



Shire of Wongan-Ballidu

ANNUAL REPORT

2016/2017

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SHIRE AT A GLANCE



Shire of Wongan-Ballidu Administration Centre

Cnr Quinlan St & Elphin Crescent
Wongan Hills, WA 6603

Postal:

PO BOX 84,
Wongan Hills, WA 6603

Telephone:

(08) 9671 1011

Fax:

(08) 9671 1230

Opening Hours:

Monday to Friday 8.30am-4:30pm

Email:

shire@wongan.wa.gov.au

Website:

www.wongan.wa.gov.au

Councillors

President: Peter Macnamara

Deputy President: Brad West

Council Members: Alfreda Lyon; Richard Morgan; Norma Walton; Jon Hasson

Senior Staff

Chief Executive Officer: Stuart Taylor

Building Services Coordinator: Melissa Marcon

Manager Community Services: Joanne Guest

Deputy Chief Executive Officer: Alan Hart

Manager Works & Services: Karl Mickle

Shire Statistics

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

Shire Attractions

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

Local Industries

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

Significant Annual Events

Biennial Art Exhibition- Wongan Hills, Art Exhibitions – Ballidu; Bike it to Ballidu; Wongan; Town Party; Australia Day Ceremonies – Wongan Hills & Ballidu, Reynoldson Reserve Festival.

Suburbs & Localities

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

Full Council Meeting

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

President's Report



Cr Peter Macnamara
Shire President

The Shire continues to look very closely at its financial position, especially as Royalties for Regions has been squeezed greatly. We are very clear about keeping our finances strong and keeping rates rises to a bare minimum, as everybody's finances are becoming tight.

We also enjoy being able to provide degrees of financial support to local groups and clubs – Cubby House, Chaplin, Harvest Festival to name a few. We are always very pleased to do this as we are aware at the amount of time that those volunteers put into their groups and a little financial assistance goes a long way.

Planning continues for the co-location of the Wongan Sports Ground. We are very thankful to the committee putting this together and the amount of time they have spent on this project. We now have applied for two grants and hope to be able to start this much needed co-location.

The Adventure Playground was finished this year and officially opened. This playground is an absolute credit to all those involved. Wongan Hills now has one of the best and most interesting playgrounds in the Wheatbelt.

100 years of local government for the Wongan-Ballidu Shire was celebrated with over 90 past and present councillors, CEO's and partners enjoying a day to remember. The reminiscing and visiting the museum, where a council meeting was held around the original Board table, were indeed highlights.

The Shire continues to try and make the towns within the Shire of Wongan-Ballidu more appealing and for Wongan Hills - with the new coloured bitumen and less angle for parking bays - we hope people are enjoying Wongan's shopping precinct.

I would certainly like to thank all staff and councillors for the amazing effort that they have put in and for their dedication in making this a wonderful year for our Shire.

Thank you,

A handwritten signature in black ink, appearing to read 'Peter Macnamara'. The signature is stylized and cursive.

Cr Peter Macnamara
PRESIDENT

Councillors of the Shire

Your Council

Residents can contact Members with issues that they wish to be addressed and brought to the attention of Council.

Council meets on the fourth Wednesday of each month except for the months of January and December



Cr Peter Macnamara
Cadoux South Road
PO Box 15
Cadoux WA 6466

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



Cr Brad West
Loc 26590 Sewell Road
PO Box 233
Wongan Hills WA 6603

Telephone: (08) 9672 1041
Fax: (08) 9672 1035
Retiring: October 2019
Occupation: Farmer
Email: bradwest10@bigpond.com.au



Cr Alfreda Lyon
4 Wilson Street
Wongan Hills WA 6603

Tel: 0418 915 517
Retiring: October 2017
Occupation: Office Manager
Email: alfreda@lyonsden.com.au

Councillors of the Shire



Cr Norma Walton
PO Box 116
WONGAN HILLS WA 6603

Tel: (08) 9671-1185
Retiring: October 2017
Occupation: Retired
Email: wonganwaldo@hotmail.com



Cr Richard Morgan
1 Ackland Street
Wongan Hills 6603

Tel: 9671 1822
Retiring: October 2017
Occupation: Retired Dentist
Email: richardmorganaustralia@hotmail.com



Cr Jon Hasson
1097 Sheoak Road West
PO Box 68
BALLIDU WA 6606

Tel: 04 27 542 984
Retiring: October 2019
Occupation: Farmer
Email: j.hasson@bigpond.com

Councillors of the Shire

COUNCILLORS MEETING ATTENDANCE 2016/2017

| | COUNCIL | | | SPECIAL | | | AUDIT | | |
|----------------------|----------|----------|-----|----------|----------|-----|----------|----------|-----|
| | Eligible | Attended | % | Eligible | Attended | % | Eligible | Attended | % |
| Cr P Macnamara | 11 | 11 | 100 | 1 | 1 | 100 | 1 | 1 | 100 |
| Cr B West | 11 | 11 | 100 | 1 | - | - | 1 | - | - |
| Cr H Barrett-Lennard | 11 | 9 | 82 | 1 | 1 | 100 | 1 | 1 | 100 |
| Cr R Morgan | 11 | 9 | 82 | 1 | 1 | 100 | 1 | 1 | 100 |
| Cr A Lyon | 11 | 11 | 100 | 1 | 1 | 100 | 1 | 1 | 100 |
| Cr N Walton | 8 | 8 | 100 | 1 | 1 | 100 | 1 | 1 | 100 |
| Cr Jon Hasson | 8 | 8 | 100 | 1 | 1 | 100 | 1 | 1 | 100 |

COUNCILLOR TRAINING UNDERTAKEN DURING 2016/2017

NIL

Chief Executive Officer's Report

Mr Stuart Taylor
Chief Executive Officer



2016/2017 was again a successful year for the Shire of Wongan Ballidu, a financial position remains strong, Our Audit report was very good, and the majority of our projects are completed on time and within budget, or are being finalised to commence next financial year, the following pages of this report, prepared by the managers of the various functions of the Shire explain in more detail the success of this completed financial year.

Strategic Plan Review

2017 saw the statutory requirement to review the Shire Strategic Community plan, The Shire agreed to hire a consultant to undertake an independent review process, community meetings were held in Ballidu, Cadoux and Wongan Hills, the review process also involved meeting with elected members and senior staff, the information was then correlated and new strategies were incorporated into the Strategic Community Plan and existing strategies updated and updated based on the community input, The Shire Corporate Plan has also been reviewed, both documents are available on the Shire website.

Mocardy Dam

The Mocardy Dam project has been a project on the Shire agenda for a number of years, in 2016 the department of water initiated a new grant scheme that would enable projects such as the Mocardy pipeline to become a reality, the Shire in conjunction with the Wongan Hills District High School applied for funds and were successful in receiving a grant of \$522,000, the project is a partnership between the Shire of Wongan-Ballidu (SOWB) and the Wongan Hills District High School Parents and Citizens Association (WHDHS P&C) that is intended to utilise water from the Shire leased Mocardy Dam to improve and ensure continuous water supply for non-potable uses.

WHDHS P&C are advocating on behalf of Wongan Hills District High School to reduce the school's reliance on scheme water and have planned and designed a project that incorporates partnership with SOWB to access water from Mocardy Dam as well as a plan to harvest stormwater for irrigation and to service school toilets.

Mocardy Dam is a valuable unused resource has the capability to enhance current facilities such as sporting ovals, community gardens and fulfilling firefighting requirements of the town. It will support WHDHS to reduce reliance on expensive scheme water for non-potable uses. It can also improve the town's resilience and adaptive capacity to cope with climate change.

Chief Executive Officer's Report

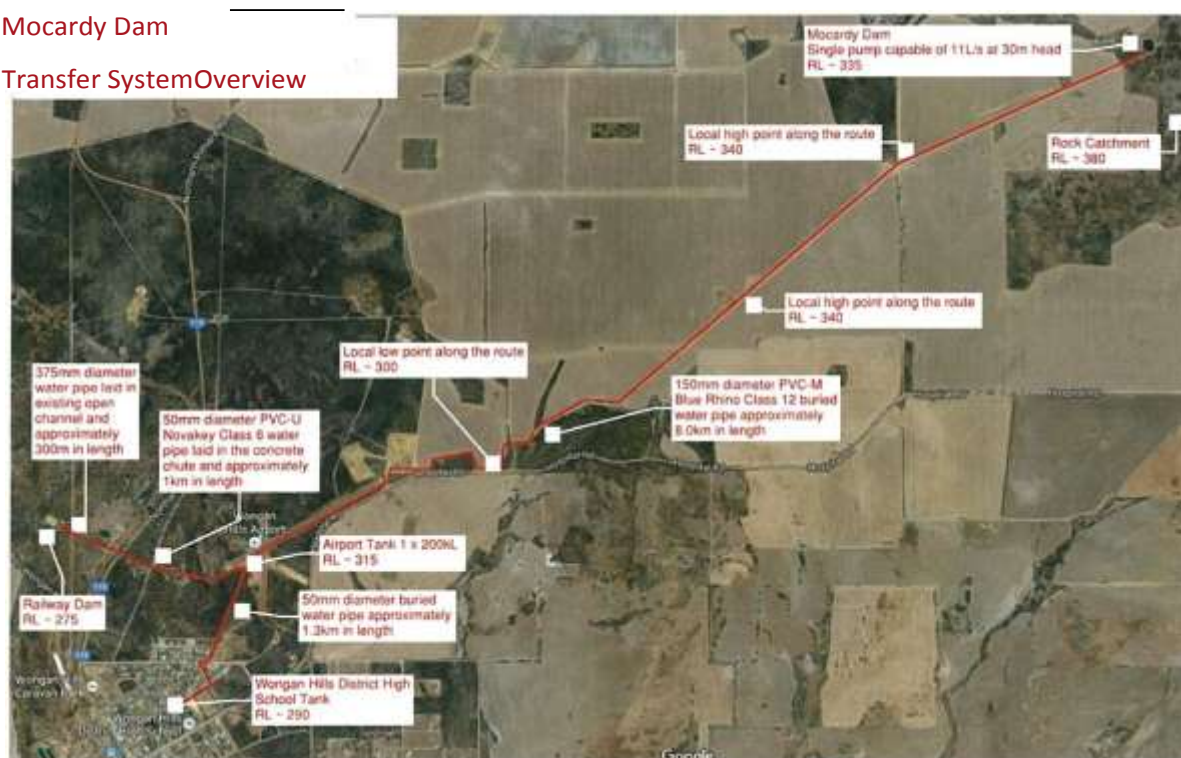
The objectives of the project are as follows:

1. To improve water supply efficiency and safeguard the town against bushfires by using locally based water resources such as Mocardy Dam
2. To minimise the use of potable water sources for non-potable water uses
3. To strengthen the town's watering capabilities and make it self-sufficient, prolonging independence for a sustainable future
4. To reduce WHDHS reliance on scheme water for non-potable uses, increase the available greenspace, develop a community garden and improve educational opportunities for Students

The project will involve pumping water from Mocardy Dam to tanks at the nearby Airport. There will be two outlets from these tanks, one of which will trickle feed water to Railway Dam via a manual valve operation and the second will gravity feed water to a tank at WHDHS, from which pumps will be used to irrigate a small grass playing field at the school. Renewed gutters and tanks at the school will harvest stormwater into one tank for use in flushing toilets whilst two separate tanks will harvest roof water for irrigation.

Mocardy Dam

Transfer System Overview



Chief Executive Officer's Report

STRATEGIC COMMUNITY PLAN

The Strategic Community Plan holds the key to our future growth of the Shire. It will provide us the necessary guidance required in achieving the Shire vision of “a caring and supportive community which drives sustainability of agriculture, services and the environment”.

We believe our local government is in a unique position to influence the creation of great things for our community during this period of prosperity and look forward to the challenge of obtaining the best outcomes possible. I commend the Strategic Community Plan to you and look forward to working with the community as our region grows to become an even better place to be.

Following are planned major initiatives that are to commence or continue in 2017/18.

| Goal 1 A healthy, supportive and safe community | | | | | | |
|---|-----------------------|-----------|-------|-------|-------|---------------------------------|
| Outcome 1.1 Sport, recreation and leisure opportunities that encourage community participation | | | | | | |
| Strategy 1.1.2 Maintain and improve sporting and recreation facilities | | | | | | |
| Actions | Service | Timeframe | | | | Total Indicative Project Budget |
| | | 16/17 | 17/18 | 18/19 | 19/20 | |
| Action 1.1.2.1 Develop and maintain sport and recreational facilities in line with community needs | Sports and Recreation | - | ● | ● | ● | \$4,500,000 |
| Action 1.1.2.2 Upgrade the Wongan Hills swimming pool filtration system | Building Services | - | ● | - | - | \$20,000 |

| Goal 1 A healthy, supportive and safe community | | | | | | |
|---|---------------------|-----------|-------|-------|-------|---------------------------------|
| Outcome 1.4 Community safety and emergency preparedness | | | | | | |
| Strategy 1.4.4 Advocate for appropriate lighting in streets and public places | | | | | | |
| Actions | Service | Timeframe | | | | Total Indicative Project Budget |
| | | 16/17 | 17/18 | 18/19 | 19/20 | |
| Action 1.4.4.2 Implement the Streetlight Expansion Strategy | Roads and Footpaths | - | ● | - | - | \$20,000 |

Chief Executive Officer's Report

| Goal 2 Natural assets that are enhanced and protected | | | | | | |
|--|------------|-----------|-------|-------|-------|---------------------------------|
| Outcome 2.2 Adaptation to the impacts of climate change | | | | | | |
| Strategy 2.2.2 Lobby for green energy alternatives | | | | | | |
| Actions | Service | Timeframe | | | | Total Indicative Project Budget |
| | | 16/17 | 17/18 | 18/19 | 19/20 | |
| Action 2.2.2.1 Investigate opportunities to use green energy alternatives | Governance | - | ● | - | - | \$180,000 |

| Goal 4 Shire infrastructure and a built environment that supports growth of the community and the economy | | | | | | |
|---|-----------------------|-----------|-------|-------|-------|---------------------------------|
| Outcome 4.3 Secure and reliable water supply | | | | | | |
| Strategy 4.3.1 Improve the Shire water supply by connecting into Mocardy Dam's water supply | | | | | | |
| Actions | Service | Timeframe | | | | Total Indicative Project Budget |
| | | 16/17 | 17/18 | 18/19 | 19/20 | |
| Action 4.3.1.1 Implement the Mocardy Dam project | Dams and Water Supply | - | ● | - | - | \$600,000 |

| Goal 4 Shire infrastructure and a built environment that supports growth of the community and the economy | | | | | | |
|---|---------------------|-----------|-------|-------|-------|---------------------------------|
| Outcome 4.4 An efficient and safe road network | | | | | | |
| Strategy 4.4.1 Undertake ongoing maintenance and further develop the road network | | | | | | |
| Actions | Service | Timeframe | | | | Total Indicative Project Budget |
| | | 16/17 | 17/18 | 18/19 | 19/20 | |
| Action 4.4.1.2 Upgrade roads in line with the Road Program in the Forward Capital Works Plan | Roads and Footpaths | ● | ● | ● | ● | \$7,276,000 |
| Action 4.4.1.4 Implement the 10 Year Footpath Plan | Roads and Footpaths | ● | ● | ● | ● | \$520,000 |

Chief Executive Officer's Report

THANK YOU

We thank those members of our community who write and phone in to thank our staff for the job that they are doing. We receive many praises for the outside crew, in partnership with parks and gardens, and while we do make mistakes and sometimes things can go wrong, it is pleasing that most of the community acknowledges and thanks our staff for the work and effort that they put in under sometimes very hard and difficult circumstances.

I would like to take this opportunity to thank the Councillors who really do work hard to attain that balance of strong financial management, delivery of services and support of community initiatives. The support given to the staff to implement and fund programs and to explore new ideas and initiatives is greatly appreciated.

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



Stuart A. Taylor
CHIEF EXECUTIVE OFFICER

Chief Executive Officer's Report

Administration and Financial Services

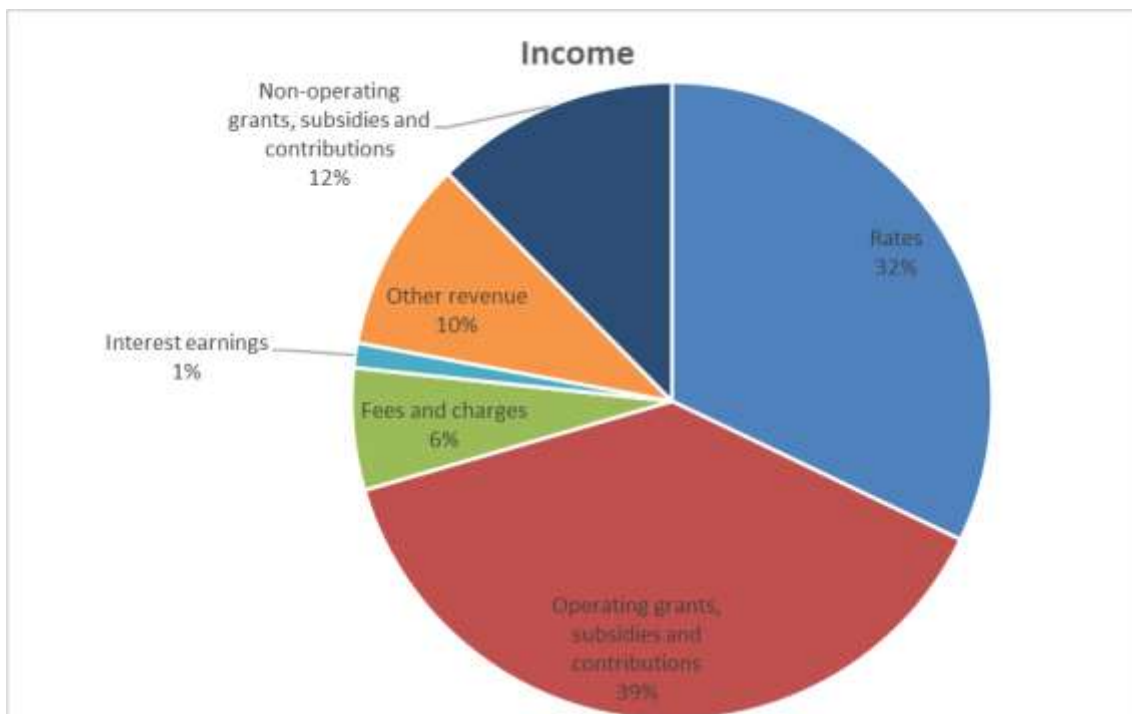


Mr Alan Hart
Deputy Chief Executive Officer

The 2016-17 audited financial statements are shown attached and this page highlights pertinent information.

