



Annual Report

2018 - 2019





March 2019 – Gingin Triathlon



HISTORY . BEAUTY . PROSPERITY

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Acknowledgement of Country

The Shire of Gingin acknowledges the Yued people as the traditional custodians of this land and their continuing connection to land and community.

We pay our respect to them, to their culture and to their Elders past and present.

Yued refers to the Noongar language or dialectal group north of Perth. The Yued region includes the towns of Leeman, Jurien Bay, Cervantes, Two Rocks, Toodyay, Gingin, Calingiri, Dalwallinu, Coorow and Moora. The approximate size

of the Yued region is 29,253.825 km².

There are a number of significant sites in the Yued region. These include caves (some of which are the homes of mythological beings), ceremonial sites, rock art, paintings and artefacts.

This region is well known for the Moore River Native Settlement which was opened in the 1920's under the auspices of the Chief Protector of Aborigines, AO Neville. Other sites of significance in the region include the Moora Reserve, Mogumber Mission and Walebing Reserve.

About this Report

Welcome to the Shire of Gingin's 2018/19 Annual Report.

The Shire provides vital community services and every year the Annual Report is where the Shire highlights its achievements and progress made towards reaching the strategic goals identified in the Strategic Community Plan 2017-2027.

Under the *Local Government Act 1995* all local governments are required to prepare an annual report at the end of the financial year. The Annual Report is one of the Shire's

key reporting devices for providing information to the community on the work completed during the past financial year. It identifies Council goals and major projects being undertaken or planned and includes community indicators based on the objectives and priorities outlined in the Strategic Community Plan.

This report also details the Shire of Gingin's operational performance and outlines the achievements and challenges that were experienced by the Shire throughout the year.



Our Vision

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

Community Aspirations & Council Objectives

Focus Area 1 – 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 shared service delivery.

Focus Area 2 – 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 3 – Infrastructure & Development

Community Aspiration

High quality community infrastructure and development.

Council Objective

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

Focus Area 4 – 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.



A Message from the Shire President

On Behalf of Council I am pleased to present the Shire of Gingin Annual Report 2018/19.

Council is constantly conscious of the issue of providing services to the community whilst keeping rates at an acceptable level. Whilst completing significant projects during the year Council was able to keep the normal rate increase to 2.75%, with slightly higher increases to minimum rates.

It is a shame that Council cannot provide and action everything that is requested by its residents and ratepayers. We incorporate important projects into Council's Long Term Financial Plan to ensure that these projects are considered in the future and this Plan is assessed on a regular basis.

GINGIN MEDICAL CENTRE

During the period the previous lessee of the Gingin Medical Centre provided notice to terminate the lease. Council was forced to take over the management of the Medical Centre and fulfil all of the statutory obligations to facilitate this in addition to taking on all existing staff as employees. Council also looked to increase the attendance of the existing General Practitioner and sought further GP assistance. To the credit of all staff, including Dr Conradie, the Gingin Medical Centre was closed for a minimal period of days and since has continued to provide an excellent service to the Gingin community.

2019 ELECTIONS

With the 2019 Local Government Elections being held in October (outside the reporting period for this Annual Report) it is important to acknowledge the time and effort made by the retiring Shire President, Cr Collard and the Deputy Shire President, Cr Elgin. Their commitment to the community and the organisation will be sorely missed.

STAFF

With the newly appointed Chief Executive Officer, Mr Aaron Cook, completing his first year with the Shire during 2018/19 we are pleased with how the organisation as a whole is progressing. There have been other significant staffing issues through the period



and these have been handled professionally and all attempts have been made to limit the impacts on the operation of the organisation. I am pleased to advise that in the new year these matters will be fully resolved and Council is looking forward to a stable administration.

As the community may be aware, this is my second opportunity to lead the Shire of Gingin as the Shire President. I would like to thank the community for supporting me at the 2019 election and my fellow Councillors for electing me to the President's role. I look forward to working with the Deputy Shire President, Cr Kim Rule and the other elected members, the CEO and Executive Team and all staff to achieve positive outcomes for the Shire.

With regular fortnightly meetings between myself, Cr Rule and the CEO, we look forward to continuing the sharing of information and progressing important projects and issues. Our focus will be on continuous improvement, strong communication with the community, advancement of important projects, politically advocating for a stronger presence and funding from the State and Federal Governments and continuing to develop relationships to advance the Shire as a whole.

Cr Wayne Fewster

SHIRE PRESIDENT

A Message from the Chief Executive Officer

Welcome to the Shire of Gingin's Annual Report 2018/19.

This reporting financial year has been faced with several challenges, successes and advancements in a number of significant projects, all whilst ensuring that the day to day running of the Shire has been facilitated in the most effective and efficient manner possible with the resources provided in line with the Strategic Community Plan.

COASTAL EROSION

This has been a significant issue faced by the Shire's coastal communities and Council. Due to the complexities of this matter and the guidelines around receiving potential funding and ongoing support from the State and Federal Governments, Council has been left in the position of holding over all potential infrastructure works until further reporting has been completed and the Coastal Hazard Risk Management and Adaptation Plan (CHRMAP) updated with the additional information. This approach is in line with that taken by other local governments and will ensure long term support from the State and Federal Governments, which is essential in this large-scale, complicated and highly litigious issue that is facing the State.

ROADWORKS

Large scale capital road works were completed during 2018/19 with expenditure in excess of \$3.43 million and funding of over \$1.35 million from the State and Federal Governments. This was coupled with a significant allocation of funding for maintenance of sealed and gravel roads and an additional \$474,000 for verge maintenance.

MAJOR PROJECTS

Other significant projects that were undertaken included the completion of the Hinchcliff Lookout in Lancelin, the design of the Gingin Outdoor Activity Space (GOAS) and substantial advancement with the completion of Stage 1 of the Recreational Boat Launching Facility and Stage 2 of the Lancelin Skate and BMX Park. Significant funding was also received for the future Cunliffe Street redevelopment in Lancelin and the GOAS from the Department of Infrastructure & Regional Development.

The proposed Ledge Point Marina project continued to slowly advance, with engineering reporting being finalised for Stage 1 and significant progression being made for Stage 2. It should be noted that the Department of Transport has funded the required reports and these have



been completed by external consultants. It is estimated that there will be at least 2 to 3 more stages of reporting required for the Department of Transport and the State to further consider this large scale project.

With several significant developments being advanced during the period it is expected that Gingin will see increases in population driven by the sale and development of land into the future which will be aided by the soon to be finished Northlink Project, Muchea Industrial Development and future extensions to the Mitchel Freeway and Rail line North.

I would like to thank the Shire of Gingin community for its ongoing support and encourage residents and ratepayers to contact the administration should they have any queries and concerns. We will work to the best of our ability to assist, resolve or at least provide answers to issues raised. We are an organisation that continually looks to improve its processes and provide open and transparent local government leadership.

I would like to congratulate newly retired Cr Sam Collard and Cr John Elgin for their support, guidance and assistance in their previous roles as Shire President and Deputy Shire President. We look forward to working with the newly elected Shire President, Cr Wayne Fewster and Deputy Shire President, Cr Kim Rule and returning and newly appointed Elected Members.

Aaron Cook

CHIEF EXECUTIVE OFFICER

Your Council for 2018-2019



Cr Ian (Sam) Collard
SHIRE PRESIDENT

Term: 2019

Retired October 2019



Cr John Elgin
DEPUTY SHIRE PRESIDENT

Term: 2019

Retired October 2019



Cr Wayne Fewster
COUNCILLOR

Term: 2019

Re-elected October 2019



Cr Jan Court
COUNCILLOR

Term: 2019

Re-elected October 2019



Cr Frank Johnson
COUNCILLOR

Term: 2021



Cr Jacqui Lobb
COUNCILLOR

Term: 2021



Cr Frank Peczka
COUNCILLOR

Term: 2019

Re-elected October 2019



Cr James Morton
COUNCILLOR

Term: 2021



Cr Kim Rule
COUNCILLOR

Term: 2021



COUNCILLOR MEETING ATTENDANCE

Council is the decision-making body of the Shire and usually meets on the third Tuesday of every month at 3pm.

For 2018/19 the number of Council meetings held and the numbers of those meetings attended by each Elected Member is as follows:

Councillor	Ordinary Council Meeting (12)	Special Council Meeting (2)	Annual Electors Meeting (1)	TOTAL
Cr Ian (Sam) Collard <i>(Retired October 2019)</i>	11	2	1	14
Cr John Elgin <i>(Retired October 2019)</i>	11	1	1	13
Cr Wayne Fewster	9	1	1	11
Cr Jan Court	12	2	1	15
Cr Frank Johnson	12	2	1	15
Cr Jacqui Lobb	12	1	1	14
Cr Frank Peczka	11	2	1	14
Cr James Morton	11	2	1	14
Cr Kim Rule	11	2	1	14

About the Shire

Just a short drive from Perth, the Shire of Gingin retains its rural and coastal charm. Locals enjoy the quiet lifestyle while visitors flock to the area to enjoy the Shire's quality beaches and picturesque driving through the rolling hills inland.

The Shire is predominantly a rural area and its district falls within the central coastal region of the Wheatbelt in Western Australia. It encompasses an area of 3,223 km² and is home to a population of approximately 5,000+ permanent residents. There are five townships within the Shire being Gingin, Guilderton, Lancelin, Ledge Point and Seabird plus a smattering of smaller rural estates.

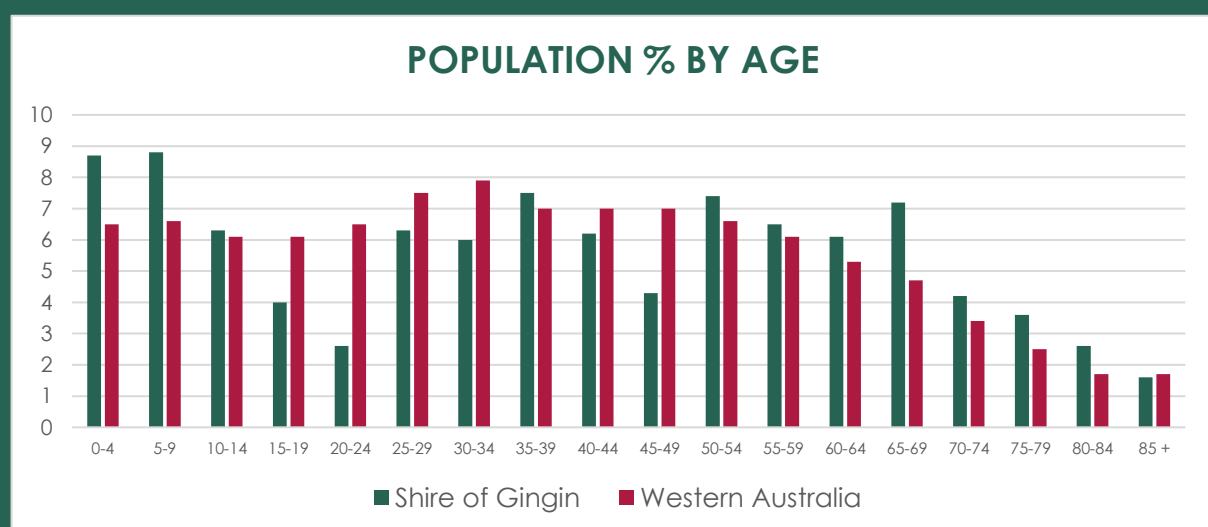
Geographically the Shire stretches from the coastline across the flat sandy soils of the Swan Coastal Plain in the west to the hinterland and foothills of the Darling Scarp in the east. It also embraces the lower reaches of the Moore River together with a system of fresh water lakes, streams and swamps and the watercourse of the Gingin Brook.

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 to

approximately 6,600 by 2023, increasing to 7,900 by 2031.

Agriculture is the Shire's primary economic contributor. It accounts for 41.9% of local business and some 137,145 ha of land. However, 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. Local industries within the Shire include cattle and sheep grazing, apiaries, irrigated horticulture, viticulture, olive groves, aquaculture, piggeries, poultry farms, wineries, abattoirs, feedlots, and cray fishing.

In addition to rural industries the Shire's economy is also based around tourism with coastal areas experiencing a large influx of people during the summer holiday season. With its magnificent coastline, pristine river systems and panoramic views, the Shire of Gingin is a unique and exciting place to live and visit.



Your Executive Team



Aaron Cook
CHIEF EXECUTIVE OFFICER



Bob Kelly
EXECUTIVE MANAGER
REGULATORY &
DEVELOPMENT SERVICES



Allister Butcher
EXECUTIVE MANAGER
OPERATIONS



Ziggy Edwards
ACTING EXECUTIVE
MANAGER CORPORATE
& COMMUNITY SERVICES

- Elected Member Support
- Human Resources
- Communications & Marketing
- Special Projects
- Occupational Health & Safety
- Integrated Strategic Planning
- Governance
- Emergency Services

- Waste Services
- Building Services
- Planning Services
- Town Planning
- Ranger Services
- Environmental Health

- Shire Facilities
- Engineering and Civil Operations
- Parks & Gardens
- Asset Management
- Road Works
- Disability Access

- Administration
- Finance
- Information Technology
- Information Management
- Customer Service
- Rates
- Community & Economic Development
- Community Events
- Youth Services



Integrated Planning & Reporting

COMMUNITY ENGAGEMENT

STRATEGIC COMMUNITY PLAN (10 Years)



What is it?

The Strategic Community Plan is made using feedback from the community. The Plan then sets the Shire's strategic direction for the next ten years.

The Plan is reviewed on a minor basis every two years and on a major basis every four years. A minor review was undertaken in July 2019.

CORPORATE BUSINESS PLAN (4 Years)



What is it?

The Corporate Business Plan is the 4 year plan created to implement the first 4 years of strategic goals outlined in the Strategic Community Plan.

The Corporate Business Plan is reviewed and updated on a minor basis annually. A major review (in line with the Strategic Community Plan) is undertaken every four years. A minor review was undertaken in August 2019.

ANNUAL BUDGET (1 Year)



What is it?

The Annual Budget sets out the operational expenditure for projects from the first year of the Corporate Business Plan in addition to ongoing general expenses.

The Annual Budget is adopted at the beginning of each financial year in addition to the Shire's annual Fees & Charges for various services to the community.

OUTPUTS

(Annual Report – 1 Year / Quarterly Reports)

Both the Strategic Community Plan and the Corporate Business Plan are monitored and their progress reported to Council on a quarterly basis. The Strategic Community Plan undergoes a minor review every two years and a major review every four years. During these review periods community feedback is sought to form the backbone of the new documents. The Corporate Business Plan is reviewed annually.

The Annual Report gives an overview annually to the community of everything achieved by the Shire in line with the Strategic Community Plan and Corporate Business Plan. The Annual Report is a requirement of the Local Government Act 1995.



INFORMING STRATEGIES

'Informing Strategies' are supporting documents which are used by Council to test and inform the long-term aspirations of the Strategic Community Plan and to guide the deliverables which can be achieved in the Corporate Business Plan and Annual Budget.

The Shire's current 'Informing Strategies' include:

- Age Friendly Community Plan
- Asset Management Plan
- Coastal Hazard Risk Management & Adaption Plan
- Code of Conduct
- Cultural Heritage Management Plan
- Customer Service Charter
- Delegation Register
- Disability Access & Inclusion Plan
- Equal Employment Opportunity Management Plan
- Forward Capital Works Plan
- Health Plan
- Incident Management & Business Continuity Response Plan
- Induction Manual
- IT Disaster Plan
- Lancelin Off-road Vehicle Area Plan
- Long Term Financial Plan
- Municipal Inventory of Heritage Places
- Occupational Safety & Health Management Plan
- Organisational Chart
- Outside Staff Enterprise Bargaining Agreement
- Policy Manual
- Reconciliation Action Plan
- Records Disaster Plan
- Records Management Plan
- Stable Fly Management Plan
- Trails Master Plan
- Waste Management Plan
- Workforce Plan
- Youth Strategy

Strategic Community Plan

The Shire of Gingin's Strategic Community Plan 2017-2027 is the overarching document developed to embody the aspirations and goals of the Shire's communities. The community's aspirations and Council's objectives drive the Focus Areas (listed below) for the plan that Council and the Shire of Gingin will be measured against to ensure the future desires of the community are attained.

