



Shire of  
Wickepin

# Annual Report

# 17/18

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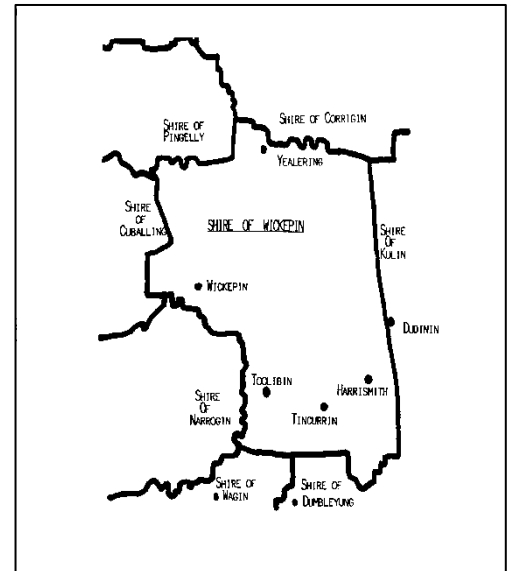
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Office hours: 8.30am – 4.30pm  
 Monday to Friday



## 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 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
Cr Nathan Astbury	9882 7055		2017	2020
Cr Sarah Hyde	9888 1653		2017	2020

## 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	Mark Hook	<a href="mailto:ceo@wickepin.wa.gov.au">ceo@wickepin.wa.gov.au</a>
Deputy Chief Executive Officer	Erika Clement	<a href="mailto:dceo@wickepin.wa.gov.au">dceo@wickepin.wa.gov.au</a>
Manager Works & Services	Gary Rasmussen	<a href="mailto:works@wickepin.wa.gov.au">works@wickepin.wa.gov.au</a>
Executive Support Officer	Rebecca Pauley	<a href="mailto:eso@wickepin.wa.gov.au">eso@wickepin.wa.gov.au</a>
Finance Officer	Dianne Barry	<a href="mailto:finance@wickepin.wa.gov.au">finance@wickepin.wa.gov.au</a>
Customer Service Officer	Samantha Dawes	<a href="mailto:admin@wickepin.wa.gov.au">admin@wickepin.wa.gov.au</a>
EHO/Building Surveyor	Ming Zhuo	<a href="mailto:eho@wickepin.wa.gov.au">eho@wickepin.wa.gov.au</a>
Community Development Officer	Lee Parker	<a href="mailto:cdo@wickepin.wa.gov.au">cdo@wickepin.wa.gov.au</a>
Swimming Pool Manager	Pip Ellis	
Works Foreman	Peter Bransby	
Leading Hand Construction	Peter Arnol	
Mechanic	Rob Clement	
Grader Drivers	Colin Plumb	
Plant Operators	Trevor Tapping, Andrew McColl, Allan Hemley, Rob Whibley	
Refuse & Recycling	Chris Holmes	
Gardener	Graeme Wilson	
Gardener	Couper Spark, Justin Smith	
Cleaners	Janet Thorley, Kelly Cochrane, Maureen Preedy	
Contractors		
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	9888 1252	
Wickepin Swimming Pool	9888 1015	
Wickepin Caravan Park	9888 1089	
Wickepin Community Centre	9888 1125	
Yealering Caravan Park	0428 787 426	
Harrismith Caravan Park	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 2017/2018 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 2017/2018, 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 \$1,506,009 in 2017/2018 under the Financial Assistance Grants Scheme.

### 2017/2018 Major Achievements

1. Upgrade Cottage Homers	\$103,410
2. Reroof 7 Smith St	\$20,100
3. Sewerage Overflow Dam	\$12,927
4. New Tincurrin Fire Truck	\$369,400
5. Vehicle Hoist – Depot	\$13,334
6. Harrismith Cemetery Upgrade	\$10,120



## Roads, Plant and Infrastructure

Council has continued its significant contribution to the ongoing maintenance and upgrade of the Shire road network during the 2017/2018 financial year and undertook a \$1,554,269 road program this year.

Council undertook the following road and footpath program in 2017/2018:

Road Name	Works	Total
Pingelly Wickepin	Shoulder & Culvert Widening, Reconstruct, Prime & Seal Various Sections	179,998
Wickepin Corrigin	Final Seal	94,381
Wickepin Harrismith Road	Asphalt shoulder widening – various sections	40,834
Wickepin Corrigin Road	Construct Culvert	116,415
Cemetery Road	Various gravel sheeting, widening and clearing	42,857
Wickepin North Road	Widen existing seal to 7 meters	63,823
Tincurrin North Road	Gravel sheeting, widening and clearing	31,492
Elsinor Road	Gravel sheeting, widening and clearing	18,109
Henry Street	Reseal 10.6m 3996m <sup>2</sup>	15,446
Dalton Street	Part of Baxter plus intersection 3617m <sup>2</sup>	8,966
Roberts Street	Reseal 6.2m 3289m <sup>2</sup>	7,566
Connor Street	Reseal 1520m <sup>2</sup>	9,112
Coxon Street	Reseal 6.2m 560m <sup>2</sup>	6,346
Line Road	Reseal 6.2m 1130m <sup>2</sup>	64,243
Tincurrin South Road	Reseal 6.5m 19240m <sup>2</sup>	38,273
Malyalling Road	Widening, clearing and gravel sheeting	70,387
Foot Path Construction	Repair replace footpaths	14,338
Tree Lopping	Contract Lopping	74,063
Annual Maintenance Program	Maintenance all Roads	384,159

The Federal Governments Roads to Recovery Program continued in 2017/2018. The objective of the Roads to Recovery program is to contribute to the Infrastructure Investment Programme through supporting maintenance of the nation's local road infrastructure asset, which facilitates greater transportation access for all road users and improved safety, economic and social outcomes.

From 2014-15 to 2018-19 the Federal 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. Manager of Works, Mr Gary Rasmussen, and previous Manager of Works Mr Peter Vlahov, as well as the Outside Works Staff Team, are to be highly commended on their continued good work and programme achievements once again this year

### Administration Staff

On behalf of the Wickepin Shire community I would like to thank CEO Mark Hook, previous Deputy CEO Natalie Manton, and the current Administration Staff Team for their continued outstanding efforts over the past year.

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

I sincerely thank Deputy Shire President Cr Wes Astbury for his support and all fellow councillors for their contribution and personal support over the 2017/2018 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 2018.

### Staff

There have been a number of staff movements this year with Deputy CEO Natalie Manton taking up a position as CEO at the Shire of Corrigin. Natalie's replacement is Mrs. Erika Clement; Erika comes with a vast amount of experience from the Shire of Coorow. Council finance officer Mrs. Amanda Smith has taken a position at the Shire of York as a Records Manager. Amanda's replacement is Dianne Barry, Dianne is a local Wickepin person and has good experience in the area of finance. The ESO Agatha Prior moved onto the Shire of Narrogin to take on the position as a finance officer. This has seen Rebecca Pauley as the new ESO, Rebecca also is a local Wickepin person and we welcome Rebecca back to Wickepin.

Councils outside Works force has also seen some changes with Manger of Works Mr. Peter Vlahov moving to the Manger of Works with the Shire of Broomehill Tambellup and Mr Gary Rasmussen has been employed as the new Manager of Works. Gary comes from the Shire of Wagin with extensive knowledge of road construction and maintenance. The Mechanic Matt Pockran resigned to take a position at a local mechanical firm in Corrigin and Matt's replacement is Mr Robbie Clement.

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

### 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 2017/2018 financial year and no new loans were raised during the 2017/2018 Financial Year.





## Financial Ratios

As part of our annual reporting process we are required to report on a series of financial ratios which helps to give an indication of the Council Financial Position for the year 2017/2018.

Ratio	Description	Result	Prescribed Standard
Current Ratio	Indicates the Shires ability to meet short term debt obligations	10.59	Standard is met if ratio is greater than 1
Asset Sustainability Ratio	Indicates that the shire is replacing or renewing existing non-financial assets at the same rate that its overall asset stock is wearing out	0.53	Standard is met if ratio is 0.9 or higher
Debt Service Cover Ration	Indicates the Shire ability to repay its debt including lease payments	29.77	Basic standard is met if ratio is greater than or equal to 2. Advanced standard is met if the ratio is greater than 5
Operating Surplus Ratio	Indicates the Shires ability to cover its operational; costs and have revenues available for Capital funding or other purpose.	-1.72	Basic standard is met between 0.01 and 0.15. Advanced standard met if ratio is greater than 0.15
Own Source Revenue Coverage Ratio	Indicates the Shire ability to cover its costs through its own revenue efforts	0.29	Basic standard is met between 0.4 and 1.6. Intermediate standard met if ratio is between 0.6 and 0.9. Advanced standard met if ratio is greater than 0.9
Asset Consumption Ratio	Measures the extent to which depreciable assets have been consumed by comparing their written down value to their replacement cost.	0.99	Standard is met if ratio is 0.5 or greater. The standard is improving if the ratio is between 0.6 and 0.75
Asset Renewal Funding Ratio	Measures the ability of the Shire to fund its projected asset renewal/replacements in the future.	1.00	Standard is met if the ratio is between 0.75 and 0.95. Standard is improving if the ratio is between 0.95 and 1.05

## National Competition Policy

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

### Competitive Neutrality

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

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

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

### Disability Service Plan Statement

The Disability Services Amendment Act 1999 requires local governments to report annually on their Disability Service Plan achievements. The achievements for the year ended 30 June 2012 are listed below and grouped into the outcome areas addressed in the Shire of Wickepin Disability Service Plan.

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

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

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

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

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

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

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

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

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

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

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

## State Records Act 2000

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

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

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

1. 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 16<sup>th</sup> May 2014.



