

# Shire of Wongan-Ballidu

## ANNUAL REPORT

2018/  
2019



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# Shire at a Glance

Shire of Wongan-Ballidu Administration Centre  
Cnr Quinlan St & Elphin Crescent  
WONGAN HILLS WA 6603

**POSTAL:**

PO BOX 84  
WONGAN HILLS WA 6603

**TELEPHONE:**

(08) 9671 2500

**FAX:**

(08) 9671 2509

**OPENING HOURS:**

Monday to Friday 9.00am-4:30pm

**EMAIL:**

[shire@wongan.wa.gov.au](mailto:shire@wongan.wa.gov.au)

**WEBSITE:**

[www.wongan.wa.gov.au](http://www.wongan.wa.gov.au)

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## COUNCILLORS

President: Cr Peter Macnamara

Deputy President: Cr Jon Hasson

Council Members:

Cr Brad West

Cr Eion Ganzer

Cr Stuart Boekeman

Cr Mandy Stephenson

Cr Sue Falconer

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## SENIOR STAFF

Chief Executive Officer: Mr Stuart Taylor

Deputy Chief Executive Officer: Mr Alan Hart

Building Services Coordinator: Ms Melissa Marcon

Manager Community Services: Mrs Alana Wigmore

Manager Works & Services: Mr Karl Mickle

# Shire at a Glance

## SHIRE STATISTICS

Distance from Perth (Km) 184  
Area (Sq Km) 3,368  
Length of Sealed Roads 342.8  
Length of Unsealed roads 980.6  
Population 1,127  
Number of Electors 968  
Number of Dwellings 877  
Total Rates Levied 2,805,163  
Total Revenue 7,698,512  
Number of Employees 44

## LOCAL INDUSTRIES

Mixed Farming;  
Sheet Metal Works;  
Stock Feed Mill;  
Manufacturing – Agricultural Machinery;  
Heavy Transport; Co-operative Bulk  
Handling.

## SUBURBS & LOCALITIES

Wongan Hills, Mocardy, Ballidu, West  
Ballidu,  
East Ballidu, Lake Hinds, Lake Ninan,  
Cadoux,  
Burakin & Kondut.

## SHIRE ATTRACTIONS

- Christmas Rock Bushwalk
- Pioneer Museum
- Wildflower & Heritage Trails
- Lake Ninan
- Dingo Rock
- Gathercole Reserve
- Mt O'Brien Scenic Lookout
- Picnic Areas
- Mt Matilda Walk Trail
- Reynoldson Flora Reserve
- Rare Flora Garden
- Mallee Walk Trail
- Historic Rail Precinct Water Tower & Mural
- Wongan Hills & Ballidu Caravan Parks
- Excellent Sport & Recreation Facilities/Activities

## SIGNIFICANT ANNUAL EVENTS

- Biennial Art Exhibition - Wongan Hills
- Art Exhibitions – Ballidu
- Bike it to Ballidu
- Astrotourism/Stargazing Event
- Wongan Town Party (Harvest Festival)
- Australia Day Ceremonies – Wongan Hills & Ballidu
- Reynoldson Reserve Festival

## FULL COUNCIL MEETING

Full Council meets on the fourth  
Wednesday of each month at 3.00pm  
except January.





# Shire President's Report



We at the Wongan-Ballidu Shire have had another very productive year.

Firstly, I would like to congratulate the staff on having a 100 percent clean audit sheet again. This is something we are extremely proud of.

Some of the projects we have been working on have finally happened. The water supply from Mocardy Dam has been finished; with water now at the school and down to Railway Dam. I am sure the school will be exceptionally happy to finally get their oval operational.

The tender for the co-location of the Sports Centre has been awarded, so with \$450,000 from CSR and \$700,000 from Lotteries, and a lot of money from various local groups (which we are very thankful for), the project is finally underway. A great deal of sand carting (9000m<sup>3</sup>) for earthworks was carted by our community, which is a very solid effort and saved a lot of money! Once again, a big thank you to the Co-location Committee for all of their hard work and time.

The Burakin Hall has now been demolished and will be replaced with a gazebo and pictorial display. We thank the Burakin community for their support and agreeing with this hard decision.

If you think Council made this decision lightly, you are wrong. To take away an iconic building is very hard to do.

The Cadoux community has repainted the roof and the exterior the Cadoux Recreation Centre. This was a huge undertaking and it looks fantastic. Well done.

The Community Garden is finally underway with the removal of the sale yards and the placement of a water tank and pump. We look forward to our residents enjoying this facility.

All of our community groups do an outstanding job with many hours of voluntary work. Our communities would not function without you. We appreciate your time and all you achieve. To this end, our Citizen of the Year this year, was Alf Matthews. His contribution to swimming and many other groups has been exceptional.

A large part of the Shire budget is allocated to roadworks. We continue to see a huge improvement in the widening and gravel sheeting of our roads. Although there is a long way to go, we are achieving amazing results. A massive thank you to the staff for the great job they do; contributing to the safety of our people on our roads.

To all Councillors and Shire Staff – the biggest thank you goes to you. Without your collaboration and enthusiasm we would not achieve as much as we do.

Sincerely,  
Peter Macnamara  
President





## Shire President Cr Peter Macnamara

Cadoux South Road  
P O Box 15  
CADOUX, WA  
6466

Telephone: (08) 9632 2018  
Retired: October 2019  
Occupation: Farmer



## Deputy Shire President Cr Jon Hasson

1097 Sheoak Road West  
P O Box 68  
BALLIDU, WA  
6606

Tel: 0427 542 984  
Retiring: October 2023  
Occupation: Farmer  
eMail: [j.hasson@bigpond.com](mailto:j.hasson@bigpond.com)



## Cr Brad West

Loc 26590 Sewell Road  
P O Box 233  
WONGAN HILLS, WA  
6603

Tel: (08) 9672 1041  
Fax: (08) 9672 1035  
Retiring: October 2023  
Occupation: Farmer  
eMail: [bradwest10@bigpond.com.au](mailto:bradwest10@bigpond.com.au)



## Cr Eion Ganzer

P O Box 27  
WONGAN HILLS, WA  
6603

Tel: 0428 415 089  
Retiring: October 2021  
Occupation: Accountant - Wongan Hills Accounting and Tax  
eMail: eion@what.net.au



## Cr Stuart Boekeman

P O Box 27  
WONGAN HILLS, WA  
6603

Tel: 0427 777 105  
Retiring: October 2021  
Occupation: Dealer Principal - Boekeman Machinery  
eMail: stuart@boekemans.com.au



## Cr Mandy Stephenson

8 Roger Street  
WONGAN HILLS, WA  
6603

Tel: 0439 662 515  
Retiring: October 2021  
Occupation: Business Proprietor - Wongan Bakery Cafe  
eMail: wonganbakerycafe@outlook.com



## Cr Sue Falconer

P O Box 124  
WONGAN HILLS, WA  
6603

Tel: 0427 711 502  
Retiring: October 2023  
Occupation: Business Proprietor - Wongan Hills Post Office  
eMail: sfalconer@wn.com.au



## Councillors Meeting Attendance 2018/2019

COUNCIL	COUNCIL			SPECIAL			AUDIT		
	Eligible	Attended	%	Eligible	Attended	%	Eligible	Attended	%
Cr P Macnamara	11	11	100	1	1	100	-	-	-
Cr J Hasson	11	10	90.9	1	1	100	3	3	100
Cr B West	11	10	90.9	1	1	100	3	3	100
Cr M Stephenson	11	11	100	1	1	100	-	-	-
Cr E Ganzer	11	10	90.9	1	1	100	3	3	100
Cr S Boekeman	11	8	72.7	1	1	100	-	-	-
Cr S Falconer	11	10	90.0	1	1	100	-	-	-

# Chief Executive Officer's Report



Mr Stuart Taylor  
**Chief Executive Officer**

I am pleased to bring you the 2018/2019 Shire of Wongan Ballidu Annual Report.

There have been significant achievements made against our Strategic Community Plan. The details of these achievements are highlighted through this report under the various business unit sections reports prepared by the Managers of the Shire. The Shire of Wongan Ballidu's Financial Position remains strong as highlighted in the Auditors report. The Shire has been planning, and commenced major projects in this 2018/2019 financial year

## Projects

### Mocardy Dam

The Mocardy Dam project is a partnership between the Shire of Wongan-Ballidu and the Wongan Hills District High School Parents & Citizens Association that will utilise water from the Shire leased Mocardy Dam to improve and ensure continuous water supply for non-potable uses.

Mocardy Dam was an unused, valuable asset, and the idea of using the rainwater in Mocardy Dam was not a new one, and had been 'floating' in the Shire's Strategic Plan for a number of years. However, without access to a funding source to allow the realisation of this project and all its potential benefits, it remained in the planning stage. In 2016, the State Government opened the Watering WA Towns funding round, and the Shire moved to make an application, in collaboration with co-contributors the Education Department and WHDHS & WHDHS P&C.

WHDHS designed a project that incorporated partnership with the Shire to access the water from Mocardy Dam as well as a plan to harvest stormwater from built infrastructure and storage tanks for irrigation and to service the school ablution facilities

The Shire's portion of the project plan involves using Mocardy Dam's capacity to enhance current facilities such as sporting ovals, community gardens, as well as providing firefighting and emergency supplies. The project will deliver four key objectives:

1. Improving the water supply efficiency and safeguarding the town against bushfires by using local water resources;
2. Minimising the use of potable water sources for non-potable water uses;
3. Strengthening Wongan Hills' watering capabilities and working towards a more sustainable future;
4. Reducing WHDHS' reliance on scheme water, which will increase the available greenspace for the students; and significantly reduce the utility costs to the school.

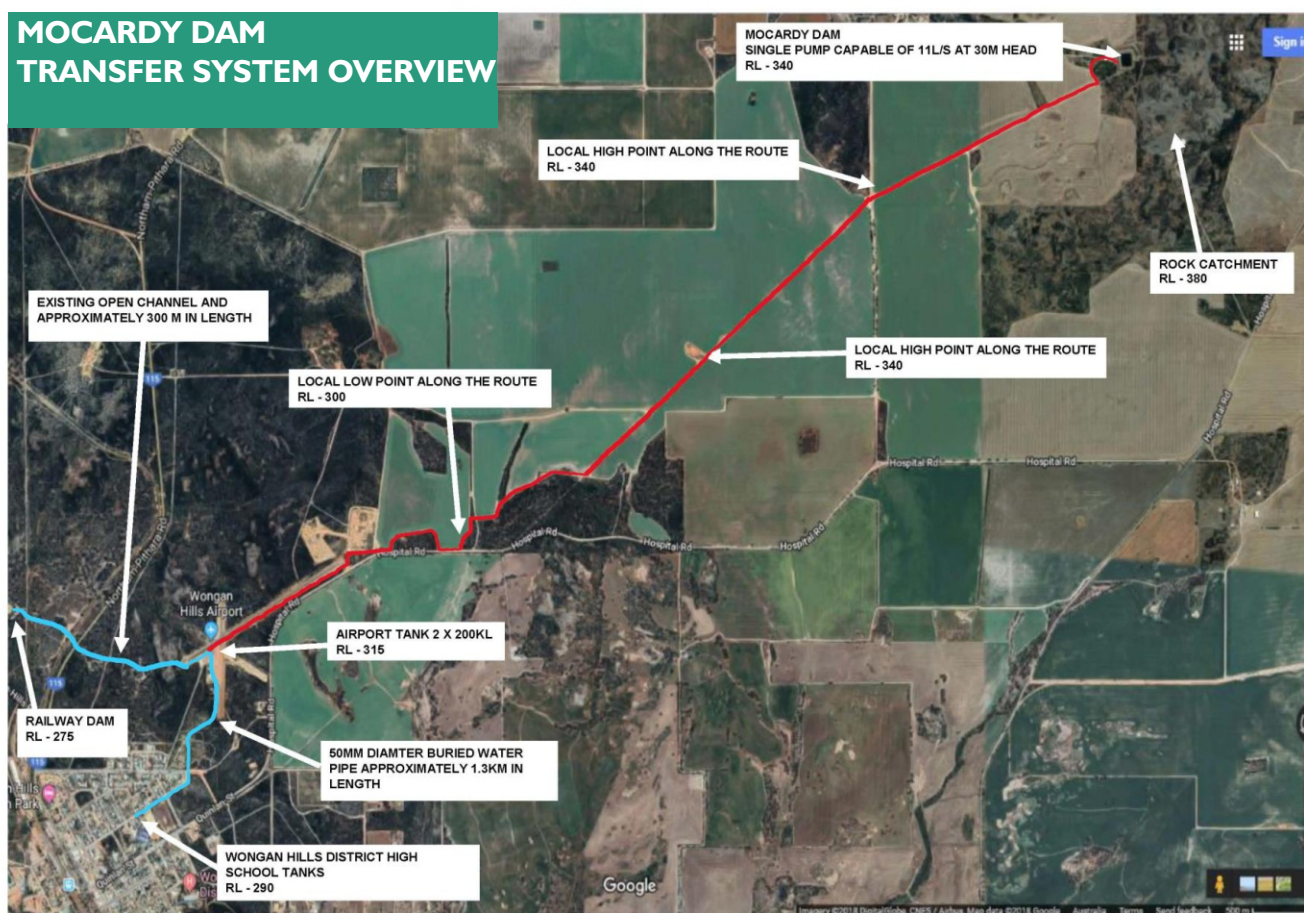
The project was completed with a combination of Shire, contractors and community, to bring this project to completion. I am pleased to say that the project was completed on time and within Budget



# Chief Executive Officer's Report

## Mocardy Dam Project

In November Pipeline Technics commenced work on the Mocardy Dam project starting with a 1.7km of pipe being laid and backfilled from the Airport Tanks to Railway Dam and 1.4km of pipe being laid to WHDHS. Both lines have been pressure tested and passed. In December saw the start of the 160mm HDPE line from Mocardy Dam to the airport 8km in total. With the pipe being welding in stages and trenched. We have also installed new pumps and pipework at the Pump House and tanks at the airport.





# Chief Executive Officer's Report

## Mocardy Dam Project

Pipeline Technics also recently made a very generous donation to the Wongan-Ballidu Football Club.



# Chief Executive Officer's Report

## Sports and Community Colocation Project

This Project is another that has been in the Shire's vision for some time, and will substantially increase the capacity for non-organised sporting activities such as community challenges, corporate and charity challenges, school holiday clinics, club development activities, cultural activities etc. This Project has enormous scope to involve people of all ages and abilities in whole of community activities.

In 2017, the Shire of Wongan-Ballidu began actively pursuing two potential funding sources to secure the entire project: the State Government's Community Sport and Recreation Facilities Fund (CSRFF) and the Federal Government's Building Better Regions Fund (BBRF).

Each of these grants were conditioned differently, and the eligible scope of works varied greatly.

The Shire had applied for CSRFF funding in 2016, but was unsuccessful as the State Government was not prepared to fund the total project, and advised the Shire to instead stage the project. A second CSRFF application, this time for only Stage One of the Colocation Project (the building of new tennis courts, including associated site-works and ancillary infrastructure such as fencing) was submitted in early September 2017.

In March 2018, the Shire received official notification from the Department of Local Government, Sport Recreation and Cultural Industries that the CSRFF grant has been successful, however the one third of total project cost requested, had been reduced by approximately \$100,000. Council agreed to fund this shortfall. We were also advised that the BBRF funding had not been successful.

Towards the end of 2017/2018 year and into the 2018/2019 year, planning and preparation for the Staging of the major community infrastructure project was completed

The Sports and Colocation advisory committee has been working extremely hard with the Shire and community to plan and build a facility that we can all be proud of.

The Shire called Tenders awarded the contract for the construction of the colocation facility.

Again with partnerships and significant assistance from our community we were able to commence site works which full filled our obligation in providing sand and undertaking the initial site works for the project.





# Chief Executive Officer's Report

## Sports and Community Colocation Project

We must mention the outstanding group effort from our community who banded together with the Shire to cart 9000 cubic metres of sand to the site. Thanks to the 100 plus individuals who demonstrated not only great community spirit but also teamwork over the four days, working tirelessly to cart sand from a pit located on land owned by the Wongan Hills Sports and Recreation Council to site. We thank everyone who participated in this immense undertaking, carried out solely by volunteers from both the community and local businesses. We are grateful for their generous offering of time, labour, machinery and other materials to the project.



# Chief Executive Officer's Report

## Sports and Community Colocation Project

In the new year a second construction team tasked with building the sand pad for new tennis courts and bowling green. During the initial work stage, trees and roots were removed. Following the biomass clearing, sand haulage commenced with gravel being hauled between Waddington-Wongan Hills Road and the construction site. Phase I of the works project was completed by the 21st of February.



On March 8, an additional 1500m<sup>3</sup> was hauled, enabling the completion of the last two tennis courts on the south-eastern corner. A new transformer and CT meter were installed and commissioned.





# Chief Executive Officer's Report

## Strategic Community Plan

The Strategic Community Plan is a pivotal tool in the future growth of the Shire. Part of the Shire's Integrated Planning framework, it provides us the necessary guidance required in achieving the Shire vision of “a caring and supportive community which drives sustainability of agriculture, services and the environment”.

We believe our local government to be in a unique position to foster, support and create great things within our community, and we are eager to face the challenge of obtaining the best outcomes possible. I commend the Strategic Community Plan to you and look forward to working with the community as our region grows to become an even better place to live and work.

Following are planned major initiatives that are to commence or continue in 2018/19:

Goal 1 A healthy, supportive and safe community				
Outcome 1.1 Sport, recreation and leisure opportunities that encourage community participation				
Actions	Service	Timeframe		Total Indicative Project Budget
		18/19	19/20	
Develop and maintain sport and recreational facilities in line with community needs	Sports and Recreation	●	●	\$4,500,000

Goal 2 Natural assets that are enhanced and protected				
Outcome 2.2 Adoption to the impact of climate change				
Strategy 2.2.2 Lobby for green energy alternatives				
Actions	Service	Timeframe		Total Indicative Project Budget
		18/19	19/20	
Investigate opportunities to use green energy alternatives	Governance	●	●	\$180,000

# Chief Executive Officer's Report

## Strategic Community Plan

### Goal 2 Natural assets that are enhanced and protected

#### Secure and reliable water supply

#### Strategy 4.3.1 Improve the Shire water supply by connecting into Mocardy Dam's water supply

		18/19	19/20	
Implement the Mocardy Dam Project	Dams and Water Supply	●	●	\$600,000

### Goal 4 Shire infrastructure and a built environment that supports growth of the community and the economy

#### Outcome 4.4 An efficient and safe road network

#### Strategy 4.4.1.4 Undertake ongoing maintenance and further develop a road network

Actions	Service	Timeframe		Total Indicative Project
		18/19	19/20	
4.4.2.3 Upgrade roads in line with the Road Program in the Forward Capital Works Plan	Roads and Footpaths	●	●	\$7,726,000
4.4.1.4 Implement the 10 Year Footpath Plan	Roads and Footpaths	●	●	\$520,000

# Chief Executive Officer's Report

## Thank You

I would like to thank our Councillors for their commitment to the Shire of Wongan-Ballidu and their ongoing efforts on behalf of residents and our community. It is not an easy task to deliver all that the community asks, however you can rest assured that your Councillors are working very hard to deliver the best for our community.

Thank you to all of the staff for your continued efforts and contribution throughout the year, we have delivered what we have been asked to do and, along the way, we have been able to help and facilitate other programs and initiatives of our own and that of the community. You are all to be congratulated on your achievements and professionalism.

We thank businesses and members of community groups for all having contributed to improving the liveability and amenity of our local government area.

We thank the members of our community who continue to engage with us, offering constructive feedback and acknowledging the work positive that we do.

Together we can continue to develop the Shire of Wongan-Ballidu to an even more wonderful place to be.



