



Annual Report

For the year ending 30 June 2019



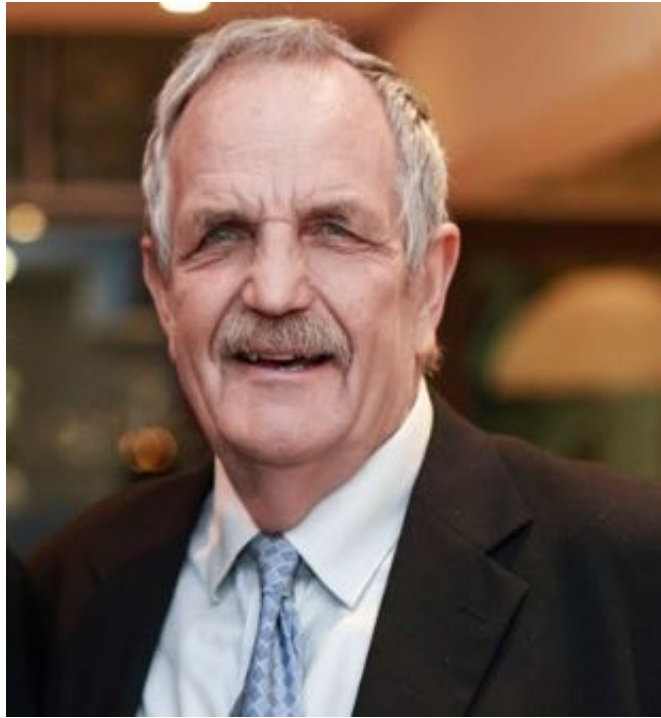
TABLE OF CONTENTS

Table of Contents.....	2
Our Statistics	3
Presidents Report	4
Councillors.....	5
CEO’s Report	7
Organisation Structure.....	Error! Bookmark not defined.
Integrated Planning.....	9
.....	13
Freedom of Information	13
Services to the Community.....	14
Equal Opportunity Statement.....	15
Occupational Health & Safety Report.....	16
Disability Access & Inclusion Plan	17
National Competition Policy (NCP)	18
Financial Reports.....	21

OUR STATISTICS

2018-2019

 409 Total number of residents* <i>*Based on 2016 Census</i>	 433 Total number of rateable properties	 \$736,579 Rates levied
 \$390 Minimum general residential rate	 \$390 Minimum general rural rate	 4% Increase in average rate
 \$2,891,730 Operating revenue	 \$32,876,247 Net assets	 \$1,739,993 Operating grants revenue
 \$75200 Specific purpose grants revenue	 76.4 km Length of sealed roads	 455.1 km Length of gravel roads
 0 Debt servicing ratio		 145 Number of garbage services provided



PRESIDENTS REPORT

I am pleased to present the 2018/2019 Woodanilling Annual Report. The year has seen some changes with the resignation of long term, 17 years, CEO Belinda Knight. The CEO position was filled by acting CEO Sean Fletcher until Steve Gash started in April 2019.

I would like to thank Belinda for her very long and extremely dedicated service to the community of Woodanilling.

The year has seen an anticipated minor job on Cartmeticup Rd. turn into major works dealing with large amounts of underground water. With the change in executive leadership we have seen a few changes in focus including a shift towards road maintenance rather than construction, along with work on roadside vegetation clearing permits. With the change in farming sector transport task there has been a lot of work on heavy vehicle access to farms.

The budget has been tight with follow up from the February floods and the reduced availability of Government funding. However with the new norm we are expecting a much more workable situation.

I would like to thank my fellow councilors, council staff and all of the volunteers that have helped the Woodanilling community over the past year.

A handwritten signature in black ink, appearing to read 'Russel Thomson'.

Cr H R (Russel) THOMSON, JP
President

COUNCILLORS

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

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

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

DEPUTY PRESIDENT
PO Box 125
Woodanilling WA 6316
Phone: 08 9823 1536 Mobile: 0417 950 512
Email: trejay@bigpond.com

CR M W (MORRIS) TRIMMING
(Term expires Oct 2021)

1408 Onslow Road
Westwood WA 6316
Phone: 08 9821 1827 Mobile: 0407 774 624
Email: lesleytrimming@bigpond.com

CR P G (PETER) MORRELL
(Term expires Oct 2019)

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

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

1525 Ashwell Road
Woodanilling WA 6316
Phone: 08 9823 1586 Mobile: 0429 231 586
Email: adadalefarm@bigpond.com

CR TJ (TIMOTHY) BROWN
(Term expires Oct 2019)

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

COMPLAINTS

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

PUBLIC INTEREST DISCLOSURES (PIDS)

The Public Interest Disclosure Act 2003 facilitates the disclosure of public interest information, and provides protection for those making such disclosure and those who are the subject of disclosures. The Act provides a system for the matters disclosed to be investigated and for appropriate action to be taken. Council has complied with all obligations under the Act including:

- a. Appointing the Chief Executive Officer as the PID Officer for the organisation and publishing an internal procedure relating to the Shire's obligations.
- b. Providing protection from detrimental action or the threat of detrimental action for any employee of the Shire who makes an appropriate disclosure of public interest information.

The Shire of Woodanilling did not receive any public interest disclosures during 2018/2019.

EMPLOYEES REMUNERATION

Set out below, in bands of \$10,000, is the number of employees of the Shire of Woodanilling

Entitled to an annual salary of \$100,000 or more:

Salary Range	2017/18	2018/19
\$100,000 - \$110,000	0	0
\$110,000 - \$120,000	2	2
\$120,000 - \$130,000	0	0
\$130,000 - \$140,000	1	1





CEO'S REPORT

THE YEAR AT A GLANCE

July 2018

- 2018/19 Budget Adopted.

August 2018

- Council funded Community Events – Seniors Christmas Lunch catering CWA
- Local Government Convention.
- Amendment to Policy 101

September 2018

- Council funded Community Events – Hidden Treasures-Bloom Festival Barn Dance

October 2018

- Review of Town Planning Scheme No1.
- Appointment of Acting CEO.

November 2018

- Quarterly Financial Review

December 2018

- Appointment of new CEO.

January 2019

- Council hosted the Australia Day breakfast for our community.

February 2019

- Annual Compliance Return.
- Review of Regulation 17

March 2019

- Annual Electors Meeting.

