

Annual Report

2017-18



District Map



Shire of Gingin

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Photographer Credit

The Shire would like to thank the following community members for supplying photos for this Annual Report:

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- Tracey Hagan
- Carolyn Johnson
- Joanne Sattler
- Leigh Solomon
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- Meredith Taylor

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Shire of Gingin Councillors 2017 - 18



Cr Ian (Sam) Collard
Shire President



Cr John Elgin
Deputy Shire President



Cr Jan Court



Cr Wayne Fewster



Cr Frank Johnson



Cr Jacqui Lobb



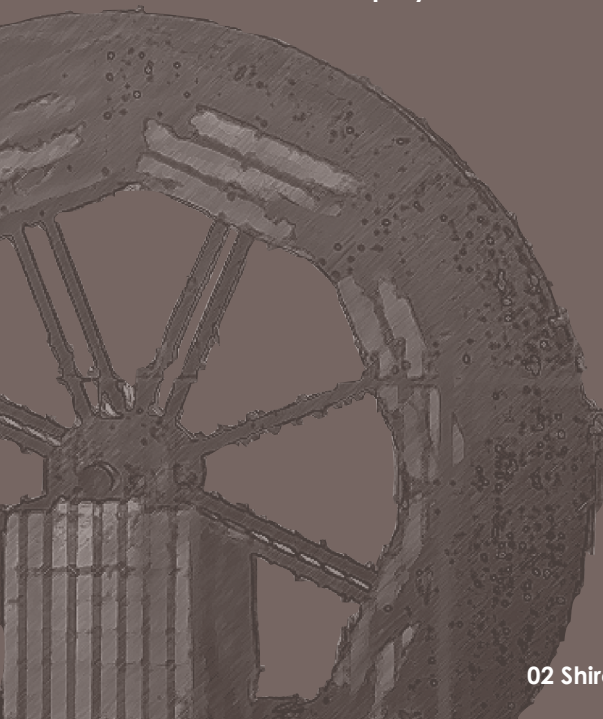
Cr James Morton



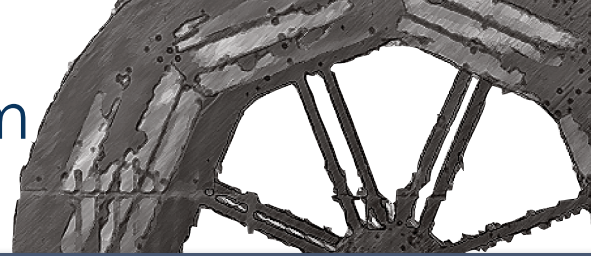
Cr Frank Peczka



Cr Kim Rule



Executive Management Team Organisational Chart



Office of Chief Executive

- Elected Members
- Governance
- Human Resources
- Corporate Planning
- Communications and Marketing
- Medical Services
- Emergency Services

Assets

- Building Services
- Townsite Maintenance
- Waste Services
- Community Infrastructure Projects

Corporate & Community Services

- Customer Service & General Administration
- Corporate Finance
- Community Services & Engagement
- Information Management
- Aquatic Centre & Public Libraries

Operations - Construction

- Road Maintenance & Construction
- Plant & Equipment
- Depot Operation

Planning & Development

- Strategic & Town Planning
- Compliance
- Environmental Health
- Ranger Services

About the Shire of Gingin

The Shire of Gingin is a predominantly rural area strategically located 84 kilometres north of Perth. The Shire covers an area of 3,325km² and is home to a population of approximately 5,400 residents. There are five townships within the Shire being Gingin, Guilderton, Lancelin, Ledge Point and Seabird. In addition to the townships there are six rural residential areas which include Woodridge, Sovereign Hill, Moondah Ridge, Seaview Park, Redfield Park and Ocean Farm.

Geographically the Shire stretches from the coastline across the flat sandy soils of the Swan Coastal Plain in the west to the hinterland and foothills of the Darling Scarp to the east.

The Shire's strategic location means that it is one of the fastest growing rural areas in Western Australia and it is anticipated that the Shire's population will grow by 40.7% to 6,577 by 2023, increasing to 7,879 (+58.35%) by 2031.

With a variety of medium and low density residential and rural locations, different areas within the Shire of Gingin have developed different roles within the housing market. The lower coastal area tends to attract more mature and established families as well as retirees, while the upper coastal area attracts younger families along with retiree households.

Peri-urban growth and associated pressure on market gardening has resulted in the Shire broadening its focus from traditional broad acre farming to intensive horticulture. Agriculture is the Shire's primary economic contributor, accounting for 41.9% of business and some 137,145 ha of land. Local industries within the Shire include cattle and sheep grazing, apiaries, irrigated horticulture, viticulture, olive groves, aquaculture, piggeries, poultry farms, wineries, abattoirs, feedlots and crayfishing.

In addition to rural industry the Shire's economy is also based around tourism, with coastal areas experiencing a large influx of people during the summer holiday season. As a result, the population of the four coastal townships – Guilderton, Seabird, Ledge Point and Lancelin – grows considerably, and can be in excess of 5,000 people at any given time.

Five Year Key Summary of Statistics

	2013 - 14	2014 - 15	2015 - 16	2016 - 17	2017 - 18
Shire of Gingin Population	4,975 ID Forecast	5,266 ID Forecast	5,368 ID Forecast	5,439 ID Forecast	5,400 Estimate
Total number of rateable properties	5,233	5,298	5,319	5,326	5,357
Minimum general residential rate	831	889	951	980	997
Rates levied (excluding refuse)	\$6,386,653	\$6,867,678	\$7,448,146	\$7,661,438	\$7,839,382
Operating revenue	\$11,856,035	\$15,026,808	\$14,155,752	\$15,737,628	\$ 14,805,939
Total current assets	\$4,712,896	\$6,689,302	\$6,889,724	\$7,321,896	\$6,308,950
Capital grants revenue	\$1,577,494	\$2,599,897	\$3,589,599	\$2,400,330	\$3,009,444
Operating grants revenue	\$1,261,966	\$3,872,048	\$1,989,009	\$3,581,963	\$2,428,253
Debt service cover ratio	4.34	6.58	8.36	13.89	5.00
Full-time equivalent staff	52.8	52.6	54.9	57.8	60
Planning applications approved	120	109	108	122	126
Building applications approved	263	250	234	234	213
Licensed dogs registered	*461	1,462	1,133	1,089	1,199
<small>*Please note these figures represent dogs registered within respective year.</small>					
Licensed cats registered	41	96	127	104	134
Waste services provided (weekly)	3,512	3,747	3,774	3,798	3,849
Library loans of books & other items	Gingin 3,000 Lancelin 2,342	Gingin 4,356 Lancelin 2,260	Gingin 4,526 Lancelin 2,915	Gingin 4,451 Lancelin 2,358	Gingin 4,232 Lancelin 2,639

Shire President's Report



On behalf of Council I am pleased to present the Shire of Gingin Annual Report 2017-18.

Every year the Shire of Gingin works hard to deliver the projects and services that fulfil our community's wishes in accordance with our Strategic Community Plan. Doing so is always a challenge given our size as a Shire, the number of towns and rural living areas we support, and extensive road networks we maintain with the limited ratepayer base and finances at our disposal. However, in spite of these challenges, I am pleased to report that our hard working staff and Council are continuing to fulfil these wishes to the highest possible standards as equitably and sustainably as possible across the board.

We are also mindful of the economic times affecting our communities whenever we set rates, and for the 2017-18 financial year Council adopted its lowest rates rise in almost 30 years - a modest 1.75%. This was a prudent and welcome decision that offered both our residents and businesses respite from the ever increasing cost of living.

Major Projects

In 2017-18 we were able to deliver a number of capital works projects, including:

- Lancelin Skate and BMX Park – construction of new pump track, concrete ramps and jumps
- Gingin Cemetery – new fence installation
- Nilgen Fire Shed replacement
- Gingin Bowling Club – construction of disability access-friendly ramp
- Hinchcliffe Hill Lookout, Lancelin – construction of new boardwalk and staircase
- Gingin Hockey Grounds – slope stabilisation and limestone wall works
- Guilderton Boardwalk – deck replacement

Rollout of Recycling Service

As part of our commitment to support a healthy, natural environment within the Shire we introduced a new two-bin waste collection service to include recyclables. In August 2017 the Shire's waste management contractor, Avon Waste, delivered new Shire-branded red lid bins (general waste) and yellow lid bins (recycling) to all residents on the Shire's waste collection service. Diverting recyclable items away from general waste to be reconstituted will go a long way to reducing unnecessary waste at our landfill sites.

Early Rates Incentive Scheme

This is the fourth year that the Shire has conducted an Early Rates Incentive competition and I'm pleased to report that **67%** of rates were paid on or before the early cut-off date of 13th September – this is a 2% increase over last year and an excellent response by our community, and we extend sincere thanks to our local businesses and sponsors for helping us make this happen.

Local Government Elections 2017

Following the local government elections in October we welcomed four new councillors – Frank Johnson, Jacqui Lobb, James Moreton and Kim Rule. Outgoing councillors were former Shire President David Roe, Sandra Smiles, Michael Aspinall and Val Ammon.

In addition, Cr John Elgin was elected as Deputy Shire President and I was elected as Shire President at the post-election Special Meeting of Council.

New CEO

In March 2018 we said farewell to Jeremy Edwards who acted as the Shire's chief executive officer for five years, and in June we welcomed Aaron Cook into the role. Aaron has come to us with over 25 years country and metro local government experience which included CEO positions with the Shire of Narrogin and the Shire of Gnowangerup. Council is looking forward to working with Aaron over the coming years to take the Shire to the next level.

As 2017-18 was my first year as Shire President, I would like to extend my sincere appreciation to my fellow councillors, all the Shire staff, and community members for your support as I've settled into the role. It certainly has been an interesting year and I am very grateful to be working with so many caring and competent people who have made my job so much easier.

Cr Sam Collard Shire President



Chief Executive Officer's Report



Welcome to the Shire of Gingin's Annual Report 2017-18.

While the past 12 months have seen a number of changes to the Shire's leadership, the focus on providing our community with best possible projects and services continued unhindered throughout 2017-18. The strength of the Shire's Strategic Community Plan continues to keep us on track and is testament to its usefulness as a framework for planning for our region's future.

Community Perception Survey

One of the most important informing activities for the development of the Shire's Strategic Community Plan is the bi-ennial Community Perception Survey – getting feedback directly from our constituents as to what they need and want is a very important step in building happy, balanced and well-functioning communities.

In May 2018 we conducted another survey, results of which will be available in the next financial year and reported on in the 2018-19 annual report. A glimpse into some of the results has indicated a need to focus on improving our consultation and engagement with community, and solutions to coastal erosion.

Staffing

In 2017-18, the Shire saw the need to reassess a number of internal structures. An Assets Department was created to more efficiently manage the Shire's increasing public infrastructure and maintenance needs and an Executive Manager Assets was appointed in December 2017.

In addition, two civil engineering internships were offered to university students which provided the Assets Department with additional resources at no cost, and two young people got valuable on-the-job training.

Staff development and training continues to be a priority in order that our teams are able to carry out their roles to the highest possible standard.

Coastal Erosion Working Group

In the 2017-18 financial year, the issue of coastal erosion came to the fore once again with considerable inundation threatening infrastructure and amenity at Grace Darling Park in Lancelin.

At the time of this report, the Shire is in the process of forming a working group to liaise with affected community stakeholders and State Government agencies on how best to tackle the problem.

Tourism Strategy - Appointment of Economic Transitions

A contract was awarded to Economic Transitions to develop a tourism strategy for the Northern Growth Alliance in 2017-18. The alliance, which comprises the Shires of Gingin, Chittering and Dandaragan, works together to address shared issues and challenges. This includes planning for future growth and promoting the collective area to investors, businesses, tourists and locals as an accessible and vibrant region with a strong economic future.

It is expected that the completion of the new NorthLink Highway and Muchea Employment Node will have a positive economic impact on the Shire of Gingin by making access to the lower coastal and rural areas easier and in turn a desirable region to visit, work or call home.

In addition, ongoing pressure of land use will continue to see the areas as a whole develop and population expand into the future.

Being new to the helm since June 2018, I would like to thank Council for giving me this opportunity and I look forward to contributing to the Shire's continuing success. I would also like to thank the Executive Management Team for their guidance, and all the staff who have made my transition an enjoyable one so far.

Aaron Cook
Chief Executive Officer



Strategic Community Plan Overview

Our Community Vision and Aspirations

“We are a welcoming and progressive community that celebrates its diversity, and unique rural and coastal environment.”

Whether coastal or country, it is lifestyle that continues to be the primary reason why the community calls the Shire of Gingin home.

Located on the doorstep of Perth, the Shire of Gingin's friendly communities have a lot to offer. With spectacular coastline and rivers to picturesque rolling hills, our community is proud of its natural assets, agricultural roots and laidback lifestyle.

The following community aspirations and focus areas form the basis of the Shire of Gingin's Community Plan 2017-27, including priorities delivered via service areas to help the Shire fulfil these aspirations.

Focus Area: Community Wellbeing

- Community Aspiration: An active, healthy and safe community with a range of easily accessible services and facilities.
- Council Objective: To support the Shire of Gingin community to be inclusive, vibrant, healthy and safe through the Shire's service delivery.

Focus Area: Natural Environment

- Community Aspiration: The Shire of Gingin's natural assets are protected for future generations and recognised as one of the greatest sources of pride in our community.
- Council Objective: To develop the Shire's capacity to support the conservation of natural assets and undertake sustainable resource management.

Focus Area: Infrastructure and Development

- Community Aspiration: High quality infrastructure and development.
- Council Objective: To effectively manage growth and provide for community through the delivery of community infrastructure in a financially responsible manner.

Focus Area: Economic Development

- Community Aspiration: A strong economy based on tourism, agriculture, resources and supportive industries.
- Council Objective: To support economic development through the Shire's service delivery.

Focus Area 5: Governance

- Community Aspiration: Progressive and transparent leadership which is contemporary and involves the community in responsible governance.
- Council Objective: To demonstrate effective leadership, governance and advocacy on behalf of the community.

Strategic Community Plan – Implementation, Resourcing and Performance

The Shire of Gingin's Strategic Community Plan is implemented through the four year Corporate Business Plan, which is reviewed and updated annually. The Corporate Business Plan 2017-21 includes a range of *Actions* for each of the *Priorities* identified in the Strategic Community Plan 2017-27. The Shire's 2017-18 capital and operating budget was aligned to these *Actions* along with projects identified in the Shire's long term financial planning documentation. In the 2017-18 financial year, 121 projects and 40 ongoing programs were planned for delivery. Across all the projects, 82% were successfully implemented as planned and 18% were either deferred, delayed or cancelled. All ongoing programs were successfully delivered.

The following pages list the Strategic Community Plan 2017-27 *Outcomes and Priorities* and their corresponding Corporate Business Plan *Actions & Major Projects* for the 2017-18 financial year. An overview of 2017-18 progress against these is provided, along with an outlook for the future 2018-19 financial year.



Measuring Our Success

The Shire's Strategic Community Plan includes a number of Key Performance Indicators (KPIs) to measure progress against Objectives. It includes a mix of indicators measuring the performance of the Shire as well as *Community Measures*. These *Community Measures* are indicators of the broader environment that the Shire is seeking to influence in partnership with the community, the private sector and all levels of government.

Throughout 2017-18 the Shire continued the development of systems and processes to support the monitoring of KPIs. The following table provides the most recent available information sourced from the Community Perceptions Survey 2018, Regional Competitive Index data and Tourism data, with commentary for each KPI. It also highlights changes in KPIs made during this period or planned for next financial year.

Community Wellbeing

Key Performance Indicator	Current Result	Previous Result	Trend
Community satisfaction with the Shire as a place to live. (Community Measure)	Mostly Satisfied (2018)	Mostly Satisfied (2016)	-
Community satisfaction with quality of life. (Community Measure)	Average employment and study opportunities, approximately 30% of households with incomes less than \$900 per week.	N/A	-
Community satisfaction with Shire events.	Mostly Satisfied (2018)	Mostly Satisfied (2016)	-

Natural Environment

Key Performance Indicator	Current Result	Previous Result	Trend
Community satisfaction with weekly rubbish collection.	High Overall Satisfaction (2018)	Strong Satisfaction (2016)	▲
Community satisfaction with local rubbish tips.	High Overall Satisfaction (2018)	Strong Satisfaction (2016)	▲
Community satisfaction with verge side green waste collection.	Mostly Satisfied (2018)	Mostly Satisfied (2016)	-
Community satisfaction with conservation and environmental management.	So/so Satisfaction (2018)	So/so Satisfaction (2016)	-
Community satisfaction with kerbside recycling.	Mostly Satisfied (2018)	N/A	-

Infrastructure and Development

Key Performance Indicator	Current Result	Previous Result	Trend
Community satisfaction with libraries.	High Overall Satisfaction (2018)	Strong Satisfaction (2016)	-
Community satisfaction with parks and reserves.	Mostly Satisfied (2018)	Strong Satisfaction (2016)	▼
Community satisfaction with sport and recreation facilities.	Mostly Satisfied (2018)	Mostly Satisfied (2016)	-
Community satisfaction with community buildings.	Mostly Satisfied (2018)	Mostly Satisfied (2016)	-
Community satisfaction with management and control of traffic on local roads.	Mostly Satisfied (2018)	Mostly Satisfied (2016)	-
Community satisfaction with maintenance of unsealed roads.	Low Satisfaction (2018)	So/so (2016)	▼
Community satisfaction with maintenance of sealed roads.	Low Satisfaction (2018)	Low Satisfaction (2016)	-
Community satisfaction with building and planning permit approvals.	So/so Satisfaction (2018)	Mostly Satisfied (2016)	▼
Increase metres of dedicated walk and cycle trails.	Nil	191m	-

Economic Development

Key Performance Indicator	Current Result	Previous Result	Trend
Number of tourists who visit the Shire of Gingin. (Community Measure)	626,000 (2017)	556,000 (2016)	▲
Average dollars spent per trip to the Shire of Gingin. (Community Measure)	\$132 (2017)	\$139 (2016)	▼
Percentage share of WA visitors. (Community Measure)	2.1% (2017)	2% (2016)	▲

Governance

Key Performance Indicator	Current Result	Previous Result	Trend
Increase community satisfaction with the Shire of Gingin's overall performance.	So/so Satisfaction (2018)	Mostly Satisfied (2016)	▼
Increase community satisfaction with the Shire's community consultation and engagement.	Low Satisfaction (2018)	Low Satisfaction (2016)	-
Increase community satisfaction with how the Shire informs community about local issues.	So/so Satisfaction (2018)	So/so Satisfaction (2016)	-

Notes:

- Community Perception Survey results are sourced from the 2018 Community Perception Survey commissioned by the Shire and conducted by Research Solutions in 2018. Performance results were defined as follows: **high overall satisfaction:** more than 80% of users were satisfied or very satisfied, **mostly satisfied:** 60-80% satisfied or very satisfied, **mixed satisfaction:** where 45-59% satisfied or very satisfied, **areas of opportunity:** where fewer than 45% satisfied or very satisfied.
- Tourism data is sourced from Tourism Research Australia (2016 & 2017) Local Government Area Profiles, 2016 & 2017 Gingin, WA. Published by Tourism Research Australia, Australian Government, Austrade.
- Community Wellbeing data (*Community Measure*) Regional Australia Institute (RAI) In-sight Regional Competitive Index (out of 563 Local Government Authorities) – Human Capital (Learning and Earning 272, Labour Market Efficiency Participation Rate) % population over 15+ in labour force 237.
- Community Wellbeing data (*Community Measure*) Australian Bureau of Statistics.
- Australian Council of Social Service (ACOSS) – Poverty Line <https://www.acoss.org.au/poverty>.