## Public Interest Disclosure Act

The Shire of Wickepin is committed to the aims and objectives of the *Public Interest Disclosure Act 2003*. It recognises the value and importance of contributions of staff to enhance administrative and management practices and strongly supports disclosures being made by staff regarding corrupt or other improper conduct. The Shire of Wickepin takes all reasonable steps to provide protection to staff who make such disclosures from any detrimental action in reprisal for the making of a disclosure. The Shire of Wickepin does not tolerate any of its officers, employees or contractors engaging in acts of victimisation or reprisal against those who make public interest disclosures. These acts should be reported immediately to the Public Interest Disclosure Officer or the Chief Executive Officer. The Shire of Wickepin is required under the Public Interest Disclosure Act to report on the extent to which the Chief Executive Officer has complied with the obligations of the Act. The Chief Executive Office Mr. Mark John Hook has been appointed as Council's Public Interest Disclosure Officer. No Public Interest Disclosures were received by the Shire of Wickepin during 2017/2018.

## Facebook

The Shire of Wickepin is on Facebook and we 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. So please like us on Facebook so we can keep you up to date with the happenings around the Shire.

The link to the Shire of Wickepin Facebook page is

[www.facebook.com/pages/Shire-of-Wickepin](http://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 2017/2018 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 2017/2018 the Shire received zero (0) Freedom of Information applications, and 0 (0) referrals for third party consultation. The Act requires that all applications are responded to within 45 days.

## Waste Disposal

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

Please separate recyclable materials from your general household waste.

Asbestos, liquid salvage and bulk waste are accepted by prior arrangement. Steel, timber, tyres, batteries and waste 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 Bins are collected every 2nd Monday and people can only place the following items into the bins:

- Glass: Clean Bottles and Jars (lids removed)
- Plastic: Empty bottles and containers with 1,2 or 3 printed on the bottom (lids removed)
- Paper: Clean, untied newspapers, papers, Magazines, Telephone books, envelopes
- Cardboard: Clean, flattened boxes and cartons
- Aluminium & Steel: Cans, tins, clean foil, aerosol cans
- Liquid Paperboard: Milk, juice & laundry detergent cartons

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

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

- Green Waste Lawn Clippings Plastic Bags
- Food Scraps Liquids Nappies / Sanitary Items
- Polystyrene Glossy Magazines Appliances
- Toys Clothing Tools

Recycling is provided in the Townsites of Harrismith and Tincurrin by dropping of your recyclables at the transfer station in each Townsite and at the Wickepin Refuse Site

## Integrated Planning

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

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

### **HIGH PRIORITY**

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

### **MEDIUM PRIORITY**

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

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

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

- Long Term Financial Plan,
- Asset Management Plan
- Workforce Plan
- Corporate Business Plan 2015 – 2020
- Strategic Community Plan 2012 – 2022

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

### **Disclosure of Annual Salaries**

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

For the year 2017/2018 the Shire of Wickepin had one employee with a salary exceeding \$100,000 in the \$120,000 to \$130,000 band.

### **Thank You**

I would like to take this opportunity to thank all of the Shire of Wickepin staff for their continued efforts over the whole of the 2017/2018 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 2017 - 2018

The following pictorial report highlights a range of the community projects undertaken by the Community Development Officer at the Shire of Wickepin during the 2017-18 financial year.

### Sculpture Workshop Weekend 7- 8 April 2017

Lesley Barrett spent the weekend in Wickepin. With her art she has worked as an art consultant, studio technician and teacher. The weekend workshop had community members working with recycled wood and metal, combining the two, and just dabbling a bit with bright coloured paint.

Participants were introduced to hot branding (with homemade branding irons) and very interesting wood burners. Exciting new tools, extending everyone's artistic ability, were given a thorough workout. Great fun and learning for the approximately 15 people per day who joined.



### Enterprising Communities Regional Development Australia Wheatbelt 10 – 17 October 2017



Enterprising Communities was a project initiated by Regional Development Australia, Wheatbelt to encourage communities to work towards a culture of innovation and self-reliance and empower these communities to turn ideas into reality. To inspire budding enterprising towns RDA Wheatbelt compiled a series of short films on rural Australian communities who, through economic and social challenges, embraced the need for change by establishing a new direction for their community. Working with an external facilitator (Philippa Gooding), the CDO established the need for separate workshops to engage each community within the Shire (Harrismith-Tincurrin, Wickepin and Yealering). Conducting three workshops was a deliberate decision to recognise that each community has differing ideas and needs. The workshops entailed viewing the films and discussing how each group could create change in their own community. There has been some positive spin-off from the project; however there is still a great reliance from community groups looking to the Shire of Wickepin to run with and co-ordinate all projects.

## Facey Carriage Drive 14-15 October 2017

Avon & Hills Carriage Driving Club hosted the Albert Facey Memorial Pleasure Drive on the weekend of 14–15 October. Carriage Drivers, ponies and horses from as far north as Clackline and south as far as Karridale gathered together for the pleasure drive over a course of around 50kms.



Wickepin offers the advantage of being only a three hour drive from WA's four carriage driving clubs: Albany, Dwellingup, Perth and Northam.

Highlights of the weekend included the Wickepin Town Drive, Street Parade and Presentation on Saturday, with lunch at Facey Homestead, culminating in a BBQ and Dance at the Community Centre. The Community Centre was decorated by Ray and Helen Lewis to reflect the centenary of "The First Grand Spring Horticultural Show and Industrial Exhibition." Sunday consisted of a 35 km return drive along back roads, through paddocks to Tarling Well for a picnic lunch.



This is the third event of this nature held by Avon & Hills Carriage Driving Club in Wickepin and the club continues to be overwhelmed by the welcoming, generous nature of the town and the Shire. John Brown, Trevor Leeson and Jake Martin loaned yards for the ponies. Conrad Flavel, and Michael Green allowed use of paddocks, with Tim Cowcher offering a secure yard for ponies at the lunch stop on Saturday, and the golf club allowing access to the course. The Shire offered support in-kind.

## Anzac Day 25 April 2018

Another well attended service with great community involvement.





Dryandra Makers Trail 12 -13 May 2018



The Wickepin Town Hall was filled with food, flowers, repurposed metal objects d'art, fine art pencil portraits, fabric works, photography and our local businesswomen promoting their wares. Yealering Progress Association brought Lake Yealering to town, along with their delish melting moments and rocky road. Both Wickepin and Yealering Primary schools put on a display showing what the schools and students are capable of.

The Dryandra Makers Trail encouraged the public to jump in their car with friends and family and explore the region while discovering local artisans, food and wine. Towns involved in the trail for 2018 included Narrogin, Williams, Popanyinning and Cuballing.

This was the 5<sup>th</sup> annual trail which has fallen under the auspice of ARTS Narrogin, with funding support from Wickepin and Narrogin Shires. It has been a really good initiative to showcase what the region, and specifically for the Shire of Wickepin, to promote our towns to a greater audience.

The trail committee has been run by volunteers for most of its 5 years and they have made the decision not to coordinate a 6<sup>th</sup> trail. The Mother's Day weekend used to be a quiet weekend but now has a number of events competing for attention over the same period of time. The Wickepin Town hall had a really healthy number of visitors over the weekend but Sunday visitors for all towns on the trail were down on previous years, supporting the committee's decision not to hold another event.

The Shire ground crew continues to make the town really presentable for visitors on these big weekends and need to be commended.



## Wickepin Winter Weekend 22-24 June 2018

Campfire Country, comprising the dynamic duo David and Therese Higgins, were in town for the weekend of the 22, 23 & 24 June bringing their friends and followers from around the state with them.

Friday evening's Old Time Dance was well attended with around 200 people dancing to the music of Campfire Country. Saturday morning dance sessions included linedancing, new vogue and square dancing. Lunch was provided by the Wickepin Bowling Club. Saturday evening's crowd were treated to 8 guest artists singing a range of country music. Dancers took to the floor and kept the musicians busy till midnight. An impromptu jam with the musicians went till the early hours of the morning. Wickepin Playgroup ran a successful raffle during the evening raising healthy funds for the group. Campfire Country did a 3 hour session on Sunday including old-time dancing and teaching new dance moves to the novices.

The Caravan Park and Wickepin Hotel were full for the 3 nights of the event – with many staying for a 4<sup>th</sup> night. Just under 90 caravans and RV's were booked into the grounds at the Community Centre. Local businesses that opened for the weekend had healthy trading. The campers left the grounds, hall and parks in immaculate condition.

Just over \$1400 was donated by Campfire Country for the restoration of the piano in the Wickepin Town Hall, with any change going to St Johns Ambulance.



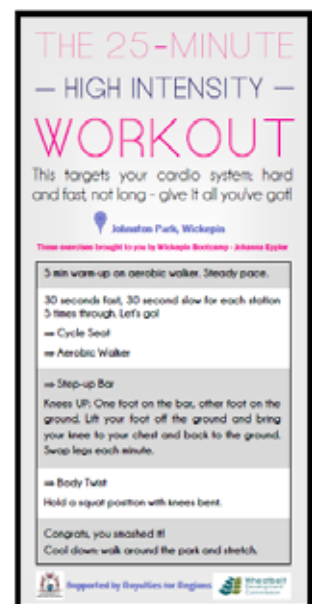
## Johnston Park (Healthy Communities Precinct)

Shire of Wickepin was successful in a grant submission to Wheatbelt Development Commission (WDC) as part of the Royalties for Regions Wheatbelt Community Chest Fund. The CDO identified a growing need for a Healthy Community Precinct involving green space for exercise in the town of Wickepin itself. The Healthy Community Precinct includes strength training equipment, a water refill station and recreational seating. Solar lighting enables the use of the precinct after dark.