April 2019

- Appointment of Bushfire Office Bearers

- Review of Draft Road Asset Management Plan.
- New CEO commences

May 2019

- Annual Report 2017/18.
- Opening of new Katanning Co-op 18th May

June 2019

- Review road network to guide future works and budgets.
- Draft Budget

Stephen Gash

Chief Executive Officer (April 2019 – June 2019)

With **Belinda Knight**

Chief Executive Officer (July 2018 – September 2018)

With **Sean Fletcher**

Acting Chief Executive Officer (Oct 2018 - March 2019)

ORGANISATION STRUCTURE

Shire Council
President – Cr Russel Thomson
Deputy President – Cr Trevor Young
Cr Peter Morrell
Cr Tim Brown
Cr Dale Douglas
Cr Morris Trimming

Chief Executive Officer
Ms Belinda Knight Oct 2018
Acting Sean Fletcher Nov 2018 – March 2019
Stephen Gash April 2019

**Environmental Health & Building
Planning Officer
Engineering
Community Emergency Services
Manager**

Deputy Chief Executive Officer
Sue Dowson

Admin Support Officer
Colleen Pollard

Ranger
Keith Schurmann

Records Officer
Wendy Bessell-Browne

**Finance Officer – Rates, Debtors &
Payroll**
Kahlia Stephens

Finance & Document Control
Sophie Marinoni

Landcare Zone Manager
Gen Harvey

Works Supervisor
Barry Taylor

Mechanic
Ganesh Penfold

Leading Hand
Stuart Buxton

Plant Operator/General Hand
Garry Edwards

Final Trim Grader Operator
Rabihie Anthony

Plant Operator/General Hand
John Van Dalen

Plant Operator/General Hand
Vern Waters

Plant Operator/General Hand
Scott Hook

Plant Operator/General Hand
Jason Dinsdale

Town Maintenance/Gen Hand
Wendy Hart

Plant Operator/General Hand
Jacob Singer



INTEGRATED PLANNING

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

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

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

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

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

The following table is a snapshot of identified projects from the Corporate Business Plan including their progress for 2018/19 and proposed course of action for 2019/20. Each project is classified as Short Term, Medium Term, Long Term and Ongoing.

COMMUNITY STRATEGIC PLAN

Community

Townsite

Reforming of Woodanilling Town Enhancement Group – reviewing existing Woodanilling Town Centre Enhancement plans entry statements and town signage

Trails

With the development of GSCORE Trails Master Plan project for the Great Southern, it has been undertaking advocacy and development activities to develop and attract funding as required to enhance a drive trail through Woodanilling.

Sports

Holding quarterly community barbeques at the Sports Precinct encouraging sporting activities and community engagement.

Historical Buildings

Ensure significant heritage buildings and places under Council's care are preserved and where possible restored.

Waste Management

The Tip Shop and recycling is in place, comply with single use plastic bags and support the progress of the Container Deposit Scheme through a donation point in the town.

Cemetery

Develop and implement an upgrade plan for the Woodanilling Cemetery that is sensitive to denominational and indigenous groups.

Environment

Maintain the natural environment and landscape, weed control on roadsides and reserves. Continue working towards a bush fire compliant town through mitigation works and burn studies on Casuarina Obesa with DFES and UWA.

Water

Protecting the built environment and resources by reducing water and non-water threats – Standpipe charges increased but meter sizes remain after consultation by Water Corp with Local Governments.

Drainage

Review town site water drainage management – prepare drainage plan for town site by redesigning drainage to more effectively move stormwater from the town.

Neighbourhood Watch

A Neighbourhood Watch group was formed and ran for a short time but has since folded, waiting on a community member to facilitate meetings going forward.

Civic Leadership – Law and Order

Town site Fire Management

Stage 1 Town Mitigation work completed and stage 2 started around the town to safeguard from bushfires. Further works will be undertaken during the unrestricted fire period.

Emergency Management

A local door knock and R U Prepared Project was undertaken to gather information from community members so that the Shire has a better understanding of its residents and their needs when emergency incidents occur and to also upskill the community in preparedness.

Customer Service

Streamlining of staff and refinement of roles and work hours has enabled the office to operate effectively and offer the community good service and timely response to requests. Funding for a Traineeship was successfully achieved and we now have a Trainee in place. Staff training takes place as required and the shire looks to implement innovations that have direct benefit to the Shire and the Community.

Community Emergency Services Manager

Sharing with Katanning and Broomehill-Tambellup the services of Cindy Pearce as our CESM. Cindy manages the delivery and implementation of preparedness, prevention, response and recovery services and has developed effective partnerships that adopt a best practice approach to emergency management delivery between Local Governments, DFES, Volunteer Bushfire Brigades and the community.

4WDL & VROC

The 4WDL VROC consists of the Shires of Wagin, West Arthur, Williams, Woodanilling, Dumbleyung and Lake Grace. This group works together to ensure quality decision making is supported by good policies, procedures and legislation, regular meetings are held to benchmark targets.

Fire Management Plan

In 2018 a Fire Management Plan was implemented. The strategy behind this project was to support the Bush Fire Advisory Committee and local Brigades and also an annual review of the Woodanilling Town site Fire Management Plan.

Civil Leadership

Governance

Policy 84 was developed to implement a community consultation process that links the Council and the community to ensure open and accountable governance.

Economic – Roads & Transport

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FREEDOM OF INFORMATION

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

STRUCTURE AND FUNCTIONS OF COUNCIL

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

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

COUNCIL

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

- Determine policies to be applied by Council in exercising its discretionary powers
- Determine the type, range and scope of projects to be undertaken by Council

- Develop comprehensive management plans, budgets, financial controls and performance objectives and indicators for the operations of Council.
- The Council makes decisions which direct and/or determine its activities and functions. Such decisions include the approval of works and services to be undertaken, and the allocation of resources to works and services.
- Decisions are also made to determine whether or not approvals are to be granted for applications for residential and commercial development.
- Ordinary meetings of Council are held on the third Tuesday of each month commencing at 4.00pm except January. All members of the public are welcome to attend.

SERVICES TO THE COMMUNITY

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

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

- Mosquito Management Plan

COUNCIL COMMITTEES

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

AUDIT COMMITTEE

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

COMMUNITY DEVELOPMENT COMMITTEE

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

TRANSPORT PLANT AND WORKS COMMITTEE

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





EQUAL OPPORTUNITY STATEMENT

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

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

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

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

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

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

OCCUPATIONAL HEALTH & SAFETY REPORT

The Shire of Woodanilling is committed to providing a safe and healthy work environment for all employees, contractors and visitors. To achieve this, the Council has allocated responsibilities and accountabilities to all employees to ensure the maintenance of the Occupational Safety and Health programme is optimal.

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

The employer acknowledges a duty of care to:

- Provide and maintaining a safe working environment.
- Providing adequate training, instruction and supervision to enable employees to perform their work safely and effectively.
- Investigating all actual and potentially injurious occurrences in order to identify and control the cause to reduce the level of risk in the workplace
- Compliance with current Occupational Safety and Health Act 1984, and the Occupational Safety and Health Regulations 1996, relevant Australian Standards including AS/NZS ISO 31000, 2009 and relevant Approved Codes of Practice
- Engage and consult stakeholders and representatives (including Volunteers and contracted Service Providers) in matters regarding occupational safety and health in the workplace.

Employees have a duty of care to:

- Working with care for their own safety and that of other employees, contractors, volunteers and public who may be affected by their acts or omissions.
- Reporting hazards, accidents, incidents and near misses to their Line Manager
- Co-operating positively in the fulfillment of the obligations placed on their employer.
- Assisting in the reporting and investigation of any accidents with the objective of introducing and reviewing controls to prevent re-occurrence.

