equipment	6(b)	0	0	(8,496)
(Loss) on revaluation of plant and equipment	6(b)	0	0	(262,289)
Net result		(2,092,671)	232,432	(3,432,987)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	13	3,073,184	0	403,388
Total other comprehensive income		3,073,184	0	403,388
Total comprehensive income		<u>980,513</u>	<u>232,432</u>	<u>(3,029,599)</u>

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 30TH JUNE 2017

	NOTE	2017 \$	2017 Budget \$	2016 \$
Revenue	2(a)			
Governance		32,259	25,196	8,418
General purpose funding		3,630,816	2,856,402	2,090,443
Law, order, public safety		71,837	67,435	77,092
Health		236	400	437
Education and welfare		305	250	468
Housing		73,571	88,300	119,263
Community amenities		168,003	168,058	164,968
Recreation and culture		91,210	86,782	128,832
Transport		168,596	172,208	125,455
Economic services		65,077	43,095	44,816
Other property and services		45,003	35,800	55,198
		<u>4,346,913</u>	<u>3,543,926</u>	<u>2,815,390</u>
Expenses	2(a)			
Governance		(431,578)	(468,496)	(430,658)
General purpose funding		(78,476)	(74,606)	(65,133)
Law, order, public safety		(160,969)	(207,136)	(180,826)
Health		(28,188)	(32,911)	(28,601)
Education and welfare		(6,522)	(10,956)	(5,761)
Housing		(188,215)	(243,323)	(172,671)
Community amenities		(404,384)	(432,857)	(371,561)
Recreation and culture		(1,234,152)	(1,227,559)	(1,230,180)
Transport		(4,345,035)	(4,611,836)	(4,211,225)
Economic services		(258,102)	(269,249)	(219,405)
Other property and services		(13,920)	(22,085)	(6,715)
		<u>(7,149,541)</u>	<u>(7,601,014)</u>	<u>(6,922,736)</u>
Finance costs	2(a)			
Housing		(4,747)	(4,769)	(6,742)
Recreation and culture		(1,696)	(1,803)	(3,319)
		<u>(6,443)</u>	<u>(6,572)</u>	<u>(10,061)</u>
		<u>(2,809,071)</u>	<u>(4,063,660)</u>	<u>(4,117,407)</u>
Non-operating grants, subsidies and contributions	30	786,921	4,195,492	1,023,654
Profit on disposal of assets	21	15,799	174,600	12,727
(Loss) on disposal of assets	21	(86,320)	(74,000)	(81,176)
(Loss) on revaluation of furniture and equipment	6(b)	0	0	(8,496)
(Loss) on revaluation of plant and equipment	6(b)	0	0	(262,289)
Net result		<u>(2,092,672)</u>	<u>232,432</u>	<u>(3,432,987)</u>
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	13	3,073,184	0	403,388
Total other comprehensive income		<u>3,073,184</u>	<u>0</u>	<u>403,388</u>
Total comprehensive income		<u><u>980,513</u></u>	<u><u>232,432</u></u>	<u><u>(3,029,599)</u></u>

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

SHIRE OF WICKEPIN
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2017

	NOTE	2017 \$	2016 \$
CURRENT ASSETS			
Cash and cash equivalents	3	3,088,940	2,037,049
Trade and other receivables	4	<u>72,102</u>	<u>177,633</u>
TOTAL CURRENT ASSETS		3,161,042	2,214,682
NON-CURRENT ASSETS			
Other receivables	4	32,961	38,805
Property, plant and equipment	6	17,836,977	18,806,937
Infrastructure	7	<u>102,045,623</u>	<u>101,074,829</u>
TOTAL NON-CURRENT ASSETS		119,915,561	119,920,571
TOTAL ASSETS		<u>123,076,603</u>	<u>122,135,253</u>
CURRENT LIABILITIES			
Trade and other payables	8	81,782	104,026
Current portion of long term borrowings	9	27,805	28,481
Provisions	10	<u>200,750</u>	<u>143,826</u>
TOTAL CURRENT LIABILITIES		310,337	276,333
NON-CURRENT LIABILITIES			
Long term borrowings	9	80,933	108,738
Provisions	10	<u>22,660</u>	<u>68,020</u>
TOTAL NON-CURRENT LIABILITIES		103,593	176,758
TOTAL LIABILITIES		<u>413,930</u>	<u>453,091</u>
NET ASSETS		<u>122,662,673</u>	<u>121,682,162</u>
EQUITY			
Retained surplus		15,120,929	17,617,761
Reserves - cash backed	12	1,647,429	1,243,268
Revaluation surplus	13	<u>105,894,317</u>	<u>102,821,133</u>
TOTAL EQUITY		<u>122,662,675</u>	<u>121,682,162</u>

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

SHIRE OF WICKEPIN
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2017

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2015		21,235,080	1,058,936	102,417,745	124,711,761
Comprehensive income					
Net result		(3,432,987)	0	0	(3,432,987)
Changes on revaluation of assets	13	0	0	403,388	403,388
Total comprehensive income		(3,432,987)	0	403,388	(3,029,599)
Transfers from/(to) reserves		(184,332)	184,332	0	0
Balance as at 30 June 2016		17,617,761	1,243,268	102,821,133	121,682,162
Comprehensive income					
Net result		(2,092,672)	0	0	(2,092,672)
Changes on revaluation of assets	13	0	0	3,073,184	3,073,184
Total comprehensive income		(2,092,672)	0	3,073,184	980,513
Transfers from/(to) reserves		(404,161)	404,161	0	0
Balance as at 30 June 2017		15,120,929	1,647,429	105,894,317	122,662,675

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

SHIRE OF WICKEPIN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2017

	NOTE	2017 Actual \$	2017 Budget \$	2016 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		1,392,129	1,381,226	1,357,516
Operating grants, subsidies and contributions		2,470,126	1,711,723	810,051
Fees and charges		500,470	418,377	507,952
Interest earnings		48,681	57,600	58,656
Goods and services tax		0	0	210,443
		<u>4,411,406</u>	<u>3,568,926</u>	<u>2,944,618</u>
Payments				
Employee costs		(983,639)	(1,127,120)	(902,494)
Materials and contracts		(1,215,678)	(1,488,420)	(1,046,815)
Utility charges		(165,605)	(171,585)	(160,069)
Interest expenses		(6,573)	(6,572)	(10,326)
Insurance expenses		(167,187)	(184,989)	(165,963)
Goods and services tax		(11,840)	0	(169,311)
		<u>(2,550,522)</u>	<u>(2,978,686)</u>	<u>(2,454,978)</u>
Net cash provided by (used in) operating activities	14(b)	<u>1,860,884</u>	<u>590,240</u>	<u>489,640</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment		(764,440)	(4,249,550)	(727,800)
Payments for construction of infrastructure		(1,183,799)	(1,078,259)	(1,550,479)
Non-operating grants, subsidies and contributions		837,874	4,195,492	1,023,654
Proceeds from sale of fixed assets		322,083	476,000	240,719
Net cash provided by (used in) investment activities		<u>(788,282)</u>	<u>(656,317)</u>	<u>(1,013,906)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of debentures		(28,481)	(28,481)	(49,627)
Proceeds from self supporting loans		7,769	7,769	7,473
Net cash provided by (used in) financing activities		<u>(20,712)</u>	<u>(20,712)</u>	<u>(42,154)</u>
Net increase (decrease) in cash held		1,051,890	(86,789)	(566,420)
Cash at beginning of year		2,037,049	2,037,048	2,603,469
Cash and cash equivalents at the end of the year	14(a)	<u><u>3,088,939</u></u>	<u><u>1,950,259</u></u>	<u><u>2,037,049</u></u>