Exercise equipment tailored to the senior population was installed in Johnston Park in 2015/16 as part of the Creating Age Friendly Communities initiative funded by WDC. Prior to this there were no public open areas that were suitable or safe for seniors in Wickepin. The social space and park created in Johnston Park through this initiative received a positive response and uptake – not just from the seniors alone.

Population demographic in Wickepin has a high percentage of young families and an equally high percentage of retirees. There has been a groundswell among both groups to be more physically active and to incorporate that physical activity into their social life. Johnston Park is ideally situated for this. It lies alongside pathways linking it to the main shopping area, local Hotel, Post office and News Agency. Wickepin Playgroup borders the park. The Health Centre and Home Community Care(HACC) base are situated directly opposite.

As part of creating the Healthy Community Precinct and per the grant agreement, a Health and Well Being Plan was created by the CDO for the Shire of Wickepin.



## Cemeteries:

### Harrismith

The redevelopment addresses issues identified in the Shire of Wickepin Cemetery Redevelopment Plan 2005, including problems with the size of the niches in the current wall and improving the overall appearance of the cemetery.

The cemetery redevelopment design took several months to finalise however the final design includes a functional area with a new gazebo and seating, modifications to the existing niche wall and landscaping. The creation of a visually appealing space and the provision of shade and seating were important design considerations as well as improving the connection between the different elements of the cemetery site. The safety, privacy and comfort of visitors to the cemetery were also taken into account in the development of the final design.



Stage 1 of the plan has been completed with the laying of the cement pad and the installation of the gazebo. In Stage 2 of the Harrismith Cemetery plan the Shire of Wickepin will render the existing Niche Wall and extend the brickwork of the lower section of the wall allowing for the accommodation of larger niche spaces as required by the size of modern ash containers. This will be completed in the 2018/19 budget.



### Wickepin

An extension of the Memorial Ash System has been installed. There has been a large uptake with the new niche wall and most of the available spaces have been reserved or utilised.

## Albert Facey Drive Trail



The CDO in consultation with the Albert Facey Homestead Committee liaised with TPG designers to create 7 signs wayfinding the Albert Facey Drive Trail around the Shire. The signs touch on the main areas of 'A Fortunate Life' relating to Albert Facey's early life in Wickepin and include:

- Ø The Boarding House
- Ø Tarling Well and Hall
- Ø Archie McCall's Farm
- Ø Gillimanning
- Ø Inkiepienkie
- Ø Bibby and Phillip's Farms

The Albert Facey Drive Trail can be found on current Shire of Wickepin brochures and maps.

## Mapping

New maps were designed and printed on desk-style type pads. These have been distributed around the Shire and can be found at the Shire Administration office



### Dustbins

New pictorial dustbins were commissioned from Landmark Exteria and have been installed around the town of Wickepin. The community have embraced the idea and money has been placed in the 2018/19 budget for more pictorial bins for Yealering and Harrismith.



### Heritage Trail Extension

As part of the Wickepin Walk Trails Master Plan Strategies 5.2 Access and Circulation, the CDO has been extending the Heritage Walk trail hotmix path and creating places to pause, rest and linger.



## Community Grants

Each year the Shire of Wickepin makes a budget provision of a maximum of 2.5% of the previous year's levied rates to distribute to community and sporting organisations. This equates to \$36,266 for the coming funding period. The objective of the funding is to establish or improve playing areas or buildings necessary for the conduct of sport or for community use, support or major sporting and community events, support for sporting or coaching clinics, to assist community groups in establishing a service, activity seen as a need for the betterment of and improvement to the enjoyment of life within the community, and increasing visitors to the region

2017/2018 Approved Community Grants	
Yealering Progress Association	\$2,000.00
Wickepin P & C	\$2,120.80
Lake Yealering Bowling Club	13,721.33
Community Resource Centre	\$1,938.00
Wickepin Art & Craft Association	\$769.01
Harrismith Golf Club	\$3,740.00
Toolibin Tennis Club	\$1,100.00
Wickepin History Book Committee	\$429.00
Yealering Playgroup	\$3,207.00
<b>Total</b>	<b>\$29,025.14</b>



Lee Parker  
Community Development Officer

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

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**COMMUNITY VISION**

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

Principal place of business:  
77 Wogolin Road  
Wickepin WA



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

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

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

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

Signed on the \_\_\_\_\_ day of \_\_\_\_\_ 2018

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Chief Executive Officer

Mark Hook

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Name of Chief Executive Officer

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

	NOTE	2018 Actual \$	2018 Budget \$	2017 Actual \$
<b>Revenue</b>				
Rates	20(a)	1,359,703	1,357,675	1,386,108
Operating grants, subsidies and contributions	2	1,645,867	796,304	2,470,126
Fees and charges	2	522,482	675,786	441,999
Interest earnings	2(a)	61,595	42,400	48,681
		<b>3,589,647</b>	<b>2,872,165</b>	<b>4,346,914</b>
<b>Expenses</b>				
Employee costs		(1,009,195)	(1,139,806)	(992,558)
Materials and contracts		(1,061,597)	(1,695,859)	(1,186,820)
Utility charges		(134,875)	(172,045)	(174,994)
Depreciation on non-current assets	8(b)	(4,327,551)	(4,725,060)	(4,627,982)
Interest expenses	2(a)	(4,883)	(5,014)	(6,443)
Insurance expenses		(162,193)	(172,911)	(167,187)
		<b>(6,700,294)</b>	<b>(7,910,695)</b>	<b>(7,155,984)</b>
		<b>(3,110,647)</b>	<b>(5,038,530)</b>	<b>(2,809,070)</b>
Non-operating grants, subsidies and contributions	2	1,332,255	1,248,338	786,921
Profit on asset disposals	8(a)	10,917	155,560	15,799
(Loss) on asset disposals	8(a)	(31,486)	(98,557)	(86,321)
<b>Net result</b>		<b>(1,798,961)</b>	<b>(3,733,189)</b>	<b>(2,092,671)</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	9	4,332,149	0	3,073,184
<b>Total other comprehensive income</b>		<b>4,332,149</b>	<b>0</b>	<b>3,073,184</b>
<b>Total comprehensive income</b>		<b>2,533,188</b>	<b>(3,733,189)</b>	<b>980,513</b>

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

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

	NOTE	2018 Actual \$	2018 Budget \$	2017 Actual \$
<b>Revenue</b>				
	2(a)			
Governance		13,011	5,720	32,259
General purpose funding		2,932,446	2,072,524	3,630,816
Law, order, public safety		83,002	68,530	71,837
Health		236	250	236
Education and welfare		4,292	4,500	305
Housing		141,421	92,900	73,571
Community amenities		196,600	166,929	168,003
Recreation and culture		43,682	57,847	91,210
Transport		81,767	288,330	168,596
Economic services		48,381	50,635	65,077
Other property and services		44,809	64,000	45,003
		<b>3,589,647</b>	<b>2,872,165</b>	<b>4,346,913</b>
<b>Expenses</b>				
	2(a)			
Governance		(442,370)	(512,899)	(431,578)
General purpose funding		(80,931)	(84,007)	(78,476)
Law, order, public safety		(167,663)	(191,635)	(160,969)
Health		(22,809)	(30,662)	(28,188)
Education and welfare		(13,351)	(21,304)	(6,522)
Housing		(185,555)	(209,696)	(188,215)
Community amenities		(363,392)	(451,025)	(404,384)
Recreation and culture		(940,382)	(1,234,104)	(1,234,152)
Transport		(4,293,314)	(4,848,070)	(4,345,035)
Economic services		(212,344)	(306,009)	(258,102)
Other property and services		26,699	(16,270)	(13,920)
		<b>(6,695,412)</b>	<b>(7,905,681)</b>	<b>(7,149,541)</b>
<b>Finance Costs</b>				
	2(a)			
Housing		(3,495)	(3,520)	(4,747)
Recreation and culture		(1,388)	(1,494)	(1,696)
		<b>(4,883)</b>	<b>(5,014)</b>	<b>(6,443)</b>
		<b>(3,110,648)</b>	<b>(5,038,530)</b>	<b>(2,809,071)</b>
Non-operating grants, subsidies and contributions	2	1,332,255	1,248,338	786,921
Profit on disposal of assets	8(a)	10,917	155,560	15,799
(Loss) on disposal of assets	8(a)	(31,486)	(98,557)	(86,320)

		1,311,686	1,305,341	716,400
<b>Net result</b>		<b>(1,798,962)</b>	<b>(3,733,189)</b>	<b>(2,092,671)</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	9	4,332,149	0	3,073,184
<b>Total other comprehensive income</b>		<b>4,332,149</b>	<b>0</b>	<b>3,073,184</b>
<b>Total comprehensive income</b>		<b>2,533,187</b>	<b>(3,733,189)</b>	<b>980,513</b>

