

Annual Report 2017/2018

A vibrant community lifestyle.



Shire of Westonia

The Report can be view on the Shire's website:
<http://www.westonia.wa.gov.au/documents/>

Or email
In person

shire@westonia.wa.gov.au
41 Wolfram Street, Westonia WA 6423



Welcome to the Shire of Westonia's 2017-18 Annual Report, which highlights the Shire's progress against the strategic goals identified in our Strategic Community Plan 2012-2022. Under the Local Government Act 1995 all local governments are required to prepare an annual report at the end of each financial year.

This is to provide information back to the community on the overall health of the organisation.

Where to find this report

Copies of this report can be obtained in the following ways:

In person: Collect a hard copy from the Shire administration office or Library

Online: www.westonia.wa.gov.au

Email: shire@westonia.wa.gov.au

Comment

Council and Shire of Westonia officers are keen for any feedback you may have on the Annual Report. This can be in writing and dropped off at any shire building or emailed to the shire at: shire@westonia.wa.gov.au



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Westonia in Brief “Where the Wheatbelt meets the Goldfields.”

Westonia came into existence with the discovery in 1910 of [gold](#) in the area, by a [sandalwood](#) cutter named Alfred Weston (May 17, 1876 - September 26, 1924). Initially the area was known as *Weston's Reward* and later as *Westons*.

Alfred David Weston, a sandalwood cutter and part time prospector, the town owes its origin to gold mining. Gold mining is still an important industry in the area, although the shire's primary industry is now wheat and sheep farming. All its streets are named after minerals and the town has preserved a streetscape facade that reflects its Edwardian origins

By 1915 there were two major mines in the area, and the population was in excess of 500. By 1917 the area, by then known as *Westonia*, had a population of more than 2,000. In 1919, low gold prices forced the closure of the mines, and many people left the area.

Westonia was gazetted as a town in February 1926. In 1935 one of the mines reopened, but closed again in 1948, only to be reopened in 1985. The mine then closed once again in 1991. In mid-2009, it was announced that mining would once again commence at Westonia's Edna May Gold Mine, owned and mined by Evolution Mining. With the first gold pour made in May 2010, coinciding with the centenary of the discovery of gold in the district.

Walking through Westonia is a leap back in

time. Established during the gold rush era, the town has restored and rebuilt its fine buildings to create a streetscape straight out of the pioneering era. From the original bank, cafe and green grocer store to the bright red doors on Westonia's fire station, wander through town and imagine life here during the mining boom of the early 1900s.

The township is nestled amid 4,000 hectares of salmon gum, morrell and gimlet woodland, dotted with granite outcrops, as well as remnants of the town's gold mining past.

Hit the four kilometre Woodlands and Wildflowers Heritage Trail to explore the native bushland, taking in Westonia Common woodland and historic points of interest. Or drive a little way out of town to Boodalin Soak or Sandford Rocks - both are picturesque spots providing the opportunity to explore woodlands, granite outcrops, refreshing pools and diverse native flora.

Time your visit to coincide with spring wildflower season (June to November) and you'll find the arid landscape transformed by a plethora of vibrant wildflowers after replenishing winter rains.

When it's time for refreshments and a rest from exploring this unique outback town and landscape, you'll find everything you need in Westonia, including motel and caravan park accommodation



Year in Review.

COVERING A BIG AREA OF 3,268 SQUARE KILOMETRES, LOCATED IN WESTERN AUSTRALIA'S WHEATBELT, 316KMS EAST OF PERTH, 306 KMS WEST OF KALGOORLIE AND 55KMS EAST OF MERREDIN ON THE WHEATBELT WAY DRIVE TRAIL THE SHIRE OF WESTONIA IS RENOWNED FOR ITS STUNNING NATURAL WOODLANDS, BREATHTAKING GRANITE OUTCROPS, BEAUTIFUL WILDFLOWERS AND VAST OPEN SKIES.

Local Industries include Wheat, grain and sheep farming, Gold Mining, Dolomite Mining, Earth Moving, Heavy Transport

As a snapshot, the Shire manages over 764kms of Unsealed Roads, 121kms of Sealed Roads gardens, playgrounds and sporting fields.

Shire Attractions include Westonia Facades, Boodalin Soak, Sandford Rock, Elachbutting Rock, Baladjie Rock, Wild Flowers, Woodlands Granite Outcrops, Westonia Common, Historic Westonia Tavern, Rabbit Proof Fence, Old Miners Hall, Golden Pipeline Drive Trail, Hood- Penn Old Club Hotel Museum, Wheatbelt Way Drive Trail.

In 2017-2018, the Shire of Westonia balanced its Budget of \$1.7 million to ensure service delivery remained high and the community received value for money.

Here is a snapshot of the community and economic demographic of the Shire of Westonia.

This is your Shire;



1 Library



128 Dwellings



Population 302



Maintenance to Parks & Gardens
\$ 133,927



Winter/ Maintenance Grading
\$317,817



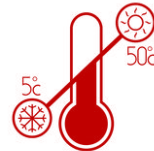
Capital Road works \$1,015,401



81 Dog/Cat Registrations



1,761 Shire Caravan Park Visitors

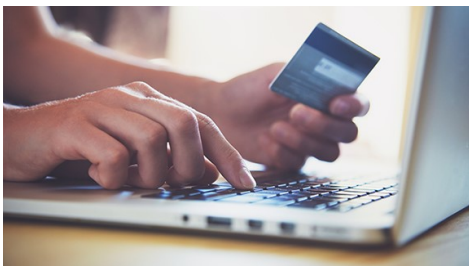


Avg. max. temp. 21.7°
Avg. min. temp. 2.7°
Avg. Rainfall 256mm

WHERE DID MY RATES GO?

PER \$100

2017-2018



\$18
on Recreation & Culture

\$47
on Roads

\$3
on Community amenities

\$10
on Governance

\$4
on Other

\$10
on Economic Services

\$2
on Law, order & Public Safety

\$1
On Health

\$4
On Housing

\$1
On Education & Welfare

MEDIA & COMMUNICATION SERVICES



98 Posts were posted on the Shire's Facebook Page



39 Posts were posted on the Hood-penn Museum Facebook Page



4,411 Web users visited the Shire's Website

Shire Presidents Message



STRONG LEADERSHIP AND TEAMWORK IS THE BACKBONE OF SUCCESS AND I AM PROUD OF THE WORK OUR COUNCIL HAS DONE OVER THE PAST 12 MONTHS TO PROVIDE GOOD GOVERNANCE TO THE WESTONIA COMMUNITY.

As we look back over another year there is much we have achieved. Our ongoing focus on alliances with the neighboring Local Governments, Ramelius Resources, businesses and contractors has been especially rewarding, *bringing* the best outcomes for all residents and ratepayers across the Whole Shire. In the past year, the Council has continued its focus on achieving the strategic interests of the Westonia community. Day to day activities, projects and community issues have been addressed, with dedicated focus and due diligence by all involved in the operations of the Shire, and I am confident that the community is well placed because of these efforts.

The October 2017 elections brought a new Council Elective. I would like to express my appreciation and acknowledgement for the work of former Deputy President Doug Hermon and Councillor Mr. Louis Geier. I congratulate Councillor Ross Della Bosca, and Councillor Daimon Geier on their commitment to Westonia through their nomination and subsequent appointment as an elected member for the next few years.

After 32 years of service to Council Louis Geier did not renominate and Council presented him with an Honorary Freemanship of the Shire of Westonia. The award was bestowed on Louis in recognition of his excellent service to the Westonia Council and the community. His service included: First elected in 1984

and served as the North Ward Councillor until 1993 (10 years). Re-elected in 1994 as the Town Ward Councillor until wards were abolished and has served as a councillor until retiring in 2017, a total of 32 years, making Louis the third longest serving

Councillor for the Council, Elected as Deputy President in 2000 and served until 2003 where he was elected as president in 2003, a seat in which he presided until 2015. Since his election as Deputy President in 2000, he has been Council's representative to the Great Eastern Country Zone WALGA until 2015. (15 years).

Council again finished the year in a sound financial position and continues to maintain good equity in our infrastructure, plant & machinery. Our rate collection raised a total of \$ 897,920, representing a 97% collection rate. Council finished the year with a 1,376,212 in the Municipal Fund and \$615,083 invested in cash backed reserve funds.

As President, I am grateful for the input and support the community provides, and thank Councillors for their commitment and leadership that allows us to achieve positive outcomes for Westonia.

I acknowledge the effort of Chief Executive Officer Jamie Criddle and his employees for their hard work. We are very lucky to have an excellent workforce and appreciate the pride they show in their work. Our town is looking great, facilities being maintained and our roads continue to be the envy of our neighbors. Our goal of making the Shire a great place to live, work, and visit is being achieved.

It has been another great year for Westonia and I look forward to another successful one in 2018-2019

Karin Day

Shire President,

Elected Members

Council has no operational standing committees however the following portfolios have been issued to Councillors and meet and attend meetings on an as needs basis



Cr Karin Day (2019) Shire President
Email: cr.day@westonia.wa.gov.au

Portfolio: WEROC, Wheatbelt Communities, WALGA, Community Development, Transport, Development Assessment Panels (proxy), Sport & Recreation



Cr Bill Huxtable (2021) Deputy President
Email: cr.huxtable@westonia.wa.gov.au

Portfolio: WEROC (proxy), Community Development, Development Assessment Panels, Tourism, WALGA



Cr Daimon Geier (2021)
Email: cr.daimon.geier@westonia.wa.gov.au

Portfolio: Community Development, Emergency Services, Development Assessment Panel.



Cr John Jefferys (2021)
Email: cr.jefferys@westonia.wa.gov.au

Portfolio: Transport, Community Development, Development Assessment Panels (proxy)



Cr Ross Della Bosca (2019)
Email: cr.dellabosca@westonia.wa.gov.au

Portfolio: Community Development, Development Assessment Panels, Agriculture, (Inc Eastern Wheatbelt Declared Species Group)



Cr Renae Corsini (2019)
Email: cr.corsini@westonia.wa.gov.au

Portfolio: Agriculture, (Inc Eastern Wheatbelt Declared Species Group) Community Development, Sport & Recreation

**Note: Year in brackets denotes expiry of election term*

COUNCILLOR MEETING ATTENDANCE

COUNCIL MEETINGS

Council Meetings are held on the third Thursday of each month with the exception of Januarys. All Council meetings are held in the Westonia Council Chambers located in the Westonia Community Resource Centre, 33 Wolfram Street Westonia.

The Council and Committee meetings are open to the public and there is public question time at the beginning of both Council and Committee meetings at which time the general public may ask questions on any Local Government matter.

Meeting dates and times are subject to change and if this does occur notice of such change is advertised as per the requirements of the Local Government Act 1995

Under Chapter 2M of the Corporations Act 2001 that Councillors' attendance at all Council meetings and Committee meetings which they have been appointed a member, be reported in the Annual Report.