Overview of Strategic Community Plan Progress

Community Wellbeing

To support the Shire of Gingin community to be inclusive, vibrant, healthy and safe through the Shire's service delivery.

Outcome: Inclusive Community

Our community has access to a range of community programs, services and initiatives that support wellbeing and inclusion.

SCP Priority

Support aging in place by developing the 'four planks' of Aging in the Bush.

CBP Actions & Major Projects		2017-18 Progress	2018-19 Outlook
Action	Gingin Independent Living Units.	Development Approval to H&H for an eco-lifestyle village on Lot 11 Mooliabeenee Road, Gingin.	Support an increase in the number of Independent Living Units available within the Shire in partnership with the private sector and/or through direct service provision.
Action	Shire supported community/ social housing units in Lancelin and Gingin.	Operational service activity – manage new clients and lease arrangements successfully delivered.	The Shire will continue its commitment to support and manage units in Lancelin and Gingin.
Action	Advocacy – Senior Services.	The Gingin Community Transport initiative (February 2017) now has a sister initiative in Lancelin (November 2017).	Council has indicated support for both initiatives for the next five years.

SCP Priority

Improve activities for children and young people.

CBP Actions & Major Projects		2017-18 Progress	2018-19 Outlook
Project	Youth Officer to be considered for 2018-19 and included in the Workforce Plan.	Youth Strategy undertaken with recommendations.	Inclusion of a part-time Youth Officer in the 2018-19 Municipal Budget.

Outcome: Vibrant Community

Our community can participate in a range of activities and events that celebrate and promote our unique lifestyle and heritage.

SCP Priority

Support community groups and volunteers.

CBP Actions & Major Projects		2017-18 Progress	2018-19 Outlook
Action	Partner and deliver a range of community events.	Operational service activity - annual Suite of Events successfully delivered.	Ongoing partnership and delivery of a range of community events.
Project	Partner and deliver a range of community events within existing operational resources - deliver annual Suite of Events.	Operational service activity - annual Suite of Events successfully delivered.	Partner and deliver a broad range of community events.

SCP Priority

Ongoing delivery of a Community Grants Program to support the Shire's Strategic Objectives.

CBP Actions & Major Projects		2017-18 Progress	2018-19 Outlook
Action	Deliver a Community Grants Program to support the Shire's Strategic Objectives.	Operational service activity - Community Grants Program successfully delivered.	Ongoing delivery of a Community Grants Program to support the Shire's Strategic Objectives.

Outcome: Healthy and Safe

Our community has access to quality health and community safety programs, services and initiatives that promote resilience.

CBP Actions & Major Projects		2017-18 Progress	2018-19 Outlook
Action	Shire supported GP Services.	Operational service activity - delivery of essential services provided.	Ongoing delivery of General Practitioner Service in Gingin and Lancelin will continue.
Action	Deliver essential services in Bush Fire Prevention and Control, Ranger Services and Environment Health to support law, order and public safety.	Operational service activity - delivery of essential services provided.	Ongoing delivery of Local Emergency Services, Ranger Services and Environmental Health Services.
Project	Nilgen Fire Shed.	Project completed.	N/A.

SCP Priority

Advocate improved access to medical services.

CBP Actions & Major Projects		2017-18 Progress	2018-19 Outlook
Action	Lobby the State Government and health providers for the ongoing provision of a permanent local General Practitioner and preventative health programs.	Research being undertaken into local government GP service models. Question surrounding GP visitations in Community Perception Survey 2018.	Continued research to be undertaken into a more effective/robust delivery of medical services within the Shire.

Community Wellbeing

To develop the Shire's capacity to support the conservation of natural assets and undertake sustainable resource management.

Outcome: Conservation

The Shire's ecological services and natural assets are respected and enhanced.

SCP Priority

Coastal planning and adaptation.

CBP Actions & Major Projects		2017-18 Progress	2018-19 Outlook
Action	Ongoing implementation of the Coastal Hazard Risk Management and Adaptation Plan.	Project cancelled – funding not successful - Coastal Adaptation and Protection - Ledge Point Wave Attenuation Project.	Application for funding for monitoring for Ledge Point Groynes.
Project	Coastal Hazard Risk Management.	Project underway to be completed 2018-19.	C/F to 2018-19 for completion.
Action	Consider a permanent Coastal Planning Officer for inclusion in the Workforce Plan.	Dependent on recommendations from the Coastal Hazard Risk Management project.	Recommendations pending the Coastal Hazard Risk Management Plan (completion 2018-19).

SCP Priority

Improving the Shire's Natural Areas Management.

CBP Actions & Major Projects		2017-18 Progress	2018-19 Outlook
Action	Deliver essential services in Ranger Services.	Operational service activity - delivery of essential services provided.	Ongoing delivery of appropriate Ranger Services.

Outcome: Sustainable Resource Management

The Shire practices Sustainable Resource Management within its operations and supports the community to do the same.

CBP Actions & Major Projects		2017-18 Progress	2018-19 Outlook
Action	Deliver essential services in Waste Services.	Operational service activity – delivery of essential services provided.	Ongoing delivery of Waste Services.
Project	Wannamal Road West Facility Environment Study.	Not completed – further hydro studies required prior to the landfill development.	N/A at this time.

Infrastructure And Development

To effectively manage growth and provide for community through the delivery of community infrastructure in a financially responsible manner.

Outcome: Development

New and existing developments meet the Shire's Strategic Objectives and Outcomes.

CBP Actions & Major Projects		2017-18 Progress	2018-19 Outlook
Project	Marchmont drainage.	Completed.	N/A.
Action	Deliver essential services in building and planning permits.	Operational service activity - delivery of essential services provided.	Ongoing timely delivery of Building and Planning Services.

SCP Priority

Support strategies that facilitate commercial development.

CBP Actions & Major Projects		2017-18 Progress	2018-19 Outlook
Project	Lancelin – Commercial Centre/Plaza – road works, car parking and landscaping design construct (2018-19).	Preliminary design works including feature survey geotechnical report commenced.	C/F design works to continue followed by construction works.
Project	Lancelin – Commercial Centre/Plaza – servicing and sale of UCL land.	Negotiations continuing into 2018-19.	C/F.
Action	Deliver essential services in planning permits.	Operational service activity - delivery of essential services provided.	Ongoing timely delivery of Planning Services.

SCP Priority

Support strategies that facilitate an increase in housing diversity.

CBP Actions & Major Projects		2017-18 Progress	2018-19 Outlook
Action	Develop and implement a program to increase connection to existing sewerage schemes.	Ongoing.	Ongoing.
Action	Deliver essential services in planning permits.	Operational service activity - delivery of essential services provided.	Ongoing timely delivery of Planning Services.

Outcome: Community Infrastructure

The Shire provides fit-for-purpose community infrastructure in a financially responsible manner.

SCP Priority

Improve the use and financial sustainability of community infrastructure.

CBP Actions & Major Projects		2017-18 Progress	2018-19 Outlook
Project	Lancelin – Lancelin Golf Course reticulation expansion.	Completed.	N/A.
Project	Gingin – Gingin Pistol Club – review facilities.	Completed.	N/A.
Project	Gingin – hockey field bank stabilisation.	Completed.	N/A.
Project	Ledge Point playground renewal.	Completed.	N/A.
Project	Roads to Recovery.	RTR projects completed.	Ongoing.

Outcome: Connectivity and Accessibility

The Shire's community and infrastructure supports connectivity and accessibility.

SCP Priority

Undertake effective integrated transport planning and its implementation.

CBP Actions & Major Projects		2017-18 Progress	2018-19 Outlook
Project	Maintain existing road and path network.	Completed other than Cullalla Road/Ashworth Road intersection, KW Road, Lancelin Road, Hinchcliffe Hill carpark and pathway and pathways expansion.	C/F projects plus scheduled projects.
Project	Review road hierarchy plan.	Portion C/F to 2018-19.	Portion to be completed 2018-19.
Project	Cowalla Road Bridge.	C/F- to be finalised in 2018-19 (MRWA).	Portion to be completed 2018-19.
Project	Murray Road Bridge.	Completed.	N/A.
Action	Deliver key service area – advocacy – community and public transport.	Council financial support for the provision of community car transport to medical appointments.	Ongoing.

SCP Priority

Improve the provision of age-friendly infrastructure for all, including Disability Access and Inclusion Planning.

CBP Actions & Major Projects		2017-18 Progress	2018-19 Outlook
Action	Implementation of the Age Friendly Communities Report within existing resources and facilities.	Operational service activity – dual use pathways and ramps.	Ongoing.

SCP Priority

Advocate improved telecommunications infrastructure.

CBP Actions & Major Projects		2017-18 Progress	2018-19 Outlook
Action	Deliver key service area – advocacy – telecommunications.	NBN rollout within the Shire of Gingin complete.	Ongoing – new technologies/ blackspots etc.

Economic Development

To support economic development through the Shire's service delivery.

Outcome: Tourist Playground

An internationally acclaimed tourist playground.

SCP Priority

Support the development of the Shire of Gingin as a premier tourist destination for ocean and sand adventures.

CBP Actions & Major Projects		2017-18 Progress	2018-19 Outlook
Project	Lancelin Skate and BMX Park.	Completed.	Stage Two of the project (concept/funding etc).
Project	Recreational Boat Launching Facility – Planning Study.	A component of the project to be C/F to 2018-19.	To be completed in 2018-19.
Project	Lancelin Foreshore Development – Cunliffe Street carpark.	Deferred 2018-19.	Project to progress to concept planning and funding stage.
Project	Lancelin Foreshore Development – Hinchcliffe Street recreational area (north and south sides).	Completed.	Carparking and pathway component to be completed in 2018-19.
Project	Lancelin – Lancelin South Caravan Park – acquisition of assets.	Completed.	N/A.
Action	Lancelin – Lancelin South Caravan Park – finalise lease.	Completed.	N/A.
Action	Deliver key service area – advocacy – tourist accommodation.	Tourism Strategy undertaken in 2017-18 – component to C/F.	Ongoing.

Outcome: Food Bowl

A strategically significant agricultural hub to the Perth metropolitan area.

SCP Priority

Support the development of agri-industry processing.

CBP Actions & Major Projects		2017-18 Progress	2018-19 Outlook
Project	Wheatbelt Development Commission agri-industry processing hub site identification.	Component to be C/F.	Project to be completed in 2018/19.

Outcome: Innovation

Innovation is the foundation of economic growth across the Shire.

SCP Priority

Improve local economic development support.

CBP Actions & Major Projects		2017-18 Progress	2018-19 Outlook
Action	Improve partnerships with CCI and CRC.	Lancelin CCI and CRC - support for Lancelin Ocean Classic.	Ongoing.
Action	Support CRC to deliver education and training, and provide work experience opportunities within the Shire.	Ongoing service delivery and partnership – lease Gingin Railway Station.	Ongoing.
Action	Work in partnership with the Growth Alliance and WDC to develop a Growth Plan.	Progressing.	Ongoing.

Governance

To demonstrate effective leadership, governance and advocacy on behalf of community.

Outcome: Values

Our organisational/business values are demonstrated in all that we do.

SCP Priority

Develop the skills and capabilities of our elected members and staff.

CBP Actions & Major Projects		2017-18 Progress	2018-19 Outlook
Action	Executive Management Team – TRACK leadership.	Ongoing – mentoring of staff.	Ongoing.
Action	Elected member training and development.	Ongoing – elected members attended various training opportunities.	Ongoing.
Action	Staff training and development.	Ongoing as determined/required via the Performance Review process.	Ongoing.

SCP Priority

Improve the financial position of the Shire.

CBP Actions & Major Projects		2017-18 Progress	2018-19 Outlook
Action	Annual review and quarterly reporting on corporate business.	Q1-4 Reports completed; 2017-18 review completed.	Ongoing.
Action	Annual review of Workforce Plan.	Review of Workforce Plan undertaken in 2017-18.	Ongoing.
Project	Road assets re-value.	Mostly completed in 2017-18 component to C/F in 2018-19.	C/F.
Action	Annual audit compliance.	Completed.	Ongoing.
Action	Undertake periodic reviews of Council Policies and Local Laws.	Undertaken when required via Council Meeting process.	Ongoing.
Project	Maintain administration plant, furniture and equipment.	Items budgeted and purchased. Nil plant purchased in 2017-18 – funds transferred to Reserve.	Scheduled replacement items budgeted.

Outcome: Service

Provides customer focused service delivery.

CBP Actions & Major Projects		2017-18 Progress	2018-19 Outlook
Action	Delivery key service area – Customer Service.	Customer Service Charter in use.	Community Perception Survey 2018 provides indication on how customer service is performing.
Action	Deliver key service area – Human Resources.	Operational activity/service.	Ongoing.
Action	Develop Employee Recognition Program.	Employees highlighted in "Team Focus" internal staff newsletter.	Ongoing.
Action	Stakeholder and community engagement.	Developing policy.	Ongoing.
Action	Implement on-line timesheets.	Completed.	Ongoing use.

Outcome: Partner

The Shire works productively with a range of partners to deliver better outcomes for community.

SCP Priority

Advocate on behalf of community towards Strategic Community Plan aspirations, objectives, outcomes and priorities.

CBP Actions & Major Projects		2017-18 Progress	2018-19 Outlook
Action	Continue to work with the Northern Growth Alliance on regional projects.	Partnership continues with Shires of Dandaragan and Chittering – Tourism Strategy, Agri-Industry.	Ongoing.
Action	Deliver Key Service Area – Advocacy Partnerships	Partnership continues with Shires of Dandaragan and Chittering – Tourism Strategy, Agri-Industry.	Ongoing.





Office of the Chief Executive

Governance

Review of Policies

During the period 1 July 2017 to 30 June 2018, Council adopted three new policies, amended one existing policy and repealed one policy.

Review of Delegations

In accordance with section 5.46 of the *Local Government Act 1995*, a review of the Shire's Delegation Register was undertaken during the period, with Council adopting the review at its meeting on 19 June 2018.

Completion of Annual Returns

In accordance with section 5.76 of the *Local Government Act 1995*, a total of 21 Councillors and Designated Officers were required to complete and submit an Annual Return by 31 August 2017. One Return was not received by the due date as a result of the Officer concerned being on leave. The Return was completed and submitted by the Officer on 12 September 2017 following their return to work. The matter was reported to relevant authorities as required by legislation, with no further action being taken.

Annual Compliance Audit Returns

All local governments are required to carry out an Annual Compliance Audit for the period 1 January to 31 December as specified by the *Local Government Act 1995*. The return includes a range of compliance categories to be met by local governments.

The 2017 Annual Compliance Audit Return for the Shire of Gingin was received by Council at its meeting on 20 March 2018 and subsequently submitted to the Department of Local Government and Communities in accordance with Regulations 14 and 15 of the *Local Government (Audit) Regulations 1996*.

The audit, which was undertaken internally, found that the Shire's standard of compliance was once again very high, with only one instance of non-compliance out of a total of 94 items included in the Return. This equates to an achievement of 98.94% compliance, which is consistent with the results for 2016 and 2017.

The one instance of non-compliance detected related to the failure to record a delegation in the Shire's Delegated Authority Register.

At its meeting on 19 December 2017, Council delegated authority to the Chief Executive Officer Recruitment Committee to fulfil a number of functions under Regulations 18A and 18C of the *Local Government (Administration) Regulations 1996*.

This delegation was not recorded in the Delegated Authority Register in accordance with s. 5.18 of the *Local Government Act 1995*, and Committee members were not provided with a written Instrument of Delegation.

This omission has been noted by Administration and greater attention will be paid to this requirement in the future.

Complaints of Minor Breach

In accordance with sections 5.53(2) and 5.121 of the *Local Government Act 1995*, the Annual Report is required to disclose the number of complaints of minor breach received each year.

Number of Complaints 2017-18	Outcome	Action Taken
Nil	-	-

Human Resources

The Shire of Gingin continues to enjoy a reputation for being an "Employer of Choice" and this is evident in the high numbers of applications received for advertised vacancies.

In the 2017-18 financial year the main emphasis was on providing staff with adequate training to better equip them in their roles, especially in the areas of Occupational Health and Safety and IT.

Employees working in the areas of Planning, Building and Health attended on-site SynergySoft training provided by IT Vision which provided them with skills on how to use this software system to higher levels of functionality and proficiency.

In the area of Occupational Health and Safety, training was provided in Emergency Evacuation Procedures, Manual Task Awareness, Office Ergonomic Set-Ups, First Aid, Drug and Alcohol Policy, and Machinery Ergonomic Awareness. In addition, our Maintenance Officers attended a Kidsafe WA accredited Playground Visual Inspection Course.

In terms of restructuring, the Shire of Gingin underwent a number of changes throughout the year, with the creation of an Assets Department and with other departments employing staff to take on new roles and responsibilities. In 2017-18 the following new positions were created:

- Stable Fly Inspector – part-time
- Environmental Health Support Officer – part-time
- Civil Engineering Intern – part-time
- Executive Manager Assets – full-time

The Building Maintenance Trainee completed his traineeship and achieved a Certificate II in Construction Pathways (Building Maintenance) and our Youth Development Scholarship recipient achieved a Certificate IV in Local Government Administration. It is hoped that in the 2018-19 financial year the Shire will be able to offer a Youth Officer role in the Corporate and Community Services department. The Shire also provided opportunities for a number of students to undertake work experience in the Rangers, IT, Engineering, Maintenance and Mechanics areas.

The Shire has a full-time equivalent (FTE) staffing level of 60 persons and a total of 73 staff members, including vacancies, staff on parental leave, secondment and short term contracts. The Shire regularly receives "Expressions of Interest" for employment through the Shire's website.