At the Shire of Woodanilling, a safe and efficient place of work is our goal and we must all be committed by working together to reach this outcome.





DISABILITY ACCESS & INCLUSION PLAN

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

- The annual Australia Day Breakfast fun is held at the Woodanilling Recreation Facility which provides easy wheelchair access. A public address system is always used to ensure all participants can hear speeches including people with hearing impairment.
- A priority bin service was developed to assist people who are unable to move their bin to and from the kerbside, upon request.
- Provide large print books for vision impaired community members in our Library.
- The Bloom Festival Bush Dance held in the Woodanilling Town Hall is becoming an annual event over the duration of the Hidden Treasures month of celebration (Sept to Oct). This event is an all-inclusive affair offering accessible entry and egress at the facility.

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

- The Woodanilling Recreation Centre Pavilion building provides accessible toilet facilities and entrance doors are at ground level to enable easy wheelchair access.
- Improved access was provided to Council's administration building, including a paved and ramped entry paths and relocation of easy access parking bays.
- Unisex accessible public toilets were built at the town's Centenary Park.
- Footpaths in the main street are continuing to be upgraded with the levelling of footpaths in areas that are effected by tree roots.

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

- Information is available in alternative formats by request through the shire web site or over the counter.

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

- Administration and Works Crew staff underwent training through LGIS called "At the Coalface". This training provided staff with the basic skills to communicate with people who may have mental Health issues, also providing training around safety and security in the work place. Which gave practical advice on providing good customer service to people with a variety of disabilities (July 2018).

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

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

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

- Introduction of recruitment practices to ensure equal employment opportunities.
- The Shire office layout has been modified so that it is wheelchair accessible.



NATIONAL COMPETITION POLICY (NCP)

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

COMPETITIVE NEUTRALITY

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

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

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

The Shire of Woodanilling did not privatise any activities in 2018/2019 consequently there were no obligations to report in this area.

LEGISLATIVE REVIEW

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

No new local laws were created or reviewed in 2018/2019.

RECORD KEEPING PLAN

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

RECORD KEEPING POLICY

POLICY STATEMENT

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

RATIONALE

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

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

GUIDELINES

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

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

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

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

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

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

STATE RECORDS COMMISSION

STANDARD 2: PRINCIPLE 6 COMPLIANCE

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

6.1 STAFF TRAINING, INFORMATION SESSIONS

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

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

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

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

6.2 PERFORMANCE INDICATORS IN PLACE

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

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

The Shire of Woodanilling aims to review these performance indicators and determine if further performance indicators should be put in place at the end of the 2018/19 financial year.

6.3 AGENCY'S EVALUATION

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

6.4 ANNUAL REPORT

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

6.5 IDENTIFIED AREAS FOR IMPROVEMENT

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

FINANCIAL REPORTS

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

TABLE OF CONTENTS

Statement by Chief Executive Officer	2
Statement of Comprehensive Income by Nature or Type	3
Statement of Comprehensive Income by Program	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Rate Setting Statement	8
Notes to and forming part of the Financial Report	9
Independent Auditor's Report	46

COMMUNITY VISION

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

Principal place of business:
3316 Robinson Road
Woodanilling WA 6316

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

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

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

Signed on the 3rd day of October 2019



Chief Executive Officer

Stephen Gash

Name of Chief Executive Officer

SHIRE OF WOODANILLING
 STATEMENT OF COMPREHENSIVE INCOME
 BY NATURE OR TYPE
 FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
Revenue				
Rates	19(a)	736,579	745,915	687,398
Operating grants, subsidies and contributions	2(a)	1,739,993	2,701,435	2,577,200
Fees and charges	2(a)	402,368	350,235	325,219
Interest earnings	2(a)	13,017	17,400	13,251
Other revenue	2(a)	(227)	600	(156)
		2,891,730	3,815,585	3,602,912
Expenses				
Employee costs		(1,090,662)	(1,071,875)	(1,011,154)
Materials and contracts		(1,475,690)	(2,720,270)	(1,803,839)
Utility charges		(83,977)	(41,175)	(82,128)
Depreciation on non-current assets	10(b)	(838,898)	(972,390)	(803,333)
Insurance expenses		(75,875)	(69,335)	(75,767)
Other expenditure		(311,879)	(148,975)	(251,692)
		(3,876,981)	(5,024,020)	(4,027,913)
		(985,251)	(1,208,435)	(425,001)
Non-operating grants, subsidies and contributions	2(a)	75,200	259,200	659,132
Profit on asset disposals	10(a)	5,091	0	0
(Loss) on asset disposals	10(a)	(11,384)	0	(6,323)
		68,907	259,200	652,809
Net result for the period		(916,344)	(949,235)	227,808
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	11	0	0	4,901,300
Total other comprehensive income for the period		0	0	4,901,300
Total comprehensive income for the period		(916,344)	(949,235)	5,129,108

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

SHIRE OF WOODANILLING
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
Revenue				
	2(a)			
Governance		153	11,700	9,311
General purpose funding		1,587,904	1,163,830	1,519,630
Law, order, public safety		71,989	231,175	151,503
Health		420	725	470
Education and welfare		64,079	91,920	95,204
Housing		6,858	30,340	15,107
Community amenities		30,824	32,850	31,068
Recreation and culture		2,079	1,100	1,233
Transport		1,011,233	2,185,445	1,708,976
Economic services		47,192	22,500	35,907
Other property and services		68,999	44,000	34,503
		2,891,730	3,815,585	3,602,912
Expenses				
	2(b)			
Governance		(360,744)	(208,225)	(180,995)
General purpose funding		(25,352)	(19,700)	(16,744)
Law, order, public safety		(185,401)	(324,315)	(240,636)
Health		(36,526)	(37,900)	(39,358)
Education and welfare		(41,645)	(43,180)	(51,055)
Housing		(72,885)	(93,875)	(43,440)
Community amenities		(128,880)	(137,985)	(121,375)
Recreation and culture		(200,260)	(141,850)	(215,930)
Transport		(2,702,410)	(3,930,590)	(3,020,161)
Economic services		(62,555)	(44,200)	(79,046)
Other property and services		(60,323)	(42,200)	(19,173)
		(3,876,981)	(5,024,020)	(4,027,913)
		(985,251)	(1,208,435)	(425,001)
Non-operating grants, subsidies and contributions	2(a)	75,200	259,200	659,132
Profit on disposal of assets	10(a)	5,091	0	0
(Loss) on disposal of assets	10(a)	(11,384)	0	(6,323)
		68,907	259,200	652,809
Net result for the period		(916,344)	(949,235)	227,808
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	11	0	0	4,901,300
Total other comprehensive income for the period		0	0	4,901,300
Total comprehensive income for the period		(916,344)	(949,235)	5,129,108

