



# Annual Report 2017 - 2018














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## OUR STATISTICS

# 2017-2018

 <b>419</b> Total number of residents* <i>*Based on 2011 Census</i>	 <b>364</b> Total number of rateable properties	 <b>\$687,398</b> Rates levied
 <b>\$320</b> Minimum general residential rate	 <b>\$320</b> Minimum general rural rate	 <b>5%</b> Increase in average rate
 <b>\$2,916,684</b> Operating revenue	 <b>\$33,416,114</b> Net assets	 <b>\$1,800,281</b> Operating grants revenue
 <b>\$659,132</b> Specific purpose grants revenue	 <b>76.4 km</b> Length of sealed roads	 <b>455.1 km</b> Length of gravel roads
 <b>0</b> Debt servicing ratio		 <b>88</b> Number of garbage services provided





## PRESIDENTS REPORT

I am pleased to once again present to the community, the Shire of Woodanilling Annual Report for the 2017/18 financial year.

A warm welcome to all those of you that have chosen to make Woodanilling their home - the Shire's population continues to grow with more and more people building residences and becoming a part of our community.

The Shire of Woodanilling continues to support resource sharing. Woodanilling embrace's a proactive relationship with neighbouring shires including the sharing of statutory service's (Building, Planning, Health and Emergency) and works services.

The 4WDL VROC (Voluntary Regional Organisation of Councils) comprising the Shires of Wagin, West Arthur, Williams, Woodanilling, Dumbleyung and Lake Grace continues to form a big part of Council's activities.

The Shire continues to actively improve its position through its membership of the Great Southern Zone,

Great Southern Development Commission, Regional Development Australia – Great Southern and the Great Southern Regional Road Group. These organisations and forums are essential regarding the funding and political representation the Shire needs.

### CONCLUSION

To my fellow Councillors and Staff, I express my thanks for their support over the past twelve months and for their continuing efforts to ensure that the organisation operates in an efficient manner.

I also wish the CEO, Belinda Knight, all the very best for the future.

**Cr H R (Russel) THOMSON, JP**  
President



# COUNCILLORS

**CR. H R (RUSSEL) THOMSON JP**  
(Term expires Oct 2021)

**SHIRE PRESIDENT**

818 Robinson Road  
Woodanilling WA 316  
Phone: 08 9823 1549      Mobile: 0419 950 217  
Email: kunmallup@bigpond.com

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**CR T P (TREVOR) YOUNG**  
(Term expires Oct 2019)

**DEPUTY PRESIDENT**

PO Box 125  
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**CR M W (MORRIS) TRIMMING**  
(Term expires Oct 2021)

1408 Onslow Road  
Westwood WA 6316  
Phone: 08 9821 1827      Mobile: 0407 774 624  
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**CR P G (PETER) MORRELL**  
(Term expires Oct 2019)

457 Ways Road  
Beaufort River WA 6394  
Phone: 08 9862 5015      Mobile: 0429 625 054  
Email: pjmorrell@bigpond.com

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**CR DS (DALE) DOUGLAS**  
(Term expires Oct 2021)

1525 Ashwell Road  
Woodanilling WA 6316  
Phone: 08 9823 1586      Mobile: 0429 231 586  
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**CR TJ (TIMOTHY) BROWN**  
(Term expires Oct 2019)

PO Box 76  
Woodanilling WA 6316  
Phone: 08 9823 1115      Mobile: 0418 470 920

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## COMPLAINTS

No complaints were made against Councillors under Section 5.121 of the *Local Government Act 1995* during the reporting period.

## PUBLIC INTEREST DISCLOSURES (PIDS)

The Shire did not complete the Public Sector Commission's Integrity & Conduct Survey in 2018. This covers the annual reporting responsibilities under the *Public Interest Disclosure Act 2003*. The survey assists the PSC in monitoring ethical trends and building capacity through strengthening organizational structure, leadership and systems, and policies and processes, as part of its oversight of minor misconduct functions under the *Corruption, Crime and Misconduct Act 2003*.

The Shire of Woodanilling did not receive any public interest disclosures during 2017/2018.

## ANNUAL SALARY

Salary Range	14/15	15/16	16/17	17/18
\$100,000 - \$109,999		1		
\$110,000 - \$119,999			1	1
\$120,000 - \$129,999				
\$130,000 - \$139,999				
\$140,000 - \$149,999				
\$150,000 - \$159,999				
\$160,000 - \$169,999				







# CEO'S REPORT

## THE YEAR AT A GLANCE

### July 2017

- 2017/18 Budget Adopted.
- Revised Policy 63 – Private use of Council Plant & Equipment.

### August 2017

- Council funded Community Events – New Holland Consort (Classical Music ensemble) & Suicide Prevention Workshop (Wagin Baptist Church).
- Local Government Convention.

### September 2017

- Revision of Town Planning Policy No 2.

### October 2017

- Council Elections.
- Review of Policy 85 – Keeping of More than 2 Dogs.

### November 2017

- WANDRRA project report.

### December 2017

- Amendment to Woodanilling Animals, Environment and Nuisance Local Law 2017.

### January 2018

- Council hosted the Australia Day breakfast for our community.

### February 2018

- Annual Compliance Return.
- Woodanilling Primary School – Oval Upgrade & Water Supply.

### March 2018

- Policy Manual Review – Policies to be repealed.

### April 2018

- Review of Draft Road Asset Management Plan.

### May 2018

- Annual Report 2016/2017.

### June 2018

- 1st Draft Budget considered for 2018/19 financial year.
- Lotterywest Grant Funding – Outdoor Exercise Equipment.
- Recreational Boating Facilities Scheme Funding – Lake Queerearrup.

Once again I would like to express my appreciation to my staff and to the elected members for their continued support over the past twelve months. This will be the last Annual Report I prepare for the Shire of Woodanilling, as I am leaving at the end of 2018. I have enjoyed my time in Woodanilling and I wish Council and staff all the best for the future.

### **BELINDA KNIGHT**

Chief Executive Officer

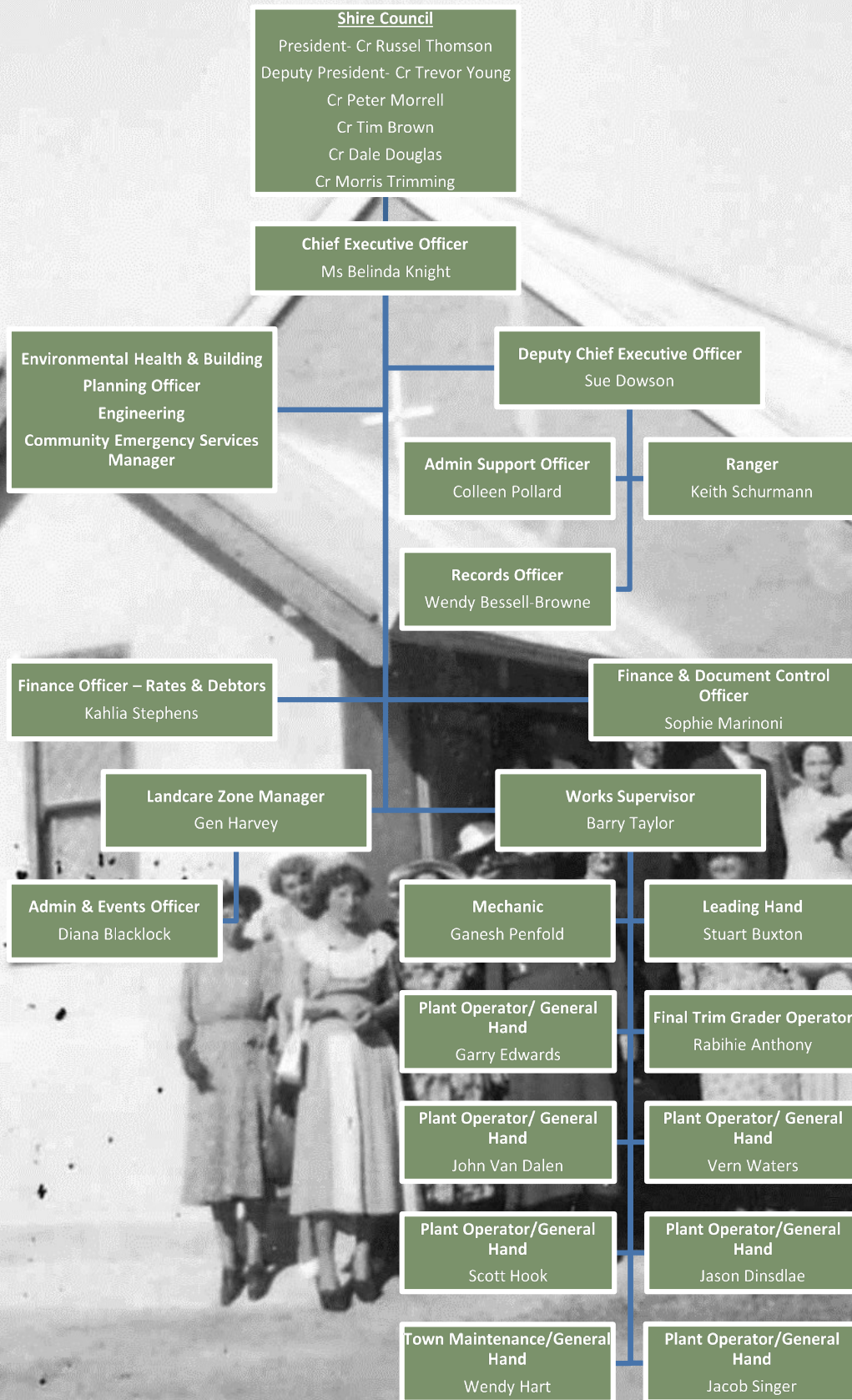
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### **SEAN FLETCHER**

Acting Chief Executive Officer



# ORGANISATION STRUCTURE







## INTEGRATED PLANNING

The *Local Government (Administration) Regulations 1996* has been amended to require each local government to adopt a Strategic Community Plan and a Corporate Business Plan.

This Integrated Strategic Planning Framework provides the basis for improving the practice of strategic planning in local government. It addresses the minimum requirements to meet the intent of the Act and outlines processes and activities to achieve an integrated strategic plan at the individual local government level.

There are three major parties to the development of an integrated strategic plan:

1. The Community – participates in a community planning process to determine major vision or intended big picture directions and also participates in regular reviews of those directions.
2. The Council – signs off the Strategic Community Plan resulting from the community planning process, the four year reviews updating that plan, and the annual budget.
3. The Local Government Administration – supports delivery of the Strategic Community Plan, the 4-yearly reviews, and annual budget through its corporate business planning.

Shire activities contained within the Corporate Business Plan for each year are noted within the Budget papers, and are reviewed within the Annual Report for that year.

The following table is a snapshot of identified projects from the Corporate Business Plan including their progress for 2017/18 and proposed course of action for 2018/19. Each project is classified as Short Term, Medium Term, Long Term and Ongoing.