The five Focus Areas are Community Wellbeing, Natural Environment, Infrastructure & Development, Economic Development and Governance.

The Strategic Community Plan underwent a minor review in May 2019 and is scheduled for a major review in 2021 when fresh feedback from the community will be sought. This Annual Report aligns with the Strategic Community Plan 2017-2027.



Community Wellbeing

Objective

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

Natural Environment

Objective

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

Infrastructure & Development

Objective

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

Economic Development

Objective

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

Governance

Objective

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



*Community
Wellbeing*

The following 'Outcomes' and 'Priorities' are outlined in the Strategic Community Plan 2017-2027. 'Outcomes' cover a broad aim created by Council based upon feedback from the community.

'Priorities' refine those outcomes into smaller goals and under each there is a breakdown into even more specific tasks for Council to complete which are known as 'Actions' and are outlined in the Corporate Business Plan 2018-2022.

Both plans are living documents which are reviewed regularly by the Shire to ensure Council is on track to complete the tasks listed as 'Actions'.

A summary of the progress Council and staff have made over the past financial year has been provided for each 'Action' from the Corporate Business Plan as follows.

Outcome 1.1 – Inclusive

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

Action 1.1.0-01 Ongoing delivery of Gingin Cemetery Services

There were 9 burials for the financial year with 5 monument applications processed, 1 memorial plaque installed and 15 Grants of Right of Burial processed. The transfer of existing burial information into the Intramaps system was also completed.

Action 1.1.0-02 Ongoing delivery of Community Programs

The Shire continues to provide ongoing support for the community car initiatives (Gingin and Lancelin) and school holiday activities. Support was also provided by the Shire to several partnered community projects for event planning and community projects including the Seaview Verge Scheme with the Seaview Park Community Association.

Priority 1.1.1 Support ageing in place by developing the 'four planks' of Ageing in the Bush

Action 1.1.1-01 Ongoing delivery of Independent Living Units in Gingin and Lancelin

The administration continues to manage (lease assignment and maintenance) the units in Lancelin (11 in total) and Gingin (4 in total). A Concept design for future units in Lancelin is scheduled to be undertaken in 2020/21. There are no further extension to the units in Gingin scheduled at this time.

The Lancelin Aged Units are a joint venture between the Shire and the Department of Communities.

Action 1.1.1-02 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

H and H Housing have Development Approval for Lifestyle Housing on Lot 11 Mooliabeenee Road, Gingin. Their Development Approval is time limited and there are conditions in the Deed of Sale that are also time limited. Construction is due to commence in early 2020.

Action 1.1.1-03 Support existing partnership with Dept of Housing and consider new partnerships with other agencies to provide social/aged housing

The existing partnership continues with the Department of Housing for the existing units in Lancelin. No other housing partnerships for additional housing (partnership arrangement) are in the pipeline currently.

Action 1.1.1-04 Advocate for improved Senior Services

Transportation continues to be a challenge for seniors for medical appointments. Council continues to support the community car initiatives run by local volunteers through meeting operating, maintenance and insurance costs.

Priority 1.1.2 Improve activities for children and young people

Action 1.1.2-01 Develop and implement a Youth Services Strategy

Shire staff undertook the development of a Youth Strategy with support from various stakeholders including Gingin District High School, the School's Youthcare Chaplain and Bendigo Bank. Research included consulting with 166 youths aged from 12 - 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 5 year action plan was presented to Council, which agreed to support the proposed 1 day per week for a Youth Officer.

A 12 month progress report on the Youth Officer engagement was presented at the Council Concept Forum in August 2018. An assessment of the Youth Officer role and outcomes achieved will be presented to Council prior to the commencement of the 2020/21 Annual Budget process.

Priority 1.1.3	Implementation of the Reconciliation Action Plan
Action 1.1.3-01	Prioritise actions from Reconciliation Action Plan for implementation and commence implementation

The Reconciliation Action Plan (Shire of Gingin and the Yued Noongar People) 2018/2022 was endorsed by Council in September 2018.

Outcome 1.2 – Vibrant

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

Priority 1.2.1	Support community groups and volunteers
Action 1.2.1-01	Ongoing support for the Club Development Officer

Council continues to support Club and Community Development through the Community Development and Services team.

Action 1.2.1-02	Ongoing delivery of a Community Grants Program to support the Shire's Strategic Objectives
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COMMUNITY CAPACITY BUILDING WORKSHOPS

To coincide with the Shire's Community Grants program for 2018/19, the Shire introduced the 'Planning for Action: Communities Making a Difference Workshop Series' with the first grant information session held in October 2018 in partnership with Bendigo Bank (Gingin and Lancelin), Lancelin CRC and Gingin CRC.

Following the success of this event 2 more grant information sessions and 2 Project Planning workshops were held in February 2019 which were both coordinated, designed and delivered by Shire staff. A total of 33 attendees participated across all 4 activities. The participants rated the workshops as having given them an increase of more than 110% in their skills, knowledge and confidence.

Following the review of the *Associations Incorporations Act* in 2015, incorporated community clubs and organisations had until 30 June 2018 to update their constitution to reflect the new requirements of the Act. Shire staff assisted 63 separate groups to undertake a review of their constitution and lodge them within the set time frame to the Department of Mines, Industry Regulation and Safety.

SHIRE GRANTS

The Shire received 12 x Mid-Year Small Grants applications requesting a total of \$21,239.12 (GST excl.) from a budget allocation of \$15,000. 10 of these were successful. Shire staff received 31 x applications requesting a total of \$168,284 for the Community Grant Program for 2019/20. Of those, 28 were successful totalling \$131,350.

EXTERNAL GRANTS

Staff applied for 15 grants and were successful in obtaining 5 during 2018/19 totalling \$96,844.50.

Priority 1.2.2	Support and promote local and regional events
Action 1.2.2-01	Ongoing partnership and delivery of a range of community events

SHIRE EVENTS

Annually the Shire carries out a series of community events known as the 'Summer Suite of Events'. The events included for 2018/19 were the Lancelin Triathlon (17 February), Gingin Triathlon (17 March), Party in the Park & Market Day (5-6 January, Lancelin) and Melody & Movie in the Park (2 March, Ledge Point).

Other events held by the Shire included Seniors Day (12 November, Gingin), Australia Day event (26 January, Neergabby), school holiday activities (16 April and 2 October) and Citizenship Ceremonies (27 August, 2 October, 20 November and 26 January).

LOCAL EVENTS

The Shire received 44 event applications for 2018/19. An 'Events Application – Frequently Asked Questions' fact sheet was created by staff and loaded to the Shire's website to support the planning of events.

The Shire also supports community events run by local organisations by assisting with promotion through its Facebook page and Community Events Newsletter.

Outcome 1.3 – Healthy & Safe

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

Action 1.3.0-01 Ongoing delivery of Local Emergency Services

LOCAL EMERGENCY SERVICES

The service activity of Local Emergency Services is ongoing. Training is regularly undertaken and delivered. The Woodridge Ambulance Depot project is on track with construction completed (contribution towards earthworks & building made) during 2018/19. The opening of the centre was scheduled for September 2019.

In regards to the Gingin Emergency Services Facility, the building design and location has been resolved. Partial funding has also been received. Delivery of new emergency service vehicles is due in the 2019/20 financial year.

EMERGENCY SERVICES LEVY (ESL)

The Shire of Gingin collected \$423,690 on behalf of the State Government for the Emergency Services Levy (ESL).

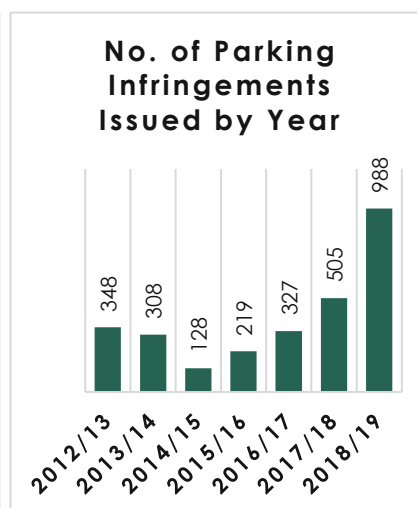
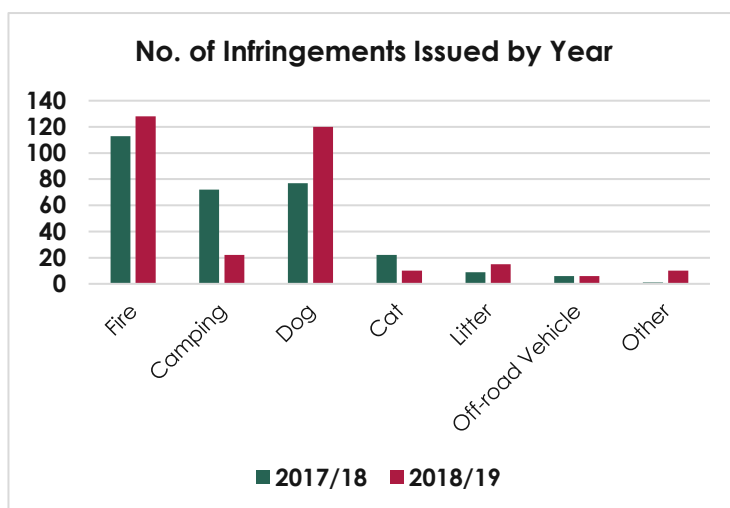
During 2018/19 the Shire received an ESL operating grant from the Department of Fire and Emergency Services (DFES) of \$184,104 towards the cost of the Shire's bush fire services as well as \$58,707 pre-payment for 2019/20. Staff also applied to and were successful in receiving funding totaling \$32,029 from the WA State Government under the Bushfire Mitigation Activity Fund to carry out mitigation burning. Part of this mitigation burning was carried out in 2018/19 with the remainder rolled over into 2019/20.

RECOVERY COORDINATION

The two Recovery Coordinators have continued to attend the Local Emergency Recovery Committee meetings and training where possible.

Action 1.3.0-02 Ongoing delivery of Ranger Services

The service activity of the delivery of Ranger Services is ongoing. The Shire's Rangers are involved with community education, awareness and enforcement of various legislation which includes the *Dog Act 1976*, *Cat Act 2011*, *Local Government Act 1995* (sections 3.39, 9.11, 9.13, 9.15, 9.16), *Bushfires Act 1954* – Fire Control Officer, *Litter Act 1999*, *Control of Vehicles (Off-road Areas) Act 1978* and the Shire's Local Laws.



LANCELIN OFF-ROAD VEHICLE AREA (LORVA)

The *Control of Vehicles (Off-road Areas) Act 1978* (the Act) prohibits the use of vehicles in certain places, makes provisions as to the use of vehicles otherwise than on a road and provides for areas where the use of off-road vehicles shall be permitted, for the registration of off-road vehicles and for related purposes.

On 19 October 1979 under the provisions of section 3 of the Act the Lancelin sand dunes area located at Lot 14897 Bootoo Street, Lancelin was gazetted as an 'Off-Road Vehicle Area'. The LORVA is approximately 210 ha of unallocated Crown Land controlled by the Department of Planning, Lands and Heritage (DPLH) with administration and enforcement being undertaken by the Shire of Gingin in accordance with section 5(1) of the Act.

The Shire engaged LGIS to undertake a Public Liability Site Risk Assessment Plan of the LORVA which recommended that the Shire implement the following treatment and management options:

- Improve condition of main entrance track by widening and straightening the track
- Provide a pull-in information bay near the entrance using recommended signage and QR code links that can be scanned by mobile phones
- Signage linked to tourist radio
- Establish and maintain low speed zones at the front of the dune
- Formalise the parking area
- Locate and remove introduced hazards
- Ensure Water Corporation maintains their signage
- Develop a documented visitation policy
- Consider use of dedicated volunteer rangers
- Engage with local police
- Develop a documented risk management plan
- Develop a maintenance and inspection program
- Closure of the initial parking area to parking which will eliminate pedestrian access along the same track as vehicles
- Formalisation of the parking area with additional mapping signage
- Provision of a dedicated bus parking area
- Installation of elevated boundary markers to define the different areas that reference to the signage maps
- Establishment of a dedicated sandboard and pedestrian access area with dedicated signage
- Securing of legal advice in relation to exposure from commercial operators

Council has committed to undertake the following with respect to the LORVA in 2019/20:

1. Improvement of the condition of the main entrance track by widening and straightening the track;
2. Installation of appropriate signage in the LORVA as per LGIS recommendations;
3. Coordination and communication with tour bus and commercial operators;
4. Request that the Chief Executive Officer investigate options for future management of the LORVA;
5. Agree to progress development of a local law that will provide a mechanism to restrict sand boarders in designated areas of the LORVA and to set user fees and charges; and
6. Pursue the appointment of Shire of Gingin representatives to the Control of Vehicles (Off-road Vehicle Areas) Advisory Committee to advocate and actively set guidelines for the LORVA.

GUILDERTON FORESHORE PAID PARKING

At the 18 July 2017 Council meeting, Council agreed to formalise the implementation of paid parking at the Guilderton Foreshore car park for a trial period of 12 months.

Council determined that the trial would commence in April 2018 and terminate in April 2019 with a report to be presented to Council for consideration. At the completion of the trial statistics (see right) were provided to Council.

At its May 2019 meeting Council resolved to continue into the future the management of paid parking at the Guilderton foreshore car park as per the 12 month trial with all current existing arrangements remaining in place.

STATISTIC	UNIT
Initial installation/implementation expenditure:	\$20,985
Total operating expenditure for this period:	\$8,927
Total amount collected in parking meters:	\$ 94,051
Total number of tickets purchased:	22,014
Total number of parking infringement notices issued:	1,116
Total number of complaints/queries responded to:	324

Action 1.3.0-03 Ongoing delivery of Environmental Health Services

The Environmental (Public) Health section's priorities are to administer public and environmental health legislation, policy and best practice measures in the community. Staff deliver this service (see bullet point break down below) 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, Community Aspirations and Council Objectives of the Shire's Strategic Community Plan.

- 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 following table is a snapshot of the core functions and number of actions taken by the Shire's Environmental Health Officer during 2018/19:

Health Program	Statutory Function	Number
Safe Accommodation	Lodging houses, caravan parks and public buildings	25
Safe Food	Food premises and temporary food stalls; and	226
	Food sampling and food recalls	33
Safe Events	Event and festival compliance and public safety	26
Safe Disposal of Effluent	On-site effluent disposal and grey water re-use and ATUs	40
Disease Control	Food poisoning investigations and notifiable diseases	2
Pollution Compliance	Environmental nuisances, community noise and environmental pollution	27

FREE ONLINE & INTERACTIVE FOOD SAFETY TRAINING – I'M ALERT FOOD SAFETY

This training program assists food business managers by ensuring all staff are trained in this important area and thereby reducing any risk of food borne illness resulting from poor food handling practices. The focus was on volunteer and community groups to get their members registered throughout 2018/19 and the initiative had a great response.

Milestone reached in 2018/19: 63 Certificates of Completion issued this financial year.

ENVIRONMENTAL WATER MONITORING

The Shire participated in the Health Department WA Recreational Water Sampling (Bacteriological) Program during the period November 2018 – February 2019. Sampling was extended to also test two locations in Lancelin Bay during this period. The sampling program provides Shire staff with valuable information into the health of the water bodies being tested.

Signage erected at prominent locations along the Moore River during the previous season advising the community of the dangers of water borne disease remain in place. The initiative has prompted public interest and engagement between the Environmental Health department and users of these waterways. This has been positive.

STABLE FLY COMPLAINTS

During 2018/19 the Shire received a total of 64 Stable Fly complaints. Officers from the Shire and the Agriculture and Food division of the Department of Primary Industries and Regional Development (DPIRD) have maintained a vigilant approach to monitoring and pursuing complaints from the community. The centralised reporting mechanism for all residents through the DPIRD website has been a great success by streamlining response time and providing quality data to combat the pest.