Factors such as population growth, increased building and planning development applications and an increase in the demand for community services will have a significant effect on the workforce and its capabilities in the future.

Payment to Employees

Salary Band \$	Number of Officers	
	2017-18	2016-17
100,000 – 110,000	1	1
110,000 – 120,000	1	1
120,000 – 130,000	0	1
130,000 – 140,000	2	1
140,000 – 150,000	1	0
150,000 – 160,000	0	0
160,000 – 170,000	0	0
170,000 – 180,000	1	2
180,000 – 190,000	0	0
190,000 – 200,000	1	0

Equal Employment Opportunity

Section 146 of the *Equal Opportunity Act 1984* requires local governments to report on the progress of their diversity and inclusion activities and programs, and workforce data to the Director of Equal Opportunity in Public Employment (DEOPE). In May 2018, the Shire of Gingin participated in the Equal Employment Opportunity Survey administered by the Public Sector on behalf of the DEOPE in order to meet this legislative requirement.

In addition, the Shire focussed on providing employment opportunities for Aboriginal Australians and People Aged 24 Years and Under (Youth). In addition to the Shire's usual channels, all vacant positions were advertised through the South West Aboriginal Land and Sea Council, and the Shire provided a traineeship and a scholarship for two young people.

The Shire of Gingin is committed to providing a workplace where every individual is treated with respect in an environment free from discrimination and harassment.

Audit Committee

The Audit Committee oversees the Shire of Gingin's audit processes. The Committee's Terms of Reference are to provide guidance, assistance and oversight to the Council in relation to the:

- Financial Audit
- Risk Management Framework
- Statutory Compliance Audit

The Audit Committee meets on an as-needs basis during the year, with the timing of each meeting coinciding with a particular aspect of the Shire's audit cycle. All recommendations made by the committee are referred to Council for consideration.

Three Audit Committee meetings were held during 2017-18: in July and November 2017, and March 2018.





Corporate & Community Services



Financial Review

The following tables provide a snapshot of the Shire of Gingin's major financial activities for 2017-18. For a more detailed explanation of these financial activities please refer to the audited Financial Report on page 47.

Table 1
Operating Revenue

This graph represents the operating revenue totalling \$17,845,269 by percentage.

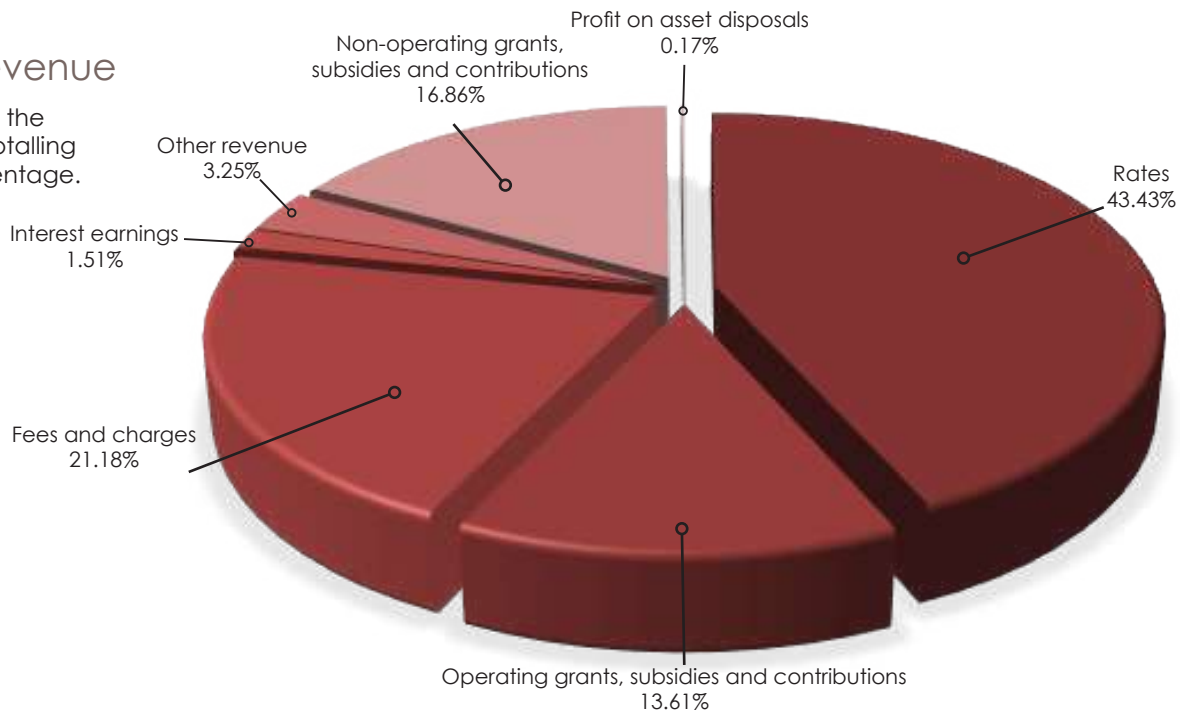


Table 2
Operating Expenditure

This graph represents the operating expenditure totalling \$18,409,823 by percentage.

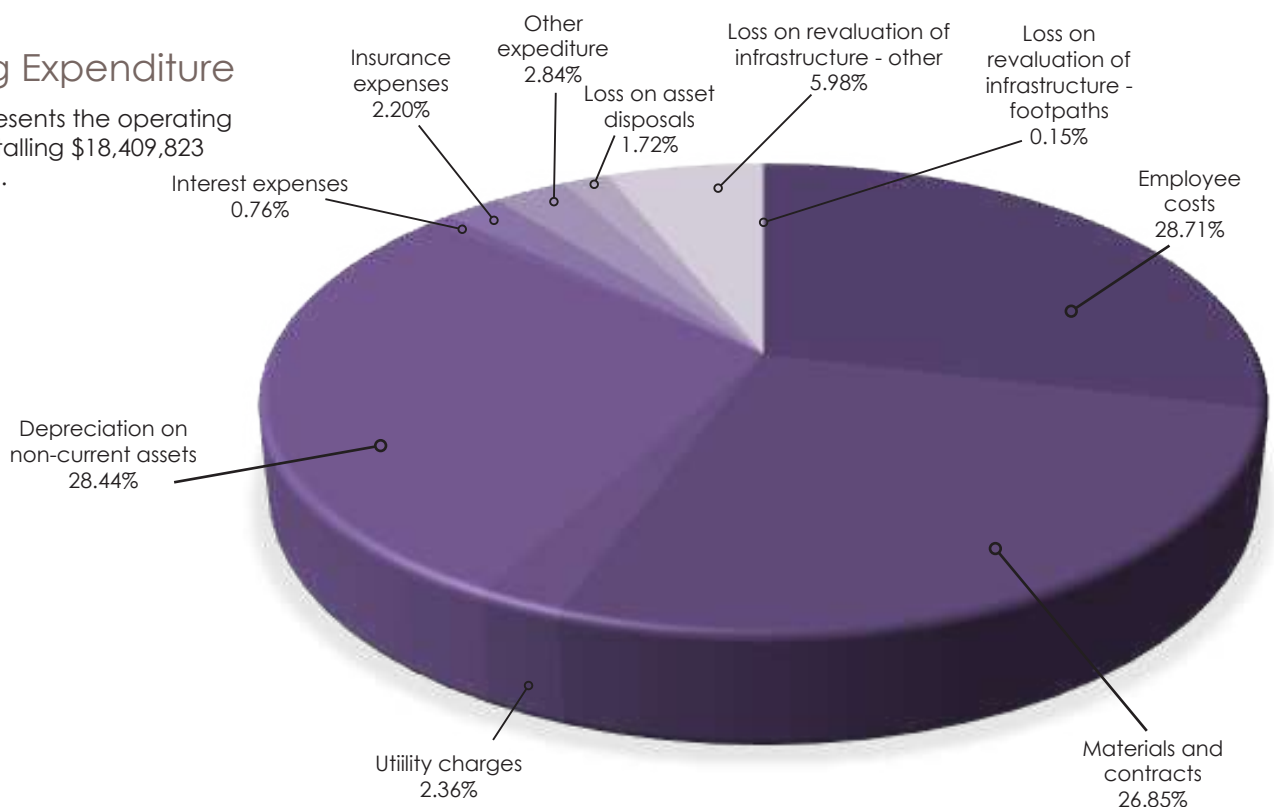
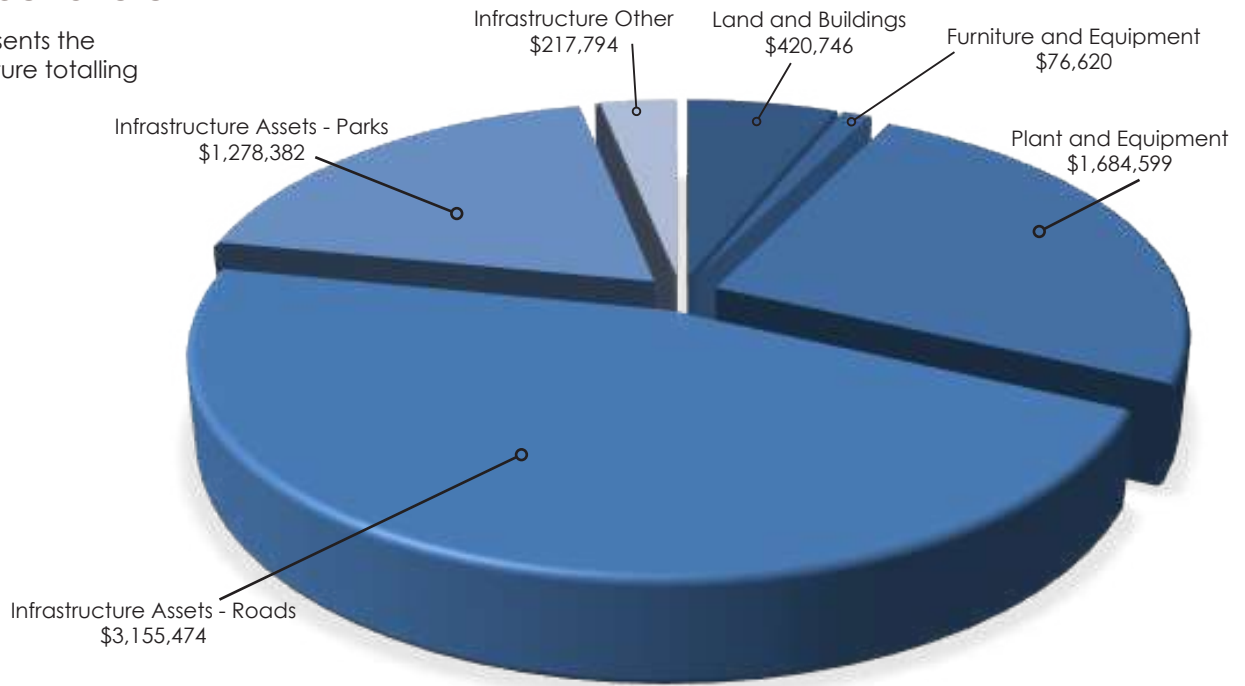


Table 3 Capital Expenditure

This graph represents the capital expenditure totalling \$6,833,614.



Rates Levy

The Shire of Gingin's operating budget for 2017-18 was set at an estimated \$16.02 million. Of that figure, the rates levy set aimed to raise \$7.820 million towards the cost of providing the 100-plus Shire services to its community.

During the financial year the Shire was successful in levying \$7.820 million and collecting approximately 92 per cent of the rates levy set. This was achieved by working with ratepayers who experienced difficulty in paying.

Unpaid rates arrears at 30 June 2018 stood at \$661,408 with \$303,229 of that total attributable to a single developer who had failed to pay rates for a number of years. The developer's property was repossessed and the arrears are continuing to be recovered from the sale of land.

Emergency Services Levy

The Shire of Gingin also collected \$386,523 on behalf of the State Government for the Emergency Services Levy (ESL).

During 2017-18 the Shire received an ESL operating grant from the Department of Fire and Emergency Services (DFES) of \$196,340 towards the cost of the Shire's Bush Fire Services, as well as \$52,250 pre-payment for 2018-19.

Community Services and Engagement (CSE)

The Community Services and Engagement team had another exceptionally busy year working on a range of different deliverables. The CSE team comprises three part-time staff (equating to two full-time-employees) including Community Development Officer, Club Development Officer, and new Coordinator Community Services and Engagement.

In addition to community liaison, writing Council papers, CSE reporting and financial management, attending meetings, back-filling staff during staff change-over periods and various other work requirements, the team undertook the following deliverables in the 2017-18 period.

Events

Shire-Managed Events

The Shire coordinated numerous annual events in 2017-18 including:

- Seniors Day, 4 November
- Party in the Park and Market Day, Lancelin: 6 and 7 January
- Australia Day, Neergabby (including Citizenship Ceremony): 26 January
- Lancelin Triathlon: 18 February
- Melody and Movie in the Park: 3 March
- Gingin Triathlon: 25 March
- School Holiday Activities: 17 April and 26 September
- Citizenship Ceremonies: 19 September, 26 January, 19 June

Supported Community-Run Events

The Shire of Gingin continues to support a range of community-run events through financial contribution (community grants) and/or staff in-kind support.

Examples of 2017-18 events included:

- Lancelin Ocean Classic
- John Bray Junior Fishing Competition
- Gingin British Car Day
- Lancelin P & C Monster Fête
- Gingin ANZAC Day Ceremony
- Ledge Point Sandcastle Competition
- Guilderton Music in the Park
- Lancelin CWA Easter Fair
- Gingin CRC Arts in the Park
- Gingin CRC Easter Hunt in the Park
- Seabird Gala Day
- Gingin Science Festival
- Brand to Brand Community Litter Drive
- Garage Sale Trail
- Neergabby Fireworks Night
- Woodridge Spring Fair
- Ledge Point Polocrosse
- Gingin Carols in the Park

Event Applications

Staff facilitate the review of event applications across the Shire of Gingin, with the peak season being from September to April. Each year an increasing number of event applications are received for a range of private and public events, including celebratory and community events and filming activities - all of which contribute to the Shire of Gingin being a vibrant place to live.

Community Development

Club Development

The Shire of Gingin has supported 80% of its Incorporated Associations with updating their constitutions and has developed a Constitutional Resource folder for 13 sports. Additional resources and support for all community groups and events was delivered via monthly Club and Community newsletters with subscriptions increasing by 47%. To support clubs with succession planning a management and legal documents folder was developed for 31 clubs. In recognition of the success of the Shire of Gingin Club Development Scheme, the Department of Local Government, Sport and Cultural Industries contracted the Shire to develop a Club Sustainability Plan for Wheatbelt local governments.

Community Capacity Building Workshops

The Shire of Gingin introduced the Planning for Action '*Communities Making a Difference Workshop Series*' with the first grant information session held in October 2017 in partnership with Bendigo Bank Gingin and Lancelin Branches, Lancelin CRC and Gingin CRC. Following the success of this event two more grant information sessions and two project planning workshops were held in February 2018 which were both coordinated, designed and delivered by the CSE team. A total of 33 participants were spread across all four activities. The participants rated an increase of more than 110% in skills, knowledge and confidence, and the sessions were highly recommended by all. The timing of these activities coincided with the Shire's Community Grant rounds. In addition, two volunteer management workshops were provided on invitation by Volunteering WA Northam in Lancelin and Gingin.

Community Grants

The role of the CSE team includes answering community grant questions, providing support with applications, preparing assessment information for Council review, and overseeing grant correspondence and acquittals. The mid-year grants resulted in nine applications requesting a total of \$14,300 (ex. GST) of which seven were successful. The total number of community grant applications received for the 2017-18 financial period was 53 for a total of \$322,984 with allocated funding.

Staff have also acquitted several external grants for the Shire.

Community Projects

Support was provided to several partnered community projects including NAIDOC school holiday activities with DADAA, and Seabird Rehabilitation Project 2 with Seabird Progress Association. Support was also provided to the Gingin and Lancelin Community Car volunteers (overseen by the Gingin Care Group and Lancelin Lions Club) including simplifying forms and processes based on the volunteers' feedback.

Community Infrastructure

Staff assisted and liaised with and on behalf of the community on various infrastructure projects.

Signage

Three signage projects were progressed which resulted in several set-backs due to the complexities of data required and external factors. The first project was the reproduction of the map and community/historical signs at Neergabby and involved working closely with the North Stock Route Working Group. The second was a community initiated project and involved the design of content and maps of four large information signs and two paddleboards to be located along the Lancelin coast. The Neergabby and Lancelin signs project will be installed in the 2018-19 financial year. The third signage project, in partnership with four State government departments, four coastal community associations, and St John Ambulance Lancelin, is the implementation of the Beach Emergency Number (BEN) Sign Program. This program, which is still in progress, is designed to improve emergency response by installing signs along the Shire of Gingin coast (70 kms) with a unique code at beach access point. These signs provide emergency service personnel with specific location information in the event of an incident on the coast.

Aged Accommodation

The Shire of Gingin offers affordable Aged Accommodation in our regional centres: Lancelin (11 units) and Gingin (4 units). This accommodation is perfect for independent seniors downsizing and wanting to still live locally. This financial year air conditioners were installed in the Lancelin units. All of these units are currently occupied.

Lease Agreements

Throughout the year, Community Services staff liaise with community groups and enterprises to formalise occupation of a number of Shire premises. In 2017-18 eight leases were endorsed by Council. Community leases are negotiated in a standard lease format for a term of two years, with a further two year option.

Planning and Development

Youth Strategy

In 2017-18 the CSE team commenced development of a Youth Strategy with support from various stakeholders including the Gingin District High School, the School's Youthcare Chaplain and Bendigo Bank. Research included consulting with 166 young people aged from 12 to 24 years within the Shire of Gingin. Strategies were developed under the five key headings of Education Training and Employment, Community Support and Health Services, Leisure Recreation and Social Life, Housing and Transport, and Engagement and Communications. A comprehensive report including a five year action plan will be presented to Council in 2018-19.

Reconciliation Action Plan

Working with the Yued Nyoongar Elders, a contracted consultant and Shire staff, the RAP draft was reviewed in 2017-18 with a number of amendments made. RAP projects were also initiated in the 2017-18 period including preparations for a NAIDOC Week display and the relocation of the Guilderton Yued plaque.

Trails Master Plan

In 2017-18 staff commenced development of a Trails Master Plan, to include a period of a community consultation. This is expected to be finalised and presented to Council in the 2018-19 financial year.

Continuous Improvements

A number of service area processes were reviewed and updated based on staff and/or community/stakeholder feedback. This included the community grants applications and guidelines, community group/club lease agreements, and the introduction of the Project Enquiry form on the Shire's website to request new fixed infrastructure and/or additions/amendments or improvements for existing fixed infrastructure owned or managed by the Shire of Gingin. In addition, an annual Service Plan was developed for the CSE team to assist with planning and resourcing annual deliverables as well as for service delivery evaluation and improvement.

