



Minutes

of the

Electors Meeting

held

Thursday 14 December 2017

At 5.30pm

In

Council Chambers

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## **Agenda of the Annual General Meeting of Electors to be held in Council Chambers, Wyalkatchem Thursday 14 December 2017.**

### **1. DECLARATION OF OPENING & PRESIDENT'S WELCOME.**

*The presiding person, Cr Quentin Davies, declared the meeting open at 5.34pm*

#### **1.1 Record of Attendance/Apologies:**

Present: Cr Quentin Davies, Cr Owen Garner, Cr Fred Butt, Cr Emma Holdsworth, Cr Stephen Gamble, Cr Heather Metcalfe, Ian McCabe, Craig Harris, William Nightingale, David Holdsworth, Ella McDonald

Apologies: Eddie Garner, Dianne Davies, Dawn Dodds

### **2. RECEIVING OF MINUTES OF PREVIOUS MEETING**

Ian McCabe gave a short presentation on last year's meeting and the questions raised. There was a question last year about leasing machinery instead of purchasing - this year Council explored a leasing option in detail and found that financial benefit only existed in the short-term - it is much more economical from the fourth year onwards to purchase the machinery. David Holdsworth expressed his support of this decision - it is much better to purchase machinery.

There was a comment last year about the presentation of the town - this year beautification has been a key focus and we have received a lot of positive commentary about the town. William Nightingale agreed and complimented the Shire on the appearance of the town - it is looking great.

Other issues from the Minutes 15 December 2016 include:

- Cats around town: Contract Ranger makes regular visits and this issue is monitored
- Footpaths planned for new independent living units: Installed 2017

#### **Annual General Meeting of Electors held 15 December 2016.**

**Moved:** Cr Emma Holdsworth                      **Seconded:** Cr Stephen Gamble

**That the Minutes of the Annual General Meeting of Electors held at the Wyalkatchem Town Hall on the Thursday 15 December 2016 be received.**

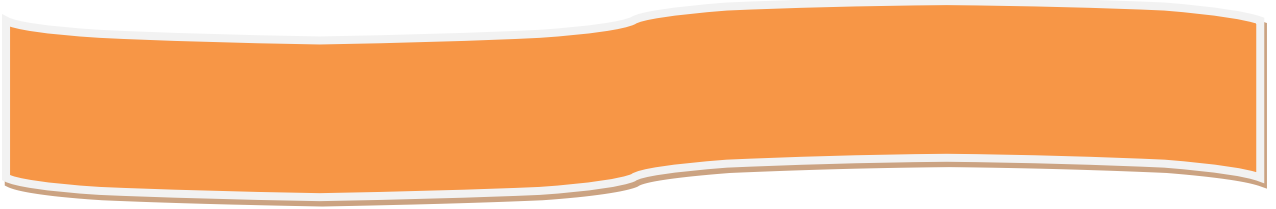
#### **2.1 MINUTE DECLARATION – Minutes from previous electors meeting to be signed by the President**

### **3. RECEIVING OF THE 2016/2017 ANNUAL REPORT**



**ANNUAL REPORT FOR THE YEAR ENDED  
30 JUNE 2017**





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**SHIRE OF WYALKATCHEM**  
**Annual Report**  
**The Year Ended 30 June 2017**

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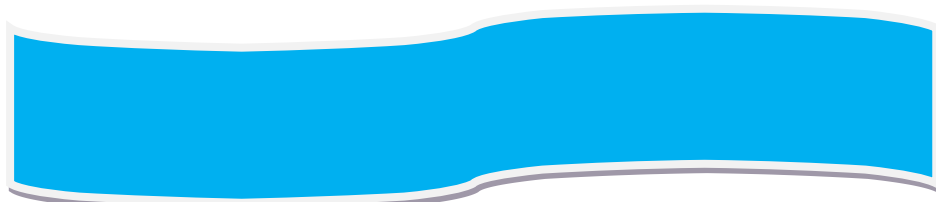


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## ABOUT THIS REPORT

Council is required, under Section 5.53 of the *Local Government Act 1995* (as amended) to prepare an Annual Report containing information on the following.

- A report from the President;
- A report from the Chief Executive Officer;
- An overview of the Plan for the Future of the District made in accordance with section 5.56, including major initiatives that are proposed to commence or to continue in the next financial year;
- The Financial Report for the financial year;
- Such information as may be prescribed in relation to the payments made to employees;
- The Auditor's Report for the financial year;
- A matter on which a report must be made under section 29(2) of the *Disability Services Act 1993*;
- Details of entries made under section 5.121 during the financial year in the register of complaints, including —
  - (i) the number of complaints recorded in the register of complaints; and
  - (ii) how the recorded complaints were dealt with; and
  - (iii) any other details that the regulations may require;
- And such other information as may be prescribed.
- Further information on the details supplied in this report can be obtained from the Shire Office, corner Honour Avenue and Flint Street, Wyalkatchem, or via our website [www.wyalkatchem.wa.gov.au](http://www.wyalkatchem.wa.gov.au).





## THE COUNCIL

Council meets on the third Thursday of every month, except January, to discuss local and regional issues of importance to the community.

The Council is made up of seven Councillors representing the entire District. The Ward system was replaced in May 2005.






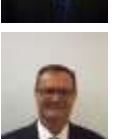
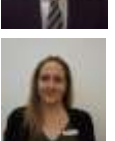
Council elections are held on the third Saturday in October every two years with the next election in October 2017.

### President

Cr Quentin Davies

### Deputy President

Cr Owen Garner

	<b>Elected Members</b>	<b>Telephone</b>	<b>Total Years of Service</b>	<b>Term Expires</b>
	Cr Quentin DAVIES	9638 1077	11	2019
	Cr Owen GARNER	9682 5061	4	2017
	Cr Lynsey GAWLEY	9681 1500	4	2017
	Cr Campbell JONES	9681 5007	4	2017
	Cr Fred BUTT	6102 3784	2	2019
	Cr Steven GAMBLE	9681 5031	2	2019
	Cr Emma HOLDSWORTH	9681 1117	2	2017

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## MEETING ATTENDANCE

<b>Elected Members</b>	<b>Number of Ordinary and Special Meetings of Council held 2016/17</b>	<b>Number of Ordinary and Special Meetings of Council attended 2016/17</b>
Cr Quentin DAVIES	16	15
Cr Owen GARNER	16	14
Cr Lynsey GAWLEY	16	11
Cr Campbell JONES	16	16
Cr Fred BUTT	16	16
Cr Steven GAMBLE	16	16
Cr Emma HOLDSWORTH	16	16

### Our Purpose

The council of Wyalkatchem works with the community to protect and enhance the quality of life for current and future generations.

### Our Vision

That the Shire of Wyalkatchem is an inclusive, dynamic community where all share in a thriving economy and a sustainable, safe and valued environment.

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**SHIRE OF WYALKATCHEM STAFF** as at 30 June 2017

<b>Chief Executive Officer</b>	Ian McCabe
<b>Principal Environmental Health Officer</b>	Peter Toboss
<b>Senior Finance Officer</b>	Claire Trenorden
<b>Administration Officer</b>	Ella McDonald
<b>Administration Officer</b>	Tegan McCarthy
<b>Administration Officer</b>	Jennie Dagnall
<b>Manager of Works</b>	Craig Harris
<b>Leading Hand</b>	Ashley Sutherland
<b>General Plant Operator</b>	Brett Reid
<b>General Plant Operator</b>	Michael Gibbs
<b>General Plant Operator</b>	Chris Adams
<b>General Hand</b>	Daniel Anderson
<b>Cleaner</b>	Kathleen Guthrie
<b>Cleaner</b>	Kelly Bending



## **SHIRE PROFILE**

### **HISTORY OF WYALKATCHEM**

The town of Wyalkatchem is situated on the Goomalling - Merredin Road 192 km north east of Perth and 116 km from Merredin. The economy of the Shire is reliant on agriculture, predominantly wheat and wool production. However, there is a focus on long term sustainability and identifying diversified industry.

The Shire's focus is to provide a framework that will see Wyalkatchem become a sustainable community and identify opportunities to create jobs. The Shire will do this by encouraging the development of tourism and business opportunities while providing infrastructure including roads to support economic activity such as farming. Examples include the 2016 opening of The Bushel, the Shire's community building, support for community development such as sporting facilities and support for emergency services such as the new shed for fire appliances. The Shire is also supporting social infrastructure in general practitioner recruitment and providing asset support for health services. This local government is also promoting key environmental practices amongst the community and local agricultural industry with significant tree planting and preservation of scarce water resources.

The district of Wyalkatchem was first settled in 1904 and wheat was being produced within three years. The townsite of Wyalkatchem was declared in the following year and the road board, the forerunner of the Shire, was established in 1920. The Shire covers an area of 1,743 km<sup>2</sup> and is bound by the Shires of Koorda, Dowerin, Cunderdin, Tammin, Kellerberrin, Trayning and Mt Marshall. The Shire was the cradle of bulk handling of grain with the first bulk delivery and lifting by rail of bulk wheat in the State taking place in the Shire in 1931. In that period the industry supported towns at Korrelocking and Benjaberring but with the advent of improvements to the motor vehicle these towns declined and are now only localities. However, bulk handling of wheat and other grains, remains critically important to the district.

There has been something of a recent trend for retirees and young families, seeking a more secure lifestyle, to settle in the town. Good facilities are available for both these groups: housing for the independent aged is being expanded and a lodge provides accommodation for those who need care; the Shire provides a wide range of sporting facilities in the town including a grassed oval, turf cricket wickets, netball, basketball, tennis courts, swimming pool and recreation centre. Other excellent facilities are provided by the community, such as the Community Resource Centre and a growing roster of new businesses.

To secure the sustainable provision of services, the Shire is taking a strategic approach to consultation and working with state instrumentalities and other local governments. An example of this is active membership of the North Eastern Wheatbelt Regional Organisation of Councils (NEWROC) and other groups, to support community development and lobby on regional issues. Central to the success of this approach are community submissions for the Shire's planning for the future. Indeed, revised planning for the community will form the basis of long term work by the local government and a guide for sustainable development for the district.

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## SHIRE OF WYALKATCHEM STATISTICS

### Localities

Benjaberring, Cowcowing, Korrelocking and Wyalkatchem

### Significant Local Events

Australia Day, Wyalkatchem Fair

### Ordinary Council Meeting

Council meets on the third Thursday of every month, except January

### Tourist Attractions

Wyalkatchem CBH Agricultural Museum  
Wyalkatchem School House Museum  
Walk-A-Wyal Trail  
Town Heritage Walk  
Part of the Granite Loop Trail and Pioneer Pathway  
Wheatbelt Way

### Local Industries

Wheat, other grains, wool, livestock, recreational flying, transport and cartage.

### Shire Statistics

Distance from Perth:	192 km
Shire Area:	1,743 km <sup>2</sup>
Length of Roads:	782.3 km
Population:	516 (2016 ABS Census)
Number of Electors:	402
Number of Dwellings:	314
Total Rates Levied:	\$1,189,634
Total Revenue:	\$4,785,983
Number of Employees:	12.2 full time equivalents (FTE's)



## PRESIDENT'S REPORT

Once again I am proud to present my annual report to recount the achievements and acknowledge just some of the hard work done in our small Wheatbelt community – all things that help make our town a great place to live and work.

The last twelve months has provided many proud moments and triumphs, while also delivering a number of challenges for the community of Wyalkatchem.

Wyalkatchem aged care has come along in leaps and bounds this year, with four new independent living units built in partnership with the Wyalkatchem Senior Citizens Homes Trust Incorporated. All four units are now occupied with the final finishing touches scheduled for completion very soon. The Shire of Wyalkatchem signed an agreement with the Central Eastern Aged Care Alliance (CEACA) in March 2017 to construct a further four units adjacent to the existing units. This partnership aims to further our commitment to citizens of the district for local retirement.

We are a small community lucky to be blessed with fantastic health care resources. Our community GP, Dr Emmanuel Awogun, continues to provide an outstanding service to not only our residents but also those from surrounding towns. Mr Subin Daniel and his staff at the Wyalkatchem Koorda District Hospital provide support and reassurance to our community when Dr Awogun is not available, as well as make available fantastic care to all those who come through their doors. The pharmacy in town ensures our residents and visitors can access required medication close to home – something not to be taken for granted when one is unwell. Council extends their sincere thanks to Raj for all of his hard work. Thank you also to our St John Ambulance volunteers for once again providing a year of tireless support of our residents – Wyalkatchem is truly blessed with hardworking volunteers whose efforts are truly appreciated.

The Australia Day Citizen of the Year Awards acknowledge locals who have made Wylie a better place to live by volunteering their time to help others. Congratulations to the 2017 Citizen of the Year recipient Pat Jones for her many years of coordinating the Community Mart. Congratulations, also, to Kahn Crute who was awarded Junior Citizen of the Year for his successful contribution to the development of junior hockey. Thank you Kahn, for your commitment to junior sport in Wylie. Recognition in the local Australia Day awards also went to a major event in the Wyalkatchem school centenary. Christy Petchell and the WDHS Centenary Committee very successfully organised a large gathering of people celebrating their time at Wyalkatchem District High School in past decades. The event was enjoyed by students past and present and their friends and families and the committee should be very proud.

Council has had a busy year making decisions on behalf of our community. Noteworthy items include an agreement with Optus for a telecommunications tower on Wyalkatchem-North Road, a new contract with Contract Aquatic to ensure the continuation of our swimming pool services, as well as the purchase of an inflatable obstacle course for the pool. Continuing on with improving our facilities, the recreation centre kitchen was renovated, the tennis club modified to allow for the set-up of a child care service – our thanks to Leanne Rodgers for her work in that area. Council also approved the purchase of a new side tipper trailer and loader, which will help the works crew continue to complete their work to a high standard. Council also proved its dedication to the promotion of tourism in the area by committing an extra sum of money and time to the Pioneer Pathways program.

The Shire of Wyalkatchem hosted an "In a Better Place" forum in March 2017, in an attempt to engage the community and gather feedback, to better understand and provide for the future needs of our population. The forum was split into two time slots – over the two forums we had close to 60 people attend, excluding Council and staff.

As has been the case over the years since I've been on council, there are staff changes, retirements, resignations and new faces joining the team. I'd like to acknowledge the contribution made by Trevor Webb as Manager of Works and in his capacity as a community volunteer. Trevor works tirelessly in our community-quietly and effectively making a difference for the betterment of us all.