Stuart Taylor  
**Chief Executive Officer**

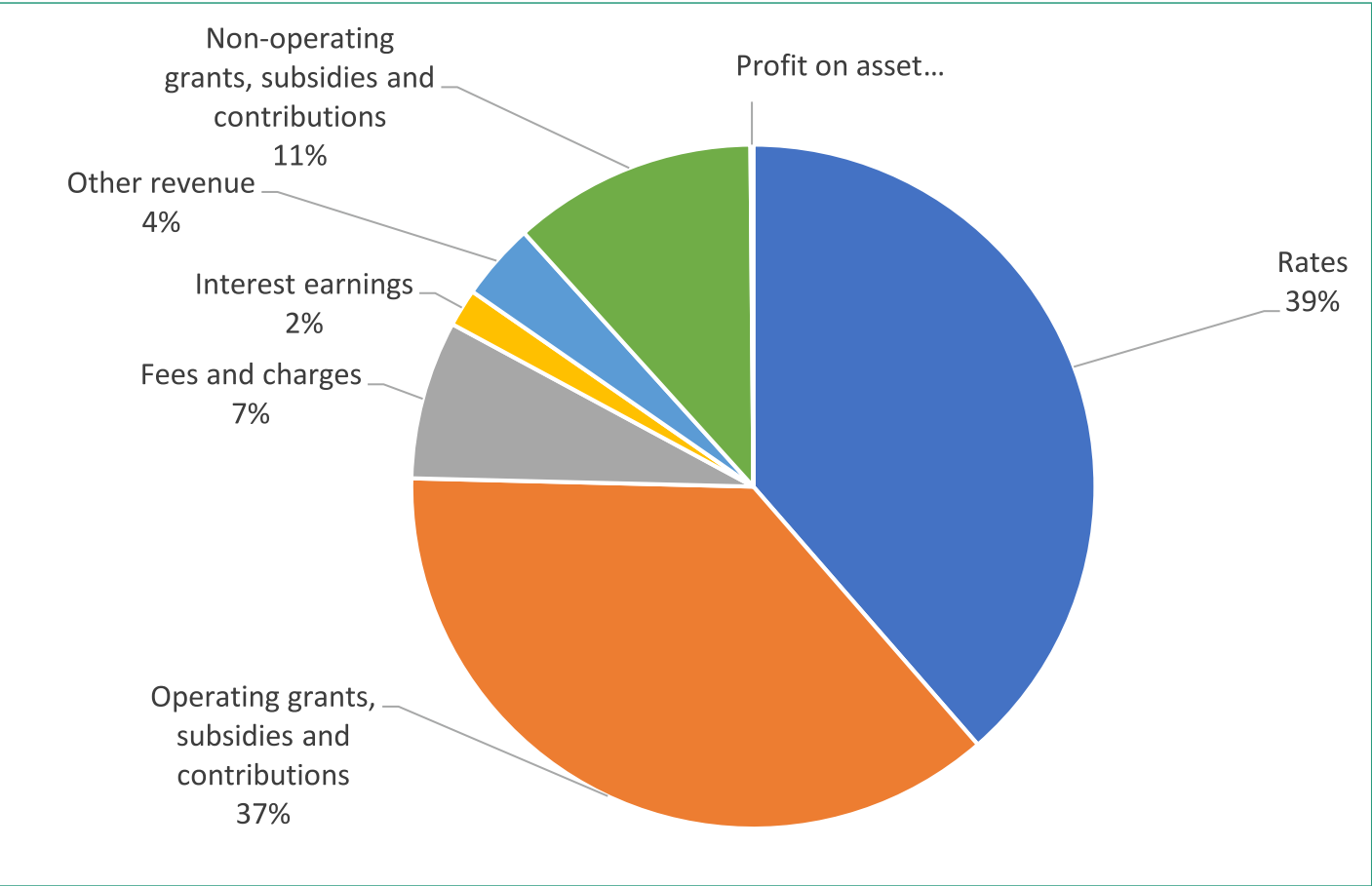


Mr Alan Hart  
**Deputy Chief Executive Officer**

The 2018-19 audited financial statements are shown attached and this page highlights pertinent information.

The Shire's total revenue for this financial year was \$7.52 million and expenses were \$6.8 million, there was \$584,000 in asset write downs during the year. This resulted in a total comprehensive income of \$118,027. The composition of these revenues and expenses are illustrated in the range of charts following (excluding asset write downs).

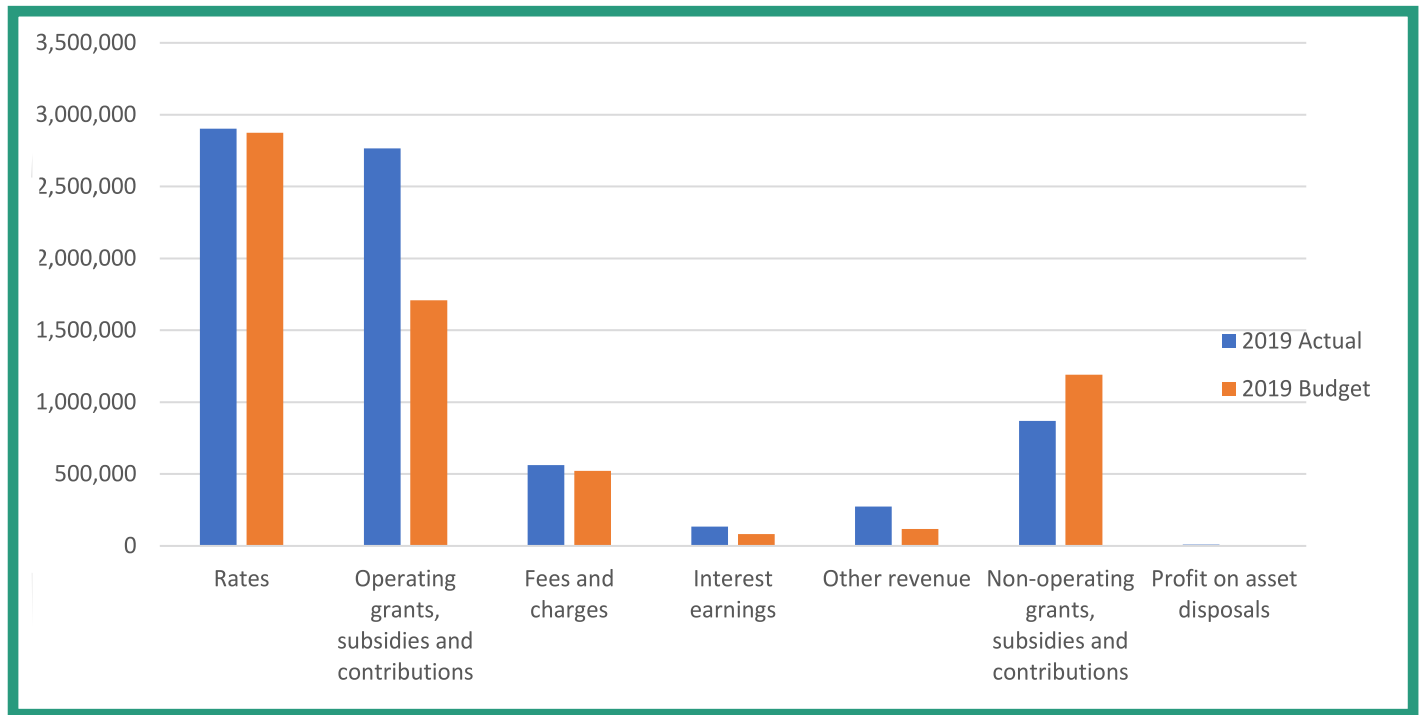
### Operating Income



# Chief Executive Officer's Report

## Administration and Financial Services

Income Actual V Budget



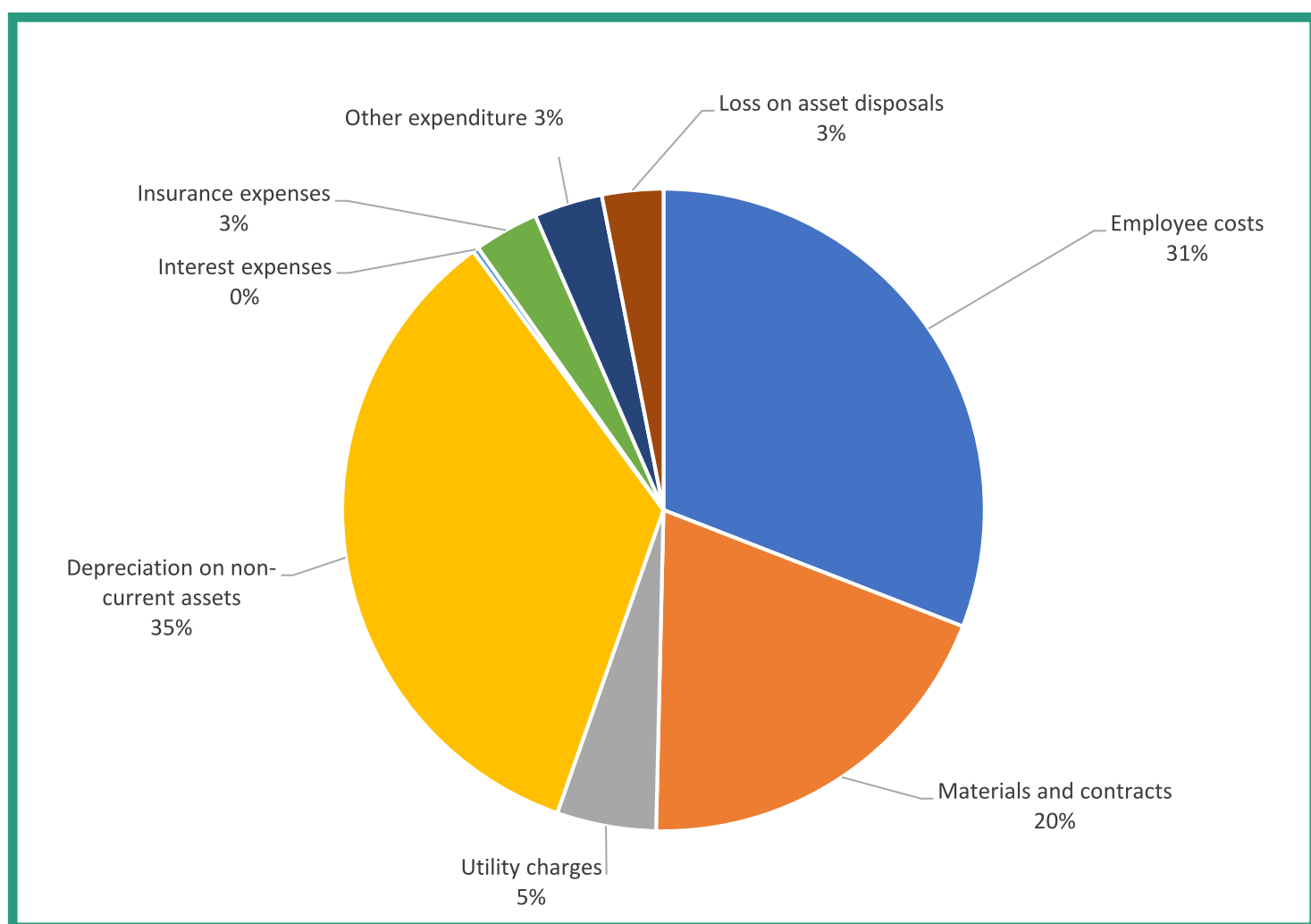
The two above graphs shows the three main components of revenue as follows; rates \$2.90 million (39%), operating and non-operating grants \$3.63 million (48%) and fees and charges \$0.56 million (7%). The remaining \$0.41 million (6%) has come from other sources of revenue such as service charges, interest charges and other revenue.



# Chief Executive Officer's Report

## Administration and Financial Services

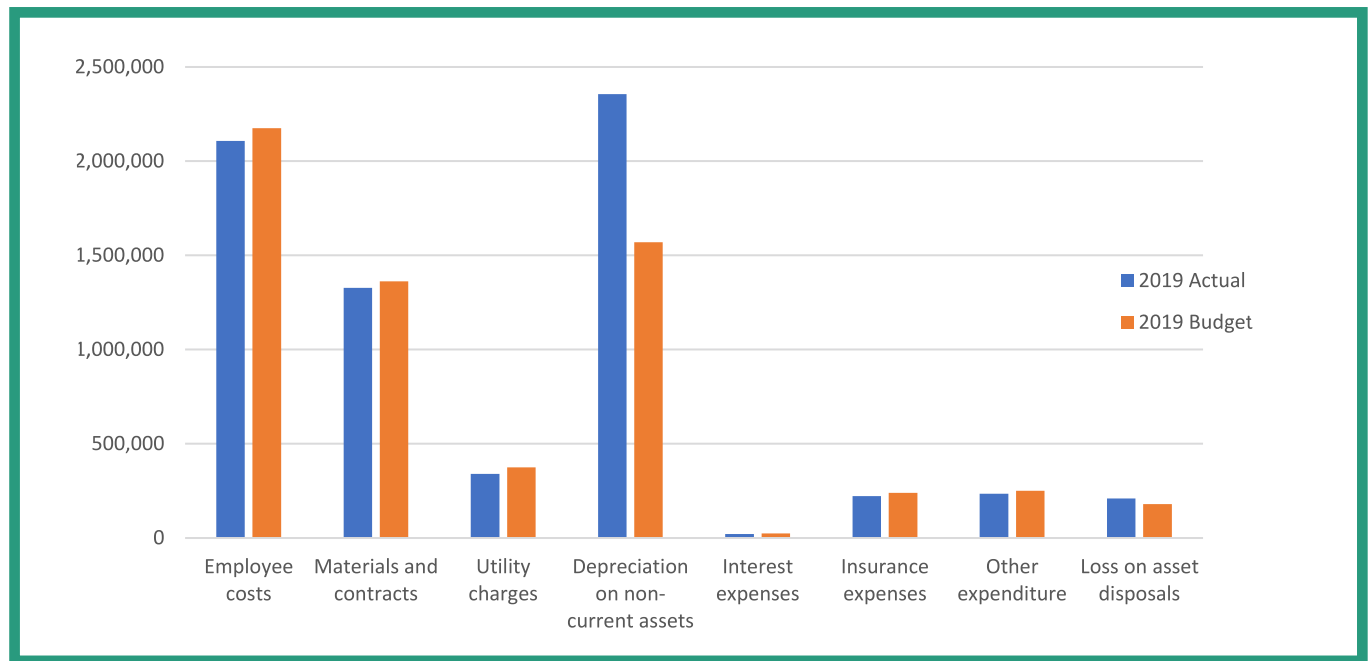
### Operating Expenditure



# Chief Executive Officer's Report

## Administration and Financial Services

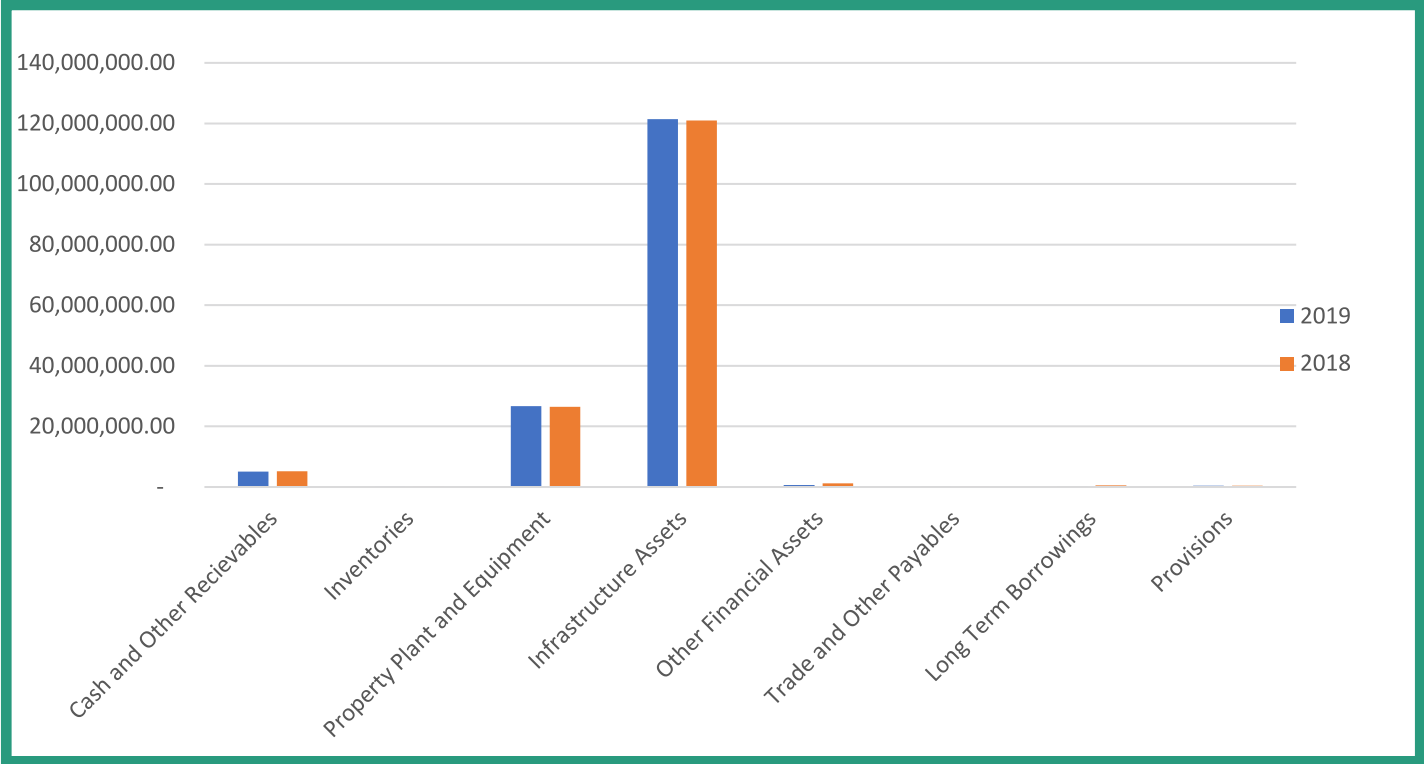
### Expenditure - Actual v Budget



The above two graphs show the three main components of expenditure was made up of \$2.1 million (31%) in employee costs, \$1.32 million (20%) of materials and contracts, \$2.35 million (35%) in depreciation with the remaining \$1.02 million (14%) being made up of utility charges, interest expenses, insurance expenses, other expenditure and loss on disposal of assets.

## Administration and Financial Services

The [Statement of Financial Position](#) shows our net assets has increased by \$118,000. Most asset categories have remained steady over the last 12 months due to no revaluations occurring that materially affect the value of the Shires assets.



The [Statement of Cashflow](#) combines details from the above statements to give an explanation on what changed the cash position from \$4.30 million to \$4.63 million, a movement of \$0.33 million. Cash from operating activities increased by \$0.253 million.

Cash spent on investing activities (purchase of Plant and Equipment, Infrastructure etc) increased by \$0.263 million with the majority of the increase in purchase of Property, Plant and Equipment.

Alan Hart  
**Deputy Chief Executive Officer**



Ms Melissa Marcon  
**Building Services Coordinator**

### Responsibilities

Planning	Building & Demolition Permits
Building Maintenance	Cemeteries
Capital Projects	Cleaning of Public Buildings
Public Health	Medical Centre Building
Drum Muster	Swimming Pool
Public Buildings	Play Ground Equipment
Waste Management	Rental Management Agreements and Leases

### Building Maintenance

Maintenance and repairs are continuously being carried out on all Shire buildings and infrastructure by both Shire employees and contractors in an effort to keep infrastructure in the best condition possible.

Should a member of the community become aware of any building maintenance issues or damage to Shire property please report them to the Shire as soon as possible.