Goal	Strategy	Action/ Project	Year	Short term Medium term Long term Ongoing	2017/18 Status
<b>CF.1</b> Implementation of adopted Town Centre Enhancement Plan recommendations	<ul style="list-style-type: none"> <li>Review existing Woodanilling Town Centre Enhancement Plan &amp; adopt priorities</li> </ul>	<ul style="list-style-type: none"> <li>Implement Plan</li> </ul>	2013-14	Ongoing	Town Enhancement Plan in place and priorities are followed
<b>CF.2</b> Secure water supply to ensure self-sufficiency for town oval, parks & public areas (non-potable water)	<ul style="list-style-type: none"> <li>Review various Water Plans (see informing strategies list)</li> <li>Maximise stormwater catchment in town</li> </ul>	<ul style="list-style-type: none"> <li>Develop catchment plan</li> <li>Update plan as necessary</li> <li>Implement catchment plan</li> </ul>	2014-15	Short term	Not commenced
<b>CF.3</b> Ongoing support for regional facilities that meet the needs of the local community	<ul style="list-style-type: none"> <li>Identify regional facilities</li> <li>Be aware of and receptive to requests for support</li> </ul>	<ul style="list-style-type: none"> <li>Undertake advocacy and development activities to develop proposals and attract funding as required (e.g. needs assessment, cost benefit and funding applications)</li> </ul>	2014-15	Ongoing	During 2017/18, the Shire identified that there was a need to be a part of the GSCORE Master Trails project for the Great Southern. This will continue on into 2018/19 and 2019/20 regarding the development of the Trails Master Plan
<b>CF.5</b> Integrated waste management including implementation of adopted Landfill Environmental Management Plan recommendations	<ul style="list-style-type: none"> <li>Comply with State Zero Waste Strategy</li> <li>Review Woodanilling Landfill Environmental Management Plan (WLEMP)</li> <li>Keep options open for participation in regional refuse site options</li> </ul>	<ul style="list-style-type: none"> <li>Implement priority recommendations from WLEMP (Installing tip shop, recycling centre and fencing)</li> </ul>	2013-14	Short term	<p>The Tip Shop and recycling collection point is now in place. The Shire in 2018/19 will:</p> <ul style="list-style-type: none"> <li>Comply with the phasing out of single use plastic bags;</li> <li>Investigate how the community can dovetail into the Container Deposit Scheme</li> </ul>
<b>CF.6</b> Sponsorship Program for Local Sporting Heroes– Jan 2013 inaugural Sports Star of the Year Award	<ul style="list-style-type: none"> <li>Establish a reserve account</li> </ul>	<ul style="list-style-type: none"> <li>Create eligibility guidelines</li> <li>Establish selection committee</li> <li>Advertise and accept ongoing applications</li> <li>Annual awards presentation</li> </ul>	2014-15	Short term	Not commenced

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Goal	Strategy	Action/ Project	Year	Short term Medium term Long term Ongoing	2017/18 Status
<b>CF.7</b> Men's Shed – secure building, form Group & on-going support	<ul style="list-style-type: none"> <li>Establish need &amp; requirements for project</li> <li>Purchase property</li> <li>Ongoing support to Group</li> </ul>	<ul style="list-style-type: none"> <li>Prepare heritage study and business plan (including sourcing of venue)</li> <li>Source funding (prepare applications)</li> <li>Fit out building</li> <li>Implement business plan (ongoing operation)</li> </ul>	2013-14	Ongoing	The Mens' Shed commenced on 1 January 2014 with a 20 year use agreement in place: <ul style="list-style-type: none"> <li>This project is now completed;</li> <li>Ongoing support by the Shire as required</li> </ul>
<b>CF.9</b> Complete oval lighting within 5 years to Australian Standards for training.	<ul style="list-style-type: none"> <li>Conduct lighting design, secure funding and implement the project</li> </ul>	<ul style="list-style-type: none"> <li>Conduct design and source funding (prepare applications)</li> <li>Construct lights if required</li> <li>Acquit grants</li> </ul>	2013-17	Short Term	Not commenced
<b>CF.10</b> Community Housing – development of social and affordable housing, including housing for the well aged.	<ul style="list-style-type: none"> <li>Retain seniors in town</li> <li>Review existing Aged Housing Regional Plan (4WDL)</li> </ul>	<ul style="list-style-type: none"> <li>Develop business plan and source funding</li> <li>Design and build 4 units suitable for well-aged (inc project management)</li> <li>Source funding for additional units</li> </ul>	2013-17	Short Term	The Shire has the following Well Aged Facilities in place: <ul style="list-style-type: none"> <li>Salmon Gums;</li> <li>Wattleville</li> </ul> There may be additional funding opportunities in 2019/20 onwards
<b>CF. 11</b> Implement bike/walking path network to connect the town to Whispering Winds and Caravan Park	<ul style="list-style-type: none"> <li>Determine need</li> <li>Identify suitable routes</li> </ul>	<ul style="list-style-type: none"> <li>Needs assessment and concept design</li> <li>Source funding (grant applications)</li> <li>Detailed design and construct paths in accordance with successful funding timelines</li> </ul>	2014-19	Long Term	See Project CF3
<b>CF.12</b> Develop and implement upgrade plan for Woodanilling Cemetery that is sensitive to denominational and indigenous groups	<ul style="list-style-type: none"> <li>Establish Project Team</li> <li>Develop Plan</li> </ul>	<ul style="list-style-type: none"> <li>Develop and adopt Plan and set priorities</li> <li>Implement Plan in accordance with adopted priorities</li> </ul>	2013-16	Short term	Commenced in 2015/16 including survey. No further action since

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Goal	Strategy	Action/ Project	Year	Short term Medium term Long term Ongoing	2017/18 Status
<b>CW.1</b> Develop Community Initiative Programs to ensure active community participation and volunteering	<ul style="list-style-type: none"> <li>Identify need</li> <li>Identify what others do</li> <li>Utilise Dept for Communities "Vital Volunteering" strategy</li> </ul>	<ul style="list-style-type: none"> <li>Needs assessment and program establishment (Community survey and visit other communities to seek information)</li> <li>Implement ongoing initiatives</li> </ul>	2013-14	Medium term	<ul style="list-style-type: none"> <li>Volunteer policy considered but not progressed;</li> <li>In 2018/19, Shire to develop a list of key volunteer activities</li> </ul>
<b>CW.7</b> Good Health Access: <ul style="list-style-type: none"> <li>HACC</li> <li>Dr/Nurse Practitioner</li> <li>Seminars</li> <li>Age Friendly Plan</li> <li>Programs &amp; Services (Age in Place)</li> </ul>	<ul style="list-style-type: none"> <li>Advocate on behalf of community for provision of services</li> </ul>	<ul style="list-style-type: none"> <li>CEO to conduct advocacy on behalf of the community</li> </ul>	2014-19	Long term	<ul style="list-style-type: none"> <li>HACC is in the process of transition and to be replaced by the Commonwealth model;</li> <li>The need for an Age Friendly Plan and Age in Place to be considered as part of the 2019 SCP Major Review</li> </ul>
<b>CW.9</b> Encourage the establishment of new businesses by providing a link to available resources, incentives and possible physical structures.	<ul style="list-style-type: none"> <li>Identify need</li> <li>Identify what others do</li> </ul>	<ul style="list-style-type: none"> <li>Community survey, visit other communities for survey of potential similar provision and provide links on council website</li> <li>Implementation of options determined in the survey</li> </ul>	2014-19	Long term	Not commenced
<b>CW.10</b> Ensure significant heritage buildings and places under Council's care and/or ownership are preserved and where possible restored.	<ul style="list-style-type: none"> <li>Identify buildings of significant heritage value</li> <li>Prepare Heritage Management Plan(s)</li> <li>Establish funding options (eg Reserve Fund)</li> <li>Review existing Woodanilling Heritage Interpretation Plan</li> </ul>	<ul style="list-style-type: none"> <li>Set policy for annual transfer to/from Fund</li> <li>Develop, adopt and implement Plan(s)</li> <li>Review Woodanilling Heritage Interpretation Plan</li> <li>Implementation</li> </ul>	2013-18	Medium term	Not commenced
<b>CW.11</b> Develop Community Pride programs that are reflected by the high standard of maintenance and development of private properties within the town.	<ul style="list-style-type: none"> <li>Identify need</li> <li>Identify what others do</li> </ul>	<ul style="list-style-type: none"> <li>Needs assessment and program establishment (Community survey and visit other communities to seek information)</li> <li>Implement ongoing initiatives</li> </ul>	2013-14	Short term	Although a pride program has not been developed, the Shire has implemented the Animal, Nuisance and Environment Local Law that includes a property improvement program

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Goal	Strategy	Action/ Project	Year	Short term Medium term Long term Ongoing	2017/18 Status
<b>EN.1</b> Restore and protect natural environment and landscape	<ul style="list-style-type: none"> <li>Plan work program to reduce weeds in natural areas</li> </ul>	<ul style="list-style-type: none"> <li>Roadside weed control</li> <li>Weed control in reserves</li> <li>Revegetate roadsides to reduce weed burden</li> </ul>	2013-18	Medium term	This program is ongoing, but subject to Shire budgetary constraints
<b>EN.4</b> Protect built environment and resources by reducing water and non-water threats	<ul style="list-style-type: none"> <li>Education on proper water management</li> <li>Change to appropriate landscaping for climate and land</li> <li>Maximise collection and use of rainwater</li> <li>Waste Minimisation and disposal</li> </ul>	<ul style="list-style-type: none"> <li>Monitor total water use on public land</li> <li>Investigate other sources of water, maximising recycling opportunities and reducing water use.</li> </ul>	2014-19	Medium term	The Shire in 2018/19 will review its standpipe use as part of the Fixed Standpipe Review
<b>EN.5</b> Protect and sustainably use natural resources	<ul style="list-style-type: none"> <li>Surface water management on valley floors to reduce inundation</li> <li>Surface drainage to remove ponded water and enable free flow in waterways</li> </ul>	<ul style="list-style-type: none"> <li>Review effectiveness of townsite water management plan</li> <li>Prepare drainage plan for road network</li> </ul>	2014-19	Medium term	Not commenced
<b>EN.6</b> Increase capacity of community to implement NRM and Improve NRM information	<ul style="list-style-type: none"> <li>Education on clearing controls and guidelines</li> <li>Resource sharing NRM to maximise service to the community</li> </ul>	<ul style="list-style-type: none"> <li>Develop local clearing policies and develop and distribute educational information to include environmentally sensitive and community high priority areas</li> <li>Ongoing support to WWLZ</li> </ul>	2013-16	Medium term	<ul style="list-style-type: none"> <li>The development of clearing policies needs further consideration;</li> <li>Educational material could be developed in conjunction with DPaW and WWLZ</li> <li>The Shire has continued both financial and administrative support to WWLZ</li> </ul>
<b>LO.1</b> Implement adopted recommendations from Woodanilling Crime Prevention Plan.	<ul style="list-style-type: none"> <li>Appoint project manager and if necessary Project Team to implement Plan</li> <li>Review Plan on a regular basis</li> </ul>	<ul style="list-style-type: none"> <li>Liaise with law enforcement agencies for support and to ensure compliance and provide feedback to community</li> <li>Secure funding for identified needs</li> <li>Implement projects</li> </ul>	2013-15	Medium term	<ul style="list-style-type: none"> <li>Plan was due for review. Not actioned due to a lack of funding;</li> <li>Neighbourhood Watch to be implemented in future</li> </ul>