11 Council Meetings



1 Electors Meeting



1 Special Meeting



2 Audit Meetings

	2017						2018				
	July	Aug	Sept	Oct	Nov	Dec	Feb	March	April	May	June
<i>President</i> Cr Karin Day	X	X	X	X	X	X	X	X	X	X	X
<i>Deputy President</i> Cr Bill Huxtable	X	X	X	X	X	X	X	X	X	X	X
Cr Daimon Geier	Elected Oct 2017			X	X	X	X	X	X	X	X
Cr John Jefferys	X	X	X	X	X	X	X	X	X	X	X
Cr Renae Corsini	X	X	X	X	X	X	X	X	X	X	X
Cr Ross Della Bosca	Elected Oct 2017			X	X	X	X	X	X	X	X
Cr Doug Herman	X	X	X	Predecessor from October 2017							
Cr Louis Geier	X	X	X	Predecessor from October 2017							

X Attended X Apologies X Leave of Absence

COUNCILLORS' REMUNERATION

In the 2017/18 financial year the following remunerations were made to Councillors: President (Including a Presidents Allowance): \$9,106.00

Councillors: \$3,553.00

PRIMARY AND ANNUAL RETURNS

In accordance with Section 5.75 and 5.76 of the *Local Government Act 1995* all relevant persons lodged an Annual Return by the due date of 31 August 2018 and a primary return within 3 months of their start date.

All returns are managed via the Office and are available for viewing by members of the public upon request

Chief Executive Officer's Message



AN EXECUTIVE SUMMARY

IT IS WITH PLEASURE TO PRESENT MY ANNUAL REPORT ON THE 2017/2018 YEAR OF OPERATIONS OF THE SHIRE OF WESTONIA.

MANAGEMENT STAFF

The Chief Executive Officer is responsible for the overall management of the Shire and I am pleased to report that the following Management Staff are a blend of dedicated and professional staff which has resulted in benefits for the Shire.

Chief Executive Officer	Jamie Criddle
Works Supervisor	Bill Price
Environmental Health Officer	Allan Ramsay
Building Surveyor	Allan Ramsay

During the year of review there were six changes to the staff structure where Joel Kowalski resigned from his position. Shirley Pomery and Steve Norman took one-year leave without pay and Belinda McMurdo is on sick leave due to illness.

Bill Price replaced Judd Hobson as Works Supervisor, Shauna Hodgkinson took on a traineeship role in Shirley's absence, Graeme Bright is relieving for Steve Norman as is Michael Iburg relieving for Belinda.

Boyd Price replaces Joel Kowalski as the Roller Operator. Debra Godwin also took on the newly created role of Caravan Park Caretaker.

Council wish all departing Staff all the best with their future endeavours.

All staff members are there to serve you and should you have a query on any issue please do not hesitate to contact them or myself.

BUDGETING

The Shires budgeting process commences in February/March of each year with the preparation of a draft budget based on previously adopted works and capital expenditure programs and issues identified to elected members and staff by residents of the Shire.

Residents are encouraged to provide budgetary requests either to their elected members or to the management staff. The draft budget is presented at the June meeting of Council, where it is refined until

a suitable balance between required works and an acceptable rate level is achieved and is adopted at a special meeting in early July.

FINANCE

The Shire's financial position to the 30 June 2018 ended with an untied accrued surplus of \$1,074,422 with restricted cash of \$nil. The restricted cash component is for use in the 2018/2019 year. This surplus was a pleasing result due to Council experiencing a number of matters that required out of budget expenditure and with a majority of intended projects completed or in process of construction/completion.

Council was able to continue to supply new infrastructure and services, undertake other road projects that were a priority of Council, and continue to provide existing services at an acceptable level.

GENERAL PURPOSE GRANT

Whilst the demand for works and services throughout the Shire is increasing the levels of Government funding, particularly the General Purpose Grant and Roadworks funds have been slowly increasing in recent years as compared to a static and reduction of funds in previous years as the following table shows.

2012/2013	\$1,051,408	2013/2014	\$1,051,408
2014/2015	\$1,193,478	2015/2016	\$1,234,692
2016/2017	\$1,203,499	2017/2018	\$1,227,938

The confirmed figure for 2017/2018 is \$1,227,938 being an increase of \$24,439.

It is with regret that the Federal Government has also resolved to freeze indexation on the above grant for the next three years which will result in a loss of income for this Council of \$200,000 if an indexation of 5% per annum is used.

Chief Executive Officer's Message Continues.

MAJOR/CAPITAL EXPENDITURE

Some major projects and purchases made during the 2017/2018 year that have not been reported in other sectors of the Annual Report include:

- Solar Panels to various Staff Housing;
- Minor works to the Meeting Room at the Old School
- Over \$1,200,000 worth of road works;
- Changeover of Plant and several light Vehicles;

Plant purchases include:

- Roller
- Plant Trailer
- Various Admin, Works Fleet

In comparison to previous years the major capital projects undertaken have reduced and is primarily due to the Council being able to deliver major projects in previous years with grant funding. In addition grants that were readily available, namely the Royalalties for Regions Country Local Government Fund have now ceased and such funding must be applied for and the projects must be within the Wheatbelt Development Commission Infrastructure Plan.

CONCLUSION

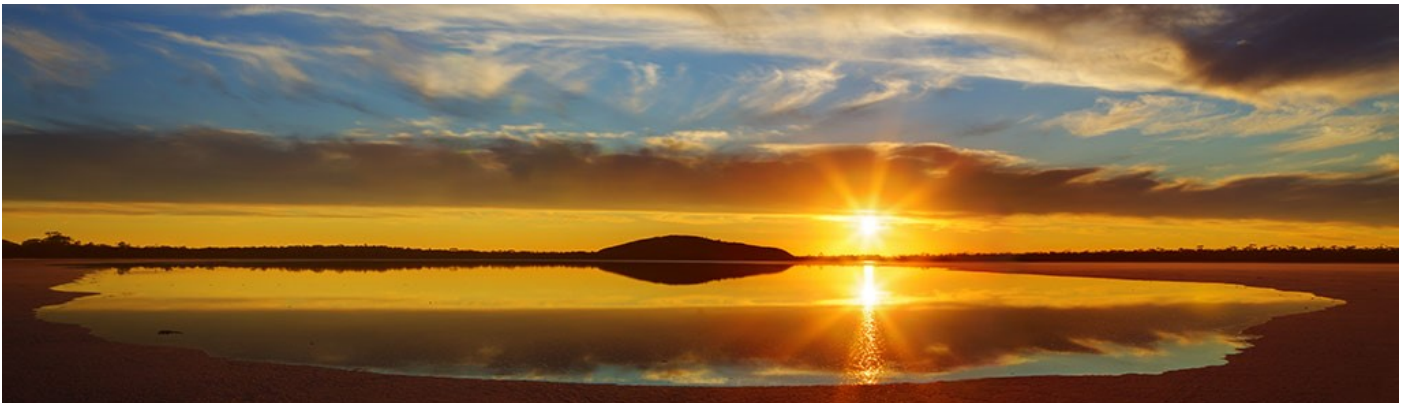
Each year the Council is faced with many challenges and requests from residents for major infrastructure and some of these have been achieved over the years. We cannot accommodate every request however the Council and staff do work towards long term planning in an endeavour to continue to provide services that are needed and to maintain existing. Some of the projects achieved in 2017/2018 have been planned for many years and there are more on the planning board for the future to make this Shire not only a great place to visit but a great place to live.

In conclusion, my special thanks go to the Staff and Councillors for their assistance, guidance and co-operation during the period of this report.

I also take this opportunity to thank the many residents who have assisted Council in some form in achieving its goals and objectives throughout 2017/2018.

Jamie Criddle

CHIEF EXECUTIVE OFFICER



Statutory Requirements

WESTONIA SHIRE COUNCIL IS FOCUSED ON PROVIDING GOOD GOVERNANCE TO THE COMMUNITY AND MEETS REGULARLY TO MAKE IMPORTANT DECISIONS FOR YOU AND YOUR SHIRE.

STATE RECORDS ACT 2000

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.

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 to adduce that:

1. The efficiency and effectiveness of the organisation’s record keeping system is evaluated not less than once every 5 years.
2. The organisation conducts a record keeping 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 regarding their compliance with the organisation’s record keeping plan.

The Shire of Westonia has complied with items 1 to 4.



FREEDOM OF INFORMATION STATEMENT

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

The Council consists of six elected members. The Council meets once each month except January to make decisions relating to the policy and direction of the Shire. All meetings are open to the public and the meeting dates and venues are advertised to the public. Members of the public are able to ask questions during public question time at the commencement of each meeting.



Council maintains records relating to each property within the Shire and also records relating to the function and administration of the Shire including minutes of meetings, financial interests register, register of delegations, rates book, electoral roll, financial statements and local laws.

These documents can be inspected at the Shire Office, Wolfram Street, Westonia, Monday to Friday between the hours of 8.30am and 5.00pm.

Changes to personal information should be made in writing.

Requests for information under the Freedom of Information Act can be sent to the Chief Executive Officer, Shire of Westonia, Wolfram Street, Westonia WA 6423.

The Shire of Westonia received one (1) application under the **Freedom of Information Act 1992**.



Statutory Requirements Continues.

PAYMENTS TO EMPLOYEES

The Local Government (Administration) Regulations 1996, regulation 19B requires each local government to provide information in its annual report on the following:

The number of employees of the local government entitled to an annual salary of \$100,000 or more;

The number of those employees with an annual salary entitlement that falls within each band of \$10,000 over \$100,000.

As at 30th June 2018 one employee of the Shire of Westonia was in the annual salary band of \$130,000 - \$140,000.

MINOR COMPLAINTS

For the purpose of Section 5.121 of the *Local Government Act 1995* Council must report entries recorded in the Register of Complaints during the financial year.

Council did not receive any complaints during the 2017/18 financial year



DELEGATIONS REVIEW

In accordance with Section 5.46 of the *Local Government Act 1995* a review was undertaken of the Shire's Delegations Register during this period, with Council adopting the review at its May 2018 meeting (ref 10-05/17)

NATIONAL COMPETITION POLICY STATEMENT.

National Competition Policy (NCP) is designed to enhance the efficiency and effectiveness of public sector agencies and lead to more efficient use of all economic resources. There are a number of specific requirements placed on Local Government in the areas of competitive neutrality, legislation review and structural reform. Each Local Government is

required to report its progress in achieving NCP reforms in its annual report.

In respect to Council's responsibility in relation to the 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 been 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 enterprise.

The principles of competitive neutrality will be implemented in respect of any relevant activities undertaken during the 2017/18 year.

Legislation review relates to legislation that may conflict with the principles of National Competition Policy. Local governments are able to make local laws and are required to test local laws against the National Competition Policy.

The Shire of Westonia's local laws comply with those requirements.

LOCAL LAW REVIEW

A review is to be conducted within 8 years from the day each Local Law commenced, or from when a report of a review of the Local Law was accepted under s3.16

Section 3.16 of the Local Government Act requires periodic reviews of Local Laws. A Local Government is to carry out a review of a Local Law to determine whether or not it considers that it should remain unchanged, be repealed or amended.

Council is currently undergoing this review.



Disability Services

The Shire of Westonia is committed to ensuring that the community is accessible for people with disabilities, their families and their carers.