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

SHIRE OF WOODANILLING
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2019

	NOTE	2019 \$	2018 \$
CURRENT ASSETS			
Cash and cash equivalents	3	1,108,740	1,065,643
Trade receivables	5	113,606	933,827
Inventories	6	18,904	16,210
TOTAL CURRENT ASSETS		1,241,250	2,015,680
NON-CURRENT ASSETS			
Financial assets at fair value through profit and loss	7(b)	31,026	0
Financial assets previously classified as loans and receivables	7(b)	0	31,026
Property, plant and equipment	8	7,133,168	7,310,357
Infrastructure	9	24,470,803	24,617,839
TOTAL NON-CURRENT ASSETS		31,634,997	31,959,222
TOTAL ASSETS		32,876,247	33,974,902
CURRENT LIABILITIES			
Trade and other payables	12	176,031	357,199
Employee related provisions	14	142,049	141,627
TOTAL CURRENT LIABILITIES		318,080	498,826
NON-CURRENT LIABILITIES			
Employee related provisions	14	58,397	59,962
TOTAL NON-CURRENT LIABILITIES		58,397	59,962
TOTAL LIABILITIES		376,477	558,788
NET ASSETS		32,499,770	33,416,114
EQUITY			
Retained surplus		13,482,427	14,175,484
Reserves - cash backed	4	880	224,167
Revaluation surplus	11	19,016,463	19,016,463
TOTAL EQUITY		32,499,770	33,416,114

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

SHIRE OF WOODANILLING
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2017		13,368,538	803,305	14,115,163	28,287,006
Comprehensive income					
Net result for the period		227,808	0	0	227,808
Other comprehensive income	11	0	0	4,901,300	4,901,300
Total comprehensive income		227,808	0	4,901,300	5,129,108
Transfers from/(to) reserves		579,138	(579,138)	0	0
Balance as at 30 June 2018		14,175,484	224,167	19,016,463	33,416,114
Comprehensive income					
Net result for the period		(916,344)	0	0	(916,344)
Total comprehensive income		(916,344)	0	0	(916,344)
Transfers from/(to) reserves		223,287	(223,287)	0	0
Balance as at 30 June 2019		13,482,427	880	19,016,463	32,499,770

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

SHIRE OF WOODANILLING
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		725,224	745,915	696,453
Operating grants, subsidies and contributions		2,571,569	3,287,470	1,800,281
Fees and charges		402,368	350,235	325,219
Interest received		13,017	17,400	13,251
Goods and services tax received		206,898	0	167,340
Other revenue		(227)	600	(156)
		3,918,849	4,401,620	3,002,388
Payments				
Employee costs		(1,092,290)	(1,071,875)	(990,113)
Materials and contracts		(1,659,067)	(2,720,270)	(1,541,361)
Utility charges		(83,977)	(41,175)	(82,128)
Insurance paid		(75,875)	(69,335)	(75,767)
Goods and services tax paid		(206,898)	0	(179,305)
Other expenditure		(311,879)	(148,975)	(251,692)
		(3,429,986)	(4,051,630)	(3,120,366)
Net cash provided by (used in) operating activities	15	488,863	349,990	(117,978)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment		(305,831)	(311,835)	(62,300)
Payments for construction of infrastructure		(251,726)	(328,622)	(990,794)
Payments for financial assets at fair value through profit and loss		(31,026)	0	0
Non-operating grants, subsidies and contributions		75,200	259,200	659,132
Proceeds from sale of property, plant & equipment		36,591	39,370	11,818
Proceeds on disposal of financial assets at fair value through profit and loss		31,026	0	0
Net cash provided by (used in) investment activities		(445,766)	(341,887)	(382,144)
Net increase (decrease) in cash held		43,097	8,103	(500,122)
Cash at beginning of year		1,065,643	1,063,663	1,565,765
Cash and cash equivalents at the end of the year	15	1,108,740	1,071,766	1,065,643

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

SHIRE OF WOODANILLING
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	2019 Actual	2019 Budget	2018 Actual
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	20 (b)	1,292,687	1,227,678	679,515
		1,292,687	1,227,678	679,515
Revenue from operating activities (excluding rates)				
Governance		153	11,700	9,311
General purpose funding		851,325	417,915	833,582
Law, order, public safety		71,989	231,175	151,503
Health		420	725	470
Education and welfare		64,079	91,920	95,204
Housing		6,858	30,340	15,107
Community amenities		30,824	32,850	31,068
Recreation and culture		2,079	1,100	1,233
Transport		1,016,324	2,185,445	1,708,976
Economic services		47,192	22,500	35,907
Other property and services		68,999	44,000	34,503
		2,160,242	3,069,670	2,916,864
Expenditure from operating activities				
Governance		(360,744)	(208,225)	(180,995)
General purpose funding		(25,352)	(19,700)	(16,744)
Law, order, public safety		(185,401)	(324,315)	(240,636)
Health		(36,526)	(37,900)	(39,358)
Education and welfare		(41,645)	(43,180)	(51,055)
Housing		(72,885)	(93,875)	(43,440)
Community amenities		(128,880)	(137,985)	(121,375)
Recreation and culture		(200,260)	(141,850)	(215,930)
Transport		(2,713,794)	(3,930,590)	(3,026,484)
Economic services		(62,555)	(44,200)	(79,046)
Other property and services		(60,323)	(42,200)	(19,173)
		(3,888,365)	(5,024,020)	(4,034,236)
Non-cash amounts excluded from operating activities	20(a)	843,626	972,390	847,502
Amount attributable to operating activities		408,190	245,718	409,645
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		75,200	259,200	659,132
Proceeds from disposal of assets	10(a)	36,591	39,370	11,818
Purchase of property, plant and equipment	8(a)	(305,831)	(311,835)	(62,300)
Purchase and construction of infrastructure	9(a)	(251,726)	(328,622)	(990,794)
Amount attributable to investing activities		(445,766)	(341,887)	(382,144)
FINANCING ACTIVITIES				
Transfers to reserves (restricted assets)	4	(296,713)	(806,738)	(216,730)
Transfers from reserves (restricted assets)	4	520,000	107,800	795,868
Amount attributable to financing activities		223,287	(698,938)	579,138
Surplus/(deficit) before imposition of general rates		185,711	(795,107)	606,639
Total amount raised from general rates	19	736,579	745,915	686,048
Surplus/(deficit) after imposition of general rates	20(b)	922,290	(49,192)	1,292,687

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

1. BASIS OF PREPARATION

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

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 22 to these financial statements.

2. REVENUE AND EXPENSES

(a) Revenue

Grant Revenue

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

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Operating grants, subsidies and contributions			
Governance	181	7,500	5,755
General purpose funding	835,723	398,615	817,502
Law, order, public safety	66,216	226,375	146,356
Education and welfare	9,330	42,000	42,289
Housing	808	2,500	2,627
Transport	768,003	1,997,945	1,529,615
Economic services	0	1,000	
Other property and services	59,732	25,500	33,056
	1,739,993	2,701,435	2,577,200
Non-operating grants, subsidies and contributions			
Education and welfare	0	0	6,706
Recreation and culture	0	52,550	42,400
Transport	75,200	206,650	610,026
	75,200	259,200	659,132
Total grants, subsidies and contributions	1,815,193	2,960,635	3,236,332

SIGNIFICANT ACCOUNTING POLICIES

Grants, donations and other contributions

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

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

Grants, donations and other contributions (Continued)

a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 18. That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current reporting period.