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Goal	Strategy	Action/ Project	Year	Short term Medium term Long term Ongoing	2017/18 Status
<b>LO.2</b> Implementation of Fire Management Plan adopted recommendations including but not limited to: <ul style="list-style-type: none"> <li>• Policies</li> <li>• Committee</li> <li>• Consideration of Town Brigade</li> </ul>	<ul style="list-style-type: none"> <li>• Support Bush Fire Advisory Committee and local Brigades</li> <li>• Annual review of Woodanilling Townsite Fire Management Plan</li> </ul>	<ul style="list-style-type: none"> <li>• Utilise CESM to support programs</li> <li>• Support for brigades</li> <li>• Support education programs</li> <li>• Source funding for programs</li> <li>• Implement recommendations from Townsite Fire Management Plan</li> </ul>	2013-18	Short term	Implemented in January 2018
<b>LO.6</b> Local Emergency Management to ensure preparedness for local emergencies	<ul style="list-style-type: none"> <li>• Review Local Emergency Management Arrangements</li> </ul>	<ul style="list-style-type: none"> <li>• Continue involvement with Shires of Katanning and Kent for local emergency management and utilise CESM to develop joint and local strategies</li> </ul>	2013-18	Short term	The Shire has continued to successfully be a part of, and use the CESM Program
<b>CS.2</b> Understanding and use of industry innovations to enable improvements in customer service for all areas of the Shire.	<ul style="list-style-type: none"> <li>• Engage speciality consultants to advise Shire of new industry innovations</li> </ul>	<ul style="list-style-type: none"> <li>• Engage specialty consultants to identify customer service innovations</li> <li>• Implement innovations that have direct benefit to Shire and Community</li> </ul>	2014-15	Short term	Training undertake by staff as follows: <ul style="list-style-type: none"> <li>• Handling Difficult Customers;</li> <li>• Ongoing Vehicle licensing training;</li> <li>• Reviews of workflow issues undertaken</li> </ul>
<b>CS.3</b> Ensure quality decision making by Council is supported by good policies, procedures and legislation	<ul style="list-style-type: none"> <li>• Regular review of policies and existing related plans including use of benchmarking via 4WD VROC</li> </ul>	<ul style="list-style-type: none"> <li>• Update Policy Manual annually</li> <li>• Utilise 4WD VROC as primary benchmark targets</li> <li>• Implement 4WD VROC Common Compliance Systems recommendations</li> </ul>	2013-18	Short term	<ul style="list-style-type: none"> <li>• The policy manual and delegations to the CEO were reviewed in May 2018;</li> <li>• The Shire continues to work effectively with the 4WDL;</li> <li>• Common compliance systems were implemented in 2015/16</li> </ul>

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Goal	Strategy	Action/ Project	Year	Short term Medium term Long term Ongoing	2017/18 Status
<b>CS.4</b> Embracing the Use of new technology to deliver services	<ul style="list-style-type: none"> <li>Develop, adopt and implement IT Plan</li> <li>Engage speciality consultants to advise Shire of new industry innovations</li> </ul>	<ul style="list-style-type: none"> <li>Develop and Adopt IT Plan</li> <li>Implement IT Plan</li> <li>Implement strategies for reducing paper usage by year 3</li> <li>Utilise social networking sites that benefit Shire &amp; Community</li> </ul>	2013-15	Ongoing	<ul style="list-style-type: none"> <li>A new server was installed;</li> <li>Implemented the NBN for the Shire;</li> <li>Most staff had computers upgraded;</li> <li>Office is secured by security alarm system;</li> <li>The administration has implemented a number of paper saving strategies;</li> <li>The Shire's Facebook Page was implemented in 2017</li> </ul>
<b>CS.5</b> Ensure adequate staffing resources are provided to meet statutory requirement and customer expectations	<ul style="list-style-type: none"> <li>Regular review of staff workload</li> <li>Use of casual and flexible hours to attract quality and experienced staff</li> <li>Use of Traineeships where possible</li> </ul>	<ul style="list-style-type: none"> <li>Undertake a workload analysis and review by CEO and Managers accordingly</li> <li>Establish flexible working policy and guidelines</li> </ul>	2013-18	Short term	<ul style="list-style-type: none"> <li>The Shire needs to review its workforce plan;</li> <li>Undertook Work for the Dole Scheme</li> </ul>
<b>CS.6</b> Enhance the image of the Shire and establish a relationship with the public to reflect credibility on the organisation.	<ul style="list-style-type: none"> <li>Develop communication strategy</li> <li>Identify key community members to assist with communication</li> </ul>	<ul style="list-style-type: none"> <li>Develop adopt and implement Communication Strategy and</li> <li>Identify and liaise with key community members</li> </ul>	2013-14	Ongoing	<ul style="list-style-type: none"> <li>Adopted an engagement policy on 15 May 2018;</li> <li>DCEO has community network in place</li> </ul>
<b>GO.3</b> Councillor for a Day program – support innovative ideas to encourage community participation in Council elections.	<ul style="list-style-type: none"> <li>Engage sitting Councillors to participate in the program</li> </ul>	<ul style="list-style-type: none"> <li>Issue one invitation every 2nd month allowing each Councillor to nominate one person each calendar year</li> <li>Implement training sessions that allow community to participate</li> </ul>	2013-15	Medium term	Community are invited to election information sessions
<b>GO.4</b> Financial Management Plan – implementation and regular reporting on long term plan.	<ul style="list-style-type: none"> <li>See Integrated Planning &amp; Reporting Advisory Standard</li> </ul>		2013-14	Ongoing	Not undertaken effectively

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Goal	Strategy	Action/ Project	Year	Short term Medium term Long term Ongoing	2017/18 Status
<b>GO.6</b> Preparation of relevant local laws as determined by community need.	<ul style="list-style-type: none"> <li>Identify need and develop required new local laws (other than those identified in Law and Order LO.4 section)</li> </ul>	<ul style="list-style-type: none"> <li>Review drafts prepared in 2004 &amp; 2007, select local laws and prepare</li> <li>Adopt local laws (including advertising)</li> </ul>	2014-19	Short term	There were no local laws reviewed or gazetted in 2017/18
<b>GO.7</b> Elected members training including consideration of Company Directors	<ul style="list-style-type: none"> <li>Establish policy for elected members training and decide if policy is voluntary or mandatory</li> </ul>	<ul style="list-style-type: none"> <li>Develop and adopt policy and guidelines</li> <li>Implement training program. Source regional training opportunities – look into hosting where possible</li> <li>Establish a “buddy” system where senior sitting Councillors attend with newly elected Councillors to encourage attendance and to refresh skills</li> </ul>	2013-14	Medium term	<ul style="list-style-type: none"> <li>Policy was not developed;</li> <li>Limited councillor training occurred in 2017/18;</li> <li>Buddy system not used in 2017/18</li> </ul>
<b>GO.8</b> Councillor resourcing to ensure high level of compliance, ethics, skills & knowledge.	<ul style="list-style-type: none"> <li>Identify current Councillor profiles and special interests</li> <li>Identify gaps between the current profiles and the organisational requirements;</li> <li>Identify activities to foster and develop Councillor input</li> </ul>	<ul style="list-style-type: none"> <li>Ensure equal opportunity to participate in committees and project teams</li> <li>Investigate possibility of Councillor portfolios and provide resources and feedback</li> <li>Ensure individual workload is within acceptable limits</li> </ul>	2013-15	Short term	Not pursued in 2017/18
<b>GO.10</b> Implementation of community consultation processes that link the Council and the community to ensure open and accountable government.	<ul style="list-style-type: none"> <li>See Integrated Planning &amp; Reporting Advisory Standard</li> </ul>		2013-15	Short term	Policy 84 - Community Engagement adopted 15 May 2018
<b>GO.11</b> Corporate Risk Management Plan	<ul style="list-style-type: none"> <li>Develop and Implement a Corporate Risk Management Plan</li> </ul>	<ul style="list-style-type: none"> <li>Develop Integrated Corporate Risk Management Plan</li> <li>Implement the plan</li> </ul>	2013-15	Ongoing	Plan not effectively used
<b>RT.1</b> Develop 10 year plan for all Priority 1 roads as per the Road Asset Management Plan.	<ul style="list-style-type: none"> <li>Identify future trends for use of road</li> <li>Identify resources to prepare plan</li> </ul>	<ul style="list-style-type: none"> <li>Prepare and adopt Plan</li> <li>Implement plan in accordance with funding opportunities</li> </ul>	2013-18	Short term	Requirements to develop an effective 10 Year Plan identified

Tracking Key:

0-49%

50-69%

70-100%



Goal	Strategy	Action/ Project	Year	Short term Medium term Long term Ongoing	2017/18 Status
<b>RT.2</b> Rural intersection program:	<ul style="list-style-type: none"> <li>Revisit Black Spot application for Robinson Rd/GS Hwy</li> <li>Identify “problem” intersections</li> </ul>	<ul style="list-style-type: none"> <li>Source funding for program</li> <li>Implement program in accordance with funding opportunities</li> </ul>	2013-16	Short term	<ul style="list-style-type: none"> <li>Blackspot Application for Robinson Rd/GS Hwy developed. To be submitted in 2018/19;</li> <li>Problem intersections to be identified in 2018/19</li> </ul>
<b>RT.3</b> Develop 10 year Drainage Plan, including culverts, floodways, bridges and open drains.	<ul style="list-style-type: none"> <li>Develop in conjunction with RT.1 above</li> </ul>	<ul style="list-style-type: none"> <li>Prepare and adopt Plan</li> <li>Implement plan in accordance with funding opportunities</li> </ul>	2014-19	Short term	To be revisited in 2018/19
<b>RT.4</b> Advocacy for Regional & State based transport systems	<ul style="list-style-type: none"> <li>Advocate for improved Regional and State based transport systems where these systems interconnect with those of the Shire which directly or indirectly impact residents</li> </ul>	<ul style="list-style-type: none"> <li>Undertake advocacy as required</li> </ul>	2013-18	Ongoing	<ul style="list-style-type: none"> <li>RAV network improved in 2017/18;</li> <li>Further RAV network analysis is due in 2018/19</li> </ul>
<b>RT.5</b> Review of Road Asset Management Plans, including road hierarchy.	<ul style="list-style-type: none"> <li>Identify future trends for use of roads</li> </ul>	<ul style="list-style-type: none"> <li>Review trends annually and amend plan and hierarchy as required</li> </ul>	2013-16	Short term	<ul style="list-style-type: none"> <li>Work was progressed on the Road Asset Management Plan;</li> <li>Framework to be developed in 2018/19</li> </ul>
<b>RT.6</b> Identify opportunities to increase plant utilisation	<ul style="list-style-type: none"> <li>Support and encourage staff to develop opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Set targets for plant utilisation within realistic parameters and monitor achievements</li> </ul>	2013-18	Long term	An effective Plant Utilisation strategy (Plant Replacement Program) to be developed in 2018/19

Tracking Key:

0-49%

50-69%

70-100%



## FREEDOM OF INFORMATION

This information statement is published in accordance with the *Freedom of Information Act 1992*.

### STRUCTURE AND FUNCTIONS OF COUNCIL

The Shire of Woodanilling is established under the Local Government Act 1995, and has the responsibility for the administration of this Act within the municipality. Other major legislation, which creates a duty or an authority for Council to act, includes but is not limited to

- Health Act 1911
- Cat Act 2011
- Town Planning and Development Act 1928
- Bush Fires Act 1954
- Dog Act 1976
- Cemeteries Act 1986

### COUNCIL

Council's affairs are managed by six people elected from the community who act in a voluntary capacity. The Council acts as a community board, establishing policies and making decisions within the requirements of the Local Government Act on a wide range of issues

affecting the community, and in keeping with the legislative requirements to:

- Determine policies to be applied by Council in exercising its discretionary powers
- Determine the type, range and scope of projects to be undertaken by Council
- Develop comprehensive management plans, budgets, financial controls and performance objectives and indicators for the operations of Council.
- The Council makes decisions which direct and/or determine its activities and functions. Such decisions include the approval of works and services to be undertaken, and the allocation of resources to works and services.
- Decisions are also made to determine whether or not approvals are to be granted for applications for residential and commercial development.
- Ordinary meetings of Council are held on the third Tuesday of each month commencing at 3.00pm except January. All members of the public are welcome to attend.



