



SHIRE OF  
**WESTONIA**  
A vibrant community lifestyle

# Annual Report *2018-2019*

The Report can be viewed on the Shire's website:

<http://www.westonia.wa.gov.au/documents/>

Or email [shire@westonia.wa.gov.au](mailto:shire@westonia.wa.gov.au)

In person 41 Wolfram Street, Westonia WA 6423



# WESTONIA SHIRE 2018-2019

Welcome to the Shire of Westonia's 2018-19 Annual Report, which highlights the Shire's progress against the strategic goals identified in our Strategic Community Plan 2018-2028. 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](http://www.westonia.wa.gov.au)

Email: [shire@westonia.wa.gov.au](mailto: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](mailto:shire@westonia.wa.gov.au)


 Photo Credit: CarrandDrone





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 Photo Credit: CarrandDrone



# WESTONIA

**“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 goldmining. 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 Catalpa Resources. With the first gold pour made in May 2010, coinciding with the centenary of the discovery of gold in the district. In November 2011 the merger of Catalpa Resources and Conquest Mining Limited came the new Controlling Operator Evolution Mining. Then in October 2011 Evolution Mining entered

into a binding agreement for the Sale to Ramelius Resources who are still in operation today.

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 END HIGHLIGHTS

**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 2018-2019, 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;*

## TOTAL REVENUE

2018/2019

2017/2018

\$3.8M

\$2.7M

## TOTAL EXPENSES

2018/2019

2017/2018

\$3.3M

\$3.1M

## TOTAL RATES

2018/2019

2017/2018

\$998K

\$897K

## PARKS & GARDENS

2018/2019

2017/2018

\$149K

\$133K

## WINTER GRADING

2018/2019

2017/2018

\$365K

\$317K

## ROAD WORKS

2018/2019

2017/2018

\$805K

\$1.0M

## DOG/ CAT REG.

2018/2019

2017/2018

92

81

## CARAVAN PARK VISITOR

2018/2019

2017/2018

1316

1761

## POOL USERS

2018/2019

2017/2018

1.2K

922

# DIGITAL PERFORMANCE



Our online advertising has helped build our Tourism sector, engage our target markets, learn more about our primary demographic's interests and desires, and more. While all channels experienced significant growth this year, Instagram has proven to be most valuable as it is only been live 3 months.



**130,000**  
IMPRESSIONS

**31,000**  
CLICKS

**314**  
FOLLOWERS

**4,300**  
LIKES  
02.7%

**437**  
CONVERSATIONS  
02.6%

PRIMARY SEGMENT  
REACHED  
**Age 50-65**  
(37%)

**30**  
IMPRESSIONS

**10**  
CLICKS

**15**  
FOLLOWERS

**1**  
LIKES  
00.01%

**1**  
CONVERSATIONS  
00.1%

PRIMARY SEGMENT  
REACHED  
**Age 35-44**  
(0.1%)

**90,000**  
IMPRESSIONS

**17,000**  
CLICKS

**178**  
FOLLOWERS

**2,700**  
LIKES  
04.9%

**189**  
CONVERSATIONS  
00.6%

PRIMARY SEGMENT  
REACHED  
**Age 35-44**  
(69%)

## COMMUNICATION SERVICES



6,762 Emails Processed



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



10,985 Web users visited the Shire's Website



29,101 Records Captured



# SHIRE PRESIDENTS MESSAGE

**COUNCIL IS COMMITTED TO PROVIDING HIGH QUALITY SERVICES, FACILITIES AND ROAD INFRASTRUCTURE FOR OUR COMMUNITY. EVERYTHING WE DO IS ABOUT MAKING WESTONIA A SOUGHT AFTER AND UNIQUE PLACE TO WORK, LIVE AND VISIT.**

Looking back at the 2018-2019 financial year, it is pleasing to see the Shire continued to successfully balance the important roles of providing quality and value-for-money services to the Westonia community. This annual report addresses the many exciting activities of the Shire which contributed to a very busy 12 months as we focused on meeting the needs and priorities of the local community.