Welcome to Craig Harris who joined the Shire of Wyalkatchem as Manager of Works in September 2016. Craig has successfully made his mark as Works Manager including recovery works from the flooding of February 2017. Thank you to Claire Trenorden for her commitment and high standards in her role as Manager of Corporate Services.

Every year we hold an electors meeting in December. Last year a very small number of ratepayers attended - which I assume means that members of the community are happy with their Council. If ever you have something to say, or a question to ask, our Chief Executive Officer Ian McCabe has an open door for constructive comment and ideas to make our community a better place in which to live. Thank you to Ian for his dedication and ongoing support of Councillors and of the Wyalkatchem community.

Thank you also to all staff, inside and outside, for your efforts in keeping members of our community well governed, safe and cared for.

I'd like to express my appreciation to all elected members for your commitment, passion and support in making decisions on behalf of the residents of Wyalkatchem. Thanks also must go to the families of elected members for your support and understanding.

I appeal to members of the Wyalkatchem community to celebrate what is good about living in a small rural community. Embrace the opportunity you have in living and working here, join in, support local businesses and contribute to initiative and events in your town....it is essential that you become part of the solution to keep this rural community relevant, valuable and viable.

**Cr Quentin Davies**  
**President**  
**Shire of Wyalkatchem**

## CHIEF EXECUTIVE OFFICER'S REPORT

It's my privilege to deliver this Chief Executive Officer's report for the financial year 2016/17. In the last two annual reports, I laid out some of the key drivers behind Council decisions and the framework that your Council works within to improve the performance of the organisation. In this year's report, I'd like to take the opportunity to demonstrate how your Council is addressing the promise of the future and how the community can assist.

Council has a purpose for its activities and this is:

### *Our Purpose*

*The Council of Wyalkatchem works with the community to protect and enhance the quality of life for current and future generations.*

In delivering on this purpose, there are six main strategic goals and these are:

- Healthy, strong and connected communities;
- A prosperous and dynamic district;
- A sustainable natural and built environment;
- An effective voice;
- A well-managed and effective Council organisation;
- Well utilised and effectively managed facilities and assets.

To deliver on these goals, your council allocates resources and employs a CEO who engages a team of staff. In addition, council has policies about how the work of the local government will comply with state and federal law and work towards meeting the expectations of the community. This will include an approach to risk reduction; building financial strength; building the capacity and capability of the local government; and working in a collaborative way with our regional partners.

To reduce risk, the local government has developed good governance practices, including a risk management plan, audit and the use of an audit committee; having public council meetings; keeping good records; and being as open and transparent as practicable. A dedicated officer manages the governance processes of the shire and all staff participate in processes and review. Examples include hazard reporting by all team members and internal control by all administration staff. All processes are then reviewed by the CEO or senior staff and reports are submitted to council. All of this is subject to external audit. This means no single person has control over any whole process and this will reduce risk, improve quality and reduce the risk of negative outcomes.

To build financial strength (while delivering value and minimising added costs to ratepayers), the local government has worked to build financial reserves; reduce debt; align resources to services; reduce waste; extract value from each transaction; and improve forward planning. There have been some challenges, particularly in regard to the last point, as we can't read the



minds of state and federal governments, nor plan for the effects of weather. However, the building of adequate reserves makes the local government more resilient and able to cope with unforeseen challenges. This makes it less likely the shire will incur additional debt, make poor decisions or need to increase rates beyond a reasonable level.

In building capacity and capability, the local government has invested in developing staff by providing a high standard of training and recruiting for skills; improving quality by investing in new plant to provide the tools of the job; and building workforce flexibility to make this team resilient and capable. This extends to the work of council with all elected members attending training during 2016/17; all major documents being accessed by council via council iPads; and the chambers of council being developed for greater productivity with presentation equipment and power points.

This local government also recognises that we are small in terms of resources and works hard to be very collaborative with neighbours and others. It makes a great deal of sense to work with others to marshal resources and expertise to achieve good regional outcomes. Your council is a member of WALGA (West Australian Local Government Association); NEWROC (North East Wheatbelt Regional Organisation of Councils); CEACA (Central East Aged Care Alliance); among others and makes representations to each and to government to advance the interests of Wyalkatchem and the region.

Of course, it is the work on the ground here in Wyalkatchem that can be most effective.

In 2016/17, Council held 11 ordinary meetings and five special meetings to make decisions about these goals. In addition there were 11 workshops as well as two full strategy days, several budget workshops and presentations and guests including parliamentarians, government commissions and experts in fields such as road safety. Across the formal meetings there were 170 decisions made covering the following issues:

- Building and Development;
- CEO Higher Duties;
- Works Manager Recruitment;
- Swimming Pool Tender;
- Debtor Management;
- Land Use and Planning;
- Regional housing for the aged (CEACA, Central East Aged Care Alliance);
- Purchase of road plant;
- Leases;
- Bush Fire Control;
- Community Grants;
- Council facilities;
- Council delegations;
- Regional Visitor Schemes;
- Road tenders;
- Risk, compliance, internal control audit;
- Financial budget;
- Officer reports and recommendations.

The work of your council and staff is collaborative and the best example is the budget. Your council relies on public submissions, staff proposals and the workshopping of the material that

makes up the annual budget. Council takes this material and works through it, discussing how this meets council's purpose and the six strategic goals to ensure its value to the community.

In fact, the major decisions of council are considered within the annual budget. The consultation and planning that goes into the budget arrives at a set of decisions that funds the year's operational activities as well as capital projects – those things which are investments into the future. The budget decides what level of staffing can be funded, what level of road works and other projects can be supported and indicates what level of service can be provided within the means available.

In the 2016/17 financial year, as well as a continued high level of services, this included a new contract for pool management with Contract Aquatic (thank you as always); free entry to the pool as a health and well-being initiative; increased funding for emergency services; the purchase of major road plant; the forming of a water re-use agreement with Water Corp; a new kitchen at the recreation centre; giant inflatable pool equipment; family day care; the Wylie Fair; the completion of four independent living units with the support of the Wyalkatchem Senior Citizens Homes Trust; continued reduction in debt and increased reserves and improvement in the local government's financial position (now ranked tenth in the state by the Department of Local Government, out of 140 councils).

The 2016/17 financial year can be seen as successful. Your shire team has worked hard with council and our partners in the community and in business to deliver a very high standard of service. Each and every member of this team does a great job and I thank them all.

I commenced this report by stating I would address how the community can assist with achieving the six strategic goals and all the other work your council attempts. Consider your contribution to this future, whether volunteering, nominating for Council, providing feedback to the Shire or supporting a local business. Your positive contribution to any group is an important step in maximising opportunity and preserving services in this community.

In closing, I offer a few thanks: sincere thanks to my President Cr Quentin Davies for his advice, support and valuable counsel; to the whole Council for the consideration given to serious matters of policy and their work on behalf of all residents; to my staff for smarts, effort, sincerity, team work and dedication to the cause while providing me with great advice and support; to all our families, wholehearted thanks for your contributions and understanding; and to the community, for embracing positive change and contributing as volunteers and active supporters in making Wyalkatchem a safe, healthy and happy place to live.

**Ian McCabe**  
**Chief Executive Officer**  
**8 November 2017**

## MANAGER OF WORKS - INFRASTRUCTURE SERVICES REPORT

### Human Resources:

At 30 June 2017, the team included the following full-time staff:

- Chris Adams – Machinery Operator;
- Daniel Anderson – General Hand and Town Gardener;
- Michael Gibbs – Machinery Operator;
- Craig Harris – Manager of Works;
- Brett Reid – Machinery Operator;
- Ashley Sutherland – Leading Hand / Machine Operator.

Training was undertaken by our team membership throughout the year to gain the qualifications necessary for their work and also as a refresher of their current qualifications. This training included:

1. Loader Operations
2. Skid Steer Operations
3. Excavator Operations
4. HR and MR Truck licence
5. Cricket pitch maintenance
6. OHS Representative course

### Occupational Health and Safety: Summary of Incidents reported:

Shire Equipment damage: 3  
Private property damage: 1  
Personal injury: 1

A WorkSafe inspector carried out inspections of the shire depots and works area in May 2017. Seven improvement notices were issued as a result of these inspections. Measures were taken to remedy the issues highlighted within these improvement notices with all being signed off and completed by the end of June.

Initiatives to safety in general and OHS reporting:

1. Pre-starts being undertaken correctly and regularly;
2. Updating MSDS records and worker awareness of Hazchem;
3. Safe work method statements developed with team members, for weed spraying, chainsaw operations and grave digging;
4. General housekeeping improvements at depots and in vehicles;
5. Monthly safety meetings.

### Road Maintenance and Projects:

Maintenance grading was undertaken through the months of July, August and September 2016, utilising a hired 120M grader and 18 tonne roller along with our own 120M grader and roller.

The major roads projects completed were:

Description	Amount (x\$1,000)
Koorda / Wyalkatchem Rd - SLK 4.30 - 8.30 (4.0 km) - Shoulder Reconditioning (alter Scope of Works and TEC with SRRG)	\$ 8
Tammin / Wyalkatchem Rd - SLK 19.60 - 21.83 (2.23 km) - Shoulder Widening and Primer sealing Shoulders	\$ 113
Nembudding Sth Rd - SLK 2.65 - 4.00 and 17.64 - 19.64 (3.35 km) - Seal / Reseal with 10mm cutback bitumen seal	\$ 94
Wyalkatchem North Rd - SLK 0.00 - 2.41 (2.41 km) - Seal / Reseal with 10mm cutback bitumen seal	\$ 66
Yorkrakine West Rd - SLK 4.01 - 6.48 (2.47 km) - Shoulder Reconditioning to widen carriageway from 7.2m to 10.0m width.	\$ 55
Swan St - SLK 0.00 - 0.72 (0.72 km) - Seal 11.2m wide primer seal with 10mm cutback bitumen seal	\$ 36
Elsegood Rd - SLK 1.65 - 2.78 (1.13 km) - Seal 3.6 m wide seal with 2 coat (14 and 7m) PMB Seal.	\$ 31
Wallambin Rd - SLK 9.63 - 10.13 (0.5 km) - Seal 4.9 m wide seal with 2 coat (14 and 7m) PMB Seal.	\$ 20
Lewis Rd - SLK 3.70 - 4.20 (0.5 km) - Remove existing deteriorated seal, add new gravel layer and cement stabilise.	\$ 29
Cunderdin / Wyalkatchem Rd - SLK 16.88 and 21.33 - Replace culverts with 6 barrel x diameter 600 HDPE Pipe culverts with rock lined batters and aprons.	\$ 109
Parson Rd – 650m to Southern End - Shoulder Reinstatement.	\$ 33
Koorda / Wyalkatchem Rd – SLK 19.2 – 23.4 - 10mm S5R Seal	\$ 154
Koorda / Wyalkatchem Rd – SLK 18.6 – 15.9 - CRS 50/50 Enrichment	\$ 16
	<b>\$ 730</b>

**Additional road works included:**

1. Culvert replaced on Cemetery Rd;
2. Damaged section of Seal in Honour Avenue (opposite hospital) was repaired;
3. Pothole patching on roads and streets, mainly on Koorda Rd and Tammin-Wylie Rd;
4. Tree trimming on Elsegood Rd and Davies South Road.

## Tammin-Wyalkatchem Rd – March 2017 – Stabilising and Sealing



Lewis Rd – March 30 – Stabilising



### **Flood damage**

Following flood events in February around the Yorkrakine area, an estimate for repairs was prepared which amounted to \$400,000. This was submitted to Main Roads and subsequently approved for reimbursement under WANDRRA. Repair work began by contractors in May and was ongoing through to the end of June.

### **Town Maintenance:**

#### **Summary of works undertaken:**

1. New irrigation system installed in Admin Park;
2. Shire commitments to Power Line Vegetation Clearances completed;
3. Footpath repairs completed in Gamble St;
4. Power connection to Pioneer Park;
5. New paving has been installed at the rec centre, shire office and swimming pool;
6. Storage compound – West of recreation centre has been cleaned up (ongoing) creating additional space and better security.

### **Stormwater Drainage Cleaning**

The catchment areas which feed into the White Dam were cleaned out using our loader and truck, taking approximately two weeks.

Using a 30t excavator the drainage channel leading to the main shire dam was cleaned out from Riches Street through to the dam inlet.

### **Avon Waste Tip Cell**

A new tip cell was completed using a 30 tonne excavator. It is estimated that the storage volume created could have sufficient capacity for up to five years. Additional works undertaken at the tip included building a new wall across the face and creating an access ramp from the side to help prevent windblown rubbish. Also a new gate was installed at the entrance to Cemetery Road to prevent access by the public during tip maintenance.



### **Plant and Equipment:**

Generally our plant performed well over the year with minimal downtime.

### **Planned replacements**

The Komatsu Loader (Model: WA-380 year 2005) which had accumulated about 8,000 hours was replaced with a new Liebherr 500 XPower.

### **Unplanned replacements and repairs**

The skid steer's original Mitsubishi engine failed in a major way such that replacement was a better option than repair. The engine was replaced with a CAT engine at a cost of \$22,000.

The replacement of our side tipper trailer was brought forward due to issues arising with the suspension which had to be replaced, including axles. With repair quotes amounting to \$13,500 plus additional costs for other repairs required to make the trailer road worthy the decision was made to purchase a second hand side tipper trailer from Lombardi's for \$71,500. The old trailer was auctioned off for \$7,000.

The electric motor which is used to irrigate the oval failed in November and was replaced at a cost of \$2,000.

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**New loader**



**New side tipper trailer**



**Craig Harris  
Works Manager**

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## ENVIRONMENTAL HEALTH AND BUILDING SERVICES

### NEW Health

The Shire participates in NEW Health, a group share scheme for the provision of environmental health services to the North East Wheatbelt. The Scheme involves six Shires: Wyalkatchem, Koorda, Trayning, Mukinbudin, Mount Marshall and Nungarin. Each shire contributes to the costs of employment, housing and motor vehicle for the Principal Environmental Health Officer (PEHO) to manage the environmental health issues for them. The Scheme is administered through the Koorda Shire office.

It has been a key role for local government for over a century to monitor and take action should the environmental health of the residents be put under threat. In times past, the threats included water quality, food safety, safe effluent disposal and housing problems. These can still raise their heads but modern issues such as public swimming pools, fire safety in public buildings, effluent reuse, mosquito nuisance and disease and public events now have relevance.