People with disabilities who live in country areas should be given the support to remain in the community of their own choice. The Shire of Westonia is committed to consulting with people with disabilities, their families and their carers to ensure that the barriers to access are addressed appropriately. The Disability Services Amendment Act 1999 requires Council to report on its Disability Services Plan achievements within its Annual Report. In June 2017 Council adopted the *Disability Access and Inclusion Plan 2017-2021*.

Many of the outcomes and strategies identified within the plan are being implemented on an ongoing basis or have been fully implemented. Currently the CEO and Executive Manager of Development Services is responsible for the implementation of the principles and projects within the Plan. When Council is addressing the issue of accessibility to Council's facilities and functions it is aware that by providing better access for people with disabilities it is providing better access for the whole community. Work continues to improve footpaths and access ways around the townsite as part of recognising the *Disability Access and Inclusion Plan*.

The Disability Services Commission requires Local Governments to report on the seven outcomes relating to DAIPs to the public annually.

Outcome 1:

People with disability have the same opportunities as other people to access the services of, and participate in any events organised by, a public authority.

Outcome 2:

People with disability have the same opportunities as other people to access buildings and other facilities of a public authority.

Outcome 3:

People with disability have the same opportunity as other people to access information in a format that will enable them to access

Outcome 4:

People with disability receive the same level of service from the employees of a public authority as other people receive from the employees of that public authority.

Outcome 5:

People with disability have the same opportunities as other people to make complaints to a public authority.

Outcome 6:

People with disability have the same opportunities as

other people to participate in any public consultation by a public authority.

Outcome 7:

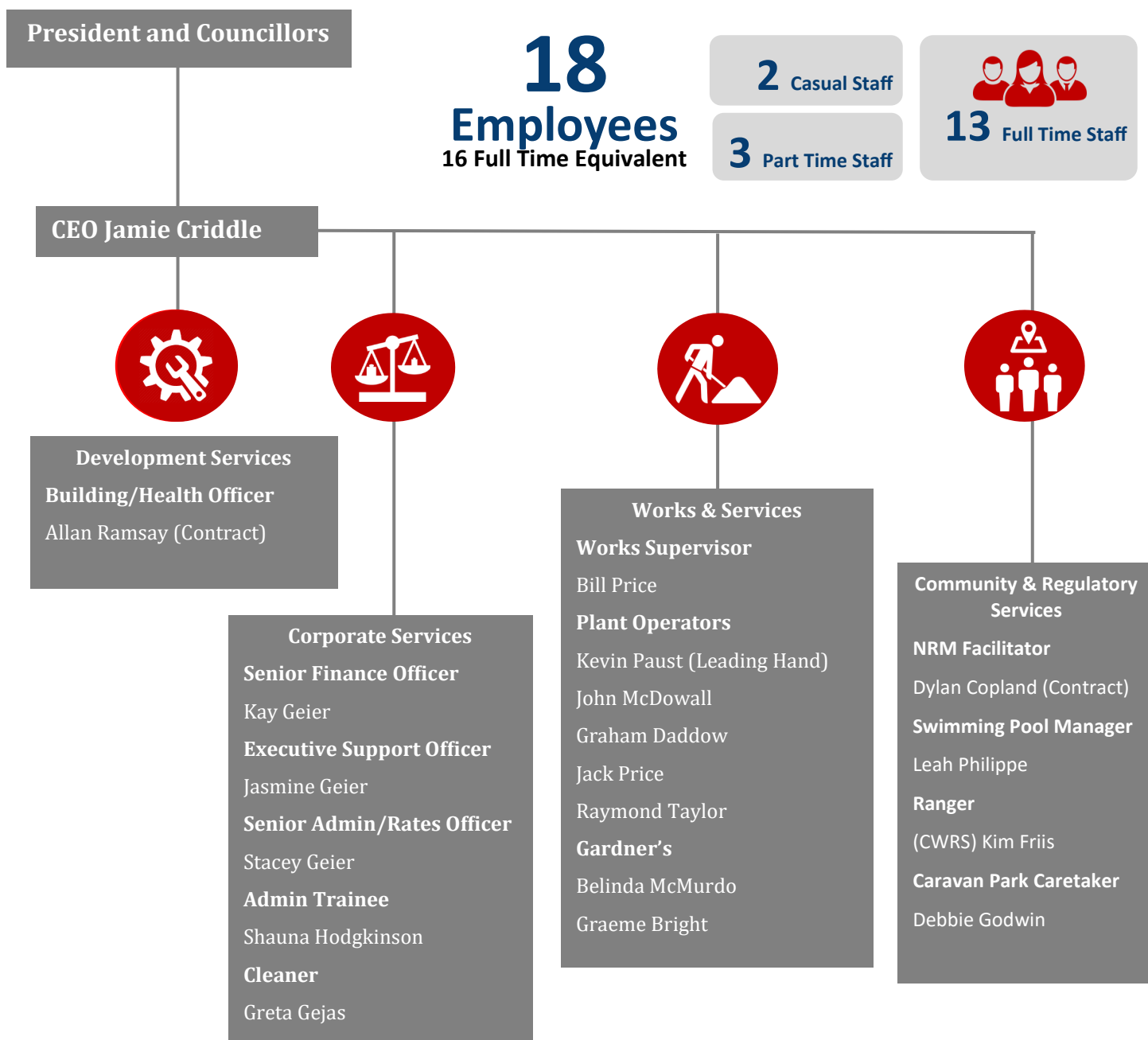
People with disability have the same opportunities as other people to obtain and maintain employment with a public authority.

Further information can be obtained by contacting the CEO or the Executive Support Officer.



Service Delivery Structure

The Chief Executive Officer, Jamie Criddle, is the Shire's most senior officer and provides guidance and direction to staff to ensure that Council's policies and decisions are implemented. The CEO works in close partnership with the Shire President to promote the Shire and to link with the community, tiers of government and business sectors. The overall management of the Shire rests with the CEO who oversees the day-to-day operations while ensuring that Council direction is followed, governance is sound and community outcomes achieved.



COMMUNITY STRATEGIC PLAN

The Shire has a number of key documents that provide a framework to deliver the best outcomes for the community.

COMMUNITY STRATEGIC PLAN An overarching plan that guide's the future direction of Council policies, plans, projects and decision making to 2023.

CORPORATE BUSINESS PLAN A plan for the Shire as an organisation to activate the strategies identified in the Community Strategic Plan and drive the Shires operations to 2017.

ANNUAL BUDGET The allocation of resources required to deliver against the Community Strategic Plan and Corporate Business

Four Key Themes

The Shire of Westonia has a community strategic plan titled Plan for the Future 2013-2023 which reflects what the community has told us and provides strategic direction for the shire. The key themes and strategic objectives in the plan inform all decisions made and projects undertaken by council.

This plan contains a number of strategic outcomes and drivers which are classified into four key areas:



SOCIAL AND COMMUNITY WELLBEING AND CAPACITY

We have a unique country lifestyle with an exceptionally strong community spirit, pride and sense of ownership. We are welcoming and we have services, infrastructure and development that connects, supports and strengthens our community for the future. Our community is safe and we care for each other



ENVIRONMENT

Our natural environment is healthy and clean, we work actively to protect and improve it for future generations



GOVERNANCE, LEADERSHIP & FINANCIAL SUSTAINABILITY

Provide good strategic decision making, governance, leadership and professional management.



ECONOMIC DIVERSITY, INNOVATION AND PROSPERITY

Diverse businesses, career opportunities and a vibrant community, relaxed lifestyle, distinctive town site and sustainable physical environment are the foundations of our economy. Tourists and visitors are attracted to the Shire throughout the year, tourism activities drive a quality experience and matched with successful events. Home based businesses as well as other small businesses are attracted to the Shire and Council supports local and regional economic activity. Opportunities to learn and share skills through a range of local training and education pathways are supported

Our Progress of Strategic Priorities. The following table report on the key directions of the Strategic Community Plan 2013-2023.

✓ Completed Ø Commenced Q Ongoing ù No Current Opportunities



SOCIAL AND COMMUNITY WELLBEING AND CAPACITY

Strategic Priority 1

SOCIAL

CONTINUE TO DEVELOP OUR UNIQUE COUNTRY LIFESTYLE

INITIATIVE	STATUS	COMMENTS
Strategy SP1.1 Create a strong sense of identity and belonging;	Q	Strive to provide to governance & leadership
Strategy SP1.2 Maintain the provision of high quality, financially viable, accessible community services and infrastructure to meet the needs of the community;	Q	Installation of toilets at recently acquired "Old School" building, continue to support local businesses to thrive.
Strategy SP1.3 Assist in providing a range of accommodation options in the Shire.	Q	2 x Aged Units built and completed making 7 available aged units for rent

ENHANCED SOCIAL AND COMMUNITY WELL BEING

INITIATIVE	STATUS	COMMENTS
Strategy SP2.1 Facilitate the provision of recreational and leisure opportunities	Q	Maintain current facilities, investigate upgrades to Westonia Swimming Pool.
Strategy SP2.2 Provide facilities and programs for health and well-being needs;	Q	Minor upgrades to medical room facilities including doctor, nurse practitioner and podiatry needs.
Strategy SP2.3 Our children, youth, families and seniors are valued, involved and supported;	Q	Support Westonia CRC in facilitating youth & senior activities
Strategy SP2.4 Support and encourage voluntary community services.	Q	Thank and acknowledge volunteers

A SAFE AND CONNECTED COMMUNITY

INITIATIVE	STATUS	COMMENTS
Strategy SP3.1 Provide a safe and efficient transport network	Q	Investigate small community bus for community use
Strategy SP3.2 Provide equitable access to all Shire facilities and infrastructure.	Q	Free community use of facilities outside of club events



ENVIRONMENT

Strategic Priority 2

ENVIRONMENTAL

A QUALITY ENVIRONMENT

INITIATIVE	STATUS	COMMENTS
Strategy SP7.1 Develop and implement programs which protect and enhance the Shire's natural environment;	Q	Work with NRM Officer to develop Conservation Plan for Westonia Common
Strategy SP7.2 Build partnerships with people who work with and care for the land to secure a healthy environment;	Q	Liaise with Wheatbelt NRM.
Strategy SP7.3 Effective management and minimisation of waste collection and disposal.	Q	Coordinate effective refuse management at tip site.

LEAD THE WAY IN RESOURCE RECOVERY

INITIATIVE	STATUS	COMMENTS
Strategy SP8.1 Participate in best practice water and energy management	Q	Install solar panel to all council owned properties over time. New aged units built to 7-star energy rating.