Council presided over a consolidated budget and perhaps a quieter year in terms of the number of major capital projects. These included:

- Commenced the construction of 2 aged houses (two 2x2 houses) on old School
- Solar Panels at 2 staff residences;
- Over \$1,054,650 worth of road works;
- Changeover of a Roller and light vehicles;

The Shire of Westonia is in a sound financial position with good reserve levels and low debt levels, however we will continue to undertake extensive financial planning to maintain community service levels and Council's extensive infrastructure and asset network. This healthy cash financial position has been achieved due to diligent financial

management and the Council's ability to actively pursue outside money from private works opportunities.

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 fortunate to have an excellent workforce and Council as well as the community appreciates the pride they show in their work and their commitment to the Shire. Our town is looking great, facilities are being maintained and improved, and our roads continue to be the envy of our neighbours.

Bringing priority projects to fruition also requires strong collaboration and partnerships. This has been achieved by working with neighbouring Local Governments, Ramelius Resources, businesses, contractors and volunteers. I thank them all for their positive approach to working together for the betterment of our Shire.

Well done on a successful year and I look forward to seeing more rain and new opportunities to further develop our Shire in the 2019-2020 year.

*Cr Karin Day*

Shire President

# ELECTED MEMBERS



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

**SHIRE PRESIDENT**  
**CR KARIN DAY (2023)**  
Email: [cr.day@westonia.wa.gov.au](mailto:cr.day@westonia.wa.gov.au)

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

**DEPUTY PRESIDENT**  
**CR BILL HUXTABLE (2021)**  
Email: [cr.huxtable@westonia.wa.gov.au](mailto: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](mailto: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](mailto:cr.jefferys@westonia.wa.gov.au)

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

**CR ROSS DELLA BOSCA (2023)**  
Email: [cr.dellabosca@westonia.wa.gov.au](mailto:cr.dellabosca@westonia.wa.gov.au)

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

**CR RENAE CORSINI (2023)**  
Email: [cr.corsini@westonia.wa.gov.au](mailto: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 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

	No. of Meetings To Attend (OCM's/ SCM's)	Attended	Apology/LOA
President <b>Cr K. Day</b>	11	11	
Deputy President <b>B. Huxtable</b>	11	10	1
<b>Cr DL. Geier</b>	11	10	1
<b>Cr J. Jefferys</b>	11	11	
<b>Cr R. DellaBosca</b>	11	11	
<b>Cr R. Corsini</b>	11	9	2

## COUNCILLORS' REMUNERATION

In the 2018/19 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 2019 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 OFFICERS

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## MESSAGE

AN EXECUTIVE SUMMARY— IT IS WITH PLEASURE TO PRESENT MY ANNUAL REPORT ON THE 2018/2019 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
Manager Corporate Services	Jasmine Geier
Manager of Works	Bill Price
Environmental Health Officer	Allan Ramsay
Building Surveyor	Allan Ramsay

During the year of review there were three changes to the staff structure where Leah Philippe resigned from her position. Shauna Hodgkinson completed her traineeship and left Council's employ. Shirley Pomery and Steve Norman returned from one-year leave without pay. Ashton Hargreaves-Tieland replaced Leah Philippe as Swimming Pool Manager. 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 2019 ended with an untied accrued surplus of **\$1,074,422** with restricted cash of **\$nil**. The restricted cash component is for use in the 2019/2020 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. 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
2018/2019	\$1,293,220		

The confirmed figure for 2019/2020 is \$1,374,192 being an increase of \$80,972.

# CHIEF EXECUTIVE OFFICERS MESSAGE CONTINUES.

## MAJOR/CAPITAL EXPENDITURE

Some major projects and purchases made during the 2018/2019 year that have not been reported in other sectors of the Annual Report include:

- Minor works at the Old School buildings;
- Minor works (painting) to Miners Hall;
- Painting of exterior of two (2) Shire houses;
- Roll over of various desktop computers;
- Complete Recycling shed.
- Construction of 2 aged houses (two 2x2 houses) on old School site (CEACA – outside of budget);
- Solar Panels at 2 residences;
- Over \$1,055,000 worth of road works;
- Re-align Warrachuppin Road (Private Works)
- Transfer of \$250,000 to Plant Reserve as per Plant Replacement program;

Plant purchases include:

- Street Sweeper (\$10,000)
- Various Admin, Works Fleet vehicles. (\$142,500)

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 Royalties 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 2018/2019 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 2018/2019.