Action 1.3.0-04 Ongoing delivery of General Practitioner Services

During 2018/19 the Shire looked to source an additional doctor for the Gingin Medical Centre after receiving notice from the previous lessee that they were going to terminate the lease. Council was forced to take over the management of the Medical Centre and fulfil all of the statutory obligations to facilitate this in addition to taking on all existing staff as employees. Council also looked to increase the attendance of the existing General Practitioner and sought further GP assistance. To the credit of all staff, including Dr Conradie, the Gingin Medical Centre was closed for a minimal period of days and since has continued to provide an excellent service to the Gingin community.

Action 1.3.0-05 Community Safety

The CCTV project for the main street of Lancelin is complete. Otherwise this Action remains ongoing.

Priority 1.3.1 Advocate for improved access to medical services

Action 1.3.1-01 Work in partnership with health providers to improve access to medical services within the Shire

An additional doctor is still being sourced. The practice continues to operate 3 days a week with all practice staff employed by the Shire.

Priority 1.3.2 Develop an approach to Local Health Planning

Action 1.3.2-01 Develop and implement a Local Health Plan

This project has commenced. A contractor has been selected to assist in the preparation of the Local Health Plan. Work to create this plan will be undertaken in the 2019/20 financial year.



Natural Environment

Outcome 2.1 – Conservation

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

Priority 2.1.1	Coastal Planning and Adaptation
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Action 2.1.1-01	Ongoing implementation of the Coastal Hazard Risk Management and Adaptation Plan
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- Renourishment works at Grace Darling Park were undertaken when required during 2018/19.
- Data from a camera located at the location of the proposed Ledge Point marina was monitored to track sea grass movement. This practice will continue into 2019/20.
- Funds for the maintenance and inspection of the Seabird seawall will be carried forward to the 2019/20 Annual Budget as they were not used in 2018/19.
- The Coastal Hazard Risk Management and Adaption Plan (CHRMAP) was adopted by Council at its meeting held 16 April 2019. A Coastal Planning Officer was not considered a requirement at this stage with more pressing resources required elsewhere such as inundation mapping, the proposed Lancelin sea wall and sand renourishment at Seabird subject to the success of grant applications in 2019/20.
- In 2019/20 it is also proposed that there will be the development of a Coastal Management Policy to protect and enhance the Shire's coastline.
- The Shire was successful in obtaining \$29,304.50 from the Department of Transport to undertake a Coastal Inundation Study. This study will be carried out in 2019/20.

Priority 2.1.2	Improving the Shire's Natural Areas Management
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Action 2.1.2-01	Improve management of off-road vehicles to protect natural areas, resources and public safety
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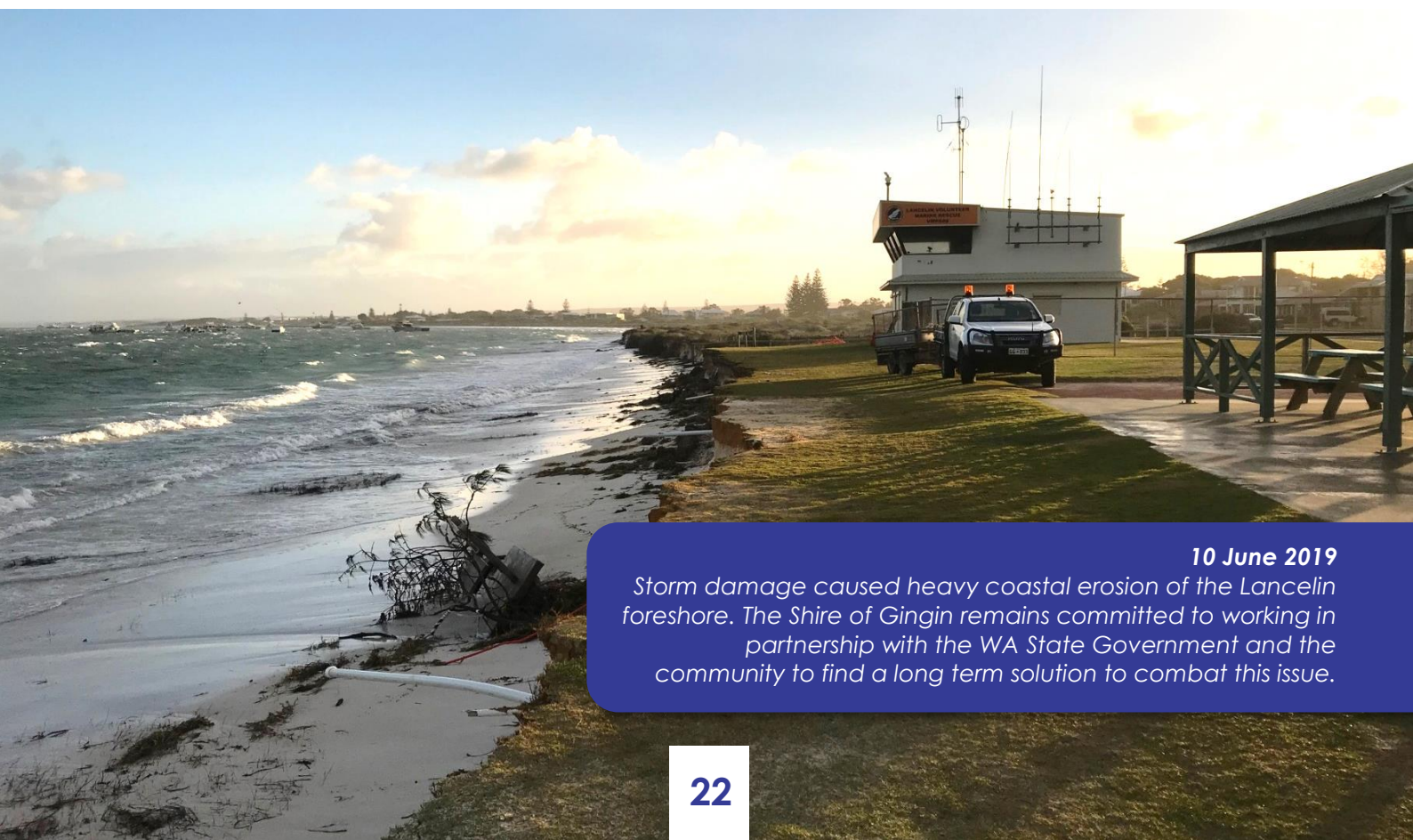
During 2018/19 the Shire continued surveillance and education of users of environmentally sensitive natural areas. Fencing was removed in the Lancelin Off-Road Vehicle Area to improve safety.

Action 2.1.2-02	Ongoing support for community landcare initiatives
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Funding of community landcare initiatives are a component of the Shire's Community Grants Program and are undertaken by local community groups.

Action 2.1.3-03	Improve the Shire's Conservation and Environmental Management service provision
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Partnerships (funding) with community landcare providers enables the Shire's Administration to value-add to its inland and coastal environmental initiatives.



10 June 2019

Storm damage caused heavy coastal erosion of the Lancelin foreshore. The Shire of Gingin remains committed to working in partnership with the WA State Government and the community to find a long term solution to combat this issue.

Outcome 2.2 – Sustainable Resource Management

The Shire practices sustainable resource management within its operations and supports the community to do the same

Priority 2.2.1 Improve Waste Services and support the Western Australian Waste Strategy

Action 2.2.1-01 Develop and implement a Waste Management Plan

The Waste Management Plan has been completed and implementation is underway.

Action 2.2.1-02 Ongoing delivery of Waste Services

RECYCLING AND WASTE MANAGEMENT

The Shire owns and operates 3 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 2018/19 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 2018/19 the Shire continued its recycling program – see statistics in the table to the right.

There are no material updates to report for 2018/19. The installation of water tanks and signage at Gingin, Lancelin and Seabird landfill sites has been completed.

MATERIAL	QUANTITY	UNIT
Metal	52.18	T
Glass	12.50	T
Paper/Cardboard	41.16	T
HDEP Plastic	1.77	T
Plastic Film	0.10	T
PET Plastic	0.67	T
Batteries	8.98	T
Aluminium	1.79	T
Non Ferrous Metals	13.63	T
Oil	5.2	KL
Cars	35	T
Drum Muster	922	Containers

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 proposed 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. The processing of this scheme amendment was ongoing during 2018/19.

Priority 2.2.2 Support alternative energy sources.

Action 2.2.2-01 Ongoing implementation of the Solar Panel Program for Shire Buildings

No installations have occurred for 2018/19 on Shire buildings.



Infrastructure & Development

Outcome 3.1 – Development

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

Action 3.1.0-01 Ongoing review and implementation of the Town Planning Strategies and Schemes

This action is scheduled to be undertaken in 2019/20.

Action 3.1.0-02 Ongoing implementation and review of the Local Heritage List

This action is scheduled to be undertaken in 2021/22.

Action 3.1.0-03 Ongoing provision of Building and Planning Permit Services

- This ongoing service delivery is continuing to be provided within the statutory timeframes.
- Pool fence inspections (legislated) have commenced and will roll-over into 2019/20.
- A review of the Local Planning Policy and the Local Planning Scheme is scheduled to commence in 2019/20.

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 as expected by residents.

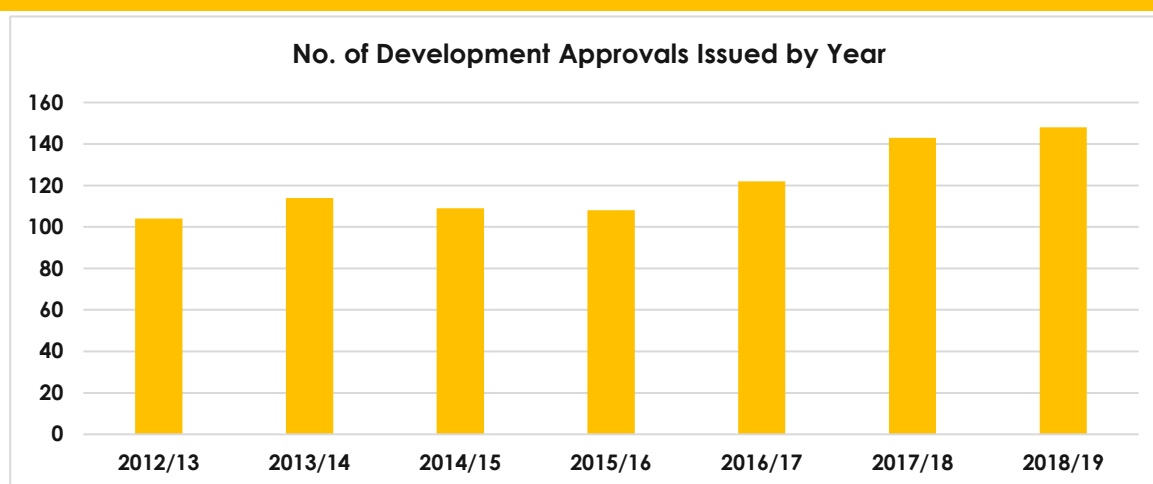
There are two key components to the Planning Department:

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

During 2018/19 the Statutory Planning Department received 148 applications for development approval which varied across the following:

- Agriculture Intensive - Irrigated Horticulture
- Amendment To Development Approval
- Ancillary Accommodation
- Application To Clear Native Vegetation Referral
- Carport
- Change Of Use - Resource Recovery Centre
- Composting Facility
- Development Assessment Panel Applications
- Dwelling
- Eco Lifestyle Village
- Front Fence
- Holiday House
- Holiday House Large
- Home Business (Hairdresser)
- Incidental Use - Animal Husbandry Intensive - Fellmongering Shed
- Industry (Extractive)
- Outbuilding
- Patio
- Pylon Sign/Signage
- Recreation Private (Horse Riding School)
- Retaining Wall
- Retrospective Development
- Rural Pursuit
- Scheme Amendment
- Sea Container
- Solar PV System
- St John Ambulance Sub Centre
- Subdivision Application
- Transportable Dwelling
- Water Tank
- Addition to Existing Transport Depot (Outbuilding)
- Extension to Dwelling
- Structure Plan
- Staff Workers Accommodation
- Restaurant (Take-Away Coffee Outlet)
- Warehouse + Storage
- Balcony Extension
- Incidental Development (Ablution Facility And Patio) to the Existing Agriculture Intensive (Aquaculture - Marron Farm) Use
- Swimming Pool and Fencing





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.

BUILDING APPROVALS

During 2018/19 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 2017/18) are summarised below.

Year	2017/18	2018/19	Change	%Change
Number Building/Demolition Approvals	213	164	-49	-23%
Value Building/Demolition Approvals (\$million)	16.8	17.3	+5	+2.98%
Septic Tank Permits	24	40	+16	40%

The dollar value of building, demolition and septic tank permits increased in the 2018/19 year. This is in line with predictions from the 2017/18 Annual Report. The quantum of building/demolition permits decreased significantly in comparison with the 2017/18 statistics whilst the quantum of septic tank permits significantly increased. It is predicted that overall dollar values and quantity of developments in the Shire will further increase in future years due to the continuing expansion of the northern corridor of Perth, land development projects, State Government funding injections in the region and population growth.

Action 3.1.0-04 Ongoing provision of Drainage Infrastructure

The drainage for Desert Road, Lancelin has been completed. Other drainage works around the Shire were also undertaken in January/February 2019. Engineering documents for the Granville Dam have been 15% completed. The project will be rolled over to 2019/20.

Priority 3.1.1 Support strategies that facilitate commercial development

Action 3.1.1-01 Develop and improve the Shire's Commercial Centres

There is a Native Title agreement pending for Lot 423 at Lancelin Plaza. Larger works of the Lancelin Plaza development/landscaping have been deferred to 2020/21.

Action 3.1.1-02 Support and facilitate commercial development consistent with the Shire's Objectives

The service delivery of this Action is ongoing within the relevant statutory timeframes.

Priority 3.1.2 Support strategies that facilitate an increase in housing diversity

Action 3.1.2-01 Encourage connection to existing sewerage infrastructure and support town site sewerage expansions (subject to existing uptake and growth)

No programs are scheduled to increase the sewerage scheme at this stage.

Action 3.1.2-02 Support and facilitate developments that increase housing diversity

The service delivery of this Action is ongoing within the relevant statutory timeframes.

Outcome 3.2 – Community Infrastructure

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

Action 3.2.0-01 Expand and upgrade Community Facilities

SHIRE PROJECTS

Projects completed during 2018/19 include:

- The entry ceiling for the Lancelin Community Sporting Complex;
- Hinchcliff Lookout at Lancelin;
- Renewal of barbecue facilities at Wangaree Park, Lancelin;
- Erection of park bollards at the Woodridge Recreation Grounds; and
- Other projects as listed throughout this report under different 'Actions'.

Due to not being successful with some funding applications, some projects were cancelled for 2018/19 including the installation of a power supply source to the Gingin Equestrian Centre and the installation of a ramp and landing materials at Ocean Farm. The former project will have its scope altered and be included in the 2019/20 Annual Budget whilst the latter project will be deferred to 2020/21.

CONCEPT ENQUIRIES

The Concept Enquiry was a new process which was trialled and updated in 2018/19. 21 Concept Enquires were received from community groups/ clubs and members for new, upgrades or amendments for infrastructure projects on Shire owned or managed land.

LEASE AGREEMENTS

The Shire has formalised most of the occupancy agreements with Community Groups, Community Organisations and Sporting Groups for the tenancy of Shire owned facilities. Community leases are negotiated in a standard lease format for groups being for a term of 2 years with a 2 year further term option. Leases for Community Organisations are for a term of 5 years with a 5 year further term option.

UPPER COASTAL SPORTING FACILITIES UPGRADE PROJECT

A Working Group was formed representing both the Upper Coastal communities and Council to progress planning for the Upper Coastal Sporting Facilities upgrade. The first stage is to develop a Master Plan. There were 3 x Working Group meetings and 1 x public meeting were held to inform, consider various aspects and determine the scope for tender.

GINGIN OUTDOOR ACTIVITY SPACE PROJECT

The Shire and the community working group continued to work collaboratively to progress this project including the development of a Concept Enquiry (refer 'Concept Enquiries' above for an explanation of this new process). Engagement was undertaken with the community with 101 participants in total and a further 190 school student participants.

LANCELIN SKATE PARK STAGE 2 PROJECT

Community engagement was undertaken to seek input on Stage 2 of the Skate Park Concept Design. A total of 68 youths participated and their feedback was factored into the development of the final concept design.