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

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

	NOTE	2018	2017
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	3,101,215	3,088,940
Trade and other receivables	5	62,434	72,103
<b>TOTAL CURRENT ASSETS</b>		<b>3,163,649</b>	<b>3,161,043</b>
<b>NON-CURRENT ASSETS</b>			
Other receivables	5	26,881	32,961
Property, plant and equipment	6	18,084,790	17,836,977
Infrastructure	7	104,233,644	102,045,623
<b>TOTAL NON-CURRENT ASSETS</b>		<b>122,345,315</b>	<b>119,915,561</b>
<b>TOTAL ASSETS</b>		<b>125,508,964</b>	<b>123,076,604</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	31,503	81,781
Current portion of long term borrowings	11(a)	29,365	27,805
Provisions	12	176,565	200,750
<b>TOTAL CURRENT LIABILITIES</b>		<b>237,433</b>	<b>310,336</b>
<b>NON-CURRENT LIABILITIES</b>			
Long term borrowings	11(a)	51,568	80,933
Provisions	12	24,100	22,660
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>75,668</b>	<b>103,593</b>
<b>TOTAL LIABILITIES</b>		<b>313,101</b>	<b>413,929</b>
<b>NET ASSETS</b>		<b>125,195,863</b>	<b>122,662,675</b>
<b>EQUITY</b>			
Retained surplus		13,164,542	15,120,929
Reserves - cash backed	4	1,804,855	1,647,429
Revaluation surplus	9	110,226,466	105,894,317
<b>TOTAL EQUITY</b>		<b>125,195,863</b>	<b>122,662,675</b>

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

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

		RESERVES			
	NOTE	RETAINED SURPLUS	CASH BACKED	REVALUATION SURPLUS	TOTAL EQUITY
		\$	\$	\$	\$
<b>Balance as at 1 July 2016</b>		<b>17,617,761</b>	<b>1,243,268</b>	<b>102,821,133</b>	<b>121,682,162</b>
Comprehensive income					
Net result		(2,092,671)	0	0	(2,092,671)
Changes on revaluation of assets	9	0	0	3,073,184	3,073,184
Total comprehensive income		(2,092,671)	0	3,073,184	980,513
Transfers from/(to) reserves		(404,161)	404,161	0	0
<b>Balance as at 30 June 2017</b>		<b>15,120,929</b>	<b>1,647,429</b>	<b>105,894,317</b>	<b>122,662,675</b>
Comprehensive income					
Net result		(1,798,961)	0	0	(1,798,961)
Changes on revaluation of assets	9	0	0	4,332,149	4,332,149
Total comprehensive income		(1,798,961)	0	4,332,149	2,533,188
Transfers from/(to) reserves		(157,426)	157,426	0	0
<b>Balance as at 30 June 2018</b>		<b>13,164,542</b>	<b>1,804,855</b>	<b>110,226,466</b>	<b>125,195,863</b>

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

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

	NOTE	2018 Actual	2018 Budget	2017 Actual
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		\$	\$	\$
<b>Receipts</b>				
Rates		1,360,348	1,361,675	1,392,129
Operating grants, subsidies and contributions		1,645,867	796,304	2,470,126
Fees and charges		529,472	675,786	500,470
Interest earnings		61,595	42,400	48,681
		3,597,282	2,876,165	4,411,406
<b>Payments</b>				
Employee costs		(1,023,086)	(1,139,806)	(983,639)
Materials and contracts		(1,120,597)	(1,715,859)	(1,215,678)
Utility charges		(134,875)	(172,045)	(165,605)
Interest expenses		(5,015)	(5,014)	(6,573)
Insurance expenses		(162,193)	(172,911)	(167,187)
Goods and services tax		2,271	0	(11,840)
		(2,443,495)	(3,205,635)	(2,550,522)
<b>Net cash provided by (used in) operating activities</b>	13	1,153,787	(329,470)	1,860,884
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment		(1,085,629)	(1,140,749)	(764,440)
Payments for construction of infrastructure		(1,543,237)	(1,181,017)	(1,183,799)
Non-operating grants, subsidies and contributions		1,332,255	1,248,338	837,874
Proceeds from sale of fixed assets		177,060	425,196	322,083
<b>Net cash provided by (used in) investment activities</b>		(1,119,551)	(648,232)	(788,282)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of long term borrowings		(27,804)	(27,804)	(28,481)
Proceeds from self supporting loans		5,843	5,844	7,769
<b>Net cash provided by (used in) financing activities</b>		(21,961)	(21,960)	(20,712)
<b>Net increase (decrease) in cash held</b>		12,275	(999,662)	1,051,890
Cash at beginning of year		3,088,940	3,088,941	2,037,049
<b>Cash and cash equivalents at the end of the year</b>	13	3,101,215	2,089,279	3,088,939

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

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

	NOTE	2018 Actual	2018 Budget	2017 Actual
		\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>				
		1,225,239	1,225,239	715,793
		1,225,239	1,225,239	715,793
<b>Revenue from operating activities (excluding rates)</b>				
Governance		15,772	5,720	34,750
General purpose funding		1,581,197	723,303	2,307,780
Law, order, public safety		83,002	68,530	71,837
Health		236	250	236
Education and welfare		4,292	4,500	305
Housing		141,421	244,900	73,571
Community amenities		196,600	170,489	168,003
Recreation and culture		43,682	57,847	91,210
Transport		89,923	288,330	181,904
Economic services		48,381	50,635	65,077
Other property and services		44,809	64,000	45,003
		2,249,315	1,678,504	3,039,676
<b>Expenditure from operating activities</b>				
Governance		(442,370)	(516,699)	(447,359)
General purpose funding		(80,931)	(84,007)	(78,476)
Law, order, public safety		(167,663)	(235,735)	(160,969)
Health		(22,809)	(30,662)	(28,188)
Education and welfare		(13,351)	(21,304)	(6,522)
Housing		(189,050)	(213,216)	(192,962)
Community amenities		(363,392)	(451,025)	(406,938)
Recreation and culture		(941,770)	(1,235,598)	(1,235,848)
Transport		(4,324,800)	(4,898,727)	(4,371,020)
Economic services		(212,344)	(306,009)	(300,102)
Other property and services		26,699	(16,270)	(13,920)
		(6,731,781)	(8,009,252)	(7,242,304)
<b>Operating activities excluded</b>				
(Profit) on disposal of assets	8(a)	(10,917)	(155,560)	(15,799)
Loss on disposal of assets	8(a)	31,486	98,557	86,321
Loss on revaluation of fixed assets	7(b)	0	0	0
(Reversal) of prior year loss on revaluation of fixed assets		0	0	0
Movement in employee benefit provisions (non-current)		1,440	0	(45,360)
Depreciation and amortisation on assets	8(b)	4,327,551	4,725,060	4,627,982
<b>Amount attributable to operating activities</b>		1,092,333	(437,452)	1,166,309
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions		1,332,255	1,248,338	786,921
Proceeds from disposal of assets	8(a)	177,060	425,196	322,083
Purchase of property, plant and equipment	6(b)	(1,085,629)	(1,140,749)	(764,440)
Purchase and construction of infrastructure	7(b)	(1,543,237)	(1,181,017)	(1,183,799)
<b>Amount attributable to investing activities</b>		(1,119,551)	(648,232)	(839,235)
<b>FINANCING ACTIVITIES</b>				
Repayment of long term borrowings	11(a)	(27,804)	(27,804)	(28,481)
Proceeds from self supporting loans	11(a)	5,843	5,844	7,769
Transfers to reserves (restricted assets)	4	(157,426)	(234,980)	(404,161)
<b>Amount attributable to financing activities</b>		(179,387)	(256,940)	(424,873)
<b>Surplus(deficiency) before general rates</b>		(206,605)	(1,342,624)	(97,799)
<b>Total amount raised from general rates</b>	20	1,351,249	1,349,221	1,323,036
<b>Net current assets at June 30 c/fwd - surplus/(deficit)</b>	21	<b>1,144,644</b>	<b>6,597</b>	<b>1,225,237</b>

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



## **1. BASIS OF PREPARATION**

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

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.

### **CRITICAL ACCOUNTING ESTIMATES (Continued)**

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

### **THE LOCAL GOVERNMENT REPORTING ENTITY**

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 23 to these financial statements.

## 2. REVENUE AND EXPENSES

(a) Revenue	2018 Actual	2017 Actual
	\$	\$
<b>Fees and Charges</b>		
Governance	13,011	32,259
General purpose funding	5,139	8,626
Law, order, public safety	46,186	44,660
Health	236	236
Education and welfare	4,292	305
Housing	112,880	73,571
Community amenities	196,600	110,035
Recreation and culture	37,682	46,540
Transport	13,265	15,687
Economic services	48,381	65,077
Other property and services	44,809	45,003
	522,482	441,999

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

## 2. REVENUE AND EXPENSES (Continued)

### (a) Revenue (Continued)

#### Grant Revenue

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

	2018	2017
	\$	\$
<b>Operating grants, subsidies and contributions</b>		
General purpose funding	1,506,009	2,244,271
Law, order, public safety	36,816	27,178
Housing	28,541	
Community amenities		1,097
Recreation and culture	6,000	44,671
Transport	68,502	152,909
	1,645,867	2,470,126
<b>Non-operating grants, subsidies and contributions</b>		
Law, order, public safety	377,727	0
Transport	954,528	786,921
	1,332,255	786,921
<b>Total grants, subsidies and contributions</b>	2,978,122	3,257,047

#### SIGNIFICANT ACCOUNTING POLICIES

##### Grants, Donations and Other Contributions

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

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

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

a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 19. That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current period.

