



A Fortunate Place

# ANNUAL REPORT

# 2018 - 2019

## TABLE OF CONTENTS

### REPORT

Authority and Legislation.....	3
Shire of Wickepin Location & Information .....	3
<b>STRATEGIC COMMUNITY PLAN 2018 – 2028 .....</b>	<b>4</b>
<b>COUNCIL MEMBERS .....</b>	<b>5</b>
Council Meetings .....	5
Elections.....	5
<b>ORGANISATIONAL STRUCTURE &amp; STAFF .....</b>	<b>6</b>
<b>SHIRE STATISTICS &amp; INFORMATION .....</b>	<b>7</b>
<b>COUNCIL FACILITIES.....</b>	<b>8</b>
<b>COUNCIL SERVICES.....</b>	<b>9</b>
<b>PRESIDENT’S REPORT .....</b>	<b>10</b>
Financial Assistance Grants .....	10
2018/2019 Major Achievements .....	10
Roads, Plant and Infrastructure.....	10
Administration Staff.....	11
<b>CHIEF EXECUTIVE OFFICER’S REPORT .....</b>	<b>12</b>
Staff.....	12
Loans .....	12
Finance.....	13
Financial Ratios .....	14
National Competition Policy.....	15
Competitive Neutrality .....	15
Disability Service Plan Statement .....	15
State Records Act 2000.....	16
Fruit Fly Baits .....	16
Mosquito Spraying.....	16
Chemical Containers .....	16
Economic Regulation Authority.....	16
Approval of Outstanding Financial Hardship Policies.....	16
Public Interest Disclosure Act .....	16
Facebook & Instagram.....	17
Register of Complaints.....	17
Freedom of Information .....	17
Waste Disposal .....	17
Integrated Planning .....	18
Disclosure of Annual Salaries.....	18
<b>COMMUNITY DEVELOPMENT OFFICER’S REPORT .....</b>	<b>19</b>
<b>FINANCIALS</b>	
<b>FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019 .....</b>	<b>1</b>
<b>INDEPENDENT AUDIT REPORT FOR THE YEAR ENDED 30 JUNE 2019 .....</b>	<b>51</b>

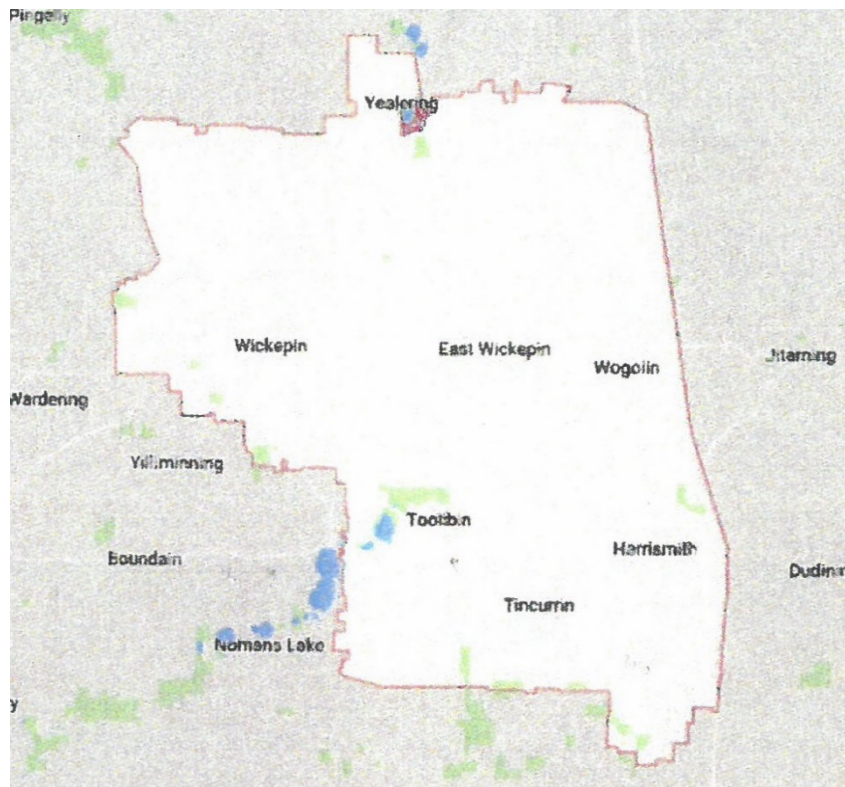


### Authority and Legislation

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

### Shire of Wickepin Location & Information

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



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

## STRATEGIC COMMUNITY PLAN 2018 – 2028

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

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

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



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



## COUNCIL MEMBERS



**Cr Julie Russell**  
President  
Elected - 2005  
Retiring - 2019



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



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



**Cr Fran Allan**  
Elected - 2008  
Retiring - 2019



**Cr Allan Lansdell**  
Elected - 2011  
Retiring - 2019



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



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



**Cr Gerri Hinkley**  
Elected - 2007  
Retiring - 2019

### Council Meetings

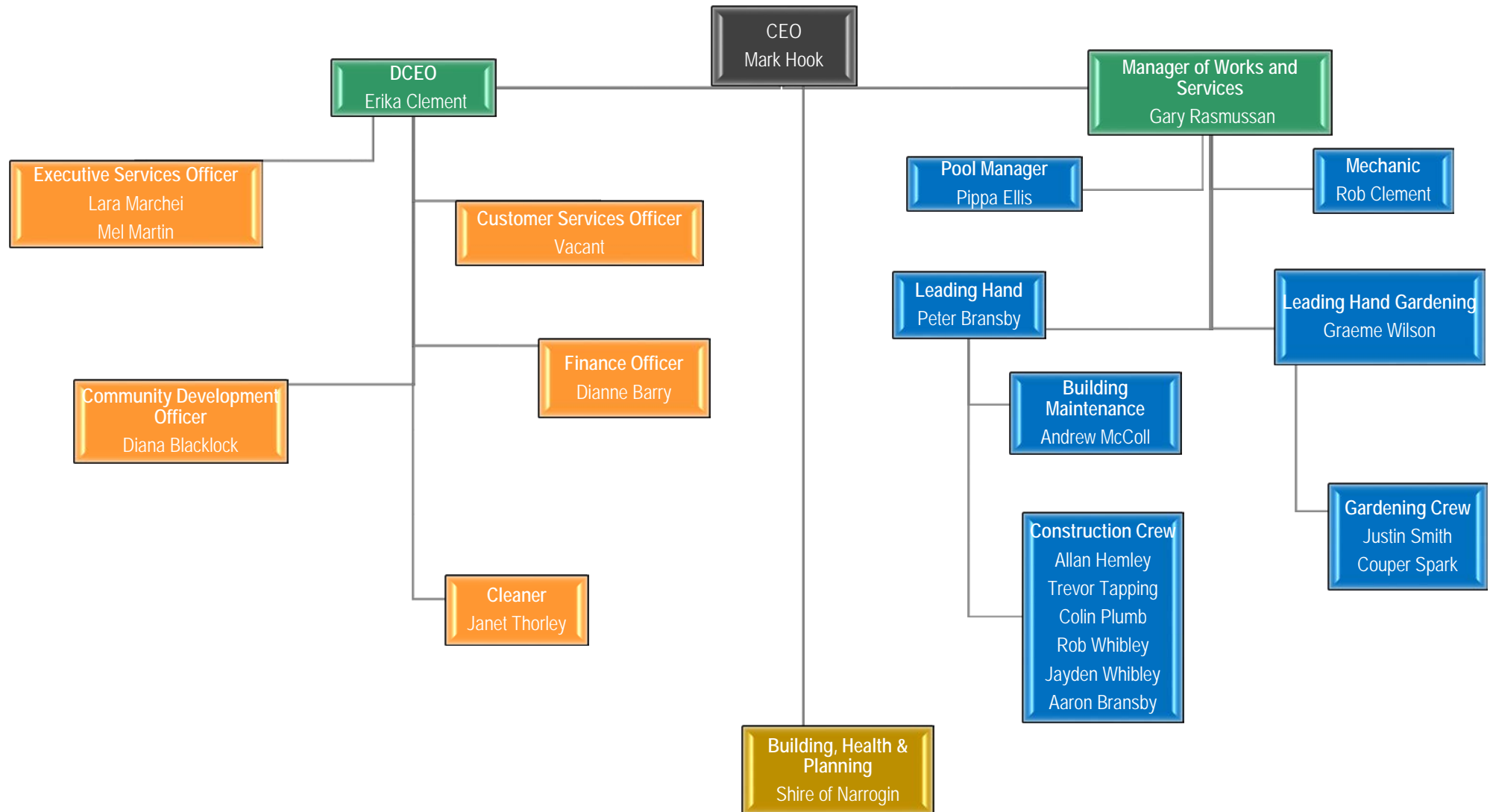
Full council meetings are held on the third Wednesday of the month commencing at 3.30pm. By resolution no meeting is held in January. Public question time for 15 minutes is held at the beginning of each meeting where questions may be asked with or without notice or an issue considered relevant to the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

### Elections

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

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

## ORGANISATIONAL STRUCTURE & STAFF



## SHIRE STATISTICS & INFORMATION

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

### Wickepin

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

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

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



### Yealering

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

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

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

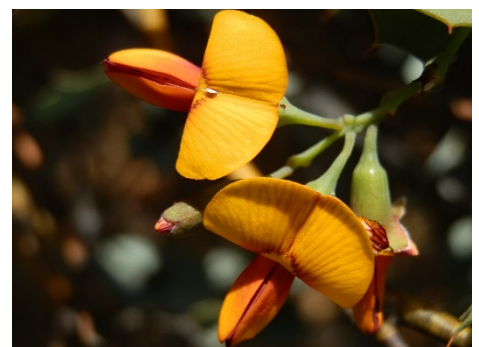
The BBQ facilities at the lake make Yealering as an ideal place for a day out kayaking, windsurfing and enjoying nature walks.

### Harrismith

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

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

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



## COUNCIL FACILITIES

### Public Library

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

### Community Centre

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

### Wickepin and Yealering Town Halls

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

### Aquatic Centre

The Wickepin Aquatic Centre is located on Wogolin Rd, Wickepin and was refurbished in 2015. The pool is open 1pm – 6pm every day from 1 November to 31 March each year. The pool is equipped with bbq facilities for everyone to use.

### Yarling Court Units

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

### Cottage Homes

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

### Caravan Parks

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





## **Private Works**

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

## **Rubbish Collection**

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

## **Dog and Cat Registration**

Registrations become due on 1 November each year.

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

Dog used for tending stock: 25% of ordinary fee

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

## **Impounding Dogs**

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

## **Impounding Cats**

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

## **Department of Transport Licensing Services**

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

## **Health Building & Planning**

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

## **Mosquito Control**

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

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

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



## PRESIDENT'S REPORT

It gives me great pleasure to present my President's report on the Wickepin Shire Council's activities for the 2018/2019 financial year.

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

The Shire of Wickepin had a rural rate increase of 0% and a town rate increase of 0% for 2018/19, however some properties did receive a rate rise due to an increase in valuation of the properties by the Valuer General. Rates levied within the Shire allows council to keep pace with the general CPI expenses whilst also allowing for necessary improvements along with a sustained 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 2018/19 under the Financial Assistance Grants Scheme.