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

SHIRE OF WICKEPIN
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2017

	NOTE	2017 Actual \$	2017 Budget \$	2016 Actual \$
Net current assets at start of financial year - surplus/(deficit)		<u>715,793</u>	<u>717,315</u>	<u>1,442,502</u>
		715,793	717,315	1,442,502
Revenue from operating activities (excluding rates)				
Governance		34,750	26,296	8,418
General purpose funding		2,307,780	1,536,248	792,124
Law, order, public safety		71,837	67,435	77,092
Health		236	400	437
Education and welfare		305	250	468
Housing		73,571	253,300	119,263
Community amenities		168,003	168,058	164,968
Recreation and culture		91,210	86,782	128,832
Transport		181,904	180,708	138,182
Economic services		65,077	43,095	44,816
Other property and services		45,003	35,800	55,198
		<u>3,039,676</u>	<u>2,398,372</u>	<u>1,529,798</u>
Expenditure from operating activities				
Governance		(447,359)	(468,496)	(448,416)
General purpose funding		(78,476)	(74,606)	(65,133)
Law, order, public safety		(160,969)	(207,136)	(180,826)
Health		(28,188)	(32,911)	(28,601)
Education and welfare		(6,522)	(10,956)	(5,761)
Housing		(192,962)	(248,092)	(179,413)
Community amenities		(406,938)	(432,857)	(371,561)
Recreation and culture		(1,277,848)	(1,229,362)	(1,234,636)
Transport		(4,371,021)	(4,685,836)	(4,273,506)
Economic services		(258,102)	(269,249)	(219,405)
Other property and services		(13,920)	(22,085)	(6,715)
		<u>(7,242,305)</u>	<u>(7,681,586)</u>	<u>(7,013,973)</u>
Operating activities excluded from budget				
(Profit) on disposal of assets	21	(15,799)	(174,600)	(12,727)
Loss on disposal of assets	21	86,321	74,000	81,176
Movement in employee benefit provisions (non-current)		(45,360)	0	(21,604)
Depreciation and amortisation on assets	2(a)	4,627,982	4,653,900	4,652,693
Amount attributable to operating activities		<u>1,166,308</u>	<u>(12,599)</u>	<u>657,865</u>
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		786,921	4,195,492	1,023,654
Proceeds from disposal of assets	21	322,083	476,000	240,719
Purchase of property, plant and equipment	6(b)	(764,440)	(4,297,550)	(727,800)
Purchase and construction of infrastructure	7(b)	(1,183,799)	(1,058,259)	(1,550,479)
Amount attributable to investing activities		<u>(839,235)</u>	<u>(684,317)</u>	<u>(1,013,906)</u>
FINANCING ACTIVITIES				
Repayment of debentures	22(a)	(28,481)	(28,481)	(49,627)
Proceeds from self supporting loans		7,769	7,769	7,473
Transfers to reserves (restricted assets)	12	(404,161)	(602,215)	(301,061)
Transfers from reserves (restricted assets)	12	0	0	116,729
Amount attributable to financing activities		<u>(424,873)</u>	<u>(622,927)</u>	<u>(226,486)</u>
Surplus(deficiency) before general rates		<u>(97,799)</u>	<u>(1,319,843)</u>	<u>(582,527)</u>
Total amount raised from general rates	23	<u>1,323,036</u>	<u>1,320,154</u>	<u>1,298,319</u>
Net current assets at June 30 c/fwd - surplus/(deficit)	24	<u><u>1,225,237</u></u>	<u><u>311</u></u>	<u><u>715,792</u></u>

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

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF PREPARATION

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

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

(b) Goods and Services Tax (GST)

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

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

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

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

(c) Cash and Cash Equivalents

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

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

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Trade and Other Receivables

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

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

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

(e) Inventories

General

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

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

Land held for sale

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

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

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

(f) Fixed Assets

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

Mandatory requirement to revalue non-current assets

Effective from 1 July 2012, the Local Government (Financial Management) Regulations were amended and the measurement of non-current assets at Fair Value became mandatory.

During the year ended 30 June 2013, the Shire commenced the process of adopting Fair Value in accordance with the Regulations.

Whilst the amendments initially allowed for a phasing in of fair value in relation to fixed assets over three years, as at 30 June 2015 all non-current assets were carried at Fair Value in accordance with the requirements.

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

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

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

Land under control

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

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

Initial recognition and measurement between mandatory revaluation dates

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

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework detailed above.

Revaluation

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

Land under roads

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

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

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

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

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

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

Depreciation

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

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

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

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

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
seal	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
formation	not depreciated
pavement	50 years
gravel sheet	12 years
Formed roads	
formation	not depreciated
pavement	50 years
Footpaths - slab	20 years
Sewerage piping	100 years
Water supply piping & drainage systems	75 years

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fair Value of Assets and Liabilities

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

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

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

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

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

Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

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.

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Income approach

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

Cost approach

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

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

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

(h) Financial Instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

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

Amortised cost is calculated as:

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

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

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Classification and subsequent measurement (continued)

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

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

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments that the Shire has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Held-to-maturity investments are included in current assets, where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as non-current.

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

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

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Impairment

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

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

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

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the Shire no longer has any significant continual involvement in the risks and benefits associated with the asset. □

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

(i) Impairment of Assets

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

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

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

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

(j) Trade and Other Payables

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

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Employee Benefits

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

(l) Borrowing Costs

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

(m) Provisions

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

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

(n) Leases

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

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

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

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

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

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Investment in Associates

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

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

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

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

(p) Interests in Joint Arrangements

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

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

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Shire's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note

(q) Rates, Grants, Donations and Other Contributions

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

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

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 2(c). That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current reporting period.

(r) Superannuation

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

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Current and Non-Current Classification

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

(t) Rounding Off Figures

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

(u) Comparative Figures

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

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

(v) Budget Comparative Figures

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

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

	Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(i)	AASB 9 Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)	December 2014	1 January 2018	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Shire, it is not anticipated the Standard will have any material effect.
(ii)	AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2018	<p>This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.</p> <p>The effect of this Standard will depend upon the nature of future transactions the Shire has with those third parties it has dealings with. It may or may not be significant.</p>
(iii)	AASB 16 Leases	January 2016	1 January 2019	<p>Under AASB 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability onto their statement of financial position for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 117 Leases which currently do not impact the statement of financial position will be required to be capitalised on the statement of financial position once AASB 16 is adopted.</p> <p>Currently, operating lease payments are expensed as incurred. This will cease and will be replaced by both depreciation and interest charges. Based on the current number of operating leases held by the Shire, the impact is not expected to be significant.</p>

Notes:

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

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(iv) AASB 1058 Income of Not-for-Profit Entities (incorporating AASB 2016-7 and AASB 2016-8)	December 2016	1 January 2019	<p>These standards are likely to have a significant impact on the income recognition for NFP's. Key areas for consideration are:</p> <ul style="list-style-type: none"> - Assets received below fair value; - Transfers received to acquire or construct non-financial assets; - Grants received; - Prepaid rates; - Leases entered into at below market rates; and - Volunteer services. <p>Whilst it is not possible to quantify the financial impact (or if it is material) of these key areas until the details of future transactions are known, they will all have application to the Shire's operations.</p>

Notes:

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

(x) Adoption of New and Revised Accounting Standards

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

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

<p>(i) AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities</p> <p>[AASB 10, 124 & 1049]</p>	<p>The objective of this Standard was to extend the scope of AASB 124 <i>Related Party Disclosures</i> to include not-for-profit sector entities.</p> <p>The Standard has had a significant disclosure impact on the financial report of the Shire as both Elected Members and Senior Management are deemed to be Key Management Personnel and resultant disclosures in accordance to AASB 124 have been necessary.</p>
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SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