#### Interest earnings

- Loans receivable - clubs/institutions  
- Reserve funds  
- Other funds  
Other interest revenue (refer note 20(c))

	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
- Loans receivable - clubs/institutions			
- Reserve funds	37,850	25,000	28,930
- Other funds	19,608	13,000	15,323
Other interest revenue (refer note 20(c))	4,137	4,400	4,428
	61,595	42,400	48,681

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

2. REVENUE AND EXPENSES (Continued)

(b) Expenses	2018	2017
	\$	\$
<b>Auditors remuneration</b>		
- Audit of the Annual Financial Report	9,968	9,697
	9,968	9,697
<b>Interest expenses (finance costs)</b>		
Long term borrowings (refer Note 11(a))	4,883	6,443
	4,883	6,443

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

3. CASH AND CASH EQUIVALENTS	NOTE	2018 \$	2017 \$
Unrestricted		1,296,360	1,441,512
Restricted		1,804,855	1,647,428
		3,101,215	3,088,940
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Reserves cash backed - Leave Reserve	4	95,446	81,572
Reserves cash backed - Plant Reserve	4	205,371	200,182
Reserves cash backed - Building Reserve	4	505,100	483,980
Reserves cash backed - Fire Fighting Reserve	4	21,790	21,123
Reserves cash backed - Cottage Homes Reserve	4	37,844	37,172
Reserves cash backed - Special Events Reserve	4	14,332	14,010
Reserves cash backed - Computer Reserve	4	20,549	20,088
Reserves cash backed - Young Singles Accommoda	4	74,705	61,296
Reserves cash backed - Saleyards Reserve	4	28,493	13,190
Reserves cash backed - Sewerage Reserve	4	179,259	141,033
Reserves cash backed - Refuse Reserve	4	119,384	116,703
Reserves cash backed - Land Development Reserve	4	114,279	111,712
Reserves cash backed - Aged Persons Accommoda	4	188,416	184,184
Reserves cash backed - Swimming Pool Reserve	4	165,307	151,819
Reserves cash backed - Albert Facey Homestead R	4	9,580	9,365
Reserves cash backed - Fuel Facility Reserve	4	25,000	0
		1,804,855	1,647,429

#### SIGNIFICANT ACCOUNTING POLICIES

##### Cash and cash equivalents

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

##### Cash and cash equivalents (Continued)

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

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

4. RESERVES - CASH BACKED

	2018 Actual Opening Balance	2018 Actual Transfer to	2018 Actual Transfer (from)	2018 Actual	2018 Budget Opening Balance	2018 Budget Transfer to	2018 Budget Transfer (from)	2018 Budget Closing Balance	2017 Actual Opening Balance	2017 Actual Transfer to	2017 Actual Transfer (from)	2017 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Reserves cash backed - Leave Reserve	81,572	13,874		95,446	81,572	13,259		94,831	64,711	16,861		81,572
Reserves cash backed - Plant Reserve	200,182	5,189		205,371	200,182	2,694		202,876	171,245	28,937		200,182
Reserves cash backed - Building Reserve	483,980	21,120		505,100	483,980	6,514		490,494	253,506	230,474		483,980
Reserves cash backed - Fire Fighting Reserve	21,123	667		21,790	21,123	284		21,407	20,648	475		21,123
Reserves cash backed - Cottage Homes Reserv	37,172	672		37,844	37,172	500		37,672	7,988	29,184		37,172
Reserves cash backed - Special Events Reserv	14,010	322		14,332	14,010	189		14,199	4,807	9,203		14,010
Reserves cash backed - Computer Reserve	20,088	462		20,550	20,087	25,607		45,694	19,636	451		20,087
Reserves cash backed - Young Singles Accomn	61,296	13,408		74,704	61,296	26,162		87,458	52,098	9,198		61,296
Reserves cash backed - Saleyards Reserve	13,190	15,303		28,493	13,190	15,379		28,569	12,796	394		13,190
Reserves cash backed - Sewerage Reserve	141,033	38,226		179,259	141,033	35,322		176,355	118,313	22,720		141,033
Reserves cash backed - Refuse Reserve	116,703	2,567		119,270	116,703	1,571		118,274	114,080	2,623		116,703
Reserves cash backed - Land Development Res	111,712	2,681		114,393	111,713	1,504		113,217	109,202	2,511		111,713
Reserves cash backed - Aged Persons Accomr	184,184	4,232		188,416	184,184	53,152		237,336	180,045	4,139		184,184
Reserves cash backed - Swimming Pool Reserv	151,819	13,488		165,307	151,819	27,380		179,199	114,193	37,626		151,819
Reserves cash backed - Albert Facey Homeste	9,365	215		9,580	9,365	126		9,491	0	9,365		9,365
Reserves cash backed - Fuel Facility Reserve	0	25,000		25,000	0	25,337		25,337	0	0		0
	1,647,429	157,426	0	1,804,855	1,647,429	234,980	0	1,882,409	1,243,268	404,161	0	1,647,429

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

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

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

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

**5. TRADE AND OTHER RECEIVABLES**

**Current**

Rates outstanding  
Sundry debtors  
GST receivable  
Loans receivable - clubs/institutions

**Non-current**

Loans receivable - clubs/institutions

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

**Rates outstanding**

Includes:

Past due and not impaired

**Sundry debtors**

Includes:

Past due and not impaired

	2018	2017
	\$	\$
Rates outstanding	18,877	19,522
Sundry debtors	11,566	18,556
GST receivable	25,910	28,181
Loans receivable - clubs/institutions	6,081	5,844
	<b>62,434</b>	<b>72,103</b>
Loans receivable - clubs/institutions	26,881	32,961
	<b>26,881</b>	<b>32,961</b>
Past due and not impaired	18,877	19,522
Past due and not impaired	11,566	18,556

**SIGNIFICANT ACCOUNTING POLICIES**

**Trade and other receivables**

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

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

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

**Classification and subsequent measurement**

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

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

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

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

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Land and buildings		
Land - freehold land at:		
- Independent valuation 2017 - level 2	1,279,000	1,279,000
	<u>1,279,000</u>	<u>1,279,000</u>
Total land	1,279,000	1,279,000
Buildings - non-specialised at:		
- Independent valuation 2017 - level 2	1,514,000	1,514,000
- Independent valuation 2017 - level 3	925,500	925,500
- Additions after valuation - cost	151,051	0
Less: accumulated depreciation	(49,007)	0
	<u>2,541,544</u>	<u>2,439,500</u>
Buildings - specialised at:		
- Independent valuation 2017 - level 3	11,356,800	11,356,800
- Additions after valuation - cost	28,057	0
Less: accumulated depreciation	(227,340)	0
	<u>11,157,517</u>	<u>11,356,800</u>
Total buildings	13,699,061	13,796,300
Total land and buildings	<u>14,978,061</u>	<u>15,075,300</u>
Furniture and equipment at:		
- Management valuation 2016 - level 3	97,250	97,250
- Additions after valuation - cost	20,868	10,062
Less: accumulated depreciation	(32,481)	(14,286)
	<u>85,637</u>	<u>93,026</u>
Plant and equipment at:		
- Independent valuation 2016 - level 2	2,325,700	2,325,700
- Management valuation 2016 - level 3	265,370	265,370
- Additions after valuation - cost	1,034,647	367,151
Less: accumulated depreciation	(604,625)	(289,570)
	<u>3,021,092</u>	<u>2,668,651</u>
<b>Total property, plant and equipment</b>	<u>18,084,790</u>	<u>17,836,977</u>



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

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.

	Land - freehold land	Total land	Buildings - non- specialised	Buildings - specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2016</b>	840,000	840,000	2,251,853	13,026,764	15,278,617	16,118,617	97,250	2,591,069	18,806,936
Additions		0	20,722		20,722	20,722	10,062	733,656	764,440
(Disposals)		0		(42,000)	(42,000)	(42,000)		(350,605)	(392,605)
Revaluation increments/ (decrements) transferred to revaluation surplus	439,000	439,000	267,731	2,586,212	2,853,943	3,292,943			3,292,943
Depreciation (expense)		0	(100,806)	(722,602)	(823,408)	(823,408)	(14,286)	(305,469)	(1,143,163)
Transfers		0		(3,491,574)	(3,491,574)	(3,491,574)			(3,491,574)
<b>Carrying amount at 30 June 2017</b>	1,279,000	1,279,000	2,439,500	11,356,800	13,796,300	15,075,300	93,026	2,668,651	17,836,977
Additions		0	151,051	24,731	175,782	175,782	10,806	899,041	1,085,629
(Disposals)		0			0	0		(197,630)	(197,630)
Depreciation (expense)		0	(49,007)	(227,340)	(276,347)	(276,347)	(18,195)	(348,970)	(643,512)
Transfers		0		3,326	3,326	3,326			3,326
<b>Carrying amount at 30 June 2018</b>	1,279,000	1,279,000	2,541,544	11,157,517	13,699,061	14,978,061	85,637	3,021,092	18,084,790

## 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
<b>Land and buildings</b>					
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 2 & 3	Depreciated Replacement Cost	Independent	June 2017	Current replacement cost and remaining useful life.
<b>Furniture and equipment</b>					
	Level 3	Depreciated Replacement Cost	Independent	June 2016	Market value and estimated remaining useful life.
<b>Plant and equipment</b>					
- 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.

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

7 (a). INFRASTRUCTURE

	2018	2017
	\$	\$
Infrastructure - Roads		
- Independent valuation 2015 - level 3	0	99,029,897
- Management valuation 2018 - level 3	95,348,166	0
- Additions after valuation - cost	0	2,422,297
- Impairment Flood Damage 2017	0	(219,760)
Less: accumulated depreciation	0	(6,788,948)
	95,348,166	94,443,486
Infrastructure - Footpaths		
- Independent valuation 2015 - level 3	0	567,124
- Management valuation 2018 - level 3	920,308	0
- Additions after valuation - cost	0	52,773
Less: accumulated depreciation	0	(21,480)
	920,308	598,417
Infrastructure - Sewerage		
- Independent valuation 2015 - level 3		1,522,817
- Management valuation 2018 - level 3	777,150	0
Less: accumulated depreciation	0	(30,456)
	777,150	1,492,361
Infrastructure - Parks & Ovals		
- Management valuation 2015 - level 3	0	1,536,593
- Management valuation 2018 - level 3	5,284,020	0
- Additions after valuation - cost	0	243,648
- Transfers from other classes	0	4,357,725
Less: accumulated depreciation	0	(944,990)
	5,284,020	5,192,976
Infrastructure - Main Street Development		
- Management valuation 2015 - level 3	0	331,649
Less: accumulated depreciation	0	(13,266)
	0	318,383
Infrastructure - Bridges		
- Management valuation 2018 - level 3	1,904,000	0
Less: accumulated depreciation	0	0
	1,904,000	0
<b>Total infrastructure</b>	<b>104,233,644</b>	<b>102,045,623</b>

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

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.