# SERVICES TO THE COMMUNITY

Council provides an extensive variety of services for the community under a wide range of legislation. Services provided include:

- Building control
- Bush fire control
- Cemeteries
- Citizenship ceremonies
- Crossovers
- Demolition permits
- Dog control
- Cat control
- Drainage
- Environmental health
- Fire prevention
- Library services
- Street bins
- Media releases
- Parks and reserves
- Planning controls
- Playground equipment
- Public health services
- Public buildings for hire
- Public toilets
- Recreation/sporting facilities
- Roads, footpaths and kerbs
- Rubbish collection
- Storm water drainage
- Street lighting
- Traffic control works
- Playgroup
- LEMAC (Local Emergency Management Advisory Committee)
- Weed control on reserves

- Natural Resource Management/ Landcare

## COUNCIL COMMITTEES

Shire Committees have been formed to manage specific areas of council. They include:

### AUDIT COMMITTEE

The Audit Committee is the only compulsory committee of Council. It has specific functions including assisting with the annual audit of the financial statements, review of the Compliance Audit Return and assisting the CEO with various functions and reporting.

### COMMUNITY DEVELOPMENT COMMITTEE

Consider matters relevant to public halls, recreation and sport, library, heritage (other than natural heritage), other cultural issues, housing, town planning, protection of the environment (natural heritage), sanitation and refuse, public conveniences, cemetery, rural services, tourism, building control, other economic services, governance issues, financial matters, health services, education, fire protection, animal control, other law order and public safety issues including local laws.

### TRANSPORT PLANT AND WORKS COMMITTEE

Consider matters relative to transport issues, road works, plant replacement and repair.







## EQUAL OPPORTUNITY STATEMENT

This Council recognises its legal obligations under the Equal Opportunities Act, 1984 and will actively promote equal employment opportunity based solely on merit to ensure that discrimination does not occur on the grounds of gender, marital status, pregnancy, race, and disability, religious or political convictions.

All employment training with this Council will be directed towards providing equal opportunity to all employees providing their relevant experience, skills and ability meet the minimum requirements for such promotion.

All offers of employment within this Council will be directed towards providing equal opportunity to

prospective employees provided their relevant experience, skills and ability meet the minimum requirements for engagement.

This Council will not tolerate harassment within its workplace. Harassment is defined as any unwelcome, offensive action or remark concerning a person's race, colour, language, ethnicity, political or religious convictions, gender, marital status or disability.

The Equal Employment Opportunity goals of this Council are designed to provide an enjoyable, challenging, involving, harmonious work environment for all employees where each has the opportunity to progress to the extent of their ability.



# OCCUPATIONAL HEALTH & SAFETY REPORT

The Shire of Woodanilling is committed to providing a safe and healthy work environment for all employees, contractors and visitors. To achieve this, the council has allocated responsibilities and accountabilities to all levels of persons within the council to ensure the maintenance of the occupational safety and health program is optimal.

Continuous improvement incentives have been incorporated into the Occupational Safety and Health Management Plan aimed at achieving the Shire of Woodanilling safety objectives and targets.

The objectives of this policy are to achieve:

- An annual reduction of workplace injury and disease.
- The provision and maintenance of a safe workplace, plant and systems of work.
- The identification, elimination (as far as practicable) and control of workplace hazards.

- The provision of information, supervision and training to employees to ensure work is performed safely and to a high standard
- A safety culture where best practice initiatives are entrenched in daily business activities.
- Compliance with the relevant Occupational Safety and Health legislation, Standards and Codes of Practice.

The Shire of Woodanilling encourages a consultative process to improve safety within the workplace and will provide the time and resources required to minimise the risk of injury, harm or damage to the council's employees and property.

Safety is considered a shared responsibility between the employer and employee and the council will strive to ensure the compliance and integrity of this policy is maintained.







# DISABILITY ACCESS & INCLUSION PLAN

**OUTCOME 1 - Existing functions, facilities and services are adapted to meet the needs of people with disability.**

- The annual Australia Day Breakfast function is held at the Woodanilling Recreation Shed which provides easy wheelchair access. A public address system is always used to ensure all participants can hear speeches including people with hearing impairment.
- A priority bin service was developed to assist people who are unable to move their bin to and from the kerbside, upon request.
- Provide large print books for vision impaired community members

**OUTCOME 2 - Access to buildings and facilities has been improved.**

- The new Woodanilling Recreation Centre Pavilion building provided an accessible toilet and entrance doors were at ground level to enable easy wheelchair access.
- Improved access was provided to Council's administration building, including a paved and ramped entry paths and relocation of easy access parking bays.
- Unisex accessible public toilets were built at the town's Centenary Park.
- Footpaths in the main street were upgraded and kerb ramps installed.

**OUTCOME 3 - Information about functions, facilities and services is provided in formats which meet the communication needs of people with disability.**

- Information was made available in alternative formats on request.

**OUTCOME 4 - Employee awareness of the needs of people with disability and skills in delivering services is improved.**

- Administration centre staff viewed a training DVD which gave practical advice on providing good customer service to people with a variety of disabilities (October 2010).

**OUTCOME 5 & 6 - Opportunities are provided for people with disability to participate in public consultations, grievance mechanisms and decision-making processes.**

- Information on consultations was simplified and made available in alternative formats upon request.
- Municipal election voting was held in accessible buildings and some voting booths were modified to suit people using wheelchairs, and postal voting was accepted.

**OUTCOME 7 - People with disability have the same opportunity as other people to obtain and maintain employment with the Shire of Woodanilling.**

- Introduction of recruitment practices to ensure equal employment opportunities.

# NATIONAL COMPETITION POLICY (NCP)

The Shire is required to report its progress in implementing the National Competition Policy in their annual report. There are a number of specific requirements placed on local government in the areas of competitive neutrality, legislation review and structural reform.

## COMPETITIVE NEUTRALITY

The principle of competitive neutrality is that government business should not enjoy a competitive advantage or disadvantage, simply as a result of their public sector ownership. For local government this relates to user-pays income of over \$200,000.

In accordance with the Shire's responsibilities under Clause 7 of the statement relating to competitive neutrality, the Shire of Woodanilling has reviewed its

activities in line with advice from the Department of Local Government Circular No 806 and has found that none of its activities are "Significant Business Activity" for competitive neutrality requirements.

The Shire of Woodanilling did not privatise any activities in 2017/2018 consequently there were no obligations to report in this area.

## LEGISLATIVE REVIEW

The Shire is required to assess which of its local laws might impact on competition and conduct a review to determine how restrictive practices might be overcome.

No new local laws were created or reviewed in 2017/2018.





# RECORD KEEPING PLAN

Council's revised Record Keeping Plan was adopted by Council on 17 May 2016.

## RECORD KEEPING POLICY

### POLICY STATEMENT

The Shire of Woodanilling is committed to making and keeping full and accurate records of its business transactions and its official activities. Records created and received by Shire personnel and contractors, irrespective of format, are to be managed in accordance with the Shire's Recordkeeping Plan and this Records Management Policy and Procedures Manual. Records will not be destroyed except by reference to the General Disposal Authority for Local Government Records and the General Disposal Authority for Source Records.

### RATIONALE

A systematic approach to records management within any organisation is vital to protect and preserve the information contained within the organisation's records. These policies and guidelines support recordkeeping in the Shire of Woodanilling by:

- Providing support for effective decision making, business efficiency, litigation protection, managed information flows and retention of the corporate memory;
- Managing the risks that may result from inadequate records practices;
- Providing uniform protection and controlled access for records in all formats;
- Ensuring that all employees and contractors understand and can comply with the legislative and business requirements of recordkeeping; and
- Ensuring that Shire of Woodanilling personnel understand that the records of the Shire are corporate assets and government records and do not belong to individuals.

### GUIDELINES

The Shire of Woodanilling has implemented systematic records management policies, procedures and practices to ensure the capture and management of all its records, irrespective of format. All elected members and staff will ensure that full and accurate records are created to reflect business transactions and decisions.

The Shire uses a standard method to identify and retrieve the records it holds, through the use of a File Listing. The Shire currently uses the filing system within LOGIS Synergy Soft Central Records as its formal records management system.

Synergy Soft Central Records is an eDRMS. The Shire of Woodanilling has set up standards in accordance with the General Disposal Authority for Source Records which will be applied to all incoming and outgoing hard copies of records. All hard copy source records will undergo a digitisation process.

Source Records will only be disposed of in accordance with the State Records Office's General Disposal for Source Records.

Corporate records will only be disposed of in accordance with the State Records Office's General Disposal Authority for Local Government Records. The objectives of the Shire of Woodanilling RKP are to ensure:

- Compliance with Section 28 of the State Records Act 2000;
- Recordkeeping within the Local Government is moving towards compliance with State Records Commission Standards and Records Management Standard AS ISO 15489;
- Processes are in place to facilitate the complete and accurate record of business transactions and decisions;
- Recorded information can be retrieved quickly, accurately and cheaply when required; and the
- Protection and preservation of the Local Government's records.

### STATE RECORDS COMMISSION

#### STANDARD 2: PRINCIPLE 6 COMPLIANCE

Government organizations ensure their employees comply with the record keeping plan.

## 6.1 STAFF TRAINING, INFORMATION SESSIONS

The Shire of Woodanilling has implemented the following activities to ensure that all staff are aware of their recordkeeping responsibilities and compliance with the Recordkeeping Plan:

Activities to ensure staff awareness and compliance	YES	NO
Presentations on various aspects of the Local Government's recordkeeping program are conducted. These are delivered to all staff on a regular basis.	✓	
In-house recordkeeping training sessions for staff are conducted.	✓	
From time to time an external consultant is brought in to run a recordkeeping training session for staff. Staff are also encouraged to attend training courses outside the organization whenever practicable.	✓	
Staff information sessions are conducted on a regular basis for staff as required.	✓	
The Local Government provides brochures or newsletters to publish recordkeeping information, highlight issues, or bring particular recordkeeping matters to staff attention.		
The Local Government's Intranet is used to publish recordkeeping information, highlight issues, or bring particular recordkeeping matters to staff attention.	✓	
The Local Government's Induction Program for new employees includes an introduction to the Local Government's recordkeeping system and program, and information on their recordkeeping responsibilities.	✓	

Coverage of the training/information sessions as detailed here extends to all staff. However, records management staff are offered more frequent and more specialised training where required.

Please refer to Appendix 8 for samples of training and induction information.

## 6.2 PERFORMANCE INDICATORS IN PLACE

The following performance indicators are being set in place to measure the efficiency and effectiveness of the Shire of Woodanilling's recordkeeping systems:

- IT Vision system upgrades are implemented annually
- Staff survey eliciting feedback on use, effectiveness or recordkeeping system/training annually: and
- Number of new staff attending Records induction

The Shire of Woodanilling aims to review these performance indicators and determine if further performance indicators should be put in place at the end of the 2016/17 financial year.

## 6.3 AGENCY'S EVALUATION

There is a need for some reviews of the Shire of Woodanilling's recordkeeping systems in the following areas records digitization. The Shire has continued to seek areas of improvement and based on consultation with staff a digitization program is to be implemented by July 2016.

## 6.4 ANNUAL REPORT

An excerpt from the Shire of Woodanilling's latest Annual Report is attached, demonstrating the organization's compliance with the State Records Act 2000, its Recordkeeping Plan and the training provided for staff. Please refer to Appendix 9.

## 6.5 IDENTIFIED AREAS FOR IMPROVEMENT

Whilst the Shire of Woodanilling's staff training and information sessions are adequate, further development of the staff induction procedure is ongoing. A formal schedule for staff training is being developed and will be completed by September 2016..