Gingin Outdoor Activity Space

The Community Working Group members – (L-R) Shire Officer James Bayliss, Cr Kim Rule, Vernon Hyne, Cr James Morton, Spencer Clark, Community Working Group President Aaron Croft and Community Working Group Secretary Jenna Treloar.

Priority 3.2.1	Improve the use and financial sustainability of community infrastructure
Action 3.2.1-01	Maintain existing Community Infrastructure

PROJECT MANAGEMENT OF INFRASTRUCTURE (EXCLUDING ROADS)

The Operations Department is responsible for the successful delivery of building, public open space and community related infrastructure projects. The following table provides a summary of the key projects that were delivered. All projects were completed and where variances occurred, these were funded through savings on other projects.

LOCATION	PROJECT NAME	SCOPE	COST
Gingin	Bowls Club Gutters	Replacement of damaged guttering, fascia, eaves	\$11,776
Gingin	Cemetery Entrance Gate	Replacement of cemetery entrance gate	\$2,000
Gingin	Football Oval Bunkers	Replace ageing and damaged bunker	\$12,475
Gingin	Hockey Grounds Bank Stabilisation	Install limestone base and material to stabilise bank along the hockey grounds	\$18,327
Gingin	Recreation Centre Playground	Replacement of external playground equipment	\$37,750
Gingin	Office smoke alarms & Unisex Accessible Toilet	Replace smoke detection system and create unisex accessible toilet at the Gingin Shire office	\$10,481
Guilderton	Caravan Park Boiler and Pipework	Replacement of ageing boiler unit and pipework at the Guilderton Caravan Park ablutions	\$15,050
Guilderton	Caravan Park Chalets	Replacement of ceilings, lights of chalets at the Guilderton Caravan Park	\$36,134
Guilderton	Caravan Park Retaining Walls	Section replacement of retaining walls at the Guilderton Caravan Park	\$65,451
Guilderton	Tennis Court Fencing	Replacement of fencing at the Guilderton tennis courts	\$7,250
Lancelin	Sporting Complex Ceilings & Switchboard	Replacement of ageing ceilings grid and lights including paintwork. Switchboard replacement not undertaken	\$4,713
Lancelin	Sporting Complex Netball Court Resurfacing	Resurfacing of netball court at the Lancelin Sporting Complex	\$10,960
Lancelin	Wangaree Park BBQ Replacement	Installation of new BBQ unit in Wangaree Park	\$5,525
Ledge Point	Country Club Cool Room (jointly funded)	Replacement of cool room at the Ledge Point Country Club. Project was jointly funded between the LPCC and the Shire through a self-supporting loan	\$49,999
Ledge Point	Country Club Kitchen Flooring	Replacement of kitchen flooring at the Ledge Point Country Club	\$14,060
Ledge Point	Tennis Court Fencing & Emergency Access Gates	Replacement of fencing and installation of emergency access gates at the Ledge Point tennis courts	\$5,890
Seabird	Tennis Court Fencing	Replacement of fencing at the Seabird tennis courts	\$5,290
Woodridge	Recreation Ground Bollard	Installation of new bollards along northern length of Recreation Grounds	\$2,240

**All amounts above excluding GST.*

Some projects have been deferred to 2019/20 including the replacement of the public toilets at Granville Park and new shade shelters at the Ledge Point Bowling Club.

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 5 town sites and 6 rural living areas.

Expenditure on public open spaces and buildings was \$2.105m with significant locations during 2018/19 – see details in table to the right.

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.

INFRASTRUCTURE	AMOUNT
Gingin Recreation Ground	\$113,528
Ledge Point Recreation Ground	\$78,259
Lancelin Wangaree Park	\$53,419
Lancelin Recreation Ground	\$44,525
Guilderton Foreshore	\$78,524
Lancelin Beaches	\$20,507
Granville Civic Centre	\$55,015
Seabird Recreation Ground	\$21,204
Harold Park, Lancelin	
Pioneer Park, Lancelin	
Gabadah Park, Guilderton	
Key Biscayne Park, Lancelin	

Action 3.2.1-02

Review Community Infrastructure Service Levels in consultation with community

A review of the Gingin Outdoor Activity Space Master Plan is to be undertaken in the 2019/20 financial year.

Outcome 3.3 – Connectivity & Accessibility

The Shire's community infrastructure supports connectivity and accessibility.

Priority 3.3.1

Undertake effective integrated transport planning and its implementation

Action 3.3.1-01

Maintain existing Road & Path network

The scheduled maintenance road works program was completed for 2018/19. Orange Springs Road and Hopkins Street works will be carried forward to 2019/20.

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 road and 429km of unsealed roads spread over 3,325km². For this financial year the Shire has spent approximately \$2.653 million on maintaining its road associated assets.

An amount of \$2.653 million was spent in (but not limited to) the following areas:

General Maintenance – Sealed Roads	\$626,413 (18% decrease from 17/18)
General Maintenance – Gravel Roads	\$908,408 (4% increase from 17/18)
Verge Maintenance	\$474,389 (8% decrease from 17/18)
Traffic Signs and Equipment	\$90,782 (12% decrease from 17/18)

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 possible standards with the funds and resources at its disposal, ensuring that funds are spent in the most efficient possible manner. There has been an expenditure decrease across most areas of road maintenance for 2018/19 as staff are continually reviewing maintenance practices to ensure maintenance of the Shire's assets is undertaken in the most cost effective manner.

PLANT & MACHINERY REPLACEMENT

In 2018/19 the Shire of Gingin replaced a number of items of plant to assist with the completion of its Budget and maintain a sustainable and economic fleet. The Shire spent a total of \$399,772 on purchasing plant and machinery. The major items of new plant purchased in 2018/19 were as per the table to the right.

Road Maintenance Truck (GG048)	\$111,920
Road Maintenance Truck (GG060)	\$150,290
Kanga Loader and trailer	\$36,798

Action 3.3.1-02 Expand and upgrade road & path network

The Shire of Gingin is continually looking for ways to increase the quantity and standard of work completed to ensure that the Shire's 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 that these road assets are able to withstand current and projected future traffic volumes.

Some projects from this financial year will be carried forward to 2019/20 and include the contribution of funding to the Cheriton Road upgrade and the upgrade of the Lennards Brook bridge on Cockram Road.

ROAD CONSTRUCTION

In 2018/19 the Shire of Gingin spent \$3.430 million on road construction projects (\$3.233 million in 2017/18). Some of the major capital roadworks programs undertaken were:

Sappers Road (reconstruct road, widen road width and widen seal to 8m)	\$883,777
Gingin Road, Lancelin (asphalt road and carpark)	\$154,681
Orange Springs Road (preliminary works)	\$125,745
Various resealing works Lancelin townsite	\$119,758
Various resealing works Gingin townsite	\$95,091
Beattie Road (resheet formation)	\$127,031
Duffy Road (resheet formation)	\$38,824

To assist with the road construction program for 2018/19 funding was received from the following areas:

State Government (Regional Road Group and Direct Grant)	\$846,157
Roads to Recovery (Federal Government) – various roads	\$395,790
State Black Spot (State Government)	\$93,909
State Government (untied funding for Orange Springs Road upgrades)	\$2.6 m

HEAVY HAULAGE

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

Through lobbying the Shire has been able to secure \$5.2 million over two years (2018/19 and 2019/20) to upgrade as much of Orange Springs Road as possible. Due to the clearing application process (and waiting on permits) the Shire was unable to undertake upgrade works but was able to complete the preparatory works ready to deliver the project in 2019/20. Due to this large influx of untied (no Shire contribution required) grant funding and pressure on resources to deliver this large project and the usual construction program, it was decided to transfer \$914,255 to restricted cash for future road works renewal projects.

Action 3.3.1-03 Improve community and public transport infrastructure & services

Council continues with its ongoing advocacy of community and public transport in addition to the delivery of public transport infrastructure. The purchase of a second community bus has been deferred until 2019/20.

Priority 3.3.2 Improve the provision of age-friendly infrastructure for all including Disability Access and Inclusion Planning**Action 3.3.2-01** Prioritise and implement actions from the Disability Access and Inclusion Plan and the Age Friendly Communities Report

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 2004*. The guiding principle is inclusion for all people. The Shire's Disability Access and Inclusion Plan includes 10 strategies of which nine have been implemented and considered effective. New items/inclusions are to be identified and included in the the 2019/20 Annual Budget.

Priority 3.3.3 Advocate for improved telecommunications infrastructure**Action 3.3.3-01** Advocate for improved telecommunications infrastructure

Council continues its ongoing advocacy for improved telecommunications infrastructure for the Shire of Gingin including leases with telecommunications companies for equipment on Shire towers, ad-hoc comment/recommendations on specific information at times and through the Northern Growth Alliance partnership the Shire shares with the Shires of Chittering and Dandaragan.

*Economic
Development*

Outcome 4.1 – Tourist Playground

An internationally acclaimed tourist playground

Priority 4.1.1	Support the development of the Shire of Gingin as a premier tourist destination for ocean and sand adventures
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Action 4.1.1-01	Identify and prioritise actions to promote and support the development of tourism through the development of a Tourism Strategy
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The Shire's long term partnership with the Northern Growth Alliance (being the Shires of Gingin, Dandaragan and Chittering) continues. Projects from the joint Tourism Strategy are being progressed along with telecommunications, agri water, town planning and tourism.

Action 4.1.1-02	In partnership with State and Federal Government invest in major Community Infrastructure projects that support tourism
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Projects are ongoing and during 2018/19 the following occurred:

- The Shire was notified that it will receive funding of \$234,000 for the Gingin Outdoor Activity Space from the Department of Infrastructure & Regional Development, with the balance of contributions to be the subject of funding applications to be undertaken in 2019/20 by staff. Construction works are expected to be undertaken in 2020/21.
- Public consultation was undertaken and provided to an independent consultant for the Lancelin Skate and BMX Park (Stage 2). At the close of 2018/19 staff were awaiting design changes and a cost estimate.
- Completion of Stage 1 of the Recreational Boat Launching Facility. Staff are now awaiting comments from the Department of Transport for their Stage 1 Report. Stage 2 has also progressed significantly.

Action 4.1.1-03	Expand, upgrade and maintain Community Facilities that support tourism and service the local community
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Projects are ongoing with the following completed in 2018/19:

- Lancelin Back Beach parking and line marking; and
- Old North Road Stock tourist route with the opening in 2019/20.

Funding of \$250,000 has been received by the Shire from the Department of Infrastructure & Regional Development for the Cunliffe Street carpark, with works to be undertaken in 2019/20. Upgrades to the information bays in Ledge Point and Seabird are also to be undertaken in 2019/20.

Action 4.1.1-04	Ongoing delivery of Shire owned Caravan Parks
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The Guilderton Caravan Park continues to attract tourists and 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 a new boiler and pipework in 2018/19. The replacement of the waste water design and construction for the Guilderton Caravan Park has been deferred until the 2019/20 financial year.

Action 4.1.1-05	Facilitate an increase in Tourist Accommodation
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Council continues its advocacy for this Action with relevant stakeholders.

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. No further development for this project occurred in 2018/19.



Outcome 4.2 – Food Bowl

A strategically significant agricultural hub to the Perth Metropolitan Area

Priority 4.2.1	Support the development of Agri-industry processing
Action 4.2.1-01	In partnership with the Wheatbelt Development Commission identify a site for an agri-industry processing hub

A site has yet to be identified by the Shire and the Wheatbelt Development Commission. This Action will be carried forward into 2019/20.

Outcome 4.3 – Innovation

Innovation is the foundation of economic growth across the Shire

Priority 4.3.1	Improve local Economic Development Support
Action 4.3.1-01	Develop and implement an Economic Development Strategy and continue to support Economic Development programs

The Shire is continuing its partnerships with the Lancelin Chamber of Commerce and Community Resource Centres in Lancelin and Gingin to provide local training and support for local businesses.

SCHEME AMENDMENT TO SHIRE OF GINGIN LOCAL PLANNING SCHEME NO.9 – SCHEME AMENDMENT NO. 19

The Shire received Scheme Amendment No.19 in November 2016 which proposes a rezoning from General Rural (GR30) to Special Use (Roadhouse and Storage Facility) at Lot 1021 Gingin Brook Road and Lot 1022 Indian Ocean Drive, Woodridge.

The Western Australian Planning Commission (WAPC) submitted its recommendation to the Minister on 10 June 2019. Further modifications were required for final endorsement. The Scheme Amendment was approved and finalised on 12 August 2019.



Gingin CRC staff



Governance

Outcome 5.1 – Values

Our Organisational Business Values are demonstrated in all that we do.

Action 5.1.0-01 Facilitate Good Governance

POLICIES & PROCEDURES

Periodic reviews of Council policies and Local Laws were ongoing throughout 2018/19 and Council will continue to review them as necessary on a regular basis going forwards. During 2018/19 Council:

- Completed a review of Audit Regulation 17 - Internal Controls;
- Completed the compliance component for the LGIS Regional Risk Coordinator Program Service Plan and Annual Audit; and
- Adopted 3 x new policies and amended 4 x existing policies.

DELEGATIONS

In accordance with section 5.46 of the *Local Government Act 1995*, a review of the Shire's Delegated Authority was undertaken during the 2018/19 financial year with Council adopting the reviewed register at its meeting on 18 June 2019.

COMPLETION OF PRIMARY AND ANNUAL RETURNS

As required in accordance with section 5.75 of the *Local Government Act 1995*, 2 x Designated Officers completed a Primary Return within 3 months of commencing in their relevant position.

As required in accordance with section 5.76 of the *Local Government Act 1995*, a total of 21 x Councillors and Designated Officers completed and submitted an Annual Return by 31 August 2018.

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 2018 Annual Compliance Audit Return for the Shire of Gingin was received by Council at its meeting on 19 March 2019 and subsequently submitted to the Department of Local Government, Sport and Cultural Industries by 30 March 2019 in accordance with Regulations 14 and 15 of the *Local Government (Audit) Regulations 1996*.

The audit, which was undertaken by an external consultant, found that the Shire's standard of compliance was exemplary with 100% compliance being achieved. No advisory matters were identified with respect to any of the 95 points encompassed by the audit. The auditor's report included the following comment:

"To achieve such a high level of compliance is a significant indicator in respect of the management of the Shire and it is particularly noteworthy when taking into consideration the constraints that exist in staffing and other operating conditions arising from the growth and multiplicity of functions required to be performed."

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. For this financial year the Shire received no complaints.

AUDIT & GOVERNANCE COMMITTEE

The Audit & Governance 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; and
- Coordination of the CEO's Annual Performance Review process.

The Audit & Governance 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. A total of 4 x Audit & Governance Committee meetings were held during 2018/19 in July and December 2018 and March and April 2019.

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 2018/19 the Shire received 4 x Freedom of Information requests.

Priority 5.1.1	Develop the skills and capabilities of our Elected Members and Staff.
Action 5.1.1-01	The Shire's Code of Conduct and Corporate Values (TRACK) is led by the Executive Management Team
TRACK is entrenched into workplace practices. TRACK stands for 'Teamwork', 'Respect', 'Accountability', 'Commitment' and 'Knowledge' and these are the corporate values the Shire of Gingin operates by.	
Action 5.1.1-02	Provide training and development opportunities to Elected Members
Training for Elected Members continued on as as-needed basis throughout 2018/19.	
Action 5.1.1-03	Provide training and development opportunities to Staff
Training and development opportunities continued with staff as and when required throughout 2018/19.	
Priority 5.1.2	Improve the financial position of the Shire
Action 5.1.2-01	Implement and review the Shire's Strategic Community Plan and Corporate Business Plan
The review of the Corporate Business Plan 2018 - 2022 was completed in 2018 as was a review of the Strategic Community Plan 2019 - 2029 in May 2019. Quarterly reporting for progress on the Actions in the Corporate Business Plan continue to be presented to Council with Quarter 1 presented on 20 November 2018, Quarter 2 presented on 5 March 2019, Quarter 3 presented on 7 May 2019 and Quarter 4 set to be presented in early September 2019.	
Action 5.1.2-02	Implement and review the Long Term Financial Plan
Review of this document is ongoing as the Long Term Financial Plan is a "living document". It informs incoming and future budget processes.	
Action 5.1.2-03	Implement and review the Workforce Plan
The review of the Workforce Plan commenced late in the 2018/19 financial year and is nearing completion.	
Action 5.1.2-04	Implement and review Asset Management Plans
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 2018/19 financial year the Operations 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, it was also arranged for staff to attend a series of training workshops to improve the overall asset management capability within the Shire. The future outcome will be to create asset management plans for all infrastructure in addition to moving towards a rational, data-driven approach for infrastructure service provision. With respect to the Asset Management Plans themselves, the re-value for the Roads Assets section has been completed and the Asset Management Plan review will be finalised in the 2019/20 financial year.	
Action 5.1.2-05	Maintain Administration Assets
This operational area is ongoing and will be budgeted for annually as new assets are identified or existing assets require general maintenance.	
Action 5.1.2-06	Maintain Administration Plant, Furniture and Equipment
This operational area is ongoing and will be budgeted for annually as new plant/furniture/equipment is identified or existing plant/furniture/equipment requires general maintenance. The purchase of a Bomag roller has been deferred to 2019/20.	