	Infrastructure - Roads	Infrastructure - Footpaths	Infrastructure - Sewerage	Infrastructure - Parks & Ovals	Infrastructure - Main Street Development	Infrastructure - Bridges	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2016</b>	96,923,253	582,223	1,507,589	5,228,322	325,016	0	104,566,403
Additions	1,134,467	26,934		22,398			1,183,799
Revaluation increments/ (decrements) transferred to revaluation surplus	(219,760)						(219,760)
Depreciation (expense)	(3,394,474)	(10,740)	(15,228)	(57,744)	(6,633)		(3,484,819)
<b>Carrying amount at 30 June 2017</b>	94,443,486	598,417	1,492,361	5,192,976	318,383	0	102,045,623
Additions	1,439,578	27,707	12,927	63,025			1,543,237
Revaluation increments/ (decrements) transferred to revaluation surplus	2,839,048	305,968	(712,899)	(3,968)	0	1,904,000	4,332,149
Depreciation (expense)	(3,373,946)	(11,784)	(15,239)	(276,437)	(6,633)		(3,684,039)
Transfers				308,424	(311,750)		(3,326)
<b>Carrying amount at 30 June 2018</b>	95,348,166	920,308	777,150	5,284,020	0	1,904,000	104,233,644

## 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 2018	Valuation Report from Talis based on total useful life.
Infrastructure - Footpaths	Level 3	Depreciated Replacement Cost	Independent	June 2018	Valuation Report from Talis based on total useful life.
Infrastructure - Sewerage	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 2018	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.
Infrastructure - Bridges	Level 3	Depreciated Replacement Cost	Independent	June 2018	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.

## 8. FIXED ASSETS

### SIGNIFICANT ACCOUNTING POLICIES

#### Fixed assets

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

#### Initial recognition and measurement between mandatory revaluation dates

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

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

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework.

#### Revaluation

The fair value of fixed assets is determined at least every three years in accordance with the regulatory framework. At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires property, plant and equipment to be shown at fair value.

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

#### Land under control

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

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

#### Land under roads

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

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting 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.

## 8. FIXED ASSETS (Continued)

### (a) Disposals of Assets

The following assets were disposed of during the year.

	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss	Budget Net Book Value	Budget Sale Proceeds	Budget Profit	Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Plant and Equipment</b>								
<b>Governance</b>								
Holden Colorado	33,845	36,606	2,761	0	34,600	33,000	0	(1,600)
Holden Colorado					35,200	33,000	0	(2,200)
<b>Law, order, public safety</b>								
Tincurrin Fire Truck					44,100	0	0	(44,100)
<b>Housing</b>								
5 Smith Street					48,000	200,000	152,000	0
<b>Transport</b>								
Holden Colorado Facey Group	22,753	30,909	8,156	0	24,000	27,560	3,560	0
12 H Grader	100,252	95,000	0	(5,252)	103,293	90,000	0	(13,293)
Hino Truck	40,780	14,545	0	(26,235)	42,000	13,636	0	(28,364)
MWS Utility					37,000	28,000	0	(9,000)
	197,630	177,060	10,917	(31,487)	368,193	425,196	155,560	(98,557)

### (b) Depreciation

	2018	2017
	\$	\$
Buildings - non-specialised	49,007	100,806
Buildings - specialised	227,340	722,602
Furniture and equipment	18,195	14,286
Plant and equipment	348,970	305,469
Infrastructure - Roads	3,373,946	3,394,474
Infrastructure - Footpaths	11,784	10,740
Infrastructure - Sewerage	15,239	15,228
Infrastructure - Parks & Ovals	276,437	57,744
Infrastructure - Main Street Development	6,633	6,633
	4,327,551	4,627,982

**8. FIXED ASSETS (Continued)**

**(b) Depreciation (Continued)**

**SIGNIFICANT ACCOUNTING POLICIES**

**Depreciation**

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

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

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

**Depreciation rates**

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

Buildings	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
- bitumous seal	20 years
Gravel Roads	
- formation	not depreciated
- pavement	50 years
- gravel sheet	12 years
Formed Roads	
- formation	not depreciated
- pavement	50 years
Footpaths	20 years
Sewerage Piping	100 years
Water supply piping and drainage	75 years
Infrastructure Parks and Ovals	30 to 50 years

**Depreciation (Continued)**

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

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

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



9. REVALUATION SURPLUS

	2018	2018	2018	2018	2018	2017	2017	2017	2017	2017
	Opening	Revaluation	Revaluation	Total	2018	Opening	Revaluation	Revaluation	Total	2017
	Balance	Increment	(Decrement)	Movement on	Closing	Balance	Increment	(Decrement)	Movement on	Closing
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	938,591	0	0	0	938,591	499,591	439,000		439,000	938,591
Revaluation surplus - Buildings - non-specialised	1,281,788	0	0	0	1,281,788	770,912	510,876		510,876	1,281,788
Revaluation surplus - Buildings - specialised	12,601,349	0	0	0	12,601,349	10,258,281	2,343,068		2,343,068	12,601,349
Revaluation surplus - Furniture and equipment	45,766	0	0	0	45,766	45,766			0	45,766
Revaluation surplus - Plant and equipment	591,386	0	0	0	591,386	591,386			0	591,386
Revaluation surplus - Infrastructure - Roads	87,963,924	2,839,048	0	2,839,048	90,802,972	88,183,684		(219,760)	(219,760)	87,963,924
Revaluation surplus - Infrastructure - Footpaths	129,245	305,968	0	305,968	435,213	129,245			0	129,245
Revaluation surplus - Infrastructure - Drainage	1,184,585	0	(712,899)	(712,899)	471,686	1,184,585			0	1,184,585
Revaluation surplus - Infrastructure - Parks & Ovals	1,157,683	0	(3,968)	(3,968)	1,153,715	1,157,683			0	1,157,683
Revaluation surplus - Infrastructure - Bridges	0	1,904,000	0	1,904,000	1,904,000				0	0
	105,894,317	5,049,016	(716,867)	4,332,149	110,226,466	102,821,133	3,292,944	(219,760)	3,073,184	105,894,317

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

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

**10. TRADE AND OTHER PAYABLES**

**Current**

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

	2018	2017
	\$	\$
	0	59,000
	655	787
	13,632	0
	17,216	21,994
	<b>31,503</b>	<b>81,781</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Trade and other payables**

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

**Trade and other payables (Continued)**

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

## 11. INFORMATION ON BORROWINGS

### (a) Repayments - Borrowings

Particulars	Principal 1 July 2017	New Loans	Principal Repayments		Principal 30 June 2018		Interest Repayments	
			Actual	Budget	Actual	Budget	Actual	Budget
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Housing</b>								
Loan 100 - CEO Residence	69,932		21,960	21,960	47,972	47,972	3,495	3,520
	69,932	0	21,960	21,960	47,972	47,972	3,495	3,520

Particulars	Principal 1 July 2017	New Loans	Principal Repayments		Principal 30 June 2018		Interest Repayments	
			Actual	Budget	Actual	Budget	Actual	Budget
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Self Supporting Loans</b>								
<b>Recreation and culture</b>								
Loan 102 - WDSC Bowling Greens	38,806	0	5,844	5,844	32,962	32,962	1,388	1,494
	38,806	0	5,844	5,844	32,962	32,962	1,388	1,494
	108,738	0	27,804	27,804	80,934	80,934	4,883	5,014

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

### Borrowings

	2018	2017
	\$	\$
Current	29,365	27,805
Non-current	51,568	80,933
	80,933	108,738

11. INFORMATION ON BORROWINGS (Continued)

(b) Undrawn Borrowing Facilities

Credit Standby Arrangements

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

	2018	2017
	\$	\$
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	111	813
<b>Total amount of credit unused</b>	<b>10,111</b>	<b>10,813</b>
<b>Loan facilities</b>		
Loan facilities - current	29,365	27,805
Loan facilities - non-current	51,568	80,933
<b>Total facilities in use at balance date</b>	<b>80,933</b>	<b>108,738</b>
<b>Unused loan facilities at balance date</b>	<b>NIL</b>	<b>NIL</b>

Loan facilities

Loan facilities - current  
Loan facilities - non-current  
**Total facilities in use at balance date**

Unused loan facilities at balance date

**SIGNIFICANT ACCOUNTING POLICIES**

**Financial liabilities**

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

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

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

**Borrowing costs**

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

## 12. PROVISIONS

### Opening balance at 1 July 2017

Current provisions  
Non-current provisions

Additional provision  
Amounts used  
Increase in the discounted amount arising because of time and the effect of any change in the discounted rate

### Balance at 30 June 2018

### Comprises

Current  
Non-current

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Current provisions	80,829	119,921	200,750
Non-current provisions	0	22,660	22,660
	80,829	142,581	223,410
Additional provision	71,471	4,920	76,391
Amounts used	(84,176)	(32,295)	(116,471)
Increase in the discounted amount arising because of time and the effect of any change in the discounted rate	9,537	7,798	17,335
	77,661	123,004	200,665
Current	77,661	98,904	176,565
Non-current		24,100	24,100
	77,661	123,004	200,665