### Staffing

In 2016/17, the Shires had experienced a number of changes following the retirement of PEHO Mr Bill Hardy. The current PEHO has been in the position since May 2017. The PEHO position is shared by the six NEWHealth shires. Wyalkatchem, Koorda, Mt Marshall, Mukinbudin and Trayning get one day a week each and Nungarin gets one day per month. That means the Shire of Wyalkatchem has 0.2 of a full time equivalent EHO position. Building surveyor services are provided through a contract with Mr. John Gosper on a user-pays basis.

### Food Safety

The EHO performs routine assessments of registered food premises within the Shire for compliance with the Food Act 2008 and the Australia New Zealand Food Standards Code. Activities such as food sampling, bacterial swabbing and educational seminars may also occur as required to ensure food businesses are doing their best to provide safe food to the public.

The New Public Health 2016 and the Food Act 2008 requires all local governments to report on their activities each year. This report was completed and sent to the Health Department. There are currently 12 food businesses registered in the shire.

There were 6 (six) formal inspections of food business during 2016-2017. No Improvement Orders or Prohibition Orders have been issued. This indicates the situation where the food businesses are generally operating in a safe manner. The PEHO works to keep a constructive relationship with the food business operators so that any problems can be discussed and addressed with a minimum of conflict.

NEW Health continues to subscribe to the "I'm Alert" on-line food safety training program. This is a web site where anyone in the shires can log in for free and work through a one to two hour training course in food safety and print out a certificate at the end. This enables food businesses to refer new staff to the web site and for them to get basic training. This will be an ongoing service.

### Public Buildings and Public Events

Under the Health (Public Buildings) Regulations the shire must create and maintain a Register of all the Public Buildings in their area. On taking up the role the PEHO updated this register.



The PEHO carries out routine inspections of the Public Buildings and reports to the owner of the building on their condition.

These regulations mostly relate to fire safety and other important aspects of public buildings such as the maximum numbers of people allowed, numbers of toilets and fire exits. Each Public Building is required to have a Public Building Certificate which indicates the maximum numbers of people permitted in the building. The Shire has 15 public buildings as per the current register. The register needs to be reviewed and all public buildings will need to be inspected for compliance with the Regulations.

The Public Building Regulations also apply to events, including major outdoor events, ensuring there are safe food outlets, adequate toilets, adequate waste disposal, safe rides and general public safety issues.

#### Disability Access and Inclusion Plan

The PEHO has undertaken a role in dealing with issues relating to this plan. The Disability Services Act requires that shire have such a plan and report on its progress each year. Such a report and an updated version of the Wyalkatchem Plan was submitted to the Disability Services Commission (DSC) prior to its due date of 30 June 2017.

#### Water Reuse Scheme

The Shire has an effective collection system for storm water and also has the capability to reuse treated effluent from the town's ponds which is mixed with the storm water. The WaterCorp's proposed new treatment system for the reuse water has not yet been installed. A recent test of the water used for the oval and tennis courts found the water to be well within the limits for safe reuse set by the Health Department.

#### Wyalkatchem Swimming Pool Sampling

The Health (Aquatic Facilities) Regulations requires that all public pools such as the Wyalkatchem pool are sampled and tested each month. The PEHO did this throughout the swimming season last year and will conduct one sampling prior to its opening this year. This monitoring ensures that the residents and visitors of the Shire swim in safe water, free of harmful bacteria and other pathogens. There were no failed samples in 2016/17 season, an indication that the pool water quality was well managed and safe.

#### Land Transfer Inspections

The PEHO has undertaken to complete the land transfer inspections and does this by inspecting the land / house involved and noting issues such as the presence of a pool, water tank, or other issues important for the new owner to know before the transfer is final. There are usually several of these each month.

#### Private Swimming Pool Inspections

The PEHO also has a role in the inspection of private pools to ensure they comply with the Building Code and relevant Australian Standards. This mostly relates to their safety and in particular their fencing. These inspections are required to be carried out every four years. The PEHO will continue to inspect the pools as required.

#### Caravan and Camping Act and Regulations

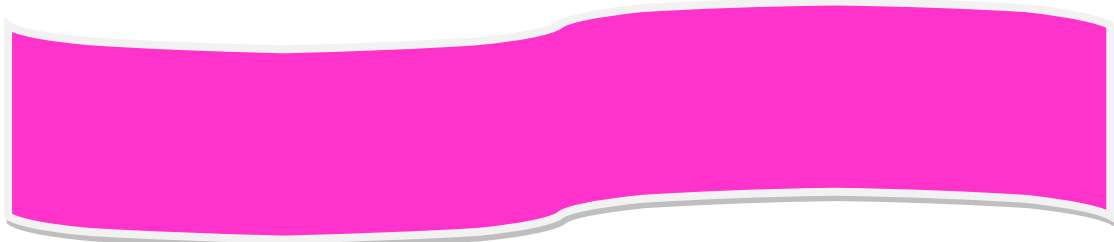
The Caravan and Camping Act requires privately owned caravan parks to be licensed and inspected each year. Wyalkatchem Caravan Park is such an operation.

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### Noise

The Shire EHO is also required to enforce the Environmental Protection (Noise) Regulations 1997. This is to protect the residents of the Shire from the stress and irritation caused by unreasonable noise from parties, music, construction, specialised equipment and other sources. There have been few cases of noise complaint recorded within 2016/17 period.

**PETER TOBOSS**  
**PRINCIPAL ENVIRONMENTAL HEALTH OFFICER**



## NATIONAL COMPETITION POLICY

In respect to Council's responsibilities in relation to National Competition Policy the Shire reports as follows:

- No business enterprise of the Shire has been classified by the Australian Bureau of Statistics as either a Public Trading Enterprise or a Public Financial Enterprise.
- Competitive neutrality has not applied to any activities undertaken by the Shire in this reporting period.
- No allegations of non-compliance with the competitive neutrality principles have been made by any private entity.
- The principles of competitive neutrality will be implemented in respect of any relevant activity undertaken during the 2016/17 financial year.

A further requirement of the National Competition Policy is that all Council Local Laws are reviewed every eight years to determine whether they are in conflict with competitive neutrality and comply with the *Local Government Act 1995*. No local laws were amended during the period.

## RECORD KEEPING PLAN

The *State Records Act 2000* requires that the Shire maintains and disposes of all records in the prescribed manner.

Standard 2, Principle 6 Compliance: Government organisations ensure their employees comply with the record keeping plan.

### The Rationale:

*An organisation and its employees must comply with the organisation's record keeping plan. Organisations should develop and implement strategies for ensuring that each employee is aware of the compliance responsibilities.*

### Minimum Compliance Requirements:

The record keeping plan is to provide evidence that:

1. The efficiency and effectiveness of the organisation's record keeping system is evaluated not less than once every five years. The Shire is presently reviewing its Record Keeping Plan.
2. The organisation conducts a record training program.
3. The efficiency and effectiveness of the record keeping training program is reviewed from time to time.
4. The organisation's induction program addresses employee roles and responsibilities in regard to their compliance with the organisation's record keeping plan.

The Shire of Wyalkatchem has complied with items 1 - 4. During 2016/17 the Shire continued to utilise the Keywords for Councils Record Management System.

## FREEDOM OF INFORMATION STATEMENT

Part 5 of the *Freedom of Information Act 1992* requires an agency such as a local government to prepare and publish an information statement.

The Shire of Wyalkatchem has developed an Information Statement which can be inspected on the Shire's website or by contacting the Shire Office.

The Shire of Wyalkatchem received no applications under the *Freedom of Information Act 1992* during the 2016/17 financial year.

## PUBLIC INTEREST DISCLOSURES

The *Public Interest Disclosure Act 2003* facilitates the disclosure of public interest information, and provides for the protection of those making such disclosure and those who are subject of the disclosures. The Act provides a system for the matters disclosed to be investigated and for the appropriate action to be taken.

The requirements of the *Public Interest Disclosure Act 2003* were adopted 19 July 2007 and have yet to be reported against. The Administration Officer is the PID Officer under this process. **A copy of the Shire's Public Interest Disclosures procedures is on the Shire's website: [www.wyalkatchem.wa.gov.au](http://www.wyalkatchem.wa.gov.au).**

## PLAN FOR THE FUTURE OF THE DISTRICT

Under Section 5.56 of the *Local Government Act 1995* local governments are required to plan for the future of the district. The information to be contained in the Plan for the Future is governed by Regulations 19 (c) and 19 (d) of the Local Government (Administration) Regulations 1996.

Section 5.56 (2) of the *Local Government Act 1995* was amended to provide the following minimum requirements for local governments:

1. Development of a Strategic Community Plan
2. Development of a Corporate Business Plan

The Shire has a Forward Capital Works Plan which will be continually revised to provide for asset management planning and the preparation of a long term financial plan.

An update on the above planning framework is provided as follows:

1. Plan for the Future – the Shire's Plan for the Future 2013-2023 has been reviewed. There has been a number of community consultations during 2016/17 and the preceding year, including the 2017 community survey with more than 30% of the adult population contributing;
2. Strategic Community Plan – version one of the plan was finalised and sent to the Department of Local Government and distributed to ratepayers in 2013; a revision of the plan was completed with a renewed framework of priorities based on six key priorities was approved by Council in 30 June 2016; this includes a planning framework with

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underlying outcomes; this revision by Council included vision, purpose and guiding principles, as follows:

### *Council's Vision*

That Wyalkatchem is an inclusive, dynamic community where all share in a thriving economy and a sustainable, safe and valued environment.

### *Our Purpose*

The Council of Wyalkatchem works with the community to protect and enhance the quality of life for current and future generations.

### *Our Guiding Principles*

Respect for diverse community interests based on active listening and mutual understanding;  
Leaving a positive legacy for future generations and Councils;  
Balancing a flexible, can-do, innovative and professional approach with achieving outcomes efficiently;  
Responsible financial management;  
Informed, evidence-based and representative decision making; and,  
Effective communication and engagement.

### *Our Goals*

Healthy, strong and connected communities  
A prosperous and dynamic district  
A sustainable natural and built environment  
An effective voice  
A well-managed and effective organisation  
Facilities and assets that are well used and effectively managed

3. Corporate Business Plan – the plan includes inputs such as required asset revaluations that have been completed and a comprehensive asset management plan and long term financial plan completed in support of a revised Strategic Community Plan;
4. Forward Capital Works Plan – a revised long term financial plan was approved by Council 30 June 2016; the plan provides for expenditure on asset renewals, expansions and upgrades and any new assets for the period to 2026. The Plan was reviewed twice in recent years and supports Council's integrated planning requirements;
5. Community Engagement – the Shire has continued strong engagement efforts in 2016/17 with representation and liaison to community committees and the distribution of publications and surveys. This included increased publicity through the independent Wyalkatchem Weekly, community surveys, the In A Better Place forums and seeking regular feedback.

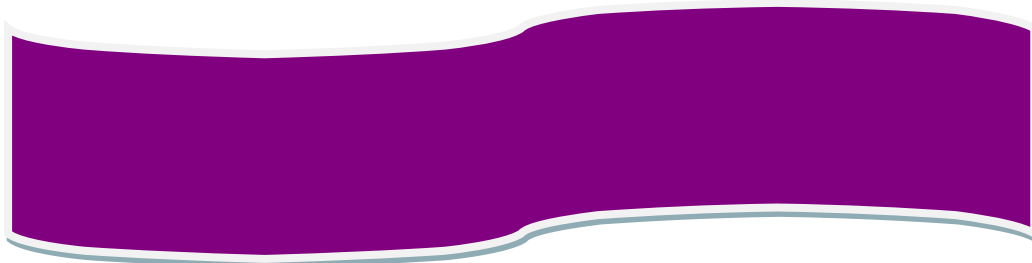
The delayed State Government budget was anticipated to include measures that would impact on the local government's ability to deliver on budgeted and strategic plans. Accordingly the adoption by council of the updated Strategic Community Pan and Corporate Business Plan were delayed until the second half of the 2017 calendar year.

## EMPLOYEES REMUNERATION

Local Government (Administration) Regulation 1996 19B requires the annual report to contain details of the number of employees of the local government entitled to an annual salary of \$100,000 or more in bands of \$10,000 for each such band over \$100,000.

Disclosure is provided as follows:

<b>Salary Range</b>	<b>2017</b>	<b>2016</b>
100,000 – 109,999	0	1
130,000 – 139,999	0	0
140,000 – 149,999	1	1



**SHIRE OF WYALKATCHEM**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

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Principal place of business: 27 Flint St Wyalkatchem WA 6485	

**SHIRE OF WYALKATCHEM  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2017**

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

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

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

Signed as authorisation of issue on the 10th day of November 2017



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Ian McCabe  
Chief Executive Officer



**SHIRE OF WYALKATCHEM**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

	NOTE	2017 \$	2017 Budget \$	2016 \$
<b>Revenue</b>				
Rates	23	1,189,634	1,150,485	1,081,073
Operating grants, subsidies and contributions	29	2,424,073	1,650,006	2,009,746
Fees and charges	28	291,929	272,008	297,716
Interest earnings	2(a)	65,451	57,012	67,570
		<u>3,971,087</u>	<u>3,129,511</u>	<u>3,456,105</u>
<b>Expenses</b>				
Employee costs		(906,508)	(962,332)	(807,452)
Materials and contracts		(1,110,827)	(1,129,740)	(982,606)
Utility charges		(151,161)	(137,538)	(133,683)
Depreciation on non-current assets	2(a)	(1,100,800)	(1,049,519)	(1,034,681)
Interest expenses	2(a)	(20,820)	(21,603)	(30,250)
Insurance expenses		(124,705)	(124,317)	(126,534)
		<u>(3,414,821)</u>	<u>(3,425,049)</u>	<u>(3,115,206)</u>
		556,266	(295,538)	340,899
Non-operating grants, subsidies and contributions	29	814,668	995,750	862,521
Profit on asset disposals	21	228	0	172,546
Loss on asset disposals	21	(1,690)	(6,747)	(24,444)
		<u>(1,690)</u>	<u>(6,747)</u>	<u>(24,444)</u>
<b>Net result</b>		<b>1,369,472</b>	<b>693,465</b>	<b>1,351,522</b>
<b>Other comprehensive income</b>				
Changes on revaluation of non-current assets	13	192,757	0	(421,678)
<b>Total other comprehensive income</b>		<u>192,757</u>	<u>0</u>	<u>(421,678)</u>
<b>Total comprehensive income</b>		<u><u>1,562,229</u></u>	<u><u>693,465</u></u>	<u><u>929,844</u></u>