Outcome 5.2 – Service

The Shire provides customer focused service delivery

Action 5.2.0-01 Ongoing provision of Customer Service

The delivery of high quality customer service supported by the Customer Service Charter is ongoing.

RATES LEVY

The Shire of Gingin's operating budget for 2018/19 was set at an estimated \$18.95 million. Of that figure, the rates levy aimed to raise \$8.005 million towards the cost of providing the 100-plus Shire services to the community.

During the financial year the Shire was successful in levying \$8.005 million and collecting approximately 90 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 2019 stood at \$765,036 with \$354,907 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.

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 5 years. The efficiency and effectiveness of the Shire's Record keeping procedures was reviewed in 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 for 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 practices and electronic document management, aiming to reduce the use and storage of paper records.

Action 5.2.0-02 Review and maintain Human Resource Systems

HUMAN RESOURCES

The delivery of this Action is ongoing. The Human Resources Officer provides a weekly newsletter known as the 'Team Focus' which acknowledges employees who have demonstrated duties beyond the everyday tasks required of them. This newsletter continues to have positive impact on staff moral. The Shire Administration is now also responsible for the Gingin Medical Centre staff due to a change of management.

The Shire of Gingin has worked hard toward gaining a reputation for being an "Employer of Choice". The Shire underwent a minor organisational restructure in 2018 whereby the Assets Department was dissolved and the positions within that department were divided between the Operations and the Regulatory and Development Services departments. In 2019 the Shire had upwards of 30 applications for some of the vacant positions that were advertised.

The main emphasis for 2018/19 was on providing staff with adequate training to better equip them in their roles and responsibilities, especially in the areas of Occupational Health and Safety, Disaster Recovery and Workplace Culture. Some of the training included:

- Disaster Recovery and Emergency Management
- Depot Culture Development
- "On the Frontline" Training
- Fire Suppression and Emergency Warden Training
- Effective Management of Conflict Situations
- Contractor OSH Management
- Investigating Manual Task Injuries
- Armed Holdup Training.

As part of the Shire's Health and Wellbeing Program annual Skin Cancer Screenings and Flu Vaccinations were offered. Staff also had the opportunity to attend a Mental Health Awareness Workshop.

In terms of restructuring, the Shire of Gingin underwent a number of changes throughout the 2018/19 financial year due to the Assets Department being dissolved. Assets and Town Maintenance were integrated into the Operations Department and Building Services and Waste Services were integrated into the Regulatory and Development Services Department.

In 2018/19 the following new positions were created:

- Building Services Support Officer – full-time
- Governance Support Officer – part-time
- Manager Corporate Services – full-time
- Coordinator Assets/Projects – full-time
- Operations Coordinator – full-time

The Personal Assistant to Assets completed a Building Surveyor (Technician) Course and became the Shire's Building Surveyor Technician. The Shire also provided opportunities for a number of students to undertake work experience with the Rangers, Environmental Health and Corporate Services departments. During the 2018/19 season the Shire employed five Swimming Instructors to teach swimming lessons at the pool over the summer period. The Shire also took over the management of the Gingin Medical Centre and now employs all the medical centre staff.

The Shire has a full-time equivalent (FTE) staffing level of 67 persons and a total of 79 staff members including vacancies, staff on parental leave 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.

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 2019, 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 focuses 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.

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.

PAYMENTS TO EMPLOYEES

Regulation 19B of the *Local Government Act (Administration) Regulations 1996* states that the Annual Report is to include the number of employees entitled to an annual salary of \$100,000 or more and the number of those employees with an annual salary entitlement that falls within each band of \$10,000 over \$100,000.

As of 30 June 2019, the Shire of Gingin has 7 employees entitled to an annual salary of more than \$100,000.

SALARY RANGE	No. of EMPLOYEES
\$100,001 – \$110,000	0
\$110,001 – \$120,000	2
\$120,001 – \$130,000	0
\$130,001 – \$140,000	2
\$140,001 – \$150,000	1
\$150,001 – \$160,000	0
\$160,001 – \$170,000	0
\$170,001 – \$180,000	0
\$180,001 – \$190,000	1
\$190,001 – \$200,000	1

Action 5.2.0-03 Develop a program of Service Reviews and an approach to Service/ Place Planning

This Action has been completed by the Community Development & Services department. Recommendations from the review are being used to inform the Workforce Plan and draft Salary and Wages Budget.

Action 5.2.0-04 Expand and upgrade Administration Assets

As the population of the Shire of Gingin continues to grow, so too does the number of staff and assets required to run the Shire. A sea container was acquired for the depot in Lancelin during 2018/19. Gates were also installed at the Gingin Rural Industrial Estate post Christmas 2018.

Priority 5.2.1	Improve the Shire's communication and engagement
Action 5.2.1-01	Implement and maintain a Communications & Marketing Plan
This Action has been deferred until 2019/20 given that the Shire's Communications & Marketing Officer left the Shire's employ with a replacement officer commencing in May 2019. Communications and Marketing actions for 2019/20 of note are as follows: • Biennially the Shire surveys a selection of the community in order to gauge how the Shire is perceived to be tracking. The Perceptions Survey was undertaken in 2018. The feedback from the community was very informing with several areas identified for the Shire to improve in. The next survey will occur in 2020. • Currently the Shire uses Facebook as its predominant method of communication with the community which is backed up by the Shire's website and monthly publications in four local newspapers. The Shire also sends out a monthly e-newsletter with different content to that published in the articles submitted to local newspapers. The relevance of the e-newsletter is being reassessed as it may be superfluous to requirements. • A Community Engagement Policy needs to be written and implemented but will be deferred to 2019/20 so that the new Communications and Media Officer can have the appropriate time to settle into the role.	
Action 5.2.1-02	Undertake Biennial Community Perception Survey
This Action has been completed and was presented to Council at its Ordinary meeting held 20 November 2018. This survey is used as an informing document in the review of the Strategic Community Plan 2017-2027 and to gauge how the community believes the Council and staff are performing in addition to any areas of concern.	
Action 5.2.1-03	Develop and maintain a Stakeholder and Community Engagement Policy
This Action has been deferred to the 2019/20 financial year.	

Priority 5.2.2	Support new technologies that improve service delivery
Action 5.2.2-01	Maintain Shire IT Equipment
This Action is ongoing. During 2018/19 the communications upgrades for the Lancelin Office were completed. It has also now been established that using the Lancelin Office as a Disaster Recovery site in the event of an emergency (i.e. bushfire) is no longer suitable and further investigation into alternate options in Lancelin is required.	
Action 5.2.2-02	Identify priority areas for technological based improvements to service delivery.
This Action has been deferred to the 2019/20 financial year.	

Outcome 5.3 – Partner

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

Priority 5.3.1	Advocate on behalf of community towards Strategic Community Plan Aspirations, Objectives, Outcomes and Priorities
Action 5.3.1-01	Maintain existing partnerships and develop new partnerships
Partnerships continue to be sought by Council and existing partnerships continue to be maintained for the benefit of the Shire of Gingin community. This includes sharing costs such as staffing, improving project feasibility, etc.	





Financial Report

2018 - 2019

Financial Report

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STATEMENT BY THE CHIEF EXECUTIVE OFFICER

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

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

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

Signed on the SIXTEENTH day of DECEMBER 2019



Aaron Cook
Chief Executive Officer

STATEMENT OF COMPREHENSIVE INCOME BY NATURE OR TYPE

FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
Revenue				
Rates	25(a)	7,894,781	7,937,123	7,749,875
Operating grants, subsidies and contributions	2(a)	3,174,611	1,743,983	2,428,253
Fees and charges	2(a)	4,002,329	3,879,071	3,778,920
Interest earnings	2(a)	313,736	244,000	268,914
Other revenue	2(a)	437,380	140,288	579,977
		15,822,837	13,944,465	14,805,939
Expenses				
Employee costs		(5,592,097)	(5,450,925)	(5,284,954)
Materials and contracts		(5,303,073)	(5,078,639)	(4,943,248)
Utility charges		(444,135)	(452,450)	(435,135)
Depreciation on non-current assets	10(b)	(5,806,724)	(4,333,416)	(5,235,631)
Interest expenses	2(b)	(128,311)	(130,778)	(139,798)
Insurance expenses		(417,961)	(355,268)	(404,561)
Other expenditure		(667,517)	(691,592)	(522,568)
		(18,359,818)	(16,493,068)	(16,965,895)
		(2,536,981)	(2,548,603)	(2,159,956)
Non-operating grants, subsidies and contributions	2(a)	2,402,656	5,006,278	3,009,444
Profit on asset disposals	10(c)	33,603	0	29,886
(Loss) on asset disposals	10(c)	(1,610,651)	(119,132)	(315,828)
Fair value adjustments to financial assets at fair value through profit or loss	7(b)	70,068	0	0
(Loss) on revaluation of Infrastructure - Foopaths	9(a)	0	0	(27,525)
(Loss) on revaluation of Infrastructure - Other	9(a)	0	0	(1,100,575)
		895,676	4,887,146	1,595,402
Net result for the period		(1,641,305)	2,338,543	(564,554)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	11	(761,290)	0	41,893,518
Total other comprehensive income for the period		(761,290)	0	41,893,518
Total comprehensive income for the period		(2,402,595)	2,338,543	41,328,964

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

STATEMENT OF COMPREHENSIVE INCOME BY PROGRAM

FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
Revenue	2(a)			
Governance		1,257	50	39
General purpose funding		10,412,211	9,058,644	9,835,272
Law, order, public safety		670,388	567,488	391,050
Health		94,718	316,848	342,979
Education and welfare		369,181	105,500	133,838
Housing		23,349	22,200	22,520
Community amenities		1,773,083	1,491,573	1,540,904
Recreation and culture		213,234	234,708	175,032
Transport		284,336	179,057	213,454
Economic services		1,520,518	1,687,847	1,819,396
Other property and services		460,562	280,550	331,455
		15,822,837	13,944,465	14,805,939
Expenses	2(b)			
Governance		(1,171,077)	(1,086,849)	(1,102,120)
General purpose funding		(559,298)	(359,061)	(420,199)
Law, order, public safety		(1,980,237)	(1,499,836)	(1,456,234)
Health		(220,734)	(797,092)	(716,071)
Education and welfare		(933,110)	(213,405)	(216,086)
Housing		(23,556)	(40,509)	(49,320)
Community amenities		(2,410,093)	(2,753,944)	(2,627,633)
Recreation and culture		(3,826,535)	(3,167,580)	(3,543,880)
Transport		(5,355,373)	(4,383,243)	(5,127,697)
Economic services		(1,367,719)	(1,461,875)	(1,477,809)
Other property and services		(383,775)	(598,896)	(89,048)
		(18,231,507)	(16,362,290)	(16,826,097)
Finance Costs	2(b)			
Health		(10,923)	(11,635)	(12,584)
Community amenities		(34,101)	(34,718)	(35,644)
Recreation and culture		(65,710)	(66,184)	(71,230)
Economic services		(4,152)	(4,609)	(4,778)
Other property and services		(13,425)	(13,632)	(15,562)
		(128,311)	(130,778)	(139,798)
		(2,536,981)	(2,548,603)	(2,159,956)
Non-operating grants, subsidies and contributions	2(a)	2,402,656	5,006,278	3,009,444
Profit on disposal of assets	10(c)	33,603	0	29,886
(Loss) on disposal of assets	10(c)	(1,610,651)	(119,132)	(315,828)
Fair value adjustments to financial assets at fair value through profit or loss	7(b)	70,068	0	0
(Loss) on revaluation of Infrastructure - Foopaths	9(a)	0	0	(27,525)
(Loss) on revaluation of Infrastructure - Other	9(a)	0	0	(1,100,575)
		895,676	4,887,146	1,595,402
Net result for the period		(1,641,305)	2,338,543	(564,554)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	11	(761,290)	0	41,893,518
Total other comprehensive income for the period		(761,290)	0	41,893,518
Total comprehensive income for the period		(2,402,595)	2,338,543	41,328,964

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

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	2019 \$	2018 \$
CURRENT ASSETS			
Cash and cash equivalents	3	7,249,115	4,355,805
Trade receivables	5	1,911,924	1,904,312
Other financial assets at amortised cost	7(a)	13,819	18,339
Inventories	6	37,516	30,494
TOTAL CURRENT ASSETS		9,212,374	6,308,950
NON-CURRENT ASSETS			
Trade receivables	5	128,487	122,381
Other financial assets at fair value through profit and loss	7(b)	70,068	0
Other financial assets at amortised cost	7(b)	32,752	23,001
Property, plant and equipment	8	47,451,075	51,154,367
Infrastructure	9	143,660,079	144,985,455
TOTAL NON-CURRENT ASSETS		191,342,461	196,285,204
TOTAL ASSETS		200,554,835	202,594,154
CURRENT LIABILITIES			
Trade and other payables	12	1,219,810	681,929
Borrowings	13(a)	224,228	205,444
Employee related provisions	14	889,719	836,627
TOTAL CURRENT LIABILITIES		2,333,757	1,724,000
NON-CURRENT LIABILITIES			
Borrowings	13(a)	1,977,186	2,177,844
Employee related provisions	14	98,560	144,383
TOTAL NON-CURRENT LIABILITIES		2,075,746	2,322,227
TOTAL LIABILITIES		4,409,503	4,046,227
NET ASSETS		196,145,332	198,547,927
EQUITY			
Retained surplus		43,150,066	45,575,686
Reserves - cash backed	4	4,291,963	3,507,648
Revaluation surplus	11	148,703,303	149,464,593
TOTAL EQUITY		196,145,332	198,547,927

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	RETAINED SURPLUS	RESERVES CASH BACKED	REVALUATION SURPLUS	TOTAL EQUITY
		\$	\$	\$	\$
Balance as at 1 July 2017		46,317,865	3,330,023	107,571,075	157,218,963
Comprehensive income					
Net result for the period		(564,554)	0	0	(564,554)
Other comprehensive income	11	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
Restated total equity at the beginning of the financial year		45,575,686	3,507,648	149,464,593	198,547,927
Comprehensive income					
Net result for the period		(1,641,305)	0	0	(1,641,305)
Other comprehensive income	11	0	0	(761,290)	(761,290)
Total comprehensive income		(1,641,305)	0	(761,290)	(2,402,595)
Transfers from/(to) reserves		(784,315)	784,315	0	0
Balance as at 30 June 2019		43,150,066	4,291,963	148,703,303	196,145,332