### SIGNIFICANT ACCOUNTING POLICIES

#### Employee benefits

##### Short-term employee benefits

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

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

##### Other long-term employee benefits

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

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at

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

rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

##### Provisions

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

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

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

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

**Reconciliation of Cash**

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

	<b>2018 Actual</b>	<b>2018 Budget</b>	<b>2017 Actual</b>
	\$	\$	\$
<b>Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>			
Net result	(1,798,961)	(3,733,189)	(2,092,671)
Non-cash flows in Net result:			
Depreciation	4,327,551	4,725,060	4,627,982
(Profit)/loss on sale of asset	20,570	(57,003)	70,522
Changes in assets and liabilities:			
(Increase)/decrease in receivables	9,906	4,000	103,606
Increase/(decrease) in payables	(50,278)	(20,000)	(22,244)
Increase/(decrease) in provisions	(22,745)	0	11,564
Grants contributions for the development of assets	(1,332,255)	(1,248,338)	(837,874)
Net cash from operating activities	1,153,788	(329,470)	1,860,885

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

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

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Governance	705,004	704,387
General purpose funding	13,399	89,331
Law, order, public safety	778,174	378,423
Education and welfare	85,000	0
Housing	2,560,180	2,492,659
Community amenities	3,128,930	3,527,984
Recreation and culture	13,785,899	13,712,100
Transport	100,660,739	97,875,132
Economic services	1,158,583	1,146,866
Other property and services	515,240	454,521
Unallocated	2,117,816	2,695,201
	<b>125,508,964</b>	<b>123,076,604</b>

**15. CONTINGENT LIABILITIES**

The Shire has not contingent liabilities at year end



## 16. CAPITAL AND LEASING COMMITMENTS

### (a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects
- plant & equipment purchases

Payable:

- not later than one year

	2018	2017
	\$	\$
	0	0
	0	0
	0	0
	0	0
	0	0
	0	0

### (b) Operating Lease Commitments

Non-cancellable operating leases contracted for but

Payable:

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

	0	0
	0	0
	0	0
	0	0
	0	0

### SIGNIFICANT ACCOUNTING POLICIES

#### Leases

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

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

#### Leases (Continued)

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

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

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

## 17. JOINT ARRANGEMENTS

The Shire of Wickepin jointly owns a Speed Alert Trailer with the Shire of Cuballing. An outdoor movie screen and projector is jointly owned by the Shires of Wickepin, Cuballing and Pingelly. The movie screen and projector are stored at the Wickepin Community Centre.

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Non-current assets</b>		
Plant and equipment	21,000	21,000
Less: accumulated depreciation	(5,400)	(2,700)
	<u>15,600</u>	<u>18,300</u>

### SIGNIFICANT ACCOUNTING POLICIES

#### Interests in joint arrangements

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

Separate joint arrangements providing joint ventures with an interest to net assets are classified as a joint venture and accounted for using the equity method.

#### Interests in joint arrangements (Continued)

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

## 18. RELATED PARTY TRANSACTIONS

### Elected Members Remuneration

	2018	2018	2017
	Actual	Budget	Actual
	\$	\$	\$
The following fees, expenses and allowances were paid to council members and/or the President.			
Meeting Fees	13,660	12,500	12,161
President's allowance	4,500	4,500	4,500
Deputy President's allowance	1,000	1,000	1,000
Travelling expenses	5,435	7,000	6,127
Telecommunications allowance	4,205	4,500	4,205
	<u>28,800</u>	<u>29,500</u>	<u>27,993</u>

### Key Management Personnel (KMP) Compensation Disclosure

	2018	2017
	\$	\$
The total of remuneration paid to KMP of the Shire during the year are as follows:		
Short-term employee benefits	360,788	327,373
Post-employment benefits	32,851	33,394
Other long-term benefits	34,917	19,061
	<u>428,556</u>	<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 above.

#### Post-employment benefits

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

#### Other long-term benefits

These amounts represent long service benefits accruing during the year.

### Transactions with related parties

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

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

	2018	2017
	\$	\$
The following transactions occurred with related parties:		
Sale of goods and services	10,000	7,310
Purchase of goods and services	7,303	10,702

#### Amounts outstanding from related parties:

Loans to associated entities	29,951	60,000
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#### Amounts payable to related parties:

Trade and other payables	31,719	31,799
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### 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.

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

The Shire has a one-third interest in an environmental health and building service. The interest in the joint venture entity is accounted for in these financial statements using the proportionate consolidation method of accounting. For details of interests held in joint venture entities, refer to Note 17.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**19. CONDITIONS OVER GRANTS/CONTRIBUTIONS**

<b>Grant/Contribution</b>	<b>Opening Balance <sup>(1)</sup> 1/07/16</b>	<b>Received <sup>(2)</sup> 2016/17</b>	<b>Expended <sup>(3)</sup> 2016/17</b>	<b>Closing Balance <sup>(1)</sup> 30/06/17</b>	<b>Received <sup>(2)</sup> 2017/18</b>	<b>Expended <sup>(3)</sup> 2017/18</b>	<b>Closing Balance 30/06/18</b>
	\$	\$	\$	\$	\$	\$	\$
<b>Law, order, public safety</b>							
DFES - New Fire tender				0	377,727	(377,727)	0
<b>Transport</b>							
Roads to Recovery	0	545,008	(545,008)	0	471,857	(471,857)	0
Regional Road Group	0	225,765	(225,765)	0	210,536	(210,536)	0
Federal Blackspot Funding	0	16,148	(16,148)	0	168,170	(168,170)	0
State Flood Damage	0	0	0	0	103,965	(103,965)	0
<b>Total</b>	<b>0</b>	<b>786,921</b>	<b>(786,921)</b>	<b>0</b>	<b>1,332,255</b>	<b>(1,332,255)</b>	<b>0</b>

**Notes:**

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

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

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

## 20. RATING INFORMATION

### (a) Rates

RATE TYPE	Rate in \$	Number of Properties	Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
<b>Differential general rate / general rate</b>											
<b>Gross rental valuations</b>											
Gross Rental Valuations	0.0703	257	1,823,479	128,194	0	0	128,194	128,194	1,200	0	129,394
<b>Unimproved valuations</b>											
Unimproved Valuations	0.0104	275	126,777,235	1,322,287	556	(1,027)	1,321,816	1,322,287	500		1,322,787
<b>Sub-Total</b>		532	128,600,714	1,450,481	556	(1,027)	1,450,010	1,450,481	1,700	0	1,452,181
<b>Minimum payment</b>											
<b>Gross rental valuations</b>											
Gross Rental Valuations	390	62	83,554	24,180	0	0	24,180	24,180	0	0	24,180
<b>Unimproved valuations</b>											
Unimproved Valuations	390	11	279,569	5,460	0	0	5,460	5,460	0	0	5,460
<b>Sub-Total</b>		73	363,123	29,640	0	0	29,640	29,640	0	0	29,640
		605	128,963,837	1,480,121	556	(1,027)	1,479,650	1,480,121	1,700	0	1,481,821
Discounts/concessions (refer note 20(b))							(128,401)				(132,600)
<b>Total amount raised from general rate</b>							1,351,249				1,349,221
Ex-gratia rates							8,454				8,454
<b>Totals</b>							1,359,703				1,357,675

### SIGNIFICANT ACCOUNTING POLICIES

#### Rates

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

20. RATING INFORMATION (Continued)

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

Rates Discounts

Rate or Fee Discount Granted	Discount %	Discount \$	Actual \$	Budget \$	Circumstances in which Discount is Granted
General Rate Discount	10.00%	0	128,401	132,600	A discount on rates is granted to all who pay their rates in full within 35 days of the date of service.

## 20. RATING INFORMATION (Continued)

### (c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan	Instalment Plan	Unpaid Rates
		Admin Charge	Interest Rate	Interest Rate
		\$	%	%
<b>Option One</b>				
Single full payment	26-Sep-17		5.50%	11.00%
<b>Option Two</b>				
First instalment	26-Sep-17		5.50%	11.00%
Second instalment	30-Nov-17		5.50%	11.00%
Third instalment	31-Jan-18		5.50%	11.00%
Fourth instalment	3-Apr-18		5.50%	11.00%
		<b>2018</b>		
		<b>2018</b>	<b>Budget</b>	
		\$	\$	
Interest on unpaid rates		4,137	4,400	
Interest on instalment plan		0	0	
Charges on instalment plan		0	0	
		<u>4,137</u>	<u>4,400</u>	

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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## 21. NET CURRENT ASSETS

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

	<b>2018</b> <b>(30 June 2018</b> <b>Carried</b> <b>Forward)</b>	<b>2018</b> <b>(1 July 2017</b> <b>Brought</b> <b>Forward)</b>	<b>2017</b> <b>(30 June 2017</b> <b>Carried</b> <b>Forward)</b>
	\$	\$	\$
<b>Surplus/(Deficit) 1 July 17 brought forward</b>	1,144,646	1,225,239	1,225,239
<b>CURRENT ASSETS</b>			
Cash and cash equivalents			
Unrestricted	1,296,360	1,441,512	1,441,512
Restricted	1,804,855	1,647,428	1,647,428
Receivables			
Rates outstanding	18,877	19,522	19,522
Sundry debtors	11,566	18,556	18,556
GST receivable	25,910	28,181	28,181
Loans receivable - clubs/institutions	6,081	5,844	5,844
<b>LESS: CURRENT LIABILITIES</b>			
Trade and other payables			
Sundry creditors	0	(59,000)	(59,000)
Accrued interest on long term borrowings	(655)	(787)	(787)
Accrued salaries and wages	(13,632)	0	0
ATO liabilities	(17,216)	(21,994)	(21,994)
Current portion of long term borrowings	(29,365)	(27,805)	(27,805)
Provisions			
Provision for annual leave	(77,661)	(80,829)	(80,829)
Provision for long service leave	(98,904)	(119,921)	(119,921)
<b>Unadjusted net current assets</b>	<b>2,926,216</b>	<b>2,850,707</b>	<b>2,850,707</b>
<b>Adjustments</b>			
Less: Reserves - restricted cash	(1,804,855)	(1,647,429)	(1,647,429)
Less: Loans receivable - clubs/institutions	(6,081)	(5,844)	(5,844)
Add: Current portion of long term borrowings	29,365	27,805	27,805
<b>Adjusted net current assets - surplus/(deficit)</b>	<b>1,144,646</b>	<b>1,225,239</b>	<b>1,225,239</b>

### Difference

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



**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**22. FINANCIAL RISK MANAGEMENT**

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

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

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

The Shire held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2018	2017	2018	2017
	\$	\$	\$	\$
<b>Financial assets</b>				
Cash and cash equivalents	3,101,215	3,088,940	3,101,215	3,088,940
Receivables	89,315	105,064	89,314	105,064
	<u>3,190,530</u>	<u>3,194,004</u>	<u>3,190,529</u>	<u>3,194,004</u>
<b>Financial liabilities</b>				
Payables	31,503	81,781	17,872	81,781
Borrowings	80,933	108,738	80,933	108,738
	<u>112,436</u>	<u>190,519</u>	<u>98,805</u>	<u>190,519</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.