GOVERNANCE, LEADERSHIP & FINANCIAL SUSTAINABILITY

Strategic Priority 3

GOVERNANCE

PROVIDE GOOD STRATEGIC DECISION MAKING, GOVERNANCE, LEADERSHIP AND PROFESSIONAL MANAGEMENT

INITIATIVE	STATUS	COMMENTS
Strategy SP9.1 Continue to participate in sub regional and regional groups to gain efficiencies and productivity e.g. WEROC;	Q	Current CEO/President of WEROC
Strategy SP9.2 Provide development opportunities, and a secure Council environment that encourages visionary leadership and ideas to complement existing strategies in providing solutions to the long-term challenges facing the Shire;	Q	Continue to foster new ideas to maintain relevance and strive for visionary ideas to provide solutions to challenges facing the Shire.
Strategy SP9.3 Provide excellent customer service functions to all community members and rate payers;	Q	Continue to strive for excellence in customer service
Strategy SP9.4 Develop excellent communication tools, in a range of suitable formats, to ensure a well-informed community;	Q	Utilise multimedia platforms that suit Westonia and its community.
Strategy SP9.5 Commit to the provision of essential and non-essential services in the community;	Q	Continue to provide essential and non-essential services in the community such as health, aged care.
Strategy SP9.6 Implement a range of collaborative partnerships with businesses and community groups to ensure their sustainability into the future;	Q	Liaise with Wheatbelt Business Network, Westonia Progress Association and provide support at all.
Strategy SP9.7 Annually review compliance methods;	Q	Compliance records reviewed annually
Strategy SP9.8 Human resource excellence;	Q	Structure workforce to continue relevance with current trends.
Strategy SP9.9 Provision of a safe, secure and encouraging working environment for all staff and elected members;	Q	Ensure OSH regulations provide for a safe working environment.



ECONOMIC DIVERSITY, INNOVATION AND PROSPERITY

Strategic Priority 4

ECONOMIC

AN ECONOMY THAT IS WELL PREPARED FOR THE FUTURE

INITIATIVE	STATUS	COMMENTS
Strategy SP4.1 Support and strengthen local businesses and local business networks;	Q	Initiate membership with Wheatbelt Business Network, support all local businesses.
Strategy SP4.2 Plan for employment, business and industry growth and change;	Q	Liaise with Evolution Mining regarding potential industry growth and change.
Strategy SP4.3 Tell the world about the opportunities and benefits of doing business in Westonia	Q	Promote via website
Strategy SP4.4 Advocate for infrastructure that meets the needs of contemporary business.	Q	Instigate Westonia Post Office move to the Community Cooperative

THE WESTONIA TOURIST EXPERIENCE IS UNIQUE

INITIATIVE	STATUS	COMMENTS
Strategy SP5.1 Work towards providing a high quality, sustainable and integrated tourism experience to extend the length of stay.	Q	Upgrades to current Caravan Park facilities, assist in developing WEROC App & and Wheatbelt Way App.

EDUCATION AND TRAINING SERVICES ARE ACCESSIBLE FOR LIFELONG LEARNING AT ALL STAGES OF LIFE

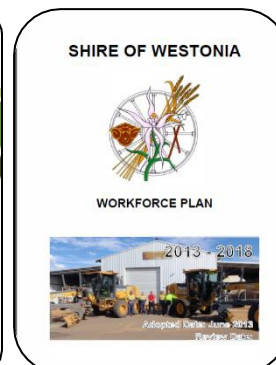
INITIATIVE	STATUS	COMMENTS
Strategy SP6.1 Strengthen the role and use of local education and training providers;	û	No opportunities to pursue during the reporting period.
Strategy SP6.2	Q	Encourage training for workforce when required.

As at 30 June 2018 the Shire of Westonia there have been no changes to the following plans which were adopted during the previous financial year.

Strategic Community Plan

Corporate Business Plan

Workforce Plan



YOUR SHIRE IS ONLY AS GOOD AS ITS PEOPLE, AND IN WESTONIA WE ARE LUCKY TO HAVE A WONDERFUL COMMUNITY THAT SUPPORTS WHAT WE DO, IS COMMITTED TO MAKING THINGS BETTER AND IS PASSIONATE ABOUT OUR FUTURE.

That community extends to every person, organisation, agency and company that has made varied and valuable contributions to our numerous projects, events, services, and programs in 2017-2018.

We would like to thank them, and the many community groups who have worked closely with our staff to create new opportunities, solutions and Council recognises that the resilience and vibrancy of the community is reliant on the strength of its community groups and values their contributions.

To our many funding partners we also extend our gratitude as without their significant financial support much of what we have achieved for our community over the past year would not have been possible.

We are proud of what we have achieved in partnership with our community. Westonia is an amazing Shire to live, work and visit.

IT IS YOUR SHIRE!



FINANCIAL REPORT

For Year Ending
30 JUNE 2018



**SHIRE OF
WESTONIA**
A vibrant community lifestyle

SHIRE OF WESTONIA
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

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COMMUNITY VISION

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

Principal place of business:
41 Wolfram Street
Westonia, WA 6423

**SHIRE OF WESTONIA
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Westonia for the financial year ended 30 June 2018 is based on proper accounts and records to present fairly the financial position of the Shire of Westonia at 30 June 2018 and the results of the operations for the financial year then ended in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 19 day of December 2018



Chief Executive Officer

Jamie Criddle

Name of Chief Executive Officer

STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2018

	NOTE	2018 Actual \$	2018 Budget \$	2017 Actual \$
Revenue				
Rates	22(a)	897,920	897,920	854,743
Operating grants, subsidies and contributions	2(a)	1,519,585	726,677	2,125,881
Fees and charges	2(a)	316,597	264,730	293,847
Interest earnings	2(a)	22,407	24,400	26,434
Other revenue	2(a)	42,620	45,958	60,636
		2,799,129	1,959,685	3,361,541
Expenses				
Employee costs		(712,192)	(910,675)	(711,444)
Materials and contracts		(375,800)	(455,206)	(573,462)
Utility charges		(182,189)	(142,300)	(174,062)
Depreciation on non-current assets	9(b)	(1,707,187)	(1,850,140)	(1,498,049)
Interest expenses	2(b)	(14,257)	(14,307)	(19,993)
Insurance expenses		(97,043)	(105,000)	(104,948)
Other expenditure		(45,900)	(49,873)	(57,982)
		(3,134,568)	(3,527,501)	(3,139,940)
		(335,439)	(1,567,816)	221,601
Non-operating grants, subsidies and contributions	2(a)	744,479	871,979	1,108,024
Profit on asset disposals	9(a)	8,783	5,000	9,507
(Loss) on asset disposals	9(a)	(19,048)	(201,500)	(128,859)
Net result		398,775	(892,337)	1,210,273
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	10	(76,677,036)	0	1,454,079
Total other comprehensive income		(76,677,036)	0	1,454,079
Total comprehensive income		(76,278,261)	(892,337)	2,664,352

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

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

	NOTE	2018 Actual \$	2018 Budget \$	2017 Actual \$
Revenue				
	2(a)			
Governance		2,013	2,150	2,051
General purpose funding		2,165,217	1,483,747	2,731,666
Law, order, public safety		56,226	43,400	39,482
Health		2,000	2,000	1,800
Education and welfare		23,886	500	455
Housing		152,701	171,180	175,170
Community amenities		9,396	9,900	8,554
Recreation and culture		103,643	61,800	102,957
Transport		67,691	68,000	115,152
Economic services		96,867	53,508	88,544
Other property and services		119,490	63,500	95,709
		2,799,130	1,959,685	3,361,540
Expenses				
	2(b)			
Governance		(283,406)	(302,393)	(299,879)
General purpose funding		(44,867)	(40,236)	(46,322)
Law, order, public safety		(81,910)	(57,728)	(77,663)
Health		(30,191)	(33,508)	(20,425)
Education and welfare		(69,694)	(35,939)	(23,730)
Housing		(131,992)	(147,564)	(136,857)
Community amenities		(103,346)	(95,493)	(86,998)
Recreation and culture		(649,906)	(676,749)	(568,774)
Transport		(1,472,302)	(1,794,373)	(1,474,940)
Economic services		(327,348)	(324,111)	(298,695)
Other property and services		74,650	(5,100)	(85,664)
		(3,120,312)	(3,513,194)	(3,119,947)
Finance Costs				
	2(b)			
Housing		(10,508)	(10,742)	(14,216)
Transport		(1,357)	(1,357)	(3,060)
Economic services		(2,392)	(2,208)	(2,717)
		(14,257)	(14,307)	(19,993)
		(335,439)	(1,567,816)	221,600
Non-operating grants, subsidies and contributions	2(a)	744,479	871,979	1,108,024
Profit on disposal of assets	9(a)	8,783	5,000	9,507
(Loss) on disposal of assets	9(a)	(19,048)	(201,500)	(128,858)
		734,214	675,479	988,673
		398,775	(892,337)	1,210,273
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	10	(76,677,036)	0	1,454,079
Total other comprehensive income		(76,677,036)	0	1,454,079
Total comprehensive income		(76,278,261)	(892,337)	2,664,352

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

**STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2018**

	NOTE	2018 \$	2017 \$
CURRENT ASSETS			
Cash and cash equivalents	3	1,991,295	1,496,844
Trade and other receivables	5	98,471	166,498
Inventories	6	7,964	7,964
TOTAL CURRENT ASSETS		2,097,730	1,671,306
NON-CURRENT ASSETS			
Other receivables	5	20,105	29,277
Inventories	6	22,001	22,001
Property, plant and equipment	7	12,534,305	12,360,392
Infrastructure	8	38,787,333	115,700,190
TOTAL NON-CURRENT ASSETS		51,363,744	128,111,860
TOTAL ASSETS		53,461,474	129,783,166
CURRENT LIABILITIES			
Trade and other payables	11	271,848	201,023
Current portion of long term borrowings	12(a)	70,372	90,533
Provisions	13	122,711	159,714
TOTAL CURRENT LIABILITIES		464,931	451,270
NON-CURRENT LIABILITIES			
Long term borrowings	12(a)	85,242	155,616
Provisions	13	44,017	30,731
TOTAL NON-CURRENT LIABILITIES		129,259	186,347
TOTAL LIABILITIES		594,190	637,617
NET ASSETS		52,867,284	129,145,549
EQUITY			
Retained surplus		16,605,629	16,204,404
Reserves - cash backed	4	615,083	617,533
Revaluation surplus	10	35,646,572	112,323,608
TOTAL EQUITY		52,867,284	129,145,545

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2018**

		RESERVES			
	NOTE	RETAINED SURPLUS	CASH BACKED	REVALUATION SURPLUS	TOTAL EQUITY
		\$	\$	\$	\$
Balance as at 1 July 2016		14,709,792	901,872	110,869,529	126,481,193
Comprehensive income					
Net result		1,210,273	0	0	1,210,273
Changes on revaluation of assets	10	0	0	1,454,079	1,454,079
Total comprehensive income		1,210,273	0	1,454,079	2,664,352
Transfers from/(to) reserves		284,339	(284,339)	0	0
Balance as at 30 June 2017		16,204,404	617,533	112,323,608	129,145,545
Comprehensive income					
Net result		398,775	0	0	398,775
Changes on revaluation of assets	10	0	0	(76,677,036)	(76,677,036)
Total comprehensive income		398,775	0	(76,677,036)	(76,278,261)
Transfers from/(to) reserves		2,450	(2,450)	0	0
Balance as at 30 June 2018		16,605,629	615,083	35,646,572	52,867,284