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		7,501,003	8,187,123	7,561,599
Operating grants, subsidies and contributions		3,174,611	1,743,983	2,428,253
Fees and charges		4,375,987	4,429,071	4,120,041
Interest received		313,736	244,000	268,914
Goods and services tax received		492,940	0	708,052
Other revenue		920,264	140,288	581,095
		16,778,541	14,744,465	15,667,954
Payments				
Employee costs		(5,579,333)	(5,420,329)	(5,179,995)
Materials and contracts		(5,259,179)	(4,305,921)	(5,669,748)
Utility charges		(444,135)	(452,450)	(435,135)
Interest expenses		(130,777)	(130,778)	(140,564)
Insurance paid		(417,961)	(355,268)	(404,561)
Goods and services tax paid		(485,486)	0	(761,914)
Other expenditure		(667,517)	(691,592)	(522,568)
		(12,984,388)	(11,356,338)	(13,114,485)
Net cash provided by (used in) operating activities	15	3,794,153	3,388,127	2,553,469
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment		(916,926)	(2,443,862)	(2,181,965)
Payments for construction of infrastructure		(2,907,298)	(6,036,151)	(4,651,649)
Non-operating grants, subsidies and contributions		2,402,656	5,006,278	3,009,444
Advances to community groups		(23,570)	(55,740)	0
Proceeds from self supporting loans		18,339	18,339	41,112
Proceeds from sale of property, plant & equipment		707,830	128,455	376,498
Net cash provided by (used in) investment activities		(718,969)	(3,382,681)	(3,406,560)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings		(205,444)	(205,446)	(225,939)
Proceeds from new borrowings		23,570	455,740	200,000
Net cash provided by (used in) financing activities		(181,874)	250,294	(25,939)
Net increase (decrease) in cash held		2,893,310	255,740	(879,030)
Cash at beginning of year		4,355,805	4,360,399	5,234,835
Cash and cash equivalents at the end of the year	15	7,249,115	4,616,139	4,355,805

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

RATE SETTING STATEMENT

FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	2019 Actual	2019 Budget	2018 Actual
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	26 (b)	1,264,407	1,509,994	1,931,792
		1,264,407	1,509,994	1,931,792
Revenue from operating activities (excluding rates)				
Governance		1,257	50	39
General purpose funding		2,522,322	1,126,521	2,090,174
Law, order, public safety		670,388	567,488	395,141
Health		94,718	316,848	342,979
Education and welfare		369,181	105,500	133,838
Housing		23,349	22,200	22,520
Community amenities		1,773,083	1,491,573	1,540,904
Recreation and culture		213,234	234,708	175,032
Transport		285,428	179,057	239,249
Economic services		1,520,518	1,687,847	1,819,396
Other property and services		563,141	280,550	331,455
		8,036,619	6,012,342	7,090,727
Expenditure from operating activities				
Governance		(1,171,077)	(1,086,849)	(1,102,120)
General purpose funding		(559,298)	(359,061)	(420,199)
Law, order, public safety		(2,029,601)	(1,526,634)	(1,456,234)
Health		(231,657)	(808,727)	(735,641)
Education and welfare		(933,110)	(213,405)	(216,086)
Housing		(23,556)	(40,509)	(49,320)
Community amenities		(2,444,194)	(2,788,662)	(2,670,843)
Recreation and culture		(3,899,820)	(3,233,764)	(3,615,110)
Transport		(5,422,560)	(4,475,577)	(5,153,973)
Economic services		(1,371,871)	(1,466,484)	(1,482,587)
Other property and services		(1,883,725)	(612,528)	(1,507,710)
		(19,970,469)	(16,612,200)	(18,409,823)
Non-cash amounts excluded from operating activities	26(a)	7,261,775	4,452,548	6,516,737
Amount attributable to operating activities		(3,407,668)	(4,637,316)	(2,870,567)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		2,402,656	5,006,278	3,009,444
Proceeds from disposal of assets	10(c)	707,830	128,455	376,498
Proceeds from self supporting loans	13(b)	18,339	18,339	41,112
Purchase of property, plant and equipment	8(a)	(916,926)	(2,443,862)	(2,181,965)
Purchase and construction of infrastructure	9(a)	(2,907,298)	(6,036,151)	(4,651,649)
Amount attributable to investing activities		(695,399)	(3,326,941)	(3,406,560)
FINANCING ACTIVITIES				
Advances to community groups		(23,570)	(55,740)	0
Repayment of borrowings	13(b)	(205,444)	(205,446)	(225,939)
Proceeds from borrowings	13(c)	23,570	455,740	200,000
Transfers to restricted cash (contribution with conditions)		0	(529,776)	0
Transfers to reserves (restricted assets)	4	(1,334,536)	(173,602)	(804,395)
Transfers from reserves (restricted assets)	4	550,221	540,958	626,770
Amount attributable to financing activities		(989,759)	32,134	(203,564)
Surplus/(deficit) before imposition of general rates		(5,092,826)	(7,932,123)	(6,480,691)
Total amount raised from general rates	25	7,889,889	7,932,123	7,745,098
Surplus/(deficit) after imposition of general rates	26(b)	2,797,063	0	1,264,407

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

NOTES TO & FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

1. BASIS OF PREPARATION

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

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 28 to these financial statements.

NOTES TO & FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

2. REVENUE AND EXPENSES

(a) Revenue

Grant Revenue

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

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Operating grants, subsidies and contributions			
Governance	0	50	39
General purpose funding	2,135,774	845,521	1,707,521
Law, order, public safety	516,036	481,438	306,322
Health	24,091	0	0
Community amenities	16,914	20,000	54,871
Recreation and culture	107,323	137,968	75,717
Transport	194,458	114,057	192,072
Economic services	15,975	3,949	75,883
Other property and services	164,040	141,000	15,828
	3,174,611	1,743,983	2,428,253
Non-operating grants, subsidies and contributions			
Law, order, public safety	218,400	1,123,400	1,253,578
Recreation and culture	2,858	141,480	304,257
Transport	2,181,398	3,741,398	1,451,609
	2,402,656	5,006,278	3,009,444
Total grants, subsidies and contributions	5,577,267	6,750,261	5,437,697

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 24.

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

NOTES TO & FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Other revenue			
Reimbursements and recoveries	89,721	0	337,618
Other	347,659	140,288	242,359
	437,380	140,288	579,977
Fees and Charges			
General purpose funding	19,870	22,000	19,730
Law, order, public safety	135,104	81,550	84,090
Health	356,648	293,348	228,956
Education and welfare	94,675	105,500	105,262
Housing	23,349	22,200	22,520
Community amenities	1,643,514	1,471,573	1,481,205
Recreation and culture	92,616	96,740	70,321
Transport	86,509	65,000	9,389
Economic services	1,526,314	1,689,610	1,734,581
Other property and services	23,730	31,550	22,866
	4,002,329	3,879,071	3,778,920

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

Interest earnings

Loans receivable - clubs/institutions		1,183	288	4,562
Reserve accounts interest	7(b)	76,947	65,000	68,844
Rates instalment and penalty interest	25(c)	164,529	129,000	145,652
Other interest earnings	7(b)	71,077	49,712	49,856
		313,736	244,000	268,914

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

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

Interest earnings (Continued)

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

NOTES TO & FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report
- Other services

Interest expenses (finance costs)

Borrowings (refer Note 13(b))

Rental charges

- Operating leases

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
	29,973	39,330	23,822
	3,150	4,393	12,471
	33,123	43,723	36,293
	128,311	130,778	139,798
	128,311	130,778	139,798
	50,310	0	51,514
	50,310	0	51,514

NOTES TO & FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

3. CASH AND CASH EQUIVALENTS

	NOTE	2019 \$	2018 \$
Cash at bank and on hand		7,249,115	4,355,805
		7,249,115	4,355,805
Comprises:			
- Unrestricted cash and cash equivalents		762,981	87,251
- Restricted cash and cash equivalents		6,486,134	4,268,554
		7,249,115	4,355,805
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Reserve accounts			
LSL, Annual, Sick Leave and Staff Contingency	4	423,650	457,923
Office Equipment Reserve	4	2,903	2,841
Plant and Equipment Reserve	4	1,285,433	623,669
Land and Buildings Reserve	4	711,861	858,805
Guilderton Caravan Park Reserve	4	35,187	137,226
Shire Recreation Development Reserve	4	74,092	69,861
Redfield Park Reserve	4	31,032	30,366
Ocean Farm Recreation Reserve	4	30,728	30,068
Tip Rationalisation Reserve	4	1,090,292	625,112
Lancelin Community Sport and Recreation Reserve	4	60,768	53,292
Community Infrastructure Reserve	4	2,096	89,201
Staff Housing	4	33,093	32,383
Future Infrastructure Reserve	4	501,828	491,055
Guilderton Country Club Reserve	4	9,000	5,846
		4,291,963	3,507,648
Other restricted cash and cash equivalents			
Unspent grants/contributions	24	1,711,286	760,906
Bonds and deposits held	12	482,885	0
Total restricted cash and cash equivalents		6,486,134	4,268,554

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

Cash and cash equivalents (Continued)

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

NOTES TO & FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

4. RESERVES - CASH BACKED

	2019 Actual Opening Balance	2019 Actual Transfer to	2019 Actual (from)	2019 Budget Opening Balance	2019 Budget Transfer to	2019 Budget (from)	2019 Budget Closing Balance	2018 Actual Opening Balance	2018 Actual Transfer to	2018 Actual (from)	2018 Actual Closing Balance
(a) LSL, Annual, Sick Leave and Staff Contingency	\$ 457,923	\$ 10,045	\$ (44,318)	\$ 450,923	\$ 10,015	\$ 0	\$ 460,938	\$ 513,063	\$ 11,219	\$ (66,359)	\$ 457,923
(b) Office Equipment Reserve	2,841	62	0	9,841	342	0	0	17,486	382	(15,027)	2,841
(c) Plant and Equipment Reserve	623,669	713,802	(52,038)	623,669	102,989	0	726,658	153,129	470,785	(245)	623,669
(e) Land and Buildings Reserve	858,805	36,015	(182,959)	865,680	26,452	(139,000)	753,132	753,210	213,137	(107,542)	858,805
(f) Guilderton Caravan Park Reserve	137,226	3,011	(105,050)	137,226	1,198	(115,000)	23,424	222,713	4,869	(90,356)	137,226
(g) Shire Recreation Development Reserve	69,861	21,533	(17,302)	69,861	3,989	(17,302)	56,548	204,379	55,709	(190,227)	69,861
(h) Redfield Park Reserve	30,366	666	0	30,366	581	0	30,947	29,762	651	(47)	30,366
(i) Ocean Farm Recreation Reserve	30,068	660	0	30,068	714	(7,635)	23,147	36,564	800	(7,296)	30,068
(j) Tip Rationalisation Reserve	625,112	513,713	(48,533)	711,300	13,608	(52,000)	672,908	697,171	15,245	(87,304)	625,112
(k) Lancelin Community Sport and Recreation Reserve	53,292	18,436	(10,960)	53,292	956	(10,960)	43,288	49,002	14,369	(10,079)	53,292
(m) Community Infrastructure Reserve	89,201	1,956	(89,061)	89,201	1,707	(89,061)	1,847	87,429	1,912	(140)	89,201
(n) Staff Housing	32,383	710	0	32,383	620	0	33,003	31,740	694	(51)	32,383
(o) Future Infrastructure Reserve	491,055	10,773	0	491,055	10,375	(110,000)	391,430	531,524	11,623	(52,092)	491,055
(p) Guilderton Country Club Reserve	5,846	3,154	0	5,846	56	0	5,902	2,851	3,000	(5)	5,846
	3,507,648	1,334,536	(650,221)	3,600,711	173,602	(540,958)	3,233,355	3,330,023	804,395	(626,770)	3,507,648

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) LSL, Annual, Sick Leave and Staff Contingency	As required	Used to fund annual leave, long service leave, sick leave, redundancy/retirement and staff contingency.
(b) Office Equipment Reserve	As required	Used for the acquisition and/or replacement of major items of office equipment (including computer system).
(c) Plant and Equipment Reserve	As required	Used for the purchase of major plant and equipment.
(e) Land and Buildings Reserve	As required	Used for the replacement and/or acquisition of land and buildings.
(f) Guilderton Caravan Park Reserve	As required	Used for the development of Guilderton Caravan Park facilities.
(g) Shire Recreation Development Reserve	As required	Used for the development of Shire Recreation facilities.
(h) Redfield Park Reserve	As required	Used for the development of Public Open Space within the Redfield Park subdivision.
(i) Ocean Farm Recreation Reserve	As required	Used for the development of recreation and community facilities within the Ocean Farm subdivision.
(j) Tip Rationalisation Reserve	As required	Used for rationalisation of rubbish tip facilities within the Shire.
(k) Lancelin Community Sport and Recreation Reserve	As required	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.
(m) Community Infrastructure Reserve	As required	Used to assist in the financing of community facilities.
(n) Staff Housing	As required	To be used to fund Staff housing infrastructure additions and/or replacement.
(o) Future Infrastructure Reserve	As required	To be used to fund future infrastructure construction, purchase, additions and/or renewals.
(p) Guilderton Country Club Reserve	As required	To be used to fund the development of the Guilderton Country Club and are to be spent upon request from the Club, and approval from Council.

NOTES TO & FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

5. TRADE RECEIVABLES

Current

Rates receivable	
Sundry receivables	
GST receivable	
Prepayments	
Legal Costs - recovery of rates	
Rubbish Fees	

Non-current

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

2019	2018
\$	\$
1,094,223	909,257
357,864	609,832
50,813	172,528
17,173	23,577
322,569	129,810
69,282	59,308
1,911,924	1,904,312
128,487	122,381
128,487	122,381

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

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

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 27.

Previous accounting policy: Impairment of trade receivables

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

Classification and subsequent measurement

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

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

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

NOTES TO & FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

6. INVENTORIES

Current

Fuel and materials

History books

	2019	2018
	\$	\$
	28,935	20,505
	8,581	9,989
	37,516	30,494
	30,494	26,713
	(302,999)	(256,716)
	(1,407)	0
	311,428	260,497
	37,516	30,494

The following movements in inventories occurred during the year:

Carrying amount at 1 July

Inventories expensed during the year

Write down of inventories to net realisable value

Additions to inventory

Carrying amount at 30 June

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

NOTES TO & FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

7. OTHER FINANCIAL ASSETS

(a) Current assets

Other financial assets at amortised cost

- Financial assets at amortised cost - self supporting loans

13,819	0
13,819	0

Financial assets previously classified as loans and receivables

- Loans receivable - clubs/institutions

0	18,339
0	18,339

(b) Non-current assets

Other financial assets at amortised cost

- Financial assets at amortised cost - self supporting loans

32,752	0
32,752	0

Financial assets at fair value through profit and loss

- *Unlisted equity investments*

Local government house unit trust

70,068	0
70,068	0

Financial assets previously classified as loans and receivables

- Loans receivable - clubs/institutions

0	23,001
0	23,001

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

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Financial assets at fair value through profit and loss

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

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

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 27.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Previous accounting policy: available for sale financial assets

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

Previous accounting policy: Loans and receivables

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

Refer to Note 29 for explanations regarding the change in accounting policy and reclassification of available for sale financial assets to financial assets at fair value through profit and loss.

NOTES TO & FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Carrying Amounts

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

	Land - freehold land	Land - vested in and under the Council	Total land	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 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
Comprises:											
Gross carrying amount at 30 June 2018	16,422,000	3,823,555	20,245,555	1,647,700	23,874,932	25,522,632	45,768,187	336,259	7,229,695	12,900	53,347,041
Accumulated depreciation at 30 June 2018	0	0	0	(32,297)	(475,904)	(508,201)	(508,201)	(76,597)	(1,602,461)	(5,415)	(2,192,674)
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
Additions	130,000	0	130,000	34,130	173,379	207,509	337,509	58,450	520,967	0	916,926
(Disposals)	(1,922,934)	0	(1,922,934)	0	(2,431)	(2,431)	(1,925,365)	(39,692)	(283,518)	0	(2,248,575)
Revaluation increments / (decrements) transferred to revaluation surplus	(1,317,066)	555,776	(761,290)	0	0	0	(761,290)	0	0	0	(761,290)
Depreciation (expense)	0	0	0	(52,259)	(785,610)	(837,869)	(837,869)	(39,522)	(731,170)	(1,792)	(1,610,353)
Transfers	0	0	0	(1)	120	119	119	(119)	0	0	0
Carrying amount at 30 June 2019	13,312,000	4,379,331	17,691,331	1,597,273	22,784,486	24,381,759	42,073,090	238,779	5,133,513	5,693	47,451,075
Comprises:											
Gross carrying amount at 30 June 2019	13,312,000	4,379,331	17,691,331	1,681,830	24,045,411	25,727,241	43,418,572	343,463	7,265,993	12,900	51,040,928
Accumulated depreciation at 30 June 2019	0	0	0	(84,557)	(1,260,925)	(1,345,482)	(1,345,482)	(104,684)	(2,132,480)	(7,207)	(3,589,853)
Carrying amount at 30 June 2019	13,312,000	4,379,331	17,691,331	1,597,273	22,784,486	24,381,759	42,073,090	238,779	5,133,513	5,693	47,451,075

NOTES TO & FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Land and buildings					
Land - freehold land	2	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2019	Price per hectare
Land - freehold land	3	Improvements to land valued using cost approach using depreciated replacement cost	Independent registered valuers	June 2019	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 2019	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	June 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
- 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.