2. REVENUE AND EXPENSES

2017

2016

\$

\$

(a) Net Result

The Net result includes:

(i) Charging as an expense:

Auditors remuneration

- Audit of the Annual Financial Report
- Other Audit Services

9,697

10,628

0

1,600

Depreciation

Buildings - non-specialised
Buildings - specialised
Furniture and equipment
Plant and equipment
Infrastructure - Roads
Infrastructure - Footpaths
Infrastructure - Drainage
Infrastructure - Parks & Ovals
Infrastructure - Main Street Development

100,806

134,870

722,602

684,903

14,286

25,121

305,469

344,069

3,394,474

3,394,474

10,740

10,740

15,228

15,228

57,744

36,655

6,633

6,633

4,627,982

4,652,693

Interest expenses (finance costs)

Debentures (refer Note 22 (a))

6,443

10,061

6,443

10,061

(ii) Crediting as revenue:

2017
Actual
\$

2017
Budget
\$

2016
Actual
\$

Interest earnings

- Reserve funds
- Other funds
Other interest revenue (refer note 28)

28,930

30,000

30,257

15,323

24,000

24,720

4,428

3,600

3,679

48,681

57,600

58,656

**SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017**

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

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

COMMUNITY VISION

A Fortunate Place

Wickepin offers a safe, pleasant, healthy lifestyle, with a community that has strong sporting and social networks.

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

GOVERNANCE

Objective:

To provide a decision making process for the efficient allocation of scarce resources.

Activities:

Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.

GENERAL PURPOSE FUNDING

Objective:

To collect revenue to allow for the provision of services.

Activities:

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

Objective:

To provide services to help ensure a safer and environmentally conscious community.

Activities:

Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.

HEALTH

Objective:

To provide an operational framework for environmental and community health.

Activities:

Inspection of food outlets and their control, immunisation services, mosquito control and operation of medical centre.

EDUCATION AND WELFARE

Objective:

To provide services to disadvantaged persons, the elderly, children and youth

Activities:

Support for childcare, development of services for the aged and rural counselling support.

HOUSING

Objective:

To provide and maintain staff and other housing.

Activities:

Provision and maintenance of staff and other housing.

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

COMMUNITY AMENITIES

Objective:

To provide services required by the community.

Activities:

Rubbish collection services, operation of tip, noise control, support for waste recycling, litter control, administration of the town planning scheme, strategic planning, maintenance of cemetery, public conveniences and town drainage maintenance.

RECREATION AND CULTURE

Objective:

To establish and effectively manage infrastructure and resource which will help the social well being of the community.

Activities:

Maintenance of halls, swimming facilities, recreation centres and various reserves, operation of library, maintenance of cultural heritage assets.

TRANSPORT

Objective:

To provide safe, effective and efficient transport services to the community

Activities:

Construction and maintenance of streets, roads, footpaths, drainage works, parking facilities, cleaning, lighting of streets, depot maintenance and airstrip maintenance.

ECONOMIC SERVICES

Objective:

To help promote the shire and its economic wellbeing.

Activities:

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

OTHER PROPERTY AND SERVICES

Objective:

To monitor and control council's overheads operating accounts.

Activities:

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

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

Grant/Contribution	Opening Balance ⁽¹⁾ 1/07/15 \$	Received ⁽²⁾ 2015/16 \$	Expended ⁽³⁾ 2015/16 \$	Closing Balance ⁽¹⁾ 30/06/16 \$	Received ⁽²⁾ 2016/17 \$	Expended ⁽³⁾ 2016/17 \$	Closing Balance 30/06/17 \$
Housing							
Creating Age Friendly Towns	51,260	0	(51,260)	0	0	0	0
Community amenities							
Wickepin Cemetery Upgrade	40,000	0	(40,000)	0	0	0	0
CLGF Regional Waste transfer Station	7,800	0	(7,800)	0	0	0	0
Recreation and culture							
Lotterywest Old Railway Station	4,350	25,650	(30,000)	0	0	0	0
CSRFF Yealering Bowling Greens	0	59,093	(59,093)	0	0	0	0
Wickepin Cricket Club	0	3,456	(3,456)	0	0	0	0
Transport							
Roads To Recovery	0	674,212	(674,212)	0	545,008	(545,008)	0
State Blackspot Funding	0	55,243	(55,243)	0	0	0	0
Regional Road Group	0	206,000	(206,000)	0	225,765	(225,765)	0
Federal Blackspot Funding	0	0	0	0	16,148	(16,148)	0
Total	103,410	1,023,654	(1,127,064)	0	786,921	(786,921)	0

Notes:

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

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

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

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

	Note	2017 \$	2016 \$
3. CASH AND CASH EQUIVALENTS			
Unrestricted		1,441,512	793,781
Restricted		<u>1,647,428</u>	<u>1,243,268</u>
		<u><u>3,088,940</u></u>	<u><u>2,037,049</u></u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Reserves cash backed - Leave Reserve	12	81,572	64,711
Reserves cash backed - Plant Reserve	12	200,182	171,245
Reserves cash backed - Building Reserve	12	483,980	253,506
Reserves cash backed - Fire Fighting Reserve	12	21,123	20,648
Reserves cash backed - Cottage Homes Reserve	12	37,172	7,988
Reserves cash backed - Special Events Reserve	12	14,010	4,807
Reserves cash backed - Computer Reserve	12	20,088	19,636
Reserves cash backed - Young Singles Accommodation Res	12	61,296	52,098
Reserves cash backed - Saleyards Reserve	12	13,190	12,796
Reserves cash backed - Sewerage Reserve	12	141,033	118,313
Reserves cash backed - Refuse Reserve	12	116,703	114,080
Reserves cash backed - Land Development Reserve	12	111,712	109,202
Reserves cash backed - Aged Persons Accommodation Res	12	184,184	180,045
Reserves cash backed - Swimming Pool Reserve	12	151,819	114,193
Reserves cash backed - Albert Facey Homestead Reserve	12	9,365	0
		<u><u>1,647,429</u></u>	<u><u>1,243,268</u></u>

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

	2017 \$	2016 \$
4. TRADE AND OTHER RECEIVABLES		
Current		
Rates outstanding	19,522	25,543
Sundry debtors	18,556	127,981
GST receivable	28,180	16,340
Loans receivable - clubs/institutions	5,844	7,769
	<u>72,102</u>	<u>177,633</u>
Non-current		
Loans receivable - clubs/institutions	32,961	38,805
	<u>32,961</u>	<u>38,805</u>
Information with respect to the impairment or otherwise of the totals of rates outstanding and sundry debtors is as follows:		
Rates outstanding	<u>19,522</u>	<u>25,543</u>
Includes:		
Past due and not impaired	19,522	25,543
Impaired	<u>0</u>	<u>0</u>
Sundry debtors	<u>18,556</u>	<u>127,981</u>
Includes:		
Past due and not impaired	18,556	127,981
Impaired	<u>0</u>	<u>0</u>
5. INVENTORIES		
	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