### 2018/2019 Major Achievements

1. Design & install new boundary signs
2. New pictorial street bins for Yealering & Harrismith
3. Carport CAC building
4. Depot wash down bay
5. New Bobcat skidsteer loader
6. New flat top trailer

### Roads, Plant and Infrastructure

Council has continued its significant contribution to the ongoing maintenance and upgrade of the Shire road network during the 2018/19 financial year and undertook a \$1,279,940 road program this year.



Council undertook the following road and footpath program in 2018/19:

Road Name	Works	Total
Wickepin Corrigin	Final seal	87,402
Wickepin Harrismith	Asphalt shoulder widening various sections	130,201
Wickepin Pingelly	Shoulder & culvert widening, reconstruct, prime & seal various sections	164,587
Wickepin North	Widen formation and existing seal	146,973
Inkiepinkie	Gravel sheeting	44,939
86 Gate	Gravel sheeting, widening, reduction of vegetation	41,772
Kirk Rock	Gravel sheeting, widening, reduction of vegetation	55,500
Footpath construction	Repair, replace footpaths Wickepin	8,612
Tree Lopping	Contract lopping	44,936
Annual maintenance program	Maintenance all roads	435,197

The Federal Government's Roads to Recovery Program continued in 2018/19. 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 has provided \$3.2 billion under the Roads to Recovery programme, to be distributed to Australia's local councils; state and territory governments responsible for local roads in the unincorporated areas (where there are no councils), and the Indian Ocean Territories.

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

#### **Administration Staff**

On behalf of the Shire of Wickepin community I would like to thank CEO Mr Mark Hook 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 2018/19 financial year.

Thank you

**Cr Julie Russell**

Shire President JP





## CHIEF EXECUTIVE OFFICER'S REPORT

It is with much pleasure that I present my Chief Executive Officers Report to the Shire of Wickepin and the Wickepin Community for the year ending 30 June 2019.

### Staff

There have been a number of staff movements this year within the Shire of Wickepin. Our Community Development Officer Lee Parker resigned after 8 years' service and was replaced by Ms Diana Blacklock. The CDO position is 3 days per week and we are looking forward to some exciting new projects Diana is working on alongside council and the community in the new year. Rebecca Pauley left the Executive Support Officer position in July to return to teaching and was replaced by Jaye Allington. Unfortunately due to unforeseen circumstances Jaye had to leave us at the same time our Customer Services Officer Sam Dawes went on annual leave and an extended period of personal leave and subsequently resigning. During this time we were relieved by our casual staff Lara Marchei, Jenna Lansdell, Michelle Miller, Mel Martin, Stefie Green and Emily Davey. Lara and Mel have since been appointed to Executive Support Officer in a permanent job share capacity. Currently the CSO position is still vacant.

Council's outside works force has also seen some changes. In November we farewelled Pete Marsh and Bob Read as they retired after 18 and 23 years' service respectively with the Shire of Wickepin. Peter Arnol and Chris Holmes also resigned to take up new employment positions and we welcomed Couper Spark, Rob Whibley, Jayden Whibley and Aaron Bransby who have joined the outside works crew.

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 2018/19 financial year and no new loans were raised during the 2018/19 financial year.



## Finance

At the end of the financial year for 2018/19 the situation in relation to council's reserve funds are as follows:

2018-19 Name	Opening Balance	Budget Interest Earned	Actual Interest Earned	Budget Transfers In (+)	Actual Transfers In (+)	Budget Transfers Out (-)	Actual Transfers Out (-)	Transfer out Reference	Budget Closing Balance	Actual YTD Closing Balance
	\$	\$	\$	\$	\$	\$	\$		\$	\$
Leave Reserve	95,446.00	1,586.00	2,047		0	(13,500)	0		110,532	97,493
Plant Replacement Reserve	205,371.00	3,414.00	4,393	123,450	123,450				332,235	333,214
Building Reserve	505,100.00	8,396.00	10,848		5,600	(33,000)	33,000		546,496	488,548
Fire Fighting Reserve	21,790.00	365.00	464		0				22,155	22,254
Cottage Homes Reserve	37,844.00	629.00	816		0				38,473	38,660
Special Events Reserve	14,332.00	238.00	307		0				14,570	14,639
Computer Reserve	20,549.00	342.00	441	5,000	5,000				25,891	25,990
Young Singles Accommodation Reserve	74,705.00	1,242.00	1,603	5,000	8,000				80,947	84,308
Saleyards Reserve	28,493.00	474.00	611	5,000	5,000				33,967	34,104
Sewerage Reserve	179,259.00	2,980.00	3,845	39,343	39,343				221,582	222,447
Refuse Reserve	119,384.00	1,984.00	2,561		0				121,368	121,945
Land Development Reserve	114,279.00	1,900.00	2,451		0				116,179	116,730
Aged Persons Accommodation Reserve	188,416.00	3,132.00	4,042	75,673	75,673				267,221	268,131
Swimming Pool Reserve	165,307.00	2,748.00	3,546	5,000	5,000				173,055	173,853
Albert Facey Homestead Reserve	9,580.00	159.00	206		0				9,739	9,786
Fuel Facility	25,000.00	411.00	537	25,000	25,000				50,411	50,536
	<b>1,804,855</b>	<b>30,000</b>	<b>38,717</b>	<b>283,466</b>	<b>292,066</b>	<b>(46,500)</b>	<b>33,000</b>		<b>2,164,821</b>	<b>2,102,637</b>

## 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 2018/19.

Ratio	Description	Result	Prescribed Standard
Current Ratio	Indicates the Shires ability to meet short term debt obligations	5.05	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	0.23	Standard is met if ratio is 0.9 or higher
Debt Service Cover Ratio	Indicates the Shire ability to repay its debt including lease payments	28.30	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.	(1.91)	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	0.26	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.	0.96	Standard is met if ratio is 0.5 or greater. The standard is improving if the ratio is between 0.6 and 0.75
Asset Renewal Funding Ratio	Measures the ability of the Shire to fund its projected asset renewal/replacements in the future.	N/A	Standard is met if the ratio is between 0.75 and 0.95. Standard is improving if the ratio is between 0.95 and 1.05



### **National Competition Policy**

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

### **Competitive Neutrality**

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

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

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

### **Disability Service Plan Statement**

The Disability Services Amendment Act 1999 requires local governments to report annually on their Disability Service Plan achievements. The achievements for the year ended 30 June 2019 are listed below and grouped into the outcome areas addressed in the Shire of Wickepin Disability Service Plan.

**Outcome1:** People with disabilities have the same opportunities as other people to access the services of, and any events organised by the Shire of Wickepin.

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

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

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

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

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

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

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

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

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

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

## State Records Act 2000

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

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

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

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

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

## Fruit Fly Baits

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

## Mosquito Spraying

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

## Chemical Containers

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



## Economic Regulation Authority

### Approval of Outstanding Financial Hardship Policies

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

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



## Public Interest Disclosure Act

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

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

No Public Interest Disclosures were received by the Shire of Wickepin during 2018/19.

### Facebook & Instagram

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



### Register of Complaints

The Local Government Act 1995 Section 5.121 requires the complaints officer of the local government to maintain a register of complaints which records all complaints that result in an action under the Local Government Act 1995 Section 5.110 (6)(b) or (c). For the purposes of Section 5.53(2) (hb) of the Local Government Act 1995 it is advised that the Shire of Wickepin received Zero (0) complaints during the 2018/19 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 2018/19 the shire received zero (0) Freedom of Information applications, and 0 (0) referrals for third party consultation. The Act requires that all applications are responded to within 45 days.

### Waste Disposal

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

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

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

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

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

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

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

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

## **Integrated Planning**

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

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

### **HIGH PRIORITY**

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

### **MEDIUM PRIORITY**

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

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

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

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

Copies of these plans are available from the Shire of Wickpin website [www.wickpin.wa.gov.au](http://www.wickpin.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 2018/19 the Shire of Wickpin 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 Wickpin staff for their continued efforts over the whole of the 2018/19 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.

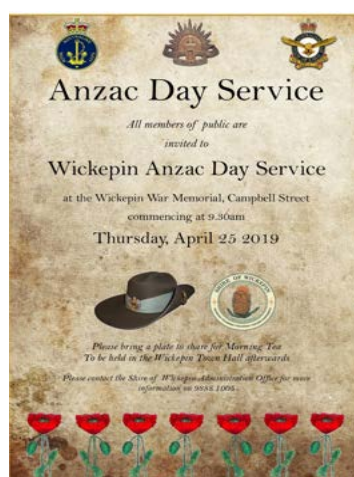
**Mark J Hook**

**Chief Executive Officer**

## COMMUNITY DEVELOPMENT OFFICER'S REPORT

### ANZAC DAY 25 APRIL 2019

Shirley Howell was a guest speaker at the 2019 ANZAC Service. Shirley is the author of ***Beyond Hellfire and Back*** which has been accepted into the Australian War Memorial Library in Canberra. It is a memoir documenting the stories and experiences of WWII veteran Joe Pearce, a wheat and sheep farmer from Moulyinning (near Dumbleyung) and a Swan Districts WAFL player before and after the war. Joe was captured by the Japanese and endured three gruelling years as a Prisoner of War. He survived Changi and Burma Railway while weathering wounds including shrapnel which lodged into his back. Shirley and her husband are ex-military, she joined the Women's Royal Army Corps while her husband was a member of The Duke of Edinburgh's Royal Regiment. Their son also completed a ten year term with the Australian Navy serving time in the Gulf. Shirley's book ***Beyond Hellfire and Back*** was available for purchase at the ANZAC Service for \$20.00.



### WICKEPIN WINTER WEEKEND 21 - 23 JUNE 2019

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 line dancing, 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. Sunday, and the crowd still wanted to kick on. Campfire Country did a 3 hour session with 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.

A big thank you to Dave and Therese for bringing this sensational weekend to our town. We look forward to welcoming and hosting them again next year.

## Wickepin Winter Weekend

**of Country Music and Dancing**  
**21, 22 & 23 June 2019**  
 Old Time Dance, Line Dance, Square Dance  
 at the  
**WICKEPIN TOWN HALL**

**FRIDAY NIGHT: 7.30pm OLD TIME DANCE with Campfire Country**

**SATURDAY:** Dance Sessions - 10am to 4pm  
 Square Dancing (Tony Gray)  
 Line Dancing (Geoff Tuke & Doug and Audrey)  
 Old Time/Vogue Dance (TBA)

**FUNDRAISING LUNCHEON AVAILABLE FOR PURCHASE**

**SATURDAY NIGHT - 7.00pm GUEST ARTIST CONCERT**  
 Featuring: Sarah Broome, Ric Davies, Di Harris, John Orr,  
 Dave Burgess, Kevin Lansell & Campfire Country

**SUNDAY MORNING: Dance Sessions - 10 till midday**

Caravan Parking (tickets and showers included) available at the Wickepin Community Centre (opposite the Town Hall) \$10 per van per night, payable at the gate.  
 Other accommodation available: Wickepin Hotel 9598 1100  
 Wickepin Caravan Park 0428 177502  
 campfirecountry@westnet.com.au

\$10 Friday Night only  
 \$10 Saturday 10am - 4pm  
 \$10 Saturday Night only  
 Or \$25 Weekend ticket  
 Payable at Door

David & Therese  
 0429 109 334



\$1450 was donated by Campfire Country for the repair and maintenance of the Wickepin Town Hall dance floor



**Wickepin Town Hall**  
The boardroom in the Wickepin Town Hall has been re-sanded and polished.



**HARRISMITH & YEALERING WILDFLOWER DUSTBINS**

Additional pictorial dustbins were installed in Harrismith and Yealering in 2018/19. The community supported the idea of installing more after they were initially installed in Wickepin in 2017/18



**HARRISMITH CEMETERY**

Stage 2 of the Harrismith Cemetery plan was completed with the existing Niche Wall being rendered and brickwork extended on the lower section of the wall allowing for the accommodation of larger niche spaces as required by the size of modern ash containers.