NOTES TO & FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

9. INFRASTRUCTURE

(a) Movements in Carrying Amounts

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

	Infrastructure - Roads	Infrastructure - Footpaths	Infrastructure - Parks and Ovals	Infrastructure - Other	Infrastructure - Bridges	Total Infrastructure
	\$	\$	\$	\$	\$	\$
Balance at 1 July 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
Comprises:						
Gross carrying amount at 30 June 2018	123,238,866	133,337	13,011,444	6,206,288	2,395,520	144,985,455
Carrying amount at 30 June 2018	123,238,866	133,337	13,011,444	6,206,288	2,395,520	144,985,455
Additions	2,026,533	150,472	484,968	55,325	190,000	2,907,298
(Disposals)	0	(5,814)	0	(30,489)	0	(36,303)
Depreciation (expense)	(2,714,693)	(11,120)	(762,994)	(591,020)	(116,544)	(4,196,371)
Carrying amount at 30 June 2019	122,550,706	266,875	12,733,418	5,640,104	2,468,976	143,660,079
Comprises:						
Gross carrying amount at 30 June 2019	125,265,399	277,995	13,496,413	6,801,172	2,585,268	148,426,247
Accumulated depreciation at 30 June 2019	(2,714,693)	(11,120)	(762,995)	(1,161,068)	(116,292)	(4,766,168)
Carrying amount at 30 June 2019	122,550,706	266,875	12,733,418	5,640,104	2,468,976	143,660,079

NOTES TO & FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

9. INFRASTRUCTURE (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - Roads	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 - Foopaths	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.

NOTES TO & FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

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

(a) SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

Revaluation

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

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

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Land under control

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

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

Land under roads

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

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

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

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

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

NOTES TO & FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

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

(b) Depreciation

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Buildings - non-specialised	52,259	29,280	32,297
Buildings - specialised	785,610	421,190	475,904
Furniture and equipment	39,522	39,353	44,995
Plant and equipment	731,170	742,057	856,245
Tools	1,792	1,590	1,792
Infrastructure - Roads	2,714,693	1,800,000	2,335,190
Infrastructure - Footpaths	11,120	0	6,934
Infrastructure - Parks and Ovals	762,994	0	990,155
Infrastructure - Other	591,020	115,590	352,347
Infrastructure - Bridges	116,544	1,184,356	139,772
	5,806,724	4,333,416	5,235,631

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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

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

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

Depreciation rates

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

Asset Class	Useful life
Buildings - non specialised	2 to 50 years
Buildings - specialised	2 to 50 years
Furniture and equipment	4 to 30 years
Plant and equipment	5 to 15 years
Tools	4 to 10 years
Infrastructure - Footpaths	40 years
Infrastructure - Parks & ovals	5 to 25 years
Infrastructure - Bridges	50 to 100 years
Infrastructure - Other	5 to 25 years
Infrastructure - Car parks (sealed)	40 years
Sealed roads and streets	
- formation	not depreciated
- pavement	50 years
Seal	
- bituminous seals	25 years
- asphalt surfaces	25 years
Gravel roads	
- formation	not depreciated
- pavement	50 years
Footpaths - slab	12 years
Formed roads - unsealed (reducing balance)	
- formation	not depreciated
- pavement	50 years
Sewerage piping	80 years
Water supply piping and drainage systems	85 years

Depreciation (Continued)

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

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

NOTES TO & FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

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

(c) Disposals of Assets

	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss	2019 Budget Net Book Value	2019 Budget Sale Proceeds	2019 Budget Profit	2019 Budget Loss	2018 Actual Net Book Value	2018 Actual Sale Proceeds	2018 Actual Profit	2018 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	1,922,934	500,000	0	(1,422,934)	0	0	0	0	470,000	195,000	0	(275,000)
Buildings - specialised	2,431	0	0	(2,431)	0	0	0	0	0	0	0	0
Furniture and equipment	39,692	0	0	(39,692)	0	0	0	0	13,899	2,000	0	(11,899)
Plant and equipment	283,518	207,830	33,603	(109,291)	247,587	128,455	0	(119,132)	178,541	179,498	29,886	(28,929)
Infrastructure - Other	30,489	0	0	(30,489)	0	0	0	0	0	0	0	0
Infrastructure - Footpaths	5,814	0	0	(5,814)	0	0	0	0	0	0	0	0
	2,284,878	707,830	33,603	(1,610,651)	247,587	128,455	0	(119,132)	662,440	376,498	29,886	(315,828)

The following assets were disposed of during the year.

	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss
Plant and Equipment				
Law, order, public safety				
Fire Vehicle GG01	30,276	12,273	0	(18,003)
Fire Vehicle GG084	40,339	22,727	0	(17,612)
Ranger Utility GG073	24,148	15,455	0	(8,693)
Ranger Utility GG074	24,148	19,091	0	(5,057)
Transport				
Mitsubishi Canter GG060	34,888	25,455	0	(9,433)
Ford Utility GG061	6,000	3,182	0	(2,818)
Toyota Landcruiser OGG	37,045	69,556	32,511	0
Tractor Mower GG095	5,508	6,600	1,092	0
Kanga Loader	5,469	4,400	0	(1,069)
Mitsubishi Canter GG048	42,626	29,091	0	(13,535)
Assets under LGA \$5,000 Threshold	33,071	0	0	(33,071)
	283,518	207,830	33,603	(109,291)
Land				
Other Property and Services				
Lot 701 Wannamal Road Boonanarrang VOL1594 FOL 302	740,000	11,337	0	(728,663)
Landfill Site - Wannamal Tip Rationalisation	1,182,934	488,663	0	(694,271)
	1,922,934	500,000	0	(1,422,934)
Buildings Specialised				
Recreation and culture				
Bus Shelter Tamarisk Drive Redfield Park	1,446	0	0	(1,446)
Assets under LGA \$5,000 Threshold	985	0	0	(985)
	2,431	0	0	(2,431)
Furniture & equipment				
Other property and services				
Assets under LGA \$5,000 Threshold	39,692	0	0	(39,692)
	39,692	0	0	(39,692)
Infrastructure - Other				
Recreation and culture				
Picnic Shelter Key Biscayne Park Ledge Point Road Gazebo	6,590	0	0	(6,590)
Other property and services				
Assets under LGA \$5,000 Threshold	23,899	0	0	(23,899)
	30,489	0	0	(30,489)
Footpaths				
Transport				
Assets under LGA \$5,000 Threshold	5,814	0	0	(5,814)
	5,814	0	0	(5,814)
	2,284,878	707,830	33,603	(1,610,651)

NOTES TO & FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

11. REVALUATION SURPLUS

	2019			2019			2018			2018			2018			2018		
	Opening Balance	Revaluation (Decrement)	Total	2019 Closing Balance	2019 Revaluation (Decrement)	2019 Total	Opening Balance	Revaluation Increment	2018 Revaluation (Decrement)	2018 Total	2018 Revaluation (Decrement)	2018 Total	Opening Balance	Revaluation Increment	2018 Revaluation (Decrement)	2018 Total	2018 Revaluation (Decrement)	2018 Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	28,326,128	(761,290)	(761,290)	27,564,838			28,326,128	0	0	0	0	0	28,326,128					
Revaluation surplus - Plant and equipment	2,429,366	0	0	2,429,366			2,429,366	0	0	0	0	0	2,429,366					
Revaluation surplus - Tools	62,540	0	0	62,540			62,540	0	0	0	0	0	62,540					
Revaluation surplus - Roads	108,208,567	0	0	108,208,567			66,046,298	42,162,269	0	42,162,269	0	42,162,269	108,208,567					
Revaluation surplus - Infrastructure - Parks and Ovals	7,693,992	0	0	7,693,992			7,962,743	0	(268,751)	(268,751)	0	(268,751)	7,693,992					
Revaluation surplus - Infrastructure - Bridges	2,744,000	0	0	2,744,000			2,744,000	0	0	0	0	0	2,744,000					
	149,464,593	(761,290)	(761,290)	148,703,303			107,571,075	42,162,269	(268,751)	41,893,518	0	41,893,518	149,464,593					

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

NOTES TO & FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

12. TRADE AND OTHER PAYABLES

Current

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

2019	2018
\$	\$
480,007	456,769
50,961	45,466
105,728	98,274
72,855	51,580
482,885	0
27,374	29,840
1,219,810	681,929

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.

FOR THE YEAR ENDED 30 JUNE 2019

NOTES TO & FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

13. INFORMATION ON BORROWINGS (Continued)

(c) New Borrowings - 2018/19

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate	Amount Borrowed		Amount (Used)		Total Interest & Charges	Actual Balance Unspent
					2019 Actual	2019 Budget	2019 Actual	2019 Budget		
Ledge Pt Country Club Cool Room	WATC	Debenture	10	2.16%	\$ 23,570	\$ 25,000	\$ 23,570	\$ 25,000	\$ 26,334	\$ 0
L129 GG Campdraft	Unknown	Debenture	10	3.50%	0	30,740	0	30,740	0	0
L131 GU Caravan Park Waste Wate	Unknown	Debenture	10	3.50%	0	400,000	0	400,000	77,530	0
					23,570	455,740	23,570	455,740	103,864	0

(d) Undrawn Borrowing Facilities

Credit Standby Arrangements

	2019 \$	2018 \$
Bank overdraft limit	500,000	500,000
Credit card limit	29,000	38,000
Credit card balance at balance date	(7,823)	(4,850)
Total amount of credit unused	521,177	533,150

Loan facilities

Loan facilities - current	224,228	205,444
Loan facilities - non-current	1,977,186	2,177,844
Total facilities in use at balance date	2,201,414	2,383,288

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.

Risk

Information regarding exposure to risk can be found at Note 27.

NOTES TO & FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

14. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	Provision for Annual & Sick Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2018			
Current provisions	376,167	460,460	836,627
Non-current provisions	50,522	93,861	144,383
	426,689	554,321	981,010
Additional provision	68,728	13,162	81,890
Amounts used	(43,296)	(31,325)	(74,621)
Balance at 30 June 2019	452,121	536,158	988,279
Comprises			
Current	442,251	447,468	889,719
Non-current	9,870	88,690	98,560
	452,121	536,158	988,279

Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date
More than 12 months from reporting date

2019	2018
\$	\$
558,523	326,497
429,756	654,513
988,279	981,010

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

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

Other long-term employee benefits (Continued)

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

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

Provisions

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

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

NOTES TO & FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

15. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Cash and cash equivalents	7,249,115	4,616,139	4,355,805
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	(1,641,305)	2,338,543	(564,554)
Non-cash flows in Net result:			
Fair value adjustment to financial assets through profit and loss	(70,068)	0	0
Depreciation	5,806,724	4,333,416	5,235,631
(Profit)/loss on sale of asset	1,577,048	119,132	285,942
Loss on revaluation of fixed assets	0	0	1,128,100
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(13,718)	800,000	100,101
(Increase)/decrease in inventories	(7,022)	0	(3,781)
Increase/(decrease) in payables	537,881	803,314	(724,384)
Increase/(decrease) in provisions	7,269		105,858
Grants contributions for the development of assets	(2,402,656)	(5,006,278)	(3,009,444)
Net cash from operating activities	3,794,153	3,388,127	2,553,469

NOTES TO & FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

16. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2019	2018
	\$	\$
Governance	0	7,539
General purpose funding	1,545,264	1,320,431
Law, order, public safety	1,830,292	2,081,888
Health	753,685	770,316
Education and welfare	2,683,618	2,748,643
Community amenities	1,809,401	1,966,593
Recreation and culture	30,953,888	32,001,296
Transport	126,140,603	126,591,178
Economic services	2,032,445	2,068,935
Other property and services	20,839,978	26,583,002
Unallocated	11,965,661	6,454,333
	200,554,835	202,594,154

NOTES TO & FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

17. CONTINGENT LIABILITIES

Contingent liabilities

The Shire did not have any contingent liabilities as at balance date.

18. JOINT ARRANGEMENTS

Joint arrangements

The Shire did not have any joint arrangements.

19. MAJOR LAND TRANSACTIONS

Major land transactions

The Shire did not participate in any major land transactions during 2018/19 financial year.

20. TRADING UNDERTAKINGS

Trading undertakings

The Shire did not participate in any trading undertakings during the 2018/19 financial year.

21. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

Events occurring after the end of the reporting period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Shire.

NOTES TO & FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

22. CAPITAL AND LEASING COMMITMENTS

(a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects
- plant & equipment purchases

Payable:

- not later than one year

2019	2018
\$	\$
0	126,108
0	177,867
0	303,975
0	303,975

In 2018 the Capital Expenditure commitments are:

The plant and equipment purchases are for a new grapple rake and extendable jibs for Loader GG026.

The capital expenditure projects relate to the Gingin Road Lancelin Pathways and the 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

2019	2018
\$	\$
43,292	51,514
24,003	65,150
67,295	116,664

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.

NOTES TO & FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

23. RELATED PARTY TRANSACTIONS

Elected Members Remuneration

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

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Meeting Fees	79,000	79,000	79,000
President's allowance	16,000	16,000	16,000
Deputy President's allowance	4,000	4,000	4,000
Travelling expenses	17,316	13,000	12,522
Telecommunications allowance	18,180	18,544	23,678
Conferences/Training	16,498	27,190	18,797
	150,994	157,734	153,997

Key Management Personnel (KMP) Compensation Disclosure

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

	2019 Actual	2018 Actual
	\$	\$
Short-term employee benefits	790,202	708,001
Post-employment benefits	84,931	95,180
Other long-term benefits	19,141	20,681
Termination benefits	10,663	1,678
	904,937	825,540

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

Termination benefits

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

NOTES TO & FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

23. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

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

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

The following transactions occurred with related parties:	2019	2018
	Actual	Actual
	\$	\$
Sale of goods and services	4,725	5,600
Purchase of goods and services	457,313	479,981
Amounts payable to related parties:		
Trade and other payables	0	20

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

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

iii. Entities subject to significant influence by the Shire

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

NOTES TO & FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

24. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	Opening Balance ⁽¹⁾ 1/07/17 \$	Received ⁽²⁾ 2017/18 \$	Expended ⁽³⁾ 2017/18 \$	Closing Balance ⁽¹⁾ 30/06/18 \$	Received ⁽²⁾ 2018/19 \$	Expended ⁽³⁾ 2018/19 \$	Closing Balance 30/06/19 \$
Governance							
Shire Golf Day	0	818	(818)	0	0	0	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	8,675	0	0	8,675	202,518	(8,675)	202,518
Guilderton Parking Meter	0	0	0	0	16,610	0	16,610
Health							
Gingin Logo Plates	7,038	91	0	7,129	364	0	7,493
Gingin Ambulance	24,000	6,000	0	30,000	6,000	0	36,000
Lancelin Ambulance	15,000	18,000	0	33,000	18,000	0	51,000
Nabaroo Water	2,047	0	0	2,047	0	0	2,047
Medical Transfer Vehicle Donation	0	5	0	5	0	0	5
Education and welfare							
Community Bus Replacement	141,076	0	0	141,076	0	0	141,076
Lancelin Aged Accommodation Long Term Maintenance	84,945	5,500	(28,576)	61,869	5,500	0	67,369
Community amenities							
Coastal Hazard Risk Management Plan	35,000	0	(35,000)	0	0	0	0
Seabird Erosion Project	19,355	0	(9,998)	9,357	0	0	9,357
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	8,387	2,307	0	10,694	0	(10,694)	0
Coastal Inundation	5,000	0	0	5,000	0	0	5,000
Recreation and culture							
Concept Plan for Granville Park Gingin	5,000	0	(2,150)	2,850	0	0	2,850
DOLG Unspent LA Off-Road	11,478	0	(7,980)	3,498	0	(3,498)	0
Edgar Subdivision	2,750	0	0	2,750	0	0	2,750
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
Cullalla 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	78,015	0	(78,015)	0	0	0	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	190,000	0	0	190,000	0	(190,000)	0
MRWA Orange Spring Rd Works	0	0	0	0	914,255	0	914,255
Economic services							
Lancelin Ratepayers and Residents Bench	79	0	0	79	0	0	79
Gingin Railway Station Restricted Cash	0	5,731	0	5,731	0	0	5,731
Other property and services							
Wheatbelt Development Commission	80,000	0	(25,000)	55,000	0	0	55,000
Total	909,991	38,452	(187,537)	760,906	1,163,247	(212,867)	1,711,286