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Significant revenue

Amount of reimbursement for flood damage received

Other revenue

Other

Fees and Charges

Governance

General purpose funding

Law, order, public safety

Health

Education and welfare

Housing

Community amenities

Recreation and culture

Transport

Economic services

Other property and services

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

Interest earnings

Reserve accounts interest

Rates instalment and penalty interest (refer Note 19(c))

Other interest earnings

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

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

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Amount of reimbursement for flood damage received	709,940	0	1,488,672
Other	(227)	0	(156)
	(227)	0	(156)
Governance	31	4,200	3,780
General purpose funding	1,940	1,300	910
Law, order, public safety	6,586	4,800	5,448
Health	420	725	470
Education and welfare	54,749	49,920	52,916
Housing	6,050	27,840	12,480
Community amenities	30,825	32,850	31,068
Recreation and culture	2,079	1,100	1,233
Transport	243,230	187,500	179,562
Economic services	47,191	21,500	35,907
Other property and services	9,267	18,500	1,445
	402,368	350,235	325,219
Reserve accounts interest	712	9,000	8,630
Rates instalment and penalty interest (refer Note 19(c))	3,933	7,900	3,857
Other interest earnings	8,372	500	764
	13,017	17,400	13,251

Interest earnings (Continued)

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

(b) Expenses

Significant expense

Expenditure on flood damage re-instatement

Auditors remuneration

- Audit of the Annual Financial Report

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Expenditure on flood damage re-instatement	862,707	0	1,636,270
- Audit of the Annual Financial Report	29,414	28,000	18,356
	29,414	28,000	18,356

3. CASH AND CASH EQUIVALENTS

	NOTE	2019	2018
		\$	\$
Cash at bank and on hand		1,108,740	1,065,643
		<u>1,108,740</u>	<u>1,065,643</u>
Comprises:			
- Unrestricted cash and cash equivalents		1,028,460	806,120
- Restricted cash and cash equivalents		80,280	259,523
		<u>1,108,740</u>	<u>1,065,643</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Reserve accounts			
Plant replacement reserve	4	628	160,000
Building reserve	4	59	15,000
Affordable housing reserve	4	143	36,460
Office equipment reserve	4	20	5,000
Road construction reserve	4	30	7,707
		<u>880</u>	<u>224,167</u>
Other restricted cash and cash equivalents			
Unspent grants/contributions	18	79,400	35,356
Total restricted cash and cash equivalents		<u>80,280</u>	<u>259,523</u>

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

Cash and cash equivalents (Continued)

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

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

4. RESERVES - CASH BACKED

	2019 Actual Opening Balance	2019 Actual Transfer to	2019 Actual Transfer (from)	2019 Actual Closing Balance	2019 Budget Opening Balance	2019 Budget Transfer to	2019 Budget Transfer (from)	2019 Budget Closing Balance	2018 Actual Opening Balance	2018 Actual Transfer to	2018 Actual Transfer (from)	2018 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(b) Unspent grants reserve	0	0	0	0	107,800	0	(107,800)	0	0	0	0	0
(e) Plant replacement reserve	160,000	163,308	(322,680)	628	160,000	406,163	0	566,163	400,263	160,000	(400,263)	160,000
(f) Building reserve	15,000	11,888	(26,829)	59	15,000	25,500	0	40,500	25,081	15,000	(25,081)	15,000
(g) Affordable housing reserve	36,460	17,876	(54,193)	143	36,460	23,222	0	59,682	22,347	36,730	(22,617)	36,460
(i) Office equipment reserve	5,000	5,936	(10,916)	20	5,000	18,018	0	23,018	17,777	5,000	(17,777)	5,000
(j) Recreation reserve	0	35,520	(35,520)	0	0	127,979	0	127,979	126,619	0	(126,619)	0
(k) Road construction reserve	7,707	62,185	(69,862)	30	7,707	205,856	0	213,563	211,218	0	(203,511)	7,707
	224,167	296,713	(520,000)	880	331,967	806,738	(107,800)	1,030,905	803,305	216,730	(795,868)	224,167

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(b) Unspent grants reserve	1/07/2018	To be used to record unexpended tied grants.
(e) Plant replacement reserve	As per Plant Replacement Program	To be used to fund the net cost of plant and equipment purchases as determined in the 10 Year Plant Replacement Program
(f) Building reserve	As per Building Plan	To be used to meet requirements for providing new buildings for Council purposes, other than affordable housing or recreational facilities, or for major maintenance
(g) Affordable housing reserve	As per Building Plan	To be used to meet requirements for affordable housing, either new or major upgrades into the future
(i) Office equipment reserve	As required	To be used for the purchase of office equipment and future computer upgrades
(j) Recreation reserve	As required	To be used to fund capital improvements at recreational facilities, including sporting facilities or halls
(k) Road construction reserve	As required	To be used to fund road construction projects within the Woodanilling Shire, or to levy additional funding

5. TRADE RECEIVABLES

Current

Rates receivable	
Sundry receivables	
Accrued income/payments in advance	

2019	2018
\$	\$
52,210	40,855
60,346	879,957
1,050	13,015
113,606	933,827

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

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

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 21.

Previous accounting policy: Impairment of trade receivables

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

Classification and subsequent measurement

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

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

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

6. INVENTORIES

Current

Fuel and materials

The following movements in inventories occurred during the year:

Carrying amount at 1 July

Inventories expensed during the year

Additions to inventory

Carrying amount at 30 June

	2019	2018
	\$	\$
	18,904	16,210
	18,904	16,210
	16,210	15,887
	(93,004)	(113,981)
	95,698	114,304
	18,904	16,210

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

Land held for resale

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

Land held for resale (Continued)

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

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

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

7. OTHER FINANCIAL ASSETS

(b) Non-current assets

Financial assets at fair value through profit and loss
 Financial assets previously classified as loans and receivables

Financial assets at fair value through profit and loss

Units in Local Government House Trust
 BKW Co-op Shares

Financial assets previously classified as loans and receivables

Units in Local Government House Trust
 BKW Co-op Shares

	2019	2018
	\$	\$
	31,026	0
	0	31,026
	<u>31,026</u>	<u>31,026</u>
	30,934	0
	92	0
	<u>31,026</u>	<u>0</u>
	0	30,934
	0	92
	<u>0</u>	<u>31,026</u>

Changes in the fair value of Units in Local Government House recognised as non-current financial assets at fair value through profit and loss have not been recognised nor considered as they are unlikely to be material and unable to be reliably determined at the time of preparation of these Statements

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Financial assets at fair value through profit and loss

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

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

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 21.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Previous accounting policy: Loans and receivables

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

Refer to Note 23 for explanations regarding the change in accounting policy and reclassification of available for sale financial assets to financial assets at fair value through profit and loss.