	2017 \$	2016 \$
6 (a). PROPERTY, PLANT AND EQUIPMENT		
Land and buildings		
- Independent valuation 2014 - level 2	0	840,000
- Independent valuation 2017 - level 2	1,279,000	0
	<u>1,279,000</u>	<u>840,000</u>
	<u>1,279,000</u>	<u>840,000</u>
Buildings - non-specialised at:		
- Independent valuation 2014 - level 2	0	2,620,500
- Independent valuation 2017 - level 2	1,514,000	0
- Independent valuation 2017 - level 3	925,500	0
- Additions after valuation - cost	0	35,152
Buildings - non-specialised - Less: accumulated depreciation	0	(403,799)
	<u>2,439,500</u>	<u>2,251,853</u>
Buildings - specialised at:		
- Independent valuation 2014 - level 3	0	14,197,204
- Independent valuation 2017 - level 3	11,356,800	0
- Additions after valuation - cost	0	892,280
Buildings - specialised - Less: accumulated depreciation	0	(2,062,720)
	<u>11,356,800</u>	<u>13,026,764</u>
	<u>13,796,300</u>	<u>15,278,617</u>
Total land and buildings	<u>15,075,300</u>	<u>16,118,617</u>
Furniture and equipment at:		
- Management valuation 2016 - level 3	97,250	97,250
- Additions after valuation - cost	10,062	0
Furniture and equipment - Less: accumulated depreciation	(14,286)	0
	<u>93,026</u>	<u>97,250</u>
Plant and equipment at:		
- Management valuation 2016 - level 3	265,370	265,370
- Independent valuation 2016 - level 2	2,325,700	2,325,700
- Additions after valuation - cost	367,151	0
Plant and equipment - Less: accumulated depreciation	(289,570)	0
	<u>2,668,651</u>	<u>2,591,070</u>
	<u>17,836,977</u>	<u>18,806,937</u>

The fair value of property, plant and equipment is determined at least every three years in accordance with the regulatory framework. Additions since the date of valuation are shown as cost, given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with Local Government (Financial Management) Regulation 17A (2) which requires property, plant and equipment to be shown at fair value.

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Movements in Carrying Amounts

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

	Balance at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) Transferred to Revaluation \$	Revaluation (Losses)/ Reversals Through to Profit or Loss \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Transfers \$	Carrying Amount at the End of Year \$
Land - freehold land	840,000			(119,000)					1,279,000
Total land	840,000			(119,000)					1,279,000
Buildings - non-specialised	2,251,853	20,722		795,829			(100,806)		2,439,500
Buildings - specialised	13,026,764		(42,000)	2,616,115			(722,602)	(3,491,574)	11,356,800
Total buildings	15,278,617	20,722	(42,000)	3,411,944			(823,408)	(3,491,574)	13,796,300
Total land and buildings	16,118,617	20,722	(42,000)	3,292,944			(823,408)	(3,491,574)	15,075,300
Furniture and equipment	97,250	10,062					(14,286)		93,026
Plant and equipment	2,591,070	733,656	(350,605)				(305,469)		2,668,651
Total property, plant and equipment	18,806,937	764,440	(392,605)	3,292,944			(1,143,163)	(3,491,574)	17,836,977

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Land and buildings					
Land - freehold land	Level 2	Depreciated Replacement Cost	Independent	June 2017	Market value based on sales comparison approach, gross current replacement cost based on cost and estimated remaining useful life.
Land - vested in and under the control of Council					
Buildings - non-specialised	Level 2	Depreciated Replacement Cost	Independent	June 2017	Market value based on sales comparison approach, gross current replacement cost based on cost and estimated remaining useful life.
Buildings - specialised	Level 3	Depreciated Replacement Cost	Independent	June 2017	Market value based on sales comparison approach, gross current replacement cost based on cost and estimated remaining useful life.
Furniture and equipment	Level 3	Depreciated Replacement Cost	Independent	June 2016	Market value and estimated remaining useful life.
Plant and equipment					
- Management valuation 2016	Level 3	Depreciated Replacement Cost	Management	June 2016	Market value and estimated remaining useful life.
- Independent valuation 2016	Level 2	Depreciated Replacement Cost	Independent	June 2016	Market value and estimated remaining useful life.

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

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

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

	2017 \$	2016 \$
7 (a). INFRASTRUCTURE		
Infrastructure - Roads		
- Independent valuation 2015 - level 3	99,029,897	99,029,897
- Additions after valuation - cost	2,422,297	1,287,830
- Impairment Flood Damage 2017	(219,760)	0
Infrastructure - Roads - Less: accumulated depreciation	<u>(6,788,948)</u>	<u>(3,394,474)</u>
	94,443,486	96,923,253
Infrastructure - Footpaths		
- Independent valuation 2015 - level 3	567,124	567,124
- Additions after valuation - cost	52,773	25,839
Infrastructure - Footpaths - Less: accumulated depreciation	<u>(21,480)</u>	<u>(10,740)</u>
	598,417	582,223
Infrastructure - Drainage		
- Independent valuation 2015 - level 3	1,522,817	1,522,817
Infrastructure - Drainage - Less: accumulated depreciation	<u>(30,456)</u>	<u>(15,228)</u>
	1,492,361	1,507,589
Infrastructure - Parks & Ovals		
- Management valuation 2015 - level 3	1,536,593	1,536,593
- Additions after valuation - cost	243,648	236,810
- transfers in	4,357,725	0
Infrastructure - Parks & Ovals - Less: accumulated depreciation	<u>(944,990)</u>	<u>(36,655)</u>
	5,192,976	1,736,748
Infrastructure - Main Street Development		
- Management valuation 2015 - level 3	331,649	331,649
Infrastructure - Main Street Development - Less: accumulated depreciation	<u>(13,266)</u>	<u>(6,633)</u>
	318,383	325,016
	<u>102,045,623</u>	<u>101,074,829</u>

The fair value of infrastructure is determined at least every three years in accordance with the regulatory framework. Additions since the date of valuation are shown as cost. Given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening period the valuation is reviewed and, where appropriate, the fair value is updated to reflect current market conditions. This process is considered to be in accordance with Local Government (Financial Management) Regulation 17A(2) which requires infrastructure to be shown at fair value.

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

7. INFRASTRUCTURE (Continued)

(b) Movements in Carrying Amounts

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

	Balance as at the Beginning of the Year	Additions	(Disposals)	Revaluation Increments/ (Decrements) Transferred to Revaluation	Revaluation (Loss)/ Reversal Transferred to Profit or Loss	Impairment (Losses)/ Reversals	Depreciation (Expense)	Transfers	Carrying Amount at the End of the Year
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Infrastructure - Roads	96,923,253	1,134,467	0	(219,760)	0	0	(3,394,474)	0	94,443,486
Infrastructure - Footpaths	582,223	26,934	0	0	0	0	(10,740)	0	598,417
Infrastructure - Drainage	1,507,589	0	0	0	0	0	(15,228)	0	1,492,361
Infrastructure - Parks & Ovals	1,736,748	22,398	0	0	0	0	(57,744)	3,491,574	5,192,976
Infrastructure - Main Street Development	325,016	0	0	0	0	0	(6,633)	0	318,383
Total infrastructure	101,074,829	1,183,799	0	(219,760)	0	0	(3,484,819)	3,491,574	102,045,623

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

7. INFRASTRUCTURE (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Infrastructure - Roads	Level 3	Depreciated Replacement Cost	Independent	June 2015	Valuation report from Talis based on total useful life.
Infrastructure - Footpaths	Level 3	Depreciated Replacement Cost	Independent	June 2015	Valuation report from Talis based on total useful life.
Infrastructure - Drainage	Level 3	Depreciated Replacement Cost	Independent	June 2015	Valuation report from Talis based on total useful life.
Infrastructure - Parks & Ovals	Level 3	Depreciated Replacement Cost	Independent	June 2015	Current replacement cost and remaining useful life.
Infrastructure - Main Street Development	Level 3	Depreciated Replacement Cost	Independent	June 2015	Current replacement cost and remaining useful life.