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

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

	NOTE	2018 Actual	2018 Budget	2017 Actual
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		900,784	897,920	880,813
Operating grants, subsidies and contributions		1,543,709	726,677	2,263,489
Fees and charges		316,597	264,730	293,847
Service charges		0	0	0
Interest earnings		22,407	24,400	26,434
Goods and services tax		0	0	(12,194)
Other revenue		42,620	45,958	60,636
		2,826,117	1,959,685	3,513,025
Payments				
Employee costs		(749,130)	(881,297)	(694,319)
Materials and contracts		(291,705)	(21,182)	(734,321)
Utility charges		(182,189)	(142,300)	(174,062)
Interest expenses		(14,306)	(11,474)	(19,993)
Insurance expenses		(97,043)	(105,000)	(104,948)
Goods and services tax		45,961	0	0
Other expenditure		(45,900)	(49,873)	(57,982)
		(1,334,312)	(1,211,126)	(1,785,625)
Net cash provided by (used in) operating activities	14	1,491,805	748,559	1,727,400
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for development of Land held for resale		0	0	(8,636)
Payments for purchase of property, plant & equipment		(855,108)	(615,903)	(801,680)
Payments for construction of infrastructure		(1,015,401)	(1,395,052)	(1,994,857)
Non-operating grants, subsidies and contributions		744,479	871,979	1,108,024
Proceeds from sale of fixed assets		214,962	322,000	324,500
Net cash provided by (used in) investment activities		(911,068)	(816,976)	(1,372,649)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of long term borrowings		(90,534)	(90,535)	(84,849)
Proceeds from self supporting loans		4,250	0	8,122
Net cash provided by (used in) financing activities		(86,284)	(90,535)	(76,727)
Net increase (decrease) in cash held		494,453	(158,952)	278,024
Cash at beginning of year		1,496,846	2,017,378	1,218,822
Cash and cash equivalents at the end of the year	14	1,991,299	1,858,426	1,496,846

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

**RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2018**

	NOTE	2018 Actual	2018 Budget	2017 Actual
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)				
		684,292	690,286	119,499
		684,292	690,286	119,499
Revenue from operating activities (excluding rates)				
Governance		2,013	2,150	2,051
General purpose funding		1,272,163	590,693	1,881,467
Law, order, public safety		56,226	43,400	39,482
Health		2,000	2,000	1,800
Education and welfare		23,886	500	455
Housing		152,701	171,180	175,170
Community amenities		9,396	9,900	8,554
Recreation and culture		103,643	61,800	102,957
Transport		68,342	68,000	119,183
Economic services		96,867	53,508	88,544
Other property and services		127,622	68,500	101,185
		1,914,859	1,071,631	2,520,848
Expenditure from operating activities				
Governance		(283,406)	(302,393)	(299,879)
General purpose funding		(44,867)	(40,236)	(46,322)
Law, order, public safety		(81,910)	(57,728)	(77,663)
Health		(30,191)	(33,508)	(20,425)
Education and welfare		(69,694)	(35,939)	(23,730)
Housing		(142,500)	(158,306)	(151,073)
Community amenities		(103,346)	(95,493)	(86,998)
Recreation and culture		(649,906)	(676,749)	(568,774)
Transport		(1,492,706)	(1,984,730)	(1,605,228)
Economic services		(329,740)	(326,319)	(301,412)
Other property and services		74,650	(17,600)	(87,294)
		(3,153,620)	(3,729,001)	(3,268,798)
Operating activities excluded				
(Profit) on disposal of assets	9(a)	(8,783)	(5,000)	(9,507)
Loss on disposal of assets	9(a)	19,046	201,500	128,859
Movement in employee benefit provisions (non-current)		13,289	0	10,182
Depreciation and amortisation on assets	9(b)	1,707,187	1,850,140	1,498,048
Amount attributable to operating activities		1,176,270	79,556	999,131
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		744,479	871,979	1,108,024
Proceeds from disposal of assets	9(a)	214,962	322,000	324,500
Purchase of land held for resale		0	0	(8,636)
Purchase of property, plant and equipment	7(b)	(855,107)	(615,903)	(801,680)
Purchase and construction of infrastructure	8(b)	(1,015,401)	(1,395,051)	(1,994,857)
Amount attributable to investing activities		(911,067)	(816,975)	(1,372,649)
FINANCING ACTIVITIES				
Repayment of long term borrowings	12(a)	(90,535)	(90,535)	(84,849)
Proceeds from self supporting loans	12(a)	4,250	0	8,122
Transfers to reserves (restricted assets)	4	(63,005)	(65,100)	(50,026)
Transfers from reserves (restricted assets)	4	65,455	0	334,365
Amount attributable to financing activities		(83,835)	(155,635)	207,612
Surplus(deficiency) before general rates		181,368	(893,054)	(165,906)
Total amount raised from general rates	22	893,054	893,054	850,198
Net current assets at June 30 c/fwd - surplus/(deficit)	23	1,074,422	0	684,292

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

1. BASIS OF PREPARATION

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

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

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.

THE LOCAL GOVERNMENT REPORTING ENTITY (Continued)

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 25 to these financial statements.

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Land under roads

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

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

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

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

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

2. REVENUE AND EXPENSES

(a) Revenue

Other revenue

Reimbursements and recoveries
Other

	2018 Actual	2017 Actual
	\$	\$
	32,612	9,507
	10,008	51,129
	42,620	60,636
Fees and Charges		
Law, order, public safety	914	1,085
Education and welfare	1,227	0
Housing	151,788	172,680
Community amenities	9,396	8,554
Recreation and culture	1,853	1,951
Transport	146	0
Economic services	57,909	54,752
Other property and services	93,365	54,825
	316,597	293,847

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Grant Revenue

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

	2018	2017
	\$	\$
Operating grants, subsidies and contributions		
Governance	0	2,051
General purpose funding	0	1,847,321
Law, order, public safety	1,244,319	34,397
Health	50,431	0
Housing	21,486	287
Community amenities	913	0
Recreation and culture	0	101,006
Transport	101,790	115,152
Economic services	67,545	25,667
Other property and services	33,101	0
	1,519,585	2,125,881
Non-operating grants, subsidies and contributions		
Transport	744,479	1,093,024
Economic services	0	15,000
	744,479	1,108,024
Total grants, subsidies and contributions	2,264,064	3,233,905

SIGNIFICANT ACCOUNTING POLICIES

Grants, Donations and Other Contributions

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

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

Grants, Donations and Other Contributions (Continued)

a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 21. That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current period.

Interest earnings

- Reserve funds
- Other funds
Other interest revenue (refer note 22(b))

	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
- Reserve funds	14,125	18,000	16,178
- Other funds	1,862	6,400	8,409
Other interest revenue (refer note 22(b))	6,420	0	1,847
	22,407	24,400	26,434

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

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report

Interest expenses (finance costs)

Long term borrowings (refer Note 12(a))

	2018	2017
	\$	\$
	13,873	23,978
	13,873	23,978
	14,258	19,993
	14,258	19,993

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

	NOTE	2018	2017
		\$	\$
3. CASH AND CASH EQUIVALENTS			
Unrestricted		1,376,212	879,310
Restricted		615,083	617,534
		1,991,295	1,496,844
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Long Service Leave Reserve	4	102,642	100,286
Plant Replacement	4	77,664	27,015
Building Reserve	4	275,460	269,114
Communication/It Reserve	4	27,109	26,487
Community Development Reserve	4	86,970	84,971
Waste Management Reserve	4	45,238	44,205
Swimmig Pool Reserve	4	0	65,455
		615,083	617,533

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

Cash and cash equivalents (Continued)

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

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

4. RESERVES - CASH BACKED

	2018 Actual Opening Balance	2018 Actual Transfer to	2018 Actual Transfer (from)	2018 Actual	2018 Budget Opening Balance	2018 Budget Transfer to	2018 Budget Transfer (from)	2018 Budget Closing Balance	2017 Actual Opening Balance	2017 Actual Transfer to	2017 Actual Transfer (from)	2017 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Long Service Leave Reserve	100,286	2,356	0	102,642	100,286	2,500	0	102,786	117,683	2,568	(19,965)	100,286
Plant Replacement	27,015	50,649	0	77,664	27,015	50,800	0	77,815	284,481	2,534	(260,000)	27,015
Building Reserve	269,114	6,346	0	275,460	269,114	6,500	0	275,614	262,612	6,502	0	269,114
Communication/It Reserve	26,487	622	0	27,109	26,487	800	0	27,287	25,847	640	0	26,487
Community Development Reserve	84,971	1,999	0	86,970	84,971	2,000	0	86,971	136,004	3,367	(54,400)	84,971
Waste Management Reserve	44,205	1,033	0	45,238	44,205	1,000	0	45,205	43,137	1,068	0	44,205
Swimmig Pool Reserve	65,455	0	(65,455)	0	65,455	1,500	0	66,955	32,108	33,347	0	65,455
	617,533	63,005	(65,455)	615,083	617,533	65,100	0	682,633	901,872	50,026	(334,365)	617,533

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
Long Service Leave Reserve	Ongoing	- to be used to fund annual and long service leave requirements.
Plant Replacement	Ongoing	- to be used for the purchase of major plant.
Building Reserve	Ongoing	- to be used for the purchase of land and construction of major buildings and facilities.
Communication/It Reserve	Ongoing	- to be used for the purpose of upgrading IT equipment and rebroadcasting equipment.
Community Development Reserve	Ongoing	- to be used for the development of land, buildings and facilities for the community.
Waste Management Reserve	Ongoing	- to be used for ongoing waste management strategies.
Swimmig Pool Reserve	Ongoing	- to be used for redevelopment of the Westonia Memorial Swimming Pool.

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

5. TRADE AND OTHER RECEIVABLES

Current

Rates outstanding	
Sundry debtors	
GST receivable	
Loans receivable - clubs/institutions	
Income Received in Advance	

Non-current

Loans receivable - clubs/institutions	
---------------------------------------	--

Information with respect the impairment or otherwise of the totals of rates outstanding and sundry debtors is as follows:

Rates outstanding

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

Sundry debtors outstanding

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

	2018	2017
	\$	\$
	10,377	13,241
	71,093	95,217
	1,713	47,674
	13,666	8,744
	1,622	1,622
	98,471	166,498
	20,105	29,277
	20,105	29,277
	0	0
	0	0
	0	0
	0	0
	10,377	13,241
	0	0
	10,377	13,241
	0	0
	67,742	92,892
	0	1,125
	3,351	1200
	0	0
	0	0
	71,093	95,217

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

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

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible

are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

Classification and subsequent measurement

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

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

6. INVENTORIES

Current

Fuel and materials

Non-current

Land held for resale - cost

Development costs

	2018	2017
	\$	\$
	7,964	7,964
	7,964	7,964
	22,001	22,001
	22,001	22,001

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

Land held for 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.

Land held for sale (Continued)

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.