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

**SHIRE OF WYALKATCHEM**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

	NOTE	2017 \$	2017 Budget \$	2016 \$
<b>Revenue</b>				
	2(a)			
Governance		7,700	2,100	23,610
General purpose funding		2,789,355	2,211,548	1,718,372
Law, order, public safety		43,337	38,962	30,077
Health		44,148	51,273	1,060,884
Housing		128,485	130,831	137,652
Community amenities		113,750	110,197	109,852
Recreation and culture		43,955	47,684	57,878
Transport		761,303	523,006	290,076
Economic services		21,690	3,910	5,675
Other property and services		17,364	10,000	22,029
		<u>3,971,087</u>	<u>3,129,511</u>	<u>3,456,105</u>
<b>Expenses</b>				
	2(a)			
Governance		(247,645)	(303,146)	(244,331)
General purpose funding		(54,818)	(60,120)	(61,947)
Law, order, public safety		(98,208)	(100,981)	(77,455)
Health		(273,285)	(310,233)	(277,663)
Education and welfare		(12,454)	(9,489)	(22,009)
Housing		(218,172)	(236,231)	(200,347)
Community amenities		(220,334)	(220,184)	(178,209)
Recreation and culture		(651,902)	(679,549)	(602,740)
Transport		(1,525,829)	(1,404,179)	(1,346,075)
Economic services		(91,111)	(79,969)	(72,734)
Other property and services		(243)	635	(1,446)
		<u>(3,394,001)</u>	<u>(3,403,446)</u>	<u>(3,084,956)</u>
<b>Finance costs</b>				
	2(a)			
Governance		0	0	0
Housing		(13,317)	(13,779)	(21,993)
Recreation and culture		(6,967)	(7,189)	(7,764)
Transport		(536)	(635)	(493)
		<u>(20,820)</u>	<u>(21,603)</u>	<u>(30,250)</u>
<b>Non-operating grants, subsidies and contributions</b>				
General purpose funding		45,455	45,455	0
Law, order, public safety		0	0	31,989
Recreation and culture		0	0	0
Transport		769,213	950,295	830,532
Other property and services		0	0	0
	29	<u>814,668</u>	<u>995,750</u>	<u>862,521</u>
<b>Profit/(Loss) on disposal of assets</b>				
Other property and services		(1,462)	(6,747)	148,102
	21	<u>(1,462)</u>	<u>(6,747)</u>	<u>148,102</u>
<b>Net result</b>		<u>1,369,472</u>	<u>693,465</u>	<u>1,351,522</u>
<b>Other comprehensive income</b>				
Changes on revaluation of non-current assets	13	192,757	0	(421,678)
<b>Total other comprehensive income</b>		<u>192,757</u>	<u>0</u>	<u>(421,678)</u>
<b>Total comprehensive income</b>		<u>1,562,229</u>	<u>693,465</u>	<u>929,844</u>

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

**SHIRE OF WYALKATCHEM**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30TH JUNE 2017**

	NOTE	2017 \$	2016 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	3,349,964	3,213,668
Trade and other receivables	5	245,139	96,582
Inventories	6	<u>75,279</u>	<u>80,528</u>
<b>TOTAL CURRENT ASSETS</b>		<u>3,670,382</u>	<u>3,390,778</u>
<b>NON-CURRENT ASSETS</b>			
Investments	4	131,226	131,226
Other receivables	5	22,347	32,442
Property, plant and equipment	7	10,611,796	9,381,202
Infrastructure	8	<u>51,209,520</u>	<u>51,102,664</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u>61,974,889</u>	<u>60,647,534</u>
<b>TOTAL ASSETS</b>		<u>65,645,271</u>	<u>64,038,312</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	354,322	193,615
Current portion of long term borrowings	10	53,670	101,502
Provisions	11	<u>49,892</u>	<u>70,788</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>457,884</u>	<u>365,905</u>
<b>NON-CURRENT LIABILITIES</b>			
Long term borrowings	10	294,017	347,687
Provisions	11	<u>27,912</u>	<u>21,491</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>321,929</u>	<u>369,178</u>
<b>TOTAL LIABILITIES</b>		<u>779,813</u>	<u>735,083</u>
<b>NET ASSETS</b>		<u>64,865,458</u>	<u>63,303,229</u>
<b>EQUITY</b>			
Retained surplus		24,538,763	23,287,411
Reserves - cash/investment backed	12	2,916,217	2,798,097
Revaluation surplus	13	<u>37,410,477</u>	<u>37,217,720</u>
<b>TOTAL EQUITY</b>		<u>64,865,457</u>	<u>63,303,228</u>

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

**SHIRE OF WYALKATCHEM  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30TH JUNE 2017**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH/INVESTMENT BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2015</b>		<b>23,180,643</b>	<b>1,553,343</b>	<b>37,639,398</b>	<b>62,373,384</b>
Comprehensive income					
Net result		1,351,522	0	0	1,351,522
Changes on revaluation of non-current assets	13	<u>0</u>	<u>0</u>	<u>(421,678)</u>	<u>(421,678)</u>
Total comprehensive income		1,351,522	0	(421,678)	929,844
Transfers from/(to) reserves		(1,244,754)	1,244,754	0	0
		<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Balance as at 30 June 2016</b>		<b>23,287,411</b>	<b>2,798,097</b>	<b>37,217,720</b>	<b>63,303,228</b>
Comprehensive income					
Net result		1,369,472	0	0	1,369,472
Changes on revaluation of non-current assets	13	<u>0</u>	<u>0</u>	<u>192,757</u>	<u>192,757</u>
Total comprehensive income		1,369,472	0	192,757	1,562,229
Transfers from/(to) reserves		(118,120)	118,120	0	0
		<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Balance as at 30 June 2017</b>		<b><u>24,538,763</u></b>	<b><u>2,916,217</u></b>	<b><u>37,410,477</u></b>	<b><u>64,865,457</u></b>

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

**SHIRE OF WYALKATCHEM  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30TH JUNE 2017**

	NOTE	2017 \$	2017 Budget \$	2016 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		1,184,090	1,152,763	1,099,547
Operating grants, subsidies and contributions		2,278,985	1,650,006	1,951,359
Fees and charges		291,929	439,730	297,716
Interest earnings		65,451	57,012	67,570
Goods and services tax		0	0	0
		<u>3,820,455</u>	<u>3,299,511</u>	<u>3,416,192</u>
<b>Payments</b>				
Employee costs		(920,983)	(977,332)	(831,453)
Materials and contracts		(944,090)	(1,219,740)	(878,090)
Utility charges		(151,161)	(137,538)	(133,683)
Interest expenses		(21,601)	(21,603)	(31,068)
Insurance expenses		(124,705)	(124,317)	(126,534)
		<u>(2,162,540)</u>	<u>(2,480,530)</u>	<u>(2,000,828)</u>
<b>Net cash provided by (used in) operating activities</b>	14(b)	<u>1,657,915</u>	<u>818,981</u>	<u>1,415,364</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment		(1,443,201)	(1,560,674)	(837,846)
Payments for construction of infrastructure		(875,209)	(1,092,036)	(1,198,004)
Non-operating grants, Subsidies and contributions		814,668	995,750	862,521
Proceeds from sale of fixed assets		71,455	72,727	254,755
<b>Net cash provided by (used in) investment activities</b>		<u>(1,432,287)</u>	<u>(1,584,233)</u>	<u>(918,574)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of debentures		(101,502)	(101,502)	(174,087)
Proceeds from self supporting loans		12,170	12,169	11,316
Proceeds from new debentures		0	0	63,700
<b>Net cash provided by (used in) financing activities</b>		<u>(89,332)</u>	<u>(89,333)</u>	<u>(99,071)</u>
<b>Net increase (decrease) in cash held</b>		136,296	(854,585)	397,719
Cash at beginning of year		3,213,668	3,129,178	2,815,949
<b>Cash and cash equivalents at the end of the year</b>	14(a)	<u><u>3,349,964</u></u>	<u><u>2,274,593</u></u>	<u><u>3,213,668</u></u>

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

**SHIRE OF WYALKATCHEM  
RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2017**

	NOTE	2017 Actual \$	2017 Budget \$	2016 Actual \$
<b>Revenue</b>				
Governance		7,700	2,100	23,610
General purpose funding		1,645,176	1,106,518	637,299
Law, order, public safety		43,337	38,962	62,066
Health		44,148	51,273	1,060,884
Housing		128,485	130,831	137,652
Community amenities		113,750	110,197	109,852
Recreation and culture		43,955	47,684	57,878
Transport		1,530,516	1,473,301	1,120,608
Economic services		21,690	3,910	5,675
Other property and services		17,592	10,000	194,575
		<u>3,596,349</u>	<u>2,974,776</u>	<u>3,410,099</u>
<b>Expenses</b>				
Governance		(247,645)	(303,146)	(244,331)
General purpose funding		(54,818)	(60,120)	(61,947)
Law, order, public safety		(98,208)	(100,981)	(77,455)
Health		(273,285)	(310,233)	(277,663)
Education and welfare		(12,454)	(9,489)	(22,009)
Housing		(231,489)	(250,010)	(222,340)
Community amenities		(220,334)	(220,184)	(178,209)
Recreation and culture		(658,869)	(686,738)	(610,504)
Transport		(1,526,365)	(1,404,814)	(1,346,568)
Economic services		(91,111)	(79,969)	(72,734)
Other property and services		(1,933)	(6,112)	(25,890)
		<u>(3,416,511)</u>	<u>(3,431,796)</u>	<u>(3,139,650)</u>
<b>Net result excluding rates</b>		179,838	(457,020)	270,449
<b>Adjustments for cash budget requirements:</b>				
<b>Non-cash expenditure and revenue</b>				
Initial recognition of assets due to change to regulations				
- Investments		0	0	0
(Profit)/Loss on asset disposals	21	1,462	6,747	(148,102)
Movement in deferred pensioner rates (non-current)		(2,075)	0	(3,100)
Movement in employee benefit provisions (non-current)		6,421	0	6,972
Depreciation and amortisation on assets	2(a)	1,100,800	1,049,519	1,034,681
<b>Capital Expenditure and Revenue</b>				
Purchase of land and buildings	7(b)	(1,067,482)	(1,197,492)	(395,109)
Purchase plant and equipment	7(b)	(375,719)	(363,182)	(442,737)
Purchase roads	8(b)	(701,959)	(895,107)	(960,838)
Purchase footpaths		0	(20,000)	(24,358)
Purchase drainage	8(b)	(125,018)	(108,724)	0
Purchase other infrastructure	8(b)	(32,000)	(68,205)	(198,449)
Purchase roads kerbing		0	0	(14,359)
Proceeds from disposal of fixed assets	21	71,455	72,727	254,755
Repayment of debentures	22(a)	(101,502)	(101,502)	(174,087)
Proceeds from new debentures	22(a)	0	0	63,700
Proceeds from self supporting loans		12,170	12,169	11,316
Transfers to reserves (restricted assets)	12	(1,099,253)	(349,062)	(1,567,887)
Transfers from reserves (restricted assets)	12	981,133	1,043,267	323,133
ADD Estimated surplus/(deficit) July 1 b/fwd	23(b)	315,191	300,000	1,198,138
LESS Estimated surplus/(deficit) June 30 c/fwd	23(b)	336,864	74,620	315,191
<b>Total amount raised from general rate</b>	23(a)	<u>(1,189,634)</u>	<u>(1,150,485)</u>	<u>(1,081,073)</u>

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

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Preparation**

The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. Material accounting policies which have been adopted in the preparation of this financial report are presented below and have been consistently applied unless stated otherwise.

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

**Critical accounting estimates**

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

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

**The local government reporting entity**

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 20 to these financial statements.

**(b) 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.

**(c) Cash and Cash Equivalents**

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

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

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(d) Trade and Other Receivables**

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

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

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

**(e) Inventories**

**General**

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

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

**Land held for sale**

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

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

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

**(f) Fixed Assets**

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

**Mandatory requirement to revalue non-current assets**

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

The amendments allow for a phasing in of fair value in relation to fixed assets over three years as follows:

- (a) for the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and
- (b) for the financial year ending on 30 June 2014, the fair value of all of the assets of the local government -
  - (i) that are plant and equipment; and
  - (ii) that are -
    - (I) land and buildings; or-
    - (II) Infrastructure;

and

- (c) for a financial year ending on or after 30 June 2015, the fair value of all of the assets of the local government.

Thereafter, in accordance with the regulations, each asset class must be revalued at least every 3 years.

In 2013, the Shire commenced the process of adopting Fair Value in accordance with the Regulations.

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



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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(f) Fixed Assets (Continued)**

***Land under control***

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

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

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

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

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

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework detailed above.

***Revaluation***

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

***Land under roads***

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

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

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

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

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

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(f) Fixed Assets (Continued)**

***Depreciation***

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

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

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

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

Buildings	50 years
Land	Not depreciated
Furniture	3 years
Computers	2.5 years
Vehicles	5 years
Graders	8 years
Other plant and equipment	3 years
Roads and Streets	
formation	Not depreciated
pavement	50 years
seal	15 years
Footpaths	25 years
Kerbing	30 years
Airstrip Runways and Buildings	50 years

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

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

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

***Capitalisation threshold***

Expenditure on items of equipment under \$5,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(g) Fair Value of Assets and Liabilities**

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

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

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

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

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

***Fair value hierarchy***

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

**Level 1**

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

**Level 2**

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

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

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

***Valuation techniques***

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

**Market approach**

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

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(g) Fair Value of Assets and Liabilities (Continued)**

**Income approach**

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

**Cost approach**

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

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

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued at least every 3 years.

**(h) Financial Instruments**

***Initial recognition and measurement***

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

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

***Classification and subsequent measurement***

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

Amortised cost is calculated as:

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

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

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(h) Financial Instruments (Continued)**

***Classification and subsequent measurement (continued)***

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

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

*(ii) Loans and receivables*

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

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

*(iii) Held-to-maturity investments*

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

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

*(iv) Available-for-sale financial assets*

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

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

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

*(v) Financial liabilities*

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

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(h) Financial Instruments (Continued)**

***Impairment***

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

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

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

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

***Derecognition***

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

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

**(i) Impairment of Assets**

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

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

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

For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

**(j) Trade and Other Payables**

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(k) Employee Benefits**

**Short-term employee benefits**

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

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

**Other long-term employee benefits**

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

**(l) 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.

**(m) 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.

**(n) Leases**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the Shire, are classified as finance leases.

Finance leases are capitalised recording an asset and a liability at the lower amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

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

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(o) Investment in Associates**

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

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

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

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

**(p) Interests in Joint Arrangements**

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

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

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Shire's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 17.