*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**.

# STAUTORY

# 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 2019 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 2018/19 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 2019 meeting (ref 07-05/19)

## 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 2018/19 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 Manager of Corporate Services.

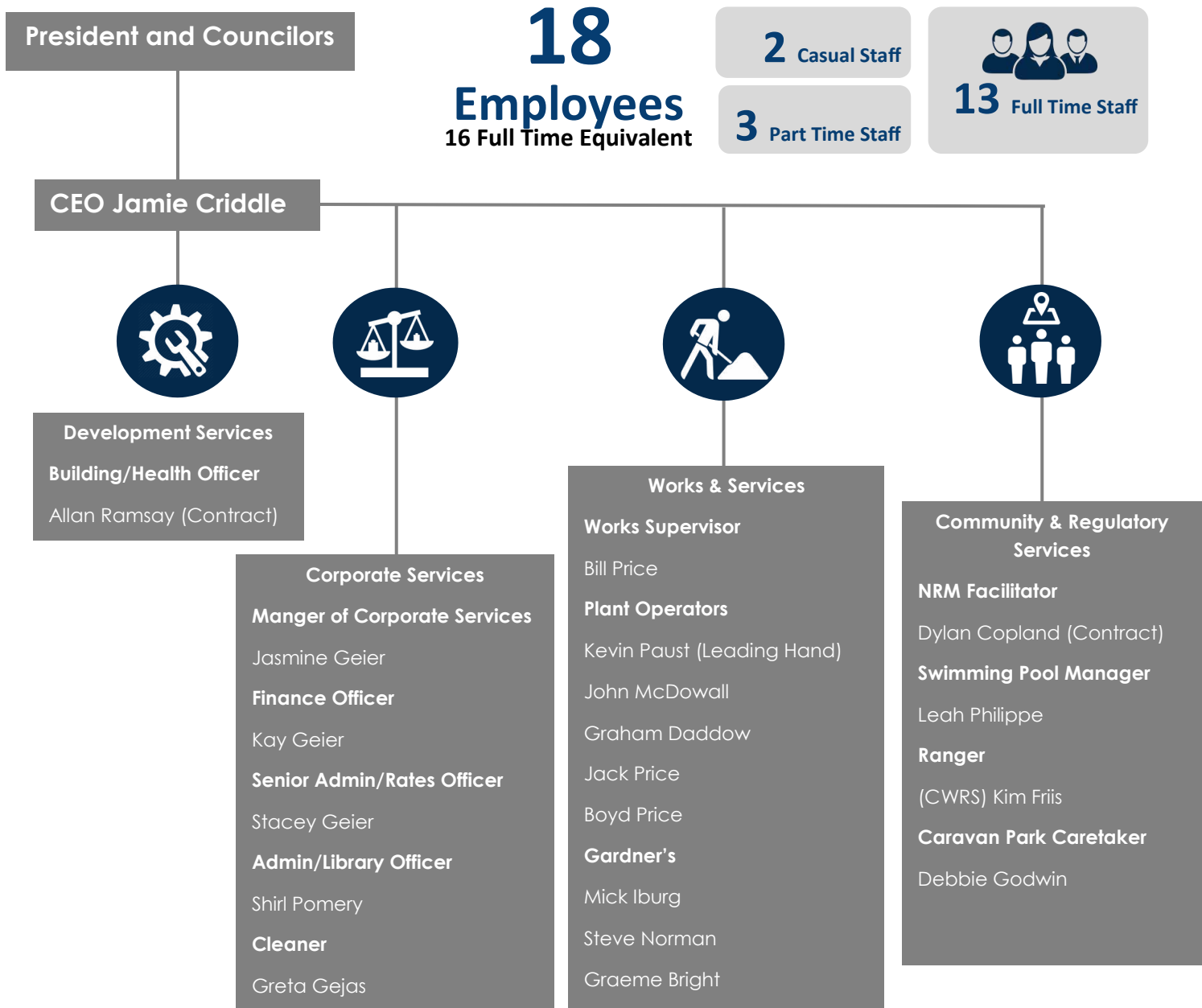




# SERVICE DELIVERY



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 of Westonia 's Strategic Community Plan 2018-2028 is the overarching document developed to embody the aspirations and goals of the Westonia community. The themes and goals identified underpin the strategies and outcomes that Council and the Shire of Westonia will be measured against to ensure the future desires of the community are attained. The Strategic Community Plan underwent a major review in April 2019 to obtain new feedback from the Westonia community and set new strategic goals based on that feedback.



## 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



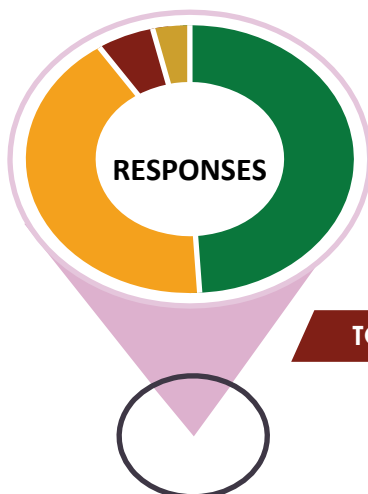
## GOVERNANCE, LEADERSHIP & FINANCIAL SUSTAINABILITY

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



### Total Engagement

- 27** survey respondents
- 23** random phone calls to ratepayers across all parts of the Shire answering a series of set questions, additional to survey
- 3** business owners in town site separate to any other consultation
- 2** advisors to the district—outside of the Shire of Westonia

**TOTAL ENGAGEMENT TO DATE: 54**

(17.7% of total population residing in the Shire of Westonia)