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

7 (a). PROPERTY, PLANT AND EQUIPMENT

	2018	2017
	\$	\$
Land and buildings		
Land - freehold land at:		
- Independent valuation 2017 - level 2	174,000	174,000
	<u>174,000</u>	<u>174,000</u>
Total land	174,000	174,000
Buildings - specialised at:		
- Independent valuation 2017 - level 3	8,992,657	8,890,233
- Additions after Valuation - cost	50,298	102,424
Less: accumulated depreciation	(363,899)	0
	<u>8,679,056</u>	<u>8,992,657</u>
Total buildings	8,679,056	8,992,657
Total land and buildings	8,853,056	9,166,657
Furniture and equipment at:		
- Independent valuation 2016 - level 3	596,592	550,140
- Additions after Valuation - cost	82,349	46,452
Less: accumulated depreciation	(101,986)	(49,559)
	<u>576,954</u>	<u>547,033</u>
Plant and equipment at:		
- Independent valuation 2016 - level 3	2,783,219	2,157,413
- Additions after Valuation - cost	489,315	625,805
Less: accumulated depreciation	(168,237)	(136,516)
	<u>3,104,295</u>	<u>2,646,702</u>
Total property, plant and equipment	<u>12,534,305</u>	<u>12,360,392</u>

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

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Movements in Carrying Amounts

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

	Land - freehold land	Buildings - specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2016	174,000	8,890,233	9,064,233	550,140	2,157,413	11,771,786
Additions	0	102,424	102,424	46,452	625,805	774,681
Depreciation (expense)	0	0	0	(49,559)	(136,516)	(186,075)
Carrying amount at 30 June 2017	174,000	8,992,657	9,166,657	547,033	2,646,702	12,360,392
Additions	0	50,298	50,298	82,348	722,462	855,108
(Disposals)	0	0	0	0	(225,227)	(225,227)
Depreciation (expense)	0	(363,899)	(363,899)	(52,427)	(39,642)	(455,968)
Carrying amount at 30 June 2018	174,000	8,679,056	8,853,056	576,954	3,104,295	12,534,305

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Land and buildings					
Land - freehold land	2	Market approach using recent observable market data for similar items (Net revaluation method)	Independent Registered Valuer	June 2017	Price per hectare/market borrowing rate
Buildings - specialised	3	Improvements to land valued using cost approach using depreciated replacment cost	Independent Registered Valuer	June 2017	Improvements to land using construction costs and current condition (Level 2) residual values and remaining useful life assessments (Level 3) inputs
Furniture and equipment	3	Cost approach using depreciated replacement cost (Net revaluation method)	Management Valuation	June 2016	Construction/Purchase costs and current condition (Level 2) residual values and remaining useful life assessments (Level 3) inputs.
Plant and equipment	3	Market approach using recent observable market data for similar items (Net revaluation method)	Management Valuation	June 2016	Price per item

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

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

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

8 (a). INFRASTRUCTURE

	2018	2017
	\$	\$
Infrastructure - Roads		
- Management valuation 2018 - level 3	47,516,124	116,969,497
- Additions after Valuation - cost	1,011,206	1,964,916
Less: accumulated depreciation	(11,285,610)	(3,930,176)
	37,241,720	115,004,237
Infrastructure - Footpaths		
- Management valuation 2018 - level 3	280,982	219,875
- Additions after Valuation - cost	4,195	15,019
Less: accumulated depreciation	(71,590)	(18,389)
	213,588	216,505
Infrastructure - Parks & Ovals		
- Management valuation 2018 - level 3	1,655,450	469,661
- Additions after Valuation - cost	0	14,922
Less: accumulated depreciation	(323,426)	(5,135)
	1,332,025	479,448
Total infrastructure	38,787,333	115,700,190

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

8. INFRASTRUCTURE (Continued)

(b) Movements in Carrying Amounts

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

	Infrastructure - Roads	Infrastructure - Footpaths	Infrastructure - Parks & Ovals	Total Infrastructure
	\$	\$	\$	\$
Balance at 1 July 2016	114,335,166	212,479	469,661	115,017,306
Additions	1,964,916	15,019	14,922	1,994,857
Depreciation (expense)	(1,295,845)	(10,993)	(5,135)	(1,311,973)
Carrying amount at 30 June 2017	115,004,237	216,505	479,448	115,700,190
Additions	1,011,206	4,195	0	1,015,401
Revaluation increments/ (decrements) transferred to revaluation surplus	(77,568,639)	5,885	885,715	(76,677,039)
Depreciation (expense)	(1,205,084)	(12,997)	(33,138)	(1,251,219)
Carrying amount at 30 June 2018	37,241,720	213,588	1,332,025	38,787,333

8. INFRASTRUCTURE (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - Roads	3	Cost approach using depreciated replacement cost (Gross revaluation method)	Management Valuation	June 2018	Construction costs and current condition (Level 2) residual values and remaining useful life assessments (Level 3) inputs.
Infrastructure - Footpaths	3	Cost approach using depreciated replacement cost (Gross revaluation method)	Management Valuation	June 2018	Construction costs and current condition (Level 2) residual values and remaining useful life assessments (Level 3) inputs.
Infrastructure - Park & Ovals	3	Cost approach using depreciated replacement cost (Net revaluation method)	Management Valuation	June 2018	Construction/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 to determine the fair value of infrastructure using level 3 inputs.

9. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

Revaluation

The fair value of fixed assets is determined at least every three years in accordance with the regulatory framework. At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions.

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

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

Land under control

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

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

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

9. FIXED ASSETS (Continued)

(a) Disposals of Assets

The following assets were disposed of during the year.

	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss	Budget Net Book Value	Budget Sale Proceeds	Budget Profit	Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$
Plant and Equipment								
Transport								
Work Supervisors Vehicle	50,550	49,091	0	(1,459)	54,000	52,000	0	(2,000)
Work Supervisors Vehicle	49,994	50,645	651	0	54,000	52,000	0	(2,000)
Hoyota Hilux Dual Cab -04WT	37,797	27,273	0	(10,524)	42,000	28,000	0	(14,000)
Gardners Ute	21,733	15,454	0	(6,279)	26,000	13,000	0	(13,000)
Plant Trailer	1,920	1,136	0	(784)	9,000	0	0	(9,000)
Roller					164,000	15,000	0	(149,000)
Other property and services								
Toyota Landcruiser GXL	63,231	71,364	8,133	0	68,500	71,000	2,500	0
Toyota Landcruiser GXL					68,500	71,000	2,500	0
Toyota RAV4 -02WT					32,500	20,000	0	(12,500)
	225,225	214,962	8,783	(19,046)	518,500	322,000	5,000	(201,500)

(b) Depreciation

	2018	2017
	\$	\$
Buildings - specialised	363,899	0
Furniture and equipment	52,427	49,559
Plant and equipment	39,642	136,516
Infrastructure - Roads	1,205,084	1,295,845
Infrastructure - Footpaths	12,997	10,993
Infrastructure - Parks & Ovals	33,138	5,135
	1,707,187	1,498,048

9. FIXED ASSETS (Continued)

(b) Depreciation (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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

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

Depreciation rates

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

Buildings	0 to 20 years
Furniture and equipment	0 to 10 years
Plant and equipment	0 to 10 years
Sealed roads and streets	
formation	not depreciated
pavement	50 years
seal	
- bituminous seals	20 years
- asphalt surfaces	50 years
Gravel roads	
formation	not depreciated
pavement	50 years
Formed roads (unsealed)	
formation	not depreciated
pavement	50 years
Footpaths - slab	20 years
Sewerage piping	100 years
Water supply piping and drainage systems	75 years

Depreciation (Continued)

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

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

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

10. REVALUATION SURPLUS

	2018	2018	2018	2018	2018	2017	2017	2017	2017	2017
	Opening	Revaluation	Revaluation	Total	2018	Opening	Revaluation	Revaluation	Total	2017
	Balance	Increment	(Decrement)	Movement on	Closing	Balance	Increment	(Decrement)	Movement on	Closing
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land	132,242	0	0	0	132,242	132,242	0	0	0	132,242
Buildings	2,116,294	0	0	0	2,116,294	676,893	1,439,401	0	1,439,401	2,116,294
Plant & Equipment	569,582	0	0	0	569,582	569,582	0	0	0	569,582
Furniture & Equipment	388,287	0	0	0	388,287	388,287	0	0	0	388,287
Infrastructure - Roads	108,718,360	0	(77,568,639)	(77,568,639)	31,149,721	108,718,360	0	0	0	108,718,360
Infrastructure - Footpaths	122,311	5,885	0	5,885	128,196	122,311	0	0	0	122,311
Infrastructure - Parks & Ovals	276,536	885,715	0	885,715	1,162,251	261,858	14,678	0	14,678	276,536
	112,323,608	891,600	(77,568,639)	(76,677,039)	35,646,573	110,869,533	1,454,079	0	1,454,079	112,323,608

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

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

11. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Accrued interest on debentures
Accrued salaries and wages
GST due to ATO
Trust Liability
Payroll Creditors

	2018	2017
	\$	\$
	237,728	139,004
	2,784	2,833
	17,656	29,378
	4,657	6,156
	0	1,172
	9,023	22,480
	271,848	201,023

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

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

Trade and other payables (Continued)

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

12. INFORMATION ON BORROWINGS

(a) Repayments - Borrowings

Particulars	Principal	New Loans	Principal Repayments		Principal 30 June 2018		Interest Repayments	
	1 July 2017		Actual	Budget	Actual	Budget	Actual	Budget
	\$	\$	\$	\$	\$	\$	\$	\$
Housing								
Loan 5 - Lifestyle Village	183,842		57,504	57,504	126,338	126,338	10,508	10,742
Transport								
Loan 4 - Depot	24,399		24,399	24,399	0	0	1,357	1,357
Economic services								
Loan 6 - School Bus	37,907		8,631	8,632	29,276	29,275	2,393	2,208
	208,241	0	81,903	81,903	126,338	126,338	11,865	12,099

Particulars	Principal	New Loans	Principal Repayments		Principal 30 June 2018		Interest Repayments	
	1 July 2017		Actual	Budget	Actual	Budget	Actual	Budget
	\$	\$	\$	\$	\$	\$	\$	\$
Self Supporting Loans								
Economic services								
Loan 6 - School Bus	37,907	0	8,631	8,632	29,276	29,275	2,393	2,208
	37,907	0	8,631	8,632	29,276	29,275	2,393	2,208
	246,148	0	90,534	90,535	155,614	155,613	14,258	14,307

Self supporting loans are financed by payments from third parties.

All other loan repayments were financed by general purpose revenue.

Borrowings

	2018	2017
	\$	\$
Current	70,372	90,533
Non-current	85,242	155,616
	155,614	246,149

The Shire did not take up any new debentures during the year ended 30 June 2018.

(b) Unspent Borrowings

The Shire did not have any unspent debentures as at 30 June 2018.