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Carrying Amounts

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

	Land - freehold land	Land - vested in and under the control of Council	Total land	Buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2017	498,000	25,000	523,000	5,392,823	5,915,823	43,270	1,688,429	7,647,522
Additions	0	0	0	10,416	10,416	11,590	40,294	62,300
(Disposals)	0	0	0	0	0	0	(18,141)	(18,141)
Depreciation (expense)	0	0	0	(108,153)	(108,153)	(13,296)	(259,875)	(381,324)
Carrying amount at 30 June 2018	498,000	25,000	523,000	5,295,086	5,818,086	41,564	1,450,707	7,310,357
Comprises:								
Gross carrying amount at 30 June 2018	498,000	25,000	523,000	5,433,644	5,956,644	124,208	3,072,679	9,153,531
Accumulated depreciation at 30 June 2018	0	0	0	(138,558)	(138,558)	(82,644)	(1,621,972)	(1,843,174)
Carrying amount at 30 June 2018	498,000	25,000	523,000	5,295,086	5,818,086	41,564	1,450,707	7,310,357
Additions	0	0	0	72,622	72,622	47,400	185,809	305,831
(Disposals)	0	0	0	0	0	(580)	(42,304)	(42,884)
Depreciation (expense)	0	0	0	(108,361)	(108,361)	(14,900)	(316,875)	(440,136)
Carrying amount at 30 June 2019	498,000	25,000	523,000	5,259,347	5,782,347	73,484	1,277,337	7,133,168
Comprises:								
Gross carrying amount at 30 June 2019	498,000	25,000	523,000	5,506,266	6,029,266	166,932	3,136,784	9,332,982
Accumulated depreciation at 30 June 2019	0	0	0	(246,919)	(246,919)	(93,448)	(1,859,447)	(2,199,814)
Carrying amount at 30 June 2019	498,000	25,000	523,000	5,259,347	5,782,347	73,484	1,277,337	7,133,168

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Fair Value Measurements

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

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

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

9. INFRASTRUCTURE

(a) Movements in Carrying Amounts

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

	Infrastructure roads	Other infrastructure footpaths	Other infrastructure bridges and drainage	Other infrastructure parks and ovals	Total Infrastructure
	\$	\$	\$	\$	\$
Balance at 1 July 2017	15,526,219	26,637	3,507,755	87,143	19,147,754
Additions	990,794	0	0	0	990,794
Revaluation increments / (decrements) transferred to revaluation surplus	2,637,101	103,307	2,160,892	0	4,901,300
Depreciation (expense)	(333,601)	(9,226)	(76,749)	(2,433)	(422,009)
Carrying amount at 30 June 2018	18,820,513	120,718	5,591,898	84,710	24,617,839
Comprises:					
Gross carrying amount at 30 June 2018	21,359,772	184,525	7,004,042	355,625	28,903,964
Accumulated depreciation at 30 June 2018	(2,539,259)	(63,807)	(1,412,144)	(270,915)	(4,286,125)
Carrying amount at 30 June 2018	18,820,513	120,718	5,591,898	84,710	24,617,839
Additions	251,726	0	0	0	251,726
Depreciation (expense)	(306,170)	(9,227)	(80,932)	(2,433)	(398,762)
Carrying amount at 30 June 2019	18,766,069	111,491	5,510,966	82,277	24,470,803
Comprises:					
Gross carrying amount at 30 June 2019	21,611,498	184,525	7,004,042	355,625	29,155,690
Accumulated depreciation at 30 June 2019	(2,845,429)	(73,034)	(1,493,076)	(273,348)	(4,684,887)
Carrying amount at 30 June 2019	18,766,069	111,491	5,510,966	82,277	24,470,803

9. INFRASTRUCTURE (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure roads	3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments
Other infrastructure footpaths	3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments
Other infrastructure bridges and drainage	3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments
Other infrastructure parks and ovals	3	Cost approach using depreciated replacement cost	Management valuation	June 2016	Construction costs and current condition, residual values and remaining useful life assessments

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

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

10. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

Revaluation

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

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

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Land under control

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

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

Land under roads

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

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

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

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

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

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

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

(a) Disposals of Assets

	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss	2019 Budget Net Book Value	2019 Budget Sale Proceeds	2019 Budget Profit	2019 Budget Loss	2018 Actual Net Book Value	2018 Actual Sale Proceeds	2018 Actual Profit	2018 Actual Loss
Furniture and equipment	\$ 580	\$ 0	\$ 0	\$ (580)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Plant and equipment	42,304	36,591	5,091	(10,804)	39,370	39,370	0	0	18,141	11,818	0	(6,323)
	42,884	36,591	5,091	(11,384)	39,370	39,370	0	0	18,141	11,818	0	(6,323)

	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss
Plant and Equipment	\$	\$	\$	\$
Health	1,270	0	0	(1,270)
Transport	41,034	36,591	5,091	(9,534)
	42,304	36,591	5,091	(10,804)

The following assets were disposed of during the year.

	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss
Plant and Equipment				
Health				
Fogger	1,270	0	0	(1,270)
Health Total	1,270	0	0	(1,270)
Transport				
Volvo	41,034	31,500	0	(9,534)
Trenchless	0	5,000	5,000	0
2nd Hand Compactor	0	91	91	0
Transport Total	41,034	36,591	5,091	(9,534)
	42,304	36,591	5,091	(10,804)
Other Asset class				
Governance				
Monitor Stand	272	0	0	(272)
Computer tablets	308	0	0	(308)
	580	0	0	(580)
	42,884	36,591	5,091	(11,384)

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

(b) Depreciation

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Buildings	108,361	65,175	108,153
Furniture and equipment	14,900	11,880	13,296
Plant and equipment	316,875	243,150	259,875
Infrastructure roads	306,170	640,515	333,601
Other infrastructure footpaths	9,227	9,235	9,226
Other infrastructure bridges and drainage	80,932	2,435	76,749
Other infrastructure parks and ovals	2,433	0	2,433
	838,898	972,390	803,333

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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

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

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

Depreciation rates

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

Asset Class	Useful life
Buildings	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Sealed roads and streets formation	not depreciated
pavement	50 years
seal	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads formation	not depreciated
pavement	50 years
Footpaths - slab	20 years
Sewerage piping	100 years
Water supply piping and drainage systems	75 years

Depreciation (Continued)

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

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

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

11. REVALUATION SURPLUS

	2019 Opening Balance	2019 Revaluation Increment	2019 Revaluation (Decrement)	Total Movement on Revaluation	2019 Closing Balance	2018 Opening Balance	2018 Revaluation Increment	2018 Revaluation (Decrement)	Total Movement on Revaluation	2018 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Buildings	2,177,676	0	0	0	2,177,676	2,177,676	0	0	0	2,177,676
Revaluation surplus - Plant and equipment	439,679	0	0	0	439,679	439,679	0	0	0	439,679
Revaluation surplus - Infrastructure roads	10,491,652	0	0	0	10,491,652	7,854,551	2,637,101	0	2,637,101	10,491,652
Revaluation surplus - Other infrastructure footpaths	103,307	0	0	0	103,307	0	103,307	0	103,307	103,307
Revaluation surplus - Other infrastructure bridges and drainage	5,804,149	0	0	0	5,804,149	3,643,257	2,160,892	0	2,160,892	5,804,149
	19,016,463	0	0	0	19,016,463	14,115,163	4,901,300	0	4,901,300	19,016,463

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

12. TRADE AND OTHER PAYABLES

Current

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

2019	2018
\$	\$
160,124	327,783
5,785	6,270
10,122	11,181
0	11,965
176,031	357,199

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

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

Trade and other payables (Continued)

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

13. INFORMATION ON BORROWINGS

	2019	2018
(a) Undrawn Borrowing Facilities	\$	\$
Credit Standby Arrangements		
Credit card limit	4,000	2,000
Credit card balance at balance date	(84)	(82)
Total amount of credit unused	3,916	1,918

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Borrowing costs

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

Risk

Information regarding exposure to risk can be found at Note 21.

14. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

Opening balance at 1 July 2018

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Current provisions	93,230	48,397	141,627
Non-current provisions	0	59,962	59,962
	93,230	108,359	201,589

Additional provision

Amounts used

Balance at 30 June 2019

Comprises

Current	82,574	59,475	142,049
Non-current		58,397	58,397
	82,574	117,872	200,446

Amounts are expected to be settled on the following basis:

	Provision for Annual Leave		Provision for Long Service Leave	
	2019	2018	2019	2018
	\$	\$	\$	\$
Less than 12 months after the reporting date	82,574	93,230	31,559	24,000
More than 12 months from reporting date	0	0	168,887	84,359
	82,574	93,230	200,446	108,359

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

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

Other long-term employee benefits (Continued)

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

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

Provisions

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

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

15. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Cash and cash equivalents	1,108,740	1,071,766	1,065,643
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	(916,344)	(949,235)	227,808
Non-cash flows in Net result:			
Depreciation	838,898	972,390	803,333
(Profit)/loss on sale of asset	6,293	0	6,323
Changes in assets and liabilities:			
(Increase)/decrease in receivables	820,221	586,035	(779,829)
(Increase)/decrease in inventories	(2,694)	0	(323)
Increase/(decrease) in payables	(181,168)	0	262,494
Increase/(decrease) in provisions	(1,143)	0	21,348
Grants contributions for the development of assets	(75,200)	(259,200)	(659,132)
Net cash from operating activities	488,863	349,990	(117,978)

16. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2019	2018
	\$	\$
Governance	46,902	77,724
General purpose funding	113,606	58,772
Law, order, public safety	336,135	385,523
Education and welfare	1,343,207	1,369,415
Housing	937,600	952,550
Community amenities	155,986	143,470
Recreation and culture	2,925,063	2,863,832
Transport	24,715,950	25,682,572
Other property and services	1,162,033	1,291,181
Unallocated	1,139,765	1,149,863
	32,876,247	33,974,902

17. RELATED PARTY TRANSACTIONS

Elected Members Remuneration

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

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Meeting Fees	21,000	21,000	19,336
President's allowance	5,925	6,000	5,926
Deputy President's allowance	4,938	5,000	4,936
Travelling expenses	495	0	0
Telecommunications allowance	6,300	6,300	4,550
	38,658	38,300	34,748

Key Management Personnel (KMP) Compensation Disclosure

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

	2019 Actual	2018 Actual
	\$	\$
Short-term employee benefits	280,819	181,016
Post-employment benefits	21,825	29,554
Other long-term benefits	1,873	3,538
	304,517	214,108

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

17. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

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

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

The following transactions occurred with related parties:	2019 Actual	2018 Actual
	\$	\$
Purchase of goods and services	20,400	10,114
Short term employee benefits -other related parties	42,391	70,304

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

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

iii. Entities subject to significant influence by the Shire

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

18. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	Opening Balance ⁽¹⁾	Received ⁽²⁾	Expended ⁽³⁾	Closing Balance ⁽¹⁾	Received ⁽²⁾	Expended ⁽³⁾	Closing Balance
	1/07/17	2017/18	2017/18	30/06/18	2018/19	2018/19	30/06/19
	\$	\$	\$	\$	\$	\$	\$
Transport							
Roads to recovery	208,056	278,293	(450,993)	35,356	0	(35,356)	0
Regional Road Group Projects	0	0	0	0	46,400	0	46,400
Other property and services							
Regional Traineeship Grant	0	0	0	0	33,000	0	33,000
Total	208,056	278,293	(450,993)	35,356	79,400	(35,356)	79,400

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

19. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	2018/19 Actual Rateable Value \$	2018/19 Actual Rate Revenue \$	2018/19 Actual Interim Rates \$	2018/19 Actual Back Rates \$	2018/19 Actual Total Revenue \$	2018/19 Budget Rate Revenue \$	2018/19 Budget Interim Rate \$	2018/19 Budget Back Rate \$	2018/19 Budget Total Revenue \$	2017/18 Actual Total Revenue \$
Differential general rate / general rate												
Gross rental valuations												
GRV	0.106735	106	838,681	89,517	0	0	89,517	99,229	0	0	99,229	85,494
Urban Farm	0.053350	5	139,184	7,425	0	0	7,425	7,425	0	0	7,425	6,942
Unimproved valuations												
UV	0.005800	192	111,075,000	644,235	2,694	0	646,929	648,136	0	0	648,136	604,843
Sub-Total		303	112,052,865	741,177	2,694	0	743,871	754,790	0	0	754,790	697,279
Minimum payment												
Gross rental valuations												
GRV	375	52	90,984	19,500	0	0	19,500	19,500	0	0	19,500	14,400
Unimproved valuations												
UV	375	15	672,580	5,625	0	0	5,625	5,625	0	0	5,625	3,200
Sub-Total		67	763,564	25,125	0	0	25,125	25,125	0	0	25,125	17,600
		370	112,816,429	766,302	2,694	0	768,996	779,915	0	0	779,915	714,879
Discounts (refer Note 19(b))							(32,417)				(34,000)	(28,831)
Total amount raised from general rate							736,579				745,915	686,048

SIGNIFICANT ACCOUNTING POLICIES

Rates

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

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

19. RATING INFORMATION (Continued)

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

Rates Discounts

Rate or Fee	Discount	Discount	2019 Actual	2019 Budget	2018 Actual	Circumstances in which Discount is Granted
Discount Granted	%	\$	\$	\$	\$	
General Rates	5.00%		32,417	34,000	28,831	All rates and charges paid in full within 35 days of issue. In addition Council provides a 50% discount on general rates only to Lots 32, 33, 34, 35 & 38 DP 223222, Quartermaine & Shenton Roads, Woodanilling, and Lots 2, 3 & 4 DP 227523 Albany Highway due to Planning restrictions on these lots.
			32,417	34,000	28,831	