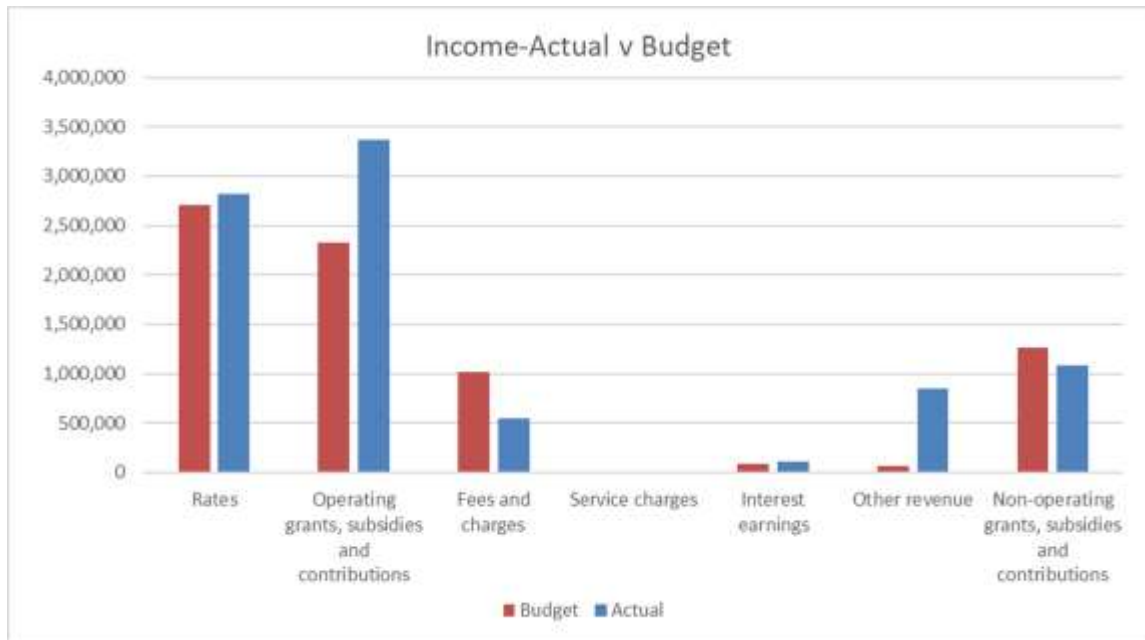
The Shire's total revenue for this financial year was \$8.78 million and expenses were \$7.51 million, there was an additional \$4.76 million gained through the revaluation of land and buildings and other infrastructure. This resulted in a total comprehensive income of \$6.02 million. The composition of these revenues and expenses are illustrated in the range of charts following.

OPERATING INCOME



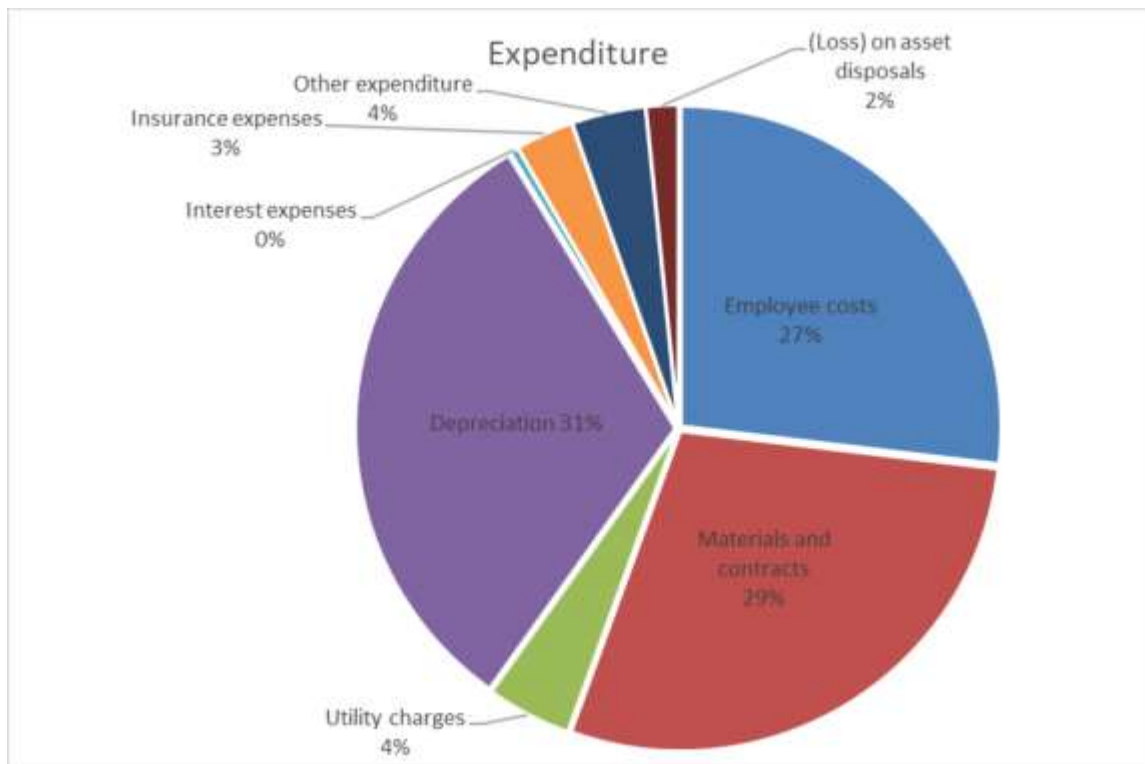
Chief Executive Officer's Report

Administration and Financial Services



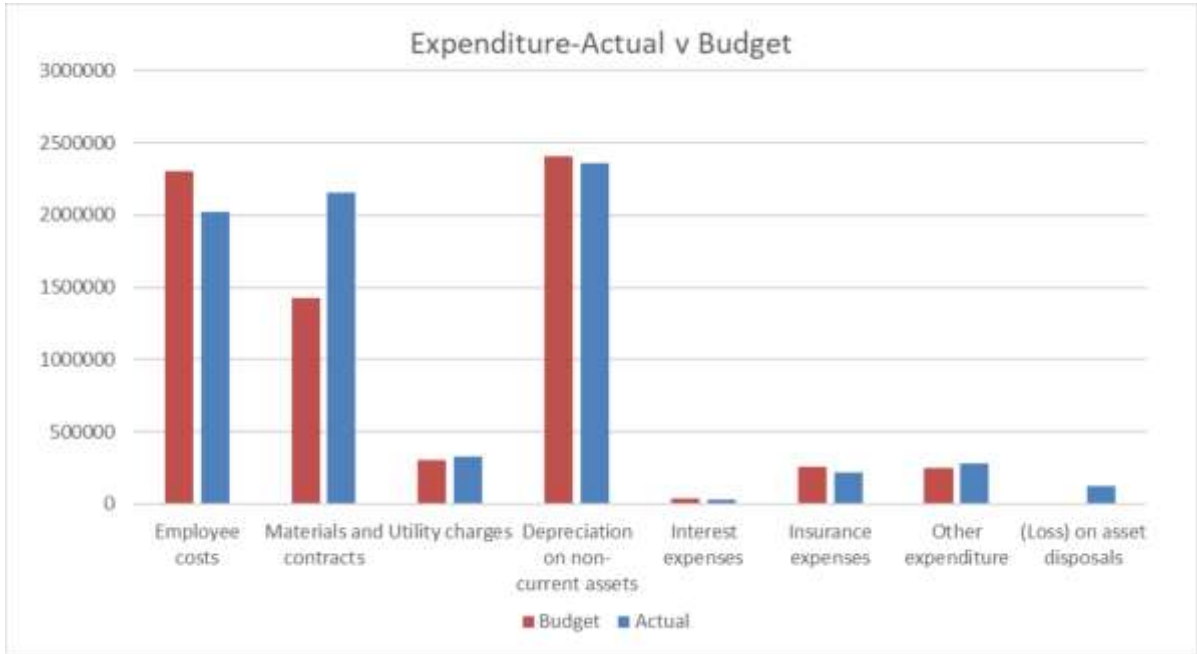
The two above graphs shows the three main components of revenue as follows; rates \$2.82 million (32%), operating and non-operating grants \$4.45 million (51%) and fees and charges \$0.543 million (15%). The remaining \$0.85 million (11%) has come from other sources of revenue such as service charges, interest charges and other revenue.

OPERATING EXPENDITURE



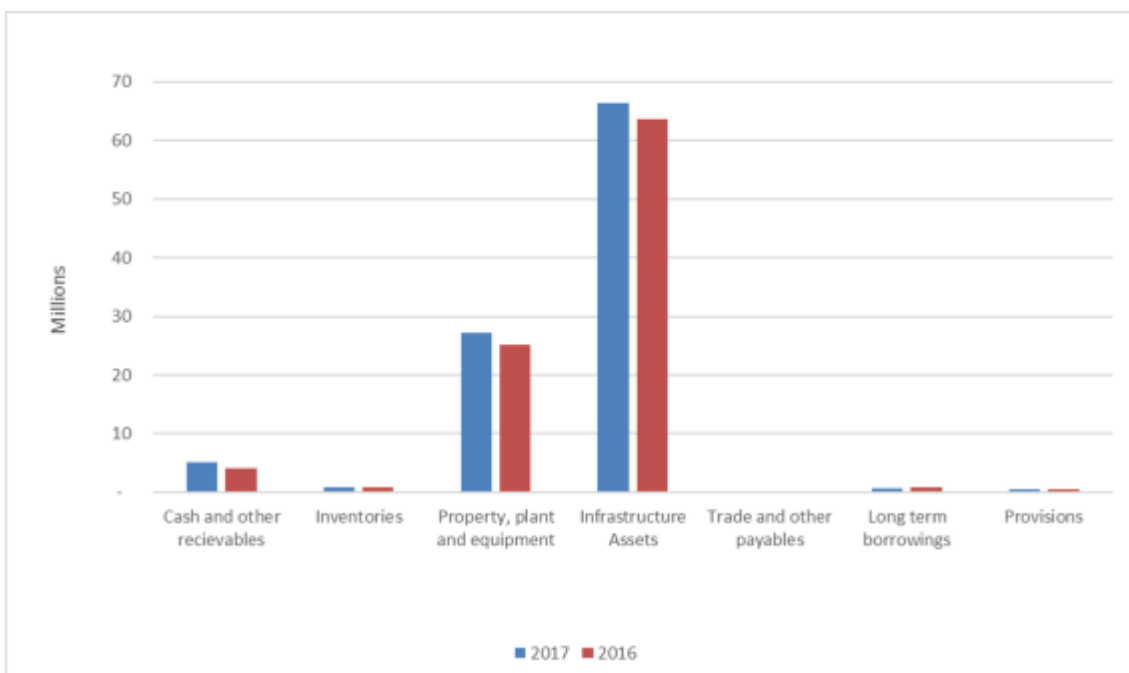
Chief Executive Officer's Report

Administration and Financial Services



The above two graphs show the three main components of expenditure was made up of \$2.02 million (27%) in employee costs, \$2.15 million (29%) of materials and contracts, \$2.360 million (31%) in depreciation with the remaining \$0.85 million (13%) being made up of utility charges, interest expenses, insurance expenses, other expenditure and loss on disposal of assets.

The Statement of Financial Position shows our net assets has increased by \$6.02 million. This is a result of an increase of \$4.91 million in property, plant and equipment and infrastructure due to revaluation and an increase of \$1.08 million in cash and cash equivalents.



Chief Executive Officer's Report

Administration and Financial Services

The Statement of Cashflow combines details from the above statements to give an explanation on what changed the cash position from \$3.31 million to \$4.42 million, a movement of \$1.11 million. Cash from operating activities increased by \$1.01 million. This is due to the advance payment of Financial Assistance Grants being made during 2015/16 year.

Cash spent on investing activities (purchase of Plant and Equipment, Infrastructure etc) decreased by \$0.68 million with the majority of the reduction in infrastructure expenditure.

FAIR VALUATIONS

The Shire of Wongan-Ballidu has now entered into the third cycle of performing fair value assessments on the Shire's assets. Fair value assessments were completed for Land, Buildings and some infrastructure as part of the third cycle. This assessment resulted in an increase in value of \$4.76 million (Note 13).



Alan Hart
DEPUTY CHIEF EXECUTIVE OFFICER

Chief Executive Officer's Report

Building Services

Melissa Marcon
Building Services Coordinator



RESPONSIBILITIES

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

BUILDING MAINTENANCE

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

Vandalism and wilful damage to Shire property is an ongoing concern. This puts extra pressure on staff workloads.

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

CAPITAL PROJECTS

The following capital projects were completed during the year –

1. Replacement of roof and gutters at the Ballidu Sports Pavilion
2. Installation of 6 bay carport at the Community Resource Centre
3. Installation of 12 bay carport at the Works Depot
4. Part replacement of boundary fence at Wongan Hills Waste Facility
5. Upgrades to Retransmission equipment for town television
6. Internal Painting of - 27A Quinlan Street, 49 Quinlan Street, 7 Wandoo Crescent
7. Completion of 2 new units for staff accommodation at 31 Quinlan Street

Chief Executive Officer's Report

Building Services

CLEANING

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

WASTE MANAGEMENT

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

Opening hours are Thursday to Sunday 8.30 am to 4.30 pm. The Waste Facility is closed Christmas Day and Good Friday.

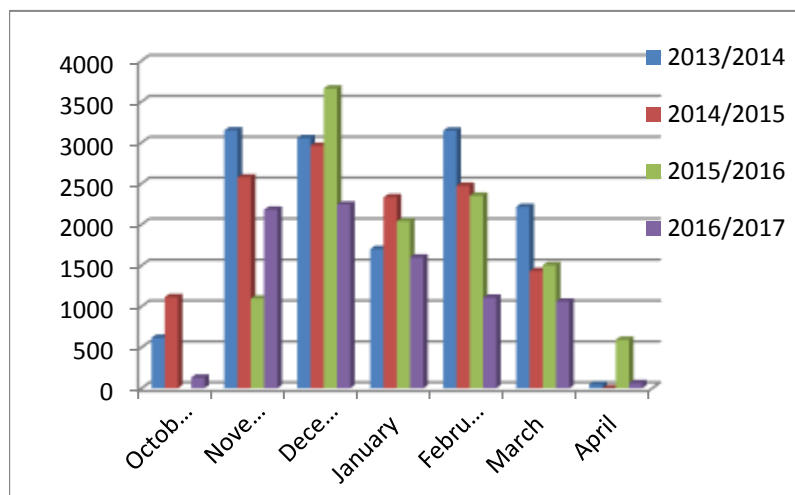
Although the Shire operates landfill facilities at Ballidu and Cadoux, asbestos and septic waste can only be received at the Wongan Hills facility.

DRUM MUSTER

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

WONGAN HILLS SWIMMING POOL

The Wongan Hills Memorial Swimming Pool had another successful season. The total patronage for the 2016/17 year was 8380 people.



Total Patronage for Swimming Pool Season

| | |
|-----------|--------|
| 2013/2014 | 13,937 |
| 2014/2015 | 12,594 |
| 2015/2016 | 11,048 |
| 2016/2017 | 8,380 |

Breakdown of swimming pool entrance income –

| | |
|-----------|-------------|
| 2013/2014 | \$32,881.84 |
| 2014/2015 | \$28,716.40 |
| 2015/2016 | \$29,248.87 |
| 2016/2017 | \$27,130.84 |

Breakdown of swimming pool operating costs –

| | |
|-----------|--------------|
| 2013/2014 | \$176,938.34 |
| 2014/2015 | \$210,307.95 |
| 2015/2016 | \$184,696.77 |
| 2016/2017 | \$169,845.00 |

Chief Executive Officer's Report

Building Services

The pool opened later this year due to a staff change over. The new pool Manager commenced at the end of October 2016. The pool numbers were down last season due to a late start and a milder summer with several storms.

With the new Manager, we could keep the swimming programs and aqua running throughout the pool season.

Inter school swimming lessons were held by Wongan Hills District High School and Calingiri and Yerecoin Primary Schools. There was also an interschool swimming carnival held where other schools from around the district attended and competed against our school.

BUILDING SERVICES

| BUILDING SERVICES EXPENDITURE 2016/2017 | |
|--|--------------|
| Building Maintenance | \$207,354.00 |
| Building Capital Expenses | \$225,087.00 |
| Cleaning of Public Buildings | \$77,845.00 |
| Swimming Pool Operating Costs | \$169,845.00 |
| Utilities and Insurance to Council Buildings | \$320,838.00 |
| Waste Collection | \$96,069.00 |
| Drum Muster Costs | \$1,134.00 |

| BUILDING APPROVAL STATISTICS | | | |
|-----------------------------------|-----------|--------------------|--------------------|
| Summary 2016/2017 | | | |
| Type of Permit Issued For | Number | Value of Work | Fees Received |
| Carport, Patio, Pergola, Verandah | 5 | \$87,535 | \$897.25 |
| Illuminated Sign | 2 | \$16,000 | \$315.30 |
| Concrete Pad | 1 | \$12,000 | \$157.50 |
| New Dwelling | 3 | \$894,147 | \$4,272.29 |
| Swimming Pool | 1 | \$15,000 | \$157.65 |
| Factory | 1 | \$150,000 | \$736.50 |
| Community Centre | 1 | \$522,940 | \$2,328.95 |
| Alteration to existing building | 5 | \$68,350 | \$2,596.79 |
| TOTAL | 19 | \$1,765,972 | \$11,462.23 |
| Total 2014/2015 | 34 | \$3,897,796 | \$6,451.25 |
| Total 2013/2014 | 18 | \$1,834,402 | \$4,039.26 |
| Total 2012/2013 | 13 | \$588,084 | \$2,382.65 |
| Total 2011/2012 | 17 | \$4,756,310 | \$10,301.00 |
| Total 2010/2011 | 26 | \$1,981,003 | \$5,708.00 |
| Total 2009/2010 | 41 | \$2,835,194 | \$8,374.00 |
| Total 2008/2009 | 28 | \$1,723,265 | \$11,689.00 |
| Total 2007/2008 | 49 | \$3,589,381 | \$21,073.00 |
| Total 2006/2007 | 50 | \$2,745,394 | \$15,681.00 |
| Total 2005/2006 | 38 | \$3,315,606 | \$6,929.00 |
| Total 2004/2005 | 34 | \$2,599,178 | \$6,369.00 |

Chief Executive Officer's Report

Building Services

| PLANNING APPROVALS ISSUED | | |
|----------------------------|----------------------|---------------|
| Summary 2016/2017 | | |
| Number of Approvals Issued | Value of Development | Fees Received |
| 5 | \$135,000 | \$735 |

| DEMOLITION PERMITS ISSUED | |
|---------------------------|---------------|
| Summary 2016/2017 | |
| Number of Permits Issued | Fees received |
| 0 | \$0 |

ENVIRONMENTAL HEALTH

For the 2016/2017 year health issues were deal with by myself and/or a contracted Environmental Health Officer as required.