# FINANCIAL REPORTS





## SHIRE OF WOODANILLING

PERIOD OF AUDIT: YEAR ENDED 30 June 2018

## FINDINGS IDENTIFIED DURING THE FINAL AUDIT

INDEX OF FINDINGS	RATING		
	Significant	Moderate	Minor
1. Bridge Infrastructure Revaluation		✓	

## KEY TO RATINGS

The Ratings in this management letter are based on the audit team's assessment of risks and concerns with respect to the probability and/or consequence of adverse outcomes if action is not taken. We give consideration to these potential adverse outcomes in the context of both quantitative impact (for example financial loss) and qualitative impact (for example inefficiency, non-compliance, poor service to the public or loss of public confidence).

- Significant** - Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly.
- Moderate** - Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.
- Minor** - Those findings that are not of primary concern but still warrant action being taken.

**SHIRE OF WOODANILLING**

**PERIOD OF AUDIT: YEAR ENDED 30 June 2018**

**FINDINGS IDENTIFIED DURING THE FINAL AUDIT**

**1. Bridge Infrastructure Revaluation**

**Finding**

Audit testing identified that the bridge subclass was not revalued with all other Infrastructure assets in that asset class.

As a result, Management had to seek an urgent valuation to ensure that Bridge amounts were accurately reflecting fair value. The valuation was undertaken resulting in an increase in value of \$529,435.

**Rating: Moderate**

**Implication**

When a class of assets are revalued, the entire class is to be revalued in accordance with accounting standards. Otherwise, there will be inconsistent valuation approaches within an asset class, which may mislead users.

**Recommendation**

Management should ensure that valuations are carried out for an entire class of assets at the same time.

**Management Comment**

Noted.

<b>Responsible Person:</b>	Sean Fletcher, Acting Chief Executive Officer
<b>Completion Date:</b>	11 December 2018





Our Ref: 7966

Ms Belinda Knight  
Chief Executive Officer  
Shire of Woodanilling  
PO Box 99  
WOODANILLING WA 6316



7th Floor, Albert Facey House  
469 Wellington Street, Perth

Mail to: Perth BC  
PO Box 8489  
PERTH WA 6849

Tel: (08) 6557 7500  
Fax: (08) 6557 7600  
Email: [info@audit.wa.gov.au](mailto:info@audit.wa.gov.au)

Dear Ms Knight

## ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

The Office has completed the audit of the annual financial report for your Shire. In accordance with section 7.12AD (2) of the *Local Government Amendment (Auditing) Act 2017*, we enclose the Auditor General's auditor's report, together with the audited annual financial report.

We have also forwarded the reports to the President and the Minister for Local Government, as required by the Act. You are required to publish the annual report, including the auditor's report and the audited financial report, on your Shire's official website within 14 days after the annual report has been accepted by your Council.

### Management Control Issues

I would like to draw your attention to the attached listing of deficiencies in internal control and other matters that were identified during the audit. These matters have been discussed with management and their comments have been included in the attachment.

Please note that the purpose of our audit was to express an opinion on the financial report. The audit included consideration of internal control relevant to the preparation of the financial report in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.

An audit is not designed to identify all internal control deficiencies that may require management attention. The matters being reported are limited to those deficiencies that have been identified during the audit that are of sufficient importance to warrant being reported. It is possible that other irregularities and deficiencies may have occurred and not been identified as a result of our audit. Findings from our interim audit were reported to you on 5 June 2018, following completion of our interim audit.

This letter has been provided for the purposes of the Shire and the Minister for Local Government and may not be suitable for other purposes.

I would like to take this opportunity to thank you, the management and the staff of the Shire for their cooperation with the audit team during our audit.

Feel free to contact me on 6557 7525 if you would like to discuss these matters further.

Yours faithfully

KELLIE TONICH  
ACTING SENIOR DIRECTOR  
FINANCIAL AUDIT  
18 December 2018

Attach



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

**TABLE OF CONTENTS**

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**COMMUNITY VISION**

In 2022 the Shire of Woodanilling will be a Shire that is energetic and progressive with a strong connection to its community and environment. It will be a Shire that embraces its independence and encourages the sustainable development of the natural environment through ways that value the cultural heritage and sense of place provided by living in Woodanilling.

**Principal place of business:**  
3316 Robinson Road  
Woodanilling WA 6316.

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

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

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

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

Signed on the 17<sup>th</sup> day of DECEMBER 2018

  
\_\_\_\_\_  
A / Chief Executive Officer

Sean K Fletcher  
\_\_\_\_\_  
Name of Chief Executive Officer



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

	NOTE	2018 Actual \$	2018 Budget \$	2017 Actual \$
<b>Revenue</b>				
Rates	18(a)	687,398	681,754	633,062
Operating grants, subsidies and contributions	2(a)	2,577,200	3,583,032	1,461,426
Fees and charges	2(a)	325,219	328,170	337,678
Interest earnings	2(a)	13,251	14,000	14,919
Other revenue	2(a)	(156)	600	(2,224)
		<u>3,602,912</u>	<u>4,607,556</u>	<u>2,444,861</u>
<b>Expenses</b>				
Employee costs		(1,011,154)	(981,485)	(942,923)
Materials and contracts		(1,803,839)	(3,636,488)	(612,424)
Utility charges		(82,128)	(53,300)	(51,154)
Depreciation on non-current assets	9(b)	(803,333)	(1,025,214)	(921,356)
Insurance expenses		(75,767)	(82,150)	(80,176)
Other expenditure		(251,692)	101,854	59,156
		<u>(4,027,913)</u>	<u>(5,676,783)</u>	<u>(2,548,877)</u>
		(425,001)	(1,069,227)	(104,016)
 Non-operating grants, subsidies and contributions	2(a)	659,132	1,434,695	1,329,006
Profit on asset disposals	9(a)	0	0	388
(Loss) on asset disposals	9(a)	(6,323)	0	(3,262)
(Loss) on revaluation of land and buildings	7(b)	0	0	(56,550)
<b>Net result</b>		<u>227,808</u>	<u>365,468</u>	<u>1,165,566</u>
 <b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	10	4,901,300	0	(1,125,489)
<b>Total other comprehensive income</b>		<u>4,901,300</u>	<u>0</u>	<u>(1,125,489)</u>
 <b>Total comprehensive income</b>		<u>5,129,108</u>	<u>365,468</u>	<u>40,077</u>

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





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

	NOTE	2018 Actual \$	2018 Budget \$	2017 Actual \$
<b>Revenue</b>	2(a)			
Governance		9,311	6,700	900
General purpose funding		1,519,630	1,076,231	1,894,602
Law, order, public safety		151,503	48,935	48,379
Health		470	525	265
Education and welfare		95,204	99,610	57,690
Housing		15,107	11,210	13,799
Community amenities		31,068	27,450	30,569
Recreation and culture		1,233	4,985	2,836
Transport		1,708,976	3,253,730	341,578
Economic services		35,907	18,500	9,351
Other property and services		34,503	59,680	44,892
		<b>3,602,912</b>	<b>4,607,556</b>	<b>2,444,861</b>
<b>Expenses</b>	2(a)			
Governance		(180,995)	(194,030)	(172,413)
General purpose funding		(16,744)	(18,700)	(12,050)
Law, order, public safety		(240,636)	(146,130)	(136,829)
Health		(39,358)	(44,265)	(49,336)
Education and welfare		(51,055)	(53,790)	(42,468)
Housing		(43,440)	(43,434)	(53,720)
Community amenities		(121,375)	(138,645)	(136,574)
Recreation and culture		(215,930)	(219,790)	(188,313)
Transport		(3,020,161)	(4,706,574)	(1,722,601)
Economic services		(79,046)	(59,425)	(40,093)
Other property and services		(19,173)	(52,000)	5,520
		<b>(4,027,913)</b>	<b>(5,676,783)</b>	<b>(2,548,877)</b>
		<b>(425,001)</b>	<b>(1,069,227)</b>	<b>(104,016)</b>
<b>Non-operating grants, subsidies and contributions</b>	2(a)	659,132	1,434,695	1,329,006
Profit on disposal of assets	9(a)	0	0	388
(Loss) on disposal of assets	9(a)	(6,323)	0	(3,262)
(Loss) on revaluation of land and buildings	7(b)	0	0	(56,550)
		<b>652,809</b>	<b>1,434,695</b>	<b>1,269,582</b>
<b>Net result</b>		<b>227,808</b>	<b>365,468</b>	<b>1,165,566</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	10	4,901,300	0	(1,125,489)
<b>Total other comprehensive income</b>		<b>4,901,300</b>	<b>0</b>	<b>(1,125,489)</b>
<b>Total comprehensive income</b>		<b>5,129,108</b>	<b>365,468</b>	<b>40,077</b>

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



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

	NOTE	2018 \$	2017 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	1,065,643	1,565,765
Trade and other receivables	5	933,827	153,998
Inventories	6	16,210	15,887
<b>TOTAL CURRENT ASSETS</b>		<b>2,015,680</b>	<b>1,735,650</b>
<b>NON-CURRENT ASSETS</b>			
Other receivables	5	31,026	31,026
Property, plant and equipment	7	7,310,357	7,647,522
Infrastructure	8	24,617,839	19,147,754
<b>TOTAL NON-CURRENT ASSETS</b>		<b>31,959,222</b>	<b>26,826,302</b>
<b>TOTAL ASSETS</b>		<b>33,974,902</b>	<b>28,561,952</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	357,199	94,705
Provisions	13	141,627	158,125
<b>TOTAL CURRENT LIABILITIES</b>		<b>498,826</b>	<b>252,830</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	13	59,962	22,116
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>59,962</b>	<b>22,116</b>
<b>TOTAL LIABILITIES</b>		<b>558,788</b>	<b>274,946</b>
<b>NET ASSETS</b>		<b>33,416,114</b>	<b>28,287,006</b>
<b>EQUITY</b>			
Retained surplus		14,175,484	13,368,538
Reserves - cash backed	4	224,167	803,305
Revaluation surplus	10	19,016,463	14,115,163
<b>TOTAL EQUITY</b>		<b>33,416,114</b>	<b>28,287,006</b>

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



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

		RESERVES			
	NOTE	RETAINED SURPLUS	CASH BACKED	REVALUATION SURPLUS	TOTAL EQUITY
		\$	\$	\$	\$
Balance as at 1 July 2016		12,243,336	762,941	15,240,652	28,246,929
Comprehensive income					
Net result		1,165,566	0	0	1,165,566
Changes on revaluation of assets	10	0	0	(1,125,489)	(1,125,489)
Total comprehensive income		1,165,566	0	(1,125,489)	40,077
Transfers from/(to) reserves		(40,364)	40,364	0	0
Balance as at 30 June 2017		13,368,538	803,305	14,115,163	28,287,006
Comprehensive income					
Net result		227,808	0	0	227,808
Changes on revaluation of assets	10	0	0	4,901,300	4,901,300
Total comprehensive income		227,808	0	4,901,300	5,129,108
Transfers from/(to) reserves		579,138	(579,138)	0	0
Balance as at 30 June 2018		14,175,484	224,167	19,016,463	33,416,114