**(q) Rates, Grants, Donations and Other Contributions**

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

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

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 2(c). That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current reporting period.

**(r) Superannuation**

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



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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(s) Current and Non-Current Classification**

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

**(t) Rounding Off Figures**

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

**(u) Comparative Figures**

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

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

**(v) Budget Comparative Figures**

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

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

Title	Issued / Compiled	Applicable <sup>(1)</sup>	Impact
(i) AASB 9 Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)	December 2014	1 January 2018	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Shire, it is not anticipated the Standard will have any material effect.
(ii) AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)  [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	September 2012	1 January 2018	Nil - The revisions embodied in this Standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Shire (refer (i) above).
(iii) AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2017	This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.  The effect of this Standard will depend upon the nature of future transactions the Shire has with those third parties it has dealings with. It may or may not be significant.

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

	Title	Issued / Compiled	Applicable <sup>(1)</sup>	Impact
(iv)	AASB 2013-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments  [Operative date: Part C Financial Instruments - 1 January 2015]	December 2013	Refer title column	Part C of this Standard makes consequential amendments to AASB 9 and numerous other Standards and amends the permissions around certain applications relating to financial liabilities reissued at fair value.  As the bulk of changes relate either to editorial or reference changes it is not expected to have a significant impact on the Shire.
(v)	AASB 2014-3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations  [AASB 1 & AASB 11]	August 2014	1 January 2016	This Standard amends AASB 11: <i>Joint Arrangements</i> to require the acquirer of an interest (both initial and additional) in a joint operation in which the activity constitutes a business, as defined in AASB 3: <i>Business Combinations</i> , to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations.  Since adoption of this Standard would impact only acquisitions of interests in joint operations on or after 1 January 2016, management believes it is impracticable at this stage to provide a reasonable estimate of such impact on the Shire's financial statements.
(vi)	AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation  [AASB 116 & 138]	August 2014	1 January 2016	This Standard amends AASB 116 and AASB 138 to establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. It also clarifies the use of revenue-based methods to calculate the depreciation of an asset is not appropriate nor is revenue generally an appropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.  Given the Shire currently uses the expected pattern of consumption of the future economic benefits of an asset as the basis of calculation of depreciation, it is not expected to have a significant impact.

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

Title	Issued / Compiled	Applicable <sup>(1)</sup>	Impact
(vii) AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	December 2014	1 January 2017	<p>Consequential changes to various Standards arising from the issuance of AASB 15.</p> <p>It will require changes to reflect the impact of AASB 15.</p>
(viii) AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101  [AASB 7, 101, 134 & 1049]	January 2015	1 January 2016	<p>This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements.</p> <p>This Standard also makes editorial and consequential amendments as a result of amendments to the Standards listed in the title column.</p> <p>It is not anticipated it will have any significant impact on disclosures.</p>
(ix) AASB 2015-3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality	January 2015	1 July 2015	<p>This Standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing it to be completely withdrawn.</p> <p>It is not anticipated it will have a significant impact as the principles of materiality remain largely unchanged.</p>

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

Title	Issued / Compiled	Applicable <sup>(1)</sup>	Impact
(x) AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities  [AASB 10, 124 & 1049]	March 2015	1 July 2016	The objective of this Standard is to extend the scope of AASB 124 <i>Related Party Disclosures</i> to include not-for-profit sector entities.  The Standard is expected to have a significant disclosure impact on the financial report of the Shire as both Elected Members and Senior Management will be deemed to be Key Management Personnel and resultant disclosures will be necessary.

Notes:

<sup>(1)</sup> Applicable to reporting periods commencing on or after the given date.

**(x) Adoption of New and Revised Accounting Standards**

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

These new and revised Standards were:

AASB 2011-7  
AASB 2012-3  
AASB 2013-3  
AASB 2013-8  
AASB 2013-9 Parts A & B

Most of the Standards adopted had a minimal effect on the accounting and reporting practices of the Shire as they did not have a significant impact on the accounting or reporting practices or were either not applicable, largely editorial in nature, were revisions to help ensure consistency with presentation, recognition and measurement criteria of IFRSs or related to topics not relevant to operations.

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

<b>2. REVENUE AND EXPENSES</b>	<b>2017</b>	<b>2016</b>	
	<b>\$</b>	<b>\$</b>	
<b>(a) Net Result</b>			
The Net result includes:			
(i) Charging as an expense:			
<b>Auditors remuneration</b>			
- Audit of the annual financial report	16,700	14,318	
- Assistance with the finalisation of the annual financial report	0	0	
- Other services	0	0	
<b>Depreciation</b>			
Buildings	158,855	152,433	
Furniture and Equipment	975	875	
Plant and Equipment	172,617	165,108	
Roads	489,978	439,643	
Footpaths	15,687	14,712	
Drainage	24,814	24,813	
Parks & Ovals	27,019	27,020	
Other Infrastructure	91,365	91,064	
Roads Kerbing	52,335	51,858	
Airfields Runways	67,155	67,155	
	<u>1,100,800</u>	<u>1,034,681</u>	
<b>Interest expenses (finance costs)</b>			
Debentures (refer Note 22 (a))	20,820	30,250	
Bank and other Interest	0	0	
	<u>20,820</u>	<u>30,250</u>	
(ii) Crediting as revenue:			
	<b>2017</b>	<b>2017</b>	<b>2016</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Interest earnings</b>			
- Reserve funds	58,142	47,068	43,284
- Other funds	2,153	6,000	18,757
Other Interest Revenue ( <i>refer note 27</i> )	5,156	3,944	5,529
	<u>65,451</u>	<u>57,012</u>	<u>67,570</u>

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

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

**(b) Statement of Objective**

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

**COMMUNITY VISION**

In 2023 Wyalkatchem will be sustainable with growth in population supporting businesses, services and infrastructure; residents will be healthy, safe and caring, surrounded by welcoming public places and a valued natural and built environment.

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

**GOVERNANCE**

*Members of Council*

This is the administration and operation of facilities and services to members of Council. Includes fees, expenses and allowances paid to elected and committee members, election costs, insurance, subscriptions, conference expenses, Chamber expenses, members' entertainment, support staff (secretarial, receptionists etc.), printing, telephones, faxes, delivery expenses.

*Other Governance*

Other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific council services. Including civic receptions, refreshments, receptions, naturalisation and citizenship ceremonies, polls, referendums, public relations, Freedom of Information requests, research, development and preparation of policy documents, development of local laws, strategic planning, principal activity plans, annual budgets, annual financial reports, audit fees and the annual report.

**GENERAL PURPOSE FUNDING**

*Rates*

Rates levied under Division 6 of Part 6 of the Local Government Act 1995. Revenue from a general rate, differential rates, minimum rates, interest and fees on instalment arrangements, interest on arrears, government subsidy for rates deferred by entitled pensioners, less discounts and/or concessions relating to rates levied. Expenditures incurred in administration and maintaining rate records, rating valuations, servicing notices, postage, stationery, advertising, doubtful debt expenses, debt collection, printing, indirect administration costs etc.

*Other General Purpose Funding (GPF)*

Amounts receivable from the Western Australian Grants Commission and any other Government Grant of a general purpose nature and generally referred to as untied grants. Interest earnings from deposits and investments, including reserve accounts. General overdraft expenses on the Municipal Fund.

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

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

**(b) Statement of Objective (Continued)**

**LAW, ORDER, PUBLIC SAFETY**

*Fire Prevention*

Administration and operations on fire prevention services, including volunteer bush fire brigades, outlays on roadside clearing operations (slashing, clearing, mowing verges, standpipes, insurance) and other protective burning. Revenues include the sale of local laws, maps, materials relating to fire prevention, fines and penalties imposed under relevant Acts and fines, fees or charges for clearing fire breaks.

*Animal Control*

Administration, enforcement and operations relating to the control of animals. Includes costs of impounding, destroying and disposal of stray animals. Revenues include dog registration fees, fines and penalties relating to straying dogs, cats, cattle and other livestock and impounding and destruction fees.

*Public Safety*

Administration, promotion, support and operation of services relating to public order and safety that cannot be assigned to one of the preceding sub-programs. Enforcement of Local Government Laws and impounding vehicles.

**HEALTH**

*Preventive Services*

Administration, inspection and operations of programs concerned with the general health of the community. Includes the costs and revenues derived from the inspection of eating houses, itinerant food vendors, stall holders, offensive trade etc. Also includes providing the services of an Environmental Health Officer, in the regional health scheme, and any other outlays concerned with general health inspection and administration services provided by the council.

*Other Health*

Administration and operation of health facilities, including contributions, subsidies, donations toward the provision of medical services such as the local doctor.

**EDUCATION AND WELFARE**

*Senior Citizens*

Administration, support and operation of welfare services for senior citizen.

**HOUSING**

*Community Housing*

Administration and management of residential housing for members of the community.

**COMMUNITY AMENITIES**

*Sanitation – Household*

Administration and operation of general refuse collection and disposal services. These include the collection of general, recyclable and green waste, and its delivery to a disposal site. Provision and maintenance of the rubbish disposal site.

*Protection of Environment*

Administration, inspection and operation of flood mitigation work, removal of dead animals, derelict and abandoned vehicles. Includes the development, monitoring and operation of pollution and noise control, soil erosion.



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

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

**(b) Statement of Objective (Continued)**

**COMMUNITY AMENITIES (Continued)**

*Town Planning*

Administration, inspection and operation of a town planning service. This includes planning control, the preparation of town planning development schemes, zoning and rezoning. Includes costs associated with the purchase and resumption of land for public open space, community facilities etc. for the expansion or development of this program.

*Other Amenities*

Includes outlays on public conveniences, drinking fountains, cemetery, rest centres, street seats and other street furniture.

**RECREATION AND CULTURE**

*Public Buildings*

Administration, provision and operation of multipurpose venues such as the Town Hall.

*Swimming Pool*

Administration and operation of public swimming pool.

*Other Recreation*

Administration, provision and maintenance of other recreational facilities and services, including indoor and outdoor sporting complexes and facilities such as football and cricket grounds, tennis courts, basketball and netball courts and other recreational areas such as parks and gardens, ovals, playgrounds, barbecue areas, cycleways and dual use paths.

*Library*

Administration, provision and operation of the local library, including books, tapes, records, audio-visual aids, and other services.

*Tidy Towns*

The Shire will continue to work with the Care for Wylie Committee in their program for the improvement of the townscape.

*Community Grants*

The Shire will continue to fund activities undertaken by community based organisations, where it can be shown that the money will benefit members of the community.

**TRANSPORT**

*Public Works*

Administration, regulation and operation relating to the provision of streets and roads, under the control of the Shire and the Commissioner of Main Roads. It also includes drainage works, kerbing, road verges, median strips, footpaths, private streets, crossovers and approaches, road signs and names, street crossings, line marking, street lighting, street trees and street cleaning.

*Airstrip*

Administration, provision and operation of the airstrip and other associated facilities.

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

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

**(b) Statement of Objective (Continued)**

**ECONOMIC SERVICES**

*Tourism*

The development, promotion, support, research, operation etc. of tourism and area promotion to attract tourists, promotion to attract tourist development such as brochures, contributions to tourist promotion schemes.

*Building Control*

Administration, inspection and operations concerned with application of the building standards. It includes examination, processing and inspection services, swimming pool inspections etc.

**OTHER PROPERTY AND SERVICES**

*Private Works*

Administration, inspection, and operation of work carried out on property or services not under the care, control and management of the local government. These include road works on private property.

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

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

**(c) Conditions Over Grants/Contributions**

<b>Grant/Contribution</b>	<b>Function/ Activity</b>	<b>Opening Balance <sup>(1)</sup> 1/07/15 \$</b>	<b>Received <sup>(2)</sup> 2015/16 \$</b>	<b>Expended <sup>(3)</sup> 2015/16 \$</b>	<b>Closing Balance <sup>(1)</sup> 30/06/16 \$</b>	<b>Received <sup>(2)</sup> 2016/17 \$</b>	<b>Expended <sup>(3)</sup> 2016/17 \$</b>	<b>Closing Balance 30/06/17 \$</b>
Youth Friendly Communities Grant (Stage 1)		10,000	0	(10,000)	0	0	0	0
Aged Friendly Communities Grant		9,880	275	(10,155)	0	0	0	0
Youth Advisory Council contribution to youth project		2,938	82	(3,020)	0	0	0	0
Royalty for Regions CLGF Regional 2012/13		732,304	20,407	(118,469)	<b>634,242</b>	2,397	(636,639)	0
Senior Citizens Homes Trust contribution to Senior Citizens Project		227,273	6,333	0	<b>233,606</b>	51,004	(214,848)	<b>69,762</b>
FAGS Grant 2015/16 (Road Portion)		229,755	0	(229,755)	0	0	0	0
Youth Friendly Communities Grant (Stage 2)		10,000	279	(10,279)	0	0	0	0
Workforce Planning 2014 Grant		11,772	0	(11,772)	0	0	0	0
CBH Grant		0	12,000	(3,378)	<b>8,622</b>	132	(8,754)	0
Kidsport Grant		0	3,520	(965)	<b>2,555</b>	67	(709)	<b>1,913</b>
FAGS Grant 2017/18 (General Purpose)		0	0	0	0	521,659	0	<b>521,659</b>
FAGS Grant 2017/18 (Road Portion)		0	0	0	0	235,452	0	<b>235,452</b>
<b>Total</b>		<b><u>1,233,922</u></b>	<b><u>42,896</u></b>	<b><u>(397,793)</u></b>	<b><u>879,025</u></b>	<b><u>810,711</u></b>	<b><u>(860,950)</u></b>	<b><u>828,786</u></b>

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

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

**(c) Conditions Over Grants/Contributions (Continued)**

**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.

The above conditions over Grants/Contributions are represented by:

	<b>2017</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Municipal Funds - Restricted	0	0	251,527
Road Reserve	235,452	0	0
Unspent Grants Reserve	593,334	879,025	982,395
	<u>828,786</u>	<u>879,025</u>	<u>1,233,922</u>