- Respondents
- Total population of the Shire of Westonia

### Strategic Plan Purpose



- STRATEGIC PLAN
- ▼
- CORPORATE BUSINESS PLAN
- ▼
- ANNUAL BUDGET

# COMMUNITY



# STRATEGIC PLAN CONTINUES.

## ECONOMIC DIVERSITY, INNOVATION AND PROSPERITY

### GOAL

– What we want to Achieve | 1: Efficient transport connectivity in and around our Shire

Strategy	Status	Outcomes
<b>Strategy 1.1</b> Continue to utilise our Road Management Plan, which incorporates a road hierarchy, minimum service levels and maintenance policy	🔄	The road network is safe and efficient
<b>Strategy 1.2</b> RAV Ratings and Shire boundaries are consistent across local government boundaries	🔄	All blackspots are identified and forward to address them occurs
<b>Strategy 1.3</b> Lobby and build enduring partnerships with key Government Departments to improve Great Eastern Hwy	🔄	Plant and equipment is replaced when necessary
<b>Strategy 1.4</b> Actively participate in the Secondary Freight Network group	🔄	Consistent network improvement over time
<b>Strategy 1.5</b> Develop and implement a Road Asset Plan highlighting key funders, and strategic partnerships to support sustainability	🔄	
<b>Strategy 1.6</b> Develop a Gravel Reserve Policy which identifies future gravel reserves and recognises cost to local government	🔄	
<b>Strategy 1.7</b> Educate road users about road safety and driving on gravel roads	🔄	
<b>Strategy 1.8</b> Optimal and safe use of our plants and equipment assets	🔄	
<b>Strategy 1.9</b> Ensure that appropriate RAV vehicles traverse correct RAV routes	🔄	
<b>Strategy 1.10</b> Maintain our airport with a view to improvements to meet commercial and recreational aviation needs	🔄	