Recovery Coordination

The Coordinator Community Development and Services and Community Development Officer share the Recovery Coordinator function at the Shire of Gingin, with both officers attending two-day training as new to the role. Influenced by the experience of the Waroona Shire President and the training content, they and the Shire's Acting Community Emergency Services Manager contacted the neighbouring Shires of Dandaragan, Moora and Chittering to discuss the prospect of partnering in a recovery awareness presentation specifically aimed at Elected Members, Staff and the Local Emergency Management Advisory Committees.

They also attended Local Emergency Management Advisory Committee meetings, and coordinated and participated in a regional Emergency Management risk planning workshop.

Record Keeping

The *State Records Act 2000* requires all government organisations to include in their Annual Report a statement on their compliance with their Record Keeping Plan. All employees of the Shire of Gingin are legally required to comply with the contents of this Plan. Reviews of the Record Keeping Plan are required to be carried out not less than once every five years. The efficiency and effectiveness of the Shire's Record keeping procedures was reviewed during 2017-18 and a revised Record Keeping Plan was submitted to the State Records Commission (RKP 2017016). The review confirmed that the Shire's procedures are compliant, and approval was received from the State Records Commission on 24 October 2017. The next review is scheduled for 2022.

The Shire of Gingin's electronic management system, SynergySoft Central Records, enables reliable, secure recording of and access to documents. Records Officers appraise, retain and dispose of records in accordance with the General Disposal Authority for Local Government Records. The Synergy customer service module enables the recording and response details of all customer service requests received by telephone, electronic mail and hard copy correspondence.

Every new employee who is required to use the record keeping/information management system must attend a records induction training session at commencement of duties. The induction sessions are delivered by experienced Records Officers. Further training is available to all officers on a one-to-one basis. Compulsory, in-house record keeping training sessions are held for all employees to ensure sound understanding and awareness of record keeping responsibilities. Responsibilities of records management of electronic communications are included in the Shire of Gingin's Operational Policy Manual. Records Officers also attend external training.

The Shire of Gingin will continue to work towards improving record keeping practises and electronic document management, aiming to reduce the use and storage of paper records.

Freedom of Information

Under the *Freedom of information Act 1982 (FOI)*, the Shire of Gingin provides the public with access to Council documents upon request. An Application for Access to Documents form is available on the Shire's website or in hard copy. More detailed information on FOI is contained in the Shire's Freedom of Information Statement which is available on its website.

During 2017-18 the Shire received six Freedom of Information requests.

National Competition Policy and Competitive Neutrality (Under CPA)

The Competition Principles Agreement (CPA) is a contractual agreement between Federal Government and all States and Territory Governments. The CPA aims to ensure all public enterprises operate in a transparent manner and in the best interests of the public. Under the CPA, public enterprises are required to review their operations to ensure they have no competitive advantages or disadvantages as a result of their public status.

Competitive Neutrality

During 2017-18 the Shire of Gingin met its obligations under the National Competition Policy. Competitive neutrality addresses the potential advantages and disadvantages the Shire would have as a public enterprise compared to businesses operating within the private sector.

Local government is only required to implement these principles to the extent that the benefits far outweigh the costs with respect to individual activities exceeding \$500,000 in income.

Listed below are all activities provided by the Shire through an open tendering process that would fall within the definition of the CPA:

1. Provision of Tender for the operation of Guilderton Caravan Park contracted to Mr Geoffrey Liddelow.
2. Domestic waste collection, and collection of waste with parks and reserves, contracted to Avon Waste.



Operations - Construction



Road Construction

In 2017-18 the Shire of Gingin spent \$3.233 million on road construction projects. Some of the major capital roadworks programs undertaken were:

• Gingin Brook Road (reconstruct road, widen road width and widen seal to 8m)	\$972,621
• Walker Avenue (widen road, kerb and asphalt)	\$223,818
• Red Gully Road (resheet gravel road)	\$408,344
• Dewar Road/ Weld Street and Brockman Street intersection (upgrade works)	\$242,815
• Ashby Road (reseal sealed road)	\$93,891
• McHavloe Drive drainage (install revetment to stop erosion)	\$137,504
• Military Road (install centre line marking)	\$18,310

To assist with the road construction program for 2017-18 funding was received from the following areas:

• State Government (Regional Road Group and Direct Grant)	\$767,119
• Roads to Recovery (Federal Government) – various roads	\$798,547
• State Black Spot (State Government)	\$78,015

The Federal Government funded local governments in 2017-18 through the Roads to Recovery Program. This funding was used to renew local road assets by resheeting Fynes Road, replacing an old wooden bridge on Murray Road with culverts, reseal and asphalt on Seabird Road, resheet Ferguson Road, Walker Avenue widening, and asphalt works and resheeting on Red Gully Road.

The Shire has been working with State Government agencies, Main Roads WA and local agricultural lime producers regarding the movement of heavy haulage vehicles moving through the Shire of Gingin. This includes working on a long term strategy for the heavy haulage vehicles on the Shire's roads for agricultural lime cartage.

The Shire of Gingin is continually looking for ways to increase the quantity and standard of work completed to ensure the roads assets are renewed and upgraded in a sustainable manner. The Shire is upgrading the major sealed roads connecting the Shire to other regions in a progressive manner to ensure these road assets are able to withstand current and projected future traffic volumes.

Road Maintenance

The Shire of Gingin not only constructs roads and drains but maintains these assets so that the public can continue to utilise this infrastructure safely. The Shire of Gingin has 923km of roads with 494km of sealed roads and 429km of unsealed roads spread over 3,325km². In the 2017-18 financial year the Shire spent approximately \$2.653 million on maintaining the Shire's road associated assets, including the following areas:

• General Maintenance – Sealed Roads	\$765,138 (4% decrease from 2016-17)
• General Maintenance – Gravel Roads	\$868,437 (8% increase from 2016-17)
• Verge Maintenance	\$516,865 (8% decrease from 2016-17)
• Traffic Signs and Equipment	\$103,725 (91% increase from 2016/17)

The Shire's road associated assets are continually deteriorating and require increased maintenance annually. The Shire of Gingin endeavours to maintain its assets to the highest standards with the funds and resources at its disposal, ensuring funds are spent as efficiently as possible. There was a marked increase in unsealed road maintenance expenditure due to the increased heavy traffic utilising the Shire's unsealed roads in association with an ever-intensifying and diversifying agricultural and horticultural industry. The biggest mover percentage-wise was traffic signs, indicating that the Shire is having to replace many non-reflective signs across the Shire to ensure safety for all road users.

Staffing Movements

Owing to an organisational restructure in 2017-18, town maintenance staff (Upper Coastal, Lower Coastal and Gingin) were moved from Operations to a new division - Assets. As a result, there was no longer a requirement for an Operations Manager and an additional 0.5 full-time employee was added to the Operations Department for operational support to assist with administrative workload.

Plant & Machinery Replacement

In 2017-18 the Shire of Gingin replaced a number of items of plant to assist with the completion of its Works Program and maintain a sustainable and economic fleet. The Shire spent a total of \$393,635 on purchasing plant and machinery. The major items of new plant purchased in 2017-18 were:

• Front End Loader	\$313,000
• Kanga Loader and trailer	\$51,997

The 2017-18 financial year was quite lean for the replacement of plant in comparison to previous years, so a transfer of \$467,682 was made to the Plant and Equipment Reserve to assist with future plant and equipment purchases.



Planning & Development



Strategic Planning & Development

Guilderton Caravan Park

The Guilderton Caravan Park continues to attract tourists and continues to operate at maximum capacity over the summer months and long weekends. Significant investment to the park includes ongoing chalet refurbishment and the installation of limestone retaining walls at the site.

Coastal Hazard Risk Management and Adaptation Plan (CHRMAP)

Cardno was awarded grant funding provided primarily by the Department of Planning, Lands and Heritage to continue with the preparation of the Shire of Gingin CHRMAP process. The CHRMAP is a requirement imposed by State Government under the Western Australian Planning Commission State Planning Policy 2.6 for Coastal Development which requires local governments to undertake assessment of its coastal zones. In April 2018, all ratepayers of Guilderton, Seabird, Ledge Point and Lancelin were sent an invitation to a Community Engagement Session in Lancelin to further discuss the draft CHRMAP and provide feedback. The CHRMAP is expected to be finalised in 2018-19 financial year.

Shire of Gingin Heritage List

In accordance with provisions in the *Planning and Development Act 2005* the Shire has prepared a Heritage List. The Heritage List is a register of important heritage properties in the Shire which will assist with the documentation and, if applicable, the preservation of those sites. Laura Gray, a heritage consultant, was engaged to assist with the process and the list was completed in October 2017.

Seabird Tourist Development

Scheme Amendment No.16 to Local Planning Scheme No.9 for the rezoning of Lot 2 at Breton Bay from a General Rural Zone to a Tourist Precinct was approved by the Hon Minister for Planning, Lands and Heritage on 6 April 2018 and was published in the Government Gazette on 15 May 2018.

The landowners propose to develop a caravan park, strata survey lots and a resort at the site adjacent to the coast.

Scheme Amendment to Shire of Gingin Local Planning Scheme No.9 – Scheme Amendment No. 20

The Shire received Scheme Amendment No.20 in June 2018 which proposes to introduce the additional land use of 'Resource Recovery Centre (*premises other than a waste facility*) used for the recovery of resources from waste' at Lot 39 (56) Hoy Road, Coonabidgee.



Ranger Services

Shire Rangers are involved with community education, awareness and enforcement of various legislation, which include the *Dog Act 1976*, *Local Government Act 1995* (sections 3.39, 9.11, 9.13, 9.15, 9.16), *Bushfires Act – Fire Control Officer*, *Litter Act*, *Control of Vehicles (Off-Road Areas) Act*, and the Shire's local laws.

Within the 2017-18 period, Rangers issued the following infringements:

Infringement Type	Number issued 2017-18
Fire	113
Camping	72
Dog	77
Cat	22
Litter	9
Off-Road Vehicle	6
Parking	505
Other	1

Guilderton Foreshore Paid Parking

In July 2017 the Shire of Gingin Council resolved to implement paid parking at the Guilderton Foreshore and in March 2018 parking meters were installed on the Foreshore River Reserve. The decision to introduce paid parking was made to help mitigate considerable congestion issues at the Foreshore during peak periods and meet increasing maintenance costs during these times. The Shire of Gingin community was invited to have their say on the issue via survey. Of the 139 valid responses received, 101 were in favour of paid parking.

Two free parking passes are issued to all Shire ratepayers with the annual rates notice mailout.

Environmental (Public) Health

The Environmental (Public) Health section's priorities are to administer public and environmental health legislation, policy and best practice measures in the community. It delivers its service in accordance with legislation, community needs and expectations in a progressive and efficient manner, in the expectation that public health will be preserved and improved. This is supported by the vision, mission and values of the Shire's Strategic Community Plan.

Overview of Local Government Reporting

The *Public Health Act 2016* requires a local government to report on:

1. The performance of its functions under the Act and
2. Any proceedings for an offence undertaken under the Act.

Performance of Functions

As the main enforcement agency of the *Public Health Act 2016*, local governments will be required to report to the Chief Health Officer on their performance of functions under this Act.

Strategies that best support the Shire's activities and direction from the Health Department are:

- Reduce unnecessary barriers to new business and for the success of local business.
- Create opportunities for and access to social participation and inclusion in support of community health and wellbeing.
- Seek and implement best options for waste management and water usage.
- Provide education and communication on leading practices to the community.
- Focus on improved customer service, communication and consultation with government instrumentalities and primary producers.

Lines of Business

- Food Safety – I'm Alert food programme, investigation into food recalls and nationwide food investigations.
- Health Premises – food premises, residential, public buildings.
- Water Safety – recreational waters, public pools.
- Environmental Concerns – noise, air quality, asbestos.
- Disease Prevention – support to the HDWA by investigation into the increase of Salmonellosis.
- Waste Management – ensure compliance with licence conditions.
- Event Management – ensure public safety at events.
- Health Promotion – commence the community health requirements of the new *Public Health Act 2016*.
- Customer Service – maintain good customer relations.

The table below is a snapshot of core functions and number of actions taken by the Shire's Environmental Health Officer during 2017-18:

Health Program	Statutory Function	Number
Safe accommodation	Lodging houses, caravan parks and public buildings	25
Safe Food	Food premises and temporary food stalls; and	82
	Food sampling and food recalls	83
Safe Events	Event and festival compliance and public safety	33
Safe Disposal of Effluent	On-site effluent disposal and grey water re-use and ATUs	75
Disease Control	Food poisoning investigations and notifiable diseases	3
Pollution Compliance	Environmental nuisances, community noise and environmental pollution	12

Free Online & Interactive Food Safety Training – I'M ALERT Food Safety.

This training program assists food business managers in ensuring all staff are trained in this important area and thereby reducing any risk of food borne illness resulting from poor food handling practices. This will remain a high priority for the Shire's Health Services in order that more food handlers participate in the training program in the 2018-19 financial year, with a particular focus on community organisations and volunteer food stalls.

Milestone reached in 2017: 100 Certificates of Completion issued since commencement of programme in 2015.

Environmental Water Monitoring 2017-18

The Shire participated in the Health Department WA Recreational Water Sampling (Bacteriological) Programme, during the period November 2017 – February 2018. Whilst the sampling programme provides valuable information into the health of rivers being tested, it is also recognised that normal environmental conditions are essential for gauging the true health of the river.

Signage erected at prominent locations along the Moore River in the previous season advising the community of the dangers of water borne disease remain in place.

Stable Fly Complaints 2017-18

During 2017-18, the Shire received a total of 192 Stable Fly complaints. Officers from the Shire and DAFWA have maintained a vigilant approach to monitoring and pursuing complaints from the community. The Shire, after lobbying the Department of Primary Industries and Regional Development (DPIRD), has been successful in providing a centralised reporting mechanism for all residents.

Statutory Planning

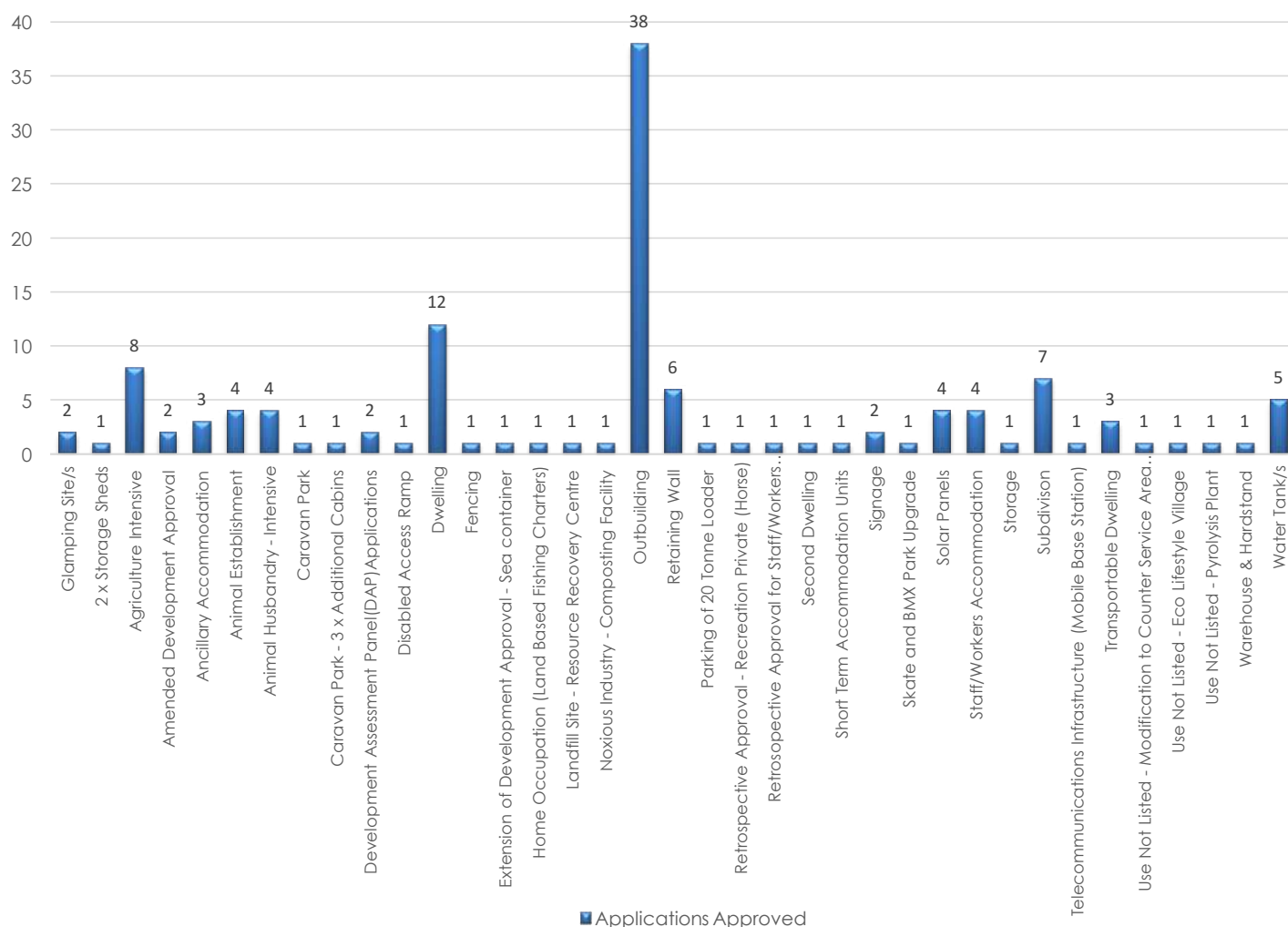
The Shire of Gingin's Statutory Planning Department, otherwise known as 'town planning', regulates land use and development throughout the Shire. Planning legislation, policy and statutory processes guide decisions that shape local communities to provide a high level of amenity expected by residents.

There are two key components to the planning department:

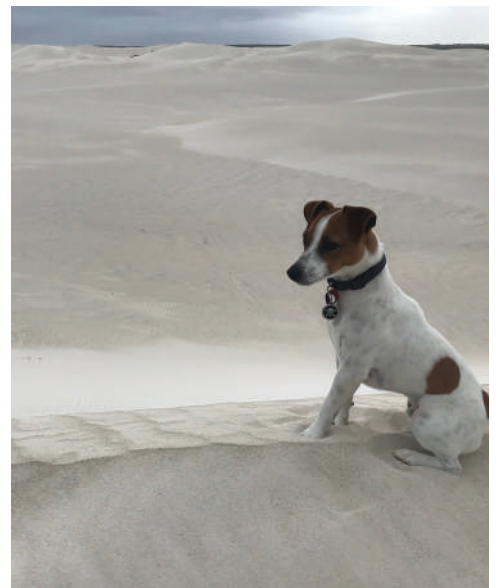
1. Strategic planning, which focuses on the big picture and sets a framework for future development of towns and regions, to effectively guide land supply, land use, and urban and regional development.
2. Statutory planning, which is guided by legislation and concerns the day-to-day decision making on applications for development approval and subdivision.