### Capital Projects

The following capital projects were completed during the year:

- Installation of meeting room at the Shire Administration building
- External repaint of the Shire Administration building
- Roof access safety points installed to Shire Administration building, Shire Depot, Wongan Hills Sports Complex, Wongan Hills Medical Centre, PCYC building and re-certification of points at Community Resource Centre.
- Demolition of Burakin Hall
- External repaint of the Cadoux Recreation Centre – completed by Cadoux Sports Council
- Internal/External repaint of Community Park toilets
- External repaint at Elizabeth Telfer Centre
- Minor repairs to Wongan Hills Museum including replacement of access ramp, gutters and fascia boards
- Replace pipes in pump room at the swimming pool and fibreglass the balance tank
- Replace pool blankets that service the toddler swimming pools
- New underground water service for the Airport
- Replacement of lights in the Courts at the Wongan Hills Sports Pavilion to LED
- 16 Moore Street – replacement of all internal floor coverings and eastern side fence
- 27D Quinlan Street – replacement of floor coverings in living areas
- Equipment upgrade at for the TV Retransmission

### Cleaning

Cleaning of Shire facilities and amenities are carried out by both staff and contractors. Please report any cleaning issues to the Shire.

### Waste Management

The Wongan Hills Waste Management Facility is manned by a contractor with fees applying to patrons without tip passes.

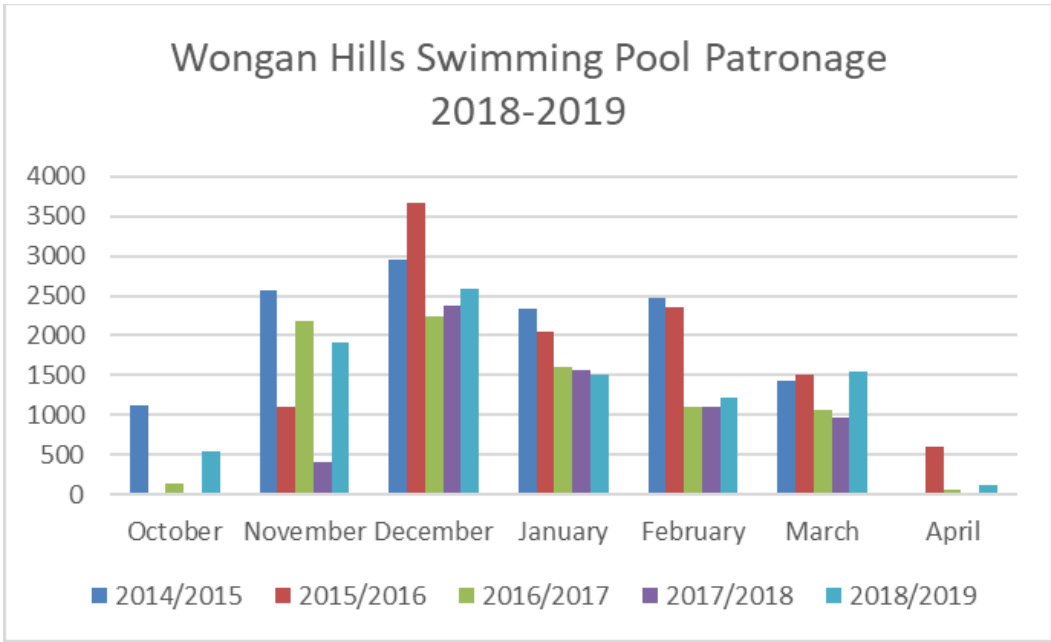
Opening hours are Thursday to Sunday 8.30 am to 4.30 pm. The Waste Facility is closed Christmas Day, Boxing Day, New Year's Day, Good Friday and ANZAC day.

Although the Shire operates landfill facilities at Ballidu and Cadoux, asbestos and septic waste can only be received at the Wongan Hills facility.

Drum Muster has been relocated to the Wongan Hills Waste Facility. Access to this service can now be done weekly on a Friday from 9 am to 4 pm. Bookings are no longer required which means people can now drop off weekly.

### Wongan Hills Swimming Pool

The Wongan Hills Memorial Swimming Pool had another successful season. The total patronage for the 2018 – 2019 year was 9,429 patrons up by 3,000 the previous season.



Total Patronage for Swimming Pool Season	
2014/2015	12,594
2015/2016	11,048
2016/2017	8,380
2017/2018	6,412
2018/2019	9,429



### Wongan Hills Swimming Pool

#### Breakdown of swimming pool entrance income

2014/2015	\$28,716.40
2015/2016	\$29,248.87
2016/2017	\$27,130.84
2017/2018	\$20,203.30
2018/2019	\$30,810.99

#### Breakdown of swimming pool operating costs

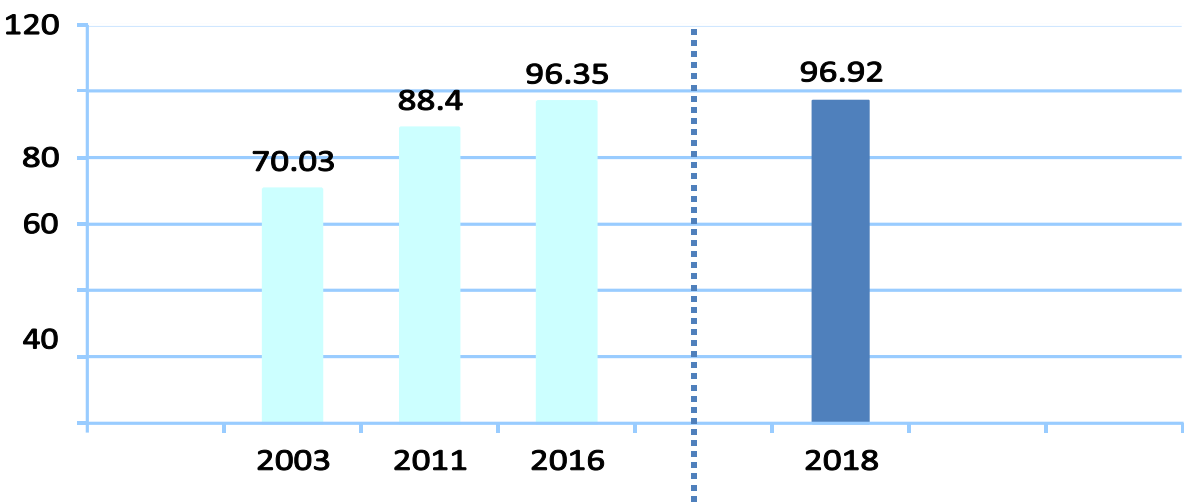
2014/2015	\$210,307.95
2015/2016	\$184,696.77
2016/2017	\$169,845.00
2017/2018	\$160,650.00
2018/2019	\$127,616.00

The opening of the swimming pool was 14th October this season which has been our earliest opening for three seasons. All plant and equipment operated without any major incidents in the 2018-2019 year.

In November 2018 Royal Life Saving conducted a Swimming Pool Safety Assessment. This is a requirement every two years. The overall rating for our venue was 96.92% with the overall average across recent assessments conducted by Royal Life Saving was 91.3%.

ITEM	SCORE	SCORE POSSIBLE	SAFETY SCORE
General Administration	10	10	100%
Design and Construction	39	39	100%
Circulation and Water Treatment	16	17	94.12%
Chemical Safety	17	18	94.44%
Water Quality and Testing	9	9	100%
Qualification for Aquatic Facility	3	3	100%
General Sanitation and Operation	19	19	100%
Special Feature Pool	13	15	86.67%
Overall Rating	126	130	96.92%

### Wongan Hills Memorial Swimming Pool Audit History



Compliance Score based on original Pool Safety Guidelines Audit Program



Compliance Score based on revised Code of Practice Audit

Aqua classes were held on a Monday and Wednesday night and proved successful along with child swimming lessons conducted by the Pool Manager, Sandra Ciabarri.

Inter school swimming lessons were held by Wongan Hills District High School, and Calingiri and Yerecoin Primary Schools. Wongan Hills also hosted an interschool swimming carnival where other schools from around the district attended and competed against our school. Vacation Swimming held two sessions one in December and one in January this season.



## Building Services

BUILDING SERVICES EXPENDITURE 2018/2019	
Building Maintenance	\$300,192
Building Capital Expenses	\$673,745
Cleaning of Public Buildings	\$79,714
Swimming Pool Operating Costs	\$127,616
Utilities and Insurance to Council Buildings	\$319,800
Waste Collection	\$224,462

### Building Approval Statistics

BUILDING APPROVAL STATISTICS			
Summary 2018/2019			
Permit Issued For	Number	Value of Work	Fees Received
Solar Panels	8	\$123,967.00	\$823.42
Carport/Verandah	2	\$21,353.00	\$195.40
Shed	4	\$78,840.00	\$300.65
Residence	1	\$854,743.00	\$1,860.00
Alteration to existing building/relocation	3	\$36,910.00	\$293.10
Misc (Silos)	1	\$300,000.00	\$97.70
<b>TOTAL</b>	<b>19</b>	<b>\$1,415,813.00</b>	<b>\$3,570.27</b>
<b>TOTAL</b>			
Total 2018/2019	19	\$1,415,813.00	\$3,570.27
Total 2017/2018	31	\$1,608,721.00	\$7028.81
Total 2016/2017	19	\$1,765,972	\$11,462.23
Total 2015/2016	33	\$4,890,703	\$6,529.42
Total 2014/2015	34	\$3,897,796	\$6,451.25
Total 2013/2014	18	\$1,834,402	\$4,039.26
Total 2012/2013	13	\$588,084	\$2,382.65
Total 2011/2012	17	\$4,756,310	\$10,301.00
Total 2010/2011	26	\$1,981,003	\$5,708.00
Total 2009/2010	41	\$2,835,194	\$8,374.00
Total 2008/2009	28	\$1,723,265	\$11,689.00
Total 2007/2008	49	\$3,589,381	\$21,073.00
Total 2006/2007	50	\$2,745,394	\$15,681.00
Total 2005/2006	38	\$3,315,606	\$6,929.00

### Planning Approvals Issued

PLANNING APPROVALS ISSUED		
Summary 2018/2019		
Number of Approvals Issued	Value of Development	Fees Received
21	\$2,939,067.00	\$7,318.35

### Demolition Permits Issued

DEMOLITION PERMITS ISSUED		
Summary 2018/2019		
Number of Permits Issued	Value of development	Fees received
1	\$10,532.00	\$97.70

### Environmental Health

In the 2018/2019 year health issues were attended to by a contracted Public Health Officer who conducted food premise inspections, implemented an online program to upskill people in the preparation and handling of food.

### EHO Report on Food Premise Inspections

	Located within the Shire of Wongan Ballidu	Number Inspected 2018/2019 year
Registered Food Businesses	14	14
Itinerant Food Vendor	1	0
Public Buildings with kitchen	11	10
<b>Total</b>	<b>26</b>	<b>24</b>

Melissa Marcon

**Building Services Coordinator**



Mr Karl Mickle  
**Manager - Works & Services**

During the year under review, Council once again committed in excess of \$2.5 million towards the development and maintenance of its road infrastructure.

The table below illustrates some of the wide range of works that were completed during this period.

<b>PROJECT</b>	<b>EXPENDITURE</b>
Roads – Construction (excluding footpaths)	\$ 1,443,653
Roads – Maintenance	\$ 1,010,497
Street Lighting and maintenance	\$ 41,376
Street sweeping and cleaning	\$ 45,112
Footpath Construction / Maintenance	\$ 29,625
Street Tree Maintenance	\$ 25,972

Council is highly reliant on funds being made available from bodies such as the Federal Government, WA Local Government Grants Commission and Main Roads WA each year and this year was no different, with Council receiving over \$1,619,268 in direct funding. The break-down of the funding was as follows:

• WA Local Government Grants Commission	\$ 721,001
• MRWA (Direct Grant)	\$ 102,961
• MRWA (Project Specific)	\$ 376,633
• Federal Government (Roads to Recovery)	\$ 261,685
• Street Light Subsidy	\$ 4,509
• Blackspot	\$ 117,667
• Regional Bike Network Funding	\$ 32,812



# Chief Executive Officer's Report

## Works and Services

### Footpath: Wandoo Crescent

A new shared cycling and footpath was installed.



### Road Widening and Re-Sealing Work

With the completion of 3km of road widening, 25km of re-sheeting, 10km of shoulder widening and 2.3km of patch repairs on floodways, it's been a very busy year for the construction crew.

#### Road widening: Waddington-Wongan Hills Road

A 2km section extending from Mt O'Brien to Wilding Road has been widened and S-Bends realigned.



**Waddington-Wongan Hills Road  
Prime 14mm seal was laid in March**

Driver safety is increased through road-widening practices and through an annual funding application to Regional Road Group (Mainroads), the Shire is able to maintain its road network to a high standard. Data from traffic counters on major arterial roads informs Mainroads as to the amount of available funding for each Shire within Western Australia to maintain their infrastructure. Funding this year allowed for the final sealing of Dowerin-Kalannie Road and Hospital Road in addition to the widening of the 2km section on Waddington Road.

# Chief Executive Officer's Report

## Works and Services

### Road Widening and Re-Sealing Work



**Central Road Prime and 14mm seal was laid in March**



**CRC Car Park Asphalt**



**CRC Kerbing**

Preparation work and asphalt for the CRC carpark were laid in February. Over 100 linear metres of semi-mountable kerbing was installed to create a border for the existing car park. A future project will be to mark lines for both standard and long vehicles.



**Cadoux-Wongan Hills Road and Dowerin-Kelannie T-Junction**



### Stabilisation Works

During March, seven pavement repairs were carried out on various sections of road throughout the Shire including:

Cadoux-Wongan Hills Road, Koorda-Wongan Hills Road, Dowerin-Kalannie Road, Hospital Road and Ballidu East Rd (x2)



**Stabilisation work on Dowerin-Kalannie Road**

### Annual Shoulder Grading

After the winter rains, a total 160km of bitumen shoulders were graded.



**Shoulder Grading Hospital Road**

### Profiling Kondut West and Ballidu East

Prior to the grading process, the jagged edges on Kondut West Road and Ballidu East Road were profiled. This process proved very successful and the straight edge that was produced allowed the crew to grade and compact simultaneously.



**Edge profiling on Kondut West Road**



**Finished edge for shoulder grading**

# Chief Executive Officer's Report

## Works and Services

### Blackspot Funding

Through the Safety audit carried out in Stage 1 of this project, engineers identified that bitumen damage was caused by truck-rollovers. During this stage, safety audits and engineering assessments were carried out and traffic data collected to substantiate funding from Mainroads. With Blackspot funding secured, Stage 2 works on Hospital Road were carried out in the 2017/18 financial year.



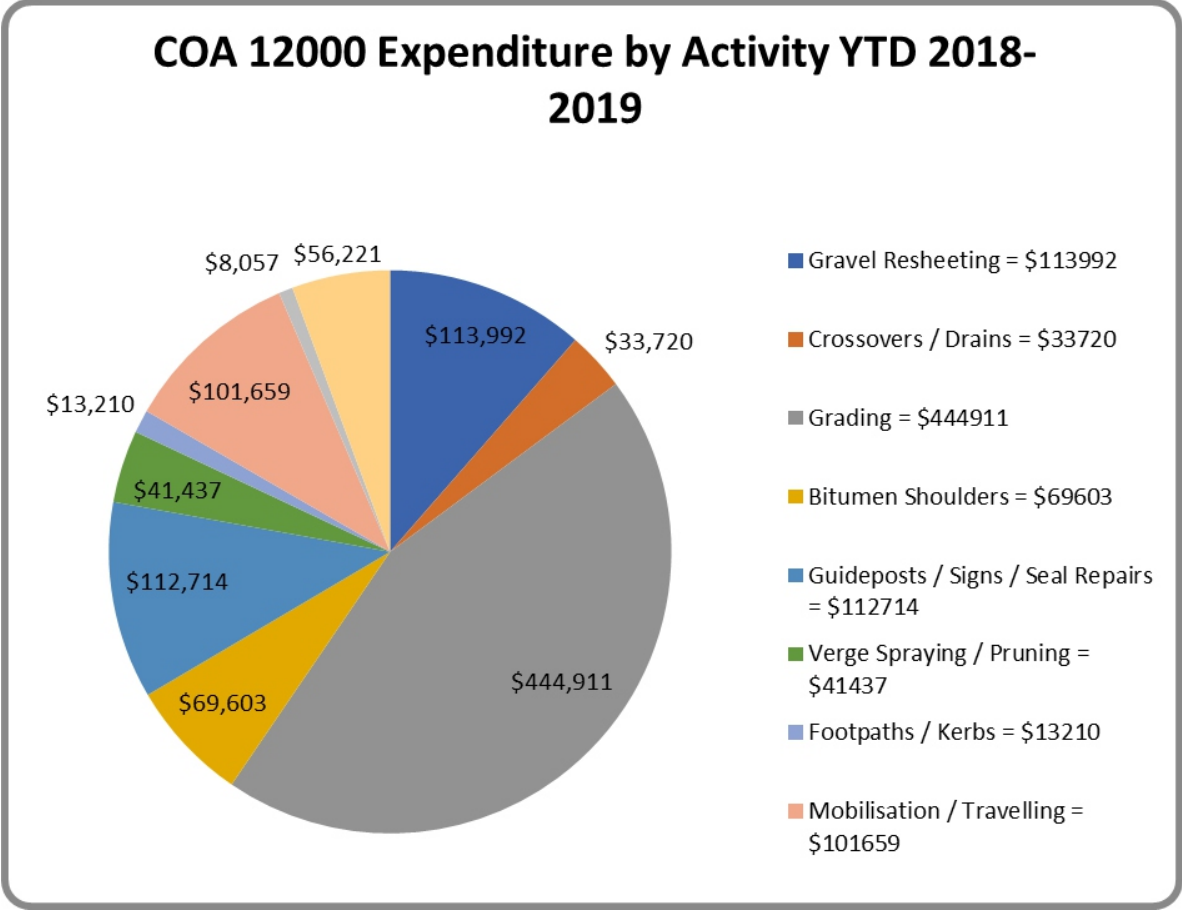
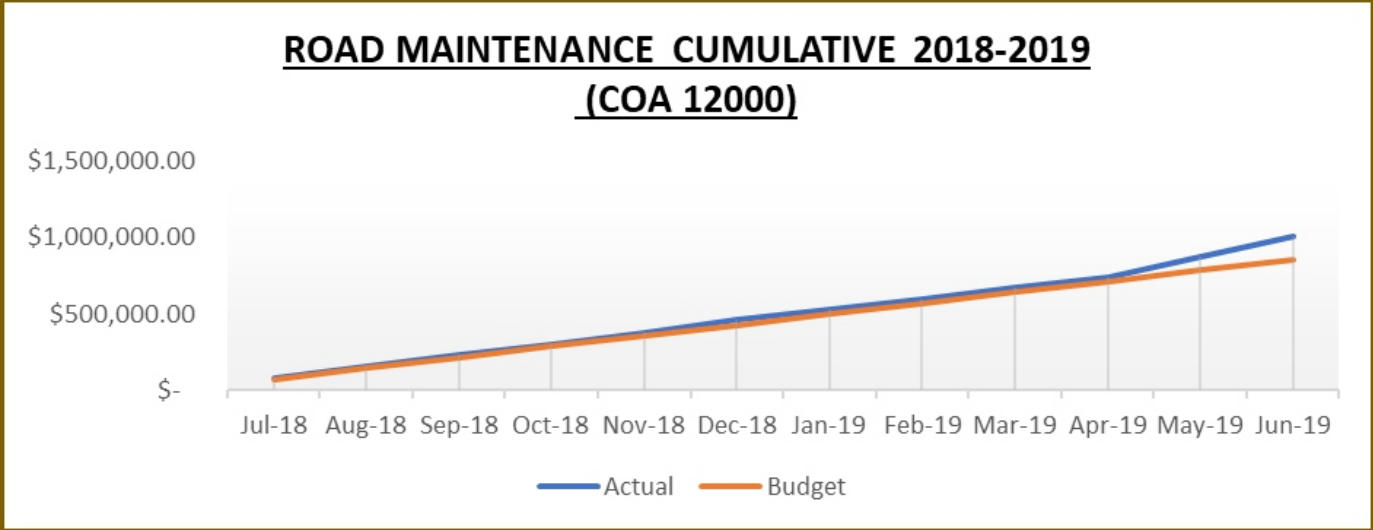
**A remarkable change to safety conditions on Hospital Road. The works team are to be highly commended for the execution of this work.**