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

	Note	2017 \$	2016 \$
<b>3. CASH AND CASH EQUIVALENTS</b>			
Municipal Funds - Unrestricted		433,747	415,571
Municipal Funds - Restricted		<u>0</u>	<u>0</u>
		433,747	415,571
 Restricted		 <u>2,916,217</u>	 <u>2,798,097</u>
		<u>3,349,964</u>	<u>3,213,668</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Building Reserve	12	233,708	96,201
Waste Management Reserve	12	44,073	42,954
Plant and Equipment Reserve	12	364,578	515,861
Community Bus Reserve	12	77,328	75,365
Unspent Grants Reserve	12	593,334	879,025
Government Joint Venture Housing Reserve	12	24,055	24,336
Community Resource Centre and Visitor Centre Builc	12	0	0
Sport and Recreation Facilities Reserve	12	127,946	67,195
Community Development Reserve	12	147,084	80,000
Community Health Reserve	12	1,028,268	1,002,160
Airport Development Reserve	12	40,391	15,000
Road Reserve	12	235,452	0
Unspent grants (in Municipal Funds)	2(c)	<u>0</u>	<u>251,527</u>
		<u>2,916,217</u>	<u>3,049,624</u>
<b>4. INVESTMENTS</b>			
<b>Financial assets at fair value through profit and loss</b>			
At the beginning of the year		<u>131,226</u>	<u>131,226</u>
At the end of the year		<u>131,226</u>	<u>131,226</u>
<b>5. TRADE AND OTHER RECEIVABLES</b>			
<b>Current</b>			
Rates outstanding		18,195	14,726
Sundry debtors		213,857	68,769
Loans - clubs/institutions		<u>13,087</u>	<u>13,087</u>
		<u>245,139</u>	<u>96,582</u>
<b>Non-current</b>			
Rates outstanding - pensioners		15,439	13,364
Loans - clubs/institutions		<u>6,908</u>	<u>19,078</u>
		<u>22,347</u>	<u>32,442</u>
<b>6. INVENTORIES</b>			
<b>Current</b>			
Fuel and materials		75,279	80,528
		<u>75,279</u>	<u>80,528</u>

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

	2017	2016
	\$	\$
<b>7 (a). PROPERTY, PLANT AND EQUIPMENT</b>		
Land and buildings		
Freehold land at:		
- Independent valuation 2014	0	517,600
- Independent valuation 2017	625,000	0
- Additions after valuation - cost	<u>0</u>	<u>56,701</u>
	625,000	574,301
Land vested in and under the control of Council at:		
- Independent valuation 2017	200,000	0
- Cost	<u>0</u>	<u>36,506</u>
	200,000	36,506
	<u>825,000</u>	<u>610,807</u>
Buildings at:		
- Independent valuation 2014	0	7,507,396
- Independent valuation 2017	8,527,664	0
- Additions after valuation - cost	0	435,311
Less: accumulated depreciation	<u>0</u>	<u>(302,234)</u>
	8,527,664	7,640,473
Total land and buildings	<u>9,352,664</u>	<u>8,251,280</u>
Furniture and Equipment at:		
- Management valuation 2013	0	0
- Management valuation 2016	2,700	2,700
Less: accumulated depreciation	<u>(975)</u>	<u>0</u>
	1,725	2,700
Plant and Equipment at:		
- Management valuation 2013	0	0
- Management valuation 2016	1,046,095	1,127,222
- Additions after valuation - cost	375,719	0
Less accumulated depreciation	<u>(164,407)</u>	<u>0</u>
	1,257,407	1,127,222
	<u>10,611,796</u>	<u>9,381,202</u>

The fair value of property, plant and equipment is determined at least every three years in accordance with legislative requirements. Additions since the date of valuation are shown as cost, given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires property, plant and equipment to be shown at fair value.

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

**7. PROPERTY, PLANT AND EQUIPMENT (Continued)**

**(b) Movements in Carrying Amounts**

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

	Balance at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Transfers \$	Carrying Amount at the End of Year \$
Freehold land	574,301	0	0	50,699	0	0	0	625,000
Land vested in and under the control of Council	36,506	0	0	163,494	0	0	0	200,000
<b>Total land</b>	<b>610,807</b>	<b>0</b>	<b>0</b>	<b>214,193</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>825,000</b>
Buildings	7,640,473	1,067,482	0	(21,436)	0	(158,855)	0	8,527,664
<b>Total buildings</b>	<b>7,640,473</b>	<b>1,067,482</b>	<b>0</b>	<b>(21,436)</b>	<b>0</b>	<b>(158,855)</b>	<b>0</b>	<b>8,527,664</b>
<b>Total land and buildings</b>	<b>8,251,280</b>	<b>1,067,482</b>	<b>0</b>	<b>192,757</b>	<b>0</b>	<b>(158,855)</b>	<b>0</b>	<b>9,352,664</b>
Furniture and Equipment	2,700	0	0	0	0	(975)	0	1,725
Plant and Equipment	1,127,222	375,719	(72,917)	0	0	(172,617)	0	1,257,407
<b>Total property, plant and equipment</b>	<b>9,381,202</b>	<b>1,443,201</b>	<b>(72,917)</b>	<b>192,757</b>	<b>0</b>	<b>(332,447)</b>	<b>0</b>	<b>10,611,796</b>

**SHIRE OF WYALKATCHEM**  
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**7. PROPERTY, PLANT AND EQUIPMENT (Continued)**

**(c) Fair Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of valuation</b>	<b>Date of last Valuation</b>	<b>Inputs used</b>
<b>Land and buildings</b>					
Freehold land	3	Market approach using recent observable market data for similar properties	Independent valuation	June 2017	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Land vested in and under the control of Council	3	Improvements to land valued using cost approach using depreciated replacement cost	Independent valuation	June 2017	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Buildings	3	Market approach using recent observable market data for similar properties	Independent valuation	June 2017	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Furniture and Equipment</b>	3	Cost approach using depreciated replacement cost	Management valuation	June 2016	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Plant and Equipment</b>	3	Cost approach using depreciated replacement cost	Management valuation	June 2016	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

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



**SHIRE OF WYALKATCHEM**  
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	2017 \$	2016 \$
<b>8 (a). INFRASTRUCTURE</b>		
Roads		
- Management valuation 2015	42,603,354	42,603,354
- Additions after valuation - cost	1,662,797	960,838
Less accumulated depreciation	<u>(929,621)</u>	<u>(439,643)</u>
	43,336,530	43,124,549
Footpaths		
- Management valuation 2015	367,804	367,804
- Additions after valuation - cost	24,358	24,358
Less accumulated depreciation	<u>(30,399)</u>	<u>(14,712)</u>
	361,763	377,450
Drainage		
- Management valuation 2015	1,240,674	1,240,674
- Additions after valuation - cost	125,018	0
Less accumulated depreciation	<u>(49,627)</u>	<u>(24,813)</u>
	1,316,065	1,215,861
Parks & Ovals		
- Management valuation 2015	220,400	220,400
- Additions after valuation - cost	16,232	0
Less accumulated depreciation	<u>(54,039)</u>	<u>(27,020)</u>
	182,593	193,380
Other Infrastructure		
- Management valuation 2015	1,269,998	1,273,665
- Additions after valuation - cost	230,449	198,449
Less accumulated depreciation	<u>(178,762)</u>	<u>(91,064)</u>
	1,321,685	1,381,050
Roads Kerbing		
- Management valuation 2015	1,557,285	1,557,285
- Additions after valuation - cost	14,359	14,359
Less accumulated depreciation	<u>(104,193)</u>	<u>(51,858)</u>
	1,467,451	1,519,786
Airfields Runways		
- Independent valuation 2015	3,357,743	3,357,743
- Cost	0	0
Less accumulated depreciation	<u>(134,310)</u>	<u>(67,155)</u>
	3,223,433	3,290,588
	<u>51,209,520</u>	<u>51,102,664</u>

The fair value of infrastructure is determined at least every three years in accordance with legislative requirements. Additions since the date of valuation are shown as cost. Given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening period the valuation is reviewed and, where appropriate, the fair value is updated to reflect current market conditions.

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

**SHIRE OF WYALKATCHEM**  
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**8. INFRASTRUCTURE (Continued)**

**(b) Movements in Carrying Amounts**

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

	<b>Balance as at the Beginning of the Year \$</b>	<b>Additions \$</b>	<b>(Disposals) \$</b>	<b>Revaluation Increments/ (Decrements) \$</b>	<b>Impairment (Losses)/ Reversals \$</b>	<b>Depreciation (Expense) \$</b>	<b>Transfers \$</b>	<b>Carrying Amount at the End of the Year \$</b>
Roads	43,124,549	701,959	0	0	0	(489,978)	0	43,336,530
Footpaths	377,450	0	0	0	0	(15,687)	0	361,763
Drainage	1,215,861	125,018	0	0	0	(24,814)	0	1,316,065
Parks & Ovals	193,380	16,232	0	0	0	(27,019)	0	182,593
Other Infrastructure	1,381,050	32,000	0	0	0	(91,365)	0	1,321,685
Roads Kerbing	1,519,786	0	0	0	0	(52,335)	0	1,467,451
Airfields Runways	3,290,588	0	0	0	0	(67,155)	0	3,223,433
<b>Total infrastructure</b>	<b><u>51,102,664</u></b>	<b><u>875,209</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>(768,353)</u></b>	<b><u>0</u></b>	<b><u>51,209,520</u></b>

**SHIRE OF WYALKATCHEM**  
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**8. INFRASTRUCTURE (Continued)**

**(c) Fair Value Measurements**

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
<b>Roads</b>	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Footpaths</b>	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Drainage</b>	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Parks &amp; Ovals</b>	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Other Infrastructure</b>	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Roads Kerbing</b>	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Airfields Runways</b>	2	Cost approach using depreciated replacement cost	Independent valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

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

**SHIRE OF WYALKATCHEM**  
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	2017	2016
	\$	\$
<b>9. TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Sundry creditors	348,353	186,865
Accrued interest on debentures	5,969	6,750
	<u>354,322</u>	<u>193,615</u>
<b>10. LONG-TERM BORROWINGS</b>		
<b>Current</b>		
Secured by floating charge		
Debentures	53,670	101,502
	<u>53,670</u>	<u>101,502</u>
<b>Non-current</b>		
Secured by floating charge		
Debentures	294,017	347,687
	<u>294,017</u>	<u>347,687</u>

Additional detail on borrowings is provided in Note 22.

**11. PROVISIONS**

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
<b>Opening balance at 1 July 2016</b>	38,323	32,465	70,788
Non-current provisions	0	21,491	21,491
	<u>38,323</u>	<u>53,956</u>	<u>92,279</u>
Additional provision	60,682	11,416	72,098
Amounts used	(71,649)	(14,924)	(86,573)
<b>Balance at 30 June 2017</b>	<u>27,356</u>	<u>50,448</u>	<u>77,804</u>
<b>Comprises</b>			
Current	27,356	22,536	49,892
Non-current	0	27,912	27,912
	<u>27,356</u>	<u>50,448</u>	<u>77,804</u>

**SHIRE OF WYALKATCHEM**  
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	2017 \$	2017 Budget \$	2016 \$
<b>12. RESERVES - CASH/INVESTMENT BACKED</b>			
<b>(a) Building Reserve</b>			
Opening balance	96,201	96,201	26,800
Amount set aside / transfer to reserve	137,507	137,983	98,895
Amount used / transfer from reserve	<u>0</u>	<u>0</u>	<u>(29,494)</u>
	<u>233,708</u>	<u>234,184</u>	<u>96,201</u>
<b>(b) Waste Management Reserve</b>			
Opening balance	42,954	42,954	16,494
Amount set aside / transfer to reserve	1,119	14,132	26,460
Amount used / transfer from reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>44,073</u>	<u>57,086</u>	<u>42,954</u>
<b>(c) Plant and Equipment Reserve</b>			
Opening balance	515,861	515,861	433,337
Amount set aside / transfer to reserve	13,439	6,656	224,075
Amount used / transfer from reserve	<u>(164,722)</u>	<u>(110,000)</u>	<u>(141,551)</u>
	<u>364,578</u>	<u>412,517</u>	<u>515,861</u>
<b>(d) Community Bus Reserve</b>			
Opening balance	75,365	75,365	73,322
Amount set aside / transfer to reserve	1,963	972	2,043
Amount used / transfer from reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>77,328</u>	<u>76,337</u>	<u>75,365</u>
<b>(e) Unspent Grants Reserve</b>			
Opening balance	879,025	879,025	982,395
Amount set aside / transfer to reserve	529,804	11,342	38,553
Amount used / transfer from reserve	<u>(815,495)</u>	<u>(890,367)</u>	<u>(141,923)</u>
	<u>593,334</u>	<u>0</u>	<u>879,025</u>
<b>(f) Government Joint Venture Housing Reserve</b>			
Opening balance	24,336	24,336	3,830
Amount set aside / transfer to reserve	635	4,962	20,506
Amount used / transfer from reserve	<u>(916)</u>	<u>(7,900)</u>	<u>0</u>
	<u>24,055</u>	<u>21,398</u>	<u>24,336</u>
<b>(g) Community Resource Centre and Visitor Centre Building Reserve</b>			
Opening balance	0	0	10,165
Amount set aside / transfer to reserve	0	0	0
Amount used / transfer from reserve	<u>0</u>	<u>0</u>	<u>(10,165)</u>
	<u>0</u>	<u>0</u>	<u>0</u>
<b>(h) Sport and Recreation Facilities Reserve</b>			
Opening balance	67,195	67,195	7,000
Amount set aside / transfer to reserve	60,751	60,628	60,195
Amount used / transfer from reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>127,946</u>	<u>127,823</u>	<u>67,195</u>
<b>(i) Community Development Reserve</b>			
Opening balance	80,000	80,000	0
Amount set aside / transfer to reserve	67,084	66,871	80,000
Amount used / transfer from reserve	<u>0</u>	<u>(15,000)</u>	<u>0</u>
	<u>147,084</u>	<u>131,871</u>	<u>80,000</u>

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	2017 \$	2017 Budget \$	2016 \$
<b>12. RESERVES - CASH/INVESTMENT BACKED (Continued)</b>			
<b>(j) Community Health Reserve</b>			
Opening balance	1,002,160	1,002,160	0
Amount set aside / transfer to reserve	26,108	20,000	1,002,160
Amount used / transfer from reserve	<u>0</u>	<u>(20,000)</u>	<u>0</u>
	<u>1,028,268</u>	<u>1,002,160</u>	<u>1,002,160</u>
<b>(k) Airport Development Reserve</b>			
Opening balance	15,000	15,000	0
Amount set aside / transfer to reserve	25,391	25,516	15,000
Amount used / transfer from reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>40,391</u>	<u>40,516</u>	<u>15,000</u>
<b>(l) Road Reserve</b>			
Opening balance	0	0	0
Amount set aside / transfer to reserve	235,452	0	0
Amount used / transfer from reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>235,452</u>	<u>0</u>	<u>0</u>
<b>TOTAL RESERVES</b>	<u><u>2,916,217</u></u>	<u><u>2,103,892</u></u>	<u><u>2,798,097</u></u>
Total Opening balance	2,798,097	2,798,097	1,553,343
Total Amount set aside / transfer to reserve	1,099,253	349,062	1,567,887
Total Amount used / transfer from reserve	<u>(981,133)</u>	<u>(1,043,267)</u>	<u>(323,133)</u>
<b>TOTAL RESERVES</b>	<u><u>2,916,217</u></u>	<u><u>2,103,892</u></u>	<u><u>2,798,097</u></u>

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

In accordance with council resolutions in relation to each reserve account, the purpose for which the funds are set aside are as follows:

- (a) Building Reserve**  
- to be used for the acquisition, disposal, maintenance and funding of Shire properties.
- (b) Waste Management Reserve**  
- to be used for the acquisition, disposal, maintenance and funding of the community rubbish tip.
- (c) Plant and Equipment Reserve**  
- to be used for the acquisition, disposal, maintenance and funding of shire plant and equipment.
- (d) Community Bus Reserve**  
- to be used for the acquisition, disposal, maintenance and funding of the community bus.
- (e) Unspent Grants Reserve**  
- to be used for the purpose of containing funds that are derived from unspent or prepaid grants and contributions from external parties.
- (f) Government Joint Venture Housing Reserve**  
- to be used for the acquisition, disposal, maintenance and funding of community housing.
- (g) Community Resource Centre and Visitor Centre Building Reserve**  
- to be used in accordance with the Service Agreement with the Community Resource Centre to provide for maintenance and/or capital renewal.