Notes:

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

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

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

NOTES TO & FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

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

25. RATING INFORMATION

(a) Rates

RATE TYPE

Differential general rate

Gross rental valuations

GRV - Townsites & Other

Unimproved valuations

UV - Rural & Other

UV - Intensive/Mining

Sub-Total

Minimum payment

Gross rental valuations

GRV - Townsites & Other

Unimproved valuations

UV - Rural & Other

UV - Intensive/Mining

Sub-Total

Discounts/concessions (refer Note 25(b))

Total amount raised from general rate

Ex-gratia rates

Totals

Rate in \$	Number of Properties	2018/19		2018/19		2018/19		2018/19		2018/19		2018/19		2018/19		2018/19		2018/19		2017/18	
		Actual	Rateable Value	Actual	Revenue	Actual	Interim	Actual	Back Rates	Actual	Revenue	Budget	Interim	Budget	Back Rate	Budget	Revenue	Budget	Total	Actual	Total
0.085169	2,718	44,169,143		3,761,842		6,301		1,179		3,769,322		3,761,842	0	0	0	3,761,842		3,647,714			
0.004969	455	274,328,308		1,363,112		(12,555)		(22,538)		1,328,019		1,364,397	20,000	2,000	0	1,386,397		1,300,498			
0.008821	123	63,980,013		564,368		0		0		564,368		564,368	0	0	0	564,368		572,679			
Minimum \$	3,296	382,477,464		5,689,322		(6,254)		(21,359)		5,661,709		5,690,607	20,000	2,000	0	5,712,607		5,520,891			
	1,017	10,598,708		1,614,996		0		0		1,614,996		1,614,996	0	0	0	1,614,996		1,598,191			
	1,285	69,809,182		488,300		1,285		0		489,585		487,015	0	0	0	487,015		505,260			
	2,285	15,279,172		212,505		0		0		212,505		212,505	0	0	0	212,505		215,040			
	2,061	95,687,062		2,315,801		1,285		0		2,317,086		2,314,516	0	0	0	2,314,516		2,316,491			
	5,357	478,164,526		8,005,123		(4,969)		(21,359)		7,978,795		8,005,123	20,000	2,000	0	8,027,123		7,926,382			
										(88,906)						(95,000)		(94,284)			
										7,889,889						7,922,123		7,745,098			
										4,892						5,000		4,777			
										7,894,781						7,927,123		7,749,875			

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.

FOR THE YEAR ENDED 30 JUNE 2019

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

Rate or Fee and Charge to which the Waiver or

Rate or Fee and Charge to which the Waiver or Concession is Granted

Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available	Objects of the Waiver or Concession	Reasons for the Waiver or Concession
General and minimum rates for properties that are classified within the UV Intensive Differential Rating Category that have a mix of non-intensive and intensive use on a property	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 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.

NOTES TO & FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

25. RATING INFORMATION (Continued)

(c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
One payment	12 Sep 2018	0.00	0.00%	11.00%
Option Two				
Instalment 1	12 Sep 2018	0.00	5.50%	11.00%
Instalment 2	12 Nov 2018	5.00	5.50%	11.00%
Option Three				
Instalment 1	12 Sep 2018	0.00	5.50%	11.00%
Instalment 2	12 Nov 2018	5.00	5.50%	11.00%
Instalment 3	14 Jan 2019	5.00	5.50%	11.00%
Instalment 4	14 Mar 2019	5.00	5.50%	11.00%

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Interest on unpaid rates	133,574	100,000	117,018
Interest on instalment plan	28,511	29,000	27,321
Charges on instalment plan	19,870	22,000	19,730
Deferred pensioner rates interest	2,444	0	1,313
	<u>184,399</u>	<u>151,000</u>	<u>165,382</u>

NOTES TO & FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

26. RATE SETTING STATEMENT INFORMATION

(a) Non-cash amounts excluded from operating activities

The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with *Financial Management Regulation 32*.

Adjustments to operating activities

Less: Profit on asset disposals
 Less: Movement in Local government house unit trust
 Movement in pensioner deferred rates (non-current)
 Movement in employee benefit provisions (non-current)
 Add: Loss on disposal of assets
 Add: Loss on revaluation of fixed assets
 Add: Depreciation on assets

Non cash amounts excluded from operating activities

Note	2018/19 (30 June 2019 Carried Forward)	2018/19 Budget (30 June 2019 Carried Forward)	2018/19 (1 July 2018 Brought Forward)
	\$	\$	\$
10(c)	(33,603)	0	(29,886)
	(70,068)	0	0
	(6,106)	0	(14,822)
	(45,823)	0	(118,114)
10(c)	1,610,651	119,132	315,828
9(a)	0	0	1,128,100
10(b)	5,806,724	4,333,416	5,235,631
	7,261,775	4,452,548	6,516,737

(b) Surplus/(deficit) after imposition of general rates

The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.

Adjustments to net current assets

Less: Reserves - restricted cash
 Less: - Financial assets at amortised cost - self supporting loans
 Add: Borrowings

Total adjustments to net current assets

Net current assets used in the Rate Setting Statement

Total current assets
 Less: Total current liabilities
 Less: Total adjustments to net current assets

Net current assets used in the Rate Setting Statement

Note	2018/19 (30 June 2019 Carried Forward)	2018/19 Budget (30 June 2019 Carried Forward)	2018/19 (1 July 2018 Brought Forward)
	\$	\$	\$
3	(4,291,963)	(3,233,355)	(3,507,648)
7(a)	(13,819)	0	(18,339)
13(a)	224,228	207,644	205,444
	(4,081,554)	(3,025,711)	(3,320,543)
	9,212,374	5,758,570	6,308,950
	(2,333,757)	(2,203,083)	(1,724,000)
	(4,081,554)	(3,555,487)	(3,320,543)
	2,797,063	0	1,264,407

NOTES TO & FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

27. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2019					
Cash and cash equivalents	2.04%	7,249,115	0	7,246,315	2,800
2018					
Cash and cash equivalents	2.73%	4,355,805	0	4,353,105	2,700

Sensitivity

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

	2019	2018
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	72,491	43,558

* Holding all other variables constant

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs.

The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most

advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings.

Details of interest rates applicable to each borrowing may be found at Note 13(b).

NOTES TO & FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

27. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade Receivables

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

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

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

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

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2018 or 1 July 2019 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors.

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

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2019					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	0.00%
Gross carrying amount	563,426	286,375	171,565	593,195	1,614,561
Loss allowance	0	0	0	0	0

01 July 2018

Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	0.00%
Gross carrying amount	396,448	213,158	158,167	452,983	1,220,756
Loss allowance	0	0	0	0	0

The loss allowance as at 30 June 2019 and 1 July 2018 (on adoption of AASB 9) was determined as follows for sundry receivables. No expected credit loss was forecast on 1 July 2018 or 30 June 2019 for sundry receivables as historical data indicates that any expected credit loss would be immaterial.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2019					
Sundry Receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	0.00%
Gross carrying amount	251,182	8,446	9,869	88,368	357,864
Loss allowance	0	0	0	0	0

01 July 2018

Sundry Receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	0.00%
Gross carrying amount	422,682	11,604	8,276	167,269	609,832
Loss allowance	0	0	0	0	0

NOTES TO & FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

27. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 13(d).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
2019					
	\$	\$	\$	\$	\$
Payables	1,219,810	0	0	1,219,810	1,219,810
Borrowings	332,244	1,265,042	1,258,111	2,855,397	2,201,414
	1,552,054	1,265,042	1,258,111	4,075,207	3,421,224
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

NOTES TO & FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

28. TRUST FUNDS

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

	1 July 2018	Amounts Received	Amounts Paid	Reclassification to Restricted Cash - Bonds	30 June 2019
	\$	\$	\$		\$
Bonds, Tenders etc	12,487	3,017	(5,025)	(3,612)	6,867
Car Parking Cash in Lieu	13,014	161	0	(13,175)	0
Community Groups	4,293	53	0	(2,777)	1,569
D Wedge Trust	6,327	78	0	0	6,405
Excavation Bonds	26,096	323	0	(26,419)	0
Footpath Bonds	5,982	74	0	(6,056)	0
Landscaping Bonds	49,767	616	0	(37,271)	13,112
Old Junction Hotel Restoration	1,743	22	0	(1,765)	0
Other Bonds/Trusts	21,117	17,579	(500)	(33,650)	4,546
Public Open Space	45,715	503	0	0	46,218
Rehabilitation Bonds	85,831	1,107	0	(86,938)	0
Second Hand Buildings	47,639	528	(5,010)	(43,157)	0
Staff Trust	22,655	52,761	(62,578)	(12,838)	0
Subdivision Bonds	207,138	2,565	0	(209,703)	0
Tree Planting Bonds	5,456	68	0	(5,524)	0
Trust Interest	3,750	3,298	(7,048)	0	0
	559,010	82,753	(80,161)	(482,885)	78,717

In previous years, bond and deposits were held as trust monies. They are now included in restricted cash at Note 3 and shown as current liabilities at Note 12.

NOTES TO & FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

29. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

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

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

AASB 9 Financial instruments

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

The Shire applied AASB 9 prospectively, with an initial application date of 1 July 2018. The adoption of AASB 9 has resulted in changes in accounting policies, however there were no adjustments to the amounts recognised in the financial statements. In accordance with AASB 9.7.2.15, the Shire has not restated the comparative information which continues to be reported under AASB 139. Differences arising from adoption have been recognised directly in accumulated surplus/(deficit).

There was no effect of adopting AASB 9 as at 1 July 2018 for the following reasons:

- 1) No expected credit loss was forecast from 1 July 2018 to 30 June 2019 for rates receivable as penalty interest applies to unpaid rates and properties associated with unpaid rates may be disposed of to recover rates.
- 2) No expected credit loss was forecast from 1 July 2018 to 30 June 2019 for trade receivables as historical data indicates that an expected credit loss would be immaterial.

NOTES TO & FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

29. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS (Continued)

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

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

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

	Note	Financial Assets AASB 139 \$	Financial Assets at Amortised Cost AASB 9 \$	Financial Assets at Fair Value through OCI \$	Financial Assets at Fair Value through Profit & Loss \$
Financial Asset Category					
-Trade receivables	5	1,830,588	1,830,588	0	0
-Loans and Receivables	7	18,339	18,339	0	0

(b) Impairment

The adoption of AASB 9 has fundamentally changed the Shire's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the Shire to recognise an allowance for ECLs for all financial assets not held at fair value through P/L. Upon adoption of AASB 9, the Shire did not recognise any additional impairment on the Shire's trade receivables as historical data indicates that any expected credit loss would be immaterial.

NOTES TO & FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

30. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE YEARS

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

This note explains management's assessment of the new and amended pronouncements that are relevant to the Shire, the impact of the adoption of AASB 15 *Revenue from Contracts with Customers*, AASB 16 *Leases* and AASB 1058 *Income for Not-for-Profit Entities*. These standards are applicable to future reporting periods and have not yet been adopted.

(a) Revenue from Contracts with Customers

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

		AASB 118 carrying amount		AASB 15 carrying amount
	Note	30 June 2019 \$	Reclassification \$	01 July 2019 \$
Contract liabilities - current				
Unspent grants, contributions and reimbursements		0	1,711,286	1,711,286
Adjustment to retained surplus from adoption of AASB 15	30(d)	0	(1,711,286)	(1,711,286)

(b) Leases

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

On adoption of AASB 16, the Shire will not recognise a right-of-use asset in relation to lease liability, which was previously classified as an operating lease applying AASB 117. The right of use asset is deemed to be the lease liability adjusted by the amount of any prepaid or accrued lease payments. In applying AASB 16 for the first time, the Shire will use the following expedient permitted by the standard: - The exclusion of initial direct costs from the measurement of the right-of-use asset at the date of the initial application.

NOTES TO & FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

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

(c) Income For Not-For-Profit Entities

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

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

		AASB 1004 carrying amount		AASB 1058 carrying amount
	Note	30 June 2019	Reclassification	01 July 2019
		\$	\$	\$
Trade and other payables		1,219,810	0	1,219,810
Adjustment to retained surplus from adoption of AASB 1058	30(d)	(1,219,810)	0	(1,219,810)

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

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

Volunteer services in relation to volunteer fire services will not be recognised in revenue and expenditure, as the fair value of these services cannot be reliably estimated.

(d) Impact of changes to Retained Surplus

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

	Note	Adjustments	2019
			\$
Retained surplus - 30 June 2019			43,150,066
Adjustment to retained surplus from adoption of AASB 15	30(a)	(1,711,286)	
Adjustment to retained surplus from adoption of AASB 1058	30(c)	0	(1,711,286)
Retained surplus - 01 July 2019			41,438,780

NOTES TO & FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

31. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

i) Impairment of assets

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

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

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

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

NOTES TO & FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

32. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES	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. Provision 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

NOTES TO & FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

33. FINANCIAL RATIOS

	2019 Actual	2018 Actual	2017 Actual
Current ratio	1.91	1.61	1.80
Asset consumption ratio	0.96	0.71	0.80
Asset renewal funding ratio	1.09	1.47	1.07
Asset sustainability ratio	0.30	1.05	1.00
Debt service cover ratio	5.67	4.93	13.89
Operating surplus ratio	(0.33)	(0.33)	(0.06)
Own source revenue coverage ratio	0.62	0.59	0.73

The above ratios are calculated as follows:

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

INDEPENDENT AUDITOR'S REPORT

MOORE STEPHENS

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

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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 2019, Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and the Rate Setting Statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Statement by Chief Executive Officer.

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

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

Basis for Opinion

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

MOORE STEPHENS

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

MOORE STEPHENS

**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) In our opinion, the following matter indicates a significant adverse trend in the financial position of the Shire:
 - i. The Operating Surplus Ratio has been below the DLGSCI standard for the past 3 years as reported in the financial report.
- b) All required information and explanations were obtained by us;
- c) All audit procedures were satisfactorily completed in conducting our audit; and
- d) In our opinion, the asset consumption ratio and the asset renewal funding ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

Matters Relating to the Electronic Publication of the Audited Financial Report

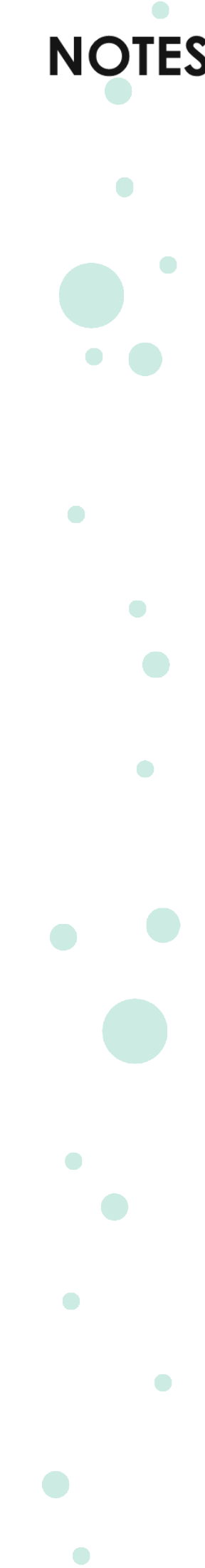
This auditor's report relates to the annual financial report of the Shire of Gingin for the year ended 30 June 2019 included on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website.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


REG GODWIN
PARTNER

MOORE STEPHENS
CHARTERED ACCOUNTANTS

Signed at Perth this 17th December 2019.

NOTES





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