# COMMUNITY



# STRATEGIC PLAN CONTINUES.

## GOAL 2: Facilitate local business retention and growth

Strategy	Status	Outcomes
<b>Strategy 2.1</b> Council recognises the opportunity of partnering with Westonia Progress Association, works closely and supports them to help achieve their economic development projects and our strategic goals	🔄	There are improved local economic growth and financial returns through strategic partnerships
<b>Strategy 2.2</b> Council continue to have a role in facilitating the presence of a Co-op in our community	🔄	
<b>Strategy 2.3</b> Enhance local economic activity by supporting the growth of tourism in our Shire and region including applying for funding to improve tourist facilities	🔄	Tourism grows positively in our Shire
<b>Strategy 2.4</b> Improve our online tourism presence	🔄	
<b>Strategy 2.5</b> We forward plan to improve the economic diversity in our community	🔄	Economic diversity grows in our local economy. We have a strong partnership with the mine
<b>Strategy 2.6</b> In partnership with Council, the mine develops long term business plans for current mine assets	🔄	
<b>Strategy 2.7</b> Investigate options for multipurpose accommodation if vacancies arise in mine accommodation	🔄	



# COMMUNITY



# STRATEGIC PLAN CONTINUES.

## SOCIAL AND COMMUNITY WELLBEING AND CAPACITY

### GOAL 3: Plan for community growth and changing demographics

Strategy	Status	Outcomes
<b>Strategy 3.1</b> Develop the Town Planning Scheme	🔄	Our Town Planning Scheme is flexible and encourages growth Our rate base is diversify
<b>Strategy 3.2</b> Plan and develop residential and industrial land	🔄	
<b>Strategy 3.3</b> Community safety and ease of access around town is a priority	🔄	
<b>Strategy 3.4</b> Our lifestyle, facilities and sense of community is promoted	🔄	Our lifestyle, country hospitality and facilities attracts new populations to the Shire
<b>Strategy 3.5</b> The CEACA project continues to expand the number of universally designed dwellings in our town	🔄	
<b>Strategy 3.6</b> Develop a Gravel Reserve Policy which identity's future gravel reserves and recognises cost to local government	🔄	
<b>Strategy 3.7</b> We support our emergency services	🔄	People of all ages have access to local and visiting health, well being and leisure services and activities
<b>Strategy 3.8</b> We enable visiting health professionals to our community	🔄	
<b>Strategy 3.9</b> The Community Resource Centre receives external funding to provide preventative health and community development initiatives to the community	🔄	
<b>Strategy 3.10</b> We facilitate healthy and active ageing in place	🔄	



# COMMUNITY



# STRATEGIC PLAN CONTINUES.

## SOCIAL AND COMMUNITY WELLBEING AND CAPACITY

### GOAL 4: Our community has the opportunity to be active, socialised and connected

Strategy	Status	Outcomes
<b>Strategy 4.1</b> We collaborate and encourage active engagement in local clubs and community initiatives that support a healthy lifestyle	🔄	High standard of events and Shire owned facilities
<b>Strategy 4.2</b> Investigate motor sport opportunities around the Shire	🔄	
<b>Strategy 4.3</b> Preserve and celebrate our local history	🔄	
<b>Strategy 4.4</b> Support our volunteers and clubs to remain strong, dynamic and inclusive	🔄	
<b>Strategy 4.5</b> Encourage life long learning	🔄	
<b>Strategy 4.6</b> Children and youth have active and social opportunities	🔄	
<b>Strategy 4.7</b> Continue to provide high standard and accessible shire facilities	🔄	
<b>Strategy 4.8</b> Retain and expand Westonia's unique tourism experience	🔄	

### GOAL 5: Natural spaces are preserved and bring us value

Strategy	Status	Outcomes
<b>Strategy 5.1</b> Sustainably manage our reserves and open spaces	🔄	We preserve our natural environment Value is generated from our natural environment
<b>Strategy 5.2</b> Participate in best practice waste management	🔄	
<b>Strategy 5.3</b> Work collaboratively to meet legislative compliance with managing weeds and pests as well as our environmental health standards	🔄	
<b>Strategy 5.4</b> Investigate renewable energy generation technologies	🔄	