EHO REPORT ON FOOD PREMISE INSPECTIONS

Currently the Shire has a total of 30 registered food premises of which nine (9) onsite assessments were conducted.



Melissa Marcon
BUILDING SERVICES COORDINATOR

Chief Executive Officer's Report

Works & Services

Karl Mickle
Manager Works & Services



During the 2016/17 year, Council invested \$3.161 million in the construction and maintenance of transport infrastructure assets

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

| <u>PROJECT</u> | <u>EXPENDITURE</u> |
|-------------------------------------|--------------------|
| Roads – Construction | \$ 2,064,800 |
| Roads – Maintenance | \$ 951,000 |
| Street Lighting and maintenance | \$ 42,200 |
| Street sweeping and cleaning | \$ 66,200 |
| Footpath Construction / Maintenance | \$ 16,100 |
| Street Tree Maintenance | \$ 21,300 |

Council funds the road infrastructure program through various sources including rates, government grants, subsidies and other contributions.

Road construction projects for the financial year included:

| LOCATION | DESCRIPTION | EXPENDITURE |
|---------------------|--|-------------|
| Cadoux – Koorda Rd | Widen Shoulders and seal to 7 metres - 6.9km | \$498,100 |
| Waddington Rd | Realign curve and widen to 7 metres bitumen - 2km | \$254,000 |
| Fenton Service Rd | Repair tree root damage, re-seal and new lines from Quinlan St to Moore St and from Harvest Pl to Elphin Cr - 300m | \$139,600 |
| Hospital Rd | Re-seal - 3.3km | \$105,600 |
| Dowerin-Kalannie Rd | Final Seal - 2km | \$98,700 |
| Waddington Rd | Final Seal - 2km | \$92,700 |

Chief Executive Officer's Report

Works & Services

| | | |
|------------------------|--|---------------------|
| Hospital Road | Final Seal - 2km | \$62,500 |
| Hospital Rd | Repair sub-base failure and upgrade culvert | \$78,200 |
| Lake Hinds North Rd | Gravel re-sheeting – 1.7km | \$73,600 |
| Meadows Rd | Gravel re-sheeting - 4.3km | \$59,400 |
| Old Wongan - Cadoux Rd | Gravel re-sheeting – 2.5km | \$48,400 |
| Hourigan Rd | Gravel re-sheet - 2km | \$43,500 |
| Danubin St | Drainage Works | \$42,600 |
| Federation Street | Intersection Upgrade | \$40,800 |
| Hospital Road | Tight vertical and horizontal curves stage one | \$35,600 |
| Truck Parking Bays | Re-seal and kerbing | \$32,500 |
| Oliver Rd | Sub-base failure, cement stabilisation and re-seal | \$35,000 |
| Gabalong East Rd | Gravel re-sheet - 1km | \$27,600 |
| Newton Road | Gravel re-sheeting - 2km | \$26,900 |
| Sewell Rd | New culvert and re-sheet | \$26,200 |
| Wandoo Crescent | Form and seal to Johnston St – 120m | \$22,500 |
| | Other Minor works less than \$20,000 | \$220,800 |
| | | |
| TOTAL | | \$ 2,064,800 |

CONSTRUCTION CREW

Once again, it's been a very busy year for the construction crew with many of the above projects being undertaken by the team, either in full or in part.

This work has greatly improved visibility and safety on these roads.

In addition to road construction projects detailed above, the team also undertakes maintenance works and projects. During the 2016/17 year, the following maintenance works were undertaken by the team:

[Kondut East Road](#)

Clearing.

[Jenks Road](#)

1.2 km of gravel re-sheeting and clearing.

[Dowerin-Kalannie Road, Cadoux](#)

The Construction team carried out extensive clearing of the s-bends heading north out of Cadoux. This proved to be an intricate process due to the presence of protected flora. The clearing has made a vast improvement to otherwise dangerous corners.



Chief Executive Officer's Report

Works & Services

[Kondut South East Road](#)

2km of washed sand was removed from Kondut South East Road. The washed sand had accumulated over several years of grading up onto the backslopes. Once removed, gravel was discovered underneath and pulled back onto the road.

[Manmanning Road](#)

Clearing was carried out on Manmanning Road between the Moonijin West Road T-Junction and Oliver Road. This area had become overgrown and was a danger due to the high volume of HGV's on the road. Several dead trees were removed from the area.

[Moonijin West Road](#)

The s-bends leading out of town were cleared as they had also become overgrown. The clearing has increased visibility through these tight corners.

[Kondut West Road](#)

The Construction crew are currently widening a very narrow section of Kondut West Road. The decision was taken to clear this due to the high volume of HGV's expected to use this route in the future. The route was extensively used during lime carting season and had come into disrepair.

[Stabilisation Manmanning Road](#)

The Construction crew carried out 400m of double lift cement stabilisation on failed floodways on Manmanning Road. This was then sealed with a 14mm crumbed rubber bitumen including 7mm racking.

[Rear Laneways, Wongan Hills](#)

Having finished clearing, the Construction team moved onto gravel re-sheeting of the back laneways in Wongan Hills. These laneways have been heavily scoured out over the past number of years with very little in the way of maintenance carried out. The team pruned, graded and gravel re-sheeted all three laneways. A trial of laying blue metal over the gravel was carried out on one laneway to see if this reduces the severe scouring and water damage.

[Aerodrome, Wongan Hills](#)

The Construction crew carried out some maintenance grading on the North-South runway at the Aerodrome in Wongan Hills. They also carried out some grading in front of the hanger, as well removing some weeds along the shoulder of the East-West runway. 4 trees are to be removed at the south end of the North-South runway.

Chief Executive Officer's Report

Works & Services

SOME PROJECTS IN PICTURES:



Footpath on Wandoo Crescent



Cadbury-Koorda Road

Chief Executive Officer's Report

Works & Services



Wandoo Crescent



Fenton Place

Chief Executive Officer's Report

Works & Services

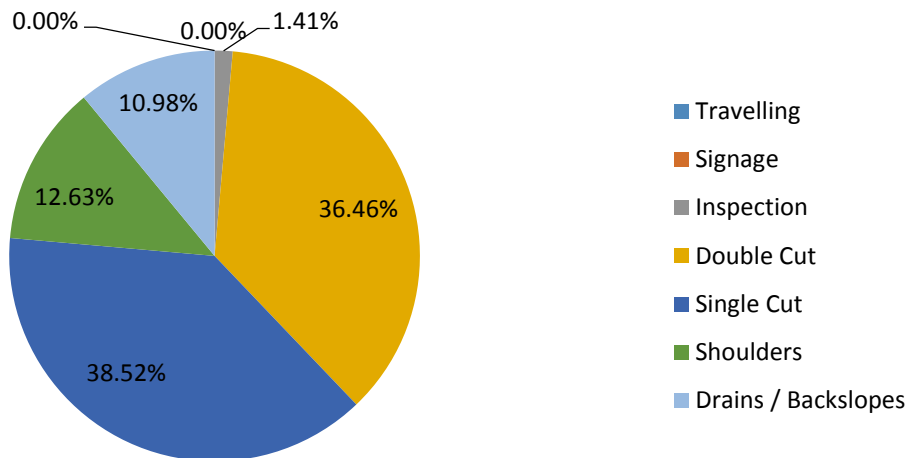
I would also like to thank all farmers involved in assisting us to obtain gravel this year, without their assistance it would be difficult to maintain our roads to current standards.

MAINTENANCE CREWS

The maintenance grader drivers have had a busy season maintaining the 980 kilometres of unsealed roads in the Shire. We have modified grading techniques throughout the year which has greatly improved the network, the operators also have done outstanding work clearing back slopes and blind corners.

The Patching truck has been busy patching the bitumen roads around the Shire and preparing the roads for reseals. This bitumen network is around 350 kilometres. The Patching crew also replace guideposts and signs assist around town and dig graves at cemetery.

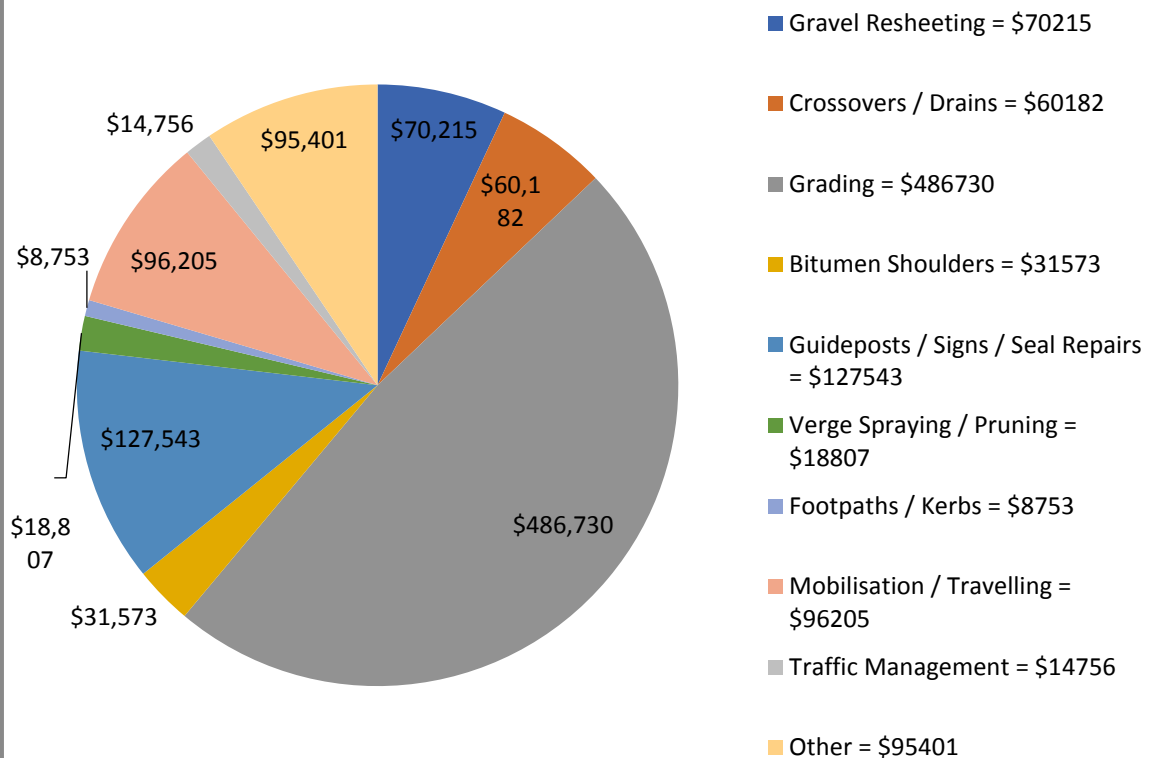
**Percentage Breakdown of Grading Activity
2016/2017**



Chief Executive Officer's Report

Works & Services

COA 12000 Expenditure by Activity YTD 2016-2017



PARKS & GARDENS

The gardens throughout the district once again look amazing thanks to the Parks and Gardens staff. They have once again received numerous compliments from not only people within the community but also people that are passing through, whether it be by letter or by someone coming into the administration office to pass on their acknowledgement.

Chief Executive Officer's Report

Works & Services



Administration Office Gardens

PLANT REPLACEMENT

Council maintains and regularly reviews and updates a comprehensive 10 year “Plant Replacement Programme” that schedules the most cost effective replacement cycles for all of its plant.

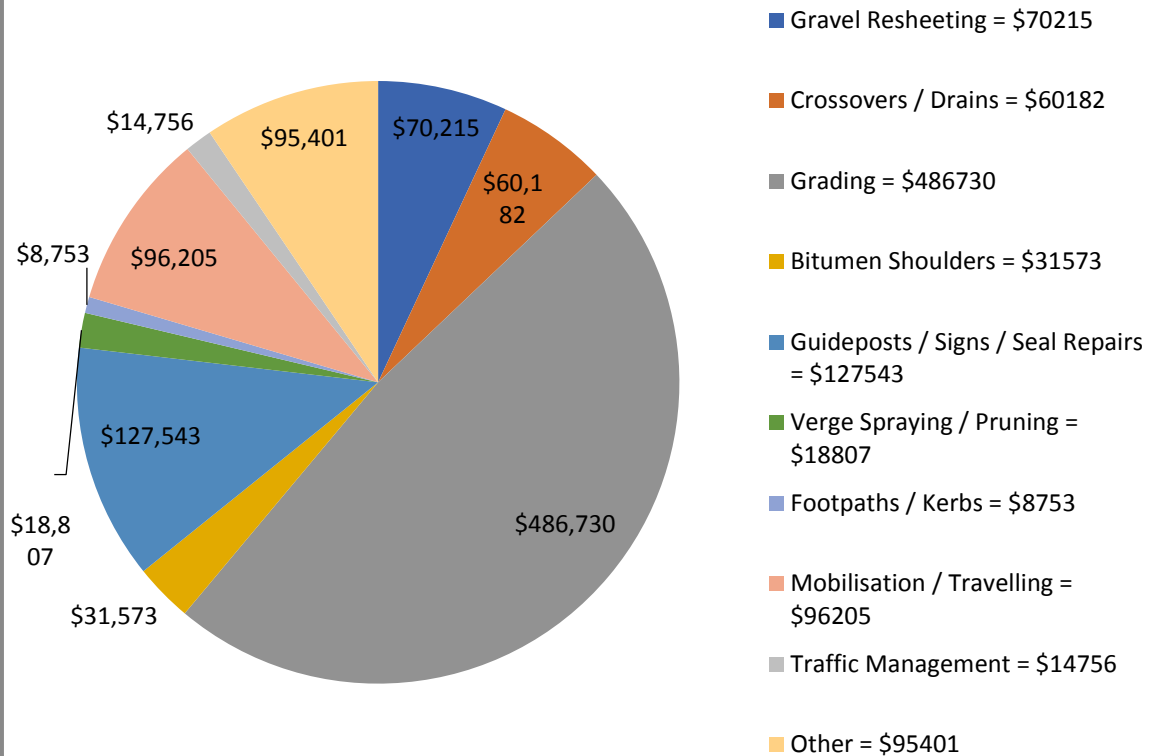
This process achieves two (2) goals:

- (1) It ensures that the best returns are achieved on the sale of plant
- (2) It provides the most up-to-date and efficient machinery to undertake works.

Chief Executive Officer's Report

Works & Services

COA 12000 Expenditure by Activity YTD 2016-2017



PARKS & GARDENS

The gardens throughout the district once again look amazing thanks to the Parks and Gardens staff. They have once again received numerous compliments from not only people within the community but also people that are passing through, whether it be by letter or by someone coming into the administration office to pass on their acknowledgement.

Chief Executive Officer's Report

Works & Services



Bobcat Trailer



Parks and Gardens Truck



Loader

Chief Executive Officer's Report

Works & Services



Mack Truck

This financial year saw the works department purchase a bobcat trailer for the current bobcat, this will be beneficial in being able to utilise the bobcat to its full extent. The Parks and Gardens truck, Mack truck, both the Building and Parks and Gardens utes, a loader and the portable water tank were also all upgraded.

A handwritten signature in black ink, appearing to read 'Karl Mickle'.

Karl Mickle
MANAGER WORKS & SERVICES

Chief Executive Officer's Report

Community Services

Joanne Guest
Manager Community Services



Community Development Fund

Council has continued to generously support the Community Development Fund in 2016-2017 by distributing \$147,587 to community and sporting groups within the Shire.

These funds are essential in providing our community a means of developing their facilities, heritage and cultural and social activities. The Community Development Fund addresses the following Shire's strategic goals outlined in the Shire's Strategic Community Plan 2012-2021:

1. A healthy, supportive and safe community
2. A strong and sustainable local economy
3. Shire infrastructure and a built environment that supports growth of the community and economy

In 2016/17, Funds were distributed to the following community groups:

| Community Group/Program | Amount |
|---|--------|
| School Chaplaincy program | 48,631 |
| Wongan Cubbyhouse Inc | 18,000 |
| Ballidu Progress Association | 15,145 |
| Wongan Hills Tourism Group | 10,000 |
| Cadoux Sports Council | 8,387 |
| Wongan Hills Sports Council | 8,387 |
| Ballidu Sports Council | 8,387 |
| Wongan Hills Progress Association | 6,700 |
| Ballidu Contemporary Arts Society | 4,500 |
| Council Labour and Machinery use to assist with Community Projects across the Shire | 4,350 |
| Wongan Hills Playgroup | 4,000 |
| Elizabeth Telfer Centre | 3,000 |
| Wongan Hills Museum | 2,900 |
| Wongan Hills Rotary Club -Seniors Christmas Function | 1,000 |

Chief Executive Officer's Report

Community Services

| | |
|---|----------------|
| Wongan Masters Football Carnival | 1,000 |
| Wongan Hills Cricket Club | 750 |
| Wongan Hills Tidy Towns | 500 |
| Ballidu Tidy Towns | 500 |
| Wongan Hills District High School Scholarship | 350 |
| Wongan-Ballidu Bush Care | 300 |
| Christmas Lights Competition | 300 |
| Bike It to Ballidu | 300 |
| Cadoux Christmas Tree | 200 |
| | |
| TOTAL | 147,587 |

Community Resource Centre (CRC)

Under agreement with the Department of Primary Industries and Regional Development (DPIRD), the Shire's CRC is responsible for delivering a range of community services. As part of the Western Australian Community Resource Network (WACRN) we are required to meet Service Level Outcomes in three delivery areas. The areas are:

1. Government and Community Information
2. Economic and Business Development Services and
3. Social Development Services

These delivery areas are designed to promote the development of regional Western Australia in terms of economic, social and business outcomes. The CRC provides DPIRD with quantitative data on a quarterly basis to demonstrate that we are meeting the targets agreed to in our contract. In 2016/17 all targets were met, if not exceeded.

The CRC continues to deliver a broad range of services, including the provision of Licensing and Human Services; TransWA; library services; room hire and provision of free office space to visiting Government Departmental officers. This is in addition to the weekly production of the Boomer, administrative services to customers as well as photocopying, faxing and providing computer and Wi-Fi services. Exam invigilation has become a regular task with an increase in students choosing to sit their examinations in regional areas.

Successful programs that were held in 2016/17 include the Better Beginnings library program to support parent literacy, a forklift operators course for local and surrounding participants, Independent Living Centre Information Session, Harmony Week activities, Healthy Clubs Workshop, Facebook for Business Workshop, Business after Hours and an extensive range of events targeting the diverse range of residents who make up our community. The function and board room is very well utilised by both business, education and community groups and is a facility for which our community should be proud.

The traineeship program at the Community Resource Centre continues to be funded through DPIRD and in November 2016 a new trainee commenced. At the completion of her traineeship, she will have attained a Cert II in Business and have developed the knowledge and experience required to gain full time employment.