## ARMISTICE SERVICE

The Centenary of Armistice service was held on Sunday 11 November 2018 at the Wickepin War Memorial and was very well attended by locals and visitors to the town.



Shire President, Cr Julie Russell welcomed everyone who had gathered to commemorate the Silence of the Guns and the end of all hostilities on the Western Front between the Allied armies and the German armies of the Great War – World War 1 – by the signing of the Armistice.

The service also included the launch of **Fallen but not Forgotten**, 'a record of the soldiers of the Wickepin District who served their country between 1914 and 1995, with a focus on those who sacrificed their lives to shape our nation'. Local historian Stefie Green spent 10 years researching, collating and writing the book and gave an insightful overview of the book and her foray in to military history and how it was the starting point for her project.

Stefie's book is available for purchase from the Wickepin Community Resource Centre. The cost of the book is \$35 plus \$15 postage if required.

## FACEY FESTIVAL & WICKEPIN ART PRIZE

Some of the many activities that were part of the 12-14 October weekend included:

- Arty Party - opening night Friday
- Horse and Carriages parading through town
- Open Garden day (fundraiser for the P&C)
- History and machinery displays
- Art Prize open all weekend in the Wickepin Town Hall
- Exhibition of Judith Lambert's work in Wickepin Town Hall
- Albert Facey Celebration on the Homestead Verandah Saturday
- Community Markets Saturday morning including Wilson Brewery from Albany
- Lamb & Lager Evening on Saturday in the Community Centre
- Feast on Art -Long Table Lunch in the Wickepin Town Hall on Sunday



174 pieces were submitted in several categories with judging done by renowned local artist Judith Lambert.



The overall winner and acquisitive prize winner was Carmen McFaull for 'Crowd Pleaser'

As part of the evening James Giddy Artist created on stage a painting that was auctioned with the monies raised \$1700 donated to the St John Ambulance.



## AUSTRALIA DAY COMMUNITY AWARDS:

Awards were presented by Shire of Wickepin councillors at the Australia Day breakfast held at the Yealering Town Hall on Saturday 26 January 2019.

### Citizen of the Year Award - Stefanie Green

For writing "Fallen but not Forgotten" a record of Wickepin District soldiers who sacrificed their lives 1914 – 1995 to shape our nation.



### Senior Citizen of the Year Award - John Menegola

For his longstanding and substantial contributions to the people of the Shire of Wickepin.

### Community Group Award - She Shed He Shed

For the outstanding contribution to and strengthening of our community spirit by performing services for the residents of our Shire. The She Shed He Shed Group has positively contributed to our own community as well as adjoining Shires - connecting in friendship to make and repair items and engaging in projects meaningful to our community.

The group has:

- held workshops promoting useful skills, for example, welding;
- participated in health workshops;
- both repaired items for and maintained the Wickepin Heritage Trail;
- supported the Wickepin CRC's market days;
- Promoting art at the Wickepin Bird Park.

### Progressive Agricultural Award Facey Group - Dr Kelly Pearce

Kelly is an active farmer, researcher and board director across multiple not for profit and agricultural organisations. Actively involved locally and at a wider industry level across many facets of agriculture such as on ground research, supply chain, director roles and strategy.





## WOGOLIN PLAYGROUND

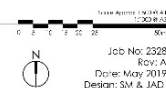
A Concept Plan was designed by Nature Play in Perth for the Wogolin Playground, and presented to the Community for further Comment. 33 responses were recorded with the majority supporting the design with some suggestions for additional considerations to be incorporated in the building phase.

Grants to fund the park in stages will be sourced, with the shire providing much of the ground work and landscaping components. Community groups and individuals will be asked to be involved in this process. A collective investment and belief will enable the project to move forwards and become a reality. Anyone in the community who want to be involved with the development are welcome to do so.



8 Burchell Way  
Kewdale WA 6105  
(08) 9361 1355  
play@natureplaysolutions.com.au

Wogolin Road Recreational Area  
Wickepin  
Nature Play Space Concept



## AGRICULTURAL FEASIBILITY REPORT

To attract and promote agricultural based industries and businesses to the Shire of Wickepin a feasibility study was carried out. The main objectives and aims of the consultation, by Whitney Consulting in partnership with Anna Dixon Consulting and WBN Wheatbelt Business Network, was to assess opportunities for the development and expansion of new and existing agricultural industries, activities and events within the Shire of Wickepin, to establish the shire as a hub for agricultural research, extension and education. Stage one of the report has now been completed.

## BUILDING SUSTAINABLE CLUBS

The Shire of Wickepin partnered with the Shire of Narrogin in the Building Sustainable Clubs Program. The program's purpose is to support and enhance the sustainability, capacity and capability of our clubs in the Upper Great Southern region through a range of strategies. As part of this program Caroline Robinson from the Wheatbelt Business Network facilitated workshops in Wickepin in May 2019. The workshop concentrated on: succession planning, member recruitment – especially younger people, meeting procedures, forward planning. It was an informal mix and match session with lots of resources, tips, templates and tangible items that groups can take home, including intellectual information. This workshop was not limited to sporting clubs, with all community groups being invited.

## KIDSPORT

The Shire of Wickepin continued to support the Department of Sport and Recreation and local sporting groups to implement the Kidsport program. KisSport enables eligible Western Australian children aged 5 to 18 years to participate in community sport by offering them financial assistance towards club fees.



## 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 \$37,020 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

Lake Yealering Bowling Club	Toilet lighting	\$1,265
Yealering Progress Association	Yealering cricket oval fence	\$4,000
Wickepin Art & Craft Association	Sewing machine & accessories	\$609
Wickepin Golf Club	Flag & flag hole replacements	\$3,336
Wickepin Districts Sports Club	Outdoor seats, bowling step ups & kitchenware	\$3,626
Wickepin She Shed He Shed	Cementing shed floor	\$2,249
Wickepin Playgroup	Toys & equipment	\$690
Wickepin Primary School P&C	Urban art installation	\$7,200
Community grants under \$500	Various projects	\$3,000





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

**TABLE OF CONTENTS**

Statement by Chief Executive Officer	2
Statement of Comprehensive Income by Nature or Type	3
Statement of Comprehensive Income by Program	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Rate Setting Statement	8
Notes to and forming part of the Financial Report	9
Independent Auditor's Report	51

**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 2019**

*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 2019 is based on proper accounts and records to present fairly the financial position of the SHIRE OF WICKEPIN at 30 June 2019 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the

*16TH*

day of

*DECEMBER*

2019



---

Chief Executive Officer

Mark Hook

---

Name of Chief Executive Officer

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

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
<b>Revenue</b>				
Rates	21(a)	1,359,580	1,352,265	1,359,703
Operating grants, subsidies and contributions	2(a)	1,748,901	861,048	1,645,867
Fees and charges	2(a)	532,426	458,524	522,482
Interest earnings	2(a)	64,879	53,258	61,595
		3,705,786	2,725,095	3,589,647
<b>Expenses</b>				
Employee costs		(1,184,021)	(1,332,157)	(1,009,195)
Materials and contracts		(1,099,910)	(1,345,486)	(1,061,597)
Utility charges		(186,356)	(175,545)	(134,875)
Depreciation on non-current assets	9(b)	(4,675,032)	(4,327,930)	(4,327,551)
Interest expenses	2(b)	(3,368)	(3,453)	(4,883)
Insurance expenses		(166,166)	(179,158)	(162,194)
		(7,314,853)	(7,363,729)	(6,700,295)
		(3,609,067)	(4,638,634)	(3,110,648)
Non-operating grants, subsidies and contributions	2(a)	552,461	552,461	1,332,255
Profit on asset disposals	9(a)	5,400	21,680	10,917
(Loss) on asset disposals	9(a)	(200,836)	(46,580)	(31,486)
Fair value adjustments to financial assets at fair value through profit or loss	6	52,551	0	0
		409,576	527,561	1,311,686
<b>Net result for the period</b>		<b>(3,199,491)</b>	<b>(4,111,073)</b>	<b>(1,798,962)</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	10	0	0	4,332,149
<b>Total other comprehensive income for the period</b>		<b>0</b>	<b>0</b>	<b>4,332,149</b>
<b>Total comprehensive income for the period</b>		<b>(3,199,491)</b>	<b>(4,111,073)</b>	<b>2,533,187</b>

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

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

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
<b>Revenue</b>	2(a)			
Governance		13,465	110	13,011
General purpose funding		3,016,923	2,171,446	2,932,446
Law, order, public safety		95,918	72,887	83,002
Health		100	250	236
Education and welfare		214	4,160	4,292
Housing		96,051	108,150	141,421
Community amenities		171,309	174,710	196,600
Recreation and culture		34,468	32,597	43,682
Transport		130,642	85,120	81,767
Economic services		74,003	42,165	48,381
Other property and services		72,693	33,500	44,809
		<b>3,705,786</b>	<b>2,725,095</b>	<b>3,589,647</b>
<b>Expenses</b>	2(b)			
Governance		(423,931)	(442,522)	(442,370)
General purpose funding		(84,513)	(87,054)	(80,931)
Law, order, public safety		(193,043)	(208,330)	(167,663)
Health		(20,075)	(25,916)	(22,809)
Education and welfare		(11,693)	(17,842)	(13,351)
Housing		(139,195)	(186,866)	(185,555)
Community amenities		(372,789)	(383,798)	(363,392)
Recreation and culture		(1,006,809)	(981,394)	(940,382)
Transport		(4,719,767)	(4,759,357)	(4,293,314)
Economic services		(229,279)	(241,056)	(212,344)
Other property and services		(110,391)	(26,141)	26,699
		<b>(7,311,485)</b>	<b>(7,360,276)</b>	<b>(6,695,412)</b>
<b>Finance Costs</b>	2(b)			
Housing		(2,166)	(2,195)	(3,495)
Recreation and culture		(1,202)	(1,258)	(1,388)
		<b>(3,368)</b>	<b>(3,453)</b>	<b>(4,883)</b>
		<b>(3,609,067)</b>	<b>(4,638,634)</b>	<b>(3,110,648)</b>
Non-operating grants, subsidies and contributions	2(a)	552,461	552,461	1,332,255
Profit on disposal of assets	9(a)	5,400	21,680	10,917
(Loss) on disposal of assets	9(a)	(200,836)	(46,580)	(31,486)
Fair value adjustments to financial assets at fair value through profit or loss	6	52,551	0	0
		<b>409,576</b>	<b>527,561</b>	<b>1,311,686</b>
<b>Net result for the period</b>		<b>(3,199,491)</b>	<b>(4,111,073)</b>	<b>(1,798,962)</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	10	0	0	4,332,149
<b>Total other comprehensive income for the period</b>		<b>0</b>	<b>0</b>	<b>4,332,149</b>
<b>Total comprehensive income for the period</b>		<b>(3,199,491)</b>	<b>(4,111,073)</b>	<b>2,533,187</b>