# COMMUNITY



# STRATEGIC PLAN CONTINUES.

## GOVERNANCE, LEADERSHIP & FINANCIAL SUSTAINABILITY

### GOAL 6: Be progressive and capture opportunities

Strategy	Status	Outcomes
<b>Strategy 6.1</b> Be open to local productivity/ best practice and cost saving opportunities locally and regionally	🔄	We remain as an independent local government, with strong partnerships and can continue to conduct our business
<b>Strategy 6.2</b> Investigate joint resourcing and tendering	🔄	
<b>Strategy 6.3</b> Advocate and develop strong partnerships to benefit our community	🔄	
<b>Strategy 6.4</b> Be prepared by forward planning our resources and focusing on continuous improvement	🔄	
<b>Strategy 6.5</b> Identify risks and opportunities after the life of the mine	🔄	

### GOAL 7: The community receives services in a timely manner

Strategy	Status	Outcomes
<b>Strategy 7.1</b> Meet our legislative and compliance requirements	🔄	We provide timely services and facilities Leadership is transparent, accountable and representative
<b>Strategy 7.2</b> Work towards optimal management of our assets	🔄	
<b>Strategy 7.3</b> Work to develop Councilor and staff skills and experience to provide career and succession opportunities within the Shire	🔄	We have an adaptable workforce
<b>Strategy 7.4</b> Inside and outside staff are multi skilled to understand the business of local government and provide a seamless service to the community	🔄	
<b>Strategy 7.5</b> Communicate and engage with our community regularly	🔄	

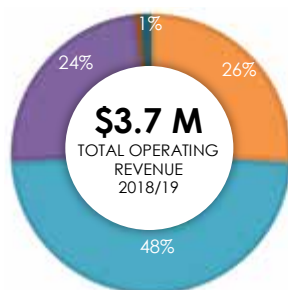
### GOAL 8: Financial resources meet the ongoing needs of the community

Strategy	Status	Outcomes
<b>Strategy 8.1</b> Seek external funding for significant capital improvements that deliver upon our strategic objectives	🔄	Our resources enable growth
<b>Strategy 8.2</b> Investigate ways to reduce reliance on operational grants given the current State and Federal Government priorities	🔄	

# FINACIAL OVERVIEW

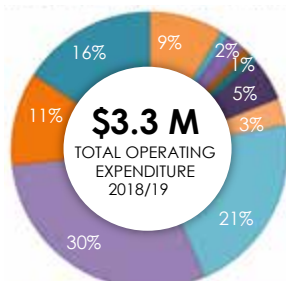
In accordance with the requirements of the *Local Government Act 1995 Section 5.53*, the Council is required to prepare and include audited financial statements within its Annual Report. Financial statements and notes are presented in Part 2.

## REVENUE



RATES	26%
OPERATING GRANTS, SUBSIDIES & CONTRIBUTIONS	48%
FEES AND CHARGES	24%
INTEREST EARNINGS	1%
OTHER REVENUE	1%

## EXPENDITURE



GOVERNANCE	9%
GENERAL PURPOSE FUNDING	1%
LAW, ORDER, PUBLIC SAFETY	2%
HEALTH	1%
EDUCATION & WELFARE	1%
HOUSING	5%
COMMUNITY AMENITIES	3%
RECREATION AND CULTURE	21%
TRANSPORT	30%
ECOMOMIC SERVICES	11%
OTHER PROPERTY AND SERVICES	16%

## CAPITAL WORKS



1.28M

ROADS & INFRASTRUCTURE

BUILDING

PLANT & EQUIPMENT

FURNITURE & EQUIPMENT

CATITAL WORKS FOR 2018/19

\$796K

\$27 K

\$351K

\$104K



# IT IS YOUR SHIRE !

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**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 2018-2019.

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.



2018/2019



SHIRE OF  
**WESTONIA**  
A vibrant community lifestyle

*Financial*

**Report**

[www.westonia.wa.gov.au](http://www.westonia.wa.gov.au)

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

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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**

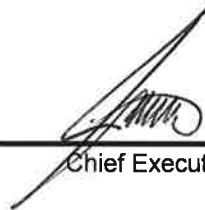
**SHIRE OF WESTONIA  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2019**

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

Signed on the            *12th*            day of            *December*            2019



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Chief Executive Officer

Jamie Criddle

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Name of Chief Executive Officer