During 2017-18, the Statutory Planning Department received 143 applications for development approval varying from small scale patios to large scale agriculture intensive activities. Part of the Planning Department's role is to enforce the provisions of Local Planning Scheme No. 9 which at times requires notices to be issued on landowners who commence development without receiving the required approvals. This, unfortunately, is not a rare occurrence.

Development Applications Approved 1 July 2017 - 30 June 2018







Assets

Asset Management

Asset management can be defined as the sustainable provision of infrastructure to meet a particular level of service. It requires short to long term planning for the renewal, replacement, maintenance and upgrading of infrastructure given community expectations, budgets and staffing.

During the 2017-18 financial year, the Assets Department engaged contractors to undertake condition inspections of all the Shire's parks and open space infrastructure. This detail will be utilised for funding applications, maintenance planning and renewal projects. Additionally waste management plans were commenced and are estimated to be completed during the 2018-19 financial year to help inform the long term planning of our landfills. Finally, we arranged for a series of training workshops with staff to improve the overall asset management capability within the Shire. The future outcome will be to create asset management plans for all infrastructure and moving towards a rational, data-driven approach to infrastructure service provision.

Structure & Staffing

2017-18 saw an organisational restructure across the Shire leading to the creation of the Assets Department and a new position, Executive Manager Assets. This position and department are responsible for the following services provided by the Shire:

- Open Space and Building Maintenance
- Disability Access and Inclusion
- Building Services
- Asset Management
- Waste Management and Recycling
- Customer Service Requests
- Project Management of Infrastructure (excluding roads)

The Executive Manager Assets position formally commenced in September 2017, and includes the management of seven full-time employees and six part-time employees.

During the year, a civil engineering internship programme was implemented to provide civil engineering students an opportunity to work in an unpaid placement under the mentorship of the Executive Manager Assets. The Shire benefits with the additional staffing resources, as the student undertakes civil infrastructure and maintenance projects for a period of 12 weeks full time (or longer if completed part time). The student also benefits as they obtain the practical experience necessary to graduate and further their career. Advertisements were placed on university career websites, social media and the Shire's website without cost (excluding staff time). For each advertisement, 25 and 9 applications were received and upon completion of the internships, the students have proven themselves capable, earning part-time temporary contracts at the Shire.



Public Open Space and Building Maintenance

The Shire has numerous areas of public open space (parks, gardens, beaches and foreshores) and buildings to maintain covering five town sites and six rural living areas. Expenditure on public open spaces and buildings for significant locations during 2017-18 included:

Infrastructure	Amount \$
Gingin Recreation Ground	105,899
Ledge Point Recreation Ground	69,485
Guilderton Foreshore	56,998
Woodridge Recreation Ground	32,404
Lancelin Recreation Ground	49,473
Guilderton Foreshore Boardwalk	3,464
Horan St Building Maintenance (Lions Men's Shed)	3,131
Gingin Medical Centre Maintenance	13,678
Gingin Sale Yards Maintenance	4,833
Pool Gardens Maintenance	6,706
Ledge Point Foreshore	17,980
Seabird Foreshore	9,531
Roman - Annual Maintenance	6,713
Seabird Recreation Ground	15,254
Red Cross Building Maintenance	408
Old Granville Building	1,688
Ablution Block - Woodridge Recreation Complex	90
Gingin CWA Building Lot 134 Constable Street	15,484
Neergabby Recreation Ground Building Maintenance	160
Gingin Recreation Centre	9,948
Ablution Block - Guilderton Foreshore	3,788
Lancelin Foreshore	1,183
Playground Repairs/Maintenance	4,260
Shire Office Building Maintenance	65,074
TOTAL	497,644

Expenditure on maintenance of the Shire's assets includes staff time and contractor costs, with the most significant contractor cost being the turf maintenance contract.

Disability Access and Inclusion

The Shire is committed to furthering the principles and objectives of the *Disability Services Act 1993* with a particular focus on the outcomes identified in the *Disability Services Regulations*. The guiding principle is inclusion for all people. The Shire's Disability Access and Inclusion Plan was last reviewed in the 2017-18 financial year and includes 10 strategies of which nine have been implemented and considered effective.

Building Approvals

During 2017-18, the Shire issued 213 building and demolition approvals with an estimated value of \$16.8 million. The Shire also issued 24 permits for the installation of septic tanks. These figures, and a comparison with those from 2016-17, are summarised below.

Year	2016-17	2017-18	Change	%Change
Number Building/Demolition Approvals	234	213	-21	-9%
Value Building/Demolition Approvals (\$million)	21.1	16.8	-4.3	-20%
Septic tank Permits	53	24	-29	-55%

The overall quantum and dollar value of building, demolition and septic tank permits significantly reduced in the 2017-18 year. However, it is anticipated that demand for building approvals will increase due to the continued growth of the Shire's population, construction of the Northlink WA project at Muchea and continued developer interest.

Recycling and Waste Management

The Shire owns and operates three landfill facilities in Gingin, Seabird and Lancelin through contractor management. Ratepayers are sent an annual tip pass entitling them to free tipping for small vehicles and trailers. During 2017-18 the Department of Water and Environmental Regulation (DWER) made several visits to the Shire's landfill sites with the specific purpose of ensuring compliance with the Shire's licence conditions.

During the 2017-18 year the Shire recycled:

Material	Quantity	Unit
Metal	7	T
Glass	7.5	T
Paper/Cardboard	42.3	T
HDEP Plastic	2	T
Plastic Film	28	T
PET Plastic	1.4	T
Batteries	11.3	T
Aluminium	6.7	T
Non Ferrous Metals	6.7	T
Oil	13	kL
Cars	16	T
Drum Muster	3859	Containers

In October and November of 2017-18, the Shire arranged for a kerbside green waste pickup allowing households to leave up to 5m³ of green waste on the verge. The uptake was reasonable, with Guilderton and Lancelin being the primary users of the service. The table below outlines the number of collections, number of non-compliant piles and the resulting amount of mulch that was generated.

Town	Dates 2017	N# of Collections	N# of Non-Compliant Piles	Mulch (m ³)
GINGIN	16 Oct	34	2	30
WOODRIDGE	17 - 18 Oct	60	2	66
SOVEREIGN HILL	19 Oct	52	1	55
GUILDERTON	23 - 25 Oct	128	7	154
REDFIELD PARK	26 Oct	19	0	18
SEABIRD	26 Oct	13	0	11
LEDGE POINT	27 Oct	71	4	88
LANCELIN	31 Oct - 2 Nov	133	5	187
SEAVIEW PARK	3 Nov	22	2	22
OCEAN FARM & SUNSET PARK	3 Nov	23	0	22
TOTAL		555	23	653

Project Management of Infrastructure (Excluding Roads)

The Assets Department is responsible for the successful delivery of building, public open space and community related infrastructure projects. We follow the PMBOK (project management body of knowledge) principles as a framework to inform the delivery. The following table provides a summary of the key projects that were delivered in the shortened period of 9 months since commencement of the Executive Manager Assets role. All projects were completed and, where variances occurred, these were funded through savings on other projects.

Location	Project Name	Scope	Budget (Ex GST)	Actual (Ex GST)	Variance (Ex GST)
Gingin	Bowls Club Access Ramp	To construct a new disability friendly access ramp	\$48,500	\$33,430	\$15,070
Gingin	CWA Building Repairs	Structural repairs of the CWA building, including ceilings, electrical, plastering and painting	\$25,000	\$12,065	\$12,934
Gingin	Golf Clubhouse Roof	Remove the existing asbestos roof and replace with a new Zinalume option	\$9,488	\$9,488	\$0
Gingin	Medical Centre air conditioners	Replacement of ageing air conditioners	\$10,000	\$7,000	\$3,000
Gingin	Office Backup Generator	Replacement of the non-functioning generator	\$29,000	\$29,964	-\$964
Gingin	Recreation Centre Ceilings	Replacement of the deflecting ceilings with new LED lighting	\$37,000	\$20,453	\$16,547
Gingin	Tip Fence	Replacement of a section of damaged/corroded fencing	\$7,000	\$5,940	\$1,060
Guilderton	Caravan Park Solar Panels	Installation of solar panels atop the ablution block	\$34,990	\$37,308	-\$2,318
Guilderton	Information Bay	Installation of new panels and limestone earthworks	\$28,000	\$15,999	\$12,001
Guilderton	Top Boardwalk Deck Replacement	Replacement of the deck extending between the carpark and gazebo and repairs due to erosion	\$36,000	\$36,208	-\$208
Lancelin	Wangaree Basketball Court	Construction of a new basketball court, pole, ring and backboard	\$15,000	\$17,013	-\$2,013
Lancelin	Golf Course Reticulation Expansion	Provision of funding for the Lancelin Sporting Complex to extend the reticulation on the golf course	\$60,000	\$60,000	\$0
Lancelin	Harold Park Playground	Replacement of the existing playground at Harold Park with a corrosion resistant alternative	\$36,772	\$37,124	-\$352
Lancelin	Hinchcliffe Lookout Boardwalk	Construction of a new boardwalk, steps and deck replacement	\$160,000	\$160,212	-\$212
Lancelin	Aged Units Air-conditioning	Replacement of ageing air conditioners	\$36,572	\$24,681	\$11,891
Lancelin	Skate and BMX Park	Construction of a new pump track, concrete ramps and jumps	\$126,000	\$134,495	-\$8,495
Nilgen	New Fire Shed	Construction of a new fire shed	\$110,000	\$142,526	-\$32,526
Woodridge	Landscaping	Installation of boulders, rocks and landscaping around the existing pond at the recreation ground	\$6,500	\$5,500	\$1,000
TOTAL			\$815,822	\$789,408	\$26,413

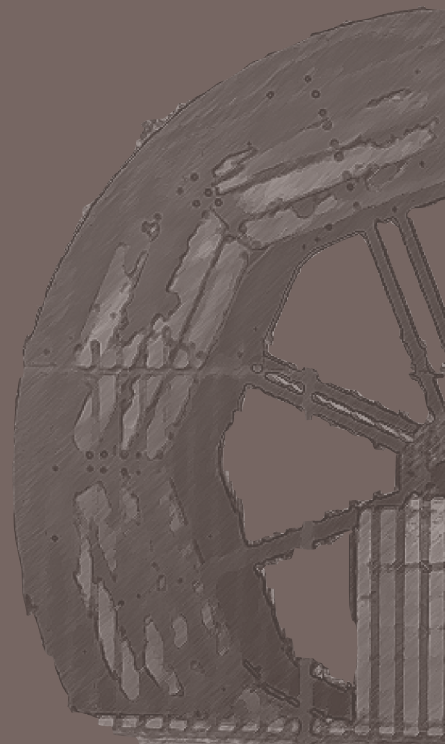
Customer Service Requests

The Shire receives and responds to calls and emails relating to building approvals, open space and building maintenance, waste management, project management and asset management of civil infrastructure. The following table outlines the number of customer service requests received by staff within the Assets Department. A total of 393 were received, of which 304 required further investigation and responses. Importantly, these statistics do not capture requests of an urgent nature where response times do not allow for recording. Similarly, if customer requests are received through other mediums, then they are not captured, meaning the statistics under-estimate the total amount of requests received.

Responsible Officer	No further action	Responded to	Grand Total
Manager Building Services	5	15	20
Executive Manager Assets	30	63	93
Civil Engineering Student 1	13		13
Personal Assistant to EMA	39	224	263
Civil Engineering Student 2	2	2	4
Grand Total	89	304	393

During the 2017-18 financial year, a new process was rolled out to streamline Assets customer service. Advice was provided to community groups to email and/or call the Shire in the first instance if they were requesting works. Previously, some requests would be received through direct email via other departments or word of mouth, resulting in inaction. The new process centralised the receipt of this information allowing administrative staff to allocate requests to the relevant maintenance officers for review. This has led to a decrease in response times. It also allows the Shire to track work and produce statistics like the above.

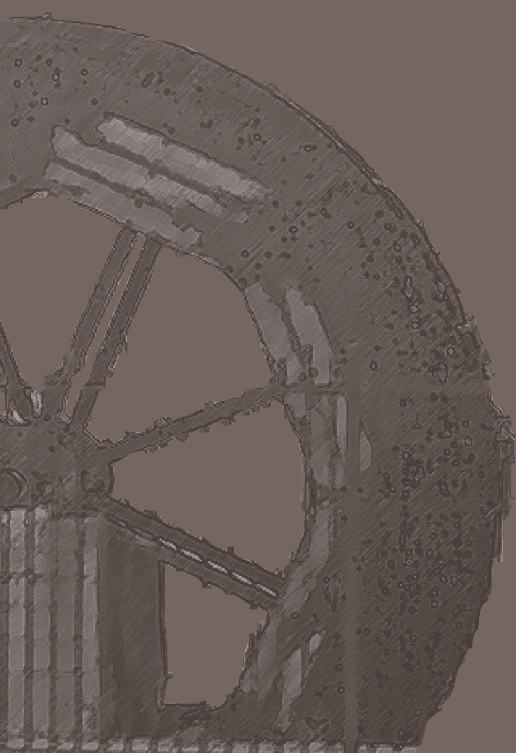




Financial Report

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**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 Gingin 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 Gingin 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 twelfth day of December 2018.



Aaron Cook
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
		\$	\$	\$
Revenue				
Rates	20(a)	7,749,875	7,764,606	7,607,280
Operating grants, subsidies and contributions	2(a)	2,428,253	1,653,149	3,530,315
Fees and charges	2(a)	3,778,920	4,107,284	3,929,417
Interest earnings	2(a)	268,914	266,610	248,495
Other revenue	2(a)	579,977	135,224	422,121
		14,805,939	13,926,873	15,737,628
Expenses				
Employee costs		(5,284,954)	(5,084,579)	(5,134,612)
Materials and contracts		(4,943,248)	(4,812,710)	(4,451,523)
Utility charges		(435,135)	(444,455)	(424,219)
Depreciation on non-current assets	9(b)	(5,235,631)	(4,381,636)	(5,196,832)
Interest expenses	2(a)	(139,798)	(140,556)	(146,964)
Insurance expenses		(404,561)	(412,064)	(417,944)
Other expenditure		(522,568)	(642,474)	(585,984)
		(16,965,895)	(15,918,474)	(16,358,078)
		(2,159,956)	(1,991,601)	(620,450)
Non-operating grants, subsidies and contributions	2(a)	3,009,444	2,089,559	2,400,330
Profit on asset disposals	9(a)	29,886	0	11,262
(Loss) on asset disposals	9(a)	(315,828)	0	(110,402)
(Loss) on revaluation of Infrastructure - Footpaths	8(b)	(27,525)	0	0
(Loss) on revaluation of Infrastructure - Other	8(b)	(1,100,575)	0	0
Net result		(564,554)	97,958	1,680,740
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	10	41,893,518	0	1,363,794
Total other comprehensive income		41,893,518	0	1,363,794
Total comprehensive income		41,328,964	97,958	3,044,534

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

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

	NOTE	2018 Actual	2018 Budget	2017 Actual
		\$	\$	\$
Revenue				
	2(a)			
Governance		39	0	534
General purpose funding		9,835,272	8,934,925	10,555,255
Law, order, public safety		391,050	339,083	455,538
Health		342,979	290,000	246,157
Education and welfare		133,838	117,000	127,217
Housing		22,520	23,400	24,280
Community amenities		1,540,904	1,663,038	1,698,483
Recreation and culture		175,032	164,628	225,105
Transport		213,454	248,046	272,103
Economic services		1,819,396	1,930,203	1,983,912
Other property and services		331,455	216,550	149,044
		<u>14,805,939</u>	<u>13,926,873</u>	<u>15,737,628</u>
Expenses				
	2(a)			
Governance		(1,102,120)	(1,121,949)	(1,026,405)
General purpose funding		(420,199)	(371,628)	(432,296)
Law, order, public safety		(1,456,234)	(1,341,733)	(1,200,083)
Health		(716,071)	(634,693)	(840,294)
Education and welfare		(216,086)	(209,182)	(197,622)
Housing		(49,320)	(30,460)	(32,609)
Community amenities		(2,627,633)	(2,614,766)	(2,315,043)
Recreation and culture		(3,543,880)	(2,912,882)	(3,240,995)
Transport		(5,127,697)	(4,220,571)	(4,891,934)
Economic services		(1,477,809)	(1,632,482)	(1,643,406)
Other property and services		(89,048)	(687,572)	(390,427)
		<u>(16,826,097)</u>	<u>(15,777,918)</u>	<u>(16,211,114)</u>
Finance Costs				
	2(a)			
Health		(12,584)	(13,252)	(14,134)
Community amenities		(35,644)	(36,231)	(36,685)
Recreation and culture		(71,230)	(71,912)	(77,031)
Economic services		(4,778)	(3,154)	(842)
Other property and services		(15,562)	(16,007)	(18,272)
		<u>(139,798)</u>	<u>(140,556)</u>	<u>(146,964)</u>
		<u>(2,159,956)</u>	<u>(1,991,601)</u>	<u>(620,450)</u>
Non-operating grants, subsidies and contributions	2	3,009,444	2,089,559	2,400,330
Profit on disposal of assets	9(a)	29,886	0	11,262
(Loss) on disposal of assets	9(a)	(315,828)	0	(110,402)
(Loss) on revaluation of Infrastructure - Footpaths	8(b)	(27,525)	0	0

**SHIRE OF GINGIN
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED 30TH JUNE 2018**

	NOTE	2018 Actual \$	2018 Budget \$	2017 Actual \$
(Loss) on revaluation of Infrastructure - Other	8(b)	(1,100,575)	0	0
		1,595,402	2,089,559	2,301,190
Net result		(564,554)	97,958	1,680,740
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	10	41,893,518	0	1,363,794
Total other comprehensive income		41,893,518	0	1,363,794
Total comprehensive income		41,328,964	97,958	3,044,534