Chief Executive Officer's Report

Community Services

The CRC was successful in an application to undertake Contract 2 of the DPIRD Annual Regional Price Index and Small Town Price Collection project, which involves collation and analysis of collected data, and is worth \$22,500. Staff commenced work on the Regional Price Collection/Small Town Price Comparison contract for the Department of Regional Development in November 2016. This large project compares availability, cost and convenience of access across a range of grocery items, products and services in the Metropolitan area compared to selected regional and remote towns. Our role in the project was to cleanse, input and analyse the data once it had been collected and to report to DRD on the outcomes.

Other significant activities we undertook during 2016/17 were the re-tendering of the three year funding contract with DPIRD that comprises the majority of the CRC's funding and provides a framework for our outcome areas and outputs as well as ongoing work on the sports co-location project which has been a long and time consuming process with regular meetings held with the sports co-location committee, and various expert advisors.

The Early Childhood expo was held in the function room in July and comprised a range of stations set up with learning activities for parents and children to complete, along with advice from a range of professionals including Occupational and Speech Therapists, Psychologist and Teachers. Over 100 people attended, there were 25 volunteers involved and feedback was very positive. Plans are in place to make the Expo a biannual event and the Wongan Hills Therapy Group should be commended for their dedication and efficiency in hosting such a successful event.

Library

The Shire has a small library and is operated at the CRC, it is open Monday to Friday, 9am to 4.30pm. The library has a collection of books spanning a wide range of topics. It also has a collection of DVD's and Audio Books available for loan. Because the library is also connected to the State Library network, we are able to source books from the State Library in Perth. Library members also have free access to all of the eResources that are available at the State Library of WA's website. www.slwa.wa.gov.au

In 2016/17 Wongan Hills Men's Shed constructed a Book Cubby for the library. This has proved to be very popular and we thank the Arts Society for a workshop held with local children to decorate the walls.

Chief Executive Officer's Report

Community Services



WB Boomer

The Wongan-Balli Boomer is a publication produced each week by the CRC staff with the assistance of the small but dedicated team of volunteers that help put the publication together. The WB Boomer provides valuable information about the businesses that provide goods and services to the community, information about community events through advertising as well as the Community Calendar and a community business directory.

In the 2016/17 financial year, the CRC produced over 8,600 copies of the WB Boomer for the local community. All revenue from sales and advertising contributes towards the operating costs of the Wongan Hills CRC.

Community Events

Bubble Soccer and soft archery were held at the Recreation Centre for youth aged up to 25 years. This fantastic event was fully subscribed and will definitely be on the agenda in the future.

Chief Executive Officer's Report

Community Services



Maggie Dent delivered an extremely well attended workshop here at the CRC. This event was hosted by the Wongan Hills Playgroup and made possible by funding provided by the Shire through its CDF. She later visited the Nature Playground with some of our local children accompanying her.



Overall 2016/17 was an extremely busy year at the CRC. The Shire's Community Development Fund initiative contributes towards the accomplishment of our goals as set out in the Strategic Community Plan. We would like to sincerely thank all the volunteers who give up countless hours of their time to help keep our wonderful community so vibrant.

Joanne Guest
MANAGER COMMUNITY SERVICES



Statutory Reports

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

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

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

These documents can be inspected free of charge at the Shire Administration Office, corner Quinlan Street and Elphin Crescent Wongan Hills, 8:30am to 4:30pm, Monday to Friday (except public holidays).

Changes to personal information should be made in writing.

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

Requests for information under the Freedom of Information Act can be sent to:

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

Disability Services and Inclusiveness Plan

Council continues to upgrade its buildings to incorporate access for the disabled.

All applications for building licences have the Building Code of Australia access requirements applied.

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

National Competition Policy

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

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

Statutory Reports

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

Competitive Neutrality

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

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

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

Public Interest Disclosure

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

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

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

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

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

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

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

Statutory Reports

Recordkeeping Plan

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

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

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

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

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

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

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

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

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

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

Staffs are encouraged to attend training courses outside the organization whenever practicable.

Further training is programmed for new and existing staff in the following reporting period.

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

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

Statutory Reports

Information on Payments to Employees

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

Annual salary only includes the cash component of any remuneration.

| Annual Salary Entitlements | Actual |
|--|----------|
| <i>Employee entitled to an annual salary of \$100,000 to \$110,000</i> | <i>1</i> |
| <i>Employee entitled to an annual salary of \$150,000 to \$160,000</i> | <i>1</i> |

Code of Conduct Breaches

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

Conduct of Elected Members

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

The register of complaints is to include, for each recorded complaint —

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

Details of entries made under section 5.121 during the 2016/17 financial year in the register of complaints are;

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

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

Statutory Reports

Review of the Planning for the Future

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

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

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

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

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

Section 5.56 is as follows:

5.56 Planning for the future

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

Section 19C is as follows:

19C. Strategic community plans, requirements for (Act s. 5.56)

- (1) A local government is to ensure that a strategic community plan is made for its district in accordance with this regulation in respect of each financial year after the financial year ending 30 June 2013.
- (2) A strategic community plan for a district is to cover the period specified in the plan, which is to be at least 10 financial years.
- (3) A strategic community plan for a district is to set out the vision, aspirations and objectives of the community in the district.
- (4) A local government is to review the current strategic community plan for its district at least once every 4 years.
- (5) In making or reviewing a strategic community plan, a local government is to have regard to—
 - (a) the capacity of its current resources and the anticipated capacity of its future resources; and
 - (b) strategic performance indicators and the ways of measuring its strategic performance by the application of those indicators; and
 - (c) demographic trends.
- (6) Subject to subregulation (9), a local government may modify its strategic community plan, including extending the period the plan is made in respect of.

Statutory Reports

- (7) A council is to consider a strategic community plan, or modifications of such a plan, submitted to it and is to determine* whether or not to adopt the plan or the modifications.
*Absolute majority required.
- (8) If a strategic community plan is, or modifications of a strategic community plan are, adopted by the council, the plan or modified plan applies to the district for the period specified in the plan.
- (9) A local government is to ensure that the electors and ratepayers of its district are consulted during the development of a strategic community plan and when preparing modifications of a strategic community plan.
- (10) A strategic community plan for a district is to contain a description of the involvement of the electors and ratepayers of the district in the development of the plan or the preparation of modifications of the plan.

Councils Preferred Agents

AUDITORS

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

SOLICITORS

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

SETTLEMENT AGENTS

*St James Conveyancing
P O Box 912
BALCATTA WA 6914*

BANKING AGENTS

*ANZ Bank
Fenton Place
WONGAN HILLS WA 6603*

DEBT COLLECTION AGENTS

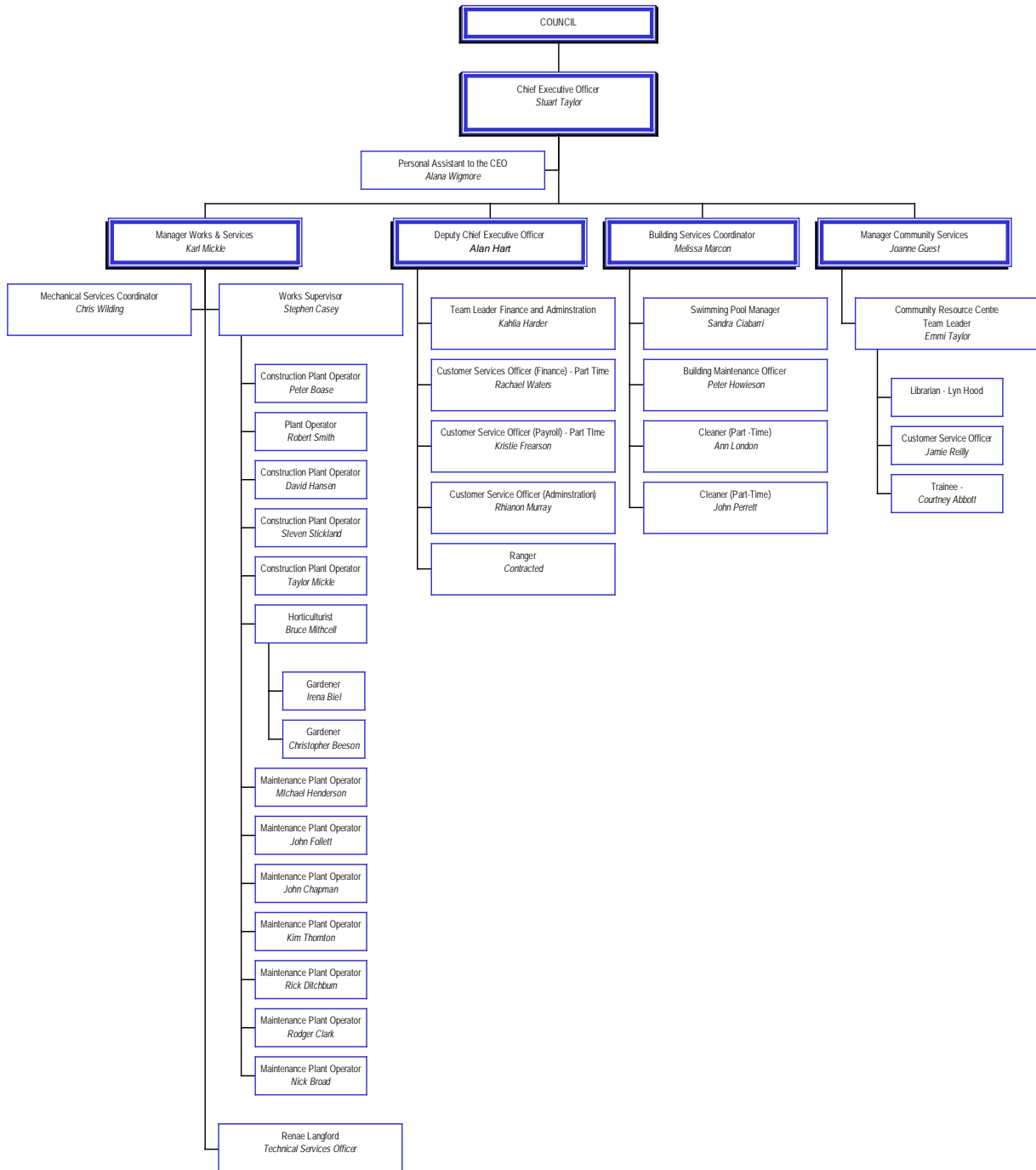
*Austral Mercantile Collections
Level 2, 32 Kings Park Road
WEST PERTH WA 6005*

INSURANCE BROKERS

*Local Government Insurance Services
17 Altona Street
WEST PERTH WA 6005*

Organisational Chart

As at 30 June 2017



SHIRE OF WONGAN-BALLIDU
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

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Principal place of business:
Cnr Elphin Crescent & Quinlan Street
Wongan Hills WA 6603

SHIRE OF WONGAN-BALLIDU
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire being the annual financial report and supporting notes and other information for the financial year ended 30 June 2017 are in my opinion properly drawn up to present fairly the financial position of the Shire at 30th June 2017 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed as authorisation of issue on the 12 day of DECEMBER 2017



Stuart Taylor
Chief Executive Officer

SHIRE OF WONGAN-BALLIDU
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2017

| | NOTE | 2017 \$ | 2017 Budget \$ | 2016 \$ |
|---|------|--------------------|----------------------|--------------------|
| Revenue | | | | |
| Rates | 22 | 2,822,466 | 2,707,294 | 2,666,648 |
| Operating grants, subsidies and contributions | 29 | 3,367,654 | 2,324,395 | 1,756,364 |
| Fees and charges | 28 | 543,410 | 1,014,544 | 1,109,778 |
| Service charges | 25 | 0 | 0 | 25,400 |
| Interest earnings | 2(a) | 95,290 | 87,599 | 135,707 |
| Other revenue | 2(a) | 854,333 | 64,636 | 349,482 |
| | | <u>7,683,153</u> | <u>6,198,468</u> | <u>6,043,379</u> |
| Expenses | | | | |
| Employee costs | | (2,020,853) | (2,308,197) | (2,104,114) |
| Materials and contracts | | (1,998,807) | (1,428,290) | (1,912,186) |
| Utility charges | | (324,686) | (304,392) | (297,332) |
| Depreciation on non-current assets | 2(a) | (2,360,098) | (2,408,839) | (2,166,090) |
| Interest expenses | 2(a) | (33,214) | (37,113) | (55,360) |
| Insurance expenses | | (220,893) | (254,222) | (215,621) |
| Other expenditure | | (280,397) | (248,094) | (242,629) |
| | | <u>(7,238,948)</u> | <u>(6,989,147)</u> | <u>(6,993,332)</u> |
| | | 444,205 | (790,679) | (949,953) |
| Non-operating grants, subsidies and contributions | 29 | 1,083,202 | 1,265,892 | 1,283,624 |
| Profit on asset disposals | 20 | 0 | 2,000 | 202 |
| (Loss) on asset disposals | 20 | (122,460) | (60,500) | (121,590) |
| Impairment loss on land held for resale | | (115,335) | 0 | 0 |
| Net result | | 1,289,612 | 416,713 | 212,283 |
| Other comprehensive income | | | | |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | | | |
| Changes on revaluation of non-current assets | 12 | 4,302,487 | 0 | 597,657 |
| Total other comprehensive income | | 4,302,487 | 0 | 597,657 |
| Total comprehensive income | | 5,592,099 | 416,713 | 809,940 |

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

SHIRE OF WONGAN-BALLIDU
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2017

| | NOTE | 2017 \$ | 2017 Budget \$ | 2016 \$ |
|---|------|--------------------------------|------------------------------|------------------------------|
| Revenue | 2(a) | | | |
| Governance | | 88,822 | 24,300 | 182,258 |
| General purpose funding | | 5,868,067 | 4,706,525 | 3,729,406 |
| Law, order, public safety | | 33,988 | 32,300 | 34,186 |
| Health | | 144,462 | 19,200 | 71,778 |
| Education and welfare | | 5,406 | 4,381 | 6,447 |
| Housing | | 64,885 | 75,362 | 77,053 |
| Community amenities | | 184,149 | 174,810 | 248,702 |
| Recreation and culture | | 85,914 | 78,170 | 125,709 |
| Transport | | 722,214 | 768,065 | 582,461 |
| Economic services | | 32,528 | 11,750 | 35,560 |
| Other property and services | | 452,718 | 303,605 | 949,819 |
| | | <u>7,683,153</u> | <u>6,198,468</u> | <u>6,043,379</u> |
| Expenses | 2(a) | | | |
| Governance | | (320,967) | (249,140) | (291,423) |
| General purpose funding | | (114,619) | (110,782) | (109,471) |
| Law, order, public safety | | (160,449) | (191,581) | (212,458) |
| Health | | (242,921) | (201,133) | (283,448) |
| Education and welfare | | (202,549) | (208,251) | (196,980) |
| Housing | | (181,559) | (214,864) | (191,220) |
| Community amenities | | (386,219) | (442,171) | (465,882) |
| Recreation and culture | | (1,808,519) | (1,639,225) | (1,455,791) |
| Transport | | (2,846,403) | (2,556,543) | (2,254,197) |
| Economic services | | (256,746) | (243,239) | (212,845) |
| Other property and services | | (684,783) | (895,105) | (1,264,257) |
| | | <u>(7,205,734)</u> | <u>(6,952,034)</u> | <u>(6,937,972)</u> |
| Finance costs | 2(a) | | | |
| Education and welfare | | (3,618) | (4,131) | (6,886) |
| Housing | | (7,779) | (9,362) | (14,583) |
| Recreation and culture | | (2,834) | (3,020) | (4,448) |
| Other property and services | | (18,983) | (20,600) | (29,443) |
| | | <u>(33,214)</u> | <u>(37,113)</u> | <u>(55,360)</u> |
| | | 444,205 | (790,679) | (949,953) |
| Non-operating grants, subsidies and contributions | 29 | 1,083,202 | 1,265,892 | 1,283,624 |
| Profit on disposal of assets | 20 | 0 | 2,000 | 202 |
| (Loss) on disposal of assets | 20 | (122,460) | (60,500) | (121,590) |
| Impairment loss on land held for resale | | (115,335) | 0 | 0 |
| Net result | | <u>1,289,612</u> | <u>416,713</u> | <u>212,283</u> |
| Other comprehensive income | | | | |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | | | |
| Changes on revaluation of non-current assets | 12 | 4,302,487 | 0 | 597,657 |
| Total other comprehensive income | | <u>4,302,487</u> | <u>0</u> | <u>597,657</u> |
| Total comprehensive income | | <u><u>5,592,099</u></u> | <u><u>416,713</u></u> | <u><u>809,940</u></u> |

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

SHIRE OF WONGAN-BALLIDU
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2017

| | NOTE | 2017 \$ | 2016 \$ |
|---|------|-------------------|-------------------|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 3 | 4,427,258 | 3,313,939 |
| Trade and other receivables | 4 | 519,901 | 462,968 |
| Inventories | 5 | 11,262 | 9,521 |
| TOTAL CURRENT ASSETS | | <u>4,958,421</u> | <u>3,786,428</u> |
| NON-CURRENT ASSETS | | | |
| Other receivables | 4 | 164,555 | 209,143 |
| Inventories | 5 | 724,000 | 839,335 |
| Property, plant and equipment | 6 | 26,317,976 | 25,133,975 |
| Infrastructure | 7 | 67,005,441 | 63,621,239 |
| TOTAL NON-CURRENT ASSETS | | <u>94,211,972</u> | <u>89,803,692</u> |
| TOTAL ASSETS | | <u>99,170,393</u> | <u>93,590,120</u> |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 8 | 203,753 | 132,113 |
| Current portion of long term borrowings | 9 | 556,007 | 52,993 |
| Provisions | 10 | 354,176 | 392,162 |
| TOTAL CURRENT LIABILITIES | | <u>1,113,936</u> | <u>577,268</u> |
| NON-CURRENT LIABILITIES | | | |
| Long term borrowings | 9 | 139,649 | 695,376 |
| Provisions | 10 | 76,740 | 69,507 |
| TOTAL NON-CURRENT LIABILITIES | | <u>216,389</u> | <u>764,883</u> |
| TOTAL LIABILITIES | | <u>1,330,325</u> | <u>1,342,151</u> |
| NET ASSETS | | <u>97,840,068</u> | <u>92,247,969</u> |
| EQUITY | | | |
| Retained surplus | | 56,427,086 | 55,130,823 |
| Reserves - cash backed | 11 | 2,636,856 | 2,643,507 |
| Revaluation surplus | 12 | 38,776,126 | 34,473,639 |
| TOTAL EQUITY | | <u>97,840,068</u> | <u>92,247,969</u> |