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



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

	NOTE	2019 \$	2018 Restated *	1 July 2017 Restated *
			\$	\$
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	3	3,704,011	3,101,215	3,088,940
Trade receivables	5	94,772	66,121	72,103
Financial Assets	6	6,326	6,081	
<b>TOTAL CURRENT ASSETS</b>		<b>3,805,109</b>	<b>3,173,417</b>	<b>3,161,043</b>
<b>NON-CURRENT ASSETS</b>				
Financial assets	6(b)	73,105	0	
Other loans and receivables	6(b)	0	26,881	32,961
Property, plant and equipment	7	17,161,179	17,568,900	17,321,087
Infrastructure	8	100,900,425	104,233,644	102,045,623
<b>TOTAL NON-CURRENT ASSETS</b>		<b>118,134,709</b>	<b>121,829,425</b>	<b>119,399,671</b>
<b>TOTAL ASSETS</b>		<b>121,939,818</b>	<b>125,002,842</b>	<b>122,560,714</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	11	189,481	41,271	81,781
Borrowings	12(a)	31,014	29,365	27,805
Employee related provisions	13	186,855	176,565	200,750
<b>TOTAL CURRENT LIABILITIES</b>		<b>407,350</b>	<b>247,201</b>	<b>310,336</b>
<b>NON-CURRENT LIABILITIES</b>				
Borrowings	12(a)	20,554	51,568	80,933
Employee related provisions	13	31,436	24,100	22,660
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>51,990</b>	<b>75,668</b>	<b>103,593</b>
<b>TOTAL LIABILITIES</b>		<b>459,340</b>	<b>322,869</b>	<b>413,929</b>
<b>NET ASSETS</b>		<b>121,480,479</b>	<b>124,679,973</b>	<b>122,146,785</b>
<b>EQUITY</b>				
Retained surplus		9,667,265	13,164,542	15,120,929
Reserves - cash backed	4	2,102,638	1,804,855	1,647,429
Revaluation surplus	10	109,710,576	109,710,576	105,378,427
<b>TOTAL EQUITY</b>		<b>121,480,479</b>	<b>124,679,973</b>	<b>122,146,785</b>

\* See Note 27

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

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

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2017</b>		<b>15,120,929</b>	<b>1,647,429</b>	<b>105,894,317</b>	<b>122,662,675</b>
Correction of error	27		0	(515,890)	(515,890)
<b>Restated total equity at the beginning of the financial year</b>		<b>15,120,929</b>	<b>1,647,429</b>	<b>105,378,427</b>	<b>122,146,785</b>
Comprehensive income					
Net result for the period		(1,798,962)	0	0	(1,798,962)
Other comprehensive income	10	0	0	4,332,149	4,332,149
Total comprehensive income		(1,798,962)	0	4,332,149	2,533,187
Transfers from/(to) reserves		(157,426)	157,426	0	0
<b>Restated Balance as at 30 June 2018</b>		<b>13,164,542</b>	<b>1,804,855</b>	<b>109,710,576</b>	<b>124,679,973</b>
Comprehensive income					
Net result for the period		(3,199,491)	0	0	(3,199,491)
Total comprehensive income		(3,199,491)	0	0	(3,199,491)
Transfers from/(to) reserves		(297,783)	297,783	0	0
<b>Balance as at 30 June 2019</b>		<b>9,667,265</b>	<b>2,102,638</b>	<b>109,710,576</b>	<b>121,480,479</b>

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

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

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		1,340,014	1,352,265	1,360,348
Operating grants, subsidies and contributions		1,745,391	861,048	1,645,867
Fees and charges		532,426	459,782	529,472
Interest received		64,879	52,000	61,595
Goods and services tax received		(31,485)	0	0
		3,651,225	2,725,095	3,597,282
<b>Payments</b>				
Employee costs		(1,160,855)	(1,332,157)	(1,023,086)
Materials and contracts		(961,156)	(1,345,486)	(1,120,597)
Utility charges		(186,356)	(175,545)	(134,875)
Interest expenses		546	(3,453)	(5,015)
Insurance paid		(166,166)	(179,158)	(162,193)
Goods and services tax paid		25,910	0	2,271
		(2,448,077)	(3,035,799)	(2,443,495)
<b>Net cash provided by (used in) operating activities</b>	14	1,203,148	(310,704)	1,153,787
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	7	(523,833)	(497,344)	(1,085,629)
Payments for construction of infrastructure	8	(756,371)	(758,376)	(1,543,237)
Non-operating grants, subsidies and contributions	2(a)	552,461	552,461	1,332,255
Proceeds from self supporting loans	12	6,081	6,081	5,844
Proceeds from sale of property, plant & equipment	9	150,674	170,594	177,060
<b>Net cash provided by (used in) investment activities</b>		(570,988)	(526,584)	(1,113,707)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	12	(29,365)	(29,837)	(27,804)
<b>Net cash provided by (used in) financing activities</b>		(29,365)	(29,837)	(27,804)
<b>Net increase (decrease) in cash held</b>		602,795	(867,125)	12,276
Cash at beginning of year		3,101,216	3,101,215	3,088,940
<b>Cash and cash equivalents at the end of the year</b>	3	3,704,011	2,234,090	3,101,216

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

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

	NOTE	2019 Actual	2019 Budget	2018 Actual
		\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
Net current assets at start of financial year - surplus/(deficit)	22 (b)	1,144,645	1,134,092	1,225,239
		1,144,645	1,134,092	1,225,239
<b>Revenue from operating activities (excluding rates)</b>				
Governance		16,265	1,110	15,772
General purpose funding		1,721,628	827,635	1,581,197
Law, order, public safety		95,918	72,887	83,002
Health		100	250	236
Education and welfare		214	4,160	4,292
Housing		96,051	108,150	141,421
Community amenities		171,309	186,040	196,600
Recreation and culture		34,468	32,597	43,682
Transport		133,242	94,470	89,923
Economic services		74,003	42,165	48,381
Other property and services		72,693	33,500	44,809
		2,415,891	1,402,964	2,249,315
<b>Expenditure from operating activities</b>				
Governance		(429,406)	(445,002)	(442,370)
General purpose funding		(84,513)	(87,054)	(80,931)
Law, order, public safety		(234,343)	(252,430)	(167,663)
Health		(20,075)	(25,916)	(22,809)
Education and welfare		(11,693)	(17,842)	(13,351)
Housing		(141,361)	(189,061)	(189,050)
Community amenities		(386,285)	(383,798)	(363,392)
Recreation and culture		(1,077,481)	(982,652)	(941,770)
Transport		(4,750,451)	(4,759,357)	(4,324,800)
Economic services		(263,895)	(241,056)	(212,344)
Other property and services		(116,186)	(26,141)	26,699
		(7,515,689)	(7,410,309)	(6,731,781)
Non-cash amounts excluded from operating activities	22(a)	4,877,804	4,352,830	4,349,560
<b>Amount attributable to operating activities</b>		922,651	(520,423)	1,092,333
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions		552,461	552,461	1,332,255
Proceeds from disposal of assets	9(a)	150,674	170,594	177,060
Repayments of self supporting loans	12(b)	6,081	6,081	5,844
Purchase of property, plant and equipment	7(a)	(523,833)	(497,344)	(1,085,629)
Purchase and construction of infrastructure	8(a)	(756,371)	(758,376)	(1,543,237)
<b>Amount attributable to investing activities</b>		(570,988)	(526,584)	(1,113,707)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	12(b)	(29,365)	(29,837)	(27,804)
Transfers to reserves (restricted assets)	4	(330,783)	(313,467)	(157,426)
Transfers from reserves (restricted assets)	4	33,000	46,500	0
<b>Amount attributable to financing activities</b>		(327,148)	(296,804)	(185,230)
<b>Surplus/(deficit) before imposition of general rates</b>		24,514	(1,343,811)	(206,604)
<b>Total amount raised from general rates</b>	21	1,347,846	1,343,811	1,351,249
<b>Surplus/(deficit) after imposition of general rates</b>	22(b)	<b>1,372,360</b>	<b>0</b>	<b>1,144,645</b>

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



1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations.

The *Local Government (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards. Regulation 16 prohibits a local government from recognising as assets Crown land that is a public thoroughfare, such as land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets, including land under roads acquired on or after 1 July 2008, have not been recognised in this financial report. This is not in accordance with the requirements of *AASB 1051 Land Under Roads paragraph 15* and *AASB 116 Property, Plant and Equipment paragraph 7*.

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

CRITICAL ACCOUNTING ESTIMATES

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 24 to these financial statements.

## 2. REVENUE AND EXPENSES

### (a) Revenue

#### Grant Revenue

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

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
<b>Operating grants, subsidies and contributions</b>			
General purpose funding	1,587,178	762,731	1,506,009
Law, order, public safety	44,509	22,337	36,816
Education and welfare	0	3,860	0
Housing	0	0	28,541
Recreation and culture	0	0	6,000
Transport	117,214	72,120	68,502
	1,748,901	861,048	1,645,868
<b>Non-operating grants, subsidies and contributions</b>			
Law, order, public safety	0	0	377,727
Transport	552,461	552,461	954,528
	552,461	552,461	1,332,255
<b>Total grants, subsidies and contributions</b>	<b>2,301,362</b>	<b>1,413,509</b>	<b>2,978,123</b>

#### SIGNIFICANT ACCOUNTING POLICIES

##### Grants, donations and other contributions

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

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

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

a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 20. That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current reporting period.