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



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

	NOTE	2018 Actual	2018 Budget	2017 Actual
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		\$	\$	\$
<b>Receipts</b>				
Rates		696,453	681,754	632,104
Operating grants, subsidies and contributions		1,800,281	3,584,082	1,389,164
Fees and charges		325,219	328,170	337,678
Interest earnings		13,251	14,000	14,919
Goods and services tax		167,340	0	0
Other revenue		(156)	600	(2,224)
		3,002,388	4,608,606	2,371,641
<b>Payments</b>				
Employee costs		(990,113)	(981,485)	(925,054)
Materials and contracts		(1,541,361)	(3,636,488)	(593,598)
Utility charges		(82,128)	(53,300)	(51,154)
Insurance expenses		(75,767)	(82,150)	(80,176)
Goods and services tax		(179,305)	0	0
Other expenditure		(251,692)	101,854	59,156
		(3,120,366)	(4,651,569)	(1,590,826)
<b>Net cash provided by (used in) operating activities</b>	14	(117,978)	(42,963)	780,815
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment		(62,300)	(1,199,250)	(914,994)
Payments for construction of infrastructure		(990,794)	(1,120,550)	(559,517)
Non-operating grants, subsidies and contributions		659,132	1,434,695	1,329,006
Proceeds from sale of fixed assets		11,818	240,000	68,182
<b>Net cash provided by (used in) investment activities</b>		(382,144)	(645,105)	(77,323)
<b>Net increase (decrease) in cash held</b>		(500,122)	(688,068)	703,492
<b>Cash at beginning of year</b>		1,565,765	1,557,828	862,273
<b>Cash and cash equivalents at the end of the year</b>		1,065,643	869,760	1,565,765

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

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

	NOTE	2018 Actual \$	2018 Budget \$	2017 Actual \$
<b>OPERATING ACTIVITIES</b>				
Net current assets at start of financial year - surplus/(deficit)		679,515	457,383	(21,798)
		679,515	457,383	(21,798)
<b>Revenue from operating activities (excluding rates)</b>				
Governance		9,311	6,700	900
General purpose funding		833,582	394,477	1,261,540
Law, order, public safety		151,503	48,935	48,379
Health		470	525	265
Education and welfare		95,204	99,610	57,690
Housing		15,107	11,210	13,799
Community amenities		31,068	27,450	30,569
Recreation and culture		1,233	4,985	2,836
Transport		1,708,976	3,253,730	341,966
Economic services		35,907	18,500	9,351
Other property and services		34,503	59,680	44,892
		2,916,864	3,925,802	1,812,188
<b>Expenditure from operating activities</b>				
Governance		(180,995)	(194,030)	(172,413)
General purpose funding		(16,744)	(18,700)	(12,050)
Law, order, public safety		(240,636)	(146,130)	(136,829)
Health		(39,358)	(44,265)	(49,336)
Education and welfare		(51,055)	(53,790)	(42,468)
Housing		(43,440)	(43,434)	(53,720)
Community amenities		(121,375)	(138,645)	(136,574)
Recreation and culture		(215,930)	(219,790)	(188,313)
Transport		(3,026,484)	(4,706,574)	(1,725,863)
Economic services		(79,046)	(59,425)	(40,093)
Other property and services		(19,173)	(52,000)	(51,030)
		(4,034,236)	(5,676,783)	(2,608,689)
<b>Operating activities excluded</b>				
(Profit) on disposal of assets	9(a)	0	0	(388)
Loss on disposal of assets	9(a)	6,323	0	3,262
Movement in employee benefit provisions (non-current)		37,846	0	1,659
Depreciation and amortisation on assets	9(b)	803,333	1,025,214	921,356
<b>Amount attributable to operating activities</b>		409,645	(268,384)	164,140
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions		659,132	1,434,695	1,329,006
Proceeds from disposal of assets	9(a)	11,818	240,000	68,182
Purchase of land held for resale		0	0	0
Purchase of property, plant and equipment	7(b)	(62,300)	(1,199,250)	(914,994)
Purchase and construction of infrastructure	8(b)	(990,794)	(1,120,550)	(559,517)
<b>Amount attributable to investing activities</b>		(382,144)	(645,105)	(77,323)
<b>FINANCING ACTIVITIES</b>				
Transfers to reserves (restricted assets)	4	(216,730)	(59,830)	(153,871)
Transfers from reserves (restricted assets)	4	795,868	330,547	113,507
<b>Amount attributable to financing activities</b>		579,138	270,717	(40,364)
<b>Surplus(deficiency) before general rates</b>		606,639	(642,772)	46,453
<b>Total amount raised from general rates</b>	18	686,048	681,754	633,062
<b>Net current assets at June 30 c/fwd - surplus/(deficit)</b>	19	<b>1,292,687</b>	<b>38,982</b>	<b>679,515</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 to the extent they are not in-consistent with the *Local Government Act 1995* and accompanying regulations.), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1995* and accompanying regulations. Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise.

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

### CRITICAL ACCOUNTING ESTIMATES

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make 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 22 to these financial statements.

## AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

### Crown Land

#### Crown Land Not Under Roads

Crown land other than land under roads is prohibited from being recorded as an asset of the local government except where it is a golf course, showground, racecourse or any other sporting or recreational facility of state or regional significance.

#### 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.



## 2. REVENUE AND EXPENSES

	2018 Actual	2017 Actual
	\$	\$
(a) Revenue		
Other revenue		
Other	(156)	(2,224)
	(156)	(2,224)
Fees and Charges		
Governance	3,780	808
General purpose funding	910	1,370
Law, order, public safety	5,448	24,069
Health	470	265
Education and welfare	52,916	31,776
Housing	12,480	8,340
Community amenities	31,068	30,569
Recreation and culture	1,233	2,822
Transport	179,562	225,640
Economic services	35,907	9,351
Other property and services	1,445	2,668
	525,219	337,678

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

	2018	2017
	\$	\$
Significant revenue		
Early payment of WA Local Government Grants		
Commission Financial Assistance Grant	436,534	432,488
Amount of reimbursement for flood damage received	1,488,672	47,748

## 2. REVENUE AND EXPENSES (Continued)

### (a) Revenue (Continued)

#### Grant Revenue

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

	2018	2017
	\$	\$
<b>Operating grants, subsidies and contributions</b>		
Governance	5,755	174
General purpose funding	817,502	1,244,735
Law, order, public safety	146,356	25,445
Education and welfare	42,289	25,914
Housing	2,627	5,459
Transport	1,529,615	117,473
Other property and services	33,056	42,226
	2,577,200	1,461,426
<b>Non-operating grants, subsidies and contributions</b>		
Education and welfare	6,706	610,718
Recreation and culture	42,400	0
Transport	610,026	718,288
	659,132	1,329,006
<b>Total grants, subsidies and contributions</b>	<b>3,236,332</b>	<b>2,790,432</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 17.

That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current period.

	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
<b>Interest earnings</b>			
- Reserve funds	8,630	6,000	10,423
- Other funds	764	500	562
Other interest revenue (refer note 18(c))	3,857	7,500	3,934
	13,251	14,000	14,919

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

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

(b) Expenses	2018	2017
	\$	\$
Auditors remuneration		
- Audit of the Annual Financial Report	18,356	27,222
	18,356	27,222
Significant Expenses		
Expenditure on flood damage re-instatement	1,636,270	63,967
Revaluation of Assets through profit and loss	0	56,550



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

	NOTE	2018	2017
		\$	\$
<b>3. CASH AND CASH EQUIVALENTS</b>			
Unrestricted		806,120	554,405
Restricted		259,523	1,011,360
		<u>1,065,643</u>	<u>1,565,765</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Plant replacement reserve	4	160,000	400,263
Building reserve	4	15,000	25,081
Affordable housing reserve	4	36,460	22,347
Office equipment reserve	4	5,000	17,777
Recreation reserve	4	0	126,619
Road construction reserve	4	7,707	211,218
Unspent grants	17	35,356	208,056
		<u>259,523</u>	<u>1,011,360</u>

**SIGNIFICANT ACCOUNTING POLICIES**

**Cash and cash equivalents**

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

**Cash and cash equivalents (Continued)**

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

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

4. RESERVES - CASH BACKED

	2018 Actual Opening Balance	2018 Actual Transfer to	2018 Actual Transfer (from)	2018 Actual	2018 Budget Opening Balance	2018 Budget Transfer to	2018 Budget Transfer (from)	2018 Budget Closing Balance	2017 Actual Opening Balance	2017 Actual Transfer to	2017 Actual Transfer (from)	2017 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Plant replacement reserve	400,263	160,000	(400,263)	160,000	399,122	8,410	(66,070)	341,462	291,066	109,197	0	400,263
Building reserve	25,081	15,000	(25,081)	15,000	25,009	8,950	0	33,959	137,056	1,532	(113,507)	25,081
Affordable housing reserve	22,347	36,730	(22,617)	36,460	22,233	37,470	0	59,753	355	21,992	0	22,347
Office equipment reserve	17,777	5,000	(17,777)	5,000	17,726	5,000	0	22,726	12,592	5,185	0	17,777
Recreation reserve	126,619	0	(126,619)	0	126,258	0	(1,955)	124,303	113,478	13,141	0	126,619
Road construction reserve	211,218	0	(203,511)	7,707	210,615	0	0	210,615	208,394	2,824	0	211,218
Grants paid in advance	0	0	0	0	262,522	0	(262,522)	0	0	0	0	0
	803,305	216,730	(795,868)	224,167	1,063,535	59,830	(330,547)	792,818	762,941	153,871	(113,507)	803,305

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
Plant replacement reserve	Perpetual	to be used for the purchase of major plant
Building reserve	Perpetual	to be used to meet requirements for providing new buildings for Council purposes
Affordable housing reserve	Perpetual	to be used to provide funding for future housing needs in the shire
Office equipment reserve	Perpetual	to be used for the purchase of office equipment
Recreation reserve	Perpetual	to be used to fund capital improvements & equipment at Woodanilling Recreation Reserve
Road construction reserve	Perpetual	to be used to fund road construction projects

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

**5. TRADE AND OTHER RECEIVABLES**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Rates outstanding	40,855	49,910
Sundry debtors	879,957	103,038
Accrued income/payments in advance	13,015	1,050
	<b>933,827</b>	<b>153,998</b>
<b>Non-current</b>		
Investments - BKW Co-op Shares	92	92
Investment in LG House Units	30,934	30,934
	<b>31,026</b>	<b>31,026</b>

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

**Rates outstanding**

Includes:

Past due and not impaired	40,855	31,443
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**Sundry debtors**

Includes:

Past due and not impaired	62,301	64,914
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**SIGNIFICANT ACCOUNTING POLICIES**

**Trade and other receivables**

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

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

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

**Classification and subsequent measurement**

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

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



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

**6. INVENTORIES**

**Current**

Fuel, oil & materials on hand

2018	2017
\$	\$
16,210	15,887
16,210	15,887

**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.

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

7 (a). PROPERTY, PLANT AND EQUIPMENT

	2018	2017
	\$	\$
Land and buildings		
Land - freehold land at:		
- Independent valuation 2017 - level 2	498,000	498,000
	498,000	498,000
Land - vested in and under the control of Council at:		
- Independent valuation 2017 - level 3	25,000	25,000
	25,000	25,000
Total land	523,000	523,000
Buildings - non-specialised at:		
- Independent valuation 2017 - level 2	5,433,644	5,423,228
Buildings - non-specialised - Less: accumulated depreciation	(138,558)	(30,405)
	5,295,086	5,392,823
Total buildings	5,295,086	5,392,823
Total land and buildings	5,818,086	5,915,823
Furniture and equipment at:		
- Management valuation 2016 - level 3	124,208	79,501
Furniture and equipment - Less: accumulated depreciation	(82,644)	(36,231)
	41,564	43,270
Plant and equipment at:		
- Independent valuation 2016 - level 2	3,072,679	3,078,161
Plant and equipment - Less: accumulated depreciation	(1,621,972)	(1,389,732)
	1,450,707	1,688,429
Total property, plant and equipment	7,310,357	7,647,522