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**12. RESERVES - CASH/INVESTMENT BACKED (Continued)**

- (h) Sport and Recreation Facilities Reserve  
- to be used for the acquisition, disposal, maintenance and funding of sports and recreation facilities.
- (i) Community Development Reserve  
- to be used for the acquisition, disposal, maintenance and funding of strategic community development projects.
- (j) Community Health Reserve  
- to be used for the acquisition, disposal, maintenance and funding of health services.
- (k) Airport Development Reserve  
- to be used for the acquisition, disposal, maintenance and funding of airport development.
- (l) Road Reserve  
- to be used for the purpose of quarantining unspent or prepaid road grants.

The plant and equipment, building and sport and recreation reserves are not expected to be used within a set period as further transfers to the reserve accounts are expected as funds are utilised.

**13. REVALUATION SURPLUS**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Revaluation surpluses have arisen on revaluation of the following classes of non-current assets:		
<b>(a) Land and buildings</b>		
Opening balance	3,811,157	3,952,531
Revaluation increment	214,193	0
Revaluation decrement	(21,436)	(141,374)
	4,003,914	3,811,157
<b>(b) Plant and Equipment</b>		
Opening balance	77,020	359,149
Revaluation increment	0	13,787
Revaluation decrement	0	(295,916)
	77,020	77,020
<b>(c) Roads</b>		
Opening balance	29,245,250	29,245,250
Revaluation increment	0	0
Revaluation decrement	0	0
	29,245,250	29,245,250
<b>(d) Footpaths</b>		
Opening balance	193,739	193,739
Revaluation increment	0	0
Revaluation decrement	0	0
	193,739	193,739
<b>(e) Drainage</b>		
Opening balance	1,192,463	1,192,463
Revaluation increment	0	0
Revaluation decrement	0	0
	1,192,463	1,192,463

**SHIRE OF WYALKATCHEM**  
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<b>13. REVALUATION SURPLUS (Continued)</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>(f) Parks &amp; Ovals</b>		
Opening balance	88,463	88,463
Revaluation increment	0	0
Revaluation decrement	0	0
	<u>88,463</u>	<u>88,463</u>
<b>(g) Other Infrastructure</b>		
Opening balance	793,596	793,596
Revaluation increment	0	0
Revaluation decrement	0	0
	<u>793,596</u>	<u>793,596</u>
<b>(h) Roads Kerbing</b>		
Opening balance	1,421,011	1,421,011
Revaluation increment	0	0
Revaluation decrement	0	0
	<u>1,421,011</u>	<u>1,421,011</u>
<b>(i) Airfields Runways</b>		
Opening balance	393,196	393,196
Revaluation increment	0	0
Revaluation decrement	0	0
	<u>393,196</u>	<u>393,196</u>
<b>(j) Furniture and Equipment</b>		
Opening balance	1,825	0
Revaluation increment	0	1,825
Revaluation decrement	0	0
	<u>1,825</u>	<u>1,825</u>
<b>TOTAL ASSET REVALUATION SURPLUS</b>	<u><u>37,410,477</u></u>	<u><u>37,217,720</u></u>



**SHIRE OF WYALKATCHEM**  
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**14. NOTES TO THE STATEMENT OF CASH FLOWS**

**(a) Reconciliation of Cash**

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

	2017 \$	2017 Budget \$	2016 \$
Cash and cash equivalents	<u>3,349,964</u>	<u>2,274,593</u>	<u>3,213,668</u>

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

Net result	1,369,472	693,465	1,351,522
Non-cash flows in Net result:			
Depreciation	1,100,800	1,049,519	1,034,681
(Profit)/Loss on sale of asset	1,462	6,747	(148,102)
Changes in assets and liabilities:			
(Increase)/Decrease in receivables	(150,632)	170,000	(39,913)
(Increase)/Decrease in inventories	5,249	10,000	(4,465)
Increase/(Decrease) in payables	160,707	(100,000)	73,210
Increase/(Decrease) in provisions	(14,475)	(15,000)	10,952
Grants contributions for the development of assets	<u>(814,668)</u>	<u>(995,750)</u>	<u>(862,521)</u>
Net cash from operating activities	<u>1,657,915</u>	<u>818,981</u>	<u>1,415,364</u>

	2017 \$	2016 \$
<b>(c) Undrawn Borrowing Facilities</b>		
<b>Credit Standby Arrangements</b>		
Bank overdraft limit	250,000	250,000
Bank overdraft at balance date	0	0
Credit card limit	5,000	5,000
Credit card balance at balance date	(1,851)	(1,851)
<b>Total amount of credit unused</b>	<u>253,149</u>	<u>253,149</u>
<b>Loan facilities</b>		
Loan facilities - current	53,670	101,502
Loan facilities - non-current	294,017	347,687
<b>Total facilities in use at balance date</b>	<u>347,687</u>	<u>449,189</u>
<b>Unused loan facilities at balance date</b>	<u>NIL</u>	<u>NIL</u>

**SHIRE OF WYALKATCHEM**  
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**15. CONTINGENT LIABILITIES**

There are no contingent liabilities to disclose.

<b>16. CAPITAL AND LEASING COMMITMENTS</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Operating Lease Commitments</b>		
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	5,964	5,964
- later than one year but not later than five years	497	6,461
- later than five years	0	0
	<u>6,461</u>	<u>12,425</u>

**(b) Capital Expenditure Commitments**

The Shire had a future capital expenditure commitment for the building of four independent living units with the Central Eastern Aged Care Alliance as at the reporting date. This commitment was for \$108,800.

**17. JOINT VENTURE ARRANGEMENTS**

The Shire together with the other NEWROC Shires have a joint venture arrangement with regard to the provision of an Environmental Health and Building Surveying Service. The only assets are a motor vehicle and miscellaneous equipment. The Shire of Koorda records the income and expenditure for this scheme and no assets are recording in Council's asset register.

**18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Governance	753,134	350,939
General purpose funding	575,288	68,878
Law, order, public safety	355,210	284,526
Health	1,608,105	1,589,413
Education and welfare	1,075,023	1,057,849
Housing	2,566,625	3,414,330
Community amenities	337,568	232,256
Recreation and culture	4,769,697	4,365,402
Transport	51,372,953	50,796,932
Economic services	800,945	748,789
Other property and services	985,705	712,317
Unallocated	445,018	416,681
	<u>65,645,271</u>	<u>64,038,312</u>

**SHIRE OF WYALKATCHEM**  
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<b>19. FINANCIAL RATIOS</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Current ratio	1.65	1.62	3.32
Asset sustainability ratio	1.23	1.64	1.03
Debt service cover ratio	13.71	7.61	13.35
Operating surplus ratio	0.34	0.28	0.54
Own source revenue coverage ratio	0.47	0.55	0.53

The above ratios are calculated as follows:

Current ratio 
$$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$$

Asset sustainability ratio 
$$\frac{\text{capital renewal and replacement expenditure}}{\text{Depreciation expenses}}$$

Debt service cover ratio 
$$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$$

Operating surplus ratio 
$$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$$

Own source revenue coverage ratio 
$$\frac{\text{own source operating revenue}}{\text{operating expenses}}$$

**Notes:**

Information relating to the **asset consumption ratio** and the **asset renewal funding ratio** can be found at Supplementary Ratio Information on Page 60 of this document.

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

**20. TRUST FUNDS**

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

	Balance 1 July 2016 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30 June 2017 \$
Contract Aquatic	300	0	(300)	0
Pike, Samantha	0	594	(594)	0
Key Deposit	195	0	0	195
Interest	2	0	0	2
Cleaning Bond	2,600	0	(2,000)	600
Armstrong, Fay Marie	7,045	0	0	7,045
Staff final pay	0	2,810	0	2,810
Rose & Heritage funds	0	2,651	0	2,651
	<u>10,142</u>			<u>13,303</u>

**21. DISPOSALS OF ASSETS - 2016/17 FINANCIAL YEAR**

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Transport</b>						
Komatsu Front End Loader	64,772	79,474	65,000	72,727	228	(6,747)
Side Tipper Trailer	8,145	0	6,455	0	(1,690)	0
	<u>72,917</u>	<u>79,474</u>	<u>71,455</u>	<u>72,727</u>	<u>(1,462)</u>	<u>(6,747)</u>

Profit	228	0
Loss	(1,690)	(6,747)
	<u>(1,462)</u>	<u>(6,747)</u>

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

**22. INFORMATION ON BORROWINGS**

(a) Repayments - Debentures

Particulars	Principal 1 July 2016 \$	New Loans \$	Principal Repayments		Principal 30 June 2017		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Housing</b>								
Loan 68 - 43 & 45 Wilson St	184,962	0	18,020	18,020	166,942	166,942	11,998	12,445
Loan 71b - GEHA 51 & 55 Flint St	50,063	0	50,063	50,063	0	0	1,319	1,334
<b>Recreation and culture</b>								
Loan 73 - CRC Building	166,687	0	17,784	17,784	148,903	148,903	6,967	7,189
<b>Transport</b>								
Loan 74 - New Holland Tractor	47,477	0	15,635	15,635	31,842	31,842	536	635
	449,189	0	101,502	101,502	347,687	347,687	20,820	21,603

All other loan repayments were financed by general purpose revenue.

(b) New Debentures - 2016/17

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

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

**22. INFORMATION ON BORROWINGS (Continued)**

(c) Unspent Debentures

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

(d) Overdraft

An overdraft of \$250,000 exists with NAB for the Municipal Fund. The balance of the bank overdraft at 1 July 2016 and 30 June 2017 was \$Nil.

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

**23. RATING INFORMATION - 2016/17 FINANCIAL YEAR**

**(a) Rates**

<b>RATE TYPE</b>	<b>Rate in \$</b>	<b>Number of Properties</b>	<b>Rateable Value \$</b>	<b>Rate Revenue \$</b>	<b>Interim Rates \$</b>	<b>Back Rates \$</b>	<b>Total Revenue \$</b>	<b>Budget Rate Revenue \$</b>	<b>Budget Interim Rate \$</b>	<b>Budget Back Rate \$</b>	<b>Budget Total Revenue \$</b>
<b>General Rate</b>											
UV - Rural	0.0176	214	58,202,500	1,026,692	626	0	1,027,318	1,026,692	0	0	1,026,692
GRV - Townsite	0.0865	183	1,398,728	120,934	0	0	120,934	122,876	0	0	122,876
<b>Sub-Totals</b>		397	59,601,228	1,147,626	626	0	1,148,252	1,149,568	0	0	1,149,568
<b>Minimum payment</b>	<b>Minimum \$</b>										
UV - Rural	510	12	227,600	6,120	0	0	6,120	6,120	0	0	6,120
UV - Mining	510	10	17,357	5,100	0	0	5,100	5,100	0	0	5,100
GRV - Townsite	450	65	131,650	29,250	0	0	29,250	29,700	0	0	29,700
GRV - Other Townsite	450	4	14,546	1,800	0	0	1,800	1,800	0	0	1,800
<b>Sub-Totals</b>		91	391,153	42,270	0	0	42,270	42,720	0	0	42,720
Pre-paid Rates							1,190,522				1,192,288
Ex-gratia rates							10,117				(29,201)
Discounts/concessions (refer note 26)							7724				7723
<b>Total amount raised from general rate</b>							<b>(18,729)</b>				<b>(20,325)</b>
							<b>1,189,634</b>				<b>1,150,485</b>

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

**23. RATING INFORMATION - 2016/17 FINANCIAL YEAR (Continued)**

**(b) Information on Surplus/(Deficit) Brought Forward**

	<b>2017</b> <b>(30 June 2017</b> <b>Carried Forward)</b> <b>\$</b>	<b>2017</b> <b>(1 July 2016</b> <b>Brought Forward)</b> <b>\$</b>	<b>2016</b> <b>(30 June 2016</b> <b>Carried Forward)</b> <b>\$</b>
<b>Surplus/(Deficit) 1 July 16 brought forward</b>	<u>336,864</u>	<u>315,191</u>	<u>315,191</u>
<b>Comprises:</b>			
Cash and cash equivalents			
Municipal Funds - Unrestricted	433,747	415,571	415,571
Restricted	2,916,217	2,798,097	2,798,097
Receivables			
Rates outstanding	18,195	14,726	14,726
Sundry debtors	213,857	68,769	68,769
Loans - clubs/institutions	13,087	13,087	13,087
Inventories			
Fuel and materials	75,279	80,528	80,528
<b>Less:</b>			
Trade and other payables			
Sundry creditors	(348,353)	(186,865)	(186,865)
Accrued interest on debentures	(5,969)	(6,750)	(6,750)
Accrued salaries and wages	0	0	0
Current portion of long term borrowings			
Secured by floating charge	(53,670)	(101,502)	(101,502)
Provisions			
Provision for annual leave	(27,356)	(38,323)	(38,323)
Provision for long service leave	(22,536)	(32,465)	(32,465)
<b>Net current assets</b>	<u><b>3,212,498</b></u>	<u><b>3,024,873</b></u>	<u><b>3,024,873</b></u>
<b>Less:</b>			
Reserves - restricted cash	(2,916,217)	(2,798,097)	(2,798,097)
Loans - Clubs/Institutions	(13,087)	(13,087)	(13,087)
<b>Add:</b>			
Secured by floating charge	53,670	101,502	101,502
<b>Surplus/(deficit)</b>	<u><b>336,864</b></u>	<u><b>315,191</b></u>	<u><b>315,191</b></u>

**Difference**

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



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

**24. SPECIFIED AREA RATE - 2016/17 FINANCIAL YEAR**

The Shire did not impose any Specified Area Rates.