### Summary of Seal Works Program

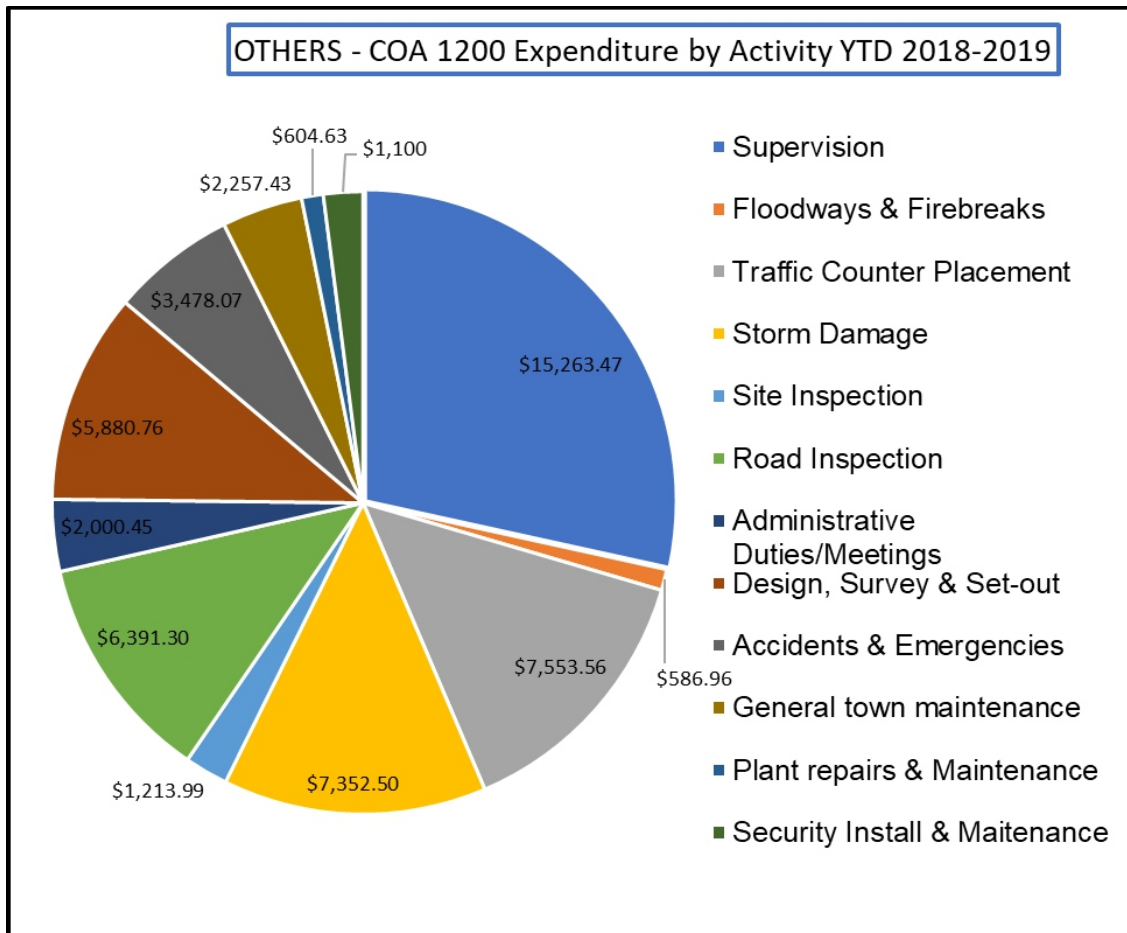
Job Location	Sqm	Treatment
Dowerin-Kalannie Road	19000	10mm Final Seal
Hospital Road	19000	10mm Final Seal
Waddington Road	19000	10mm Final Seal
Waddington Road	16000	Primer & 14mm Seal
Hospital Road (Stage 2 Black	8000	Primer Two-Coat 14mm& 7mm
Ballidu East Road	1300	Two coat 10mm & 7mm S5R
Dowerin-Kalnnie Road	900	Asphalt
Central Road	2400	Primer & 14mm seal
Ballidu East Road	800	Primer & 14mm seal

### Maintenance Crews

Its been a busy and highly productive year for the team maintaining the 980 kilometers of unsealed roads in the network. By applying modified grading techniques, we have achieved greatly improved road surfaces. The team can be commended for their outstanding work to clear back slopes and blind corners.



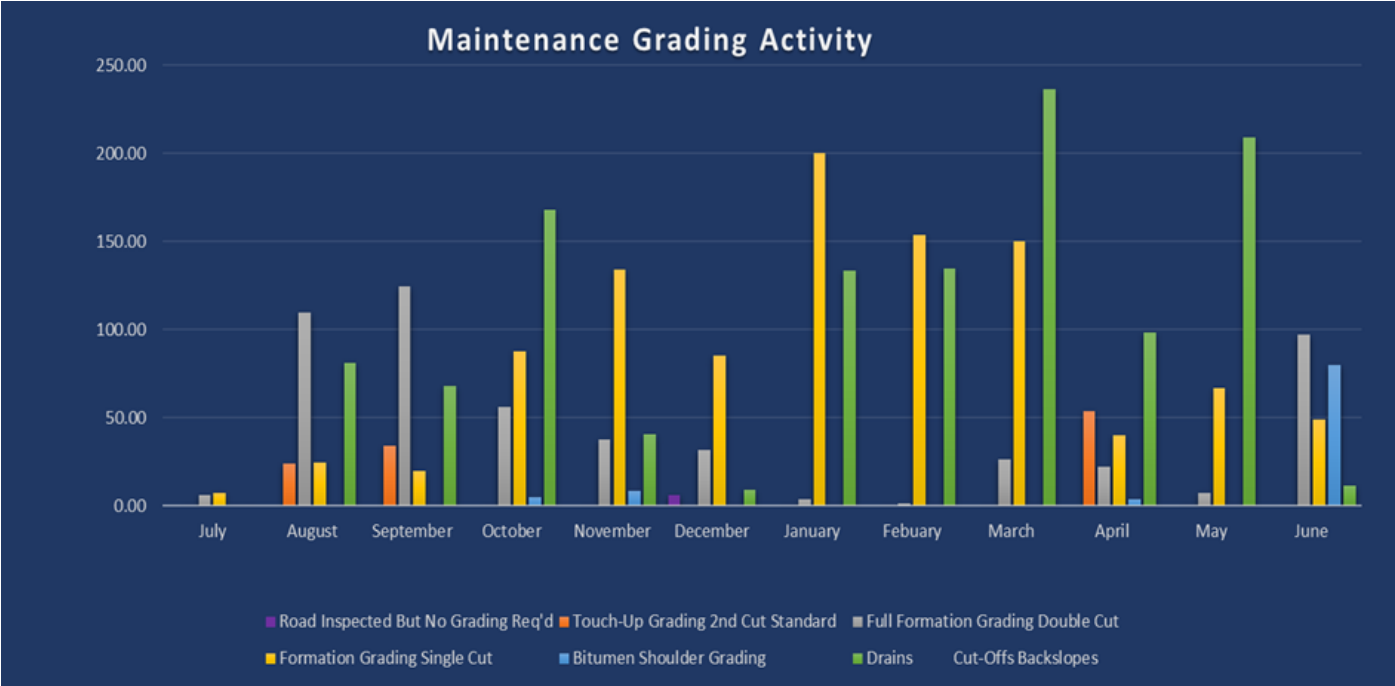




Total Major Arterial Roads	Total Local Roads
160.15km	11.66km
Total Minor Arterial Roads	Total Bus Routes
56.2km	88.02km
Total Minor Roads	Total Urban Roads
38.51km	0km

Total Major Arterial Roads	Total Local Roads
130.33km	4km
Total Minor Arterial Roads	Total Bus Routes
213.17km	219.09km
Total Minor Roads	Total Urban Roads
33.89km	0km

Maintenance Grading Kilometer Breakdown									
Total	Road Inspected But No Grading Req'd	Touch-Up Grading 2nd Cut Standard	Full Formation Grading Double Cut	Formation Grading Single Cut	Bitumen Shoulder Grading	Drains Cut-Offs Backslopes	Grader Hours	Manhours	Grader Efficiency (Aim 70%)
July	0.00	0.00	6.15	7.10	0.00	0.00	0.00	0.00	0.00%
August	0.00	23.98	109.49	24.20	0.00	80.78	208.33	274.00	76.03%
September	0.00	34.03	124.46	19.49	0.00	67.74	258.45	323.70	79.84%
October	0.00	0.00	56.12	87.72	4.92	167.87	277.15	363.80	76.18%
November	0.00	0.00	37.58	134.23	8.50	40.70	169.65	216.35	78.41%
December	6.00	0.00	31.31	85.04	0.00	8.86	132.90	156.60	84.87%
January	0.00	0.00	3.75	199.98	0.00	133.59	208.40	238.80	87.27%
February	0.00	0.00	1.40	153.72	0.00	134.46	163.20	197.25	82.74%
March	0.00	0.00	26.53	150.18	0.00	236.24	201.50	246.85	81.63%
April	0.00	53.40	21.98	40.06	3.68	98.24	131.25	167.15	78.52%
May	0.00	0.00	7.16	66.59	0.00	209.17	170.35	196.75	86.58%
June	0.00	0.00	97.17	48.89	79.86	11.41	198.55	237.75	83.51%



The patching truck has been busy patching the bitumen roads around the Shire and preparing the roads for reseals. This is quite an intensive task as our bitumen network is approximately 350 kilometers in total. This crew also replace guideposts and signs that need repairs, assist in other areas when required and also dig graves at the cemetery in preparation for upcoming funeral services.

### Culvert Repairs

While shoulder grading, two failures were observed on Kondut South East Road. The extreme nature of the failures prompted the mobilisation of the backhoe crew who rectified the fault within a day.



Washed out headwall, Kondut South East Road and reparation work.



# Chief Executive Officer's Report

## Works and Services

### Culvert Repairs

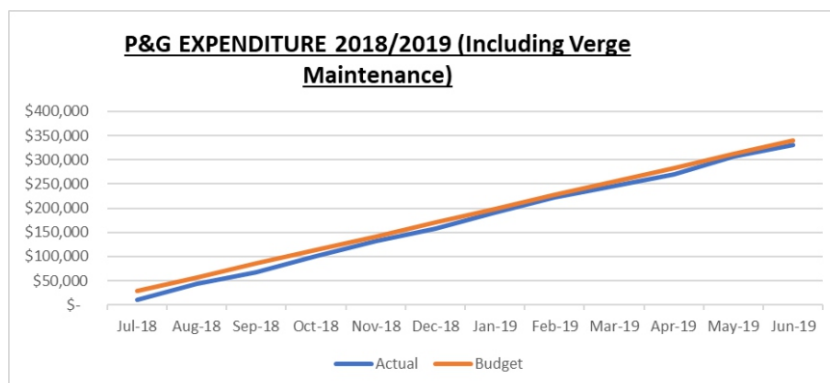


Newton Road box culvert sections in complete disrepair

Manmanning Road

### Parks & Gardens

A source of community pride, the gardens around town are once again looking amazing thanks to the Parks and Gardens team. The community and visitors to the Shire routinely pass on their compliments, either in person at the admin office or in writing.



# Chief Executive Officer's Report

## Works and Services

### Plant Replacement

To ensure the most cost-effective and efficient replacement cycles for all of its assets, Council regularly reviews and updates a comprehensive 10 year Plant Replacement Program. This process achieves two objectives:

- 1) It ensures the best return on investment when assets are sold; and
- 2) It ensures the most up-to-date and efficient equipment is purchased to undertake works.



**CAT Grader - PG17**



**VMWS - New mechanics truck**



**Grader Ute - PUT74**



**PTRA9 - New P&G Tractor**



### Community Involvement

#### Wongan Hills District High School

The Shire has assisted the local school with numerous tasks throughout the year. Recently the Parks and Gardens team prepared the ground and helped Y10 children and their parents from WHDHS plant trees in recognition of National Tree Day on the 31st of July. This annual event is sponsored by the Shire and Boekemans Toyota. The Shire fertilises and cultivates the ground in readiness for the children to participate in planting. With favourable weather, this year's event was thoroughly enjoyable.



WHDHS children, parents and teachers together with Shire Horticulturalist Bruce Mitchell and a representative from Boekemans

#### Wongan Hills District High School - Hockey Oval

The school approached Council recently to assist with the widening and levelling of the new hockey oval. Once the rainy season ended, over 50m<sup>3</sup> of sand was moved to level and widen the pitch. Once the school has arranged for topsoil, the Shire will again assist with laying the field.



School hockey oval being graded and levelled

### Community Involvement

#### Wongan Hills District High School

The Athletics Carnival for the WHDHS is another annual event the Works department assists with. The long jump sand pits at the Sports Pavilion are provided by the Shire. The Shire has also assists with traffic management closures for the cross country events and assists with moving equipment to and from the school.

### Community Garden



Planting beds ripped and water tank installed

The Shire of Wongan-Ballidu strives to assist with Community Projects whenever possible, this year being no exception.

I would also like to thank all farmers involved in the provision of gravel this year, without their assistance it would be difficult to maintain our roads to current standards so THANK YOU!

### Miscellaneous

#### Standpipes Airport Tanks & Depot Road

Based on the new layout design, standpipe installation has commenced at Ballidu East and the airport and Depot Road tanks complete. Burakin and Cadoux standpipe installation will commence in November. Local contractors were engaged to design and fit the new standpipes.



Airport Standpipes



Depot Road Standpipes

Karl Mickle

**Manager Works and Services**





Mrs Alana Wigmore  
**Manager Community Services**

The Shire strives to work collaboratively with, and for, our passionate community, building social capital and connectedness.

Developing and maintaining community relationships is important to the Shire, and this is done through a wide range of community events and activities.

Our local sporting clubs and community groups provide numerous options for local community members, and their valuable work is supported by the Shire through the use and maintenance of facilities through the Building Services portfolio, and in accessing funds from the Council's Community Development Fund and other State and Federal Government funds.

Our community is extraordinarily lucky to have a high number of volunteers involved in the services, organisations and community groups right across the Shire.



**2018 Community Group of the Year - Wongan Hills**

In the 2018-2019 year, the Shire welcomed new citizens and celebrated and strengthened local relationships at many inclusive community events. The Community Services portfolio provides services that help empower the community's capacity to meet its own needs. We work in partnership with the local community in the following areas:

- Sport and Recreation
- Community Events
- Community Groups
- Economic Development
- Tourism
- Youth

## Community Services

### Sport and Recreation

The Shire works in partnership with local sporting clubs to offer a wide range of sports to the community. The clubs have first priority for the use of the Shire's major ovals and sporting infrastructure, and are supported to secure funds for the upgrading of their facilities.

The Shire contributes an annual financial contribution to the Wongan Hills, Cadoux and Ballidu Sports Councils and also supports these groups by subsidising utility costs such as water and electricity.

- 2018-2019 saw ground broken on the long awaited Sports and Community Co-Location Project. This Project would not be possible without the support of the following:
- The Community and Volunteers of the Shire of Wongan-Ballidu and surrounding areas, including those volunteers, community members, local businesses and representatives of all sporting and community groups within the area that carted approximately 10,000 cubic metres of sand.
- The support and collaboration of all sporting and community groups within our Shire.
- The 'Colocation Steering Committee': Don Sadler, Jeff Brennan, Megan Pawsey, Matt Sewell, Stuart Taylor

The financial support of the following:

- Shire of Wongan-Ballidu
- Lotterywest
- Dept. Local Government, Sport & Cultural Industries: Community Sport & Recreation Facilities Fund (CSRFF)
- Wongan Hills Community Association
- Wongan Hills Sport and Recreation Council
- Tennis Australia
- Kondut Greater Sports Council
- Wongan Hills Tennis Club
- Wongan Ballidu Community Fitness Club

The Shire secured funding from the WA Regional Bike Network, which allowed construction of new paths in the Wongan Hills townsite to improve safety and encourage more recreational cycle and scooter use, in accordance with the Shire's 10-Year Footpath Plan.



Local community

The Wongan Hills Community Gardens site was prepared and funding received in the previous year utilised to complete site works and establish garden beds. The Shire facilitated a bus tour to Perth for all interested community members, to provide them with ideas and inspiration for our own local community asset.



### Community Events

Nearly 1000 people attended and were involved in the Shire's major community events, including:

- Wongan Hills Australia Day Breakfast
- ANZAC Day Ceremony
- Citizenship Ceremonies
- Christmas Lights Competition

The Shire supported the community to deliver further local events which were provided by organisations other than the Shire, for example the Seniors Christmas Function, Masters Football Carnival, Ballidu Australia Day Breakfast and the Harvest Festival.

2018 – 2019 COMMUNITY EVENTS & GROUPS SUBSIDIES	
Australia Day Function - Ballidu	200
Bike it to Ballidu	300
Christmas Lights Competition	500
Wongan Hills Progress Association	5,000
Wongan Masters Football Carnival	1,000
Wongan Seniors Christmas Function	1,400
Miscellaneous - To be used at discretion of Council and CEO	1,800
Ballidu Art Society	4,500
Ballidu Sports Council (as per lease)	8,682
Ballidu Tidy Towns	500
Cadoux Sports Council (as per lease)	8,682
Elizabeth Telfer Centre maintenance (as per lease)	3,060
School Chaplaincy	35,500
WH Cricket Association	750
WH Museum - Gardening maintenance (as per lease)	3,002
WH Sports Council (as per lease)	8,682
WH Tourism Group	10,000
WHDHS Scholarship	350
Wongan Hills Arts Society	2,500
Wongan Hills Tidy Towns	500
Tourism & Area Promotion	12,895
Total	\$109,804

# Chief Executive Officer's Report

## Community Services

### Community Groups

The Shire financially supported nine local community groups in their operation, and continues to advocate and assist these groups to grow and develop. These groups provide valuable service to our community, and include Wongan Hills Tidy Towns, Ballidu Tidy Towns, Wongan Hills Cricket Association, Wongan Bushcare, Bike It To Ballidu, Ballidu Arts Society, Elizabeth Telfer Centre, Wongan Hills Arts Society and the Wongan Hills & Districts Museum.

2018 – 2019 COMMUNITY EVENTS & GROUPS SUBSIDIES		
NBCF Global Illumination	Performance of Hills Orchestra, accompanied by local artists Georgie Sadler and Erin Steenson. All proceeds to St John's Ambulance Sub -Centre for purchase of a new Ambulance.	1,100.00
Wongan Cubbyhouse	Upgrade of outdoor area as now required by Education Care Services Law. This important project has been postponed since 2014 due to need to focus on 'staying open'	15,000.00
Wongan Hills Tourism Association	Funding towards provision of 3 day Reynoldson Reserve Festival including Saturday night entertainment, long table lunch, Sunday morning tea, childrens activities, wildflower tour and markets.	7,500.00
Wongan Hills Anglican Church	Two Part Submission: 1) Screenings of Steve Biddulph's 'Raising Boys' and 'Raising Girls' followed by 6 week Parent support group and 2) Lego Club - an after school club of nearly 30 children once a week	500.00
Wongan Hills Tidy Towns Inc	Entry Statement construction and installation at the North and South ends of Wongan Hills townsite.	10,000.00
Ballidu Progress Association	Electricity and Water Provision to Alpha Park BBQ	2,000
Stargazers Club WA	Astrotourism Town Initiative	4,500
Wongan Hills CRC	School Holiday Activities	5,699
Wongan Hills District High School	Youth Day Out	2,541
TOTAL		\$48,840



**Attendees at the Skateboarding WA School Holiday Event**

### Economic Development

The Shire of Wongan-Ballidu hosted a 'Service Business' Sundowner in the 2018/2019 yea. This was held to allow local business people, Shire staff and Councillors an opportunity to network in a relaxed setting.