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

SHIRE OF GINGIN
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2018

	NOTE	2018	2017
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	4,355,805	5,234,835
Trade and other receivables	5	1,922,651	2,060,348
Inventories	6	30,494	26,713
TOTAL CURRENT ASSETS		6,308,950	7,321,896
NON-CURRENT ASSETS			
Other receivables	5	145,382	148,898
Property, plant and equipment	7	51,154,367	50,996,789
Infrastructure	8	144,985,455	103,442,072
TOTAL NON-CURRENT ASSETS		196,285,204	154,587,759
TOTAL ASSETS		202,594,154	161,909,655
CURRENT LIABILITIES			
Trade and other payables	11	681,929	1,406,313
Current portion of long term borrowings	12(a)	205,444	207,047
Provisions	13	836,627	612,655
TOTAL CURRENT LIABILITIES		1,724,000	2,226,015
NON-CURRENT LIABILITIES			
Long term borrowings	12(a)	2,177,844	2,202,180
Provisions	13	144,383	262,497
TOTAL NON-CURRENT LIABILITIES		2,322,227	2,464,677
TOTAL LIABILITIES		4,046,227	4,690,692
NET ASSETS		198,547,927	157,218,963
EQUITY			
Retained surplus		45,575,686	46,317,865
Reserves - cash backed	4	3,507,648	3,330,023
Revaluation surplus	10	149,464,593	107,571,075
TOTAL EQUITY		198,547,927	157,218,963

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

SHIRE OF GINGIN
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		45,394,984	2,572,164	106,207,281	154,174,429
Comprehensive income					
Net result		1,680,740	0	0	1,680,740
Changes on revaluation of assets	10	0	0	1,363,794	1,363,794
Total comprehensive income		1,680,740	0	1,363,794	3,044,534
Transfers from/(to) reserves		(757,859)	757,859	0	0
Balance as at 30 June 2017		46,317,865	3,330,023	107,571,075	157,218,963
Comprehensive income					
Net result		(564,554)	0	0	(564,554)
Changes on revaluation of assets	10	0	0	41,893,518	41,893,518
Total comprehensive income		(564,554)	0	41,893,518	41,328,964
Transfers from/(to) reserves		(177,625)	177,625	0	0
Balance as at 30 June 2018		45,575,686	3,507,648	149,464,593	198,547,927

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

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

	NOTE	2018 Actual	2018 Budget	2017 Actual
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		7,561,599	8,014,606	7,450,911
Operating grants, subsidies and contributions		2,428,253	1,653,149	3,581,963
Fees and charges		4,120,041	4,357,284	3,777,027
Interest earnings		268,914	332,033	248,495
Goods and services tax		708,052	0	1,204,061
Other revenue		581,095	135,224	402,116
		15,667,954	14,492,296	16,664,573
Payments				
Employee costs		(5,179,995)	(4,984,579)	(5,100,295)
Materials and contracts		(5,669,748)	(4,912,710)	(4,463,952)
Utility charges		(435,135)	(444,455)	(424,219)
Interest expenses		(140,564)	(140,556)	(146,920)
Insurance expenses		(404,561)	(412,064)	(417,944)
Goods and services tax		(761,914)	0	(1,102,360)
Other expenditure		(522,568)	(642,474)	(484,216)
		(13,114,485)	(11,536,838)	(12,139,906)
Net cash provided by (used in) operating activities	14	2,553,469	2,955,458	4,524,667
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment		(2,181,965)	(1,979,450)	(2,494,249)
Payments for construction of infrastructure		(4,651,649)	(5,565,567)	(4,602,545)
Non-operating grants, subsidies and contributions		3,009,444	2,089,559	2,400,330
Proceeds from sale of fixed assets		376,498	0	388,909
Proceeds from advances		34,759	0	10,621
Net cash provided by (used in) investment activities		(3,412,913)	(5,455,458)	(4,296,934)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of long term borrowings		(225,939)	(225,947)	(185,913)
Proceeds from self supporting loans		6,353	41,111	27,916
Proceeds from new long term borrowings		200,000	900,000	213,897
Net cash provided by (used in) financing activities		(19,586)	715,164	55,900
Net increase (decrease) in cash held		(879,030)	(1,784,836)	283,633
Cash at beginning of year		5,234,835	5,694,755	4,951,202
Cash and cash equivalents at the end of the year	14	4,355,805	3,909,919	5,234,835

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

SHIRE OF GINGIN
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2018

NOTE	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
OPERATING ACTIVITIES			
Net current assets at start of financial year - surplus	1,931,792	2,009,010	2,265,998
	1,931,792	2,009,010	2,265,998
Revenue from operating activities (excluding rates)			
Governance	39	0	534
General purpose funding	2,090,174	1,174,819	2,952,094
Law, order, public safety	395,141	339,083	463,144
Health	342,979	290,000	246,157
Education and welfare	133,838	117,000	127,217
Housing	22,520	23,400	24,280
Community amenities	1,540,904	1,663,038	1,698,483
Recreation and culture	175,032	164,628	225,105
Transport	239,249	248,046	275,759
Economic services	1,819,396	1,930,203	1,983,912
Other property and services	331,455	216,550	149,044
	7,090,727	6,166,767	8,145,729
Expenditure from operating activities			
Governance	(1,102,120)	(1,121,949)	(1,026,405)
General purpose funding	(420,199)	(371,628)	(432,296)
Law, order, public safety	(1,456,234)	(1,341,733)	(1,214,960)
Health	(735,641)	(647,945)	(854,428)
Education and welfare	(216,086)	(209,182)	(197,622)
Housing	(49,320)	(30,460)	(32,609)
Community amenities	(2,670,843)	(2,650,997)	(2,351,728)
Recreation and culture	(3,615,110)	(2,984,794)	(3,318,026)
Transport	(5,153,973)	(4,220,571)	(4,954,572)
Economic services	(1,482,587)	(1,635,636)	(1,651,930)
Other property and services	(1,507,710)	(703,579)	(433,904)
	(18,409,823)	(15,918,474)	(16,468,480)
Operating activities excluded			
(Profit) on disposal of assets	9(a) (29,886)	0	(11,262)
Loss on disposal of assets	9(a) 315,828	0	110,402
Loss on revaluation of fixed assets	8(b) 1,128,100	0	0
Movement in deferred pensioner rates (non-current)	(14,822)	0	(21,689)
Movement in employee benefit provisions (non-current)	(118,114)	0	109,994
Depreciation on assets	9(b) 5,235,631	4,381,636	5,196,832
Amount attributable to operating activities	(2,870,567)	(3,361,061)	(672,476)
INVESTING ACTIVITIES			
Non-operating grants, subsidies and contributions	3,009,444	2,089,559	2,400,330
Proceeds from disposal of assets	9(a) 376,498	0	388,909
Purchase of property, plant and equipment	7(b) (2,181,965)	(1,979,450)	(2,494,249)
Purchase and construction of infrastructure	8(b) (4,651,649)	(5,565,567)	(4,602,545)
Amount attributable to investing activities	(3,447,672)	(5,455,458)	(4,307,555)
FINANCING ACTIVITIES			
Repayment of advances to community groups	6,353	0	10,621
Repayment of long term borrowings	12(a) (225,939)	(225,947)	(185,913)
Proceeds from new long term borrowings	12(b) 200,000	900,000	213,897
Proceeds from self supporting loans	12(a) 34,759	41,111	27,916
Transfers to reserves (restricted assets)	4 (804,395)	(961,803)	(1,019,186)
Transfers from reserves (restricted assets)	4 626,770	826,376	261,327
Amount attributable to financing activities	(162,452)	579,737	(691,338)
Surplus(deficiency) before general rates	(6,480,691)	(8,236,782)	(5,671,369)
Total amount raised from general rates	20 7,745,098	7,760,106	7,603,161
Net current assets at June 30 c/fwd - surplus	21 1,264,407	(476,676)	1,931,792

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.

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

CRITICAL ACCOUNTING ESTIMATES

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

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

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

2. REVENUE AND EXPENSES

(a) Revenue	2018 Actual	2017 Actual
	\$	\$
Other revenue		
Reimbursements and recoveries	337,618	270,184
Other	242,359	151,937
	579,977	422,121
Fees and Charges		
General purpose funding	19,730	19,240
Law, order, public safety	84,090	80,967
Health	228,956	244,473
Education and welfare	105,262	109,009
Housing	22,520	19,480
Community amenities	1,481,205	1,484,376
Recreation and culture	70,321	70,040
Transport	9,389	0
Economic services	1,734,581	1,878,126
Other property and services	22,866	23,706
	3,778,920	3,929,417

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

2. REVENUE AND EXPENSES (CONTINUED)

(a) Revenue (Continued)

Grant Revenue

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

	2018	2017
	\$	\$
Operating grants, subsidies and contributions		
Governance	39	500
General purpose funding	1,707,521	2,611,998
Law, order, public safety	306,322	277,452
Education and welfare	0	18,500
Community amenities	54,871	178,238
Recreation and culture	75,717	131,661
Transport	192,072	197,103
Economic services	75,883	36,500
Other property and services	15,828	78,363
	2,428,253	3,530,315
Non-operating grants, subsidies and contributions		
Law, order, public safety	1,253,578	307,276
Recreation and culture	304,257	350,308
Transport	1,451,609	1,742,746
	3,009,444	2,400,330
Total grants, subsidies and contributions	5,437,697	5,930,645

SIGNIFICANT ACCOUNTING POLICIES

Grants, Donations and Other Contributions

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

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

Grants, Donations and Other Contributions (Continued) a

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

Interest earnings

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

	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
- Loans receivable - clubs/institutions	4,562	0	5,968
- Reserve funds	68,844	69,610	45,393
- Other funds	49,856	70,000	70,108
Other interest revenue (refer note 20(c))	145,652	127,000	127,026
	268,914	266,610	248,495

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

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report
- Other Services

Interest expenses (finance costs)

- Long term borrowings (refer Note 12(a))

Rental charges

- Operating leases

	2018	2017
	\$	\$
	23,822	22,987
	12,471	11,290
	36,293	34,277
	139,798	146,964
	139,798	146,964
	51,514	27,711
	51,514	27,711

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

3. CASH AND CASH EQUIVALENTS

	NOTE	2018	2017
		\$	\$
Unrestricted		87,251	994,821
Reserves Restricted		3,507,648	3,330,023
Restricted Cash at Bank		760,906	909,991
		4,355,805	5,234,835
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Long Service Leave, Sick Leave, Staff Contingency	4	457,923	513,063
Office Equipment Replacement	4	2,841	17,486
Plant and Equipment Replacement	4	623,669	153,129
Land and Buildings General	4	858,805	753,210
Guilderton Caravan Park Recreation	4	137,226	222,713
Shire Recreational Development	4	69,861	204,379
Redfield Park Public Open Space	4	30,366	29,762
Ocean Farm Recreation	4	30,068	36,564
Tip Rationalisation	4	625,112	697,171
Lancelin Community Sporting Club	4	53,292	49,002
Community Infrastructure	4	89,201	87,429
Staff Housing	4	32,383	31,740
Future Infrastructure	4	491,055	531,524
Guilderton Country Club Reserve	4	5,846	2,851
Unspent grants	19	760,906	909,991
		4,268,554	4,240,014

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.

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

4. RESERVES - CASH BACKED

	2018		2018		2018		2018		2018		2017		2017		
	Actual	Actual	Actual	Actual	Budget	Budget	Budget	Budget	Actual	Actual	Actual	Actual	Actual	Actual	
	Opening	Transfer	to	(from)	Opening	Transfer	to	(from)	Opening	Transfer	to	Opening	Transfer	Closing	
	Balance		Balance	Balance	Balance	Transfer	Balance	Balance	Balance	Transfer	Balance	Balance	Transfer	Balance	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Long Service Leave, Sick Leave, Staff Contingency	513,063	11,219		(66,359)	513,063	10,725		0	523,788		156,426	356,637		0	513,063
Office Equipment Replacement	17,486	382		(15,027)	17,486	366		(15,000)	2,852		276	17,210		0	17,486
Plant and Equipment Replacement	153,129	470,785		(245)	153,129	818,201		(77,500)	893,830		2,421	150,708		0	153,129
Land and Buildings General	753,210	213,137		(107,542)	653,210	83,811		(75,000)	662,021		113,336	801,200		(161,327)	753,209
Guidelton Caravan Park Recreation	222,713	4,869		(90,356)	222,713	1,283		(90,000)	133,996		102,397	120,316		0	222,713
Shire Recreational Development	204,379	55,709		(190,227)	304,380	4,272		(220,000)	88,652		153,176	151,204		(100,000)	204,380
Redfield Park Public Open Space	29,762	651		(47)	30,366	622		0	30,384		480	29,283		0	29,763
Ocean Farm Recreation	36,564	800		(7,296)	36,564	764		(7,237)	30,091		578	35,986		0	36,564
Tip Rationalisation	697,171	15,245		(87,304)	625,112	14,573		(87,399)	624,345		11,024	686,147		0	697,171
Lancelin Community Sporting Club	49,002	14,369		(10,079)	49,002	13,524		(10,000)	52,526		16,293	32,708		0	49,001
Community Infrastructure	87,429	1,912		(140)	87,429	1,828		0	89,257		1,382	86,046		0	87,428
Staff Housing	31,740	694		(51)	31,740	663		0	32,403		502	31,238		0	31,740
Future Infrastructure	531,524	11,623		(52,092)	491,055	11,111		(244,240)	298,395		458,043	73,481		0	531,524
Guidelton Country Club Reserve	2,851	3,000		(5)	2,852	60		0	2,912		2,852	0		0	2,852
	3,330,023	804,395		(626,770)	3,330,025	961,803		(826,376)	3,466,452		1,019,186	2,572,164		(261,327)	3,330,023

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
Long Service Leave, Sick Leave, Staff Contingency	As required	Used to fund annual leave, long service leave, sick leave, redundancy/retirement and staff contingency.
Office Equipment Replacement	18/19	Used for the acquisition and/or replacement of major items of office equipment (including computer system).
Plant and Equipment Replacement	As required	Used for the purchase of major plant and equipment.
Land and Buildings General	18/19	Used for the replacement and/or acquisition of land and buildings.
Guidelton Caravan Park Recreation	18/19	Used for the development of Guidelton Caravan Park facilities.
Shire Recreational Development	As required	Used for the development of Shire Recreation facilities.
Redfield Park Public Open Space	Used for the development of Public Open Space within the Redfield Park subdivision.	
Ocean Farm Recreation	18/19	Used for the development of recreation and community facilities within the Ocean Farm subdivision.
Tip Rationalisation	18/19	Used for the development of recreation and community facilities within the Shire.
Lancelin Community Sporting Club	18/19	Used for rationalisation of rubbish tip facilities within the Shire.
Community Infrastructure	Used in developing building and other associated infrastructure at the Lancelin Community Sporting Club and are to be spent upon request from the Club, and approval from Council.	
Staff Housing	As required	Used to assist in the financing of community facilities.
Future Infrastructure	As required	To be used to fund Staff housing infrastructure additions and/or replacement.
Guidelton Country Club Reserve	18/19	To be used to fund future infrastructure construction, purchase, additions and/or renewals.
	As required	To be used to fund the development of the Guidelton Country Club and are to be spent upon request from the Club, and approval from Council.

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

5. TRADE AND OTHER RECEIVABLES

Current

Rates outstanding
 Sundry debtors
 GST receivable
 Loans receivable - clubs/institutions
 Prepayments
 Legal Costs - recovery of rates
 Rubbish Fees

Non-current

Rates outstanding - pensioners
 Loans receivable - clubs/institutions
 Loans - advances to community groups

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
 1 to 5 years
 more than 5 years

Sundry debtors

Includes:

Past due and not impaired
 up to one month
 1 - 3 months
 3 months to 1 year
 1 to 5 years
 more than 5 years

	2018	2017
	\$	\$
	909,257	735,803
	609,832	961,626
	172,528	118,666
	18,339	41,113
	23,577	79,727
	129,810	74,778
	59,308	48,635
	1,922,651	2,060,348
	122,381	107,559
	0	6,353
	23,001	34,986
	145,382	148,898
	298,362	235,603
	610,895	500,200
	30,368	33,816
	8,276	132,517
	16,864	3,183
	100,764	40,191
	25,501	1,851

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.

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

6. INVENTORIES

Current

Fuel and materials
 History books

	2018	2017
	\$	\$
Fuel and materials	20,505	16,714
History books	9,989	9,999
	30,494	26,713

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.