## 2. REVENUE AND EXPENSES (Continued)

### (a) Revenue (Continued)

#### Fees and Charges

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Governance	13,465	110	13,011
General purpose funding	6,488	4,450	5,139
Law, order, public safety	51,409	50,550	46,186
Health	100	300	236
Education and welfare	214	250	4,292
Housing	96,051	108,150	112,880
Community amenities	171,309	174,710	196,600
Recreation and culture	33,265	31,339	37,682
Transport	13,428	13,000	13,265
Economic services	74,004	42,165	48,381
Other property and services	72,693	33,500	44,809
	532,426	458,524	522,482

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

#### Interest earnings

Loans receivable - clubs/institutions	1,202	1,258	1,388
Reserve accounts interest	38,717	30,000	37,850
Rates instalment and penalty interest (refer Note 21(c))	4,677	4,000	4,137
Other interest earnings	20,283	18,000	19,608
	64,879	53,258	62,983

### SIGNIFICANT ACCOUNTING POLICIES

#### Interest earnings

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

#### Interest earnings (Continued)

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

## 2. REVENUE AND EXPENSES (Continued)

### (b) Expenses

	2019 Actual \$	2019 Budget \$	2018 Actual \$
<b>Auditors remuneration</b>			
- Audit of the Annual Financial Report	16,000	35,000	9,968
	16,000	35,000	9,968
<b>Interest expenses (finance costs)</b>			
Borrowings (refer Note 12(b))	3,368	3,453	4,883
	3,368	3,453	4,883
<b>Rental charges</b>			
- Operating leases	9,648	0	0
	9,648	0	0



### 3. CASH AND CASH EQUIVALENTS

	NOTE	2019 \$	2018 \$
Cash at bank and on hand		3,704,011	3,101,215
		3,704,011	3,101,215
<b>Comprises:</b>			
- Unrestricted cash and cash equivalents		1,462,531	1,296,360
- Restricted cash and cash equivalents		2,241,480	1,804,855
		3,704,011	3,101,215
The following restrictions have been imposed by regulations or other externally imposed requirements:			
<b>Reserve accounts</b>			
Reserves cash backed - Leave Reserve	4	97,494	95,446
Reserves cash backed - Plant Reserve	4	333,214	205,371
Reserves cash backed - Building Reserve	4	488,547	505,100
Reserves cash backed - Fire Fighting Reserve	4	22,606	21,790
Reserves cash backed - Cottage Homes Reserve	4	38,307	37,844
Reserves cash backed - Special Events Reserve	4	14,640	14,332
Reserves cash backed - Computer Reserve	4	25,990	20,550
Reserves cash backed - Young Singles Accommodation Reserve	4	84,307	74,704
Reserves cash backed - Saleyards Reserve	4	34,104	28,493
Reserves cash backed - Sewerage Reserve	4	222,448	179,259
Reserves cash backed - Refuse Reserve	4	121,945	119,270
Reserves cash backed - Land Development Reserve	4	116,731	114,393
Reserves cash backed - Aged Persons Accommodation Reserve	4	268,131	188,416
Reserves cash backed - Swimming Pool Reserve	4	173,853	165,307
Reserves cash backed - Albert Facey Homestead Reserve	4	9,785	9,580
Reserves cash backed - Fuel Facility Reserve	4	50,536	25,000
		2,102,638	1,804,855
<b>Other restricted cash and cash equivalents</b>			
Bonds & Deposits Held	24	138,842	0
<b>Total restricted cash and cash equivalents</b>		2,241,480	1,804,855

#### SIGNIFICANT ACCOUNTING POLICIES

##### Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash

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

and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

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

**4. RESERVES - CASH BACKED**

	2019 Actual Opening Balance	2019 Actual Transfer to	2019 Actual Transfer (from)	2019 Actual Closing Balance	2019 Budget Opening Balance	2019 Budget Transfer to	2019 Budget Transfer (from)	2019 Budget Closing Balance	2018 Actual Opening Balance	2018 Actual Transfer to	2018 Actual Transfer (from)	2018 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Reserves cash backed - Leave Reserve	95,446	2,048	0	97,494	95,446	1,586	(13,500)	83,532	81,572	13,874	0	95,446
(b) Reserves cash backed - Plant Reserve	205,371	127,843	0	333,214	205,371	126,864	0	332,235	200,182	5,189	0	205,371
(c) Reserves cash backed - Building Reserve	505,100	16,447	(33,000)	488,547	505,100	8,396	(33,000)	480,496	483,980	21,120	0	505,100
(d) Reserves cash backed - Fire Fighting Reserve	21,790	816	0	22,606	21,790	362	0	22,152	21,123	667	0	21,790
(e) Reserves cash backed - Cottage Homes Reserve	37,844	463	0	38,307	37,844	629	0	38,473	37,172	672	0	37,844
(f) Reserves cash backed - Special Events Reserve	14,332	308	0	14,640	14,332	238	0	14,570	14,010	322	0	14,332
(g) Reserves cash backed - Computer Reserve	20,550	5,440	0	25,990	20,549	5,342	0	25,891	20,088	462	0	20,550
(h) Reserves cash backed - Young Singles Accommodaton Reserve	74,704	9,603	0	84,307	74,705	6,242	0	80,947	61,296	13,408	0	74,704
(i) Reserves cash backed - Saleyards Reserve	28,493	5,611	0	34,104	28,493	5,474	0	33,967	13,190	15,303	0	28,493
(j) Reserves cash backed - Sewerage Reserve	179,259	43,189	0	222,448	179,259	42,323	0	221,582	141,033	38,226	0	179,259
(k) Reserves cash backed - Refuse Reserve	119,270	2,675	0	121,945	119,384	1,984	0	121,368	116,703	2,567	0	119,270
(l) Reserves cash backed - Land Development Reserve	114,393	2,338	0	116,731	114,279	1,900	0	116,179	111,712	2,681	0	114,393
(m) Reserves cash backed - Aged Persons Accommodation Reserve	188,416	79,715	0	268,131	188,416	78,805	0	267,221	184,184	4,232	0	188,416
(n) Reserves cash backed - Swimming Pool Reserve	165,307	8,546	0	173,853	165,307	7,748	0	173,055	151,819	13,488	0	165,307
(o) Reserves cash backed - Albert Facey Homestead Reserve	9,580	205	0	9,785	9,580	159	0	9,739	9,365	215	0	9,580
(p) Reserves cash backed - Fuel Facility Reserve	25,000	25,536	0	50,536	25,000	25,415	0	50,415	0	25,000	0	25,000
	1,804,855	330,783	(33,000)	2,102,638	1,804,855	313,467	(46,500)	2,071,822	1,647,429	157,426	0	1,804,855

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

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

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

5. TRADE RECEIVABLES

Current

Rates receivable  
Sundry receivables  
GST receivable

2019	2018
\$	\$
48,211	28,645
15,076	11,566
31,485	25,910
94,772	66,121

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

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

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 23.

Previous accounting policy: Impairment of trade receivables

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

Classification and subsequent measurement

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

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

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

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

**6. OTHER FINANCIAL ASSETS**

**(a) Current assets**

Financial Assets Amortised

6,326

6,326

**Financial assets previously classified as loans and receivables**

- Loans receivable - clubs/institutions

6,081

6,081

**(b) Non-current assets**

Financial assets at fair value through profit & loss

52,551 0

Financial assets at amortised cost

20,554 0

73,105 26,881

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

- *Unlisted equity investments*

Financial assets at fair value through profit and loss

52,551

Local Government House Trust

52,551 0

**Financial assets previously classified as loans and receivables**

- Loans receivable - clubs/institutions

20,554 26,881

20,554 26,881

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

Fair value gains/(losses) on equity investments at fair value through profit and loss are recognised in other gains/(losses) and classified as other property and services

52,551 0

52,551 0

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 12(b) as self supporting loans.

**SIGNIFICANT ACCOUNTING POLICIES**

**Other financial assets at amortised cost**

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

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

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

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

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

**Impairment and risk**

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

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

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

**Previous accounting policy: Loans and receivables**

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

Refer to Note 25 for explanations regarding the change in accounting policy and reclassification



## 7. PROPERTY, PLANT AND EQUIPMENT

### (a) Movements in Carrying Amounts

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

	Land - freehold land	Total land	Buildings - non- specialised	Buildings - specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2017	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
Correction of an Error ( See Note 27)			(515,890)						(515,890)
Restated Balance at 1 July 2017	1,279,000	1,279,000	1,923,610	11,356,800	13,280,410	14,559,410	93,026	2,668,651	17,321,087
Additions	0	0	151,051	24,731	175,782	175,782	10,806	899,041	1,085,629
(Disposals)	0	0	0	0	0	0	0	(197,630)	(197,630)
Depreciation (expense)	0	0	(49,007)	(227,340)	(276,347)	(276,347)	(18,195)	(348,970)	(643,512)
Transfers	0	0		3,326	3,326	3,326			3,326
Restated Carrying amount at 30 June 2018	1,279,000	1,279,000	2,025,654	11,157,517	13,183,171	14,462,171	85,637	3,021,092	17,568,900
Comprises:									
Gross carrying amount at 30 June 2018	1,279,000	1,279,000	2,074,661	11,384,857	13,459,518	14,738,518	118,118	3,625,717	18,482,353
Accumulated depreciation at 30 June 2018	0	0	(49,007)	(227,340)	(276,347)	(276,347)	(32,481)	(604,625)	(913,453)
Restated Carrying amount at 30 June 2018	1,279,000	1,279,000	2,025,654	11,157,517	13,183,171	14,462,171	85,637	3,021,092	17,568,900
Additions	0	0	68,283	43,294	111,577	111,577	34,725	377,531	523,833
Asset write off - change in accounting policy				(12,675)	(12,675)	(12,675)	(20,292)	(17,190)	(50,157)
(Disposals)	0	0	0	0	0	0	0	(206,243)	(206,243)
Depreciation (expense)	0	0	(30,953)	(228,414)	(259,367)	(259,367)	(20,052)	(395,735)	(675,154)
Carrying amount at 30 June 2019	1,279,000	1,279,000	2,062,984	10,959,722	13,022,706	14,301,706	80,018	2,779,455	17,161,179
Comprises:									
Gross carrying amount at 30 June 2019	1,279,000	1,279,000	2,142,944	11,414,951	13,557,895	14,836,895	112,349	3,706,907	18,656,151
Accumulated depreciation at 30 June 2019	0	0	(79,960)	(455,229)	(535,189)	(535,189)	(32,331)	(927,452)	(1,494,972)
Carrying amount at 30 June 2019	1,279,000	1,279,000	2,062,984	10,959,722	13,022,706	14,301,706	80,018	2,779,455	17,161,179

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

### (b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
<b>Land and buildings</b>					
Land - freehold land	Level 3	Market approach using recent observable market data similar properties	Independent	June 2017	Purchase cost and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Buildings - non-specialised	Level 3	Market approach using recent observable market data similar properties	Independent	June 2017	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Buildings - specialised	Level 3	Improvements to land valued using cost approach using depreciated replacement cost	Independent	June 2017	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
<b>Furniture and equipment</b>					
	Level 3	Market approach using recent observable market data similar items	Independent	June 2016	Market value and estimated remaining useful life.
<b>Plant and equipment</b>					
Management Valuation 2016	Level 3	Market approach using recent observable market data similar equipment	Management	June 2016	Price per item, market value and estimated remaining useful life.
Independent Valuation 2016	Level 3	Market approach using recent observable market data similar equipment	Independent	June 2016	Purchase cost and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

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

Revaluations of Furniture & Equipment & Plant & Equipment will take place in 2020