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

**SHIRE OF WONGAN-BALLIDU
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2017**

| | NOTE | RETAINED SURPLUS \$ | RESERVES CASH BACKED \$ | REVALUATION SURPLUS \$ | TOTAL EQUITY \$ |
|-----------------------------------|------|---------------------------|----------------------------------|------------------------------|-----------------------|
| Balance as at 1 July 2015 | | 56,339,709 | 1,222,338 | 33,875,982 | 91,438,029 |
| Comprehensive income | | | | | |
| Net result | | 212,283 | 0 | 0 | 212,283 |
| Changes on revaluation of assets | 12 | 0 | 0 | 597,657 | 597,657 |
| Total comprehensive income | | 212,283 | 0 | 597,657 | 809,940 |
| Transfers from/(to) reserves | | (1,421,169) | 1,421,169 | 0 | 0 |
| Balance as at 30 June 2016 | | 55,130,823 | 2,643,507 | 34,473,639 | 92,247,969 |
| Comprehensive income | | | | | |
| Net result | | 1,289,612 | 0 | 0 | 1,289,612 |
| Changes on revaluation of assets | 12 | 0 | 0 | 4,302,487 | 4,302,487 |
| Total comprehensive income | | 1,289,612 | 0 | 4,302,487 | 5,592,099 |
| Transfers from/(to) reserves | | 6,651 | (6,651) | 0 | 0 |
| Balance as at 30 June 2017 | | 56,427,086 | 2,636,856 | 38,776,126 | 97,840,068 |

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

**SHIRE OF WONGAN-BALLIDU
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2017**

| | NOTE | 2017 Actual \$ | 2017 Budget \$ | 2016 Actual \$ |
|---|-------|-------------------------|-------------------------|-------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts | | | | |
| Rates | | 2,792,081 | 2,807,294 | 2,653,339 |
| Operating grants, subsidies and contributions | | 3,160,556 | 2,462,890 | 2,296,565 |
| Fees and charges | | 543,410 | 1,014,544 | 1,109,778 |
| Service charges | | 0 | 0 | 25,400 |
| Interest earnings | | 95,290 | 87,599 | 135,707 |
| Goods and services tax | | 157,880 | 52,277 | 172,698 |
| Other revenue | | 854,333 | 64,636 | 349,482 |
| | | <u>7,603,550</u> | <u>6,489,240</u> | <u>6,742,969</u> |
| Payments | | | | |
| Employee costs | | (2,066,755) | (2,308,197) | (2,112,998) |
| Materials and contracts | | (1,482,172) | (1,428,290) | (1,954,246) |
| Utility charges | | (324,686) | (304,392) | (297,332) |
| Interest expenses | | (49,997) | (37,113) | (43,063) |
| Insurance expenses | | (220,893) | (254,222) | (215,621) |
| Goods and services tax | | (414,804) | 0 | (224,975) |
| Other expenditure | | (280,397) | (248,094) | (242,629) |
| | | <u>(4,839,704)</u> | <u>(4,580,308)</u> | <u>(5,090,864)</u> |
| Net cash provided by (used in) operating activities | 13(b) | 2,763,846 | 1,908,932 | 1,652,105 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Payments for purchase of property, plant & equipment | | (905,524) | (1,103,088) | (1,203,269) |
| Payments for construction of infrastructure | | (2,064,794) | (2,645,478) | (2,537,112) |
| Adjustment to Infrastructure | | 0 | 0 | 1,419 |
| Non-operating grants, subsidies and contributions | | 1,083,202 | 1,265,892 | 1,283,624 |
| Proceeds from sale of fixed assets | | 222,045 | 0 | 0 |
| Proceeds from sale of Plant & Equipment | | 0 | 200,000 | 212,955 |
| Net cash provided by (used in) investment activities | | <u>(1,665,071)</u> | <u>(2,282,674)</u> | <u>(2,242,383)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Repayment of debentures | | (52,713) | (52,699) | (98,005) |
| Proceeds from self supporting loans | | 67,258 | 52,699 | 58,035 |
| Net cash provided by (used in) financing activities | | <u>14,545</u> | <u>0</u> | <u>(39,970)</u> |
| Net increase (decrease) in cash held | | 1,113,320 | (373,742) | (630,248) |
| Cash at beginning of year | | 3,313,938 | 3,313,938 | 3,944,187 |
| Cash and cash equivalents at the end of the year | 13(a) | <u><u>4,427,258</u></u> | <u><u>2,940,196</u></u> | <u><u>3,313,939</u></u> |

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

SHIRE OF WONGAN-BALLIDU
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2017

| | NOTE | 2017 Actual \$ | 2017 Budget \$ | 2016 Actual \$ |
|--|-------|-------------------------|-------------------------|-----------------------|
| Net current assets at July 1 - surplus/(deficit) | | 627,833 | 659,018 | 3,102,634 |
| | | <u>627,833</u> | <u>659,018</u> | <u>3,102,634</u> |
| Revenue from operating activities (excluding rates) | | | | |
| Governance | | 88,822 | 24,300 | 182,258 |
| General purpose funding | | 3,062,904 | 2,016,231 | 1,062,758 |
| Law, order, public safety | | 33,988 | 32,300 | 34,186 |
| Health | | 144,462 | 19,200 | 71,778 |
| Education and welfare | | 5,406 | 4,381 | 6,447 |
| Housing | | 64,885 | 75,362 | 77,053 |
| Community amenities | | 184,149 | 174,810 | 248,702 |
| Recreation and culture | | 85,914 | 78,170 | 125,709 |
| Transport | | 722,214 | 770,065 | 582,663 |
| Economic services | | 32,528 | 11,750 | 35,560 |
| Other property and services | | 452,718 | 303,605 | 949,819 |
| | | <u>4,877,990</u> | <u>3,510,174</u> | <u>3,376,933</u> |
| Expenditure from operating activities | | | | |
| Governance | | (332,967) | (250,140) | (306,122) |
| General purpose funding | | (114,619) | (110,782) | (109,471) |
| Law, order, public safety | | (160,449) | (191,581) | (212,458) |
| Health | | (256,407) | (205,133) | (283,448) |
| Education and welfare | | (206,167) | (212,382) | (203,866) |
| Housing | | (189,338) | (224,226) | (205,803) |
| Community amenities | | (386,219) | (442,171) | (465,882) |
| Recreation and culture | | (1,811,353) | (1,642,245) | (1,460,239) |
| Transport | | (2,932,690) | (2,611,043) | (2,357,328) |
| Economic services | | (372,081) | (243,239) | (212,845) |
| Other property and services | | (714,453) | (916,705) | (1,297,460) |
| | | <u>(7,476,743)</u> | <u>(7,049,647)</u> | <u>(7,114,922)</u> |
| Operating activities excluded from budget | | | | |
| (Profit) on disposal of assets | 20 | 0 | (2,000) | (202) |
| Loss on disposal of assets | 20 | 122,460 | 60,500 | 121,590 |
| Adjustment to Infrastructure | | 0 | 0 | 1,420 |
| Movement in Long Service Leave Reserve | | 1,696 | 0 | 1,999 |
| Movement in deferred pensioner rates (non-current) | | (11,459) | 0 | 0 |
| Movement in employee benefit provisions (non-current) | | 7,233 | 0 | 10,584 |
| Fair Value Adjustment to Land Held for Resale | | 115,335 | 0 | 0 |
| Depreciation and amortisation on assets | 2(a) | 2,360,098 | 2,408,839 | 2,166,090 |
| Amount attributable to operating activities | | <u>624,443</u> | <u>(413,116)</u> | <u>1,666,126</u> |
| INVESTING ACTIVITIES | | | | |
| Non-operating grants, subsidies and contributions | | 1,083,202 | 1,265,892 | 1,283,624 |
| Proceeds from disposal of assets | 20 | 222,045 | 0 | 212,955 |
| Purchase of property, plant and equipment | 6(b) | (905,524) | (1,103,088) | (1,203,269) |
| Purchase and construction of infrastructure | 7(b) | (2,064,794) | (2,645,478) | (2,537,112) |
| Amount attributable to investing activities | | <u>(1,665,071)</u> | <u>(2,482,674)</u> | <u>(2,243,802)</u> |
| FINANCING ACTIVITIES | | | | |
| Repayment of debentures | 21(a) | (52,713) | (52,699) | (98,005) |
| Proceeds from self supporting loans | | 67,258 | 52,699 | 58,035 |
| Transfers to reserves (restricted assets) | 11 | (383,349) | (313,718) | (1,978,975) |
| Transfers from reserves (restricted assets) | 11 | 390,000 | 320,000 | 557,806 |
| Amount attributable to financing activities | | <u>21,196</u> | <u>6,282</u> | <u>(1,461,139)</u> |
| Surplus(deficiency) before general rates | | <u>(1,019,432)</u> | <u>(2,889,508)</u> | <u>(2,038,815)</u> |
| Total amount raised from general rates | 22 | <u>2,805,163</u> | <u>2,690,294</u> | <u>2,666,648</u> |
| Net current assets at June 30 c/fwd - surplus/(deficit) | 23 | <u><u>1,785,731</u></u> | <u><u>(199,214)</u></u> | <u><u>627,833</u></u> |

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

SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) 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), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. Material accounting policies which have been adopted in the preparation of this financial report are presented below and 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 19 to these financial statements.

(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) Cash and Cash Equivalents

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

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

SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Trade and Other Receivables

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

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

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

(d) Inventories

General

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

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

Land held for sale

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed.

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

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

(e) Fixed Assets

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

Mandatory requirement to revalue non-current assets

Effective from 1 July 2012, the Local Government (Financial Management) Regulations were amended and the measurement of non-current assets at Fair Value became mandatory.

During the year ended 30 June 2013, the Shire commenced the process of adopting Fair Value in accordance with the Regulations.

Whilst the amendments initially allowed for a phasing in of fair value in relation to fixed assets over three years, as at 30 June 2015 all non-current assets were carried at Fair Value in accordance with the requirements.

Thereafter, each asset class must be revalued in accordance with the regulatory framework established and the Shire revalues its asset classes in accordance with this mandatory timetable.

Relevant disclosures, in accordance with the requirements of Australian Accounting Standards, have been made in the financial report as necessary.

SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Fixed Assets (Continued)

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.

Initial recognition and measurement between mandatory revaluation dates

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

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 detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework detailed above.

Revaluation

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 asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

Land under roads

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

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

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

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

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

SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Fixed Assets (Continued)

Depreciation

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

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

- a) Restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount; or
- b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

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

| | |
|---------------------------------|-----------------|
| Buildings | 25 to 100 years |
| Furniture and equipment | 4 to 10 years |
| Plant and equipment | 1 to 15 years |
| Infrastructure - Drainage | 70 years |
| Infrastructure - Footpaths | 30 to 40 years |
| Infrastructure - Other | 15 to 60 years |
| Infrastructure - Road Seals | 27 years |
| Infrastructure - Road Subgrade | 200 years |
| Infrastructure - Roads Unsealed | 10 years |

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

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

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

SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fair Value of Assets and Liabilities

When performing a revaluation, the Shire uses a mix of both independent and management valuations using the following as a guide:

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.

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.

SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fair Value of Assets and Liabilities (Continued)

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 an asset at its current service capacity.

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.

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued in accordance with the regulatory framework.

(g) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Shire becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Shire commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or at cost.

Amortised cost is calculated as:

- (a) the amount in which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments and any reduction for impairment; and
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Financial Instruments (Continued)

Classification and subsequent measurement (continued)

(i) Financial assets at fair value through profit and loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss. Assets in this category are classified as current assets.

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments that the Shire has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Held-to-maturity investments are included in current assets, where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as non-current.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into 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.

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in current assets, where they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as non-current.

(v) Financial liabilities

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

SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Financial Instruments (Continued)

Impairment

A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which will have an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the Shire no longer has any significant continual involvement in the risks and benefits associated with the asset.

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.

(h) Impairment of Assets

In accordance with Australian Accounting Standards the Shire's 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 assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

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

SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other 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 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.

(k) 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.

(l) 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.

(m) 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 amounts equal to 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.

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 in the periods in which they are incurred.

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

SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Investment in Associates

An associate is an entity over which the Shire has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Shire's share of net assets of the associate. In addition, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss.

The carrying amount of the investment includes, where applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Shire's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Shire and the associate are eliminated to the extent of the Shire's interest in the associate.

When the Shire's share of losses in an associate equals or exceeds its interest in the associate, the Shire discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Shire will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

(o) Interests in Joint Arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method. Refer to note 1(o) for a description of the equity method of accounting.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Shire's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 16.

(p) Rates, Grants, Donations and Other Contributions

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

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

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 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 2(c). 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.

(q) 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.

SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Current and Non-Current Classification

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. 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 even if not expected to be realised in the next 12 months except for land held for sale where it is held as non-current based on the Shire's intentions to release for sale.

(s) Rounding Off Figures

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

(t) 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 statement, 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.

(u) 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.

SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) New Accounting Standards and Interpretations for Application in Future Periods

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

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

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

Notes:

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

**SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) New Accounting Standards and Interpretations for Application in Future Periods (Continued)

| Title | Issued / Compiled | Applicable ⁽¹⁾ | Impact |
|--|-------------------|---------------------------|---|
| (iv) AASB 1058 Income of Not-for-Profit Entities (incorporating AASB 2016-7 and AASB 2016-8) | December 2016 | 1 January 2019 | <p>These standards are likely to have a significant impact on the income recognition for NFP's. Key areas for consideration are:</p> <ul style="list-style-type: none"> - Assets received below fair value; - Transfers received to acquire or construct non-financial assets; - Grants received; - Prepaid rates; - Leases entered into at below market rates; and - Volunteer services. <p>Whilst it is not possible to quantify the financial impact (or if it is material) of these key areas until the details of future transactions are known, they will all have application to the Shire's operations.</p> |

Notes:

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

(w) Adoption of New and Revised Accounting Standards

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

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

- (i) AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities

[AASB 10, 124 & 1049]

The objective of this Standard was to extend the scope of AASB 124 *Related Party Disclosures* to include not-for-profit sector entities.

The Standard has had a significant disclosure impact on the financial report of the Shire as both Elected Members and Senior Management are deemed to be Key Management Personnel and resultant disclosures in accordance to AASB 124 have been necessary.

SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

| 2. REVENUE AND EXPENSES | 2017 | 2016 |
|--|------------------|------------------|
| | \$ | \$ |
| (a) Net Result | | |
| The Net result includes: | | |
| (i) Charging as an expense: | | |
| Auditors remuneration | | |
| - Audit of the Annual Financial Report | 24,465 | 25,262 |
| Depreciation | | |
| Buildings - non-specialised | 64,559 | 64,358 |
| Buildings - specialised | 373,909 | 351,863 |
| Furniture and equipment | 24,136 | 16,614 |
| Plant and equipment | 477,606 | 274,286 |
| Motor Vehicles | 41,269 | 25,508 |
| Infrastructure - Roads | 959,192 | 919,984 |
| Infrastructure - Footpaths | 45,088 | 45,088 |
| Infrastructure - Drainage | 22,555 | 87,600 |
| Infrastructure - Parks and Ovals | 231,700 | 247,059 |
| Infrastructure - Other | 103,516 | 117,163 |
| Infrastructure - Signs | 16,568 | 16,567 |
| | <u>2,360,098</u> | <u>2,166,090</u> |
| Interest expenses (finance costs) | | |
| Debentures (refer Note 21 (a)) | 33,214 | 55,360 |
| | <u>33,214</u> | <u>55,360</u> |
| (ii) Crediting as revenue: | | |
| Significant revenue | | |
| Flood Damage Income | 499,422 | 0 |
| Other revenue | | |
| Reimbursements and recoveries | 240,103 | 221,557 |
| Significant revenue (refer above) | 499,422 | 0 |
| Other | 114,808 | 127,925 |
| | <u>854,333</u> | <u>349,482</u> |
| | <u>2,414,431</u> | <u>2,515,572</u> |
| | 2017 | 2016 |
| | Actual | Budget |
| | \$ | \$ |
| Interest earnings | | |
| - Loans receivable - clubs/institutions | (3,524) | 22,882 |
| - Reserve funds | 57,041 | 39,717 |
| - Other funds | 13,608 | 17,500 |
| Other interest revenue (refer note 27) | 28,165 | 7,500 |
| | <u>95,290</u> | <u>87,599</u> |
| | <u>2,509,721</u> | <u>2,603,171</u> |

SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

In order to discharge its responsibilities to the community, the Shire has developed a set of operational and financial objectives. These objectives have been established both on an overall basis, reflected by the Shire's Community Vision, and for each of its broad activities/programs.

COMMUNITY VISION

The Shire will endeavour to provide the community services and facilities to meet the needs of the members of the community and enable them to enjoy a pleasant and healthy way of life.

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

GOVERNANCE

Objective:

To provide a decision making process for the efficient allocation of scarce resources.

Activities:

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

Objective:

To collect revenue to allow for the provision of services.

Activities:

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

Objective:

To provide services to help ensure a safer and environmentally conscious community.

Activities:

Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.

HEALTH

Objective:

To provide an operational framework for environmental and community health.

Activities:

Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.

EDUCATION AND WELFARE

Objective:

To provide services to disadvantaged persons, the elderly, children and youth.

Activities:

Maintenance of child minding centre, playgroup centre, senior citizen centre and aged care centre. Provision and maintenance of home and community care programs and youth services.

HOUSING

Objective:

To provide and maintain elderly residents housing.

Activities:

Provision and maintenance of elderly residents housing.

SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

COMMUNITY AMENITIES

Objective:

To provide services required by the community.

Activities:

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

Objective:

To establish and effectively manage infrastructure and resource which will help the social wellbeing of the community.

Activities:

Maintenance of public halls, civic centres, aquatic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.

TRANSPORT

Objective:

To provide safe, effective and efficient transport services to the community.

Activities:

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

Objective:

To help promote the shire and its economic wellbeing.

Activities:

Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building Control.

OTHER PROPERTY AND SERVICES

Objective:

To monitor and control Shire's overheads operating accounts.

Activities:

Private works operation, plant repair and operation costs and engineering operation costs.

SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

| Grant/Contribution | Opening Balance ⁽¹⁾ 1/07/15 \$ | Received ⁽²⁾ 2015/16 \$ | Expended ⁽³⁾ 2015/16 \$ | Closing Balance ⁽¹⁾ 30/06/16 \$ | Received ⁽²⁾ 2016/17 \$ | Expended ⁽³⁾ 2016/17 \$ | Closing Balance 30/06/17 \$ |
|------------------------------------|--|---|---|---|---|---|--|
| Law, order, public safety | | | | | | | |
| Department of Local Government | 2,973 | 0 | 0 | 2,973 | 0 | (2,973) | 0 |
| Community amenities | | | | | | | |
| CRC Community Res Network | 1,780 | 0 | 0 | 1,780 | 0 | 0 | 1,780 |
| Other property and services | | | | | | | |
| Dept of Regional Development | 0 | 0 | 0 | 0 | 15,288 | (15,264) | 24 |
| Total | <u><u>4,753</u></u> | <u><u>0</u></u> | <u><u>0</u></u> | <u><u>4,753</u></u> | <u><u>15,288</u></u> | <u><u>(18,237)</u></u> | <u><u>1,804</u></u> |

Notes:

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

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

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

SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

| | Note | 2017 \$ | 2016 \$ |
|---|------|------------------|------------------|
| 3. CASH AND CASH EQUIVALENTS | | | |
| Unrestricted | | 1,788,598 | 665,679 |
| Restricted | | 2,638,660 | 2,648,260 |
| | | <u>4,427,258</u> | <u>3,313,939</u> |
| The following restrictions have been imposed by regulations or other externally imposed requirements: | | | |
| Depot Improvement Reserve | 11 | 6,162 | 6,027 |
| Plant Reserve | 11 | 657,895 | 570,994 |
| Loan Repayments Reserve | 11 | 511,228 | 500,121 |
| Housing Reserve | 11 | 1,766 | 1,728 |
| WH CRC Reserve | 11 | 12,893 | 12,613 |
| LSL Reserve | 11 | 78,142 | 76,444 |
| Swimming Pool Reserve | 11 | 132,589 | 100,274 |
| Historical Reserve | 11 | 6,744 | 6,597 |
| Medical Facilities & Royalties for Regions Special Proc | 11 | 408,982 | 400,097 |
| Waste Management Reserve | 11 | 28,386 | 22,863 |
| Housing JV Stickland Street Reserve | 11 | 36,173 | 30,481 |
| Housing JV Quinlan Street Reserve | 11 | 27,959 | 32,257 |
| Housing JV Patterson Street Reserve | 11 | 27,431 | 21,929 |
| Sporting Co-Location Reserve | 11 | 700,506 | 861,082 |
| Unspent grants | 2(c) | 1,804 | 4,753 |
| | | <u>2,638,660</u> | <u>2,648,260</u> |

SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

| | 2017 | 2016 |
|---|----------------|----------------|
| | \$ | \$ |
| 4. TRADE AND OTHER RECEIVABLES | | |
| Current | | |
| Rates outstanding | 142,974 | 124,048 |
| Sundry debtors | 267,943 | 219,385 |
| GST receivable | 52,937 | 52,277 |
| Loans receivable - clubs/institutions | 56,047 | 67,258 |
| | <u>519,901</u> | <u>462,968</u> |
| Non-current | | |
| Rates outstanding - pensioners | 24,906 | 13,447 |
| Loans receivable - clubs/institutions | 139,649 | 195,696 |
| | <u>164,555</u> | <u>209,143</u> |
| Information with respect the impairment or otherwise of the totals of rates outstanding and sundry debtors is as follows: | | |
| Rates outstanding | <u>142,974</u> | <u>124,048</u> |
| Includes: | | |
| Past due and not impaired | 142,974 | 124,048 |
| Impaired | <u>0</u> | <u>0</u> |
| Sundry debtors | <u>267,943</u> | <u>219,385</u> |
| Includes: | | |
| Past due and not impaired | 58,362 | 48,445 |
| Impaired | <u>0</u> | <u>0</u> |
| 5. INVENTORIES | | |
| Current | | |
| Fuel and Materials | 11,262 | 9,521 |
| | <u>11,262</u> | <u>9,521</u> |
| Non-current | | |
| Shields Crescent | 564,000 | 739,335 |
| Ningham Rise-LIA | 160,000 | 100,000 |
| | <u>724,000</u> | <u>839,335</u> |

SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

| | 2017 | 2016 |
|---|-------------|-------------|
| | \$ | \$ |
| 6 (a). PROPERTY, PLANT AND EQUIPMENT | | |
| Land | | |
| - Independent Valuation 2014 - Level 2 | 0 | 1,918,630 |
| - Independent valuation 2017 - level 2 | 1,657,000 | 0 |
| - Independent valuation 2017 - level 3 | 566,200 | 0 |
| | 2,223,200 | 1,918,630 |
| Land - vested in and under the control of Council at: | | |
| - Independent valuation 2017 - level 3 | 500,000 | 0 |
| - Management Valuation 2014 - level 3 | 0 | 266,887 |
| | 500,000 | 266,887 |
| | 2,723,200 | 2,185,517 |
| Buildings - non-specialised at: | | |
| - Independent Valuation 2014 - level 2 | 0 | 2,525,977 |
| - Independent valuation 2017 - level 2 | 2,301,631 | 0 |
| - Independent valuation 2017 - level 3 | 1,536,300 | 0 |
| - Additions after valuation - cost | 0 | 1,324,286 |
| - Less: accumulated depreciation | 0 | (239,519) |
| | 3,837,931 | 3,610,744 |
| Buildings - specialised at: | | |
| - Independent Valuation 2014 - level 3 | 0 | 15,913,976 |
| - Independent valuation 2017 - level 2 | 521,740 | 0 |
| - Independent valuation 2017 - level 3 | 14,996,715 | 0 |
| - Additions after valuation - cost | 0 | 309,795 |
| - Less: accumulated depreciation | 0 | (1,223,981) |
| | 15,518,455 | 14,999,790 |
| | 19,356,386 | 18,610,534 |
| Total land and buildings | 22,079,586 | 20,796,051 |
| Furniture and equipment at: | | |
| - Independent Valuation 2016 - Level 3 | 198,354 | 198,354 |
| - Less: accumulated depreciation | (24,136) | 0 |
| | 174,218 | 198,354 |
| Plant and equipment at: | | |
| - Independent Valuation 2016 - Level 2 | 3,620,570 | 3,818,570 |
| - Additions after valuation - cost | 579,993 | 0 |
| - Less: accumulated depreciation | (448,458) | 0 |
| | 3,752,105 | 3,818,570 |

SHIRE OF WONGAN-BALLIDU
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| | 2017 | 2016 |
|--|--------------------------|--------------------------|
| | \$ | \$ |
| Motor Vehicles at: | | |
| - Independent Valuation 2016 - Level 2 | 142,000 | 321,000 |
| - Additions after valuation - cost | 207,988 | 0 |
| - Less: accumulated depreciation | <u>(37,921)</u> | <u>0</u> |
| | <u>312,067</u> | <u>321,000</u> |
| | <u><u>26,317,976</u></u> | <u><u>25,133,975</u></u> |

The fair value of property, plant and equipment is determined at least every three years in accordance with the regulatory framework. Additions since the date of valuation are shown as cost, given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening 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.

SHIRE OF WONGAN-BALLIDU
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6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Movements in Carrying Amounts

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

| | Balance at the Beginning of the Year \$ | Additions \$ | (Disposals) \$ | Revaluation Increments/ (Decrements) Transferred to Revaluation \$ | Revaluation (Losses)/ Reversals Through to Profit or Loss \$ | Impairment (Losses)/ Reversals \$ | Depreciation (Expense) \$ | Transfers \$ | Carrying Amount at the End of Year \$ |
|--|---|-----------------|-------------------|--|--|--|---------------------------------|-----------------|---|
| Land - freehold land | 1,918,630 | 0 | 0 | 304,570 | 0 | 0 | 0 | 0 | 2,223,200 |
| Land - vested in and under the control of Council | 266,887 | 0 | 0 | 233,113 | 0 | 0 | 0 | 0 | 500,000 |
| Total land | 2,185,517 | 0 | 0 | 537,683 | 0 | 0 | 0 | 0 | 2,723,200 |
| Buildings - non-specialised | 3,610,744 | 13,568 | 0 | 1,389,905 | 0 | 0 | (64,559) | (1,111,727) | 3,837,931 |
| Buildings - specialised | 14,999,790 | 103,975 | 0 | (338,603) | 0 | 0 | (373,909) | 1,127,202 | 15,518,455 |
| Total buildings | 18,610,534 | 117,543 | 0 | 1,051,302 | 0 | 0 | (438,468) | 15,475 | 19,356,386 |
| Total land and buildings | 20,796,051 | 117,543 | 0 | 1,588,985 | 0 | 0 | (438,468) | 15,475 | 22,079,586 |
| Furniture and equipment | 198,354 | 0 | 0 | 0 | 0 | 0 | (24,136) | 0 | 174,218 |
| Plant and equipment | 3,818,570 | 579,993 | (168,852) | 0 | 0 | 0 | (477,606) | 0 | 3,752,105 |
| Motor Vehicles | 321,000 | 207,988 | (175,652) | 0 | 0 | 0 | (41,269) | 0 | 312,067 |
| Total property, plant and equipment | 25,133,975 | 905,524 | (344,504) | 1,588,985 | 0 | 0 | (981,479) | 15,475 | 26,317,976 |

**SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair Value Measurements

| Asset Class | Fair Value Hierarchy | Valuation Technique | Basis of valuation | Date of last Valuation | Inputs used |
|---|-----------------------------|---|---------------------------|-------------------------------|--|
| Land | | | | | |
| Land - freehold land | Level 2/3 | Market approach using observable or estimated open market values of similar assets, adjusted for condition and comparability, at their highest and best use | Independent Valuation | June 2017 | Available or estimated market information |
| Land - vested in and under the control of Council | Level 3 | Cost Approach using current replacement cost | Independent Valuation | June 2017 | Improvement to land using construction costs (level 2 inputs) and current condition (Level 3 inputs) |
| Buildings - non-specialised | Level 2/3 | Cost Approach using current replacement cost | Independent Valuation | June 2017 | Available market information and utilising both observable and unobservable inputs being construction costs based on recent contract prices,current condition (Level 2 inputs), residual values and remaining useful life assessments (Level 3 inputs) |
| Buildings - specialised | Level 2/3 | Cost Approach using current replacement cost | Independent Valuation | June 2017 | Available market information and utilising both observable and unobservable inputs being construction costs based on recent contract prices,current condition (Level 2 inputs), residual values and remaining useful life assessments (Level 3 inputs) |
| Furniture and equipment | | | | | |
| | Level 3 | Cost approach using depreciated replacement cost | Independent Valuation | June 2016 | Available market information and utilising both observable and unobservable inputs being construction costs based on recent contract prices,current condition (Level 2 inputs), residual values and remaining useful life assessments (Level 3 inputs) |
| Plant and equipment | | | | | |
| - Independent Valuation 2016 | Level 2 | Market approach using recent observable data for similar plant items | Independent Valuation | June 2016 | Available market information |
| - Management valuation 201X | | | | | |
| Motor Vehicles | Level 2 | Market approach using recent observable data for similar motor vehicles | Independent Valuation | June 2016 | Available market information |

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

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

SHIRE OF WONGAN-BALLIDU
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| | 2017 | 2016 |
|--|--------------------|-------------------|
| | \$ | \$ |
| 7 (a). INFRASTRUCTURE | | |
| Infrastructure - Roads | | |
| - Management Valuation 2015 - Level 3 | 48,468,768 | 45,933,074 |
| - Additions after valuation - cost | 2,066,212 | 1,985,628 |
| - Less: accumulated depreciation | <u>(1,880,594)</u> | <u>(921,402)</u> |
| | 48,654,386 | 46,997,300 |
| Infrastructure - Footpaths | | |
| - Management Valuation 2015 - Level 3 | 1,354,000 | 1,354,000 |
| - Less: accumulated depreciation | <u>(90,176)</u> | <u>(45,088)</u> |
| | 1,263,824 | 1,308,912 |
| Infrastructure - Drainage | | |
| - Management Valuation 2015 - Level 3 | 6,132,000 | 6,132,000 |
| - Less: accumulated depreciation | <u>(110,155)</u> | <u>(87,600)</u> |
| | 6,021,845 | 6,044,400 |
| Infrastructure - Parks and Ovals | | |
| - Management Valuation 2015 - Level 3 | 7,144,500 | 7,144,500 |
| - Less: accumulated depreciation | <u>(473,901)</u> | <u>(247,059)</u> |
| | 6,670,599 | 6,897,441 |
| Infrastructure - Other | | |
| - Management Valuation 2017 - Level 3 | 0 | 2,009,394 |
| - Independent Valuation 2017 - level 3 | 3,930,400 | 0 |
| - Less: accumulated depreciation | <u>0</u> | <u>(117,163)</u> |
| | 3,930,400 | 1,892,231 |
| Infrastructure - Signs | | |
| - Management Valuation 2015 - Level 3 | 497,522 | 497,522 |
| Infrastructure - Signs- Less: accumulated depreciation | <u>(33,135)</u> | <u>(16,567)</u> |
| | 464,387 | 480,955 |
| | <u>67,005,441</u> | <u>63,621,239</u> |

The fair value of infrastructure is determined at least every three years in accordance with the regulatory framework. Additions since the date of valuation are shown as cost. Given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening 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 infrastructure to be shown at fair value.

SHIRE OF WONGAN-BALLIDU
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7. INFRASTRUCTURE (Continued)

(b) Movements in Carrying Amounts

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

| | Balance as at the Beginning of the Year | Additions | (Disposals) | Revaluation Increments/ (Decrements) Transferred to Revaluation | Revaluation (Loss)/ Reversal Transferred to Profit or Loss | Impairment (Losses)/ Reversals | Depreciation (Expense) | Transfers | Carrying Amount at the End of the Year |
|----------------------------------|--|-------------------------|-----------------|--|---|--------------------------------------|---------------------------|------------------------|---|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Infrastructure - Roads | 46,997,300 | 2,064,794 | 0 | 551,484 | 0 | 0 | (959,192) | 0 | 48,654,386 |
| Infrastructure - Footpaths | 1,308,912 | 0 | 0 | 0 | 0 | 0 | (45,088) | 0 | 1,263,824 |
| Infrastructure - Drainage | 6,044,400 | 0 | 0 | 0 | 0 | 0 | (22,555) | 0 | 6,021,845 |
| Infrastructure - Parks and Ovals | 6,897,441 | 0 | 0 | 0 | 0 | 0 | (231,700) | 4,858 | 6,670,599 |
| Infrastructure - Other | 1,892,231 | 0 | 0 | 2,162,018 | 0 | 0 | (103,516) | (20,333) | 3,930,400 |
| Infrastructure - Signs | 480,955 | 0 | 0 | 0 | 0 | 0 | (16,568) | 0 | 464,387 |
| Total infrastructure | <u>63,621,239</u> | <u>2,064,794</u> | <u>0</u> | <u>2,713,502</u> | <u>0</u> | <u>0</u> | <u>(1,378,619)</u> | <u>(15,475)</u> | <u>67,005,441</u> |

SHIRE OF WONGAN-BALLIDU
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7. INFRASTRUCTURE (Continued)

(c) Fair Value Measurements

| Asset Class | Fair Value Hierarchy | Valuation Technique | Basis of valuation | Date of last Valuation | Inputs used |
|---|-----------------------------|------------------------------|---------------------------|-------------------------------|---|
| Infrastructure - Roads | Level 3 | Depreciated Replacement Cost | Management Valuation | June 2015 | Construction cost and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs |
| Infrastructure - Footpaths | Level 3 | Depreciated Replacement Cost | Management Valuation | June 2015 | Construction cost and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs |
| Infrastructure - Drainage | Level 3 | Depreciated Replacement Cost | Management Valuation | June 2015 | Construction cost and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs |
| Infrastructure - Parks and Ovals | Level 3 | Depreciated Replacement Cost | Management Valuation | June 2015 | Construction cost and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs |
| Infrastructure - Other | Level 3 | Depreciated Replacement Cost | Management Valuation | June 2015 | Construction cost and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs |
| Infrastructure - Signs | Level 3 | Depreciated Replacement Cost | Management Valuation | June 2015 | Construction cost and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs |

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

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

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| | 2017 | 2016 |
|------------------------------------|----------------|----------------|
| | \$ | \$ |
| 8. TRADE AND OTHER PAYABLES | | |
| Current | | |
| Sundry creditors | 103,692 | 120 |
| Accrued interest on debentures | 10,997 | 27,780 |
| Accrued salaries and wages | 34,648 | 25,899 |
| ATO liabilities | 54,416 | 78,314 |
| | <u>203,753</u> | <u>132,113</u> |

9. LONG-TERM BORROWINGS

| | | |
|------------------------------------|----------------|----------------|
| Current | | |
| Secured by floating charge | | |
| Debentures - Shire Purposes | 500,000 | 0 |
| Debentures - Self Supporting Loans | 56,007 | 52,993 |
| | <u>556,007</u> | <u>52,993</u> |
| Non-current | | |
| Secured by floating charge | | |
| Debentures - Shire Purposes | 0 | 500,000 |
| Debentures - Self Supporting Loans | 139,649 | 195,376 |
| | <u>139,649</u> | <u>695,376</u> |

Additional detail on borrowings is provided in Note 21.