**25. GENERAL HEALTH LEVY - 2016/17 FINANCIAL YEAR**

	<b>Amount of Charge \$</b>	<b>Revenue Raised \$</b>	<b>Budget Revenue \$</b>
Rural General Health Levy	63	14,868	14,868
		14,868	14,868

The Rural General Health Levy has been imposed on all rural properties and is raised to ensure the rural landowners contribute to waste management of the Shire.

The proceeds of the levy are applied in full to costs of providing waste management services and surplus funds are transferred to a Reserve account for this purpose.

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

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

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
General Rates	Discount	2.50%	17,129	18,797
Minimum Rate	Discount	2.50%	728	578
Rate Assessment - RSL	Concession		450	450
Write Offs	Write Off		422	500
			18,729	20,325
Pensioner Rubbish Concession	Concession	95	6,575	6,745

A 2.5% discount on rates is granted to all who pay their rates in full within 21 days of the date of issue appearing on the rate notice. A \$95 pensioner rubbish concession is available.

The Returned Services League were eligible for a Rate Concession in 2016/17.

**27. INTEREST CHARGES AND INSTALMENTS - 2016/17 FINANCIAL YEAR**

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on unpaid rates	11.00%		3,127	1,600
District Club Loan Interest	7.25%		1,944	1,944
DFES ESL Interest			85	400
<i>(Refer Note 2(a))</i>			5,156	3,944
Charges on Instalment Plan		\$15	4,246	4,000
			9,402	7,944

Ratepayers had the option of paying rates in four equal instalments, due on 26 August 2016, 28 October 2016, 06 January 2017 and 10 March 2017. Administration charges and interest applied for the final three instalments.

<b>28. FEES &amp; CHARGES</b>	<b>2017</b> \$	<b>2016</b> \$
Governance	63	71
General purpose funding	6,532	17,536
Law, order, public safety	5,914	5,580
Health	0	0
Housing	128,485	137,652
Community amenities	113,750	109,852
Recreation and culture	11,955	17,232
Transport	291	0
Economic services	21,691	5,675
Other property and services	3,248	4,118
	<u>291,929</u>	<u>297,716</u>

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

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

**29. GRANT REVENUE**

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

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>By Nature or Type:</b>		
Operating grants, subsidies and contributions	2,424,073	2,009,746
Non-operating grants, subsidies and contributions	814,668	862,521
	<u>3,238,741</u>	<u>2,872,267</u>
<b>By Program:</b>		
Governance	7,636	23,539
General purpose funding	1,573,194	552,193
Law, order, public safety	37,423	56,487
Health	44,148	1,060,883
Community amenities	0	0
Recreation and culture	32,000	40,646
Transport	1,530,224	1,120,608
Other property and services	14,116	17,911
	<u>3,238,741</u>	<u>2,872,267</u>

**30. EMPLOYEE NUMBERS**

The number of full-time equivalent employees at balance date

<u>12</u>	<u>11</u>
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**31. ELECTED MEMBERS REMUNERATION**

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

	<b>2017</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
		<b>\$</b>	
Meeting Fees	33,250	33,250	23,333
President's allowance	6,090	6,090	6,064
Deputy President's allowance	1,523	1,523	1,000
Travelling expenses	0	0	0
Telecommunications allowance	3,640	3,640	6,333
	<u>44,503</u>	<u>44,503</u>	<u>36,730</u>

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

**32. MAJOR LAND TRANSACTIONS**

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

**33. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

The Shire did not participate in any trading undertakings or major trading undertakings during the 2016/17 financial year.

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

**34. FINANCIAL RISK MANAGEMENT**

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

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

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

*The Shire held the following financial instruments at balance date:*

	Carrying Value		Fair Value	
	2017	2016	2017	2016
	\$	\$	\$	\$
<b>Financial assets</b>				
Cash and cash equivalents	3,349,964	3,213,668	3,349,964	3,213,668
Investments	131,226	131,226	131,226	131,226
Receivables	267,486	129,024	267,486	129,024
	<u>3,748,676</u>	<u>3,473,918</u>	<u>3,748,676</u>	<u>3,473,918</u>
<b>Financial liabilities</b>				
Payables	354,322	193,615	354,322	193,615
Borrowings	347,687	449,189	317,640	408,096
	<u>702,009</u>	<u>642,804</u>	<u>671,962</u>	<u>601,711</u>

Fair value is determined as follows:

- Cash and cash equivalents, receivables, payables - estimated to the carrying value which approximates net market value.
- Borrowings, held to maturity investments, estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.
- Financial assets at fair value through profit and loss, available for sale financial assets - based on quoted market prices at the reporting date or independent valuation.

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

**34. FINANCIAL RISK MANAGEMENT (Continued)**

**(a) Cash and Cash Equivalents**

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

The major risk associated with investments is price risk - the risk that the capital value of investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments of their issuers or factors affecting similar instruments traded in a market.

Cash and investments are also subject to interest rate risk - the risk that movements in interest rates could affect returns.

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

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

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Impact of a 1% <sup>(1)</sup> movement in interest rates on cash		
- Equity	33,500	32,137
- Statement of Comprehensive Income	33,500	32,137

*Notes:*

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

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

**34. FINANCIAL RISK MANAGEMENT (Continued)**  
**(b) Receivables**

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

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

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

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

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

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

	<b>2017</b>	<b>2016</b>
Percentage of rates and annual charges		
- Current	0%	0%
- Overdue	100%	100%
Percentage of other receivables		
- Current	99%	99%
- Overdue	1%	1%

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

**34. FINANCIAL RISK MANAGEMENT (Continued)**

**(c) Payables**  
**Borrowings**

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

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

	<b>Due within 1 year \$</b>	<b>Due between 1 &amp; 5 years \$</b>	<b>Due after 5 years \$</b>	<b>Total contractual cash flows \$</b>	<b>Carrying values \$</b>
<b><u>2017</u></b>					
Payables	354,322	0	0	354,322	354,322
Borrowings	71,707	238,019	110,875	420,601	347,687
	<u>426,029</u>	<u>238,019</u>	<u>110,875</u>	<u>774,923</u>	<u>702,009</u>
<b><u>2016</u></b>					
Payables	193,615	0	0	193,615	193,615
Borrowings	123,103	254,289	166,312	543,704	449,189
	<u>316,718</u>	<u>254,289</u>	<u>166,312</u>	<u>737,319</u>	<u>642,804</u>



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

**34. FINANCIAL RISK MANAGEMENT (Continued)**

**(c) Payables  
Borrowings (continued)**

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

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

	<b>&lt;1 year</b>	<b>&gt;1&lt;2 years</b>	<b>&gt;2&lt;3 years</b>	<b>&gt;3&lt;4 years</b>	<b>&gt;4&lt;5 years</b>	<b>&gt;5 years</b>	<b>Total</b>	<b>Weighted Average Effective Interest Rate</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>%</b>
<b><u>Year ended 30 June 2017</u></b>								
<b>Borrowings</b>								
<b>Fixed rate</b>								
Debentures	0	31,842	0	0	0	315,845	347,687	5.34%
Weighted average Effective interest rate	0.00%	1.45%	0.00%	0.00%	0.00%	5.73%		
<b><u>Year ended 30 June 2016</u></b>								
<b>Borrowings</b>								
<b>Fixed rate</b>								
Debentures	50,063	0	47,477	0	0	351,649	449,189	5.03%
Weighted average Effective interest rate	3.54%	0.00%	1.45%	0.00%	0.00%	5.73%		

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

**35. RELATED PARTY TRANSACTIONS**

**Key Management Personnel (KMP) Compensation Disclosure**

	<b>2017</b>
	<b>\$</b>
The total of remuneration paid to KMP of the Shire during the year are as follows:	
Short-term employee benefits	336,142
Post-employment benefits	40,194
Other long-term benefits	Nil
Termination benefits	9,972
	<b>386,308</b>

**Short-term employee benefits**

These amounts include all salary, paid leave, fringe benefits and cash bonuses awarded to KMP except for details in respect to fees and benefits paid to elected members which may be found at Note31

**Post-employment benefits**

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

**Other long-term benefits**

These amounts represent long service benefits accruing during the year.

**Termination benefits**

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

**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. (Councillors, CEO, Manager of Works, & Manager of Corporate Services)
- ii. Entities subject to significant influence by the Shire*  
An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.
- iii. Joint venture entities accounted for under the equity method*  
The Shire has no interest in joint ventures which are accounted for using the equity method.

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

**35. RELATED PARTY TRANSACTIONS (Continued)**

**Transactions with related parties**

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

The following transactions occurred with related parties:

**2017**

**\$**

**Associated companies/individuals:**

No Sale of goods and services have been identified

Nil

No Purchase of goods and services have been identified

Nil

Wages paid to related individual

1,888

**Joint venture entities:**

No distributions were identified from joint venture entities

Nil

Council contributed to the NEWROC (North Eastern Wheatbelt Regional Organisation of Councils)

Council contributes 23% towards the running costs of a vehicle North Eastern Wheatbelt Health.

Council has agreed to contribute to CEACA aged housing.

**Amounts outstanding from related parties:**

No Trade and other receivables were Identified

Nil

No Loans to associated entities were identified

Nil

No Loans to key management personnel were identified

Nil

**Amounts payable to related parties:**

No Trade and other payables were identified

Nil

No Loans from associated entities were identified

Nil

**Ordinary Citizen Transactions:**

Ordinary Citizen Transactions (OCT) which are provided on terms and conditions no different to those applying to the general public and which have been provided in the course of delivering public service objectives are not required to be disclosed.

OCT's include rates transactions, fines, use of Council facilities (CRC, recreation centre, library, parks etc)

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

# INDEPENDENT AUDITOR'S REPORT TO THE RATEPAYERS OF THE SHIRE OF WYALKATCHEM

## Report on the Financial Report

We have audited the accompanying financial report of the Shire of Wyalkatchem, which comprises the Statement of Financial Position as at 30 June 2017, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows, the Rate Setting Statement for the year then ended and notes comprising a summary of significant accounting policies, other explanatory information, and the Statement by Management.

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

- (a) giving a true and fair view of the Shire's financial position as at 30 June 2017 and of its operating results for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

## Basis of Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of Council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Report on Other Legal and Regulatory Requirements

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

- (a) There are no matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- (b) No matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law were noted during the course of our audit.
- (c) All necessary information and explanations were obtained by us.
- (d) All audit procedures were satisfactorily completed in conducting our audit.
- (e) In relation to the Supplementary Ratio Information presented at page 60 of this report, we have reviewed the calculations as presented and in our opinion these are:
  - i) Based on verifiable information; and
  - ii) Reasonable assumptions.



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# INDEPENDENT AUDITOR'S REPORT TO THE RATEPAYERS OF THE SHIRE OF WYALKATCHEM

## Other Information

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

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

## Responsibility of Management and Council for the Financial Report

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

In preparing the financial report, the management is responsible for assessing Council's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the management either intend to liquidate Council or to cease operations, or have no realistic alternative but to do so.

Council and Management are responsible for overseeing the Shire's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.

## INDEPENDENT AUDITOR'S REPORT TO THE RATEPAYERS OF THE SHIRE OF WYALKATCHEM

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Managements use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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



Paul Gilbert, FCPA MBA Director

Macleod Corporation Pty Ltd

Dated this 9th day of November 2017.

**SHIRE OF WYALKATCHEM  
SUPPLEMENTARY RATIO INFORMATION  
FOR THE YEAR ENDED 30TH JUNE 2017**

**RATIO INFORMATION**

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

	<b>2017</b>	<b>2016</b>	<b>2015</b>
Asset consumption ratio	0.97	0.98	0.99
Asset renewal funding ratio	0.75	0.46	0.50

The above ratios are calculated as follows:

Asset consumption ratio	<u>depreciated replacement costs of assets</u> current replacement cost of depreciable assets
Asset renewal funding ratio	<u>NPV of planning capital renewal over 10 years</u> NPV of required capital expenditure over 10 years

Cr Davies presented on his President's Report, extending another welcome to Manager of Works Craig Harris, thanking him for all his fantastic work so far. Cr Davies expressed his thanks to all staff, in particular Chief Executive Officer Ian McCabe. Cr Davies thanked his fellow Councillors, including past Councillors Campbell Jones and Lynsey Gawley for their efforts and thanked the families of Councillors.

Ian McCabe recapped on his Chief Executive Officer's report - He expressed his thanks to Council and staff - he is grateful as an employee and a servant to Wyalkatchem for his great working environment.

Cr Davies thanked Ian again for all his hard work.

Ian McCabe summarised the financial report and explained the savings we are making in wages and explained the financial position the Shire is in currently - we are in a much better place now that what we were a few years ago.

William Nightingale asked about the increase in staffing this year and how that would effect the wages bill. Ian McCabe explained that the Shire always aims to keep the wages bill below 80% of the rate revenue. In previous history the wages bill has been 115% of rate revenue and we are currently sitting at 79%.

Ian McCabe commented on the Auditor's report, explaining that the external auditor had no recommendations - this is a very good thing. Until now, Council has appointed an auditor, but a new regime is being introduced in which the Auditor General appoints an auditor - this is good in that we will have external people coming in, but also could be a negative as it would probably mean an increase in costs.

**That the Annual Report for the year ended 30 June 2017 be received.**

**Moved** David Holdsworth

**Seconded** William Nightingale

#### **4. GENERAL BUSINESS Nil**

##### **4.1 Questions received on notice Nil**

**4.2 Questions from the floor** There were no questions but David Holdsworth did congratulate Council on their work - it was a great report to read.

#### **5. CLOSURE OF MEETING 6.01pm**