## 8. INFRASTRUCTURE

### (a) Movements in Carrying Amounts

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

	Infrastructure - Roads	Infrastructure - Footpaths	Infrastructure - Sewerage	Infrastructure - Parks & Ovals	Infrastructure - Bridges	Infrastructure - Main Street Development	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2017	94,443,486	598,417	1,492,361	5,192,976	0	318,383	102,045,623
Additions	1,439,578	27,707	12,927	63,025	0		1,543,237
Revaluation increments / (decrements) transferred to revaluation surplus	2,839,048	305,968	(712,899)	(3,968)	1,904,000		4,332,149
Depreciation (expense)	(3,373,946)	(11,784)	(15,239)	(276,437)		(6,633)	(3,684,039)
Transfers	0	0	0	308,424	0	(311,750)	(3,326)
Carrying amount at 30 June 2018	95,348,166	920,308	777,150	5,284,020	1,904,000	0	104,233,644
Comprises:							
Gross carrying amount at 30 June 2018	95,348,166	920,308	777,150	5,284,020	1,904,000	0	104,233,644
Carrying amount at 30 June 2018	95,348,166	920,308	777,150	5,284,020	1,904,000	0	104,233,644
Additions	701,741	8,612	3,762	42,256	0		756,371
(Disposals)	0	0	0	(89,710)	0	0	(89,710)
Depreciation (expense)	(3,666,370)	(17,429)	(7,777)	(270,223)	(38,080)		(3,999,879)
Carrying amount at 30 June 2019	92,383,537	911,491	773,135	4,966,343	1,865,920	0	100,900,426
Comprises:							
Gross carrying amount at 30 June 2019	96,049,907	928,920	780,912	5,236,565	1,904,000	0	104,900,304
Accumulated depreciation at 30 June 2019	(3,666,370)	(17,429)	(7,777)	(270,223)	(38,080)	0	(3,999,879)
Carrying amount at 30 June 2019	92,383,537	911,491	773,135	4,966,342	1,865,920	0	100,900,425

8. INFRASTRUCTURE (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - Roads	Level 3	Cost approach using depreciated replacement cost	Independent	June 2018	Construction costs and current condition(level 2), and remaining useful life assessments (Level 3). Based on Valuation report from Talis
Infrastructure - Footpaths	Level 3	Cost approach using depreciated replacement cost	Independent	June 2018	Construction costs and current condition(level 2), and remaining useful life assessments (Level 3). Based on Valuation report from Talis
Infrastructure - Sewerage	Level 3	Cost approach using depreciated replacement cost	Independent	June 2018	Construction costs and current condition(level 2), and remaining useful life assessments (Level 3). Based on Valuation report from Talis
Infrastructure - Parks & Ovals	Level 3	Cost approach using depreciated replacement cost	Independent	June 2018	Construction costs and current condition(level 2), and remaining useful life assessments (Level 3). Based on Valuation report from Griffin
Infrastructure - Bridges	Level 3	Cost approach using depreciated replacement cost	Independent	June 2018	Construction costs and current condition(level 2), and remaining useful life assessments (Level 3). Based on Valuation report from Griffin

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

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



8. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

All assets are initially recognised at cost where the fair value of the asset at date of acquisition is equal to or above \$5,000. All assets are subsequently revalued in accordance with the mandatory measurement framework.

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

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

Revaluation

The fair value of fixed assets is determined at least every three years and no more than five years in accordance with the regulatory framework. At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires property, plant and equipment to be shown at fair value.

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

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY  
Land under control

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

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

Land under roads

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

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

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

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

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

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

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

**(a) Disposals of Assets**

	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss	2019 Budget Net Book Value	2019 Budget Sale Proceeds	2019 Budget Profit	2019 Budget Loss	2018 Actual Net Book Value	2018 Actual Sale Proceeds	2018 Actual Profit	2018 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Buildings - specialised	12,675	0	0	(12,675)				0				0
Furniture and equipment	20,292	0	0	(20,292)				0				0
Plant and equipment	223,433	150,674	5,400	(78,159)	195,494	170,594	21,680	(46,580)	197,630	177,060	10,917	(31,487)
Infrastructure - Parks & Ovals	89,710	0	0	(89,710)				0				0
	346,110	150,674	5,400	(200,836)	195,494	170,594	21,680	(46,580)	197,630	177,060	10,917	(31,487)

The following assets were disposed of during the year.

	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss
	\$	\$	\$	\$
<b>Plant and Equipment</b>				
<b>Governance</b>				
CEO Vehicles	68,973	71,773	2,800	0
Attractive items	700	0	0	(700)
<b>Law, order, public safety</b>				
Fire Tender	39,200	0	0	(39,200)
Attractive Items	2,100	0	0	(2,100)
<b>Community amenities</b>				
Attractive Items	600		0	(600)
<b>Recreation and culture</b>				
Attractive Items	4,809		0	(4,809)
<b>Transport</b>				
John Deere Mower	8,400	11,000	2,600	0
Toyota Hilux	27,200	16,129	0	(11,071)
Holden Colorado Facey Group	31,685	27,272	0	(4,413)
Bobcat	30,085	24,500	0	(5,585)
Attractive Items	6,831	0	0	(6,831)
<b>Economic services</b>				
Attractive Items	2,830		0	(2,830)
<b>Other property and services</b>				
Attractive Items	20		0	(20)
	223,433	150,674	5,400	(78,159)
<b>Other Asset class</b>				
<b>Program</b>				
<b>Governance</b>		0		
Furniture & Equipment - Attractive items	5,476	0	0	(5,476)
<b>Community amenities</b>		0		
Buildings - Attractive items	1,731	0		(1,731)
Infrastructure other - Attractive items	11,164			(11,164)
<b>Recreation and culture</b>		0		
Furniture & Equipment - Attractive items	14,116			(14,116)
Buildings - Attractive items	7,968			(7,968)
Infrastructure other - Attractive items	42,556			(42,556)
<b>Transport</b>				
Furniture & Equipment - Attractive items	700			(700)
Infrastructure other - Attractive items	1,386			(1,386)
<b>Economic services</b>		0		
Buildings - Attractive items	2,976			(2,976)
Infrastructure other - Attractive items	28,809			(28,809)
<b>Other property and services</b>		0		
Infrastructure other - Attractive items	5,795			(5,795)
	122,677	0	0	(122,677)
	346,110	150,674	5,400	(200,836)

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

### (b) Depreciation

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Buildings - non-specialised	30,953	50,000	49,007
Buildings - specialised	228,414	240,000	227,340
Furniture and equipment	20,052	22,130	18,195
Plant and equipment	395,735	350,000	348,970
Infrastructure - Roads	3,666,370	3,336,300	3,373,946
Infrastructure - Footpaths	17,429	14,000	11,784
Infrastructure - Sewerage	7,777	16,500	15,239
Infrastructure - Parks & Ovals	270,223	292,000	276,437
Infrastructure - Bridges	38,080		0
Infrastructure - Main Street Development	0	7,000	6,633
	4,675,032	4,327,930	4,327,551

### SIGNIFICANT ACCOUNTING POLICIES

#### Depreciation

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

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

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

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

#### Depreciation rates

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

Asset Class	Useful life
Buildings	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Sealed roads and streets	
formation	not depreciated
pavement	50 years
seal	
- bituminous seals	20 years
Gravel roads	
formation	not depreciated
pavement	50 years
gravel sheet	12 years
Footpaths - slab	20 years
Sewerage piping	100 years
Water supply piping and drainage systems	75 years
Infrastructure Parks and Ovals	30 to 50 years

#### Depreciation (Continued)

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

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

## 10. REVALUATION SURPLUS

	2019 Opening Balance	Total Movement on Revaluation	2019 Closing Balance	2018 Opening Balance	2018 Correction of an Error	2018 Opening Balance Restated*	2018 Revaluation Increment	2018 Revaluation (Decrement)	Total Movement on Revaluation	2018 Closing Balance
	\$	\$	\$			\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	938,591	0	938,591	938,591		938,591	0	0	0	938,591
Revaluation surplus - Buildings - non-specialised	765,898	0	765,898	1,281,788	(515,890) *	765,898	0	0	0	765,898
Revaluation surplus - Buildings - specialised	12,601,349	0	12,601,349	12,601,349		12,601,349	0	0	0	12,601,349
Revaluation surplus - Furniture and equipment	45,766	0	45,766	45,766		45,766	0	0	0	45,766
Revaluation surplus - Plant and equipment	591,386	0	591,386	591,386		591,386	0	0	0	591,386
Revaluation surplus - Infrastructure - Roads	90,802,972	0	90,802,972	90,802,972		87,963,924	2,839,048	0	2,839,048	90,802,972
Revaluation surplus - Infrastructure - Footpaths	435,213	0	435,213	435,213		129,245	305,968	0	305,968	435,213
Revaluation surplus - Infrastructure - Sewerage	471,686	0	471,686	471,686		1,184,585	0	(712,899)	(712,899)	471,686
Revaluation surplus - Infrastructure - Parks & Ovals	1,153,715	0	1,153,715	1,153,715		1,157,683	0	(3,968)	(3,968)	1,153,715
Revaluation surplus - Infrastructure - Bridges	1,904,000	0	1,904,000	1,904,000		0	1,904,000	0	1,904,000	1,904,000
	109,710,576	0	109,710,576	110,226,466	0	105,378,427	5,049,016	(716,867)	4,332,149	109,710,576

\* See note 27

Movements on revaluation of property, plant and equipment (including infrastructure) are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus 40.1.



11. TRADE AND OTHER PAYABLES

Current

Rates paid in advance
Accrued salaries and wages
ATO liabilities - GST
Accrued Interest
Bonds & Deposits Held (Refer Note 24)

2019	2018
\$	\$
13,682	9,768
12,991	13,632
23,397	17,216
569	655
138,842	0
189,481	41,271

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.

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

12. INFORMATION ON BORROWINGS

(a) Borrowings

	2019	2018
	\$	\$
Current	31,014	29,365
Non-current	20,554	51,568
	51,568	80,933

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	Actual Principal	30 June 2019 Actual Principal	30 June 2019 Actual Interest	30 June 2019 Actual Principal	Budget Principal	30 June 2019 Budget Principal	30 June 2019 Budget Interest	30 June 2019 Budget Principal	Actual Principal	30 June 2018 Actual Principal	30 June 2018 Actual Interest	30 June 2018 Actual Principal
				1 July 2018	repayments	repayments	outstanding	1 July 2018	repayments	repayments	outstanding	1 July 2017	repayments	repayments	outstanding
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Housing															
CEO Residence	100	WA Treasury	5.87%	47,972	23,284	2,166	24,688	47,972	23,756	2,195	24,216	69,932	21,960	3,495	47,972
				47,972	23,284	2,166	24,688	47,972	23,756	2,195	24,216	69,932	21,960	3,495	47,972
Self Supporting Loans															
Recreation and culture															
WDSC Bowling Greens	102	WA Treasury	4%	32,962	6,081	1,202	26,881	32,961	6,081	1,258	26,880	38,806	5,844	1,388	32,962
				32,962	6,081	1,202	26,881	32,961	6,081	1,258	26,880	38,806	5,844	1,388	32,962
				80,934	29,365	3,368	51,569	80,933	29,837	3,453	51,096	108,738	27,804	4,883	80,934

Self supporting loans are financed by payments from third parties. These are shown in Note 6 as other financial assets at amortised cost.  
All other loan repayments were financed by general purpose revenue.