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

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Movements in Carrying Amounts

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

	Land - freehold land	Land - vested in and under the control of Council	Buildings - non- specialised	Furniture and equipment	Plant and equipment	Work in progress	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2016	458,000	142,750	5,690,544	47,807	1,810,439	112,135	8,261,675
Additions	0	0	758,028	7,250	149,716	0	914,994
(Disposals)	0	0	(19)	0	(71,055)	0	(71,074)
Revaluation increments/ (decrements) transferred to revaluation surplus	40,000	(117,750)	(1,047,739)	0	0	0	(1,125,489)
Depreciation (expense)	0	0	(120,126)	(11,787)	(200,671)	0	(332,584)
Transfers	0	0	112,135	0	0	(112,135)	0
Carrying amount at 30 June 2017	498,000	25,000	5,392,823	43,270	1,688,429	0	7,647,522
Additions	0	0	10,416	11,590	40,294	0	62,300
(Disposals)	0	0	0	0	(18,141)	0	(18,141)
Depreciation (expense)	0	0	(108,153)	(13,296)	(259,875)	0	(381,324)
Carrying amount at 30 June 2018	498,000	25,000	5,295,086	41,564	1,450,707	0	7,310,357



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

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
<b>Land and buildings</b>					
Land - freehold land	2	Market approach using recent observable market data for similar properties/income approach using discounted cashflow methodology	Independent registered valuers	June 2017	Price per hectare/market borrowing rate
Land - vested in and under the control of Council	3	Improvements to land valued using cost approach using depreciated replacement cost	Independent registered valuers	June 2017	Improvements to land using construction costs and current condition, residual values and remaining useful life assessments
Buildings - non-specialised	2	Market approach using recent observable market data for similar properties/income approach using discounted cashflow methodology	Independent registered valuers	June 2017	Price per square metre/market borrowing rate
Buildings - specialised	3	Improvements to buildings valued using cost approach using depreciated replacement cost	Independent registered valuers	June 2017	Improvements to buildings using constructions costs and current condition, residual values and remaining useful life assessments
Furniture and equipment	3	Cost approach using depreciated replacement cost	Management valuation	June 2016	Purchase costs and current condition, residual values and remaining useful life assessments
Plant and equipment	2	Market approach using recent observable market data for similar vehicles	Independent valuers	June 2016	Price per item

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

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

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

8 (a). INFRASTRUCTURE

	2018	2017
	\$	\$
Roads		
- Management valuation 2016 - level 3	0	22,255,996
- Independent valuation 2018 - level 3	21,359,772	0
Roads - Less: accumulated depreciation	(2,539,259)	(6,729,777)
	18,820,513	15,526,219
Footpaths		
- Management valuation 2016 - level 3	0	184,525
- Independent valuation 2018 - level 3	184,525	0
Footpaths - Less: accumulated depreciation	(63,807)	(157,888)
	120,718	26,637
Bridges & Drainage		
- Management valuation 2016 - level 3	0	6,139,940
- Independent valuation 2018 - level 3	7,004,042	0
Bridges & Drainage - Less: accumulated depreciation	(1,412,144)	(2,632,185)
	5,591,898	3,507,755
Parks & Ovals		
- Management valuation 2016 - level 3	355,625	355,625
Parks & Ovals - Less: accumulated depreciation	(270,915)	(268,482)
	84,710	87,143
Total infrastructure	24,617,839	19,147,754

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

8. INFRASTRUCTURE (Continued)

(b) Movements in Carrying Amounts

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

	Roads	Footpaths	Bridges & Drainage	Parks & Ovals	Total Infrastructure
	\$	\$	\$	\$	\$
Balance at 1 July 2016	15,467,066	35,863	3,584,504	89,576	19,177,009
Additions	559,517	0	0	0	559,517
Depreciation (expense)	(500,364)	(9,226)	(76,749)	(2,433)	(588,772)
Carrying amount at 30 June 2017	15,526,219	26,637	3,507,755	87,143	19,147,754
Additions	990,794	0	0	0	990,794
Revaluation increments/ (decrements) transferred to revaluation surplus	2,637,101	103,307	2,160,892	0	4,901,300
Depreciation (expense)	(333,601)	(9,226)	(76,749)	(2,433)	(422,009)
Carrying amount at 30 June 2018	18,820,513	120,718	5,591,898	84,710	24,617,839



## 8. INFRASTRUCTURE (Continued)

### (c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Roads	3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments
Footpaths	3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments
Bridges & Drainage	3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments
Parks & Ovals	3	Cost approach using depreciated replacement cost	Management valuation	June 2016	Construction costs and current condition, residual values and remaining useful life assessments

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.

## 9. FIXED ASSETS

### SIGNIFICANT ACCOUNTING POLICIES

#### Fixed assets

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

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

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

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

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

#### Revaluation

The fair value of fixed assets is determined at least every three years in accordance with the regulatory framework. At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions.

This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires property, plant and equipment to be shown at fair value.

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

#### Land under control

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

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

## 9. FIXED ASSETS (Continued)

### (a) Disposals of Assets

The following assets were disposed of during the year.

	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss	Budget Net Book Value	Budget Sale Proceeds	Budget Profit	Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$
Plant and Equipment								
Transport								
Toyota Hilux 4 x 4 - Leading Hand	18,141	11,818	0	(6,323)	35,000	35,000	0	0
Isuzu FXZ1550 Truck	0	0	0	0	163,965	163,965	0	0
Volvo BL71 Backhoe	0	0	0	0	41,035	41,035	0	0
	18,141	11,818	0	(6,323)	240,000	240,000	0	0

### (b) Depreciation

	2018	2017
	\$	\$
Buildings - non-specialised	108,153	120,126
Furniture and equipment	13,296	11,787
Plant and equipment	259,875	200,671
Roads	333,601	500,364
Footpaths	9,226	9,226
Bridges & Drainage	76,749	76,749
Parks & Ovals	2,433	2,433
	803,333	921,356



## 9. FIXED ASSETS (Continued)

### (b) Depreciation (Continued)

#### SIGNIFICANT ACCOUNTING POLICIES

##### Depreciation

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

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

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

##### Depreciation rates

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

Buildings	50 years
Furniture and equipment	4 to 10 years
Plant and equipment	3 to 15 years
Infrastructure	
formation	not depreciated
pavement	40 years
surface structure	33 years
footpaths	50 years
drainage	80 years
parks & ovals	50 years

##### Depreciation (Continued)

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

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

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

# 10. REVALUATION SURPLUS

	2018 Opening Balance	2018 Revaluation Increment	2018 Revaluation (Decrement)	2018 Total Movement on Revaluation	2018 Closing Balance	2017 Opening Balance	2017 Revaluation (Decrement)	2017 Total Movement on Revaluation	2017 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus -Buildings - non-specialised	2,177,676	0	0	0	2,177,676	3,303,165	(1,125,489)	(1,125,489)	2,177,676
Revaluation surplus -Plant and equipment	439,679	0	0	0	439,679	439,679	0	0	439,679
Revaluation surplus - Roads	7,854,551	2,637,101	0	2,637,101	10,491,652	7,854,551	0	0	7,854,551
Revaluation surplus - Footpaths	0	103,307	0	103,307	103,307	0	0	0	0
Revaluation surplus - Bridges & Drainage	3,643,257	2,160,892	0	2,160,892	5,804,149	3,643,257	0	0	3,643,257
	14,115,163	4,901,300	0	4,901,300	19,016,463	15,240,652	(1,125,489)	(1,125,489)	14,115,163

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

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

**11. TRADE AND OTHER PAYABLES**

**Current**

Sundry creditors  
Accrued salaries and wages  
Accrued expenses  
Income received in advance

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Sundry creditors	327,783	73,489
Accrued salaries and wages	6,270	6,577
Accrued expenses	11,965	8,882
Income received in advance	11,181	5,757
	<b>357,199</b>	<b>94,705</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Trade and other payables**

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

**Trade and other payables (Continued)**

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



12. INFORMATION ON BORROWINGS (Continued)

(a) Undrawn Borrowing Facilities
Credit Standby Arrangements
Credit card limit
Credit card balance at balance date
<b>Total amount of credit unused</b>

2018	2017
\$	\$
2,000	2,000
(82)	0
<b>1,918</b>	<b>2,000</b>

Unused loan facilities at balance date

NIL NIL

**SIGNIFICANT ACCOUNTING POLICIES**

**Financial liabilities**

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

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

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

**Borrowing costs**

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

### 13. PROVISIONS

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2017			
Current provisions	87,314	70,811	158,125
Non-current provisions	0	22,116	22,116
	87,314	92,927	180,241
Additional provision	69,519	10,141	79,660
Amounts used	(63,603)	5,291	(58,312)
Balance at 30 June 2018	93,230	108,359	201,589
Comprises			
Current	93,230	48,397	141,627
Non-current	0	59,962	59,962
	93,230	108,359	201,589

#### SIGNIFICANT ACCOUNTING POLICIES

##### Employee benefits

##### Short-term employee benefits

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

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

##### Other long-term employee benefits

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

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

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

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

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

##### Provisions

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

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

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

## 14. NOTES TO THE STATEMENT OF CASH FLOWS

### Reconciliation of Cash

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

	2018 Actual \$	2018 Budget \$	2017 Actual \$
<b>Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>			
Net result	227,808	365,468	1,165,566
Non-cash flows in Net result:			
Depreciation	803,333	1,025,214	921,356
(Profit)/loss on sale of asset	6,323	0	2,874
Fair value adjustments to fixed assets at fair value through profit or loss	0	0	56,550
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(779,829)	1,050	(73,220)
(Increase)/decrease in inventories	(323)	0	13,955
Increase/(decrease) in payables	262,494	0	8,287
Increase/(decrease) in provisions	21,348	0	14,453
Grants contributions for the development of assets	(659,132)	(1,434,695)	(1,329,006)
Net cash from operating activities	(117,978)	(42,963)	780,815



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

15. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2018	2017
	\$	\$
Governance	77,724	0
General purpose funding	58,772	119,075
Law, order, public safety	385,523	270,678
Health	1,369,415	1,374,534
Housing	952,550	790,537
Community amenities	143,470	160,374
Recreation and culture	2,863,832	2,950,491
Transport	25,682,572	21,303,735
Economic services	0	1,592,528
Other property and services	1,291,181	0
Unallocated	1,149,863	0
	33,974,902	28,561,952

## 16. RELATED PARTY TRANSACTIONS

### Elected Members Remuneration

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

	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
Meeting Fees	19,336	23,100	26,254
President's allowance	5,926	5,926	5,926
Deputy President's allowance	4,936	2,976	2,837
Telecommunications allowance	4,550	6,300	0
	34,748	38,302	35,017

### Key Management Personnel (KMP) Compensation Disclosure

Not including Elected Members above

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

	2018	2017
	\$	\$
Short-term employee benefits	181,016	197,601
Post-employment benefits	29,554	26,223
Other long-term benefits	3,538	4,430
	214,108	228,254

#### Short-term employee benefits

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

#### Post-employment benefits

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

#### Other long-term benefits

These amounts represent long service benefits accruing during the year.

### Transactions with related parties

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

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

The following transactions occurred with related parties:

	2018	2017
	\$	\$
Sale of goods and services	0	73,048
Purchase of goods and services	10,114	0
Short term employee benefits - other related parties	70,304	0

### Related Parties

The Shire's main related parties are as follows:

#### i. Key management personnel

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

#### ii Other related parties

Any associate person(s) of KMP employed by the Shire under normal employment terms and conditions.