Contemporary issues and insights were shared, and the Shire is working with local business to grow and develop the local economy.

One of the most exciting projects borne of this event was the consideration of reliable solar energy to assist businesses in reducing power costs. This initiative is well under way and a pilot project running at the time of this report.

### Tourism

The Shire contributed over \$25,000 per annum to Tourism within the Shire, by supporting the Wongan Hills Visitors Centre and Tourism Group by both direct funding and provision of a building and utilities. An additional \$10,000 was provided to the group to support the Reynoldson Reserve Festival, which drew record crowds in October 2017.

The Shire is also actively involved and contributes to the annual Discover Golden Horizons and Australia's Golden Outback tourism campaigns.

The Shire continues to develop the Astrotourism Town concept, with a range of activities and events planned

### Image taken at the Stargazing Event Wongan Hills October 2018



## Community Services

The Shire of Wongan-Ballidu commissioned Lenni Duffield Consultancy to proactively engage young people whose voices are not typically heard in Local Government consultations (because they can be hard to reach and/or because traditional consultative processes present barriers to their participation).

Resulting from engagement, this Strategy has been designed around four primary themes:

- Education & Employment
- Leisure Recreation & Social Life
- Communication & Information
- Respect & Inclusion

Our engagement found that young people are thinking broadly about the issues they face such as access to quality education, opportunity for recreational and social engagement, acquiring a sense of belonging and making the transition from formal education to employment.

This engagement and data has been used by Council to formulate planning for a number of youth initiatives.



### Community Resource Centre

There are 109 Community Resource Centres in rural, remote and regional centres across WA. The Network is supported by the Department of Primary Industries and Regional Development (DPIRD) with funding from the State government's Royalties for Regions program. The Wongan Hills Community Resource Centre operates as a business unit of the Shire of Wongan-Ballidu, and we are only one of eight CRCs in WA that operate this way.

DPIRD's funding to the Wongan Hills CRC is roughly \$100,000 per annum, and to receive this we must conduct around 35 Community and Economic Development activities and events in the community each year.

Event Highlights in the 2018-2019 year include:

- |                                  |                            |
|----------------------------------|----------------------------|
| • Community Bike Breakfast       | Hawaiian Ride of Youth     |
| • Book Club                      | Hills Symphony Orchestra   |
| • Boomer Volunteers Lunch        | Leading Wheatbelt Women    |
| • Children's Week                | Popup Shop                 |
| • Christmas Craft                | School Holiday Activities  |
| • Colour Run                     | Skin Cancer Screening      |
| • Community Health Event         | Thank a Volunteer Day      |
| • Cubbyhouse Teddy Bear's Picnic | Truck Licence Course       |
| • Food Sensations                | Volunteer Week             |
| • Working at Heights             | Working in Confined Spaces |
| • Youth Forum                    |                            |
| •                                |                            |



### Community Resource Centre

Community Bike Breakfast March 2019



The CRC also offers a range of State and Federal Government related activities, such as being an Access Point for Centrelink and other Government services, and free 'Hot Office' hires for government employees and agencies. The State Government does assist in other ways, such as allocating extra funding to each CRC to deliver an annual Traineeship.

The CRC also houses the Shire library, manages the Wonga-Balli Boomer and Department of Transport Licencing agency services. The Shire financially supports these services, as it did when these services were based out of other venues.

Alana Wigmore  
**Manager Community Services**

## Statutory Reports

The Shire of Wongan-Ballidu is responsible for the good governance of the Shire and carries out functions as required including statutory compliance and provision of services and facilities.

The Council consists of seven elected members who meet each month, except January, to make decisions relating to the policy and direction of the Shire. All Council meetings are open to the public and the meeting dates and venues are advertised. Members of the public are able to ask questions during Public Question Time at the commencement of each meeting.

Council maintains records relating to each property within the Shire and also records relating to the function and administration of the Shire including Codes of Conduct, Minutes of Meetings, Register of Financial Interests, Register of Delegated Authority, Rate Book, Electoral Roll, Financial Statements, Local Laws and Town Planning Schemes.

These documents can be inspected free of charge at the Shire Administration Office, corner Quinlan Street and Elphin Crescent Wongan Hills, 9.00am to 4:30pm, Monday to Friday (except public holidays).

Changes to personal information should be made in writing.

Council had no requests for Freedom of Information during the year under review as Council has an active policy of providing access to information wherever possible and practical (where it does not contravene the privacy rights of individuals) free of charge. Note that a small administrative / copy charge may be incurred. Requests for information under the Freedom of Information Act can be sent to:

Chief Executive Officer  
Shire of Wongan-Ballidu  
PO Box 84  
WONGAN HILLS WA 6603

### DISABILITY SERVICES AND INCLUSIVENESS PLAN

Council continues to upgrade its buildings to incorporate access for the disabled. All applications for building licences have the Building Code of Australia access requirements applied.

The Shire continues to improve access to written information and publications and increase awareness through public information and grievance mechanisms.

### NATIONAL COMPETITION POLICY

In 1995 the Council of Australian Government entered into a number of agreements known as the National Competition Policy. The policy is a whole of Government approach to bring about reform in the public sector to encourage Government to become more competitive.

Local Government will mainly be affected where it operates significant business activities that compete or could compete with private sector business. Local Government will also be impacted where its local laws unnecessarily affect competition.

The Shire of Wongan-Ballidu is required to comply with certain policies contained within the National Competition Policy statement and report on progress in connection with Competitive Neutrality Principles and review of Local Laws.

### COMPETITIVE NEUTRALITY

The principle of competitive neutrality is that government businesses should not enjoy a competitive advantage, or suffer a disadvantage, simply as a result of their public sector ownership. Measures should be introduced to effectively neutralize any net competitive advantage flowing from government ownership.

Competitive neutrality should apply to all business activities that generate a user pays income of over \$200,000 per annum, unless it can be shown it is not in the public interest. A public benefit test is used to determine if competitive neutrality is in the public interest. This involves assessing the benefits of implementing competitive neutrality against the costs. If the benefits exceed the costs, competitive neutrality should be implemented.

The Shire of Wongan-Ballidu does not control any business activity with a user pays income in excess of \$200,000.

### PUBLIC INTEREST DISCLOSURE

The Public Interest Disclosure Act was established by the Commissioner for Public Sector Standards under Section 20 of the Public Interest Disclosure Act 2003.

One of the principles of the new legislation is not just to provide protection to those who make disclosures (and those who are the subject of disclosures) but also encourages a system of transparency and accountability in the way government or government officials act and utilise public monies.

Matters that fall into the category of public interest include the following:

- Improper Conduct (irregular or unauthorised use of public resources)
- An offence under State Law including corruption (substantial unauthorised or irregular use of, or substantial mismanagement of, public resources).
- Administration matters generally (conduct involving a substantial risk of injury to public health, prejudice to public safety or harm to the environment)

Matters that relate to the Shire of Wongan-Ballidu should be referred to the Shire of Wongan-Ballidu's Public Interest Disclosure Officer. Disclosures to the Public Interest Disclosure Officer can be made not just about officers of a local authority but also its elected officials.

There is an obligation on the Public Interest Disclosure Officer in the Public Interest Disclosure Act to ensure that the disclosure is confidential and that the person making a disclosure is provided adequate protection from reprisals, civil and criminal liability, dismissal or breach of confidentiality.

The Shire of Wongan-Ballidu had no Public Interest Disclosures during the reporting period.

### RECORDKEEPING PLAN

The State Records Act 2000 is an Act to provide for the keeping of State records and for related purposes. Section 19 of the Act requires that every government organization must have a recordkeeping plan (RKP) that has been approved by the State Records Commission.

A government organization's recordkeeping plan sets out the matters about which records are to be created by the organization and how it is to keep its records.



## Statutory Reports

The recordkeeping plan comprises of a range of documents which, when assessed as a whole, provides an accurate reflection of the recordkeeping program within the organization. More specifically, documentation regarding the organization's recordkeeping system/s, disposal arrangements, policies, practices and processes are the essential components of the recordkeeping plan. The inclusion of such documentation will constitute evidence of compliance.

The Shire of Wongan-Ballidu reviewed the RKP in April 2011 and a revised RKP was submitted to the State Records Office (SRO) for Approval on the 5th August 2016.

The SRO Approved the Amended RKP effectively on the 5th August 2016.

The RKP reflects current situation and reports on compliance areas as per SRC Standard 2, Principle 6.

The RKP reports policies, procedures and activities which are or will be implemented by the Shire of Wongan-Ballidu to comply with the State Records Act 2000.

Staff members responsible for records management have been trained in the basic retention and disposal methods for Local Government and have attended Record Keeping Plan training at the Office of State Records.

In-house recordkeeping training sessions for staff are conducted on an as needs basis, for example, when an aspect of the recordkeeping systems changes, or if, responsibilities change.

The Induction/introduction clearly addresses employee roles and responsibilities in relation to recordkeeping and the program is run in accordance with the RKP.

Staffs are encouraged to attend training courses outside the organization whenever practicable. Further training is programmed for new and existing staff in the following reporting period.

In accordance with section 28 of the State Records 2000, the plan for the Shire of Wongan-Ballidu is to be reviewed within (5) five years of its approval date.

A completion of this review will be submitted to the SRO on or before 5th August 2021.

### INFORMATION ON PAYMENTS TO EMPLOYEES

For the purposes of Section 5.53(2) (g) the Annual Report of a Local Government for a financial year, below in bands of \$10,000, is the number of employees of the Shire of Wongan-Ballidu entitled to an annual salary of \$100,000 or more.

Annual salary only includes the cash component of any remuneration.

Annual Salary Entitlements	Actual
Employee entitled to an annual salary of \$100,000 to \$110,000	1
Employee entitled to an annual salary of \$150,000 to \$160,000	1

### CODE OF CONDUCT BREACHES

The Councils complaints officer has reviewed no complaints valid or otherwise against its adopted Code of Conduct of the State-wide Local Government (Rules of Conduct) Regulations during the financial year.

### CONDUCT OF ELECTED MEMBERS

Pursuant to Section 5.110 and 5.121 of the Local Government Act 1995 the complaints officer for a local government is required to maintain a register of complaints which records all complaints that result in action under section 5.110(6)(b) or (c) of that Act. The register of complaints is to include, for each recorded complaint:

- (a) the name of the council member about whom the complaint is made;
- (b) the name of the person who makes the complaint;
- (c) a description of the minor breach that the standards panel finds has occurred; and
- (d) details of the action taken under section 5.110(6)(b) or (c).

Details of entries made under section 5.121 during the 2017/18 financial year in the register of complaints are;

- |      |  |                |
|------|--|----------------|
| (i)  | the number of complaints recorded in the register of complaints: | Nil            |
| (ii) | how the recorded complaints were dealt with:                     | Not applicable |

Stuart Taylor  
Designated Complaints Officer  
Chief Executive Officer  
Shire of Wongan-Ballidu

### REVIEW OF THE PLANNING FOR THE FUTURE

The Local Government Act 1995 states the necessity for the preparation and implementation for Planning for the Future.

The Plan will provide a structural medium for the Local Government to develop a process by which works and services can be delivered, not only efficiently, but also progressively.

This is not to say the Plan is set in concrete. The Plan may be reviewed on an annual basis, but must be updated each second year before budget adoption to ensure that community needs are continually amended and delivered.

It is for this reason that Council urges the community to interact with Council in developing the Plan so as to guarantee open, fair and responsible government.

On behalf of the Shire of Wongan-Ballidu, I invite the community to take the opportunity to enter and develop a partnership that will take us into an exciting and fulfilling future.

Section 5.56 is as follows:

#### 5.56 Planning for the future

- (1) A local government is to plan for the future of the district.
- (2) A local government is to ensure that plans made under subsection (1) are in accordance with any regulations made about planning for the future of the district.

### REVIEW OF THE PLANNING FOR THE FUTURE

Section 19C is as follows:

#### 9C. Strategic community plans, requirements for (Act s. 5.56)

- (1) A local government is to ensure that a strategic community plan is made for its district in accordance with this regulation in respect of each financial year after the financial year ending 30 June 2013.
- (2) A strategic community plan for a district is to cover the period specified in the plan, which is to be at least 10 financial years.
- (3) A strategic community plan for a district is to set out the vision, aspirations and objectives of the community in the district.
- (4) A local government is to review the current strategic community plan for its district at least once every 4 years.
- (5) In making or reviewing a strategic community plan, a local government is to have regard to —
  - (a) the capacity of its current resources and the anticipated capacity of its future resources; and
  - (b) strategic performance indicators and the ways of measuring its strategic performance by the application of those indicators; and
  - (c) demographic trends.
- (6) Subject to subregulation (9), a local government may modify its strategic community plan, including extending the period the plan is made in respect of.
- (7) A council is to consider a strategic community plan, or modifications of such a plan, submitted to it and is to determine\* whether or not to adopt the plan or the modifications.

\* Absolute majority required.
- (8) If a strategic community plan is, or modifications of a strategic community plan are, adopted by the council, the plan or modified plan applies to the district for the period specified in the plan.
- (9) A local government is to ensure that the electors and ratepayers of its district are consulted during the development of a strategic community plan and when preparing modifications of a strategic community plan.
- (10) A strategic community plan for a district is to contain a description of the involvement of the electors and ratepayers of the district in the development of the plan or the preparation of modifications of the plan.

### COUNCILS PREFERRED AGENTS

#### AUDITORS

Moore Stephens (WA) Pty Ltd  
Chartered Accountants  
2 The Esplanade  
PERTH WA 6000

#### SOLICITORS

McLeods Barristers & Solicitors  
Stirling Law Chambers 220-222 Stirling Highway  
CLAREMONT WA 6010

#### SETTLEMENT AGENTS

St James Conveyancing  
PO Box 912  
BALCATTA WA 6914

#### BANKING AGENTS ANZ

Bank Fenton Place  
WONGAN HILLS WA 6603

#### DEBT COLLECTION AGENTS

Austral Mercantile Collections  
Level 2, 32 Kings Park Road  
WEST PERTH WA 6005

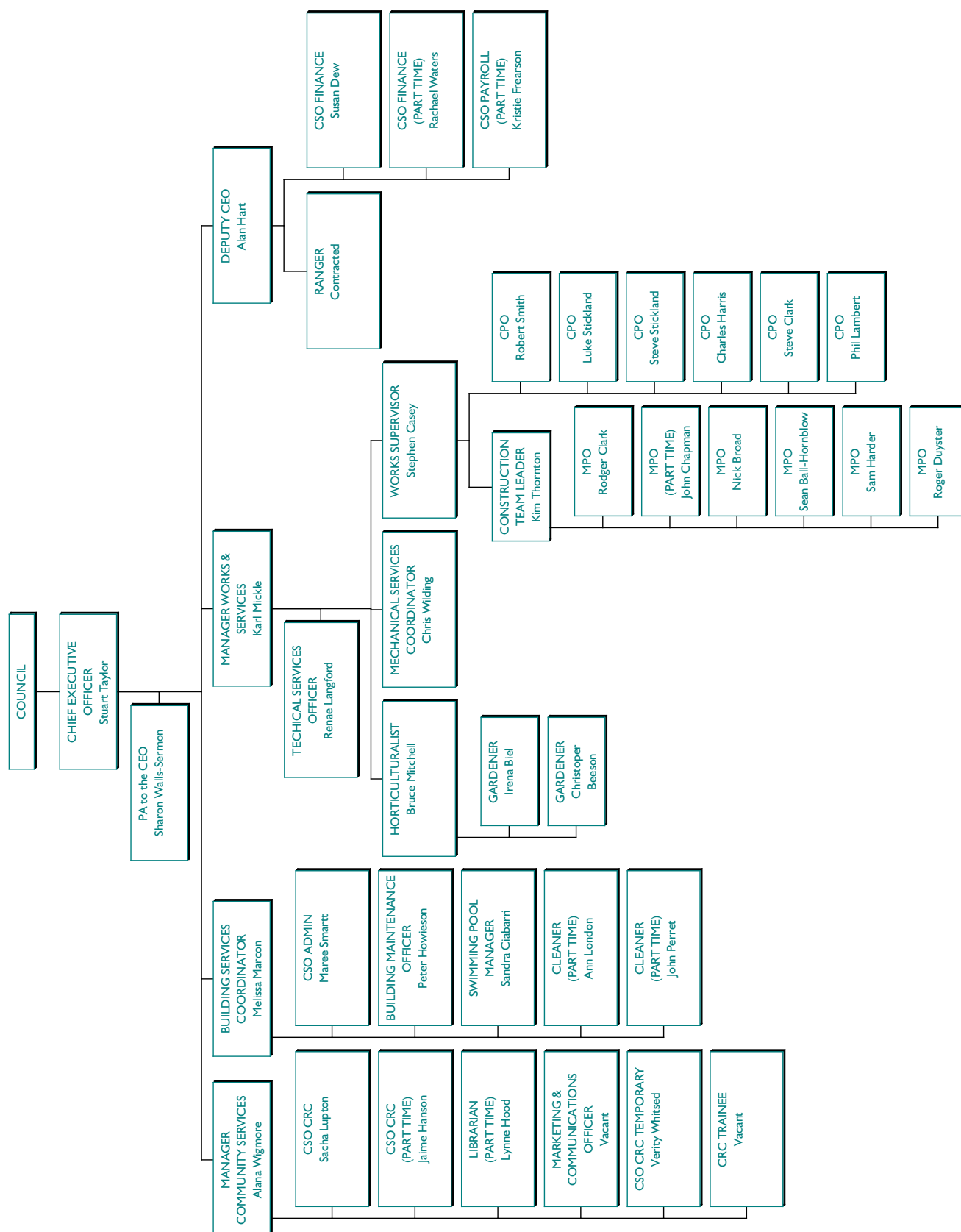
#### INSURANCE BROKERS

Local Government Insurance Services  
17 Altona Street  
WEST PERTH WA 6605



# Chief Executive Officer's Report

## Shire Organisational Chart as at 30 June 2019





## FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2019

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### COMMUNITY VISION

***Wongan Ballidu - a caring and supportive community driving sustainability of agriculture, services and the environment.***

#### **Principal place of business:**

Cnr Quinlan Sreet & Elphin Crescent, Wongan Hills WA 6603

**SHIRE OF WONGAN-BALLIDU  
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 Wongan-Ballidu 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 Wongan-Ballidu 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

25<sup>th</sup>

day of

November

2019



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Stuart Taylor JP, Chief Executive Officer



**SHIRE OF WONGAN-BALLIDU**  
**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)	2,903,792	2,875,483	2,800,051
Operating grants, subsidies and contributions	2(a)	2,766,638	1,709,675	2,638,057
Fees and charges	2(a)	563,360	521,414	552,264
Interest earnings	2(a)	134,036	82,263	86,420
Other revenue	2(a)	274,460	117,848	321,590
		6,642,286	5,306,683	6,398,382
<b>Expenses</b>				
Employee costs		(2,107,516)	(2,175,723)	(1,897,665)
Materials and contracts		(1,327,271)	(1,361,589)	(1,180,962)
Utility charges		(340,983)	(374,962)	(338,820)
Depreciation on non-current assets	10(c)	(2,355,153)	(1,569,779)	(1,563,088)
Interest expenses	2(b)	(20,665)	(24,260)	(28,136)
Insurance expenses		(222,027)	(239,954)	(232,042)
Other expenditure		(235,450)	(251,297)	(232,631)
		(6,609,065)	(5,997,564)	(5,473,344)
		33,221	(690,881)	925,038
Non-operating grants, subsidies and contributions	2(a)	869,059	1,191,824	1,644,839
Profit on asset disposals	10(a)	10,333	3,328	82
(Loss) on asset disposals	10(a)	(210,388)	(179,840)	(110,257)
Fair value adjustments to financial assets at fair value through profit or loss	7	87,576	0	0
Impairment loss on land hold for resale	6	(512,890)	0	0
Assets written off	8(a)	(158,884)	0	0
		84,806	1,015,312	1,534,664
<b>Net result for the period</b>		<b>118,027</b>	<b>324,431</b>	<b>2,459,702</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	11	0	0	52,594,922
<b>Total other comprehensive income for the period</b>		<b>0</b>	<b>0</b>	<b>52,594,922</b>
<b>Total comprehensive income for the period</b>		<b>118,027</b>	<b>324,431</b>	<b>55,054,624</b>