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

**(a) Cash and Cash Equivalents**

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

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

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

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

	<b>2018</b>	<b>2017</b>
Impact of a 1% <sup>(1)</sup> movement in interest rates on cash	<b>\$</b>	<b>\$</b>
- Equity	31,012	30,889
- Statement of Comprehensive Income	31,012	30,889

**Notes:**

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

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

**(b) Receivables**

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

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

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

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

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

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

	<b>2018</b>	<b>2017</b>
	<b>%</b>	<b>%</b>
Percentage of rates and annual charges		
- Current	32.00%	1.00%
- Overdue	68.00%	99.00%
Percentage of other receivables		
- Current	68.00%	61.00%
- Overdue	32.00%	39.00%

## 22. FINANCIAL RISK MANAGEMENT (Continued)

### (c) Payables and borrowings

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

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<b>2018</b>					
Payables	31,504	0	0	31,504	31,503
Borrowings	32,819	54,836	0	87,655	80,933
	64,323	54,836	0	119,159	112,436
<b>2017</b>					
Payables	81,782	0	0	81,782	81,781
Borrowings	32,819	113,135	7,339	153,293	108,738
	114,601	113,135	7,339	235,075	190,519

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:

Year ended 30 June 2018	<1 year	>1<2 years	>2<3 years	>3<4 years	>4<5 years	>5 years	Total	Weighted Average Effective Interest Rate
	\$	\$	\$	\$	\$	\$	\$	%
<b>Borrowings</b>								
<b>Fixed rate</b>								
Long term borrowings	29,365	31,014	6,582	6,848	7,124	0	80,933	5.11%
Weighted average Effective interest rate	5.48%	5.49%	4.00%	4.00%	4.00%	0.00%		
<b>Year ended 30 June 2017</b>								
<b>Borrowings</b>								
<b>Fixed rate</b>								
Long term borrowings	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%		

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

**23. TRUST FUNDS**

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

	<b>1 July 2017</b>	<b>Amounts Received</b>	<b>Amounts Paid</b>	<b>30 June 2018</b>
	\$	\$	\$	\$
Housing Bonds	0	3,250	(3,250)	0
Building Trust Payments	0	1,148	(1,148)	0
Nomination Deposits	0	320	(320)	0
Key Deposits	0	1,800	(600)	1,200
Cat/Dog Trap Hire	0	250	(200)	50
Miscellaneous	3,426	1,872	(390)	4,908
WDSC Replacement of Greens	69,612	16,157	0	85,769
Yealering Bowling Club Replacement of Greens	15,800	7,900	0	23,700
LCDC Landcare	(1,097)			(1,097)
	<u>87,741</u>			<u>114,530</u>

## 24. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE PERIODS

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

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

	<b>Title</b>	<b>Issued / Compiled</b>	<b>Applicable (1)</b>	<b>Impact</b>
(i)	AASB 9 Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)	December 2014	1 January 2018	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Shire, it is not anticipated the Standard will have any material effect.
(ii)	AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2019	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.  The effect of this Standard will depend on the nature of future transactions the Shire has with those third parties it has dealings with. It may or may not be significant.
(iii)	AASB 16 Leases	February 2016	1 January 2019	Under AASB 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability into the statement of financial position for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 117 Leases which currently do not impact the statement of financial position will be required to be capitalised on the statement of financial position when AASB 16 is adopted.  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.

Notes:

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

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

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

Notes:

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

### Adoption of New and Revised Accounting Standards

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

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

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

## 25. OTHER SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

### b) Current and non-current classification

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

### c) Rounding off figures

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

### d) Comparative figures

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

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

### e) Budget comparative figures

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

### f) Superannuation

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

### g) Fair value of assets and liabilities

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

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

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

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

### h) Fair value hierarchy

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

#### Level 1

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

#### Level 2

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

#### Level 3

Measurements based on unobservable inputs for the asset or liability.

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

### Valuation techniques

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

#### Market approach

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

#### Income approach

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

#### Cost approach

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

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

### i) Impairment of assets

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

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

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

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



## **26. ACTIVITIES/PROGRAMS**

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

<b>PROGRAM NAME</b>	<b>OBJECTIVE</b>	<b>ACTIVITIES</b>
<b>GOVERNANCE</b>	To provide a decision making process for the efficient allocation of scarce resources.	Includes the activities of members of Council and the administrative support available to the Council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific Council services.
<b>GENERAL PURPOSE FUNDING</b>	To collect revenue to allow for the provision of services.	Rates, general purpose government grants, and interest revenue.
<b>LAW, ORDER, PUBLIC SAFETY</b>	To provide services to help ensure a safer and environmentally conscious community.	Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.
<b>HEALTH</b>	To provide an operational framework for environmental and community health.	Inspection of food outlets and their control, immunisation services, mosquito control and the operation of the medical centre.
<b>EDUCATION AND WELFARE HOUSING</b>	To provide services to disadvantaged persons, the elderly, children and youth. To provide and maintain staff and other housing.	Support for childcare, development of services for the aged and rural counselling support. Provision and maintenance of staff and other housing.
<b>COMMUNITY AMENITIES</b>	To provide services required by the community.	Rubbish collection, operation of the tip, noise control, support for waste recycling, litter control administration of town planning scheme, strategic planning, maintenance of cemetery, public conveniences and town drainage maintenance.
<b>RECREATION AND CULTURE</b>	To establish and effectively manage infrastructure and resources which will help the social and wellbeing of the community.	Maintenance of halls, swimming facilities, recreation centres and various reserves, operation of library, maintenance of cultural heritage assets.
<b>TRANSPORT</b>	To provide safe, effective and efficient transport services to the community.	Construction and maintenance of streets, roads footpaths, drainage works, parking facilities, cleaning and lighting of streets, depot maintenance and airstrip maintenance.
<b>ECONOMIC SERVICES</b>	To help promote the Shire and its economic wellbeing.	Tourism and area promotion, including the maintenance and operation of caravan parks. Provision of rural services including weed control, vermin control and standpipes. Building control and community development activities.
<b>OTHER PROPERTY AND SERVICES</b>	To monitor and control Council's overhead operating accounts.	Private works operations, plant repair and operation costs and engineering operation costs.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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27. FINANCIAL RATIOS

	2018	2017	2016
Current ratio	9.57	6.62	4.59
Asset sustainability ratio	0.53	0.33	0.44
Debt service cover ratio	36.75	50.25	3.45
Operating surplus ratio	(1.60)	(1.52)	(2.30)
Own source revenue coverage ratio	0.29	0.26	0.28

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 53 of this document.

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

In addition, two of the ratios were impacted by revenue and expenses associated with flood damage re-instatement which is considered one-off in nature.

	2017/18	2016/17	2015/16
	\$	\$	\$
Amount of Financial Assistance Grant received during the year relating to the subsequent year.	797,202		
Amount of Financial Assistance Grant received in prior year relating to current year.		779,922	
Amount of reimbursement for flood damage received	103,965		
Expenditure on flood damage re-instatement	288,240		

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

	2018	2017	2016
Current ratio	8.72	3.21	5.24
Debt service cover ratio	33.04	27.92	11.48
Operating surplus ratio	(1.66)	(1.93)	(2.05)
Own source revenue coverage ratio	0.29	0.26	(0.28)

RATIO INFORMATION

The following information relates to those ratios which only require attestation they have been checked and are supported by verifiable information.

	2018	2017	2016
Asset consumption ratio	0.99	0.94	0.95
Asset renewal funding ratio	1.00	1.00	1.00

The above ratios are calculated as follows:

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

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

**28. Prior Period Error**

The Shire owns 4 bridges which have not previously been recognised as assets.

At 30th June 2018, management's independent expert has valued the bridges at \$1,904,000 and the

The Shire has determined that it is impractical to restate comparatives due to lack of historical data available as the Shire would not be able to accurately estimate the assumptions required in calculating the fair value of bridges in prior years

## 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 2018, 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 2018 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 2018 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 Note 27 of the financial report, which describes certain ratio information relating to the financial report. Management's calculation of certain of these ratios includes assumptions about future capital expenditure and hence falls outside our audit scope. We do not express an opinion on the ratio with these assumptions.

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



MARIUS VAN DER MERWE CA  
Director

Perth  
Date: 19 December 2018