10. PROVISIONS

| | Provision for Annual Leave | Provision for Long Service Leave | Total |
|---------------------------------------|---|---|----------------|
| | \$ | \$ | \$ |
| Opening balance at 1 July 2016 | | | |
| Current provisions | 164,357 | 227,805 | 392,162 |
| Non-current provisions | 0 | 69,507 | 69,507 |
| | <u>164,357</u> | <u>297,312</u> | <u>461,669</u> |
| Additional provision | (17,967) | (12,786) | (30,753) |
| Balance at 30 June 2017 | <u>146,390</u> | <u>284,526</u> | <u>430,916</u> |
| Comprises | | | |
| Current | 146,390 | 207,786 | 354,176 |
| Non-current | 0 | 76,740 | 76,740 |
| | <u>146,390</u> | <u>284,526</u> | <u>430,916</u> |

SHIRE OF WONGAN-BALLIDU
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11 RESERVES - CASH BACKED

| | Actual 2017 Opening Balance \$ | Actual 2017 Transfer to \$ | Actual 2017 Transfer (from) \$ | Actual 2017 Closing Balance \$ | Budget 2017 Opening Balance \$ | Budget 2017 Transfer to \$ | Budget 2017 Transfer (from) \$ | Budget 2017 Closing Balance \$ | Actual 2016 Opening Balance \$ | Actual 2016 Transfer to \$ | Actual 2016 Transfer (from) \$ | Actual 2016 Closing Balance \$ |
|--|---|---|---|---|---|---|---|---|---|---|---|---|
| Depot Improvement Reserve | 6,028 | 134 | | 6,162 | 6,028 | 91 | | 6,119 | 5,870 | 158 | 0 | 6,028 |
| Plant Reserve | 570,994 | 286,901 | (200,000) | 657,895 | 570,994 | 232,577 | (250,000) | 553,571 | 586,188 | 284,806 | (300,000) | 570,994 |
| Loan Repayments Reserve | 500,121 | 11,107 | 0 | 511,228 | 500,121 | 7,500 | 0 | 507,621 | 0 | 500,121 | 0 | 500,121 |
| Housing Reserve | 1,728 | 38 | 0 | 1,766 | 1,728 | 44 | 0 | 1,772 | 95,101 | 1,627 | (95,000) | 1,728 |
| WH CRC Reserve | 12,613 | 280 | 0 | 12,893 | 12,613 | 190 | 0 | 12,803 | 12,283 | 330 | 0 | 12,613 |
| LSL Reserve | 76,444 | 1,698 | 0 | 78,142 | 76,444 | 1,149 | 0 | 77,593 | 74,445 | 1,999 | 0 | 76,444 |
| Swimming Pool Reserve | 100,273 | 32,316 | 0 | 132,589 | 100,273 | 31,508 | 0 | 131,781 | 142,205 | 3,068 | (45,000) | 100,273 |
| Historical Reserve | 6,597 | 147 | 0 | 6,744 | 6,597 | 99 | 0 | 6,696 | 6,425 | 172 | 0 | 6,597 |
| Medical Facilities & Royalties for Regions Special | 400,097 | 8,885 | 0 | 408,982 | 400,097 | 6,000 | 0 | 406,097 | 0 | 400,097 | 0 | 400,097 |
| Waste Management Reserve | 22,863 | 5,523 | 0 | 28,386 | 22,863 | 5,344 | 0 | 28,207 | 17,395 | 5,468 | 0 | 22,863 |
| Housing JV Stickland Street Reserve | 30,481 | 5,692 | 0 | 36,173 | 30,480 | 5,458 | (10,000) | 25,938 | 24,813 | 5,668 | 0 | 30,481 |
| Housing JV Quinlan Street Reserve | 32,257 | 5,702 | (10,000) | 27,959 | 32,257 | 5,485 | 0 | 37,742 | 29,775 | 5,800 | (3,318) | 32,257 |
| Housing JV Patterson Street Reserve | 21,929 | 5,502 | 0 | 27,431 | 21,929 | 5,330 | 0 | 27,259 | 22,578 | 5,606 | (6,255) | 21,929 |
| Sporting Co-Location Reserve | 861,082 | 19,424 | (180,000) | 700,506 | 861,082 | 12,943 | (60,000) | 814,025 | 205,260 | 764,055 | (108,233) | 861,082 |
| | <u>2,643,507</u> | <u>383,349</u> | <u>(390,000)</u> | <u>2,636,856</u> | <u>2,643,506</u> | <u>313,718</u> | <u>(320,000)</u> | <u>2,637,224</u> | <u>1,222,338</u> | <u>1,978,975</u> | <u>(557,806)</u> | <u>2,643,507</u> |

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.

SHIRE OF WONGAN-BALLIDU
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11 RESERVES - CASH BACKED

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 |
|---|--------------------------------|--|
| Depot Improvement Reserve | Unknown | - To be used to fund capital improvements and maintenance works at the Shire of Wongan-Ballidu. |
| Plant Reserve | Unknown | - To be used for the purchase of major plant. |
| Loan Repayments Reserve | Unknown | - To be used to fund loan repayments for land an housing development in the Shields |
| Housing Reserve | Unknown | - To be used for the development of housing within the Shire. |
| WH CRC Reserve | Unknown | - To be used to transfer funds from the Community Resource Centre operations for the future purchase of capita, furniture and equipment. |
| Land and Buildings Reserve | Unknown | - To be used for purchase of land and the construction and maintenance of Council assets. |
| LSL Reserve | Unknown | - To be used for Coucil's current and non-current long service leave liability. |
| Swimming Pool Reserve | Unknown | - To be used to fund capital and maintenance works at the Wongan Hills Memorial Swimming Pool. |
| Historical Reserve | Unknown | - To be used to fund historical publications and projects of the Shire. |
| Medical Facilities & Royalties for Regions Special Projects Res | Unknown | - To be used to fund the refurbishment of a multi-purpose medical facility in Wongan Hills to house the doctor,dentist and other medical services and to fund projects identified for the Royalties for Regions programme. |
| Waste Management Reserve | Unknown | - To be used to fund the future waste management facilit needs of the Shire. |
| Centenary Celebrations Reserve | Unknown | - To be used to fund community groups and Council events to commemorate the Centenery and other historic activities as determined by the Shire of Wongan-Ballidu. |
| Industrial & LIA Park Reserve | Unknown | - To be used to fund the development and operating costs of Wongan Hills Industrial and LIA Park. To be used as the facility to record all of the project costs and revenues with the balance after completion of the project to be transferred to the Municipal Fund. |
| Housing JV Stickland Street Reserve | Unknown | - To be used to fund the capital and operating costs of the Housing joint venture in Stickland Street. |
| Housing JV Quinlan Street Reserve | Unknown | - To be used to fund the capital and operating costs of the Housing joint venture in Quinlan Street. |
| Housing JV Patterson Street Reserve | Unknown | - To be used to fund the capital and operating costs of the Housing joint venture in Quinlan Street. |
| Sporting Co-Location Reserve | Unknown | - To be used to fund the implementation of the co-location of sports facilities within the Shire of Wongan-Ballidu. |

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12. REVALUATION SURPLUS

| | 2017 | 2017 | 2017 | 2017 | 2017 | 2016 | 2016 | 2016 | 2016 | 2016 |
|------------------------------------|-------------------|------------------|-------------|------------------|-------------------|-------------------|------------------|------------------|----------------|-------------------|
| | Opening | Revaluation | Revaluation | Total | Closing | Opening | Revaluation | Revaluation | Total | Closing |
| | Balance | Increment | (Decrement) | Revaluation | Balance | Balance | Increment | (Decrement) | Revaluation | Balance |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| - Land and buildings | 13,106,168 | 1,588,985 | 0 | 1,588,985 | 14,695,153 | 13,106,168 | 0 | 0 | 0 | 13,106,168 |
| - Furniture and equipment | 163,547 | 0 | 0 | 0 | 163,547 | 15,450 | 148,097 | 0 | 148,097 | 163,547 |
| - Plant and equipment | 2,082,319 | 0 | 0 | 0 | 2,082,319 | 1,095,954 | 986,365 | 0 | 986,365 | 2,082,319 |
| - Motor Vehicles | 14,679 | 0 | 0 | 0 | 14,679 | 0 | 14,679 | 0 | 14,679 | 14,679 |
| - Infrastructure - Roads | 4,142,727 | 551,484 | 0 | 551,484 | 4,694,211 | 4,694,211 | 0 | (551,484) | (551,484) | 4,142,727 |
| - Infrastructure - Footpaths | 1,100,452 | 0 | 0 | 0 | 1,100,452 | 1,100,452 | 0 | 0 | 0 | 1,100,452 |
| - Infrastructure - Drainage | 6,020,318 | 0 | 0 | 0 | 6,020,318 | 6,020,318 | 0 | 0 | 0 | 6,020,318 |
| - Infrastructure - Parks and Ovals | 6,415,851 | 0 | 0 | 0 | 6,415,851 | 6,415,851 | 0 | 0 | 0 | 6,415,851 |
| - Infrastructure - Other | 978,767 | 2,162,018 | 0 | 2,162,018 | 3,140,785 | 978,767 | 0 | 0 | 0 | 978,767 |
| - Infrastructure - Signs | 448,811 | 0 | 0 | 0 | 448,811 | 448,811 | 0 | 0 | 0 | 448,811 |
| | <u>34,473,639</u> | <u>4,302,487</u> | <u>0</u> | <u>4,302,487</u> | <u>38,776,126</u> | <u>33,875,982</u> | <u>1,149,141</u> | <u>(551,484)</u> | <u>597,657</u> | <u>34,473,639</u> |

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

SHIRE OF WONGAN-BALLIDU
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13. NOTES TO THE STATEMENT OF CASH FLOWS

(a) 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:

| | 2017 | 2017 | 2016 |
|---------------------------|------------------|------------------|------------------|
| | \$ | Budget | \$ |
| | | \$ | |
| Cash and cash equivalents | <u>4,427,258</u> | <u>2,940,196</u> | <u>3,313,939</u> |

(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result

| | | | |
|--|--------------------|--------------------|--------------------|
| Net result | 1,289,612 | 416,713 | 212,283 |
| Non-cash flows in Net result: | | | |
| Depreciation | 2,360,098 | 2,408,839 | 2,166,090 |
| (Profit)/Loss on sale of asset | 122,460 | 58,500 | 121,388 |
| Changes in assets and liabilities: | | | |
| (Increase)/Decrease in receivables | (79,603) | 290,772 | 474,615 |
| (Increase)/Decrease in inventories | (1,741) | 0 | 30,145 |
| Increase/(Decrease) in payables | 71,640 | 0 | (57,314) |
| Increase/(Decrease) in provisions | (30,753) | 0 | (11,478) |
| Impairment loss on land held for resale | 115,335 | | |
| Grants contributions for the development of assets | <u>(1,083,202)</u> | <u>(1,265,892)</u> | <u>(1,283,624)</u> |
| Net cash from operating activities | <u>2,763,846</u> | <u>1,908,932</u> | <u>1,652,105</u> |

| | 2017 | 2016 |
|--|----------------|----------------|
| | \$ | \$ |
| (c) Undrawn Borrowing Facilities | | |
| Credit Standby Arrangements | | |
| Bank overdraft limit | 100,000 | 100,000 |
| Bank overdraft at balance date | 0 | 0 |
| Credit card limit | 7,500 | 7,500 |
| Credit card balance at balance date | <u>0</u> | <u>0</u> |
| Total amount of credit unused | <u>107,500</u> | <u>107,500</u> |
| Loan facilities | | |
| Loan facilities - current | 556,007 | 52,993 |
| Loan facilities - non-current | <u>139,649</u> | <u>695,376</u> |
| Total facilities in use at balance date | <u>695,656</u> | <u>748,369</u> |
| Unused loan facilities at balance date | <u>NIL</u> | <u>NIL</u> |

**SHIRE OF WONGAN-BALLIDU
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14. CONTINGENT LIABILITIES

The Shire did not have any contingent liabilities at the reporting date.

15. CAPITAL AND LEASING COMMITMENTS

(a) Operating Lease Commitments

The Shire did not have any future operating lease commitments at the reporting date.

(b) Capital Expenditure Commitments

The Shire did not have any capital expenditure commitments at the reporting date.

SHIRE OF WONGAN-BALLIDU
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16. JOINT VENTURE ARRANGEMENTS

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

| | | | 2017 | 2016 |
|--------------------------------|-------|-----------|----------------|----------------|
| | % | Valuation | \$ | \$ |
| Stickland Street | 11.22 | 297,915 | 33,426 | 33,426 |
| Quinlan Street | 9.20 | 687,166 | 63,219 | 63,219 |
| Patterson Street | 12.00 | 206,900 | 24,828 | 24,828 |
| | | | 2017 | 2016 |
| | | | \$ | \$ |
| Non-current assets | | | | |
| Land and buildings | | | 121,473 | 121,473 |
| Less: accumulated depreciation | | | 0 | (12,740) |
| | | | <u>121,473</u> | <u>108,733</u> |

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

| | 2017 | 2016 |
|-----------------------------|-------------------|-------------------|
| | \$ | \$ |
| Governance | 1,569,384 | 1,409,111 |
| Law, order, public safety | 300,149 | 349,662 |
| Health | 1,885,366 | 1,740,003 |
| Education and welfare | 736,722 | 939,125 |
| Housing | 989,172 | 1,088,831 |
| Community amenities | 914,257 | 867,756 |
| Recreation and culture | 19,209,275 | 16,608,492 |
| Transport | 58,277,562 | 56,715,850 |
| Economic services | 5,333,812 | 5,801,254 |
| Other property and services | 4,107,718 | 4,048,163 |
| Unallocated | 5,846,976 | 4,021,873 |
| | <u>99,170,393</u> | <u>93,590,120</u> |

SHIRE OF WONGAN-BALLIDU
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| | 2017 | 2016 | 2015 |
|-----------------------------------|-------|--------|------|
| 18. FINANCIAL RATIOS | | | |
| Current ratio | 2.24 | 2.27 | 5.77 |
| Asset sustainability ratio | 1.39 | 1.63 | 0.52 |
| Debt service cover ratio | 30.26 | 7.50 | 7.33 |
| Operating surplus ratio | 0.06 | (0.26) | 0.23 |
| Own source revenue coverage ratio | 0.50 | 0.58 | 0.70 |

The above ratios are calculated as follows:

| | |
|-----------------------------------|--|
| Current ratio | $\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$ |
| Asset sustainability ratio | $\frac{\text{capital renewal and replacement expenditure}}{\text{Depreciation expenses}}$ |
| Debt service cover ratio | $\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$ |
| Operating surplus ratio | $\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$ |
| Own source revenue coverage ratio | $\frac{\text{own source operating revenue}}{\text{operating expenses}}$ |

Notes:

Information relating to the **asset consumption ratio** and the **asset renewal funding ratio** can be found at Supplementary Ratio Information on Page 61 of this document.

Three of the 2017 ratios disclosed above were distorted by the early receipt of half of the allocation of the 2017-18 Financial Assistance Grant in June 2017.

The early payment of the grant increased operating revenue in 2017 by \$1,023,456.

Three of the 2016 and 2015 ratios disclosed above were distorted by the early receipt of half of the allocation of the 2015-16 Financial Assistance Grant on 30 June 2015.

The early payment of the grant increased operating revenue in 2015 and decreased operating revenue in 2016 by \$985,342.

If recognised in the year to which the allocation related, the calculations in the 2017, 2016 and 2015 columns above would be as follows:

| | 2017 | 2016 | 2015 |
|--------------------------|--------|--------|------|
| Current ratio | 1.25 | 2.27 | 4.20 |
| Debt service cover ratio | 18.34 | 13.92 | 5.68 |
| Operating surplus ratio | (0.22) | (0.02) | 0.04 |

SHIRE OF WONGAN-BALLIDU
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19. TRUST FUNDS

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

| | 1 July 2016 | Amounts Received | Amounts Paid | 30 June 2017 |
|-------------------------------|------------------------|-----------------------------|-------------------------|-------------------------|
| | \$ | \$ | (\$) | \$ |
| Lake Ninan/Hinds Fire Brigade | 4,821 | 0 | 0 | 4,821 |
| Mocardy Bushfire Brigade | 7,931 | 0 | 0 | 7,931 |
| Bushfire Donations (Glenvar) | 500 | 0 | (500) | 0 |
| Housing Tenancy Bonds | 4,746 | 2,520 | (1,938) | 5,328 |
| Transport Payments | 12,213 | 775,256 | (778,378) | 9,091 |
| CRC Office Bond | 500 | 0 | 0 | 500 |
| Discover Golden Horisons | 0 | 20,489 | (5,180) | 15,309 |
| WH Nature Playground | 0 | 20,379 | (18,700) | 1,679 |
| Rates Incentive Prize Draw | 0 | 500 | (500) | 0 |
| | <u>30,711</u> | <u>819,144</u> | <u>(805,196)</u> | <u>44,659</u> |

20. DISPOSALS OF ASSETS - 2016/17 FINANCIAL YEAR

The following assets were disposed of during the year.

| | Actual Net Book Value | Actual Sale Proceeds | Actual Profit | Actual Loss | Budget Net Book Value | Budget Sale Proceeds | Budget Profit | Budget Loss |
|------------------------------------|--------------------------------------|-------------------------------------|--------------------------|------------------------|--------------------------------------|-------------------------------------|--------------------------|------------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Plant and Equipment | | | | | | | | |
| Governance | | | | | | | | |
| Toyota Landcruiser | 72,000 | 60,000 | 0 | (12,000) | 65,000 | 64,000 | 0 | (1,000) |
| Health | | | | | | | | |
| Holden Captiva | 30,531 | 17,045 | 0 | (13,486) | 22,000 | 18,000 | 0 | (4,000) |
| Recreation and culture | | | | | | | | |
| Toyota Utility | 14,616 | 10,909 | 0 | (3,707) | 11,000 | 8,000 | 0 | (3,000) |
| Ford Tip Truck | 35,950 | 16,364 | 0 | (19,586) | 26,000 | 9,000 | 0 | (17,000) |
| Transport | | | | | | | | |
| Volvo Tip Truck | 61,754 | 40,000 | 0 | (21,754) | 70,000 | 45,000 | 0 | (25,000) |
| CAT Loader | 71,149 | 40,000 | 0 | (31,149) | 23,000 | 25,000 | 2,000 | 0 |
| Toyota Hilux | 16,000 | 5,909 | 0 | (10,091) | 7,500 | 6,500 | 0 | (1,000) |
| Other property and services | | | | | | | | |
| Toyota Kluger | 42,505 | 31,818 | 0 | (10,687) | 34,000 | 24,500 | 0 | (9,500) |
| | <u>344,505</u> | <u>222,045</u> | <u>0</u> | <u>(122,460)</u> | <u>258,500</u> | <u>200,000</u> | <u>2,000</u> | <u>(60,500)</u> |

SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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21. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

| Particulars | Principal | New | Principal | | Principal | | Interest | |
|--------------------------------------|----------------|-----|-----------|--------|-----------|---------|----------|--------|
| | 1 July 2016 | | Loans | Actual | Budget | Actual | Budget | Actual |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Other property and services | | | | | | | | |
| 145C - Land Purchase and Development | 500,000 | 0 | 0 | 0 | 500,000 | 500,000 | 18,983 | 20,600 |
| | 500,000 | 0 | 0 | 0 | 500,000 | 500,000 | 18,983 | 20,600 |
| <u>Self Supporting Loans</u> | | | | | | | | |
| Housing | | | | | | | | |
| 142- Community Association | 144,104 | 0 | 32,846 | 32,832 | 111,258 | 111,272 | 7,779 | 9,362 |
| Recreation and culture | | | | | | | | |
| 147 - Construction of Aged Complex | 55,859 | 0 | 7,073 | 7,073 | 48,786 | 48,786 | 3,618 | 4,131 |
| 149 - Wongan Hills Bowling Club | 48,406 | 0 | 12,794 | 12,794 | 35,612 | 35,612 | 2,834 | 3,020 |
| | 248,369 | 0 | 52,713 | 52,699 | 195,656 | 195,670 | 14,231 | 16,513 |
| | 748,369 | 0 | 52,713 | 52,699 | 695,656 | 695,670 | 33,214 | 37,113 |

Self supporting loan financed by payments from third parties.

All other loan repayments were financed by general purpose revenue.

SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

21. INFORMATION ON BORROWINGS (Continued)

(b) New Debentures - 2016/17

The Shire did not take up any new debentures during the year ended 30 June 2017.

(c) Unspent Debentures

The Shire did not have any unspent debentures as at 30 June 2017.