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
FOR THE YEAR ENDED 30TH JUNE 2017

	2017 \$	2016 \$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry creditors	59,000	78,469
Accrued interest on debentures	787	917
ATO liabilities	21,995	24,640
	<u>81,782</u>	<u>104,026</u>

9. LONG-TERM BORROWINGS

Current		
Secured by floating charge		
Debentures	27,805	28,481
	<u>27,805</u>	<u>28,481</u>
Non-current		
Secured by floating charge		
Debentures	80,933	108,738
	<u>80,933</u>	<u>108,738</u>

Additional detail on borrowings is provided in Note 22.

10. PROVISIONS

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2016			
Current provisions	87,622	56,204	143,826
Non-current provisions	0	68,020	68,020
	<u>87,622</u>	<u>124,224</u>	<u>211,846</u>
Additional provision	79,676	24,245	103,921
Amounts used	(96,395)	(14,463)	(110,858)
Increase in the discounted amount arising because of time and the effect of any change in the discounted rate	9,926	8,575	18,501
Balance at 30 June 2017	<u>80,829</u>	<u>142,581</u>	<u>223,410</u>
Comprises			
Current	80,829	119,921	200,750
Non-current	0	22,660	22,660
	<u>80,829</u>	<u>142,581</u>	<u>223,410</u>

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

12. RESERVES - CASH BACKED

	Actual 2017 Opening Balance \$	Actual 2017 Transfer to \$	Actual 2017 Transfer (from) \$	Actual 2017 Closing Balance \$	Budget 2017 Opening Balance \$	Budget 2017 Transfer to \$	Budget 2017 Transfer (from) \$	Budget 2017 Closing Balance \$	Actual 2016 Opening Balance \$	Actual 2016 Transfer to \$	Actual 2016 Transfer (from) \$	Actual 2016 Closing Balance \$
Reserves cash backed - Leave Reserve	64,711	16,861	0	81,572	64,711	16,777	0	81,488	63,028	1,683	0	64,711
Reserves cash backed - Plant Reserve	171,245	28,937	0	200,182	171,245	29,132	0	200,377	115,912	55,333	0	171,245
Reserves cash backed - Building Reserve	253,506	230,474	0	483,980	253,506	446,117	0	699,623	90,304	163,202	0	253,506
Reserves cash backed - Fire Fighting Reserve	20,648	475	0	21,123	20,648	498	0	21,146	20,111	537	0	20,648
Reserves cash backed - Cottage Homes Reserve	7,988	29,184	0	37,172	7,988	29,193	0	37,181	4,821	3,167	0	7,988
Reserves cash backed - Special Events Reserve	4,807	9,203	0	14,010	4,807	116	0	4,923	4,682	125	0	4,807
Reserves cash backed - Computer Reserve	19,636	452	0	20,088	19,636	474	0	20,110	24,058	578	(5,000)	19,636
Reserves cash backed - Young Singles Accommodation Res	52,098	9,198	0	61,296	52,098	9,257	0	61,355	38,905	13,193	0	52,098
Reserves cash backed - Saleyards Reserve	12,796	394	0	13,190	12,796	309	0	13,105	11,970	826	0	12,796
Reserves cash backed - Sewerage Reserve	118,313	22,720	0	141,033	118,313	2,855	0	121,168	95,505	22,808	0	118,313
Reserves cash backed - Refuse Reserve	114,080	2,623	0	116,703	114,080	2,753	0	116,833	111,113	2,967	0	114,080
Reserves cash backed - Land Development Reserve	109,202	2,510	0	111,712	109,202	2,635	0	111,837	106,362	2,840	0	109,202
Reserves cash backed - Staff Housing Reserve	0	0	0	0	0	0	0	0	110,243	1,486	(111,729)	0
Reserves cash backed - Aged Persons Accommodation Res	180,045	4,139	0	184,184	180,045	24,344	0	204,389	175,362	4,683	0	180,045
Reserves cash backed - Swimming Pool Reserve	114,193	37,626	0	151,819	114,193	37,755	0	151,948	86,560	27,633	0	114,193
Reserves cash backed - Albert Facey Homestead Reserve	0	9,365	0	9,365	0	0	0	0	0	0	0	0
	<u>1,243,268</u>	<u>404,161</u>	<u>0</u>	<u>1,647,429</u>	<u>1,243,268</u>	<u>602,215</u>	<u>0</u>	<u>1,845,483</u>	<u>1,058,936</u>	<u>301,061</u>	<u>(116,729)</u>	<u>1,243,268</u>

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

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

12. RESERVES - CASH BACKED

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
Reserves cash backed - Leave Reserve	Indefinite	- to be used to fund annual and long service leave requirements
Reserves cash backed - Plant Reserve	Indefinite	- to be used for the purchase of road plant, machinery and equipment
Reserves cash backed - Building Reserve	Indefinite	- to be used for the construction of new buildings, predominantly staff housing
Reserves cash backed - Fire Fighting Reserve	Indefinite	- to be used to fund the provision of bushfire equipment for brigades
Reserves cash backed - Cottage Homes Reserve	Indefinite	- to be used for the future maintenance and construction of new Cottage Home Units
Reserves cash backed - Special Events Reserve	Indefinite	- to be used to fund special events and celebrations
Reserves cash backed - Computer Reserve	Indefinite	- purchase, upgrade or replacement of hardware as necessary
Reserves cash backed - Young Singles Accommodation Res	Indefinite	- additional income over expenditure held for future repairs or improvements
Reserves cash backed - Saleyards Reserve	Indefinite	- additional income over expenditure held for future repairs or improvements
Reserves cash backed - Sewerage Reserve	Indefinite	- additional income over expenditure held for future repairs or improvements
Reserves cash backed - Refuse Reserve	Indefinite	- additional income over expenditure held for the future creation or maintenance of the refuse site
Reserves cash backed - Land Development Reserve	Indefinite	- income received from the sale of the English House held for future development of the English Land.
Reserves cash backed - Staff Housing Reserve	Completed	- to be used to fund new staff housing
Reserves cash backed - Aged Persons Accommodation Res	Indefinite	- to be used for the construction and future maintenance requirements for Aged Person Accommodation units
Reserves cash backed - Swimming Pool Reserve	Indefinite	- to be used to fund major repairs or improvements at the Wickepin Swimming Pool
Reserves cash backed - Albert Facey Homestead Reserve	Indefinite	- to be used for the refurbishment and future maintenance requirements of the Albert Facey Homestead.