19. RATING INFORMATION (Continued)

(c) Interest charges and instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One	25/08/2018	0.00	0.00%	11.00%
Option Two	25/08/2018	0.00	0.00%	11.00%
	01/04/2019	5.00	5.50%	11.00%
Option Three	25/08/2018	0.00	0.00%	11.00%
	26/10/2018	5.00	5.50%	11.00%
	01/04/2019	5.00	5.50%	11.00%
	22/03/2019	5.00	5.50%	11.00%

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Interest on unpaid rates	3,079	7,000	3,023
Interest on instalment plan	854	900	834
Charges on instalment plan	645	600	570
	4,578	8,500	4,427

20. RATE SETTING STATEMENT INFORMATION

	2018/19 (30 June 2019)	2018/19 Budget (30 June 2019)	2018/19 (1 July 2018)
Note	Carried Forward) \$	Carried Forward) \$	Brought Forward) \$
(a) Non-cash amounts excluded from operating activities			
<p>The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i>.</p>			
Adjustments to operating activities			
Less: Profit on asset disposals	10(a) (5,091)	0	0
Movement in employee benefit provisions (non-current)	(1,565)	0	37,846
Add: Loss on disposal of assets	10(a) 11,384	0	6,323
Add: Depreciation on assets	10(b) 838,898	972,390	803,333
Non cash amounts excluded from operating activities	843,626	972,390	847,502
(b) Surplus/(deficit) after imposition of general rates			
<p>The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.</p>			
Adjustments to net current assets			
Less: Reserves - restricted cash	3 (880)	(1,030,905)	(224,167)
Total adjustments to net current assets	(880)	(1,030,905)	(224,167)
Net current assets used in the Rate Setting Statement			
Total current assets	1,241,250	1,169,305	2,015,680
Less: Total current liabilities	(318,080)	(187,592)	(498,826)
Less: Total adjustments to net current assets	(880)	(1,030,905)	(224,167)
Net current assets used in the Rate Setting Statement	922,290	(49,192)	1,292,687

21. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate %	Carrying Amounts \$	Fixed Interest Rate \$	Variable Interest Rate \$	Non Interest Bearing \$
2019					
Cash and cash equivalents	1.82%	1,101,425	100,880	1,000,095	450
2018					
Cash and cash equivalents	2.02%	1,065,643	224,167	841,025	450

Sensitivity

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

	2019 \$	2018 \$
Impact of a 1% movement in interest rates on profit and loss and equity*	10,001	8,410

* Holding all other variables constant

Borrowings

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

The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 12(a).

21. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables

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

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
2019					
Payables	176,516	0	0	176,516	176,031
	<u>176,516</u>	<u>0</u>	<u>0</u>	<u>176,516</u>	<u>176,031</u>
2018					
Payables	357,199	0	0	357,199	357,199
	<u>357,199</u>	<u>0</u>	<u>0</u>	<u>357,199</u>	<u>357,199</u>

22. TRUST FUNDS

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

	1 July 2018	Amounts Received	Amounts Paid	30 June 2019
	\$	\$	\$	\$
Landcare	8,608	0	0	8,608
Other bonds	850	0	(400)	450
Police licensing	0	150	0	150
Unclaimed monies	280	0	0	280
WRSA Inc	590	0	0	590
Wongji	2,367	0	0	2,367
Bushfire brigades	6,705	0	0	6,705
LGIS bonus scheme	21,553	0	0	21,553
Heritage loan scheme	1,733	0	0	1,733
	42,686	150	(400)	42,436

23. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

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

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

AASB 9 Financial instruments

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

The Shire applied AASB 9 prospectively, with an initial application date of 1 July 2018. The adoption of AASB 9 has resulted in changes in accounting policies and no adjustments to the amounts recognised in the financial statements.

(a) Classification and measurement

Under AASB 9, financial assets are subsequently measured at amortised cost, fair value through other comprehensive income (fair value through OCI) or fair value through profit or loss (fair value through P/L). The classification is based on two criteria: the Shire's business model for managing the assets; and whether the assets' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Shire's business model was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on financial assets are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

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

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

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

AASB 139 category	AASB 139 value \$	AASB 9 category amortised cost \$	Fair value through OCI \$	Fair value through P/L \$
Loans and receivables				
Financial assets previously classified as loans and receivables	31,026	0	0	31,026
	31,026	0	0	31,026

(b) Impairment

The adoption of AASB 9 has fundamentally changed the Shire's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the Shire to recognise an allowance for ECLs for all financial assets not held at fair value through P/L.

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

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

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

(a) Revenue from Contracts with Customers

The City will adopt AASB 15 *Revenue from Contracts with Customers* (issued December 2014) on 1 July 2019 resulting in changes in accounting policies. In accordance with the transition provisions AASB 15, the Shire will adopt the new rules retrospectively with the cumulative effect of initially applying these rules recognised on 1 July 2019.

The standard impacts the timing of revenue recognition as it requires a local government to recognise revenue aligned to the transfer of promised goods or services to customers for an amount that reflects the consideration the local government is entitled for those goods or services. Given the uncertain nature of revenue of this type, the impact is not quantifiable.

(b) Leases

The Shire adopted AASB 16 *Leases* (issued February 2016) retrospectively from 1 July 2019 which resulted in changes in accounting policies. In accordance with the transition provisions of AASB 16, the Shire has applied this Standard to its leases retrospectively, with the cumulative effect of initially applying AASB 16 recognised on 1 July 2019. In applying the AASB 16 under the specific transition provisions chosen, the Shire will not restate comparatives for prior reporting periods.

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

On adoption of AASB 16, the Shire will recognise a right-of-use asset in relation to a lease which had previously been classified as an 'operating lease' applying AASB 117. This right-of-use asset is to be measured as if AASB 16 had been applied since its commencement date by the carrying amount and discounted using the lessee's incremental borrowing rate.

At the 30 June 2019 the Shire had no leases required to be recognised.

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

(c) Income For Not-For-Profit Entities

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

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

	AASB 1004 carrying amount		AASB 1058 carrying amount
Note	30 June 2019	Reclassification	01 July 2019
	\$	\$	\$
Contract liabilities - current			
Unspent non operating grants, contributions and reimbursements	0	79,400	79,400
Adjustment to retained surplus from adoption of AASB 1058	24(d)	(79,400)	

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

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

(d) Impact of changes to Retained Surplus

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

	Note	Adjustments	2019
			\$
Retained surplus - 30 June 2019			13,482,427
Adjustment to retained surplus from adoption of AASB 1058	24(c)	(79,400)	(79,400)
Retained surplus - 01 July 2019			13,403,027

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

25. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

i) Impairment of assets

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

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

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

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

26. ACTIVITIES/PROGRAMS

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

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

27. FINANCIAL RATIOS

	2019 Actual	2018 Actual	2017 Actual
Current ratio	3.65	3.52	2.88
Asset consumption ratio	0.82	0.77	0.65
Asset renewal funding ratio	1.00	1.00	1.00
Asset sustainability ratio	0.53	0.83	0.70
Debt service cover ratio	N/A	N/A	N/A
Operating surplus ratio	(0.86)	(0.42)	(0.17)
Own source revenue coverage ratio	0.30	0.25	0.39

The above ratios are calculated as follows:

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