(d) Overdraft

The Shire has an unused overdraft facility at the 30 June 2017

SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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22. RATING INFORMATION - 2016/17 FINANCIAL YEAR

| RATE TYPE | Rate in \$ | Number of Properties | Rateable Value \$ | Rate Revenue \$ | Interim Rates \$ | Back Rates \$ | Total Revenue \$ | Budget Rate Revenue \$ | Budget Interim Rate \$ | Budget Back Rate \$ | Budget Total Revenue \$ |
|---|-----------------------------|----------------------------|-------------------------|-----------------------|------------------------|---------------------|------------------------|---------------------------------|---------------------------------|------------------------------|----------------------------------|
| Differential general rate / general rate | | | | | | | | | | | |
| Gross rental value valuations | | | | | | | | | | | |
| General Rates GRV - Wongan Hills | 0.106395 | 448 | 4,926,729 | 524,205 | 267 | 0 | 524,472 | 524,180 | 2,500 | 0 | 526,680 |
| General Rates GRV - Ballidu & Cadoux | 0.106395 | 62 | 350,816 | 37,325 | 0 | 0 | 37,325 | 37,325 | 0 | 0 | 37,325 |
| Unimproved value valuations | | | | | | | | | | | |
| General Rates UV - Rural | 0.012952 | 280 | 171,142,217 | 2,216,634 | 0 | 0 | 2,216,634 | 2,103,411 | 0 | 0 | 2,103,411 |
| General Rates UV - Mining | 0.012952 | 1 | 29,107 | 377 | 0 | 0 | 377 | 377 | 0 | 0 | 377 |
| Sub-Total | | 791 | 176,448,869 | 2,778,541 | 267 | 0 | 2,778,808 | 2,665,293 | 2,500 | 0 | 2,667,793 |
| Minimum payment | Minimum \$ | | | | | | | | | | |
| Gross rental value valuations | | | | | | | | | | | |
| General Rates GRV - Wongan Hills | 604 | 61 | 155,624 | 36,850 | 0 | 0 | 36,850 | 36,850 | 0 | 0 | 36,850 |
| General Rates GRV - Ballidu & Cadoux | 315 | 28 | 20,780 | 8,826 | 0 | 0 | 8,826 | 8,826 | 0 | 0 | 8,826 |
| Unimproved value valuations | | | | | | | | | | | |
| General Rates UV - Rural | 315 | 12 | 134,400 | 3,782 | (4) | 0 | 3,778 | 3,782 | 0 | 0 | 3,782 |
| General Rates UV - Mining | 315 | 16 | 63,640 | 5,044 | 5 | 0 | 5,049 | 5,043 | 0 | 0 | 5,043 |
| Sub-Total | | 117 | 374,444 | 54,502 | 1 | 0 | 54,503 | 54,501 | 0 | 0 | 54,501 |
| | | 908 | 176,823,313 | 2,833,043 | 268 | 0 | 2,833,311 | 2,719,794 | 2,500 | 0 | 2,722,294 |
| Discounts/concessions (refer note 26) | | | | | | | (28,148) | | | | (32,000) |
| Total amount raised from general rate | | | | | | | 2,805,163 | | | | 2,690,294 |
| Ex-gratia rates | | | | | | | 17,303 | | | | 17,000 |
| Totals | | | | | | | 2,822,466 | | | | 2,707,294 |

SHIRE OF WONGAN-BALLIDU
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FOR THE YEAR ENDED 30TH JUNE 2017

23. NET CURRENT ASSETS

Composition of net current assets

| | 2017 | 2017 | 2016 |
|--|--|---|--|
| | (30 June 2017 Carried Forward) \$ | (1 July 2016 Brought Forward) \$ | (30 June 2016 Carried Forward) \$ |
| Surplus/(Deficit) | <u>1,785,731</u> | <u>627,833</u> | <u>627,833</u> |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | | | |
| Unrestricted | 1,788,598 | 670,432 | 670,432 |
| Restricted | 2,638,660 | 2,643,507 | 2,643,507 |
| Receivables | | | |
| Rates outstanding | 142,974 | 124,048 | 124,048 |
| Sundry debtors | 267,943 | 219,385 | 219,385 |
| GST receivable | 52,937 | 52,277 | 52,277 |
| Loans receivable - clubs/institutions | 56,047 | 67,258 | 67,258 |
| Inventories | | | |
| Fuel and Materials | 11,262 | 9,521 | 9,521 |
| LESS: CURRENT LIABILITIES | | | |
| Trade and other payables | | | |
| Sundry creditors | (103,692) | (120) | (120) |
| Accrued interest on debentures | (10,997) | (27,780) | (27,780) |
| Accrued salaries and wages | (34,648) | (25,899) | (25,899) |
| ATO liabilities | (54,416) | (78,314) | (78,314) |
| Current portion of long term borrowings | | | |
| Secured by floating charge | (500,000) | 0 | 0 |
| Debentures - Self Supporting Loans | (56,007) | (52,993) | (52,993) |
| Provisions | | | |
| Provision for annual leave | (146,390) | (164,356) | (164,356) |
| Provision for long service leave | (207,786) | (227,805) | (227,805) |
| Unadjusted net current assets | <u>3,844,485</u> | <u>3,209,161</u> | <u>3,209,161</u> |
| Adjustments | | | |
| Less: Reserves - restricted cash | (2,636,856) | (2,643,507) | (2,643,507) |
| Less: Loans receivable - clubs/institutions | (56,047) | (67,258) | (67,258) |
| Add: Secured by floating charge | 500,000 | 0 | 0 |
| Debentures - Self Supporting loans | 56,007 | 52,993 | 52,993 |
| Leave Reserve | 78,142 | 76,444 | 76,444 |
| Adjusted net current assets - surplus/(deficit) | <u><u>1,785,731</u></u> | <u><u>627,833</u></u> | <u><u>627,833</u></u> |

Difference

There was no difference between the surplus/(deficit) 1 July 2016 brought forward position used in the 2017 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2016 audited financial report.

**SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017**

24. SPECIFIED AREA RATE - 2016/17 FINANCIAL YEAR

No specified area rates were imposed by the Shire during the year ended 2017.

25. SERVICE CHARGES - 2016/17 FINANCIAL YEAR

No service charges were imposed by the Shire during the year ended 2017.

**SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017**

**26. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2016/17 FINANCIAL YEAR**

Rates Discounts

| Rate or Fee Discount Granted | Discount % | Discount \$ | Actual \$ | Budget \$ | Circumstances in which Discount is Granted |
|---|-----------------------|------------------------|----------------------|----------------------|---|
| Early Payment Discount | 2.00% | | 28,147 | 32,000 | Payment must be received within 21 days of the notice |
| | | | <u>28,147</u> | <u>32,000</u> | |

**SHIRE OF WONGAN-BALLIDU
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27. INTEREST CHARGES AND INSTALMENTS - 2016/17 FINANCIAL YEAR

| | Date Due | Instalment Plan Admin Charge \$ | Instalment Plan Interest Rate % | Unpaid Rates Interest Rate % |
|-----------------------------|---------------------|--|--|---|
| Instalment Options | | | | |
| Option One | | | | |
| Discounted Payment | 05 September 16 | 0 | 0.00% | 0.00% |
| Option Two | | | | |
| Payment in Full | 19 September 16 | 0 | 0.00% | 0.00% |
| Option Three | | | | |
| First Instalment | 19 September 16 | 2.50 | 5.50% | 11.00% |
| Second Instalment | 18 November 16 | 2.50 | 5.50% | 11.00% |
| Third Instalment | 17 January 17 | 2.50 | 5.50% | 11.00% |
| Fourth Instalment | 20 March 17 | 2.50 | 5.50% | 11.00% |
| | | | Revenue \$ | Budgeted Revenue \$ |
| Interest on unpaid rates | | | 15,892 | 500 |
| Interest on instalment plan | | | 12,273 | 7,000 |
| Charges on instalment plan | | | 7,555 | 10,500 |
| | | | <u>35,720</u> | <u>18,000</u> |

SHIRE OF WONGAN-BALLIDU
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FOR THE YEAR ENDED 30TH JUNE 2017

| 28. FEES & CHARGES | 2017 | 2016 |
|-------------------------------|----------------|------------------|
| | \$ | \$ |
| Governance | 5,147 | 4,791 |
| General purpose funding | 9,349 | 9,427 |
| Law, order, public safety | 14,335 | 10,538 |
| Health | 26,529 | 48,847 |
| Education and welfare | 1,665 | 264 |
| Housing | 64,329 | 61,915 |
| Community amenities | 182,340 | 186,227 |
| Recreation and culture | 34,715 | 38,883 |
| Transport | 34,402 | 52,350 |
| Economic services | 26,160 | 19,074 |
| Other property and services | 144,439 | 677,462 |
| | <u>543,410</u> | <u>1,109,778</u> |

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

29. GRANT REVENUE

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

| By Nature or Type: | 2017 | 2016 |
|--|------------------|------------------|
| | \$ | \$ |
| Operating grants, subsidies and contributions | | |
| General purpose funding | 2,937,439 | 931,972 |
| Law, order, public safety | 19,653 | 23,571 |
| Health | 0 | 15,000 |
| Community amenities | 1,808 | 62,475 |
| Recreation and culture | 38,818 | 46,577 |
| Transport | 185,727 | 530,111 |
| Economic services | 0 | 7,500 |
| Other property and services | 184,209 | 139,158 |
| | <u>3,367,654</u> | <u>1,756,364</u> |
| Non-operating grants, subsidies and contributions | | |
| Transport | 1,083,202 | 1,283,624 |
| | <u>1,083,202</u> | <u>1,283,624</u> |

30. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

| | |
|----|----|
| 40 | 36 |
|----|----|

31. ELECTED MEMBERS REMUNERATION

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

| | 2017 | 2017 | 2016 |
|------------------------------|---------------|---------------|---------------|
| | \$ | Budget | \$ |
| Meeting Fees | 8,112 | 10,710 | 8,700 |
| President's allowance | 1,000 | 1,000 | 1,000 |
| Deputy President's allowance | 250 | 250 | 250 |
| Travelling expenses | 1,562 | 2,534 | 2,445 |
| Telecommunications allowance | 6,250 | 7,000 | 7,500 |
| | <u>17,174</u> | <u>21,494</u> | <u>19,895</u> |

SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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32. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

| | 2017 |
|--|-------------|
| | \$ |
| The total of remuneration paid to KMP of the Shire during the year are as follows: | |
| Short-term employee benefits | 571,514 |
| Post-employment benefits | 61,921 |
| Other long-term benefits | 65,337 |
| | 698,772 |
| | 698,772 |

Short-term employee benefits

These amounts include all salary, paid leave, fringe benefits and cash bonuses awarded to KMP except for details in respect to fees and benefits paid to elected members which may be found at Note 31.

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.

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Entities subject to significant influence by the Shire

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

iii. Joint venture entities accounted for under the equity method

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

Transactions with related parties

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

The following transactions occurred with related parties:

| | 2017 |
|--|-------------|
| | \$ |
| Associated companies/individuals: | |
| Purchase of goods and services | 18,609 |

Note: Transitional provisions contained within AASB 2015-6 do not require comparative related party disclosures to be presented in the period of initial application. As a consequence, only disclosures in relation to the current year have been presented.

SHIRE OF WONGAN-BALLIDU
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33. MAJOR LAND TRANSACTIONS

The Shire did not participate in any major land transactions during the 2016/17 financial year.

34. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

If the Shire did participate in any trading undertakings or major trading undertakings during the 2016/17 financial year.

SHIRE OF WONGAN-BALLIDU
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FOR THE YEAR ENDED 30TH JUNE 2017

35. FINANCIAL RISK MANAGEMENT

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

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

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

The Shire held the following financial instruments at balance date:

| | Carrying Value | | Fair Value | |
|------------------------------|-----------------------|------------------|-------------------|------------------|
| | 2017 | 2016 | 2017 | 2016 |
| | \$ | \$ | \$ | \$ |
| Financial assets | | | | |
| Cash and cash equivalents | 4,427,258 | 3,313,939 | 4,427,258 | 3,313,939 |
| Receivables | 684,456 | 672,111 | 684,456 | 672,111 |
| | <u>5,111,714</u> | <u>3,986,050</u> | <u>5,111,714</u> | <u>3,986,050</u> |
| Financial liabilities | | | | |
| Payables | 203,753 | 132,113 | 203,753 | 132,113 |
| Borrowings | 695,656 | 748,369 | 721,168 | 780,585 |
| | <u>899,409</u> | <u>880,482</u> | <u>924,921</u> | <u>912,698</u> |

Fair value is determined as follows:

- Cash and cash equivalents, receivables, payables - estimated to the carrying value which approximates net market value.
- Borrowings, estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

SHIRE OF WONGAN-BALLIDU
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35. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

The Shire's objective is to maximise its return on cash whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash and investments portfolio with the assistance of independent advisers (where applicable). The Shire has an investment policy and the policy is subject to review by Council. An Investment Report is provided to Council on a monthly basis setting out the make-up and performance of the portfolio.

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

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

The Shire manages these risks by diversifying its portfolio and only investing in investments authorised by *Local Government (Financial Management) Regulation 19C*. Council also seeks advice from independent advisers (where considered necessary) before placing any cash and investments.

| | 2017 | 2016 |
|--|-------------|-------------|
| | \$ | \$ |
| Impact of a 1% ⁽¹⁾ movement in interest rates on cash | | |
| - Equity | 44,273 | 33,139 |
| - Statement of Comprehensive Income | 44,273 | 33,139 |

Notes:

⁽¹⁾ Sensitivity percentages based on management's expectation of future possible market movements.

SHIRE OF WONGAN-BALLIDU
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35. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

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

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

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

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

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

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

| | 2017 | 2016 |
|--|-------------|-------------|
| Percentage of rates and annual charges | | |
| - Current | 0% | 0% |
| - Overdue | 100% | 100% |
| Percentage of other receivables | | |
| - Current | 77% | 96% |
| - Overdue | 23% | 4% |

SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

35. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables

Borrowings

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

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

| | Due within 1 year \$ | Due between 1 & 5 years \$ | Due after 5 years \$ | Total contractual cash flows \$ | Carrying values \$ |
|--------------------|---|---|---|--|-----------------------------------|
| <u>2017</u> | | | | | |
| Payables | 203,753 | 0 | 0 | 203,753 | 203,753 |
| Borrowings | 576,024 | 154,113 | | 730,137 | 695,656 |
| | <u>779,777</u> | <u>154,113</u> | <u>0</u> | <u>933,890</u> | <u>899,409</u> |
| <u>2016</u> | | | | | |
| Payables | 132,113 | 0 | 0 | 132,113 | 132,113 |
| Borrowings | 84,573 | 714,044 | 16,220 | 814,837 | 748,369 |
| | <u>216,686</u> | <u>714,044</u> | <u>16,220</u> | <u>946,950</u> | <u>880,482</u> |

SHIRE OF WONGAN-BALLIDU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

35. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables

Borrowings (continued)

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

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

| | <u><1 year</u> | <u>>1<2 years</u> | <u>>2<3 years</u> | <u>>3<4 years</u> | <u>>4<5 years</u> | <u>>5 years</u> | <u>Total</u> | Weighted Average Effective Interest Rate |
|---|-------------------|-------------------------|-------------------------|-------------------------|-------------------------|--------------------|--------------|---|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | % |
| <u>Year ended 30 June 2017</u> | | | | | | | | |
| Borrowings | | | | | | | | |
| Fixed rate | | | | | | | | |
| Debentures | 500,000 | 0 | 195,656 | 0 | 0 | 0 | 695,656 | 4.55% |
| Weighted average Effective interest rate | 3.42% | | 6.46% | | | | | |
| <u>Year ended 30 June 2016</u> | | | | | | | | |
| Borrowings | | | | | | | | |
| Fixed rate | | | | | | | | |
| Debentures | 0 | 500,000 | 0 | 248,370 | 0 | 0 | 748,370 | 4.55% |
| Weighted average Effective interest rate | | 3.42% | | 6.46% | | | | |

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

Opinion on the Audit of the Financial Report

We have audited the accompanying financial report of the Shire of Wongan-Ballidu (the Shire), which comprises the statement of financial position as at 30 June 2017, statement of comprehensive income by nature or type, statement of comprehensive income by program, statement of changes in equity, statement of cash flows and the rate setting statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by Chief Executive Officer.

In our opinion, the financial report of the Shire of Wongan-Ballidu is in accordance with the *Local Government Act 1995 (as amended)* and the *Local Government (Financial Management) Regulations 1996 (as amended)*, including:

- a) giving a true and fair view of the Shire's financial position as at 30 June 2017 and of its financial performance and its cash flows for the year ended on that date; and
- b) complying with Australian Accounting Standards (including Australian Accounting Interpretations).

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.

Report on Other Legal and Regulatory Requirements

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

- a) There are no matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- b) No matters indicating non-compliance with Part 6 of the *Local Government Act 1995 (as amended)*, the *Local Government (Financial Management) Regulations 1996 (as amended)* or applicable financial controls of any other written law were noted during the course of our audit.
- c) In relation to the Supplementary Ratio Information presented at page 61 of this report, we have reviewed the calculations as presented and nothing has come to our attention to suggest it is not supported by:
 - i. verifiable information; and
 - ii. reasonable assumptions.
- d) All necessary information and explanations were obtained by us.
- e) All audit procedures were satisfactorily completed in conducting our audit.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Shire's annual report for the year ended 30 June 2017 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

Responsibilities of Management and Council for the Financial Report

Management is responsible for the preparation of this financial report that gives a true and fair view in accordance with Australian Accounting Standards, *the Local Government Act 1995 (as amended)* and the *Local Government (Financial Management) Regulations 1996 (as amended)* and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management 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.

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_files/ar3.pdf. This description forms part of our auditor's report.

MOORE STEPHENS
CHARTERED ACCOUNTANTS



WEN-SHIEN CHAI
PARTNER

Date: 12 December 2017
Perth, WA

**SHIRE OF WONGAN-BALLIDU
SUPPLEMENTARY RATIO INFORMATION
FOR THE YEAR ENDED 30TH JUNE 2017**

RATIO INFORMATION

The following information relates to those ratios which only require attestation they have been checked and are supported by verifiable information. It does not form part of the audited financial report.

| | 2017 | 2016 | 2015 |
|-----------------------------|-------------|-------------|-------------|
| Asset consumption ratio | 0.97 | 0.97 | 0.46 |
| Asset renewal funding ratio | 0.91 | 0.97 | *unknown |

The above ratios are calculated as follows:

| | |
|-----------------------------|---|
| Asset consumption ratio | $\frac{\text{depreciated replacement costs of assets}}{\text{current replacement cost of depreciable assets}}$ |
| Asset renewal funding ratio | $\frac{\text{NPV of planning capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$ |

* the Shire did not adopt its Asset Management Plan until August 2016 therefore could not calculate the ratio for this financial year.