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

	NOTE	2019 Actual	2019 Budget	2018 Actual (Restated *)
		\$	\$	\$
<b>Revenue</b>				
Rates	22(a)	998,196	941,290	897,920
Operating grants, subsidies and contributions	2(a)	1,855,664	805,116	1,519,585
Fees and charges	2(a)	922,616	260,850	316,597
Interest earnings	2(a)	23,878	21,600	22,407
Other revenue	2(a)	46,812	42,117	42,620
		<b>3,847,166</b>	<b>2,070,973</b>	<b>2,799,129</b>
<b>Expenses</b>				
Employee costs		(977,098)	(922,994)	(712,192)
Materials and contracts		(799,143)	(438,023)	(375,800)
Utility charges		(221,713)	(156,460)	(182,189)
Depreciation on non-current assets	9(b)	(1,223,933)	(1,912,840)	(1,701,220)
Interest expenses	2(b)	(10,678)	(8,711)	(14,257)
Insurance expenses		(113,835)	(107,000)	(97,043)
Other expenditure		(52,669)	(49,873)	(45,900)
		<b>(3,399,069)</b>	<b>(3,595,901)</b>	<b>(3,128,601)</b>
		<b>448,097</b>	<b>(1,524,928)</b>	<b>(329,472)</b>
Non-operating grants, subsidies and contributions	2(a)	382,326	575,243	744,479
Profit on asset disposals	9(a)	27,311	8,648	8,782
(Loss) on asset disposals	9(a)	(18,318)	(2,919)	(19,048)
		<b>391,319</b>	<b>580,972</b>	<b>734,213</b>
<b>Net result for the period</b>		<b>839,416</b>	<b>(943,956)</b>	<b>404,741</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	10	0	0	(76,677,036)
<b>Total other comprehensive income for the period</b>		<b>0</b>	<b>0</b>	<b>(76,677,036)</b>
<b>Total comprehensive income for the period</b>		<b>839,416</b>	<b>(943,956)</b>	<b>(76,272,295)</b>

\* See note 26 for details regarding the restatement as a result of an error

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

	NOTE	2019 Actual	2019 Budget	2018 Actual (Restated *)
		\$	\$	\$
<b>Revenue</b>				
	2(a)			
Governance		562	1,150	2,013
General purpose funding		2,348,684	1,548,956	2,165,217
Law, order, public safety		46,301	43,400	56,226
Health		1,309	2,000	2,000
Education and welfare		10,670	2,000	23,886
Housing		164,804	172,200	152,701
Community amenities		8,250	10,300	9,396
Recreation and culture		44,459	61,800	103,643
Transport		409,309	68,000	67,691
Economic services		114,670	102,167	96,867
Other property and services		698,147	59,000	119,490
		<b>3,847,165</b>	<b>2,070,973</b>	<b>2,799,130</b>
<b>Expenses</b>				
	2(b)			
Governance		(291,563)	(309,558)	(283,406)
General purpose funding		(34,079)	(42,000)	(44,867)
Law, order, public safety		(76,467)	(62,610)	(81,910)
Health		(31,543)	(33,890)	(30,191)
Education and welfare		(40,326)	(43,321)	(69,694)
Housing		(161,872)	(165,564)	(126,025)
Community amenities		(106,626)	(128,266)	(103,346)
Recreation and culture		(727,237)	(743,148)	(649,906)
Transport		(1,011,426)	(1,846,873)	(1,472,302)
Economic services		(371,374)	(330,550)	(327,348)
Other property and services		(535,878)	118,590	74,650
		<b>(3,388,391)</b>	<b>(3,587,190)</b>	<b>(3,114,346)</b>
<b>Finance Costs</b>				
	2(b)			
Housing		(7,968)	(7,044)	(10,508)
Transport		0	0	(1,357)
Economic services		(2,710)	(1,667)	(2,392)
		<b>(10,678)</b>	<b>(8,711)</b>	<b>(14,257)</b>
		<b>448,096</b>	<b>(1,524,928)</b>	<b>(329,473)</b>
Non-operating grants, subsidies and contributions	2(a)	382,326	575,244	744,479
Profit on disposal of assets	9(a)	27,311	8,648	8,783
(Loss) on disposal of assets	9(a)	(18,317)	(2,919)	(19,048)
		<b>391,320</b>	<b>580,973</b>	<b>734,214</b>
<b>Net result for the period</b>		<b>839,416</b>	<b>(943,955)</b>	<b>404,741</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	10	0	0	(76,677,036)
Share of comprehensive income of associates and joint ventures accounted for using the equity method				
<b>Total other comprehensive income for the period</b>		<b>0</b>	<b>0</b>	<b>(76,677,036)</b>
<b>Total comprehensive income for the period</b>		<b>839,416</b>	<b>(943,955)</b>	<b>(76,272,295)</b>