SHIRE OF GINGIN
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	14,832,000	15,302,000
- Independent valuation 2017 - level 3	1,590,000	1,590,000
	<u>16,422,000</u>	<u>16,892,000</u>
Land - vested in and under the control of Council at:		
- Independent valuation 2017 - level 3	3,823,555	3,823,555
	<u>3,823,555</u>	<u>3,823,555</u>
Total land	20,245,555	20,715,555
Buildings - non-specialised at:		
- Independent valuation 2017 - level 2	1,135,000	1,135,000
- Independent valuation 2017 - level 3	512,700	512,700
- Management valuation 2017 - level 3	0	18,129
- Transfer to Infrastructure Other	0	(18,129)
Less: accumulated depreciation	(32,297)	0
	<u>1,615,403</u>	<u>1,647,700</u>
Buildings - specialised at:		
- Independent valuation 2017 - level 3	23,404,900	23,404,900
- Management valuation 2017 - level 3	0	5,466,275
- Transfer from Infrastructure Other	49,286	(5,466,275)
- Additions after valuation at cost	420,746	0
Less: accumulated depreciation	(475,904)	0
	<u>23,399,028</u>	<u>23,404,900</u>
Total buildings	25,014,431	25,052,600
Total land and buildings	45,259,986	45,768,155
Furniture and equipment at:		
- Independent valuation 2016 - level 3	168,000	183,800
- Additions after valuation at cost - level 3	168,259	91,639
Less: accumulated depreciation	(76,597)	(33,503)
	<u>259,662</u>	<u>241,936</u>
Plant and equipment at:		
- Independent valuation 2016 - level 2	2,516,651	2,856,251
- Independent valuation 2016 - level 3	1,057,950	1,057,950
- Management valuation 2016 - level 2	558,007	558,007
- Management valuation 2016 - level 3	131,947	131,947
- Additions after valuation at cost - level 2	2,965,140	1,280,541
Less: accumulated depreciation	(1,602,461)	(907,275)
	<u>5,627,234</u>	<u>4,977,421</u>

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

7(a) PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Tools at:

- Independent valuation 2016 - level 3

Less: accumulated depreciation

Total property, plant and equipment

	2018	2017
	\$	\$
	12,900	12,900
	(5,415)	(3,623)
	7,485	9,277
	51,154,367	50,996,789

SHIRE OF GINGIN
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	Total land	Buildings - specialised	Buildings - non-specialised	Buildings - specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Tools	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2016	16,182,395	3,823,555	20,005,950	2,030,473	27,354,523	29,384,996	49,390,946	183,800	5,210,303	12,900	54,797,949	
Additions	0	0	0	21,566	1,100,503	1,122,069	1,122,069	91,639	1,280,541	0	2,494,249	
(Disposals)	0	0	0	0	(1,115)	(1,115)	(1,115)	0	(486,934)	0	(488,049)	
Revaluation increments/ (decrements) transferred to revaluation surplus	709,605	0	709,605	(360,588)	1,014,777	654,189	1,363,794	0	0	0	1,363,794	
Depreciation (expense)	0	0	0	(43,751)	(579,384)	(623,135)	(623,135)	(33,503)	(1,026,489)	(3,623)	(1,686,750)	
Transfers	0	0	0	0	(5,484,404)	(5,484,404)	(5,484,404)	0	0	0	(5,484,404)	
Carrying amount at 30 June 2017	16,892,000	3,823,555	20,715,555	1,647,700	23,404,900	25,052,600	45,768,155	241,936	4,977,421	9,277	50,996,789	
Additions	0	0	0	0	420,746	420,746	420,746	76,620	1,684,599	0	2,181,965	
(Disposals)	(470,000)	0	(470,000)	0	0	0	(470,000)	(13,899)	(178,541)	0	(662,440)	
Depreciation (expense)	0	0	0	(32,297)	(475,904)	(508,201)	(508,201)	(44,995)	(856,245)	(1,792)	(1,411,233)	
Transfers	0	0	0	0	49,286	49,286	49,286	0	0	0	49,286	
Carrying amount at 30 June 2018	16,422,000	3,823,555	20,245,555	1,615,403	23,399,028	25,014,431	45,259,986	259,662	5,627,234	7,485	51,154,367	

SHIRE OF GINGIN
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
Land and buildings					
Land - freehold land	2	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2017	Price per hectare
Land - freehold land	3	Improvements to land valued using cost approach using depreciated replacement cost	Independent registered valuers	Jun 2017	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
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 (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Buildings - non-specialised	2	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2017	Price per square metre
Buildings - non-specialised	3	Cost approach using depreciated replacement cost	Management valuation	Jun 2017	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Buildings - specialised	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2017	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Furniture and equipment					
	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2016	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Plant and equipment					
- Independent/management valuation 2016	2	Market approach using recent observable market data for similar properties	Independent registered valuers and Management Valuation	June 2016	Price per item
- Independent/management valuation 2016	3	Cost approach using depreciated replacement cost	Independent registered valuers and Management Valuation	June 2016	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Tools					
	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2016	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

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

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

8 (a). INFRASTRUCTURE

	2018	2017
	\$	\$
Infrastructure - Roads		
- Management valuation 2018 - level 3	123,238,866	0
- Management valuation 2015 - level 3	0	84,789,325
- Transfer to Plant and Equipment	0	(5,969)
Less: accumulated depreciation	0	(4,605,974)
	<u>123,238,866</u>	<u>80,177,382</u>
Infrastructure - Footpaths		
- Management valuation 2018 - level 3	133,337	0
- Management valuation 2015 - level 3	0	119,966
- Transfer from Parks	0	53,382
Less: accumulated depreciation	0	(5,552)
	<u>133,337</u>	<u>167,796</u>
Infrastructure - Parks and Ovals		
- Management valuation 2018 - level 3	13,011,444	14,301,366
- Transfer to Footpaths	0	(53,382)
Less: accumulated depreciation	0	(1,256,016)
	<u>13,011,444</u>	<u>12,991,968</u>
Infrastructure - Other		
- Management valuation 2018 - level 3	6,206,288	0
- Management valuation 2015 - level 3	0	1,340,266
- Additions after valuation at cost	0	987,574
- Transfer from Specialised and Non Specialised Buildings	0	5,484,404
Less: accumulated depreciation	0	(242,610)
	<u>6,206,288</u>	<u>7,569,634</u>
Infrastructure - Bridges		
- Management valuation 2018 - level 3	2,395,520	2,744,000
Less: accumulated depreciation	0	(208,708)
	<u>2,395,520</u>	<u>2,535,292</u>
Total infrastructure	<u>144,985,455</u>	<u>103,442,072</u>

SHIRE OF GINGIN
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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.

	Infrastructure - Roads	Infrastructure - Footpaths	Infrastructure - Parks and Ovals	Infrastructure - Other	Infrastructure - Bridges	Total Infrastructure
Balance at 1 July 2016	\$ 79,346,895	\$ 130,472	\$ 13,393,644	\$ 1,319,381	\$ 2,674,813	\$ 96,865,205
Additions	3,140,747	42,876	431,348	987,574	0	4,602,545
Depreciation (expense)	(2,310,260)	(5,552)	(833,024)	(221,725)	(139,521)	(3,510,082)
Transfers	0	0	0	5,484,404	0	5,484,404
Carrying amount at 30 June 2017	80,177,382	167,796	12,991,968	7,569,634	2,535,292	103,442,072
Additions	3,155,473	0	1,278,382	217,794	0	4,651,649
Revaluation increments/ (decrements) transferred to revaluation surplus	42,162,269	0	(268,751)	0	0	41,893,518
Revaluation (loss)/ reversals transferred to profit or loss	0	(27,525)	0	(1,100,575)	0	(1,128,100)
Depreciation (expense)	(2,335,190)	(6,934)	(990,155)	(352,347)	(139,772)	(3,824,398)
Transfers	78,932	0	0	(128,218)	0	(49,286)
Carrying amount at 30 June 2018	123,238,866	133,337	13,011,444	6,206,288	2,395,520	144,985,455

8. INFRASTRUCTURE (CONTINUED)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - Roads	3	Cost approach using depreciated replacement	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3).
Infrastructure - Footpaths	3	Cost approach using depreciated replacement	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3).
Infrastructure - Parks and Ovals	3	Cost approach using depreciated replacement	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3).
Infrastructure - Other	3	Cost approach using depreciated replacement	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3).
Infrastructure - Bridges	3	Cost approach using depreciated replacement	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3).

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.

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

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.

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								
Health								
Sale of 6GG	25,168	18,182	0	(6,986)	0	0	0	0
Community amenities								
Sale of 4GG	20,000	24,091	4,091	0	0	0	0	0
Sale of 8GG	31,657	24,091	0	(7,566)	0	0	0	0
Transport								
Tractor GG012	5,999	18,181	12,182	0	0	0	0	0
Kubota Mower GG034	17,987	5,914	0	(12,073)	0	0	0	0
Bostrl Pig Trailer GG6776	1,800	12,210	10,410	0	0	0	0	0
Ferrari Mower	4,125	4,545	420	0	0	0	0	0
Miscellaneous Plant Sales	226	2,194	1,968	0	0	0	0	0
Front End Loader GG016	66,685	67,500	815	0	0	0	0	0
100KVA Silenced Diesel Generator	13,899	2,000	0	(11,899)	0	0	0	0
Trailer GG6019	926	454	0	(472)	0	0	0	0
Toyota Van fwd Control Unit GG09	2,250	1,500	0	(750)	0	0	0	0
Hoe attachment for Kanga	1,718	636	0	(1,082)	0	0	0	0
	192,440	181,498	29,886	(40,828)	0	0	0	0
Land and Building								
Sale of Lot 20 Mooliabeenee Road	470,000	195,000	0	(275,000)	0	0	0	0
	662,440	376,498	29,886	(315,828)	0	0	0	0

(b) Depreciation

	2018	2017
	\$	\$
Buildings - non-specialised	32,297	43,751
Buildings - specialised	475,904	579,384
Furniture and equipment	44,995	33,503
Plant and equipment	856,245	1,026,489
Tools	1,792	3,623
Infrastructure - Roads	2,335,190	2,310,260
Infrastructure - Footpaths	6,934	5,552
Infrastructure - Parks and Ovals	990,155	833,024
Infrastructure - Other	352,347	221,725
Infrastructure - Bridges	139,772	139,521
	5,235,631	5,196,832

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 - non-specialised	2 to 50 Years
Buildings - specialised	2 to 50 Years
Furniture and equipment	4 to 10 Years
Plant and equipment	5 to 15 Years
Tools	4 to 10 Years
Infrastructure - Footpaths	40 Years
Infrastructure - Parks and ovals	5 to 25 Years
Infrastructure - Bridges	50 to 100 Years
Infrastructure - Other	5 to 25 Years
Infrastructure - Car Parks (Sealed) Sealed roads and streets (reducing balance)	40 Years
formation	Not depreciated
pavement	50 Years
seal	
- bituminous seals	25 Years
- asphalt surfaces	25 Years
Gravel roads (reducing balance)	
formation	Not depreciated
pavement	50 Years
gravel sheet	12 Years
Formed roads - unsealed (reducing balance)	
formation	Not depreciated
pavement	50 Years
Footpaths - slab (reducing balance)	40 Years
Sewerage piping (reducing balance) Water supply piping and drainage systems (reducing balance)	80 Years
	85 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.

SHIRE OF GINGIN
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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10. REVALUATION SURPLUS

	2018			2018			2017			
	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Total Revaluation Movement on	Closing Balance	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Total Revaluation Movement on	Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land and Buildings	28,326,128	0	0	0	28,326,128	26,962,334	1,363,794	0	1,363,794	28,326,128
Revaluation surplus - Plant and equipment	2,429,366	0	0	0	2,429,366	2,429,366	0	0	0	2,429,366
Revaluation surplus - Tools	62,540	0	0	0	62,540	62,540	0	0	0	62,540
Revaluation surplus - Infrastructure - Roads	66,046,298	42,162,269	0	42,162,269	108,208,567	66,046,298	0	0	0	66,046,298
Revaluation surplus - Infrastructure - Parks and Ovals	7,962,743	0	(268,751)	(268,751)	7,693,992	7,962,743	0	0	0	7,962,743
Revaluation surplus - Infrastructure - Bridges	2,744,000	0	0	0	2,744,000	2,744,000	0	0	0	2,744,000
	107,571,075	42,162,269	(268,751)	41,893,518	149,464,593	106,207,281	1,363,794	0	1,363,794	107,571,075

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

SHIRE OF GINGIN
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11. TRADE AND OTHER PAYABLES

Current

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

	2018	2017
	\$	\$
	456,769	1,164,462
	29,840	30,606
	45,466	0
	98,274	144,639
	51,580	66,606
	681,929	1,406,313

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

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

Trade and other payables (Continued)

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

SHIRE OF GINGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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12. INFORMATION ON BORROWINGS

(a) Repayments - Borrowings

Particulars	Interest Rates	Principal 1 July 2017	New Loans	Principal Repayments		Principal 30 June 2018		Interest Repayments	
				Actual	Budget	Actual	Budget	Actual	Budget
Health									
L 100 Gingin Medical Centre	6.51%	209,565	0	24,424	24,425	185,141	185,139	12,584	13,252
Housing									
L129 Aged Accommodation		0	0	0	0	0	700,000	0	0
Community amenities									
L111 Tip Rationalisation Site	6.49%	484,874	0	15,540	15,540	469,334	469,333	30,841	31,220
L127 Seabird Seawall Extension	2.51%	204,422	0	19,309	19,309	185,113	185,113	4,802	5,011
L128 Lancelin C/Park Assets	2.52%	0	200,000	18,892	18,900	181,108	181,100	4,222	2,500
Recreation and culture									
L114 Guilderton Country Club	7.14%	483,497	0	28,952	28,952	434,545	434,545	32,350	32,586
L119 LP C/Club & Gravelle Centre	7.19%	8,446	0	8,446	8,445	0	0	390	459
L120 Regional Hardcourt Facility	6.68%	322,972	0	18,278	18,278	304,694	304,695	21,234	21,274
L124A Regional Hardcourt Facility	4.13%	312,625	0	18,599	18,599	294,026	294,027	12,664	12,721
L126 Swimming Pool Tiling	3.10%	136,990	0	13,416	13,416	123,574	123,574	3,974	4,144
Other property and services									
L93 Lancelin Angling and Aquatic	6.62%	10,391	0	10,391	10,391	0	0	399	399
L118 Office Extensions	7.19%	16,826	0	16,826	16,826	0	0	775	913
L123 Lot 44 Weld Street, Gingin	6.96%	212,826	0	13,426	13,426	199,400	199,401	14,389	14,583
		2,373,043	200,000	196,108	196,116	2,376,935	3,076,927	138,225	138,663
Self Supporting Loans									
Recreation and culture									
L115 Guilderton Country Club	7.17%	13,453	0	13,453	13,453	0	0	618	728
Economic services									
L103 Gingin Sale Yards	5.92%	12,340	0	5,987	5,987	6,353	6,353	556	654
Other property and services									
L93 Lancelin Angling and Aquatic	6.62%	10,391	0	10,391	10,391	0	0	399	511
		36,184	0	29,831	29,831	6,353	6,353	1,573	1,893
		2,409,227	200,000	225,939	225,947	2,383,288	3,083,280	139,798	140,556

Self supporting loans are financed by payments from third parties.
All other loan repayments were financed by general purpose revenue and with the Western Australian Treasury Corporation.

Borrowings	2018		2017	
	Actual	Budget	Actual	Budget
Current	205,444	207,047	205,444	207,047
Non-current	2,177,844	2,202,180	2,177,844	2,202,180
	2,383,288	2,409,227	2,383,288	2,409,227

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

12. INFORMATION ON BORROWINGS (CONTINUED)

(b) New Borrowings - 2017/18

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term Years	Total Interest & Charges	Interest Rate %	Amount (Used)		Balance Unspent
	Actual	Budget						Actual	Budget	
L128 Lancelin C/Park Assets	\$ 200,000	200,000	WATC	Debenture	5	14,120	2.52%	200,000	200,000	0
L129 Aged Accommodation	0	700,000	WATC	Debenture	10	0	3.00%	0	700,000	0
	200,000	900,000				14,120		200,000	900,000	0

(c) Unspent Borrowings

Particulars	Unspent Balance		Expended During Year	Unspent Balance 30 June 18
	1 July 17	Borrowed		
L128 Lancelin C/Park Assets	\$ 0	200,000	\$ (200,000)	0
	0	200,000	(200,000)	0
				2018
				\$ 500,000
				0
				38,000
				(4,850)
				533,150
				207,047
				2,177,844
				2,383,288
				NIL

(d) Undrawn Borrowing Facilities
Credit Standby Arrangements

	2018	2017
Bank overdraft limit	\$ 500,000	500,000
Bank overdraft at balance date	0	0
Credit card limit	38,000	33,000
Credit card balance at balance date	(4,850)	(3,463)
Total amount of credit unused	533,150	529,537
Loan facilities		
Loan facilities - current	205,444	207,047
Loan facilities - non-current	2,177,844	2,202,180
Total facilities in use at balance date	2,383,288	2,409,227
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 Sick Leave	Provision for Long Service Leave	Total
	\$	\$	\$	\$
Opening balance at 1 July 2017				
Current provisions	307,144	39,446	266,065	612,655
Non-current provisions	0	39,598	222,899	262,497
	307,144	79,044	488,964	875,152
Additional provision	29,172	11,329	130,895	171,396
Amounts used	0	0	(65,538)	(65,538)
Balance at 30 June 2018	336,316	90,373	554,321	981,010
Comprises				
Current	336,316	39,851	460,460	836,627
Non-current	0	50,522	93,861	144,383
	336,316	90,373	554,321	981,010

Annual leave and current long service leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	Annual Leave	Sick Leave	Long Service Leave	Total
	\$	\$	\$	\$
Current Provisions				
Within 12 months of the end of the reporting period	291,564	6,202	28,731	326,497
More than 12 months after the end of the reporting period	44,752	33,649	431,729	510,130
	336,316	39,851	460,460	836,627

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.

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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	2018	2017
	Actual	Budget	Actual
	\$	\$	\$
Cash and cash equivalents	4,355,805	3,909,919	5,234,835

Reconciliation of Net Cash Provided By Operating Activities to Net Result

Net result	(564,554)	97,958	1,680,740
Non-cash flows in Net result:			
Depreciation	5,235,631	4,381,636	5,196,832
(Profit)/loss on sale of asset	285,942	0	99,140
Loss on revaluation of fixed assets	1,128,100	0	0
Changes in assets and liabilities:			
(Increase)/decrease in receivables	100,101	565,423	(175,418)
(Increase)/decrease in inventories	(3,781)	0	7,767
Increase/(decrease) in payables	(724,384)	(100,000)	96,489
Increase/(decrease) in provisions	105,858	100,000	19,447
Grants contributions for the development of assets	(3,009,444)	(2,089,559)	(2,400,330)
Net cash from operating activities	2,553,469	2,955,458	4,524,667

SHIRE OF GINGIN
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	7,539	4,940
General purpose funding	1,320,431	918,137
Law, order, public safety	2,081,888	2,272,804
Health	770,316	779,725
Education and welfare	2,748,643	2,812,030
Community amenities	1,966,593	2,241,616
Recreation and culture	32,001,296	33,449,229
Transport	126,591,178	83,733,662
Economic services	2,068,935	2,375,370
Other property and services	26,583,002	26,511,481
Unallocated	6,454,333	6,810,661
	202,594,154	161,909,655

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

16. CAPITAL AND LEASING COMMITMENTS

(a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects
- plant & equipment purchases

Payable:

- not later than one year

	2018	2017
	\$	\$
	126,108	129,778
	177,867	0
	303,975	129,778

The capital expenditure project outstanding at the end of the current reporting period represents the purchase of a new Grapple Rake and Extendable Jibs for Loader GG026 and the purchase of a replacement Isuzu Maintenance Truck GG060.

The capital expenditure relates to the Gingin Road Lancelin Pathways and Limestone Wall at the Gingin Recreation Centre.

(b) Operating Lease Commitments

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

Payable:

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

	51,514	27,711
	65,150	106,297
	0	0
	116,664	134,008

SIGNIFICANT ACCOUNTING POLICIES

Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the Shire, are classified as finance leases. Finance leases are capitalised recording an asset and a liability at the lower of the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leases (Continued)

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

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

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

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

17 CONTINGENT LIABILITIES

The Shire did not have any contingent liabilities.

18 RELATED PARTY TRANSACTIONS

Elected Members Remuneration

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

	2018	2018	2017
	Actual	Budget	Actual
	\$	\$	\$
Meeting Fees	79,000	79,000	78,000
President's allowance	16,000	16,000	15,800
Deputy President's allowance	4,000	4,000	3,950
Travelling expenses	12,522	12,000	15,485
Telecommunications allowance	23,678	18,180	18,540
Conferences/Training	18,797	0	10,059
	153,997	129,180	141,834

Key Management Personnel (KMP) Compensation Disclosure

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

	2018	2017
	\$	\$
Short-term employee benefits	708,001	974,574
Post-employment benefits	95,180	123,146
Other long-term benefits	20,681	24,299
Termination benefits	1,678	42,434
	825,540	1,164,453

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.

Termination benefits

These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given 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.