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

13. REVALUATION SURPLUS

	2017	2017	2017	2017	2017	2016	2016	2016	2016	2016
	Opening	Revaluation	Revaluation	Total	Closing	Opening	Revaluation	Revaluation	Total	Closing
	Balance	Increment	(Decrement)	Movement on	Balance	Balance	Increment	(Decrement)	Movement on	Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land and buildings	11,528,784	3,292,944	0	3,292,944	14,821,728	11,528,784	0	0	0	11,528,784
Revaluation surplus - Furniture and equipment	45,766	0	0	0	45,766	29,249	16,517	0	16,517	45,766
Revaluation surplus - Plant and equipment	591,386	0	0	0	591,386	204,515	386,871	0	386,871	591,386
Revaluation surplus - Infrastructure - Roads	88,183,684	0	(219,760)	(219,760)	87,963,924	88,183,684	0	0	0	88,183,684
Revaluation surplus - Infrastructure - Footpaths	129,245	0	0	0	129,245	129,245	0	0	0	129,245
Revaluation surplus - Infrastructure - Drainage	1,184,585	0	0	0	1,184,585	1,184,585	0	0	0	1,184,585
Revaluation surplus - Infrastructure - Parks & Ovals	1,157,683	0	0	0	1,157,683	1,157,683	0	0	0	1,157,683
	<u>102,821,133</u>	<u>3,292,944</u>	<u>(219,760)</u>	<u>3,073,184</u>	<u>105,894,317</u>	<u>102,417,745</u>	<u>403,388</u>	<u>0</u>	<u>403,388</u>	<u>102,821,133</u>

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

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

14. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	2017	2017	2016
	\$	Budget	\$
		\$	
Cash and cash equivalents	<u>3,088,940</u>	<u>1,950,259</u>	<u>2,037,049</u>

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

Net result	(2,092,671)	232,432	(3,432,987)
Non-cash flows in Net result:			
Depreciation	4,627,982	4,653,900	4,652,693
(Profit)/Loss on sale of asset	70,522	(100,600)	68,449
Loss on revaluation of fixed assets	0	0	270,785
Changes in assets and liabilities:			
(Increase)/Decrease in receivables	103,606	25,000	(40,083)
Increase/(Decrease) in payables	(22,244)	(25,000)	(5,881)
Increase/(Decrease) in provisions	11,564	0	318
Grants contributions for the development of assets	<u>(837,874)</u>	<u>(4,195,492)</u>	<u>(1,023,654)</u>
Net cash from operating activities	<u>1,860,885</u>	<u>590,240</u>	<u>489,640</u>

	2017	2016
	\$	\$
(c) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank overdraft limit	0	0
Bank overdraft at balance date	0	0
Credit card limit	10,000	10,000
Credit card balance at balance date	<u>813</u>	<u>384</u>
Total amount of credit unused	<u>10,813</u>	<u>10,384</u>
Loan facilities		
Loan facilities - current	27,805	28,481
Loan facilities - non-current	<u>80,933</u>	<u>108,738</u>
Total facilities in use at balance date	<u>108,738</u>	<u>137,219</u>
Unused loan facilities at balance date	<u>NIL</u>	<u>NIL</u>

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

15. CONTINGENT LIABILITIES

The Shire of Wickepin did not have any contingent liabilities at the 30 June 2017.

	2017	2016
16. CAPITAL AND LEASING COMMITMENTS	\$	\$

(a) Operating Lease Commitments

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

(b) Capital Expenditure Commitments

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

SHIRE OF WICKEPIN
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17. JOINT VENTURE ARRANGEMENTS

movie screen and projector. The Shire of Wickepin and Cuballing purchased a speed display trailer. The Shire's one-third and half share of these assets are included in Property, Plant & Equipment as follows:

	2017	2016
	\$	\$
Non-current assets		
Plant and equipment	21,000	21,000
Less: accumulated depreciation	(2,700)	0
	<u>18,300</u>	<u>21,000</u>

18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2017	2016
	\$	\$
Governance	704,387	498,170
General purpose funding	89,331	22,232
Law, order, public safety	378,423	480,480
Housing	2,492,659	1,993,769
Community amenities	3,527,984	2,910,447
Recreation and culture	13,712,100	12,786,490
Transport	97,875,132	100,082,496
Economic services	1,146,866	967,224
Other property and services	454,521	562,650
Unallocated	2,695,201	1,831,295
	<u>123,076,604</u>	<u>122,135,253</u>

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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	2017	2016	2015
19. FINANCIAL RATIOS			
Current ratio	6.62	4.59	7.23
Asset sustainability ratio	0.33	0.44	1.06
Debt service cover ratio	50.25	3.45	15.34
Operating surplus ratio	(1.52)	(2.30)	(0.18)
Own source revenue coverage ratio	0.26	0.28	0.41

The above ratios are calculated as follows:

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{Depreciation expenses}}$
Debt service cover ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating surplus ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own source revenue coverage ratio	$\frac{\text{own source operating revenue}}{\text{operating expenses}}$

Notes:

Information relating to the **asset consumption ratio** and the **asset renewal funding ratio** can be found at Supplementary Ratio Information on Page 84 of this document.

Three of the 2017 ratios disclosed above were distorted by the early receipt of half of the allocation of the 2017-18 Financial Assistance Grant in June 2017.

The early payment of the grant increased operating revenue in 2017 by \$779,922.

Three of the 2016 and 2015 ratios disclosed above were distorted by the early receipt of half of the allocation of the 2015-16 Financial Assistance Grant on 30 June 2015.

The early payment of the grant increased operating revenue in 2015 and decreased operating revenue in 2016 by \$477,630.

If recognised in the year to which the allocation related, the calculations in the 2017, 2016 and 2015 columns above would be as follows:

	2017	2016	2015
Current ratio	3.21	5.24	5.04
Operating surplus ratio	(1.93)	(2.05)	(0.44)
Debt service cover ratio	27.92	11.46	10.90

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

20. TRUST FUNDS

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

	1 July 2016 \$	Amounts Received \$	Amounts Paid (\$)	30 June 2017 \$
Housing Bonds	200	6,940	(7,140)	0
Master Key Deposits	300	700	(1,000)	0
BCITF	0	1,190	(1,190)	0
LCDC Landcare			(1,097)	(1,097)
Cat/Dog Trap Hire		50	(50)	0
WDSC Replacement Greens	53,479	16,133		69,612
Kidsport	888		(888)	0
Albert Facey Homestead	9,574	1,039	(10,613)	0
Yealering Bowling Club	0	15,800	0	15,800
Miscellaneous	7,483	1,764	(5,821)	3,426
	<u>71,924</u>			<u>87,741</u>

21. DISPOSALS OF ASSETS - 2016/17 FINANCIAL YEAR

The following assets were disposed of during the year.

	Actual Net Book Value \$	Actual Sale Proceeds \$	Actual Profit \$	Actual Loss \$	Budget Net Book Value \$	Budget Sale Proceeds \$	Budget Profit \$	Budget Loss \$
Plant and Equipment								
Governance								
Holden Colorado CEO	48,740	32,959	0	(15,781)	33,200	33,750	550	0
Holden Colorado CEO	34,237	36,727	2,491	0	33,200	33,750	550	0
Community amenities								
Hino Garbage Truck	44,503	41,949	0	(2,554)	0	0		
Transport								
Hino Series 700 Truck	81,039	89,091	8,052	0	132,000	85,000	0	(47,000)
Mitsubishi Triton Utility	23,389	14,545	0	(8,843)	12,000	16,000	4,000	0
Holden Colorado Utility Facey	30,965	24,582	0	(6,383)	24,000	24,000	0	0
Holden Colorado Utility MWS	30,965	28,000	0	(2,965)	36,000	28,000	0	(8,000)
Holden Colorado Utility	27,524	19,729	0	(7,795)	14,000	18,500	4,500	0
Multipac Bitelli Road Roller	29,244	34,500	5,256	0	36,000	17,000	0	(19,000)
Land & Buildings								
Recreation and culture								
Toilet Block at Rec Ground	42,000	0	0	(42,000)				
5 Smith Street	0	0			55,000	220,000	165,000	0
	<u>392,605</u>	<u>322,083</u>	<u>15,799</u>	<u>(86,320)</u>	<u>375,400</u>	<u>476,000</u>	<u>174,600</u>	<u>(74,000)</u>

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

22. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Principal 1 July 2016	New Loans	Principal Repayments		Principal 30 June 2017		Interest Repayments	
	\$	\$	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Housing								
100 CEO Residence	90,643	0	20,711	20,711	69,932	69,932	4,747	4,769
Recreation and culture								
101 - WDS Club Tractor	2,152		2,152	2,152	0	0	75	82
102 - WDS Club Greens	44,424		5,618	5,618	38,806	38,806	1,621	1,721
	90,643	0	20,711	20,711	69,932	69,932	4,747	4,769
<u>Self Supporting Loans</u>								
Recreation and culture								
101 - WDS Club Tractor	2152	0	2152	2152	0	0	75	82
102 - WDS Club Greens	44424	0	5618	5618	38806	38806	1621	1721
	46,576	0	7,770	7,770	38,806	38,806	1,696	1,803
	137,219	0	28,481	28,481	108,738	108,738	6,443	6,572

Self supporting loan financed by payments from third parties.