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

**SHIRE OF WONGAN-BALLIDU**  
**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		49,602	53,400	70,431
General purpose funding		5,114,829	3,880,483	4,872,172
Law, order, public safety		43,124	35,500	34,694
Health		20,692	32,100	49,284
Education and welfare		15,956	18,498	10,190
Housing		65,983	80,787	103,729
Community amenities		202,391	202,040	203,334
Recreation and culture		43,776	156,976	45,487
Transport		519,584	524,663	440,150
Economic services		50,670	42,950	44,200
Other property and services		515,679	279,287	524,711
		6,642,286	5,306,684	6,398,382
<b>Expenses</b>	2(b)			
Governance		(250,674)	(251,206)	(346,472)
General purpose funding		(114,567)	(118,466)	(131,135)
Law, order, public safety		(135,930)	(150,930)	(123,254)
Health		(125,159)	(155,804)	(171,519)
Education and welfare		(167,887)	(218,055)	(188,800)
Housing		(171,621)	(177,748)	(167,913)
Community amenities		(426,114)	(468,989)	(401,570)
Recreation and culture		(1,741,520)	(1,571,892)	(1,496,781)
Transport		(2,761,698)	(1,839,593)	(1,666,217)
Economic services		(316,392)	(203,639)	(165,189)
Other property and services		(376,838)	(816,983)	(586,358)
		(6,588,400)	(5,973,305)	(5,445,208)
<b>Finance Costs</b>	2(b)			
Education and welfare		(13,361)	0	(15,318)
Housing		(3,744)	(22,784)	(6,952)
Recreation and culture		(3,560)	(1,476)	(2,710)
Other property and services		0	0	(3,156)
		(20,665)	(24,260)	(28,136)
		33,221	(690,881)	925,038
Non-operating grants, subsidies and contributions	2(a)	869,059	1,191,824	1,644,839
Profit on disposal of assets	10(a)	10,333	3,328	82
(Loss) on disposal of assets	10(a)	(210,388)	(179,840)	(110,257)
Fair value adjustments to financial assets at fair value through profit or loss	7	87,576	0	0
Impairment loss on land held for resale	6	(512,890)	0	0
Assets Written Off	8(a)	(158,884)	0	0
		84,806	1,015,312	1,534,664
<b>Net result for the period</b>		<b>118,027</b>	<b>324,431</b>	<b>2,459,702</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	11	0	0	52,594,922
<b>Total other comprehensive income for the period</b>		<b>0</b>	<b>0</b>	<b>52,594,922</b>
<b>Total comprehensive income for the period</b>		<b>118,027</b>	<b>324,431</b>	<b>55,054,624</b>

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

SHIRE OF WONGAN-BALLIDU  
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	4,634,828	4,302,105	4,222,933
Trade receivables	5	341,057	589,040	463,854
Other financial assets	7(a)	156,172	274,384	260,372
Inventories	6	11,204	11,856	11,263
<b>TOTAL CURRENT ASSETS</b>		<b>5,143,261</b>	<b>5,177,385</b>	<b>4,958,422</b>
<b>NON-CURRENT ASSETS</b>				
Trade receivables	5	23,391	32,941	24,906
Other financial assets	7(b)	373,977	459,168	139,649
Inventories	6	211,110	724,000	724,000
Property, plant and equipment	8	26,697,475	26,476,727	26,249,058
Infrastructure	9	121,427,742	120,950,111	66,956,187
<b>TOTAL NON-CURRENT ASSETS</b>		<b>148,733,695</b>	<b>148,642,947</b>	<b>94,093,800</b>
<b>TOTAL ASSETS</b>		<b>153,876,956</b>	<b>153,820,332</b>	<b>99,052,222</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	12	201,234	112,158	203,753
Borrowings	13	74,117	80,481	556,007
Employee related provisions	14	396,399	350,274	354,176
<b>TOTAL CURRENT LIABILITIES</b>		<b>671,750</b>	<b>542,913</b>	<b>1,113,936</b>
<b>NON-CURRENT LIABILITIES</b>				
Borrowings	13	282,665	448,705	139,649
Employee related provisions	14	27,993	52,193	76,740
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>310,658</b>	<b>500,898</b>	<b>216,389</b>
<b>TOTAL LIABILITIES</b>		<b>982,408</b>	<b>1,043,811</b>	<b>1,330,325</b>
<b>NET ASSETS</b>		<b>152,894,548</b>	<b>152,776,521</b>	<b>97,721,897</b>
<b>EQUITY</b>				
Retained surplus		59,394,231	59,269,208	56,408,012
Reserves - cash backed	4	2,228,366	2,235,362	2,636,856
Revaluation surplus	11	91,271,951	91,271,951	38,677,029
<b>TOTAL EQUITY</b>		<b>152,894,548</b>	<b>152,776,521</b>	<b>97,721,897</b>

\*see note 27 for details regarding prior year period adjustment

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



SHIRE OF WONGAN-BALLIDU  
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>56,427,087</b>	<b>2,636,856</b>	<b>38,776,126</b>	<b>97,840,069</b>
<b>Prior period adjustment</b>	27	<b>(19,075)</b>	<b>0</b>	<b>(99,097)</b>	<b>(118,172)</b>
<b>Reinstated total equity at the beginning of the financial year</b>		<b>56,408,012</b>	<b>2,636,856</b>	<b>38,677,029</b>	<b>97,721,897</b>
Comprehensive income					
Net result for the period		2,459,702	0	0	2,459,702
Other comprehensive income	11	0	0	52,594,922	52,594,922
Total comprehensive income		2,459,702	0	52,594,922	55,054,624
Transfers from/(to) reserves		401,494	(401,494)	0	0
<b>Balance as at 30 June 2018</b>		<b>59,269,208</b>	<b>2,235,362</b>	<b>91,271,951</b>	<b>152,776,521</b>
Comprehensive income					
Net result for the period		118,027	0	0	118,027
Other comprehensive income	11	0	0	0	0
Total comprehensive income		118,027	0	0	118,027
Transfers from/(to) reserves		6,996	(6,996)	0	0
<b>Balance as at 30 June 2019</b>		<b>59,394,231</b>	<b>2,228,366</b>	<b>91,271,951</b>	<b>152,894,548</b>

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

**SHIRE OF WONGAN-BALLIDU**  
**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		2,886,195	2,888,483	2,748,337
Operating grants, subsidies and contributions		2,990,410	1,962,925	2,431,649
Fees and charges		563,360	521,414	552,264
Interest received		134,036	82,263	86,420
Goods and services tax received		379,037	0	124,901
Other revenue		274,460	117,848	321,590
		7,227,498	5,572,933	6,265,161
<b>Payments</b>				
Employee costs		(2,123,925)	(2,127,723)	(1,909,876)
Materials and contracts		(1,197,286)	(1,458,589)	(917,709)
Utility charges		(340,983)	(374,962)	(338,820)
Interest expenses		(22,588)	(24,260)	(33,050)
Insurance paid		(222,027)	(239,954)	(232,042)
Goods and services tax paid		(327,679)	0	(366,765)
Other expenditure		(235,450)	(204,297)	(232,631)
		(4,469,938)	(4,429,785)	(4,030,893)
<b>Net cash provided by (used in) operating activities</b>	15	2,757,560	1,143,148	2,234,268
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	8(a)	(1,448,002)	(2,743,795)	(1,196,154)
Payments for construction of infrastructure	9(a)	(2,253,932)	(2,230,914)	(2,380,827)
Proceeds from self-supporting loans	10(b)	172,403	77,231	66,470
Net proceeds from financial assets		118,576	0	0
Non-operating grants, subsidies and contributions	2(a)	869,059	1,191,824	1,644,839
Advances to community groups		0	0	(400,000)
Proceeds from sale of property, plant & equipment	10(a)	289,463	191,800	277,046
<b>Net cash provided by (used in) investment activities</b>		(2,252,433)	(3,513,854)	(1,988,626)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	13(a)	(172,404)	(80,481)	(566,470)
Proceeds from new borrowings	13(b)	0	0	400,000
<b>Net cash provided by (used in) financing activities</b>		(172,404)	(80,481)	(166,470)
<b>Net increase (decrease) in cash held</b>		332,723	(2,451,187)	79,172
Cash at beginning of year		4,302,105	4,416,732	4,222,933
<b>Cash and cash equivalents at the end of the year</b>	15	4,634,828	1,965,545	4,302,105

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

**SHIRE OF WONGAN-BALLIDU**  
**RATE SETTING STATEMENT**  
**FOR THE YEAR ENDED 30TH JUNE 2019**

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>	22 (b)	2,488,913	2,081,517	1,785,733
		2,488,913	2,081,517	1,785,733
<b>Revenue from operating activities (excluding rates)</b>				
Governance		49,602	53,400	70,431
General purpose funding		2,260,442	1,023,000	2,089,943
Law, order, public safety		43,124	35,500	34,694
Health		20,692	32,100	49,284
Education and welfare		15,956	18,498	10,190
Housing		65,983	80,787	103,729
Community amenities		202,391	202,040	203,334
Recreation and culture		43,776	156,976	45,487
Transport		519,584	527,693	440,150
Economic services		50,670	42,950	44,200
Other property and services		613,588	279,585	524,793
		3,885,808	2,452,529	3,616,235
<b>Expenditure from operating activities</b>				
Governance		(250,674)	(251,206)	(385,432)
General purpose funding		(114,567)	(118,466)	(131,135)
Law, order, public safety		(135,930)	(150,930)	(123,254)
Health		(133,123)	(155,804)	(171,519)
Education and welfare		(178,772)	(218,055)	(204,118)
Housing		(175,365)	(200,532)	(174,865)
Community amenities		(426,114)	(468,989)	(401,570)
Recreation and culture		(1,747,556)	(1,573,368)	(1,499,491)
Transport		(2,761,698)	(2,010,485)	(1,666,217)
Economic services		(988,166)	(203,639)	(165,189)
Other property and services		(579,262)	(825,927)	(660,811)
		(7,491,227)	(6,177,401)	(5,583,601)
Non-cash amounts excluded from operating activities	22(a)	3,126,419	1,746,291	1,641,919
<b>Amount attributable to operating activities</b>		2,009,913	102,936	1,460,286
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	2(a)	869,059	1,191,824	1,644,839
Proceeds from disposal of assets	10(a)	289,463	191,800	277,046
Proceeds from self supporting loans	13(b)	172,403	0	66,470
Advances to community groups		0	0	(400,000)
Purchase of property, plant and equipment	8(a)	(1,448,002)	(2,743,795)	(1,196,154)
Purchase and construction of infrastructure	9(a)	(2,253,932)	(2,230,914)	(2,380,827)
<b>Amount attributable to investing activities</b>		(2,371,009)	(3,591,085)	(1,988,626)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	13(b)	(172,404)	(80,481)	(566,470)
Proceeds from borrowings	13	0	80,481	400,000
Transfers to reserves (restricted assets)	4	(505,054)	(180,619)	(483,408)
Transfers from reserves (restricted assets)	4	512,050	835,285	884,902
<b>Amount attributable to financing activities</b>		(165,408)	654,666	235,024
<b>Surplus/(deficit) before imposition of general rates</b>		(526,504)	(2,833,483)	(293,316)
<b>Total amount raised from general rates</b>	21	2,854,387	2,857,483	2,782,229
<b>Surplus/(deficit) after imposition of general rates</b>	22(b)	<b>2,327,883</b>	<b>24,000</b>	<b>2,488,913</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	2,090,266	922,000	1,969,541
Law, order, public safety	33,022	25,000	22,824
Recreation and culture	4,525	115,000	10,550
Transport	506,692	522,365	436,728
Other property and services	132,133	125,310	198,414
	2,766,638	1,709,675	2,638,057
<b>Non-operating grants, subsidies and contributions</b>			
Recreation and culture	108,960	435,837	0
Transport	755,985	755,987	1,644,839
Other property and services	4,114	0	0
	869,059	1,191,824	1,644,839
<b>Total grants, subsidies and contributions</b>	<b>3,635,697</b>	<b>2,901,499</b>	<b>4,282,896</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)

	2019 Actual \$	2019 Budget \$	2018 Actual \$
<b>Other revenue</b>			
Reimbursements and recoveries	197,974	62,598	206,989
Other	76,486	55,250	114,597
	274,460	117,848	321,586
<b>Fees and Charges</b>			
Governance	4,753	5,350	4,902
General purpose funding	6,923	7,500	4,753
Law, order, public safety	10,103	10,500	11,870
Health	24,516	28,500	31,721
Education and welfare	62	1,500	0
Housing	58,297	67,000	86,372
Community amenities	199,855	202,040	201,640
Recreation and culture	38,227	30,500	26,448
Transport	2,559	2,000	2,059
Economic services	48,019	42,800	40,200
Other property and services	170,046	123,724	142,299
	563,360	521,414	552,264
There were no changes during the year to the amount of the fees or charges detailed in the original budget.			
<b>Interest earnings</b>			
Loans receivable - clubs/institutions	21,049	7,763	8,183
Reserve accounts interest	46,624	32,500	28,386
Rates instalment and penalty interest (refer Note 21 (e))	0	0	27,025
Other interest earnings	34,074	20,000	22,826
	101,747	60,263	86,420

### SIGNIFICANT ACCOUNTING POLICIES

#### Interest earnings

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

#### Interest earnings (Continued)

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

## 2. REVENUE AND EXPENSES (Continued)

### (b) Expenses

#### Auditors remuneration

- Audit of the Annual Financial Report
- Other services

#### Interest expenses (finance costs)

Borrowings (refer Note 13(b))

#### Rental charges

- Operating leases

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
	29,271	29,500	25,205
	1,556	0	7,250
	30,827	29,500	32,455
	20,665	24,260	28,136
	20,665	24,260	28,136
	9,105	9,096	8,594
	9,105	9,096	8,594

### 3. CASH AND CASH EQUIVALENTS

	NOTE	2019 \$	2018 \$
Cash at bank and on hand		2,776,002	2,151,119
Term deposits		1,858,826	2,150,986
		4,634,828	4,302,105
Financial Assets at amortised cost-term deposits	7	85,750	204,326
		4,720,578	4,506,431
<b>Comprises:</b>			
- Unrestricted cash and cash equivalents		2,447,661	2,269,268
- Restricted cash and cash equivalents		2,272,917	2,237,163
		4,720,578	4,506,431
The following restrictions have been imposed by regulations or other externally imposed requirements:			
<b>Reserve accounts</b>			
Depot Improvement Reserve	4	10,377	6,260
Plant Reserve	4	682,931	710,580
Housing Reserve	4	1,832	1,794
WH CRC Reserve	4	13,372	13,097
LSL Reserve	4	81,043	79,380
Swimming Pool Reserve	4	113,573	134,689
Historical Reserve	4	6,994	6,851
Medical Facilities Reserve	4	290,895	284,986
Waste Management Reserve	4	39,564	33,855
Housing JV Stickland Street Reserve	4	47,640	41,765
Housing JV Quinlan Street Reserve	4	39,121	33,421
Housing JV Patterson Street Reserve	4	38,573	32,885
Sporting Co-Location Reserve	4	862,451	855,799
		2,228,366	2,235,362
<b>Other restricted cash and cash equivalents</b>			
Unspent grants/contributions	20	39,823	1,801
Bonds and Deposits Held	24	4,728	0
<b>Total restricted cash and cash equivalents</b>		<b>2,272,917</b>	<b>2,237,163</b>

#### SIGNIFICANT ACCOUNTING POLICIES

##### Cash and cash equivalents

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

##### 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 WONGAN-BALLIDU**  
**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) Depot Improvement Reserve	6,260	4,117	0	10,377	6,245	93	0	6,338	6,162	98	0	6,260
(b) Plant Reserve	710,580	80,901	(108,550)	682,931	708,919	80,563	(100,000)	689,482	657,895	234,585	(181,900)	710,580
(c) Loan Repayments Reserve	0	0	0	0	0	0	0	0	511,228	89	(511,317)	0
(d) Housing Reserve	1,794	38	0	1,832	1,790	27	0	1,817	1,766	28	0	1,794
(e) WH CRC Reserve	13,097	275	0	13,372	13,068	195	0	13,263	12,893	204	0	13,097
(f) LSL Reserve	79,380	1,663	0	81,043	79,201	1,180	0	80,381	78,142	1,238	0	79,380
(g) Swimming Pool Reserve	134,689	2,884	(24,000)	113,573	134,388	2,002	(24,000)	112,390	132,589	2,100	0	134,689
(h) Historical Reserve	6,851	143	0	6,994	6,835	102	0	6,937	6,744	107	0	6,851
(i) Medical Facilities Reserve	284,986	5,909	0	290,895	284,250	4,236	0	288,486	408,982	42,689	(166,685)	284,986
(j) Waste Management Reserve	33,855	5,709	0	39,564	33,771	5,503	0	39,274	28,386	5,469	0	33,855
(k) Housing JV Stickland Street Reserve	41,765	5,875	0	47,640	41,663	5,621	0	47,284	36,173	5,592	0	41,765
(l) Housing JV Quinlan Street Reserve	33,421	5,700	0	39,121	33,338	5,497	0	38,835	27,959	5,462	0	33,421
(m) Housing JV Patterson Street Reserve	32,885	5,688	0	38,573	32,803	5,489	0	38,292	27,431	5,454	0	32,885
(n) Sporting Co-Location Reserve	855,799	386,152	(379,500)	862,451	807,662	70,111	(711,285)	166,488	700,506	180,293	(25,000)	855,799
	2,235,362	505,054	(512,050)	2,228,366	2,183,933	180,619	(835,285)	1,529,267	2,636,856	483,408	(884,902)	2,235,362

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) Depot Improvement Reserve	Ongoing	- To be used to fund capital improvements and maintenance works at the Shire of Wongan-Ballidu.
(b) Plant Reserve	Ongoing	- To be used for the purchase of major plant.
(c) Loan Repayments Reserve	June 2018	- To be used to fund loan repayments for land and housing development in the Shields Crescent and Danubin Rise areas.
(d) Housing Reserve	Ongoing	- To be used for the development of housing within the Shire.
(e) WH CRC Reserve	Ongoing	- To be used to transfer funds from the Community Resource Centre operations for the future purchase of capital, furniture and equipment.
(f) LSL Reserve	Ongoing	- To be used for Council's current and non-current long service leave liability.
(g) Swimming Pool Reserve	Ongoing	- To be used to fund capital and maintenance works at the Wongan Hills Memorial Swimming Pool.
(h) Historical Reserve	Ongoing	- To be used to fund historical publications and projects of the Shire.
(i) Medical Facilities Reserve	Ongoing	- To be used to fund the refurbishment of a multi-purpose medical facility in Wongan Hills to house the doctor, dentist and other medical services and to fund projects identified for the Royalties for Regions programme.
(j) Waste Management Reserve	Ongoing	- To be used to fund the future waste management facility needs of the Shire.
(k) Housing JV Stickland Street Reserve	Ongoing	- To be used to fund the capital and operating costs of the housing joint venture in Stickland Street.
(l) Housing JV Quinlan Street Reserve	Ongoing	- To be used to fund the capital and operating costs of the housing joint venture in Quinlan Street.
(m) Housing JV Patterson Street Reserve	Ongoing	- To be used to fund the capital and operating costs of the housing joint venture in Quinlan Street.
(n) Sporting Co-Location Reserve	Ongoing	- To be used to fund the implementation of the co-location of sports facilities within the Shire of Wongan-Ballidu.