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

18. RELATED PARTY TRANSACTIONS (CONTINUED)

The following transactions occurred with related parties:

	2018	2017
	\$	\$
Sale of goods and services	5,600	0
Purchase of goods and services	479,981	484,793
Amounts outstanding from related parties:		
Trade and other receivables	20	0
Amounts payable to related parties:		
Trade and other payables	0	3,000

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Entities subject to significant influence by the Shire

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

iii. Other related parties

Other related parties include close family members of key management personnel and entities that are controlled by these key management personnel, individually or collectively with their close family members.

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

19. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	Opening	Received ⁽²⁾	Expended ⁽³⁾	Closing	Received ⁽²⁾	Expended ⁽³⁾	Closing
	Balance ⁽¹⁾ 1/07/16	2016/17	2016/17	Balance ⁽¹⁾ 30/06/17	2017/18	2017/18	Balance ⁽¹⁾ 30/06/18
	\$	\$	\$	\$	\$	\$	\$
Governance							
Shire Golf Day	0	0	0	0	818	(818)	0
Law, order, public safety							
Driver Revivor	554	0	0	554	0	0	554
Lower Coastal Fire Control	25,194	0	0	25,194	0	0	25,194
Redfield Park Fire Control	4,738	0	0	4,738	0	0	4,738
FESA Unspent Grant	0	8,675	0	8,675	0	0	8,675
Health							
Gingin Logo Plates	6,720	318	0	7,038	91	0	7,129
Gingin Ambulance	18,000	6,000	0	24,000	6,000	0	30,000
Lancelin Ambulance	0	15,000	0	15,000	18,000	0	33,000
Nabaroo Water	2,047	0	0	2,047	0	0	2,047
Medical Transfer Vehicle Donation	0	0	0	0	5	0	5
Education and welfare							
Community Bus Replacement	141,076	0	0	141,076	0	0	141,076
Lancelin Aged Accommodation Long Term Maintenance	79,445	5,500	0	84,945	5,500	(28,576)	61,869
Community amenities							
Coastal Hazard Risk Management Plan	47,122	0	(12,122)	35,000	0	(35,000)	0
Seabird Erosion Project	656,698	0	(637,343)	19,355	0	(9,998)	9,357
Seabird Progress Association Seawall Extension	18,182	0	(18,182)	0	0	0	0
Sovereign Hill POS	4,385	0	0	4,385	0	0	4,385
Price Lot 30 Planning Condition	23,000	0	0	23,000	0	0	23,000
Lancelin Sand Nourishment & Seabird Monitoring	22,500	0	(14,113)	8,387	2,307	0	10,694
Coastal Inundation	0	5,000	0	5,000	0	0	5,000

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

19. CONDITIONS OVER GRANTS/CONTRIBUTIONS (CONTINUED)

	Opening Balance ⁽¹⁾ 1/07/16	Received ⁽²⁾ 2016/17	Expended ⁽³⁾ 2016/17	Closing Balance ⁽¹⁾ 30/06/17	Received ⁽²⁾ 2017/18	Expended ⁽³⁾ 2017/18	Closing Balance 30/06/18
Recreation and culture							
Concept Plan for Granville Park Gingin	5,000	0	0	5,000	0	(2,150)	2,850
DOLG Unspent LA Off-Road	11,478	0	0	11,478	0	(7,980)	3,498
Edgar Subdivision	2,750	0	0	2,750	0	0	2,750
Gingin Swimming Pool	9,707	0	(9,707)	0	0	0	0
Gingin Swimming Pool	2,654	0	(2,654)	0	0	0	0
Lancelin Public Open Space	14,800	0	0	14,800	0	0	14,800
Transport							
Battle Axe LA3 & LA90	2,640	0	0	2,640	0	0	2,640
Bendigo Bank Contribution Towards Parking Area	2,251	0	0	2,251	0	0	2,251
Chitna Road	3,000	0	0	3,000	0	0	3,000
Cowalla Road Upgrade	16,000	0	0	16,000	0	0	16,000
Cullialla Road Upgrade	45,000	0	0	45,000	0	0	45,000
Dewar GB Roads	750	0	0	750	0	0	750
Donaldson Subdivision	2,500	0	0	2,500	0	0	2,500
Harris M Subdivision	1,280	0	0	1,280	0	0	1,280
Ledge Point Footpaths	38,020	0	0	38,020	0	0	38,020
Schofield - Cheriton and Brockman Streets	87,290	0	(9,275)	78,015	0	(78,015)	0
Teal Park Roads	1,181	0	0	1,181	0	0	1,181
Whakea Road Upgrade	107	0	0	107	0	0	107
Lancelin Footpaths	6,746	0	0	6,746	0	0	6,746
Main Roads Unspent Bridge Grant	0	190,000	0	190,000	0	0	190,000
Economic services							
Lancelin Ratepayers and Residents Bench	79	0	0	79	0	0	79
Gingin Railway Station Restricted Cash	0	0	0	0	5,731	0	5,731
Other property and services							
Wheatbelt Development Commission	225,000	0	(145,000)	80,000	0	(25,000)	55,000
Total	1,527,894	230,493	(848,396)	909,991	38,452	(187,537)	760,906

Notes:

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

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

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

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

20. RATING INFORMATION

(a) Rates

RATE TYPE	Number of Properties	Rate in \$	Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	2018 Total Revenue \$	2017 Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
Gross rental valuations												
GRV - Townsites & Other	2,695	0.083499	43,685,707	3,647,714	0	0	3,647,714	3,555,264	3,647,714	0	0	3,647,714
Unimproved valuations												
UV - Rural & Other	423	0.004504	288,743,000	1,300,498	0	0	1,300,498	1,280,408	1,300,498	25,000	10,000	1,335,498
UV - Intensive	122	0.008448	65,507,000	553,403	18,529	747	572,679	573,151	553,403	0	0	553,403
Sub-Total	3,240		397,935,707	5,501,615	18,529	747	5,520,891	5,408,823	5,501,615	25,000	10,000	5,536,615
Minimum payment		\$										
Gross rental valuations												
GRV - Townsites & Other	872	997	6,711,778	869,384	0	0	869,384	861,420	869,384	0	0	869,384
UV - Rural & Other	731	997	4,046,256	728,807	0	0	728,807	735,980	728,807	0	0	728,807
Unimproved valuations												
UV - Rural & Other	401	1,260	75,518,304	505,260	0	0	505,260	487,772	505,260	0	0	505,260
UV - Intensive	96	2,240	15,526,690	215,040	0	0	215,040	204,693	215,040	0	0	215,040
Sub-Total	2,100		101,803,028	2,318,491	0	0	2,318,491	2,289,865	2,318,491	0	0	2,318,491
Discounts/concessions (refer note 20(b))	5,340		499,738,735	7,820,106	18,529	747	7,839,382	7,698,688	7,820,106	25,000	10,000	7,855,106
Total amount raised from general rate							(94,284)	(95,527)				(95,000)
Ex-gratia Rates							7,745,098	7,603,161				7,760,106
Interim Rates							4,777	4,119				4,500
Back Rates							0	0				0
Totals							7,749,875	7,607,280				7,764,606

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.

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

20. RATING INFORMATION (Cont.)

(b) Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount %	Discount \$	2018		2017	
				Actual	Budget	Actual	Budget
Split Use Concession is a mix of non-intensive and intensive use on a property.	Concession	Based on the area of land on the property used for non-intensive purposes.	\$	94,284	95,000	95,527	\$
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			94,284	95,000	95,527	
	A concession is granted based on the area of land used for non-intensive rural purposes. The rates concession is calculated by determining the percentage of the property used for intensive purposes, the balance being non-intensive.						
	To ensure that the rates paid for a property appropriately reflect the use of the property, the concession is provided for split use differentially rated and rural properties where there is a mixed use of non-intensive and intensive use on that property and where less than 75% of the property is classified as 'Intensive Use'.						
	Property owners within the Shire carry on a variety of mixed uses on their land, with some using less than 75% of their land for non-intensive rural uses. The concession provides for these situations by ensuring the property owner only pays the relevant rates applicable to the use of the land.						

SHIRE OF GINGIN
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 FOR THE YEAR ENDED 30TH JUNE 2018

20. RATING INFORMATION (Cont.)

(c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan	Instalment Plan	Unpaid Rates
		Admin Charge	Interest Rate	Interest Rate
		\$	%	%
Option One				
Single full payment	13 September 2017	0	0.00%	11.00%
Option Two				
First instalment	13 September 2017	0	5.50%	11.00%
Second instalment	15 January 2018	5	5.50%	11.00%
Option Three				
First instalment	13 September 2017	0	5.50%	11.00%
Second instalment	13 November 2017	5	5.50%	11.00%
Third instalment	15 January 2018	5	5.50%	11.00%
Fourth instalment	15 March 2018	5	5.50%	11.00%
			2018	2017
		2018	Budget	Actual
		\$	\$	\$
Interest on unpaid rates		117,018	98,000	100,440
Interest on instalment plan		27,321	27,000	26,586
Charges on instalment plan		19,730	20,000	19,240
Deferred Pensioner Rates Interest Earned		1,313	2,000	0
		165,382	147,000	146,266

SHIRE OF GINGIN
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FOR THE YEAR ENDED 30TH JUNE 2018

21. 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 1 July 17 brought forward	1,264,407	1,931,792	1,931,792
CURRENT ASSETS			
Cash and cash equivalents			
Unrestricted	87,251	994,821	994,821
Restricted Cash	3,507,648	3,330,023	3,330,023
Restricted Cash	760,906	909,991	909,991
Receivables			
Rates outstanding	909,257	735,803	735,803
Sundry debtors	609,832	961,626	961,626
GST receivable	172,528	118,666	118,666
Loans receivable - clubs/institutions	18,339	41,113	41,113
Prepayments	23,577	79,727	79,727
Legal Costs - recovery of rates	129,810	74,778	74,778
Rubbish Fees	59,308	48,635	48,635
Inventories			
Fuel and materials	20,505	16,714	16,714
History books	9,989	9,999	9,999
LESS: CURRENT LIABILITIES			
Trade and other payables			
Sundry creditors	(456,769)	(1,164,462)	(1,164,462)
Accrued interest on long term borrowings	(29,840)	(30,606)	(30,606)
Accrued salaries and wages	(45,466)	0	0
ATO liabilities	(98,274)	(144,639)	(144,639)
Other	(51,580)	(66,606)	(66,606)
Current portion of long term borrowings	(205,444)	(207,047)	(207,047)
Provisions			
Provision for Annual Leave	(336,316)	(307,144)	(307,144)
Provision for sick leave	(39,851)	(39,446)	(39,446)
Provision for Long Service Leave	(460,460)	(266,065)	(266,065)
Unadjusted net current assets	4,584,950	5,095,881	5,095,881
Adjustments			
Less: Reserves - restricted cash	(3,507,648)	(3,330,023)	(3,330,023)
Less: Loans receivable - clubs/institutions	(18,339)	(41,113)	(41,113)
Add: Current portion of long term borrowings	205,444	207,047	207,047
Adjusted net current assets - surplus	1,264,407	1,931,792	1,931,792

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.

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

22. FINANCIAL RISK MANAGEMENT

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

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

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

The Shire held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2018	2017	2018	2017
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	4,355,805	5,234,835	4,355,805	5,234,835
Receivables	2,068,033	2,209,246	2,068,033	2,209,246
	6,423,838	7,444,081	6,423,838	7,444,081
Financial liabilities				
Payables	681,929	1,406,313	681,930	1,406,313
Borrowings	2,383,288	2,409,227	2,737,231	2,801,421
	3,065,217	3,815,540	3,419,161	4,207,734

Fair value is determined as follows:

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

Borrowings estimate future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

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

22. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Cash and Cash Equivalents

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

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% ⁽¹⁾ movement in interest rates on cash		
- Equity	43,558	52,348
- Statement of Comprehensive Income	43,558	52,348

Notes:

⁽¹⁾ Sensitivity percentages based on management’s expectation of future possible interest rate movements.

SHIRE OF GINGIN
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FOR THE YEAR ENDED 30TH JUNE 2018

22. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Receivables

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

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

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

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

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

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

	2018	2017
	%	%
Percentage of rates and annual charges		
- Current	0%	0%
- Overdue	100%	100%
Percentage of other receivables		
- Current	77%	78%
- Overdue	23%	22%

22. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Payables and borrowings

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

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
2018					
Payables	681,929	0	0	681,929	681,929
Borrowings	336,225	1,297,208	1,531,855	3,165,288	2,383,288
	1,018,154	1,297,208	1,531,855	3,847,217	3,065,217
2017					
Payables	1,406,313	0	0	1,406,313	1,406,313
Borrowings	345,102	1,153,843	1,818,732	3,317,677	2,409,227
	1,751,415	1,153,843	1,818,732	4,723,990	3,815,540

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

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

	<1 year	>1<2 years	>2<3 years	>3<4 years	>4<5 years	>5 years	Total	Weighted Average Effective Interest Rate
Year ended 30 June 2018	\$	\$	\$	\$	\$	\$	\$	%
Borrowings			55					
Fixed rate			56					
Long term borrowings	6,353	0	0	0	181,108	2,195,827	2,383,288	5.28%
Weighted average Effective interest rate	5.92%	0.00%	0.00%	0.00%	2.52%	5.51%		
Year ended 30 June 2017								
Borrowings								
Fixed rate								
Long term borrowings	49,116	12,340	0	0	0	2,347,771	2,409,227	5.87%
Weighted average Effective interest rate	7.04%	6.02%	0.00%	0.00%	0.00%	5.84%		

SHIRE OF GINGIN
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23. TRUST FUNDS

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

	As at 1 July 2017	Amounts Received	Amounts Paid	As at 30 June 2018
	\$	\$	\$	\$
Bonds, Tenders etc	9,117	5,000	(1,630)	12,487
Car Parking Cash in Lieu	13,014	0	0	13,014
Community Groups	4,293	0	0	4,293
D Wedge Trust	6,315	12	0	6,327
Excavation Bonds	26,096	0	0	26,096
Footpath Bonds	5,982	0	0	5,982
Landscaping Bonds	49,767	0	0	49,767
Old Junction Hotel Restoration	1,743	0	0	1,743
Other Bonds/Trusts	21,457	0	(340)	21,117
Public Open Space	34,465	11,250	0	45,715
Rehabilitation Bonds	85,831	0	0	85,831
Second Hand Buildings	47,639	5,000	(5,000)	47,639
Staff Trust	16,880	40,568	(34,793)	22,655
Subdivision Bonds	207,138	0	0	207,138
Tree Planting Bonds	5,456	0	0	5,456
Trust Interest	0	3,775	(25)	3,750
	535,193	65,605	(41,788)	559,010

**SHIRE OF GINGIN
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FOR THE YEAR ENDED 30TH JUNE 2018**

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

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

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

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	This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The effect of this Standard will depend on the nature of future transactions the Shire has with those third parties it has dealings with. It may or may not be significant.
(iii) AASB 16 Leases	February 2016	1 January 2019	Under AASB 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability into the statement of financial position for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 117 Leases which currently do not impact the statement of financial position will be required to be capitalised on the statement of financial position when AASB 16 is adopted.

Currently, operating lease payments are expensed as incurred. This will cease and will be replaced by both depreciation and interest charges. Based on the current number of operating leases held by the Shire, the impact is not expected to be significant.

Notes:

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

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

Title	Issued / Compiled	Applicable (1)	Impact
(iv) AASB 1058 Income of Not-for-Profit Entities	December 2016	1 January 2019	These standards are likely to have a significant impact on the income recognition for NFP's. Key areas for consideration are: - Assets received below fair value; - Transfers received to acquire or construct non-financial assets; - Grants received; - Prepaid rates; - Leases entered into at below market rates; and - Volunteer services.

Notes:

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

Adoption of New and Revised Accounting Standards

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

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

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

25. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Shire's operating 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.

25. OTHER SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

SHIRE OF GINGIN
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26. 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 elected 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 local 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, noise control and waste disposal compliance
EDUCATION AND WELFARE	To provide services to disadvantaged persons, the elderly, children and youth	Maintenance of playgroup centre, aged care housing and Wangaree Community Centre. Provision and maintenance of youth services
HOUSING	To provide and maintain staff and other housing	Provision and maintenance of staff and other 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 resource which will help the social well being of the community	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 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 control. Cleaning of streets and maintenance of street trees, street lighting etc.
ECONOMIC SERVICES	To help promote the shire and its economic wellbeing	Tourism and area promotion including the maintenance and operation of a caravan park. Provosion of rural services including weed control, vermin control and standpipes
OTHER PROPERTY AND SERVICES	To monitor and control Shire's overheads operating accounts	Private works operation, plant repair and operation costs and engineering operation costs, administration costs allocated and other unclassified works and services

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

27. FINANCIAL RATIOS

	2018	2017	2016
Current ratio	1.61	1.80	1.52
Asset sustainability ratio	1.05	1.00	1.79
Debt service cover ratio	4.93	13.89	8.36
Operating surplus ratio	(0.33)	(0.06)	(0.11)
Own source revenue coverage ratio	0.59	0.73	0.78
Asset consumption ratio	0.71	0.80	0.97
Asset renewal funding ratio	1.47	1.07	0.46

The above ratios are calculated as follows:

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

Notes:

Four of the ratios disclosed above were distorted by the following items:-

	2017/18	2016/17	2015/16
	\$	\$	\$
Amount of Financial Assistance Grant received during the year relating to the subsequent year.	920,045	913,393	0
Amount of Financial Assistance Grant received in prior year relating to current year.	913,393	0	891,167
Loss on Infrastructure - Other	(1,100,575)	0	(113,273)

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	1.61	1.31	1.52
Debt service cover ratio	7.99	11.15	11.04
Operating surplus ratio	(0.23)	(0.14)	(0.02)
Own source revenue coverage ratio	0.63	0.73	0.78

INDEPENDENT AUDITOR'S REPORT TO THE COUNCILLORS OF THE SHIRE OF GINGIN

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

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

In our opinion, the financial report of the Shire of Gingin:

- a) is based on proper accounts and reports; and
- b) fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 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

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

Emphasis of Matter – Basis of Preparation

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE COUNCILLORS OF THE SHIRE OF GINGIN (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL REPORT (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

**INDEPENDENT AUDITOR'S REPORT
TO THE COUNCILLORS OF
THE SHIRE OF GINGIN (CONTINUED)**

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- a) All required information and explanations were obtained by us.
- b) All audit procedures were satisfactorily completed in conducting our audit.
- c) In our opinion, the asset consumption ratio and the asset renewal ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

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 Gingin 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.

MOORE STEPHENS
CHARTERED ACCOUNTANTS

Date: 12 December 2018
Perth, WA



GREG GODWIN
PARTNER