All other loan repayments were financed by general purpose revenue.

SHIRE OF WICKEPIN
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FOR THE YEAR ENDED 30TH JUNE 2017

22. INFORMATION ON BORROWINGS (Continued)

(b) New Debentures - 2016/17

The Shire did not take up any new debentures during the year ended 30 June 2017.

(c) Unspent Debentures

The Shire did not have any unspent debentures as at 30 June 2017.

(d) Overdraft

The Shire did not utilise an overdraft facility during the financial year ended 30 June 2017.

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

23. RATING INFORMATION - 2016/17 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
Differential general rate / general rate											
Gross rental value valuations											
Gross Rental Value Valuations	6.9322	193	1,793,579	124,334	0	0	124,334	124,334	500	0	124,834
Unimproved value valuations											
Unimproved Value Valuations	1.0617	272	122,078,768	1,296,110	1,744		1,297,854	1,296,110	500		1,296,610
Sub-Total		465	123,872,347	1,420,444	1,744	0	1,422,188	1,420,444	1,000	0	1,421,444
Minimum payment	Minimum \$										
Gross rental value valuations											
Gross Rental Value Valuations	375	63	83,621	23,625	0		23,625	23,625	0	0	23,625
Unimproved value valuations											
Unimproved Value Valuations	375	15	296,506	5,625			5,625	5,625			5,625
Sub-Total		78	380,127	29,250	0	0	29,250	29,250	0	0	29,250
		543	124,252,474	1,449,694	1,744	0	1,451,438	1,449,694	1,000	0	1,450,694
Discounts/concessions (refer note 27)							(128,402)				(130,540)
Total amount raised from general rate							1,323,036				1,320,154
Specified Area Rate (refer note 25)							56,871				56,871
Ex-gratia rates							6,201				6,201
Totals							1,386,108				1,383,226

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

24. NET CURRENT ASSETS

Composition of net current assets

	2017	2017	2016
	(30 June 2017	(1 July 2016	(30 June 2016
	Carried	Brought	Carried
	Forward)	Forward)	Forward)
	\$	\$	\$
Surplus/(Deficit) 1 July 16 brought forward	1,225,237	715,793	715,793
CURRENT ASSETS			
Cash and cash equivalents			
Unrestricted	1,441,512	793,781	793,781
Restricted	1,647,428	1,243,268	1,243,268
Receivables			
Rates outstanding	19,522	25,543	25,543
Sundry debtors	18,556	127,981	127,981
GST receivable	28,180	16,340	16,340
Loans receivable - clubs/institutions	5,844	7,769	7,769
LESS: CURRENT LIABILITIES			
Trade and other payables			
Sundry creditors	(59,000)	(78,469)	(78,469)
Accrued interest on debentures	(787)	(917)	(917)
ATO liabilities	(21,995)	(24,640)	(24,640)
Current portion of long term borrowings			
Secured by floating charge	(27,805)	(28,481)	(28,481)
Provisions			
Provision for annual leave	(80,829)	(87,622)	(87,622)
Provision for long service leave	(119,921)	(56,204)	(56,204)
Unadjusted net current assets	2,850,705	1,938,349	1,938,349
Adjustments			
Less: Reserves - restricted cash	(1,647,429)	(1,243,268)	(1,243,268)
Less: Loans receivable - clubs/institutions	(5,844)	(7,769)	(7,769)
Add: Secured by floating charge	27,805	28,481	28,481
Adjusted net current assets - surplus/(deficit)	1,225,237	715,793	715,793

Difference

There was no difference between the surplus/(deficit) 1 July 2016 brought forward position used in the 2017 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2016 audited financial report.

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

25. SPECIFIED AREA RATE - 2016/17 FINANCIAL YEAR

Specified Area Rate	Basis of Valuation	Rate in \$	Rateable Value \$	Rate Revenue \$	Interim Rate Revenue \$	Back Rate Revenue \$	Total Specified Area Rate Revenue	Budget Rate Revenue \$	Budget Back Rate Revenue \$	Budget Interim Rate Revenue \$
Wickepin Sewerage Scheme	Rate in \$	0.04698	1,963,884	56,871	0	0	56,871	56,871	0	0
				56,871	0	0	56,871	56,871	0	0

Specified Area Rate	Purpose of the rate	Area/properties Rate Imposed	Rate Applied to Costs \$	Rate Set Aside to Reserve \$	Reserve Applied to Costs \$	Budget Rate Applied to Costs \$	Budget Rate Set Aside to Reserve \$	Budget Reserve Applied to Costs \$
Wickepin Sewerage Scheme	Upkeep of Wickepin Sewerage Scheme	GRV	39,538	20,000	0	40,075	20,000	0
			39,538	20,000	0	40,075	20,000	0

26. SERVICE CHARGES - 2016/17 FINANCIAL YEAR

No service charges were imposed by the Shire during the year ended 2017.

SHIRE OF WICKEPIN
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27. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2016/17 FINANCIAL YEAR

Rates Discounts

Rate or Fee Discount Granted	Discount %	Discount \$	Actual \$	Budget \$	Circumstances in which Discount is Granted
General Rate Discount	10.00%	0	128,402	130,540	A discount on rates is granted to all who pay their rates in full within 35 days of the date of service.
			<u>128,402</u>	<u>130,540</u>	

28. INTEREST CHARGES AND INSTALMENTS - 2016/17 FINANCIAL YEAR

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment	27 September 16		0.00%	11.00%
Option Three				
First Instalment	27 September 16		5.50%	11.00%
Second Instalment	30 November 16		5.50%	11.00%
Third Instalment	31 January 17		5.50%	11.00%
Fourth Instalment	04 April 17		5.50%	11.00%
			Revenue \$	Budgeted Revenue \$
Interest on unpaid rates			4,428	3,600
			<u>4,428</u>	<u>3,600</u>

SHIRE OF WICKEPIN
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	2017	2016
	\$	\$
29. FEES & CHARGES		
Governance	32,259	8,418
General purpose funding	8,626	9,189
Law, order, public safety	44,660	45,373
Health	236	437
Education and welfare	305	468
Housing	73,571	119,263
Community amenities	110,035	110,803
Recreation and culture	46,540	96,833
Transport	15,687	17,154
Economic services	65,077	44,816
Other property and services	45,003	55,198
	<u>441,999</u>	<u>507,952</u>

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

30. GRANT REVENUE

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

	2017	2016
	\$	\$
By Nature or Type:		
Operating grants, subsidies and contributions		
General purpose funding	2,244,271	718,257
Law, order, public safety	27,178	31,719
Community amenities	1,097	0
Recreation and culture	44,671	32,000
Transport	152,909	108,300
	<u>2,470,126</u>	<u>890,276</u>
Non-operating grants, subsidies and contributions		
Recreation and culture	0	88,199
Transport	786,921	935,455
	<u>786,921</u>	<u>1,023,654</u>
	<u>3,257,047</u>	<u>1,913,930</u>

31. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

<u>19</u>	<u>18</u>
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32. ELECTED MEMBERS REMUNERATION

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

	2017	2017	2016
	\$	Budget	\$
Meeting Fees	12,161	12,000	10,282
President's allowance	4,500	4,000	125
Deputy President's allowance	1,000	1,000	0
Travelling expenses	6,127	7,000	6,790
Telecommunications allowance	4,205	4,205	4,205
	<u>27,993</u>	<u>28,205</u>	<u>21,402</u>

SHIRE OF WICKEPIN
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FOR THE YEAR ENDED 30TH JUNE 2017

33. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

	2017
	\$
The total of remuneration paid to KMP of the Shire during the year are as follows:	
Short-term employee benefits	327,373
Post-employment benefits	33,394
Other long-term benefits	19,061
	<u>379,828</u>

Short-term employee benefits

These amounts include all salary, paid leave, fringe benefits and cash bonuses awarded to KMP except for details in respect to fees and benefits paid to elected members which may be found at Note 32.