## 5. TRADE RECEIVABLES

### Current

Rates receivable
Sundry receivables
GST receivable

### Non-current

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

2019	2018
\$	\$
213,800	186,653
106,495	330,267
20,762	72,120
341,057	589,040
23,391	32,941
23,391	32,941

## 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.

## 6. INVENTORIES

### Current

Fuel & Oil

### Non-current

Land held for resale - cost

Cost of acquisition

The following movements in inventories occurred during the year:

### Carrying amount at 1 July

Additions to inventory

Amounts Expended

Change in Valuation of Land

### Carrying amount at 30 June

	2019	2018
	\$	\$
	11,204	11,856
	11,204	11,856
	211,110	724,000
	211,110	724,000
	735,856	735,263
	509,824	422,776
	(510,476)	(422,183)
	(512,890)	0
	222,314	735,856

## SIGNIFICANT ACCOUNTING POLICIES

### General

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

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

### Land held for resale

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

### Land held for resale (Continued)

Borrowing costs and holding charges incurred after development is completed are expensed.

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

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

## 7. OTHER FINANCIAL ASSETS

	NOTE	2019 \$	2018 \$
<b>(a) Current assets</b>			
Other financial assets at amortised cost		156,172	274,384
		156,172	274,384
<b>Other financial assets at amortised cost</b>			
- Financial assets at amortised cost - self supporting loans		70,422	70,058
- Financial assets at amortised cost- term deposits	3	85,750	204,326
		156,172	274,384
<b>(b) Non-current assets</b>			
Other financial assets at amortised cost		286,401	459,168
Financial assets at fair value through profit and loss		87,576	0
		373,977	459,168
<b>Other financial assets at amortised cost</b>			
- Financial assets at amortised cost - self supporting loans		286,401	459,168
		286,401	459,168
<b>Financial assets at fair value through profit and loss</b>			
- <i>Unlisted equity investments</i>			
- Units in WA Local Government Association House Trust		87,576	0
		87,576	0

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

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

### SIGNIFICANT ACCOUNTING POLICIES

#### Other financial assets at amortised cost

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

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

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

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

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

#### Impairment and risk

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

### SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

#### Previous accounting policy: Loans and receivables

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

Refer to Note 25 for explanations regarding the change in accounting policy and reclassification of available for sale financial assets to financial assets at fair value through profit and loss.



## 8. PROPERTY, PLANT AND EQUIPMENT

### (a) Movements in Carrying Amounts

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

	Land - freehold land	Land - vested in and under the control of Council	Total land	Buildings - non- specialised	Buildings - specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Motor Vehicles	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2017</b>	2,223,200	500,000	2,723,200	3,837,855	15,502,390	19,340,245	22,063,445	169,115	3,704,431	312,067	26,249,058
Additions	23,431	0	23,431	123,921	217,839	341,760	365,191	45,014	610,300	175,649	1,196,154
(Disposals)	0	0	0	0	0	0	0	0	(255,450)	(131,771)	(387,221)
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	0	31	88	119	119	(50)	(18,987)	(928)	(19,846)
Depreciation (expense)	0	0	0	(41,379)	(124,679)	(166,058)	(166,058)	(31,601)	(309,320)	(39,552)	(546,531)
Transfers	0	0	0	(5,020)	(9,867)	(14,887)	(14,887)	0	0	0	(14,887)
<b>Carrying amount at 30 June 2018</b>	2,246,631	500,000	2,746,631	3,915,408	15,585,771	19,501,179	22,247,810	182,478	3,730,974	315,465	26,476,727
<b>Comprises:</b>											
Gross carrying amount at 30 June 2018	2,246,631	500,000	2,746,631	3,956,757	15,710,362	19,667,119	22,413,750	238,265	4,428,819	373,838	27,454,672
Accumulated depreciation at 30 June 2018	0	0	0	(41,349)	(124,591)	(165,940)	(165,940)	(55,787)	(697,845)	(58,373)	(977,945)
<b>Carrying amount at 30 June 2018</b>	2,246,631	500,000	2,746,631	3,915,408	15,585,771	19,501,179	22,247,810	182,478	3,730,974	315,465	26,476,727
Additions	0	0	0	452,532	61,126	513,658	513,658	189,429	628,804	116,111	1,448,002
(Disposals)	(23,431)	0	(23,431)	(145,297)	0	(145,297)	(168,728)	0	(244,268)	(76,522)	(489,518)
Assets written off	0	0	0	0	(158,884)	(158,884)	(158,884)	0	0	0	(158,884)
Depreciation (expense)	0	0	0	(39,717)	(121,045)	(160,762)	(160,762)	(40,485)	(327,560)	(50,045)	(578,852)
<b>Carrying amount at 30 June 2019</b>	2,223,200	500,000	2,723,200	4,182,926	15,366,968	19,549,894	22,273,094	331,422	3,787,950	305,009	26,697,475
<b>Comprises:</b>											
Gross carrying amount at 30 June 2019	2,223,200	500,000	2,723,200	4,256,913	15,615,376	19,872,289	22,595,489	426,917	4,706,942	388,189	28,117,537
Accumulated depreciation at 30 June 2019	0	0	0	(73,987)	(248,408)	(322,395)	(322,395)	(95,495)	(918,992)	(83,180)	(1,420,062)
<b>Carrying amount at 30 June 2019</b>	2,223,200	500,000	2,723,200	4,182,926	15,366,968	19,549,894	22,273,094	331,422	3,787,950	305,009	26,697,475

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

### (b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
<b>Land and buildings</b>					
Land - freehold land	Level 2/3	Market approach using observable or estimated open market values of similar assets, adjusted for condition and comparability, at their highest and best use	Independent Valuation	June 2017	Available or estimated market information
Land - vested in and under the control of Council	Level 3	Cost Approach using current replacement cost	Independent Valuation	June 2017	Improvement to land using construction costs (level 2 inputs) and current condition (Level 3 inputs)
Buildings - non-specialised	Level 2/3	Cost Approach using current replacement cost	Independent Valuation	June 2017	Available market information and utilising both observable and unobservable inputs being construction costs based on recent contract prices,current condition (Level 2 inputs), residual values and remaining useful life assessments (Level 3 inputs)
Buildings - specialised	Level 2/3	Cost Approach using current replacement cost	Independent Valuation	June 2017	Available market information and utilising both observable and unobservable inputs being construction costs based on recent contract prices,current condition (Level 2 inputs), residual values and remaining useful life assessments (Level 3 inputs)
<b>Furniture and equipment</b>	Level 3	Cost approach using depreciated replacement cost	Independent Valuation	June 2016	Available market information and utilising both observable and unobservable inputs being construction costs based on recent contract prices,current condition (Level 2 inputs), residual values and remaining useful life assessments (Level 3 inputs)
<b>Plant and equipment</b>	Level 2	Market approach using recent observable data for similar plant items	Independent Valuation	June 2016	Available market information
<b>Motor Vehicles</b>	Level 2	Market approach using recent observable data for similar motor vehicles	Independent Valuation	June 2016	Available market information

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

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

## 9. INFRASTRUCTURE

### (a) Movements in Carrying Amounts

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

	Infrastructure - Roads	Infrastructure - Other	Infrastructure - Footpaths	Infrastructure - Drainage	Infrastructure - Parks & Ovals	Infrastructure - Signs	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2017</b>	48,654,386	3,881,146	1,263,824	6,021,845	6,670,599	464,387	66,956,187
Additions	2,380,827	0	0	0	0	0	2,380,827
Revaluation increments / (decrements) transferred to revaluation surplus	46,073,678	1,144,496	572,312	4,792,682	31,600	0	52,614,768
Depreciation (expense)	(595,095)	(117,538)	(36,671)	(56,317)	(207,699)	(3,237)	(1,016,557)
Transfers	0	19,931	0	0	(5,045)	0	14,886
<b>Carrying amount at 30 June 2018</b>	96,513,796	4,928,035	1,799,465	10,758,210	6,489,455	461,150	120,950,111
<b>Comprises:</b>							
Gross carrying amount at 30 June 2018	96,513,796	5,042,293	1,799,465	10,758,210	7,169,520	497,522	121,780,806
Accumulated depreciation at 30 June 2018	0	(114,258)	0	0	(680,065)	(36,372)	(830,695)
<b>Carrying amount at 30 June 2018</b>	96,513,796	4,928,035	1,799,465	10,758,210	6,489,455	461,150	120,950,111
Additions	1,585,819	668,113	0	0	0	0	2,253,932
Depreciation (expense)	(1,267,726)	(129,576)	(51,505)	(109,191)	(215,066)	(3,237)	(1,776,301)
<b>Carrying amount at 30 June 2019</b>	96,831,889	5,466,572	1,747,960	10,649,019	6,274,389	457,913	121,427,742
<b>Comprises:</b>							
Gross carrying amount at 30 June 2019	98,099,615	5,706,706	1,799,465	10,758,210	7,169,520	497,522	124,031,038
Accumulated depreciation at 30 June 2019	(1,267,726)	(240,134)	(51,505)	(109,191)	(895,131)	(39,609)	(2,603,296)
<b>Carrying amount at 30 June 2019</b>	96,831,889	5,466,572	1,747,960	10,649,019	6,274,389	457,913	121,427,742

9. INFRASTRUCTURE (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - Roads	Level 3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction cost and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Other	Level 3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction cost and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Footpaths	Level 3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction cost and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Drainage	Level 3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction cost and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Parks & Ovals	Level 3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction cost and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Signs	Level 3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction 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 to determine the fair value of infrastructure using level 3 inputs.



10 PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

Revaluation

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

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

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY  
Land under control

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

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

Land under roads

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

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

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

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

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

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

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

**(a) Disposals of Assets**

	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss	2019 Budget Net Book Value	2019 Budget Sale Proceeds	2019 Budget Profit	2019 Budget Loss	2018 Actual Net Book Value	2018 Actual Sale Proceeds	2018 Actual Profit	2018 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	23,431	0	0	(23,431)	0	0	0	0	0	0	0	0
Buildings - non-specialised	145,297	40,909	0	(104,388)	0	0	0	0	0	0	0	0
Plant and equipment	244,268	179,554	9,286	(74,000)	319,662	136,800	3,030	(170,892)	255,450	192,500	82	(63,032)
Motor Vehicles	76,522	69,000	1,047	(8,569)	48,650	55,000	298	(8,948)	131,771	84,546	0	(47,225)
	489,518	289,463	10,333	(210,388)	368,312	191,800	3,328	(179,840)	387,221	277,046	82	(110,257)

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>Motor Vehicles</b>				
<b>Health</b>				
2016 Toyota Prius Sedan	28,964	21,000	0	(7,964)
<b>Other property and services</b>				
2016 Toyota Kluger GXL	36,605	36,000	0	(605)
2014 Toyota Hilux 4 x 2	10,953	12,000	1,047	0
	76,522	69,000	1,047	(8,569)
<b>Plant and Equipment</b>				
<b>Other property and services</b>				
2003 New Holland Tractor	20,714	30,000	9,286	0
Husqvarna Ride on Mower	3,333	1,818	0	(1,515)
2011 Mitsubishi Canter Truck	21,045	19,100	0	(1,945)
Wombat Skid-Steer Loader	6,690	3,636	0	(3,054)
2013 Komatsu Grader	192,486	125,000	0	(67,486)
	244,268	179,554	9,286	(74,000)
<b>Land</b>				
<b>Other Property and Services</b>				
Old CRC - 2 Elphin Crescent	23,431	0	0	(23,431)
	23,431	0	0	(23,431)
<b>Buildings - non-specialised</b>				
<b>Other Property and Services</b>				
Old CRC - 2 Elphin Crescent	145,297	40,909	0	(104,388)
	145,297	40,909	0	(104,388)
	489,518	289,463	10,333	(210,388)

**(b) Temporarily Idle Assets**

The Shire did not have any idle assets at 30 June 2019

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

### (c) Depreciation

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Buildings - non-specialised	39,717	48,278	41,379
Buildings - specialised	121,045	134,344	124,679
Furniture and equipment	40,485	32,568	31,601
Plant and equipment	327,560	313,138	309,320
Motor Vehicles	50,045	39,553	39,552
Infrastructure - Roads	1,267,726	690,426	595,095
Infrastructure - Other	129,576	311,472	117,538
Infrastructure - Footpaths	51,505	0	36,671
Infrastructure - Drainage	109,191	0	56,317
Infrastructure - Parks & Ovals	215,066	0	207,699
Infrastructure - Signs	3,237	0	3,237
	2,355,153	1,569,779	1,563,088

### 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 - non-specialised	25 - 100 Years
Buildings - specialised	25 - 100 Years
Furniture and equipment	4 - 10 Years
Plant and equipment	5 - 15 Years
Motor Vehicles	1 - 5 Years
Infrastructure - Road Seals	27 Years
Infrastructure - Road Subgrade	200 Years
Infrastructure - Road Unsealed	10 Years
Infrastructure - Footpaths	30 - 40 Years
Infrastructure - Drainage	70 Years
Infrastructure - Other	15 - 60 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:

- 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
- Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

## 11. REVALUATION SURPLUS

	2019 Opening Balance	2019 Closing Balance	2018 Opening Balance	2018 Revaluation Increment	2018 Revaluation (Decrement)	Total Movement on Revaluation	2018 Closing Balance
	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	14,695,153	14,695,153	14,695,153	0	0	0	14,695,153
Revaluation surplus - Buildings - non-specialised	31	31	0	31	0	31	31
Revaluation surplus - Buildings - specialised	88	88	0	88	0	88	88
Revaluation surplus - Furniture and equipment	160,617	160,617	160,667	0	(50)	(50)	160,617
Revaluation surplus - Plant and equipment	2,016,215	2,016,215	2,035,202	0	(18,987)	(18,987)	2,016,215
Revaluation surplus - Motor Vehicles	13,751	13,751	14,679	0	(928)	(928)	13,751
Revaluation surplus - Infrastructure - Roads	50,767,889	50,767,889	4,694,211	46,073,678	0	46,073,678	50,767,889
Revaluation surplus - Infrastructure - Other	4,236,181	4,236,181	3,091,685	1,144,496	0	1,144,496	4,236,181
Revaluation surplus - Infrastructure - Footpaths	1,672,764	1,672,764	1,100,452	572,312	0	572,312	1,672,764
Revaluation surplus - Infrastructure - Drainage	10,813,000	10,813,000	6,020,318	4,792,682	0	4,792,682	10,813,000
Revaluation surplus - Infrastructure - Parks & Ovals	6,447,451	6,447,451	6,415,851	31,600	0	31,600	6,447,451
Revaluation surplus - Infrastructure - Signs	448,811	448,811	448,811	0	0	0	448,811
	91,271,951	91,271,951	38,677,029	52,614,887	(19,965)	52,594,922	91,271,951

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



## 12. TRADE AND OTHER PAYABLES

### Current

Sundry creditors
Accrued interest on long-term borrowings
Accrued salaries and wages
ATO liabilities
Bonds and Deposits Held (refer to Note 24)

2019	2018
\$	\$
125,378	773
4,160	6,083
42,752	46,035
24,216	59,267
4,728	0
201,234	112,158

### 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 WONGAN-BALLIDU**  
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**13. INFORMATION ON BORROWINGS**

<b>(a) Borrowings</b>	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Current	74,117	80,481
Non-current	282,665	448,705
	<b>356,782</b>	<b>529,186</b>

**(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 New Loans	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
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Other property and services</b>																
Land Purchase & Development	145C	WATC	3.42%	0	0	0	0	0	0	0	0	500,000	0	500,000	3,156	0
				0	0	0	0	0	0	0	0	500,000	0	500,000	3,156	0
<b>Self Supporting Loans</b>																
<b>Education and welfare</b>																
Aged Complex Construction	151A	WATC	3.65%	292,400	15,618	11,524	276,782	292,400	15,618	10,531	276,782	0	300,000	7,600	9,478	292,400
Aged Complex Construction	151B	WATC	3.48%	97,177	97,177	1,837	0	97,177	5,255	3,336	91,922	0	100,000	2,823	2,288	97,177
<b>Housing</b>																
Community Association	142	WATC	6.14%	76,379	37,054	3,744	39,325	76,418	37,054	5,787	39,364	111,258	0	34,879	6,952	76,379
<b>Recreation and culture</b>																
Aged Complex Construction	147	WATC	6.91%	41,215	8,103	2,476	33,112	41,216	8,102	3,130	33,114	48,786	0	7,571	3,552	41,215
Wongan Hills Bowling Club	149	WATC	6.14%	22,015	14,452	1,084	7,563	25,492	14,452	1,476	11,040	35,612	0	13,597	2,710	22,015
				529,186	172,404	20,665	356,782	532,703	80,481	24,260	452,222	195,656	400,000	66,470	24,980	529,186
				529,186	172,404	20,665	356,782	532,703	80,481	24,260	452,222	695,656	400,000	566,470	28,136	529,186

\* WA Treasury Corporation

Self supporting loans are financed by payments from third parties. These are shown in Note 7 as other financial assets at amortised cost.  
All other loan repayments were financed by general purpose revenue.

### 13. INFORMATION ON BORROWINGS (Continued)

	2019	2018
	\$	\$
<b>(c) Undrawn Borrowing Facilities</b>		
<b>Credit Standby Arrangements</b>		
Bank overdraft limit	100,000	100,000
Credit card limit	7,500	7,500
Credit card balance at balance date	(6,556)	0
<b>Total amount of credit unused</b>	<b>100,944</b>	<b>107,500</b>
<b>Loan facilities</b>		
Loan facilities - current	74,117	80,481
Loan facilities - non-current	282,665	448,705
<b>Total facilities in use at balance date</b>	<b>356,782</b>	<b>529,186</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.

## 14. EMPLOYEE RELATED PROVISIONS

### Employee Related Provisions

#### Opening balance at 1 July 2018

Current provisions

Non-current provisions

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Current provisions	156,660	193,614	350,274
Non-current provisions	0	52,193	52,193
	156,660	245,807	402,467

Additional provision

Amounts used

#### Balance at 30 June 2019

#### Comprises

Current

Non-current

Additional provision	147,520	85,998	233,518
Amounts used	(135,604)	(75,989)	(211,593)
Balance at 30 June 2019	168,576	255,816	424,392
Comprises			
Current	168,576	227,823	396,399
Non-current	0	27,993	27,993
	168,576	255,816	424,392

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

Less than 12 months after the reporting date

More than 12 months from reporting date

2019	2018
\$	\$
111,218	75,989
313,174	326,478
424,392	402,467

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

### SIGNIFICANT ACCOUNTING POLICIES

#### Employee benefits

##### Short-term employee benefits

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

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

##### Other long-term employee benefits

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

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

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

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

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

##### Provisions

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

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

## 15. NOTES TO THE STATEMENT OF CASH FLOWS

### Reconciliation of Cash

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

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Cash and cash equivalents	4,634,828	1,965,545	4,302,105
<b>Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>			
Net result	118,027	324,431	2,459,702
Non-cash flows in Net result:			
Adjustments to fair value of financial assets	(87,576)	0	0
Assets Written Off	158,884	0	0
Depreciation	2,355,153	1,569,779	1,563,088
(Profit)/loss on sale of asset	200,055	176,512	110,175
Impairment loss on land held for resale	512,890	0	0
Changes in assets and liabilities:			
(Increase)/decrease in receivables	257,533	266,250	(133,221)
(Increase)/decrease in inventories	652	0	(593)
Increase/(decrease) in payables	89,076	(87,000)	(91,595)
Increase/(decrease) in provisions	21,925	85,000	(28,449)
Grants contributions for the development of assets	(869,059)	(1,191,824)	(1,644,839)
Net cash from operating activities	2,757,560	1,143,148	2,234,268



## 16. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2019	2018
	\$	\$
Governance	1,752,571	1,681,864
Law, order, public safety	252,056	275,375
Health	2,377,372	1,881,767
Education and welfare	760,607	778,421
Housing	492,402	994,114
Community amenities	924,123	940,752
Recreation and culture	19,771,249	19,972,826
Transport	111,773,743	111,622,310
Economic services	580,000	6,031,052
Other property and services	793,200	3,972,356
Unallocated	14,399,633	5,669,495
	153,876,956	153,820,332

## 17. CAPITAL AND LEASING COMMITMENTS

### (a) Capital Expenditure Commitments

Contracted for:

- Capital Expenditure Projects

2019	2018
\$	\$
4,093,491	0
4,093,491	0

Payable:

- not later than one year

4,093,491	0
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The Shire had one capital expenditure project outstanding at the end of the reporting period representing alterations and additions at the Wongan Hills Recreation Centre.