## 12. INFORMATION ON BORROWINGS (Continued)

	2019	2018
(c) Undrawn Borrowing Facilities	\$	\$
<b>Credit Standby Arrangements</b>		
Credit card limit	5,000	10,000
Credit card balance at balance date	(1,502)	(111)
<b>Total amount of credit unused</b>	<b>3,498</b>	<b>9,889</b>
 <b>Loan facilities</b>		
Loan facilities - current	31,014	29,365
Loan facilities - non-current	20,554	51,568
<b>Total facilities in use at balance date</b>	<b>51,568</b>	<b>80,933</b>

### SIGNIFICANT ACCOUNTING POLICIES

#### Financial liabilities

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

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

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

#### Borrowing costs

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

#### Risk

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

### 13. EMPLOYEE RELATED PROVISIONS

#### Employee Related Provisions

#### Opening balance at 1 July 2018

Current provisions

Non-current provisions

Additional provision

Amounts used

#### Balance at 30 June 2019

#### Comprises

Current

Non-current

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2018			
Current provisions	77,661	98,904	176,565
Non-current provisions	0	24,100	24,100
	77,661	123,004	200,665
Additional provision	63,398	31,124	94,522
Amounts used	(48,287)	(28,609)	(76,896)
Balance at 30 June 2019	92,772	125,519	218,291
Comprises			
Current	92,772	94,083	186,855
Non-current	0	31,436	31,436
	92,772	125,519	218,291

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

Less than 12 months after the reporting date

More than 12 months from reporting date

Expected reimbursements from other WA local governments

	2019 \$	2018 \$
Less than 12 months after the reporting date	182,770	176,565
More than 12 months from reporting date	39,317	27,896
Expected reimbursements from other WA local governments	(3,796)	(3,796)
	218,291	200,665

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

#### SIGNIFICANT ACCOUNTING POLICIES

##### Employee benefits

##### Short-term employee benefits

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

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

##### Other long-term employee benefits

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

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

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

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

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

##### Provisions

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

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



## 14. NOTES TO THE STATEMENT OF CASH FLOWS

### Reconciliation of Cash

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

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Cash and cash equivalents	3,704,011	2,234,090	3,101,215
<b>Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>			
Net result	(3,199,491)	(4,111,073)	(1,798,962)
Non-cash flows in Net result:			
Adjustments to fair value of financial assets	(52,551)		
Depreciation	4,675,032	4,327,930	4,327,551
(Profit)/loss on sale of asset	195,437	24,900	20,570
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(28,652)	0	9,906
Increase/(decrease) in payables	148,209	0	(50,278)
Increase/(decrease) in provisions	17,625	0	(22,745)
Grants contributions for the development of assets	(552,461)	(552,461)	(1,332,255)
Net cash from operating activities	1,203,148	(310,704)	1,153,787

## 15. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2019	2018
	\$	\$
Governance	764,118	705,004
General purpose funding	662,455	23,167
Law, order, public safety	30,806	778,174
Education and welfare	85,000	85,000
Housing	2,119,032	2,044,290
Community amenities	3,135,151	3,128,930
Recreation and culture	13,390,305	13,785,899
Transport	97,578,739	100,660,739
Economic services	1,124,255	1,158,583
Other property and services	636,059	515,240
Unallocated	2,413,898	2,117,816
	121,939,818	125,002,842

## 16. CONTINGENT LIABILITIES

The Shire has no contingent liabilities at the 30 June 2019.

17. LEASING COMMITMENTS

(a) Operating Lease Commitments

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

Payable:

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

2019	2018
\$	\$
9,648	9,648
19,296	28,944
28,944	38,592

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.

## 18. RELATED PARTY TRANSACTIONS

### Elected Members Remuneration

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

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Meeting Fees	12,700	13,700	13,660
President Allowance	4,500	4,500	4,500
Deputy President Allowance	1,000	1,000	1,000
Travelling Expenses	6,405	6,000	5,435
Telecommunications Allowance	4,205	4,500	4,205
	28,810	29,700	28,800

### Key Management Personnel (KMP) Compensation Disclosure

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

	2019 Actual	2018 Actual
	\$	\$
Short-term employee benefits	324,317	360,788
Post-employment benefits	41,966	32,851
Other long-term benefits	45,054	34,917
	411,337	428,556

#### *Short-term employee benefits*

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

#### *Post-employment benefits*

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

#### *Other long-term benefits*

These amounts represent long service benefits accruing during the year.

## 18. RELATED PARTY TRANSACTIONS (Continued)

### Transactions with related parties

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

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

The following transactions occurred with related parties:	2019	2018
	Actual	Actual
	\$	\$
Sale of goods and services	360	10,000
Purchase of goods and services	26,512	7,303
<b>Amounts outstanding from related parties:</b>		
Loans to associated entities	23,748	29,951
<b>Amounts payable to related parties:</b>		
Trade and other payables	32,745	31,719

### Related Parties

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

##### *i. Key management personnel*

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

##### *ii. Other Related Parties*

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

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

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



## 19. 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.

### Share of joint operations

Inventory

Total assets

2019	2018
\$	\$
12,900	15,600
12,900	15,600

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

### Share of joint operations

Land & Buildings

Correction of an error

Less:accumulated depreciation

Statement of comprehensive income

Revenue

Expenditure

Net result for the period

### Total comprehensive income for the period

2019	2018	2017	2017
\$	Restated*	Restated*	
\$	\$	\$	\$
87,328	89,110	605,000	605,000
		(515,890)	
(1,782)	(1,782)		(24,200)
85,546	87,328	89,110	580,800
38,454	41,610	35,465	35,465
(24,373)	(19,703)	(27,051)	(27,051)
14,081	21,907	8,414	8,414
14,081	21,907	8,414	8,414

\* See Note 27

## 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. The equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Shire's share of net assets of the associate. In addition, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss.

### 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.

## 20. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	Opening Balance <sup>(1)</sup> 1/07/17	Received <sup>(2)</sup> 2017/18	Expended <sup>(3)</sup> 2017/18	Closing Balance <sup>(1)</sup> 30/06/18	Received <sup>(2)</sup> 2018/19	Expended <sup>(3)</sup> 2018/19	Closing Balance 30/06/19
	\$	\$	\$	\$	\$	\$	\$
<b>Law, order, public safety</b>							
DFES - New Fire Tender	0	377,727	(377,727)	0	0	0	0
<b>Community amenities</b>							
Wickepin Bowling Club- Sinking Fund				0	103,010		103,010
Yealering Bowling Club- Sinking Fund				0	31,600		31,600
<b>Recreation and culture</b>							
Wickepin CRC				0	1,000		1,000
Wickepin Triathlon				0	1,329		1,329
Country Campfire				0	1,717		1,717
<b>Transport</b>							
Roads to Recovery	0	471,857	(471,857)	0	215,181	(215,181)	0
Regional Road Group	0	210,536	(210,536)	0	245,690	(245,690)	0
Federal Blackspot Funding	0	168,170	(168,170)	0	0	0	0
State Flood Damage	0	103,965	(103,965)	0	91,590	(91,590)	0
<b>Economic services</b>							
BSL Levy				0	185		185
<b>Total</b>	<b>0</b>	<b>1,332,255</b>	<b>(1,332,255)</b>	<b>0</b>	<b>691,302</b>	<b>(552,461)</b>	<b>138,841</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.

## 21. RATING INFORMATION

### (a) Rates

RATE TYPE	Rate in \$	Number of Properties	2018/19 Actual Rateable Value \$	2018/19 Actual Rate Revenue \$	2018/19 Actual Interim Rates \$	2018/19 Actual Total Revenue \$	2018/19 Budget Rate Revenue \$	2018/19 Budget Interim Rate \$	2018/19 Budget Total Revenue \$	2017/18 Actual Total Revenue \$
<b>Differential general rate / general rate</b>										
<b>Gross rental valuations</b>										
Gross rental valuations	7.0302	194	1,819,215	127,894	(12,816)	115,078	127,894		127,894	128,194
<b>Unimproved valuations</b>										
Unimproved valuations	0.9386	278	132,731,703	1,321,683	12,705	1,334,388	1,321,742	560	1,322,302	1,321,816
<b>Sub-Total</b>		472	134,550,918	1,449,577	(111)	1,449,466	1,449,636	560	1,450,196	1,450,010
<b>Minimum payment</b>										
<b>Gross rental valuations</b>										
Gross rental valuations	400	63	91,032	25,200	0	25,200	25,200		25,200	24,180
<b>Unimproved valuations</b>										
Unimproved valuations	400	15	325,246	6,000	0	6,000	6,000		6,000	5,460
<b>Sub-Total</b>		78	416,278	31,200	0	31,200	31,200	0	31,200	29,640
		550	134,967,196	1,480,777	(111)	1,480,666	1,480,836	560	1,481,396	1,479,650
Discounts/concessions (refer Note 21(b))						(132,820)			(137,585)	(128,401)
<b>Total amount raised from general rate</b>						1,347,846			1,343,811	1,351,249
Ex-gratia rates						11,734			8,454	8,454
<b>Totals</b>						1,359,580			1,352,265	1,359,703

### 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.

21. RATING INFORMATION (Continued)

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

Rates Discounts

Rate or Fee	Discount	Discount	2019 Actual	2019 Budget	2018 Actual	Circumstances in which Discount is Granted
Discount Granted	%	\$	\$	\$	\$	
General Rate Discount	10.00%		132,820	137,585	128,401	Discount on rates is granted to all who pay their rates in full within 35 days of the date of service.
			132,820	137,585	128,401	

## 21. RATING INFORMATION (Continued)

### (c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Unpaid Rates Interest Rate
		\$	%	%
Option One	21 Sep 2018	0	0.00%	11.00%
Option Two	21 Sep 2018	0	5.50%	11.00%
	21 Nov 2018	0	5.50%	11.00%
	21 Jan 2019	0	5.50%	11.00%
	21 Mar 2019	0	5.50%	11.00%

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Interest on unpaid rates	4,677	4,000	4,137
	4,677	4,000	4,137



## 22. RATE SETTING STATEMENT INFORMATION

		2018/19 Budget	2018/19
	2018/19 (30 June 2019 Carried Forward)	(30 June 2019 Carried Forward)	(1 July 2018 Brought Forward)
Note	\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>			
<p>The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i>.</p>			
<b>Adjustments to operating activities</b>			
Less: Profit on asset disposals	9(a)	(5,400)	(21,680)
Movement in employee benefit provisions (non-current)		7,336	1,440
Add: Loss on disposal of assets	9(a)	200,836	46,580
Add: Depreciation on assets	9(b)	4,675,032	4,327,930
<b>Non cash amounts excluded from operating activities</b>		<b>4,877,804</b>	<b>4,349,560</b>
<b>(b) Surplus/(deficit) after imposition of general rates</b>			
<p>The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.</p>			
<b>Adjustments to net current assets</b>			
Less: Reserves - restricted cash	3	(2,102,638)	(2,071,822)
Less: - Financial assets at amortised cost - self supporting loans	6(a)	(6,326)	0
Less: Financial Assets at fair value through Profit & Loss	6(b)	52,551	
Add: Borrowings	12(a)	31,014	0
<b>Total adjustments to net current assets</b>		<b>(2,025,399)</b>	<b>(1,781,571)</b>
<b>Net current assets used in the Rate Setting Statement</b>			
Total current assets		3,805,109	2,290,443
Less: Total current liabilities		(407,350)	(218,621)
Less: Total adjustments to net current assets		(2,025,399)	(1,781,571)
<b>Net current assets used in the Rate Setting Statement</b>		<b>1,372,360</b>	<b>1,144,645</b>

## 23. FINANCIAL RISK MANAGEMENT

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

Risk	Exposure arising from	Measurement	Management
<b>Market risk - interest rate</b>	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
<b>Credit risk</b>	Cash and cash equivalents, trade receivables, financial assets and	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
<b>Liquidity risk</b>	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

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

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

	Carrying Value		Fair Value	
	2019	2018	2019	2018
	\$	\$	\$	\$
<b>Financial Assets</b>				
Cash and cash equivalents	3,704,911	3,101,215	3,704,911	3,101,215
Receivables	115,326	93,002	115,326	93,002
	3,820,237	3,194,217	3,820,237	3,194,217
<b>Financial Liabilities</b>				
Payables	189,481	41,271	176,490	17,872
Borrowings	51,568	80,933	51,568	80,933
	241,049	122,204	228,058	98,805

## 23. FINANCIAL RISK MANAGEMENT (Continued)

### (a) Interest rate risk

#### Cash and cash equivalents

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
<b>2019</b>					
Cash and cash equivalents	0.95%	3,704,011		772,747	2,931,264
<b>2018</b>					
Cash and cash equivalents	0.00%	3,101,215			3,101,215

#### Sensitivity

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

	2019	2018
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	7,727	0

\* Holding all other variables constant

#### Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 12(b).