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.

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Entities subject to significant influence by the Shire

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

iii. Joint venture entities accounted for under the equity method

SHIRE OF WICKEPIN
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33. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

Transactions between related parties 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:

	2017
	\$
Associated companies/individuals:	18,012
Joint venture entities:	
Amounts outstanding from related parties:	60,000
Amounts payable to related parties:	31,799

Note: Transitional provisions contained within AASB 2015-6 do not require comparative related party disclosures to be presented in the period of initial application. As a consequence, only disclosures in relation to the current year have been presented.

34. MAJOR LAND TRANSACTIONS

The Shire did not participate in any major land transactions during the 2016/2017 financial year.

35. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Shire did not participate in any trading undertakings or major trading undertakings during the 2016/2017 financial year.

SHIRE OF WICKEPIN
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FOR THE YEAR ENDED 30TH JUNE 2017

36. FINANCIAL RISK MANAGEMENT

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

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

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

The Shire held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2017	2016	2017	2016
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	3,088,940	2,037,049	3,088,940	2,037,049
Receivables	105,063	216,438	105,063	216,438
	<u>3,194,003</u>	<u>2,253,487</u>	<u>3,194,003</u>	<u>2,253,487</u>
Financial liabilities				
Payables	81,782	104,026	81,782	104,026
Borrowings	108,738	137,219	108,738	137,219
	<u>190,520</u>	<u>241,245</u>	<u>190,520</u>	<u>241,245</u>

Fair value is determined as follows: □

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

SHIRE OF WICKEPIN
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36. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

Financial assets at fair value through profit and loss

Available-for-sale financial assets

Held-to-maturity investments

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

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

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

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

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

	2017	2016
	\$	\$
Impact of a 1% ⁽¹⁾ movement in interest rates on cash		
- Equity	30,889	20,370
- Statement of Comprehensive Income	30,889	20,370

Notes:

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

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

36. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

The Shire's major receivables comprise rates and annual charges and user charges and fees. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The Shire manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of the Shire to recover these debts as a secured charge over the land – that is, the land can be sold to recover the debt. The Shire is also able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

The Shire makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

There are no material receivables that have been subject to a re-negotiation of repayment terms.

The profile of the Shire's credit risk at balance date was:

	2017	2016
Percentage of rates and annual charges		
- Current	1%	48%
- Overdue	99%	52%
Percentage of other receivables		
- Current	61%	99%
- Overdue	39%	1%

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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36. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables

Borrowings

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

The contractual undiscounted cash flows of the Shire's Payables and Borrowings are set out in the Liquidity Sensitivity Table below:

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<u>2017</u>					
Payables	81,782	0	0	81,782	81,782
Borrowings	32,819	113,135	7,339	153,293	108,738
	<u>114,601</u>	<u>113,135</u>	<u>7,339</u>	<u>235,075</u>	<u>190,520</u>
<u>2016</u>					
Payables	104,026	0	0	104,026	104,026
Borrowings	35,054	105,797	14,677	155,528	137,219
	<u>139,080</u>	<u>105,797</u>	<u>14,677</u>	<u>259,554</u>	<u>241,245</u>

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

36. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables

Borrowings (continued)

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

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

	<1 year	>1<2 years	>2<3 years	>3<4 years	>4<5 years	>5 years	Total	Weighted Average Effective Interest Rate
	\$	\$	\$	\$	\$	\$	\$	%
<u>Year ended 30 June 2017</u>								
Borrowings								
Fixed rate								
Debentures	27,805	29,365	31,014	6,582	6,848	7,124	108,738	5.20%
Weighted average								
Effective interest rate	5.48%	5.48%	5.49%	4.00%	4.00%	4.00%		
<u>Year ended 30 June 2016</u>								
Borrowings								
Fixed rate								
Debentures	28,480	27,805	29,365	31,014	6,582	13,971	137,217	5.23%
Weighted average								
Effective interest rate	5.35%	5.48%	5.48%	5.49%	4.00%	4.00%		

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SHIRE OF WICKEPIN

Report on the Financial Report

Opinion

We have audited the financial report of the Shire of Wickepin, which comprises the statement of financial position as at 30 June 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by the Chief Executive Officer.

In our opinion, the financial report of the Shire of Wickepin is in accordance with the underlying records of the Shire, including:

- a) giving a true and fair view of the Shire's financial position as at 30 June 2017 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards (including Australia Accounting Interpretations), the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

Basis for Opinion

We have conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

We are independent of the Shire in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our ethical requirements in accordance with the Code.

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

Other Information

Management is responsible for the other information. The other information comprises the information in the Shire's annual report for the year ended 30 June 2017 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Shire's Responsibility for the Financial Report

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

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

As part of an audit in accordance with the Australia Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Shire's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors.

- Conclude on the appropriateness of Shire's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Shire's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Shire to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide Council with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Emphasis of Matter

Without modifying our opinion, we draw attention to page 82 of the financial report "Ratio Information", which describes certain ratio information relating to the financial report. Management's calculation of the asset consumption ratio and asset renewal funding ratio does not form part of the audited financial report. As a result, we do not express an opinion on management's calculation of these ratios.

However, we have reviewed the calculations as presented and in our opinion these are based on verifiable information and appear reasonable.

Reporting on Other Legal and Regulatory Requirements

We did not, during the course of our audit, become aware of any instances where the Shire did not comply with the statutory requirements of the Local Government Act (1995) (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

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

- a) Apart from the asset sustainability ratio, operating surplus ratio and own source revenue ratio that do not meet the minimum benchmark, there are no material matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- b) The Shire substantially complied with Part 6 of the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

- c) In relation to the Supplementary Ratio Information presented on page 60 of this report we have reviewed the calculations as presented and nothing has come to our attention to suggest that they are not reasonably calculated and based on verifiable information.
- d) All information and explanations required were obtained by us.
- e) All audit procedures were satisfactorily completed in conducting our audit.

BUTLER SETTINERI (AUDIT) PTY LTD

A handwritten signature in black ink, appearing to read 'Marius van der Merwe', written in a cursive style.

MARIUS VAN DER MERWE
Director
Perth
Date: 11 October 2017

**SHIRE OF WICKEPIN
SUPPLEMENTARY RATIO INFORMATION
FOR THE YEAR ENDED 30TH JUNE 2017**

RATIO INFORMATION

The following information relates to those ratios which only require attestation they have been checked and are supported by verifiable information. It does not form part of the audited financial report.

	2017	2016	2015
Asset consumption ratio	0.94	0.95	0.98
Asset renewal funding ratio	1.00	1.00	1.04

The above ratios are calculated as follows:

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