### (b) Operating Lease Commitments

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

Payable:

- not later than one year

- later than one year but not later than five years

2019	2018
\$	\$
9,105	9,105
18,973	27,316
28,078	36,421

## 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	9,011	10,710	7,515
President's Allowance	1,000	1,000	1,000
Deputy President's Allowance	250	250	250
Travelling Expenses	737	2,534	1,208
Telecommunications Allowance	7,000	7,000	6,750
	17,998	21,494	16,723

### 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	599,294	598,451
Post-employment benefits	66,613	70,626
Other long-term benefits	88,113	77,505
	754,020	746,582

#### *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
	\$	\$
Purchase of goods and services	90,187	36,217

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

19. JOINT ARRANGEMENTS

The Shire together with the Department of Housing have a joint venture arrangement with regard to the ownership of four housing units in Quinlan Street, three housing units in Stickland Street and two housing units in Patterson Street, Wongan Hills.

Share of Joint Operations

Stickland Street (11.22% of \$297,915)
Less: Accumulated Depreciation
Quinlan Street (9.20% of \$687,166)
Less: Accumulated Depreciation
Patterson Street (12.00% of \$206,900)
Less: Accumulated Depreciation
Total assets

2019	2018
\$	\$
33,426	33,426
(2,717)	(2,383)
67,489	67,489
(6,206)	(5,627)
30,455	30,455
(1,969)	(1,541)
120,478	121,819

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.

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>							
Dept. of Fire & Emergency Services	0	0	0	0	8,022	0	8,022
<b>Community amenities</b>							
CRC Network	1,780	0	0	1,780	0	0	1,780
Dept. of Regional Development	0	0	0	0	30,000	0	30,000
<b>Other property and services</b>							
Dept. of Regional Development	21	0	0	21	0	0	21
<b>Total</b>	<b>1,801</b>	<b>0</b>	<b>0</b>	<b>1,801</b>	<b>38,022</b>	<b>0</b>	<b>39,823</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 \$
Differential general rate / general rate										
<b>Gross rental valuations</b>										
Wongan Hills	0.096116	457	5,860,161	563,255	(166)	563,089	563,255	2,100	565,355	559,965
Ballidu and Cadoux	0.096116	68	449,824	43,235	0	43,235	43,235	0	43,235	42,542
<b>Unimproved valuations</b>										
Rural	0.011554	265	193,001,000	2,229,934	479	2,230,413	2,229,934	400	2,230,334	2,164,927
Mining	0.011554	0	0	0	0	0	0	0	0	0
<b>Sub-Total</b>		790	199,310,985	2,836,424	313	2,836,737	2,836,424	2,500	2,838,924	2,767,434
<b>Minimum payment</b>										
<b>Gross rental valuations</b>										
Wongan Hills	644	52	143,733	33,488	0	33,488	33,475		33,475	33,588
Ballidu and Cadoux	347	22	11,690	7,634	0	7,634	7,636		7,636	7,150
<b>Unimproved valuations</b>										
Rural	347	16	242,700	5,552	0	5,552	5,554		5,554	4,225
Mining	347	12	72,796	4,164	(65)	4,099	4,859		4,859	4,801
<b>Sub-Total</b>		102	470,919	50,838	(65)	50,773	51,524	0	51,524	49,764
		892	199,781,904	2,887,262	248	2,887,510	2,887,948	2,500	2,890,448	2,817,198
Discounts/concessions (refer Note 21(d))						(33,123)			(32,965)	(34,969)
<b>Total amount raised from general rate</b>						2,854,387			2,857,483	2,782,229
Ex-gratia rates						18,146			18,000	17,822
Rates paid in advance						31,259			0	0
<b>Totals</b>						2,903,792			2,875,483	2,800,051

### 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) Specified Area Rate

The Shire did not raise specified area rates during the year ended 30th June 2019.

(c) Service Charges

The Shire did not raise any service charges during the year ended 30th June 2019

(d) 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 Rates	2.00%	0	33,123	32,965	34,969	Early payment discount if payment in full received by 27 August 2018
			33,123	32,965	34,969	

21 RATING INFORMATION (Continued)

(e) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Inpaidd Rates Interest Rate
		\$	%	%
<b>Option One</b>				
Single full payment	10 Sep 2018			11.00%
<b>Option Two</b>				
First instalment	10 Sep 2018	\$ 33.00	5.50%	
Second instalment	09 Nov 2018		5.50%	
Third instalment	08 Jan 2019		5.50%	
Fourth instalment	11 Mar 2019		5.50%	

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Interest on unpaid rates	25,050	15,000	19,819
Interest on instalment plan	7,239	7,000	7,206
Charges on instalment plan	5,276	6,000	4,160
	37,565	28,000	31,185

## 22. RATE SETTING STATEMENT INFORMATION

		2018/19 (30 June 2019 Carried Forward)	2018/19 Budget (30 June 2019 Carried Forward)	2018/19 (1 July 2018 Brought Forward)
	Note	\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
<b>Adjustments to operating activities</b>				
Less: Profit on asset disposals	10(a)	(10,333)	(3,328)	(82)
Less: Fair value adjustments to financial assets at amortised cost	7	(87,576)	0	0
Add: Assets Written Off	8(a)	158,884	0	0
add Impairment loss on land held for resale	6	512,890	0	0
Movement in pensioner deferred rates (non-current)		9,550	0	(8,035)
Movement in long service leave reserve		1,663	0	1,238
Movement in employee benefit provisions (non-current)		(24,200)	0	(24,547)
Add: Loss on disposal of assets	10(a)	210,388	179,840	110,257
Add: Depreciation on assets	10(c)	2,355,153	1,569,779	1,563,088
<b>Non cash amounts excluded from operating activities</b>		<b>3,126,419</b>	<b>1,746,291</b>	<b>1,641,919</b>
<b>(b) Surplus/(deficit) after imposition of general rates</b>				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
<b>Adjustments to net current assets</b>				
Less: Reserves - restricted cash	3	(2,228,366)	(1,529,267)	(2,235,362)
Less: - Financial assets at amortised cost - self supporting loans	7(a)	(70,422)	(77,231)	(70,058)
Add: Borrowings	13(a)	74,117	77,231	80,481
Add: Leave Reserve	3	81,043	79,090	79,380
<b>Total adjustments to net current assets</b>		<b>(2,143,628)</b>	<b>(1,450,177)</b>	<b>(2,145,559)</b>
<b>Net current assets used in the Rate Setting Statement</b>				
Total current assets		5,143,261	2,479,129	5,177,385
Less: Total current liabilities		(671,750)	(1,004,952)	(542,913)
Less: Total adjustments to net current assets		(2,143,628)	(1,450,177)	(2,145,559)
<b>Net current assets used in the Rate Setting Statement</b>		<b>2,327,883</b>	<b>24,000</b>	<b>2,488,913</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
Market risk - interest rate	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
Credit risk	Cash and cash equivalents, trade receivables, financial assets and debt investments	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

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

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

### (a) Interest rate risk

#### Cash and cash equivalents

The Shire's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the Shire to cash flow interest rate risk. Short term overdraft facilities also have variable interest rates however these are repaid within 12 months, reducing the risk level to minimal.

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	1.86%	4,634,828	1,944,575	260,078	2,430,174
Financial assets at amortised cost - term deposits	2.35%	85,750	85,750	0	0
<b>2018</b>					
Cash and cash equivalents	2.04%	4,302,105	2,355,312	84,373	1,862,420
Financial assets at amortised cost	2.30%	204,326	204,326	0	0

#### 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*	46,348	43,021

\* Holding all other variables constant

#### Borrowings

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

## 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	139,855	32,589	13,777	27,579	213,800
Loss allowance	0	0	0	0	0

#### 01 July 2018

Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	145,297	13,777	10,918	16,661	186,653
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 as follows for sundry receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
<b>30 June 2019</b>					
Sundry Receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	43,259	61,634	325	1,278	106,495
Loss allowance	0	0	0	0	0

#### 01 July 2018

Sundry Receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	245,860	54,879	1,180	28,348	330,267
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. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 13(c).

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	201,234	0	0	201,234	201,234
Borrowings	85,886	157,782	196,125	439,793	356,782
	287,120	157,782	196,125	641,027	558,016
<b>2018</b>					
Payables	112,158	0	0	112,158	112,158
Borrowings	193,069	218,518	222,275	633,862	529,186
	305,227	218,518	222,275	746,020	641,344

## 24. TRUST FUNDS

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

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 12.

	1 July 2018	Amounts Received	Reclassification to Restricted Cash	Amounts Paid	30 June 2019
	\$	\$		\$	\$
Lake Ninan/Hinds Fire Brigade	4,821	0	0	0	4,821
Mocardy Bushfire Brigade	7,787	0	0	0	7,787
Fire Brigade - Glenvar	500	0	0	0	500
Housing Tenancy Bonds	5,888	0	(4,068)	(1,820)	0
Transport Payments	28,962	929,696	0	(948,456)	10,202
CRC Office Bond	0	0		0	0
Discover Golden Horizons	22,539	7,500	0	(2,398)	27,641
WH Nature Playground	1,680	0	0	0	1,680
Shire Hall Hire Bond	420	2,765	(350)	(2,835)	0
CRC Room Hire Bond	50	2,050	(150)	(1,950)	0
Councillor Nomination Deposits	160	0	(160)	0	0
	72,807	942,011	(4,728)	(957,459)	52,631

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

The effect of adopting AASB 9 as at 1 July 2018 was, as follows:

	Adjustments	01 July 2018
		\$
<b>Assets</b>		
Trade receivables	(a),(b)	0
Loans and advances	(a)	0
<b>Total Assets</b>		0
<b>Total adjustments to Retained Surplus</b>		
Accumulated surplus/(deficit)	(a),(b)	0
		0

The nature of these adjustments are described below:

#### (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.



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

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

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

- The Shire has designated the units in Local Government House as financial assets 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*	589,040	589,040	0	0
Loans and advances	529,226	529,226	0	0
	1,118,266	1,118,266	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 not recognised an additional impairment on the Shire's Trade receivables.

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

		AASB 118 carrying amount		AASB 15 carrying amount
	Note	30 June 2019	Reclassification	01 July 2019
		\$	\$	\$
<b>Contract liabilities - current</b>				
Unspent grants, contributions and reimbursements		0	39,823	39,823
Adjustment to retained surplus from adoption of AASB 15	26(d)	0	(39,823)	0

### (b) Leases

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

On adoption of AASB 16, the Shire will recognise lease liabilities in relation to leases which had previously been classified as an 'operating lease' applying AASB 117. These lease liabilities will be measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate on 1 July 2019. The weighted average lessee's incremental borrowing rates applied to the lease liabilities on 1 July 2019 is 3.30%.

	Note	2019
		\$
Operating lease commitments disclosed as at 30 June 2019		28,078
Discounted using the Shire's incremental borrowing rate of 3.30%	26(d)	28,007

On adoption of AASB 16, the Shire will recognise a right-of-use asset in relation to a lease which had previously been classified as an 'operating lease' applying AASB 117. This right-of-use asset is to be measured as if AASB 16 had been applied since its commencement date by the carrying amount but discounted using the lessee's incremental borrowing rate as on 1 July 2019. Property, plant and equipment increases by \$28,007 on 1 July 2019 and the net impact on retained earnings on 1 July 2019 will be \$Nil.

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

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

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

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

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

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

		AASB 1004 carrying amount		AASB 1058 carrying amount
	Note	30 June 2019	Reclassification	01 July 2019
		\$	\$	\$
Trade and other payables		201,234	347,394	548,628
Adjustment to retained surplus from adoption of AASB 1058	26(d)		(347,394)	

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

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

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

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

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

	Note	Adjustments	2019
			\$
Retained surplus - 30 June 2019			59,394,231
Adjustment to retained surplus from adoption of AASB 15	26(a)	(39,823)	
Adjustment to retained surplus from adoption of AASB 16	26(b)	0	
Adjustment to retained surplus from adoption of AASB 1058	26(c)	(347,394)	(387,217)
Retained surplus - 01 July 2019			59,007,014

## 27. EFFECT OF CHANGES IN ACCOUNTING POLICY

Balances relating to the 2018 comparative period have been amended due to a change in accounting policy. These amendments have been adjusted as shown below and, in accordance with the requirements of AASB101, a statement of financial position as at the beginning of the earliest comparative period has been included (refer statement of financial position column labelled as at 1 July 2017).

On the 26 June 2018 Paragraph 17A (5) was inserted into Local Government (Financial Management) Regulations 1996. The regulation stated an asset is to be excluded from the assets of a local government if the fair value of the asset at the date of acquisition by the local government is under \$5 000.

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

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

Effect of the above:	30 June 2017 Original Balance	Amount of Adjustment	1 July 2017 Restated
	\$	\$	\$
<b>2017</b>			
<b><u>STATEMENT OF FINANCIAL POSITION</u></b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	26,318,130	(69,072)	26,249,058
Infrastructure	67,005,287	(49,100)	66,956,187
<b>Equity</b>			
Retained Surplus	56,427,087	(19,075)	56,408,012
Revaluation surplus	38,776,126	(99,097)	38,677,029

	30 June 2018 Original Balance	Amount of Adjustment	30th June 2018 Restated
<b>2018</b>			
<b><u>STATEMENT OF COMPREHENSIVE INCOME</u></b>			
<b>By Nature or Type</b>			
<b>Expenses</b>			
Depreciation	(1,569,937)	6,849	(1,563,088)
<b>By program</b>			
<b>Expenses</b>			
Other property and services	(593,207)	6,849	(586,358)
<b><u>STATEMENT OF FINANCIAL POSITION</u></b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	26,540,723	(63,996)	26,476,727
Infrastructure	121,133,705	(183,594)	120,950,111
<b>Equity</b>			
Retained Surplus	59,281,434	(12,226)	59,269,208
Revaluation surplus	91,507,315	(235,364)	91,271,951

## 27 EFFECT OF CHANGES IN ACCOUNTING POLICY (Continued)

	30 June 2018 Original Balance	Amount of Adjustment	30th June 2018 Restated
<b><u>RATE SETTING STATEMENT</u></b>			
Expenditure from operating activities			
Other property and services	(667,660)	6,849	(660,811)
Non-cash amounts excluded from operating activities	1,648,768	(6,849)	1,641,919
<b>10 <u>PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE)</u></b>			
<b>(b) Depreciation</b>			
Buildings - non-specialised	41,417	(38)	41,379
Buildings - specialised	124,767	(88)	124,679
Furniture and equipment	32,567	(966)	31,601
Plant and equipment	313,150	(3,830)	309,320
Other Infrastructure	119,465	(1,927)	117,538
<b>15 <u>NOTES TO THE STATEMENT OF CASH FLOWS</u></b>			
Net result	2,452,853	6,849	2,459,702
Depreciation	1,569,937	(6,849)	1,563,088
<b>16 <u>TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY</u></b>			
Other property and services	4,219,946	(247,590)	3,972,356
<b>22 <u>RATE SETTING STATEMENT INFORMATION</u></b>			
Add: Depreciation on assets	1,569,937	(6,849)	1,563,088



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.

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

**29. ACTIVITIES/PROGRAMS**

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

<b>PROGRAM NAME AND OBJECTIVES</b>	<b>ACTIVITIES</b>
<b>GOVERNANCE</b> The objective of the Governance program is to provide an efficient 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> The objective of this program is to generate general purpose funding to deliver a high quality of services to the community. to the community.	Activities involve the raising of rates, maximisation of general purpose government grants and interest revenue.
<b>LAW, ORDER, PUBLIC SAFETY</b> The objective of the program is to provide the highest standard of supervision of various local laws and statutory regulations	Activities involve animal control, fire prevention and emergency services to ensure a safer community.
<b>HEALTH</b> The Shire's health program aims to provide an operational framework for good community health.	Activities involve supervision of food quality and pest control, provision of maternal and infant health and the provision of a doctor to the community.
<b>EDUCATION AND WELFARE</b> Proportion and support of education for the youth of the community and care of the elderly.	Activities involve the support for aged accommodation, Community Health Care Centre, and Youth Services within the community
<b>HOUSING</b> This program aims to provide and maintain a high standard of housing to the community and staff	Activities involve management and maintenance of various rental residences throughout Wongan Hills.
<b>COMMUNITY AMENITIES</b> The objective of this program is to provide and maintain a high quality of sanitation, planning and cemetery services to the community.	Activities involve the management of refuse services, maintenance of refuse sites, administration of the town planning scheme, maintenance of the cemeteries in Wongan Hills and Ballidu
<b>RECREATION AND CULTURE</b> The areas of recreation and culture are of the highest importance to the community of the Shire of Wongan-Ballidu	Council's objective for this program is to provide, develop and maintain a superior level and quality of recreation facilities and cultural activities. This includes maintenance of civic centres and halls, recreation centres, ovals, parks and gardens, swimming areas, museums and the library facilities.
<b>TRANSPORT</b> Maintenance and development of the Shire's infrastructure and transport services is the objective of this program.	Construction and maintenance of streets, roads, bridges and footpaths, cleaning and lighting of streets, depot maintenance and maintenance of aerodromes are all provided to community.
<b>ECONOMIC SERVICES</b> This program aims to regulate and provide tourism and area promotion to generate interest in the Shire and therefore generate tourist dollars for the benefit of the community.	Activities include, Building Control, Provision of Standpipes and Tourism and Area promotion
<b>OTHER PROPERTY AND SERVICES</b> This program provides for the corporate overheads, support for the CRC, business enterprise and general building maintenance	Activities include, private works, community resource centre operations, maintenance of government buildings and business enterprise centre.

### 30 FINANCIAL RATIOS

	2019 Actual	2018 Actual	2017 Actual
Current ratio	4.90	5.90	2.24
Asset consumption ratio	0.97	0.99	0.97
Asset renewal funding ratio (refer to note 1.)	N/A	1.36	0.91
Asset sustainability ratio	0.59	2.03	1.39
Debt service cover ratio	8.42	4.05	30.26
Operating surplus ratio	(0.20)	0.23	0.06
Own source revenue coverage ratio	0.51	0.67	0.50

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

Note 1: The Shire's Long Term Financial Plan and Asset Management Plan do not have the required information and as a result this ratio could not be calculated.

**INDEPENDENT AUDITOR'S REPORT  
TO THE COUNCILLORS OF  
THE SHIRE OF WONGAN-BALLIDU**

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**REPORT ON THE AUDIT OF THE FINANCIAL REPORT**

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**Opinion**

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

In our opinion, the financial report of the Shire of Wongan-Ballidu:

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

**Basis for Opinion**

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

**Emphasis of Matter – Basis of Preparation**

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

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

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

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

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

## INDEPENDENT AUDITOR'S REPORT TO THE COUNCILLORS OF THE SHIRE OF WONGAN-BALLIDU (CONTINUED)

### REPORT ON THE AUDIT OF THE FINANCIAL REPORT (CONTINUED)

#### Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Shire's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the CEO.
- Conclude on the appropriateness of the CEO's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Shire's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report, as we cannot predict future events or conditions that may have an impact.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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



**INDEPENDENT AUDITOR'S REPORT  
TO THE COUNCILLORS OF  
THE SHIRE OF WONGAN-BALLIDU (CONTINUED)**

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

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

- a) All required information and explanations were obtained by us.
- b) All audit procedures were satisfactorily completed in conducting our audit.
- c) In our opinion, the asset consumption ratio included in the annual financial report was supported by verifiable information and reasonable assumptions.
- d) The asset renewal funding ratio was not calculated and consequently, no review was able to be carried out.

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

MOORE STEPHENS  
CHARTERED ACCOUNTANTS



WEN-SHIEN CHAI  
PARTNER

Date: 26 November 2019  
Perth, WA



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