## 23. FINANCIAL RISK MANAGEMENT (Continued)

### (b) Credit risk

#### Trade Receivables

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

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

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

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

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

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

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
<b>30 June 2019</b>					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	32,971	3,929	1,927	9,384	48,211
Loss allowance	0	0	0	0	0

<b>01 July 2018</b>					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	16,161	2,830	1,024	8,630	28,645
Loss allowance	0	0	0	0	0

The loss allowance as at 30 June 2019 and 1 July 2018 (on adoption of AASB 9) was determined to be Nil.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
<b>30 June 2019</b>					
Sundry Receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	2,612	11,996	48	420	15,076
Loss allowance	0	0	0	0	0

<b>01 July 2018</b>					
Sundry Receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	7,870	3,633	63	0	11,566
Loss allowance	0	0	0	0	0

## 23. FINANCIAL RISK MANAGEMENT (Continued)

### (c) Liquidity risk

#### Payables and borrowings

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

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<b>2019</b>					
Payables	189,481	0	0	189,481	189,481
Borrowings	32,819	22,017	0	54,836	50,639
	222,300	22,017	0	244,317	240,120
<b>2018</b>					
Payables	41,271	0	0	41,271	41,271
Borrowings	32,816	54,836	0	87,652	80,933
	74,087	54,836	0	128,923	122,204



## 24. TRUST FUNDS

There are no funds held at the balance date which are required to be held in the trust fund

In Previous years, bonds and deposits were held as trust monies. They are now included in Restricted Cash at Note 3 and shown as a current liability at Note 11.

	1 July 2018	Amounts Received	Amounts Paid	Amounts Transferred	30 June 2019
	\$	\$	\$		\$
Housing Bonds	0	1,900	(1,900)	0	0
Building Trust Payments	0	1,360	(1,175)	(185)	0
Key Deposits	1,200	1,800	(3,000)	0	0
Cat/Dog Trap Hire	50	200	(250)	0	0
Miscellaneous	4,908	1,404	(2,265)	(4,047)	0
WDSC Replacement of Greens	85,769	17,241	0	(103,010)	0
Yealering Bowling Club Replacement of Gree	23,700	7,900	0	(31,600)	0
LCDC	(1,097)	1,097	0	0	0
	114,530	32,902	(8,590)	(138,842)	0

## 25. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

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

Whilst many reflected consequential changes associated with the amendment of existing standards, the only new standard with material application is AASB 9 *Financial Instruments*.

### AASB 9 Financial instruments

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

The Shire applied AASB 9 prospectively, with an initial application date of 1 July 2018. The adoption of AASB 9 has resulted in changes in accounting policies.

In accordance with AASB 9.7.2.15, the Shire has not restated the comparative information which continues to be reported under ASB 139.

There were no adjustments as a result of adopting AASB 9.

#### (a) Classification and measurement

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

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

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

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

- The Shire did not designate any financial assets as at fair value through profit and loss.

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

AASB 139 category	AASB 139 value	AASB 9 category amortised cost	Fair value through OCI	Fair value through P/L
	\$	\$	\$	\$
<b>Loans and receivables</b>				
Trade receivables	66,121	66,121		
Loans and advances	32,962	32,962		
	99,083	99,083	0	0

#### (b) Impairment

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

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

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

This note explains management's assessment of the new and amended pronouncements that are relevant to the Shire, the impact of the adoption of AASB 15 *Revenue from Contracts with Customers*, AASB 16 *Leases* and AASB 1058 *Income for Not-for-Profit Entities*.

These standards are applicable to future reporting periods and have not yet been adopted.

### (a) Revenue from Contracts with Customers

The Shire will adopt AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income for Not for Profit Entities* (issued December 2014) on 1 July 2019 resulting in changes in accounting policies.

In accordance with the transition provisions AASB 15 and AASB 1058, the Shire will adopt the new rules retrospectively with the cumulative effect of initially applying these rules recognised on 1 July 2019.

AASB 15 introduces a five step process for revenue recognition with the core principle of the new Standard being for entities to recognise revenue to depict transfer of goods or services to customers in amounts that reflect the consideration (that is the payment) to which the entity expects to be entitled in exchange for those goods or services as performance obligations have been met as specified in the contracts with customers. The impact of the standard may cause the Shire to defer some revenue until all performance obligations have been met.

### (b) Leases

The Shire will adopt AASB 16 retrospectively from 1 July 2019 which will result in changes in accounting policies.

On adoption of AASB 16, the Shire will recognise lease liabilities in relation to leases which had previously been classified as an "operating lease" applying AASB 17. These lease liabilities will be measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate on 1 July 2019.

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

In accordance with the transition provisions of AASB 16, the Shire will apply this standard to its leases retrospectively, with the cumulative effect of initially applying AASB 16 recognised on 1 July 2019.

AASB 16 is estimated to cause the majority of leases of the Shire to be brought onto the statement of financial position.

In Applying AASB 16 for the first time, the Shire will use the following practical expedient permitted by the standard.

- The exclusion of initial direct costs from the measurement of the right-of-use asset at the date of initial application

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

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

The impact of the standard may cause the Shire to defer some revenue currently being recognised.

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

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

## 27. CORRECTION OF AN ERROR

Assets of the Joint venture arrangement with Western Australia Housing Authority had been incorrectly recognised at full values at the revaluation of buildings took place in 2017. The Shire of Wickepin has 10.4% equity in Yarling Court and a 20.1% equity in Lot 1002 Collins Street . This has been corrected as at 30/06/2017

Statement of Financial Position	Previously Stated		30 June 2017
	30 June 2017	Decrease	(Restated)
	\$	\$	\$
Property Plant & Equipment	17,836,977	(515,890)	17,321,087
Revaluation Surplus	(105,894,317)	515,890	(105,378,427)

The related overstatement in depreciation expenditure was not considered material and therefore adjusted in current year.

28. 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.



## 29. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
<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</b> To provide services to disadvantaged persons, the elderly, children and youth	Support for childcare, development of services for the aged and rural counselling support.
<b>HOUSING</b> To provide and maintain staff and other housing	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 the 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.

## 30. FINANCIAL RATIOS

	2019 Actual Actual	2018 Actual Restated*	2017 Actual Restated*
Current ratio	5.05	9.57	6.62
Asset consumption ratio	0.96	0.99	0.94
Asset renewal funding ratio	N/A	N/A	N/A
Asset sustainability ratio	0.23	0.53	0.33
Debt service cover ratio	28.30	36.75	50.25
Operating surplus ratio	(1.91)	(1.59)	(1.52)
Own source revenue coverage ratio	0.26	0.29	0.26

The above ratios are calculated as follows:

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset consumption ratio	$\frac{\text{depreciated replacement costs of depreciable assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation}}$
Debt service cover ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating surplus ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own source revenue coverage ratio	$\frac{\text{own source operating revenue}}{\text{operating expense}}$



## Auditor General

### INDEPENDENT AUDITOR'S REPORT

To the Councillors of the Shire of Wickpin

Report on the Audit of the Financial Report

#### **Opinion**

I have audited the annual financial report of the Shire of Wickpin which comprises the Statement of Financial Position as at 30 June 2019, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Chief Executive Officer.

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

- (i) is based on proper accounts and records; and
- (ii) fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2019 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

#### **Basis for Opinion**

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

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

I draw attention to Note 1 to the annual financial report, which describes the basis of accounting. The annual financial report has been prepared for the purpose of fulfilling the Shire's annual financial reporting responsibilities under the Act. Regulation 16 of the Local Government (Financial Management) Regulations 1996, does not allow a local government to recognise some categories of land, including land under roads, as assets in the annual financial report. My opinion is not modified in respect of this matter.

#### **Responsibilities of the Chief Executive Officer and Council for the Financial Report**

The Chief Executive Officer (CEO) of the Shire is responsible for the preparation and fair presentation of the annual financial report in accordance with the requirements of the Act, the Regulations and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards. The CEO is also responsible for such internal control as the CEO determines is necessary to enable the preparation of an annual financial report that is free from material misstatement, whether due to fraud or error.

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

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



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

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

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the annual 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 my 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 CEO.
- Conclude on the appropriateness of the CEO's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Shire's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the annual financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report, as we cannot predict future events or conditions that may have an impact.
- Evaluate the overall presentation, structure and content of the annual financial report, including the disclosures, and whether the annual financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

- (i) In my opinion, the following material matter indicates significant adverse trend in the financial position of the Shire:
  - a. The Asset Sustainability Ratio, Operating Surplus Ratio and Own Source Revenue Ratio have been below the Department of Local Government, Sport and Cultural Industries (DLGSCI) standard for the past 3 years. The financial ratios are reported at Note 30 to the financial report.
- (ii) The following material matter indicating non-compliance with Part 6 of the *Local Government Act 1995*, the Local Government (Financial Management) Regulations 1996 or applicable financial controls of any other written law was identified during the course of my audit:

- a. The Shire has not reported the Asset Renewal Funding Ratio for 2019, 2018 and 2017 in the annual financial report as required by section 50(1) of the Local Government (Financial Management) Regulations 1996, as planned capital renewals and required capital expenditure were not estimated in a long-term financial plan and asset management plan respectively.
- (iii) All required information and explanations were obtained by me.
- (iv) All audit procedures were satisfactorily completed.
- (v) In my opinion, the Asset Consumption Ratio included in the annual financial report was supported by verifiable information and reasonable assumptions.

**Other Matter**

The annual financial report of the Shire for the year ended 30 June 2018 was audited by another auditor who expressed an unmodified opinion on that annual financial report. The financial ratios for 2017 and 2018 in Note 30 of the audited annual financial report were included in the supplementary information and/or audited annual financial report for those years.

**Matters Relating to the Electronic Publication of the Audited Financial Report**

This auditor's report relates to the annual financial report of the Shire of Wickpin for the year ended 30 June 2019 included on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the annual financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this annual financial report. If users of the annual financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited annual financial report to confirm the information contained in this website version of the annual financial report.



DON CUNNINGHAME  
ASSISTANT AUDITOR GENERAL FINANCIAL AUDIT  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
18 December 2019