(b) Undrawn Borrowing Facilities

Credit Standby Arrangements

Credit card limit

Credit card balance at balance date

Total amount of credit unused

Loan facilities

Loan facilities - current

Loan facilities - non-current

Total facilities in use at balance date

Unused loan facilities at balance date

	2018	2017
	\$	\$
	13,000	13,000
Total amount of credit unused	13,000	13,000
	70,372	90,533
	85,242	155,616
Total facilities in use at balance date	155,614	246,149
Unused loan facilities at balance date	NIL	NIL

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Borrowing costs

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

13. PROVISIONS

Opening balance at 1 July 2017

Current provisions
Non-current provisions

Additional provision

Balance at 30 June 2018

Comprises

Current
Non-current

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Current provisions	90,546	69,168	159,714
Non-current provisions	0	30,731	30,731
	90,546	99,899	190,445
Additional provision	(14,476)	(9,241)	(23,717)
Balance at 30 June 2018	76,070	90,658	166,728
Comprises			
Current	76,070	46,641	122,711
Non-current		44,017	44,017
	76,070	90,658	166,728

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

Other long-term employee benefits (Continued)

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

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

Provisions

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

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

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

14. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
Cash and cash equivalents	1,991,295	1,858,426	1,496,844

**Reconciliation of Net Cash Provided By
Operating Activities to Net Result**

Net result	398,775	(892,337)	1,210,273
Non-cash flows in Net result:			
Depreciation	1,707,187	1,850,140	1,498,049
(Profit)/loss on sale of asset	10,265	196,500	119,352
Changes in assets and liabilities:			
(Increase)/decrease in receivables	72,948	0	151,484
(Increase)/decrease in inventories	0	0	10,161
Increase/(decrease) in payables	70,823	466,235	(151,505)
Increase/(decrease) in provisions	(23,717)	0	(2,390)
Grants contributions for the development of assets	(744,479)	(871,979)	(1,108,024)
Net cash from operating activities	1,491,802	748,559	1,727,400

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

15. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2018	2017
	\$	\$
Governance	32,251	30,716
General purpose funding	307,020	292,400
Law, order, public safety	276,290	305,580
Health	36,480	38,000
Education and welfare	300,894	120,572
Housing	2,331,076	2,385,129
Community amenities	673,553	667,770
Recreation and culture	3,025,783	3,149,918
Transport	43,779,019	115,885,449
Economic services	1,685,353	1,747,185
Other property and services	966,868	3,998,840
Unallocated	46,887	1,161,607
	53,461,474	129,783,166

16. CONTINGENT LIABILITIES

There are no known contingent liabilities.

16. COMMITMENTS

(a) Capital Expenditure Commitments

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

(a) Operating Lease Commitments

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

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

Leases (Continued)

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

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

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

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

17. JOINT ARRANGEMENTS

The Shire of Westonia with Homeswest have a joint venture arrangement to provide low cost housing to the private sector. The total GST inclusive cost of the project was \$467,056 of which Council contributed \$60,000 in cash, \$48,508 in land and siteworks and \$5,786 for additional amenities and landscaping.

In 2007/2008 Council constructed a patio for the cost of \$8,876 and in 2009/10 a carport for \$9,023.

Non-current assets

Land and buildings
Less: accumulated depreciation

	2018	2017
	\$	\$
	330,000	347,000
	7,900	0
	337,900	347,000

SIGNIFICANT ACCOUNTING POLICIES

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 arrangements providing joint ventures with an interest to net assets are classified as a joint venture and accounted for using the equity method.

Interests in joint arrangements (Continued)

Joint 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.

17. Investment in Associates

SIGNIFICANT ACCOUNTING POLICIES

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.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment in associates (Continued)

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.

18. RELATED PARTY TRANSACTIONS

Elected Members Remuneration

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

	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
Meeting Fees	21,318	21,320	21,318
President's allowance	5,553	5,553	5,553
Travelling expenses	889	1,500	983
Telecommunications allowance	4,045	4,000	1,054
	<u>31,805</u>	<u>32,373</u>	<u>28,908</u>

Key Management Personnel (KMP) Compensation Disclosure

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

	2018	2017
	\$	\$
Short-term employee benefits	383,804	412,303
Post-employment benefits	67,215	71,946
Other long-term benefits	65,660	83,897
	<u>516,679</u>	<u>568,146</u>

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

Transactions with related parties

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

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

The following transactions occurred with related parties:

	2018	2017
	\$	\$
Purchase of goods and services	68,198	112,192

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Entities subject to significant influence by the Shire

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

iii. Joint venture entities accounted for under the proportionate consolidation method

The Shire has a one-third interest in an environmental health and building service. The interest in the joint venture entity is accounted for in these financial statements using the proportionate consolidation method of accounting. For details of interests held in joint venture entities, refer to Note 17.

19. MAJOR LAND TRANSACTIONS

Lifestyle Village Project

(a) Details

The Shire commenced the project in 2009/10. The project involves constructing five residential units which was subsequently leased to Ramelius Resources Ltd (formerly known as Evolution Mining Ltd) for 10 years expiring on the 30 June 2020.

(b) Current year transactions

	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
Operating income			
- Profit on sale	88,430	86,500	88,236
Capital income			
- Sale proceeds	6,322	13,000	10,525
Capital expenditure			
- Purchase of land	57,504	57,504	54,029
	<u>57,504</u>	<u>57,504</u>	<u>54,029</u>

The above capital expenditure is included in land held for resale.

(c) Expected Future Cash Flows

	2019	2020	2021	2022	Total
	\$	\$	\$	\$	\$
Cash outflows					
- Development costs	(1,512)	(1,557)	0	0	(3,069)
- Loan repayments	(68,245)	(68,245)	0	0	(136,490)
	<u>(69,757)</u>	<u>(69,802)</u>	<u>0</u>	<u>0</u>	<u>(139,559)</u>
Cash inflows					
- Loan proceeds	100,600	103,600	0	0	204,200
- Sale proceeds	0	0	0	0	0
	<u>100,600</u>	<u>103,600</u>	<u>0</u>	<u>0</u>	<u>204,200</u>
Net cash flows	<u>30,843</u>	<u>33,798</u>	<u>0</u>	<u>0</u>	<u>64,641</u>

(d) Assets and liabilities

Land held for resale per Note 6

	2018	2017
	\$	\$
Current		
Land held for resale - cost		
Cost of acquisition	0	0
Development costs	0	0
	<u>0</u>	<u>0</u>
Non-Current		
Land held for resale - cost		
Cost of acquisition	0	0
Development costs	22,001	22,001
	<u>22,001</u>	<u>22,001</u>

20. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Shire did not participate in any trading undertakings or major trading undertakings during the 2017/18 financial year.

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

21. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	Opening	Received ⁽²⁾	Expended ⁽³⁾	Closing	Received ⁽²⁾	Expended ⁽³⁾	Closing
	Balance ⁽¹⁾ 1/07/16	2016/17	2016/17	Balance ⁽¹⁾ 30/06/17	2017/18	2017/18	Balance 30/06/18
	\$	\$	\$	\$	\$	\$	\$
Law, order, public safety							
FESA Grant - Operating Bush Fire		19,208	(19,208)	0	23,625	(23,625)	0
Ramelius MOU Emergency Services		0	0	0	13,636	(13,636)	0
Recreation and culture							
CPRPS 16/17 Swimming Pool		32,000	(32,000)	0	0	0	0
Transport							
Main Roads- BlackSpot		312,343	(312,343)	0	0	0	0
Main Roads- Specific		241,885	(241,885)	0	278,000	(278,000)	0
Roads to Recovery		538,796	(538,796)	0	466,479	(466,479)	0
Economic services							
Royalties for Regions - Old School		15,000	(15,000)	0	0	0	0
Royalties for Regions - Area Promotion		25,667	(25,667)	0	0	0	0
Ramelius MOU 33%		0	0	0	23,031	(23,031)	0
Ramelius MOU WPA 67%		0	0	0	46,759	(46,759)	0
Total	0	1,184,899	(1,184,899)	0	851,530	(851,530)	0

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.

22. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	Value \$	Rate Revenue \$	Interim Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
Differential general rate / general rate										
Gross rental valuations										
GRV- Residential	0.0607	47	678,355	41,169		41,169	41,169			41,169
GRV- Mining	0.1525	2	1,591,500	242,780		242,780	242,780			242,780
Unimproved valuations										
UV - Rural/Pastoral	0.0140	132	42,200,440	592,874		592,874	592,874			592,874
UV - Mining	0.0140	4	102,057	1,434	772	2,206	1,434	772		2,206
Sub-Total		185	44,572,352	878,257	772	879,029	878,257	772	0	879,029
Minimum payment										
Gross rental valuations										
GRV- Residential	355	17	33,057	6,035		6,035	6,035			6,035
GRV- Mining	355	0		0		0				0
Unimproved valuations										
UV - Rural/Pastoral	355	18	211,260	6,390		6,390	6,390			6,390
UV - Mining	200	8	35,468	1,600		1,600	1,600			1,600
Sub-Total		43	279,785	14,025	0	14,025	14,025	0	0	14,025
		228	44,852,137	892,282	772	893,054	892,282	772	0	893,054
Total amount raised from general rate						893,054				893,054
Ex-gratia rates						4,866				4,866
Totals						897,920				897,920

SIGNIFICANT ACCOUNTING POLICIES

Rates

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

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

22. RATING INFORMATION (Continued)

(b) Specified Area Rate

No specified area rates were imposed by the Shire during the year ended 2018.

(b) Service Charges

No service charges were imposed by the Shire during the year ended 2018.

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

Rates Discounts

No discount on Rates is available.

(b) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan	Instalment Plan	Unpaid Rates
		Admin Charge	Interest Rate	Interest Rate
		\$	%	%
Option One	14-Sep-17	0	0.00%	11.00%
Single full payment				
Option Two		10	5.50%	11.00%
First instalment	14-Sep-17	10	5.50%	11.00%
Second instalment	19-Jan-18			
Option Three		10	5.50%	11.00%
First instalment	14-Sep-17	10	5.50%	11.00%
Second instalment	17-Nov-17	10	5.50%	11.00%
Third instalment	19-Jan-18	10	5.50%	11.00%
Fourth instalment	23-Mar-18	0	0.00%	0.00%

	2018	2018 Budget
	\$	\$
Interest on unpaid rates	3,505	1,000
Interest on instalment plan	2,915	2,000
Charges on instalment plan	0	3,500
	6,420	6,500

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

23. NET CURRENT ASSETS

Composition of net current assets for
the purposes of the Rate Setting Statement

	2018 (30 June 2018 Carried Forward) \$	2018 (1 July 2017 Brought Forward) \$	2017 (30 June 2017 Carried Forward) \$
Surplus/(Deficit) 1 July 17 brought forward	1,074,422	684,292	684,292
CURRENT ASSETS			
Cash and cash equivalents			
Unrestricted	1,376,213	879,310	879,310
Restricted	615,082	617,534	617,534
Receivables			
Rates outstanding	10,377	13,241	13,241
Sundry debtors	71,093	95,217	95,217
GST receivable	1,713	47,674	47,674
Loans receivable - clubs/institutions	13,666	8,744	8,744
Income Received in Advance	1,622	1,622	1,622
Inventories			
Fuel and materials	7,964	7,964	7,964
LESS: CURRENT LIABILITIES			
Trade and other payables			
Sundry creditors	(237,728)	(139,004)	(139,004)
Accrued interest on debentures	(2,784)	(2,833)	(2,833)
Accrued salaries and wages	(17,656)	(29,378)	(29,378)
GST due to ATO	(4,657)	(6,156)	(6,156)
Trust Liability	0	(1,172)	(1,172)
Payroll Creditors	(9,023)	(22,480)	(22,480)
Current portion of long term borrowings	(70,372)	(90,533)	(90,533)
Provisions			
Provision for annual leave	(76,070)	(90,546)	(90,546)
Provision for long service leave	(46,641)	(69,168)	(69,168)
Unadjusted net current assets	1,632,799	1,220,036	1,220,036
Adjustments			
Less: Reserves - restricted cash	(615,083)	(617,533)	(617,533)
Less: Loans receivable - clubs/institutions	(13,666)	(8,744)	(8,744)
Add: Current portion of long term borrowings	70,372	90,533	90,533
Adjusted net current assets - surplus/(deficit)	1,074,422	684,292	684,292

Difference

There was no difference between the surplus/(deficit) 1 July 2017 brought forward position used in the 2018 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2017 audited financial report.