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

17. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	Opening Balance <sup>(1)</sup> 1/07/16	Received <sup>(2)</sup> 2016/17	Expended <sup>(3)</sup> 2016/17	Closing Balance <sup>(1)</sup> 30/06/17	Received <sup>(2)</sup> 2017/18	Expended <sup>(3)</sup> 2017/18	Closing Balance 30/06/18
	\$	\$	\$	\$	\$	\$	\$
<b>Transport</b>							
Roads to Recovery	15,676	451,356	(258,976)	208,056	278,293	(450,993)	35,356
<b>Total</b>	15,676	451,356	(258,976)	208,056	278,293	(450,993)	35,356

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.



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

18. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	Value \$	Rate Revenue \$	Interim Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Total Revenue \$
Differential general rate / general rate								
<b>Gross rental valuations</b>								
General	0.0998	113	862,881	85,494	0	85,494	85,494	85,494
<b>Unimproved valuations</b>								
General	0.0058	194	104,714,580	604,906	(63)	604,843	602,698	602,698
Urban Farm	0.0499	5	139,184	6,942	0	6,942	6,942	6,942
<b>Sub-Total</b>		312	105,716,645	697,342	(63)	697,279	695,134	695,134
<b>Minimum payment</b>	<b>Minimum \$</b>							
<b>Gross rental valuations</b>								
General	320	45	66,784	14,400	0	14,400	14,400	14,400
<b>Unimproved valuations</b>								
General	320	11	412,500	3,200	0	3,200	3,520	3,520
<b>Sub-Total</b>		56	479,284	17,600	0	17,600	17,920	17,920
		368	106,195,929	714,942	(63)	714,879	713,054	713,054
Discounts/concessions (refer note 18(b))						(28,831)		(31,300)
Total amount raised from general rate						686,048		681,754
Ex-gratia rates						1,350		0
<b>Totals</b>						687,398		681,754

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.

18. RATING INFORMATION (Continued)

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

Rates Discounts

Rate or Fee Discount Granted	Discount %	Discount \$	Actual \$	Budget \$	Circumstances in which Discount is Granted
General Rates	5.00%		28,831	31,300	A discount is granted to all who pay their rates in full within 35 days of the date of service appearing on the rate notice.
			28,831	31,300	

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available	Objects of the Waiver or Concession	Reasons for the Waiver or Concession
Photocopy charges	Community groups such as the Woodanilling Wongi or local Volunteer Bush Fire Brigades.	Encouragement for community service	Council considers support of these groups necessary for the overall benefit of the community.

(c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
<b>Option One</b>				
Single full payment	25-Aug-17	0	0.00%	11.00%
<b>Option Three</b>				
First instalment	25-Aug-17	0	0.00%	11.00%
Second instalment	27-Oct-17	6	5.50%	11.00%
Third instalment	5-Jan-18	6	5.50%	11.00%
Fourth instalment	9-Mar-18	6	5.50%	11.00%
				<b>2018</b>
			<b>2018</b>	<b>Budget</b>
			\$	\$
Interest on unpaid rates			3,023	7,000
Interest on instalment plan			834	500
Charges on instalment plan			570	600
			<b>4,427</b>	<b>8,100</b>

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

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

	2018 (30 June 2018 Carried Forward) \$	2018 (1 July 2017 Brought Forward) \$	2017 (30 June 2017 Carried Forward) \$
Surplus/(Deficit) 1 July 17 brought forward	1,292,687	679,515	679,515
<b>CURRENT ASSETS</b>			
Cash and cash equivalents			
Unrestricted	806,120	554,405	554,405
Restricted	259,523	1,011,360	1,011,360
Receivables			
Rates outstanding	40,855	49,910	49,910
Sundry debtors	879,957	103,038	103,038
Accrued income/payments in advance	13,015	1,050	1,050
Inventories			
Fuel, oil & materials on hand	16,210	15,887	15,887
<b>LESS: CURRENT LIABILITIES</b>			
Trade and other payables			
Sundry creditors	(327,783)	(73,489)	(73,489)
Accrued salaries and wages	(6,270)	(6,577)	(6,577)
Accrued expenses	(11,965)	(8,882)	(8,882)
Income received in advance	(11,181)	(5,757)	(5,757)
Provisions			
Provision for annual leave	(93,230)	(87,314)	(87,314)
Provision for long service leave	(48,397)	(70,811)	(70,811)
Unadjusted net current assets	1,516,854	1,482,820	1,482,820
<b>Adjustments</b>			
Less: Reserves - restricted cash	(224,167)	(803,305)	(803,305)
Adjusted net current assets - surplus/(deficit)	1,292,687	679,515	679,515

### Difference

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



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

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

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

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

The Shire held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2018	2017	2018	2017
	\$	\$	\$	\$
<b>Financial assets</b>				
Cash and cash equivalents	1,065,643	1,565,765	1,065,643	1,565,765
Receivables	933,827	153,998	933,827	153,998
	<u>1,999,470</u>	<u>1,719,763</u>	<u>1,999,470</u>	<u>1,719,763</u>
<b>Financial liabilities</b>				
Payables	357,199	94,705	357,199	86,418
	<u>357,199</u>	<u>94,705</u>	<u>357,199</u>	<u>86,418</u>

Fair value is determined as follows:

Cash and cash equivalents, receivables, payables - estimated to the carrying value which approximates net market value.

Borrowings, held to maturity investments, estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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## 20. FINANCIAL RISK MANAGEMENT (Continued)

### (a) Cash and Cash Equivalents

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

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

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

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

	2018	2017
	\$	\$
Impact of a 1% <sup>(1)</sup> movement in interest rates on cash		
- Equity	10,656	15,658
- Statement of Comprehensive Income	10,656	15,658

**Notes:**

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

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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20. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

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

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

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

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

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

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

	2018	2017
	%	%
Percentage of rates and annual charges		
- Current	0.00%	37.00%
- Overdue	100.00%	63.00%
Percentage of other receivables		
- Current	92.92%	37.00%
- Overdue	7.08%	63.00%



## 20. FINANCIAL RISK MANAGEMENT (Continued)

### (c) Payables and borrowings

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

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
<u>2018</u>	\$	\$	\$	\$	\$
Payables	357,199	0	0	357,199	357,199
	357,199	0	0	357,199	357,199
<u>2017</u>					
Payables	94,705	0	0	94,705	94,705
	94,705	0	0	94,705	94,705

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

21. TRUST FUNDS

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

	1 July 2017	Amounts Received	Amounts Paid	30 June 2018
	\$	\$	\$	\$
LCDC & Landcare Deposits	8,608	0	0	8,608
Unclaimed Monies	280	0	0	280
Woodanilling Wongi	2,867	0	(500)	2,367
Woodanilling Sport & Rec Assn.	415	175	0	590
Insurance Bonus Scheme	18,905	3,666	(1,317)	21,254
Bushfire Brigades	6,705	0	0	6,705
Heritage Scheme Fund	1,732	0	0	1,732
Other Bonds	0	850	0	850
	39,512			42,386

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Shire.

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

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

Notes:

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



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

Notes:

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

Adoption of New and Revised Accounting Standards

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

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

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



## 23. 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.



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

24. ACTIVITIES/PROGRAMS

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

PROGRAM NAME	OBJECTIVE	ACTIVITIES
GOVERNANCE	To provide a decision making process for the efficient allocation of scarce resources.	Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting members and ratepayers on matters which do not concern specific council services.
GENERAL PURPOSE FUNDING	To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
LAW, ORDER, PUBLIC SAFETY	To provide services to help ensure a safer and environmentally conscious community.	Supervision and enforcement of various laws relating to fire prevention, animal control and other aspects of public safety including emergency services.
HEALTH	To provide an operational framework for environmental and community health.	Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.
EDUCATION AND WELFARE	To provide services to disadvantaged persons, the elderly, children and youth.	Maintenance of child minding centre, playgroup centre, senior citizen centre and aged care centre. Provision and maintenance of home and community care programs and youth services.
HOUSING	To provide and maintain elderly residents housing.	Provision and maintenance of elderly residents housing.
COMMUNITY AMENITIES	To provide services required by the community.	Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.
RECREATION AND CULTURE	To establish and effectively manage infrastructure and resources which will help the social well being.	Maintenance of public halls, civic centres, aquatic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.
TRANSPORT	To provide safe, effective and efficient transport services to the community.	Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic signs. Cleaning of streets.
ECONOMIC SERVICES	To help promote the shire and its economic wellbeing.	Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building control.
OTHER PROPERTY AND SERVICES	To monitor and control the shires overhead operating accounts.	Private works operation, plant repair and operation costs and engineering operation costs.



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

25. FINANCIAL RATIOS

	2018	2017	2016
Current ratio	3.52	2.86	0.87
Asset consumption ratio	0.77	0.65	0.72
Asset renewal funding ratio	1.00	1.00	1.00
Asset sustainability ratio	0.83	0.70	0.60
Debt service cover ratio	N/A	N/A	N/A
Operating surplus ratio	(0.42)	(0.17)	(1.44)
Own source revenue coverage ratio	0.25	0.39	0.34

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	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation expenses}}$
Debt service cover ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating surplus ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own source revenue coverage ratio	$\frac{\text{own source operating revenue}}{\text{operating expenses}}$

Notes:

The debt service cover ratio is reported as N/A as the Shire does not have any borrowings.

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

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

	2017/18	2016/17	2015/16
	\$	\$	\$
Amount of Financial Assistance Grant received during the year relating to the subsequent year.	436,534	432,488	0
Amount of Financial Assistance Grant received in prior year relating to current year.	432,488	0	0
Amount of reimbursement for flood damage received	1,488,672	47,748	0
Expenditure on flood damage re-instatement	1,636,270	63,967	0

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

	2018	2017	2016
Current ratio	3.53	4.58	2.67
Operating surplus ratio	0.94	(0.60)	(1.07)
Own source revenue coverage ratio	(0.18)	0.39	0.34





## Auditor General

### INDEPENDENT AUDITOR'S REPORT

#### To the Council of the Shire of Woodanilling

#### Report on the Audit of the Financial Report

##### **Opinion**

I have audited the annual financial report of the Shire of Woodanilling which comprises the Statement of Financial Position as at 30 June 2018, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Chief Executive Officer.

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

- (i) is based on proper accounts and records; and
- (ii) fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2018 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

##### **Basis for Opinion**

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

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

I draw attention to Note 1 to the financial report, which describes the basis of accounting. 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. My opinion is not modified in respect of this matter.

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

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

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

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

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

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

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



## Report on Other Legal and Regulatory Requirements

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

- (i) In my opinion, the following material matters indicate significant adverse trends in the financial position of the Shire:
  - a. The Operating Surplus Ratio has been below the Department of Local Government, Sport and Cultural Industries (DLGSCI) standard for the past three years.
  - b. The Own Source Revenue Coverage Ratio has been below the DLGSCI standard for the past three years.

The financial ratios are reported in note 25 of the financial report.

- (ii) All required information and explanations were obtained by me.
- (iii) All audit procedures were satisfactorily completed.
- (iv) In my opinion, the asset consumption ratio and the asset renewal funding ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

### Other Matter

The financial report of the Shire for the year ended 30 June 2017 was audited by another auditor who expressed an unmodified opinion on that financial report. The financial ratios for 2017 and 2016 in Note 25 of the audited financial report were included in the supplementary information and/or audited financial report for those years.

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

This auditor's report relates to the annual financial report of the Shire of Woodanilling for the year ended 30 June 2018 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.



DON CUNNINGHAME  
ASSISTANT AUDITOR GENERAL FINANCIAL AUDIT  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
18 December 2018

Council and Community Hand in Hand