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

24. FINANCIAL RISK MANAGEMENT

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

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

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

The Shire held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2018	2017	2018	2017
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	1,991,295	1,496,844	1,991,295	1,496,844
Receivables (a)	116,863	148,101	116,863	148,101
	2,108,158	1,644,945	2,108,158	1,644,945
Financial liabilities				
Payables (b)	267,191	194,867	267,191	194,867
Borrowings	155,614	246,149	155,614	246,149
	422,805	441,016	422,805	441,016

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.

(a) The amount excludes GST receivables from the ATO.

(b) The amount excludes ATO and GST liabilities from the ATO.

24. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

Financial assets at fair value through profit and loss

Available-for-sale financial assets

Held-to-maturity investments

The Shire's objective is to maximise its return on cash whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash portfolio.

Council has an Investment Policy and the Policy is subject to review by Council.

An Investment Report is provided to Council on a monthly basis setting out the make-up and performance of the portfolio.

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

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

The Shire manages these risks by diversifying its portfolio and only investing in investments authorised by Local Government (Financial Management) Regulation 19C.

	2018	2017
	\$	\$
Impact of a 1% ⁽¹⁾ movement in interest rates on cash		
- Equity	19,913	14,968
- Statement of Comprehensive Income	19,913	14,968

Notes:

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

	Weighted average interest rate	Carrying amounts	Fixed interest rate	Variable interest rate	Non-interest bearing
2018					
Cash and cash equivalents	2.35%	1,991,295	615,083	1,376,212	0
2017					
Cash and cash equivalents	2.24%	1,496,844	617,534	879,310	0

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

24. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

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

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

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

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

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

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

	2018	2017
	%	%
Percentage of rates and annual charges		
- Current	0.00%	0.00%
- Overdue	100.00%	100.00%
Percentage of other receivables		
- Current	83.00%	95.00%
- Overdue	17.00%	4.00%

24. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables and borrowings

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

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
2018					
Payables	267,191	0	0	267,191	267,191
Borrowings	0	155,614	0	155,614	155,614
	267,191	155,614	0	422,805	422,805
2017					
Payables	194,867	0	0	194,867	194,867
Borrowings	24,399	221,750	0	246,149	246,149
	219,266	221,750	0	441,016	441,016

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:

Year ended 30 June 2018	<1 year	>1<2 years	>2<3 years	>3<4 years	>4<5 years	>5 years	Total	Weighted Average Effective Interest Rate
	\$	\$	\$	\$	\$	\$	\$	%
Borrowings								
Fixed rate								
Long term borrowings		126,338	29,276				155,614	6.30%
Weighted average Effective interest rate		6.33%	6.17%					
Year ended 30 June 2017								
Borrowings								
Fixed rate								
Long term borrowings	24,399		183,842	37,908			246,149	6.41%
Weighted average Effective interest rate	7.37%		6.33%	6.17%				

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

25. TRUST FUNDS

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

	1 July 2017	Amounts Received	Amounts Paid	30 June 2018
	\$	\$	\$	\$
Police Licensing	(1,605)	137,902	(143,034)	(6,738)
BCITF Training Levy - Now CTF Levy	778	0	(367)	411
BRB Building Levy - Now BSL Levy	434	123	(491)	67
Nomination Deposits	0	320	(320)	0
Bonds	2,420	0	(600)	1,820
George Rd Water Extensions	20,545	0	0	20,545
St John's Westonia	2,047	0	0	2,047
Westonia Sports Council	122	0	0	122
Westonia Progress Association	3,135	0	0	3,135
Accommodation Units	2,900	0	0	2,900
WEIRA - Booderockin Water Scheme	646	0	0	646
Warralakin Hall	170	0	0	170
Social Club	10,922	2,510	(10,529)	2,903
Walgoolan History Group	12,065	0	0	12,065
Community Project	1,000	0	0	1,000
Rural Youth	4,637	0	0	4,637
Westonia P & C	909	0	0	909
LGMA - Receipts	5,382	0	0	5,382
Donations J Townrow	0	6,542	(6,539)	3
Rates Incentive Prize	1,050	1,000	(750)	1,300
Rent Pre Payment	835	0	0	835
Westonia Historical Society	5,784	2,008	0	7,792
Cemetery Committee	3,000	17,150	(10,071)	10,079
	77,176			72,030

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

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

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

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

Notes:

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

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

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

Notes:

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

Adoption of New and Revised Accounting Standards

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

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

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

27. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

i) Impairment of assets

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

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

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

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

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

28. ACTIVITIES/PROGRAMS

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

PROGRAM NAME	OBJECTIVE	ACTIVITIES
GOVERNANCE	To provide a decision making process for the efficient allocation of scarce resources.	Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.
GENERAL PURPOSE FUNDING	To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
LAW, ORDER, PUBLIC SAFETY	To provide services to help ensure a safer and environmentally conscious community.	Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.
HEALTH	To provide an operational framework for environmental and community health.	Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.
EDUCATION AND WELFARE	To provide services to disadvantaged persons, the elderly, children and youth.	Maintenance of child minding centre, playgroup centre, senior citizen centre and aged care centre. Provision and maintenance of home and community care programs and youth services.
HOUSING	To provide and maintain elderly residents housing.	Provision and maintenance of elderly residents housing.
COMMUNITY AMENITIES	To provide services required by the community.	Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.
RECREATION AND CULTURE	To establish and effectively manage infrastructure and resource which will help the social wellbeing of the community.	Maintenance of public halls, civic centres, aquatic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.
TRANSPORT	To provide safe, effective and efficient transport services to the community.	Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.
ECONOMIC SERVICES	To help promote the shire and its economic wellbeing.	Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building Control.
OTHER PROPERTY AND SERVICES	To monitor and control Shire's overheads operating accounts.	Private works operation, plant repair and operation costs and engineering operation costs.

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

29. FINANCIAL RATIOS

	2018	2017	2016
Current ratio	4.09	3.61	0.74
Asset consumption ratio	0.81	0.97	0.73
Asset renewal funding ratio	1.60	1.34	1.22
Asset sustainability ratio	0.97	1.65	0.70
Debt service cover ratio	13.13	15.46	3.72
Operating surplus ratio	(0.27)	0.09	(1.99)
Own source revenue coverage ratio	0.41	0.37	0.28

The above ratios are calculated as follows:

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset consumption ratio	$\frac{\text{depreciated replacement costs of depreciable assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation expenses}}$
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:

Three of the ratios disclosed above were distorted by the early receipt of Financial Assistance Grants. In addition, two of the ratios were impacted by revenue and expenses associated with flood damage re-instatement which is considered one-off in nature.

	2017/18	2016/17	2015/16
	\$	\$	\$
Amount of Financial Assistance Grant received during the year relating to the subsequent year.	660,203	643,822	0
Amount of Financial Assistance Grant received in prior year relating to current year.	643,822	0	617,346
Amount of reimbursement for flood damage received			
Expenditure on flood damage re-instatement			

If the events detailed above did not occur, the impacted ratios in the 2018, 2017 and 2016 columns above would be as follows:

	2018	2017	2016
Current ratio	4.05	1.41	0.74
Debt service cover ratio	12.97	9.31	9.66
Operating surplus ratio	(0.28)	(0.43)	(1.52)
Own source revenue coverage ratio	0.41	0.38	0.28

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SHIRE OF WESTONIA

Report on the Financial Report

Opinion

We have audited the financial report of the Shire of Westonia, which comprises the statement of financial position as at 30 June 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by the Chief Executive Officer.

In our opinion, the financial report of the Shire of Westonia is in accordance with the underlying records of the Shire, including:

- a) giving a true and fair view of the Shire's financial position as at 30 June 2018 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards (including Australia Accounting Interpretations), the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

Basis for Opinion

We have conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

We are independent of the Shire in accordance with the auditor independence 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 ethical requirements 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.

Other Information

The directors are responsible for the other information. The other information comprises the information in the Shire's annual report for the year ended 30 June 2018 but does not include the financial report and the 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.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Council's Responsibility for the Financial Report

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

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 the Australia Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess 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 Shire's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors.
- Conclude on the appropriateness of Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Shire's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Shire 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 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.

We also provide Council with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Emphasis of Matter

Without modifying our opinion, we draw attention to page 52 of the financial report "Financial Ratios", which describes certain ratio information relating to the financial report. Management's calculation of these ratios includes assumptions about future capital expenditure and hence falls outside our audit scope. We do not therefore express an opinion on these ratios.

However, we have reviewed the calculations as presented and in our opinion these are based on verifiable information and appear reasonable.

Reporting on Other Legal and Regulatory Requirements

We did not, during the course of our audit, become aware of any instances where the Shire did not comply with the statutory requirements of the Local Government Act (1995) (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

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

- a) Apart from the Operating Surplus Ratio, there are no material matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- b) The Shire substantially complied with Part 6 of the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).
- c) All information and explanations required were obtained by us.
- d) All audit procedures were satisfactorily completed in conducting our audit.

BUTLER SETTINERI (AUDIT) PTY LTD



MARIUS VAN DER MERWE
Director
Perth
Date: 19 December 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SHIRE OF WESTONIA

Report on the Financial Report

Opinion

We have audited the financial report of the Shire of Westonia, which comprises the statement of financial position as at 30 June 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by the Chief Executive Officer.

In our opinion, the financial report of the Shire of Westonia is in accordance with the underlying records of the Shire, including:

- a) giving a true and fair view of the Shire's financial position as at 30 June 2018 and of its performance for the year ended on that date; and
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In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

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- Identify and assess 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.
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- Conclude on the appropriateness of Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Shire's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Shire 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.

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We also provide Council with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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However, we have reviewed the calculations as presented and in our opinion these are based on verifiable information and appear reasonable.

Reporting on Other Legal and Regulatory Requirements

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

- a) Apart from the Operating Surplus Ratio, there are no material matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- b) The Shire substantially complied with Part 6 of the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).
- c) All information and explanations required were obtained by us.
- d) All audit procedures were satisfactorily completed in conducting our audit.

BUTLER SETTINERI (AUDIT) PTY LTD



MARIUS VAN DER MERWE
Director
Perth
Date: 19 December 2018