\* See note 26 for details regarding the restatement as a result of an error

SHIRE OF WESTONIA  
STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	2019 \$	2018 (Restated *) \$	1 July 2017 (Restated *) \$
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	3	2,913,735	1,991,295	1,496,844
Trade receivables	5	166,587	98,471	166,498
Inventories	6	7,964	7,964	7,964
<b>TOTAL CURRENT ASSETS</b>		<b>3,088,286</b>	<b>2,097,730</b>	<b>1,671,306</b>
<b>NON-CURRENT ASSETS</b>				
Trade receivables	5	20,105	20,105	29,270
Inventories	6	22,001	22,001	22,001
Property, plant and equipment	7	11,844,064	12,301,597	12,121,721
Infrastructure	8	38,944,208	38,787,333	115,700,190
<b>TOTAL NON-CURRENT ASSETS</b>		<b>50,830,378</b>	<b>51,131,036</b>	<b>127,873,182</b>
<b>TOTAL ASSETS</b>		<b>53,918,664</b>	<b>53,228,766</b>	<b>129,544,488</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	11	154,326	271,848	201,023
Borrowings	12	71,431	70,372	90,533
Employee related provisions	13	178,842	122,711	159,714
<b>TOTAL CURRENT LIABILITIES</b>		<b>404,599</b>	<b>464,931</b>	<b>451,270</b>
<b>NON-CURRENT LIABILITIES</b>				
Borrowings	12 (a)	10,357	85,242	155,616
Employee related provisions	13	29,716	44,017	30,731
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>40,073</b>	<b>129,259</b>	<b>186,347</b>
<b>TOTAL LIABILITIES</b>		<b>444,672</b>	<b>594,190</b>	<b>637,617</b>
<b>NET ASSETS</b>		<b>53,473,992</b>	<b>52,634,576</b>	<b>128,906,871</b>
<b>EQUITY</b>				
Retained surplus		17,184,956	16,611,596	16,204,405
Reserves - cash backed	4	881,139	615,083	617,533
Revaluation surplus	10	35,407,897	35,407,897	112,084,933
<b>TOTAL EQUITY</b>		<b>53,473,992</b>	<b>52,634,576</b>	<b>128,906,871</b>

\* See note 26 for details regarding the restatement as a result of an error

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

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

	NOTE	RETAINED SURPLUS	RESERVES CASH BACKED	REVALUATION SURPLUS	TOTAL EQUITY
		\$	\$	\$	\$
<b>Balance as at 1 July 2017</b>		<b>16,204,405</b>	<b>617,533</b>	<b>112,323,608</b>	<b>129,145,546</b>
Correction of error	26	0	0	(238,675)	(238,675)
<b>Restated total equity at the beginning of the financial year</b>		<b>16,204,405</b>	<b>617,533</b>	<b>112,084,933</b>	<b>128,906,871</b>
Comprehensive income					
Net result for the period		404,741	0	0	404,741
Other comprehensive income	10	0	0	(76,677,036)	(76,677,036)
Total comprehensive income		404,741	0	(76,677,036)	(76,272,295)
Transfers from/(to) reserves		2,450	(2,450)	0	0
<b>Balance as at 30 June 2018</b>		<b>16,611,596</b>	<b>615,083</b>	<b>35,407,897</b>	<b>52,634,576</b>
Comprehensive income					
Net result for the period		839,416	0	0	839,416
Total comprehensive income		839,416	0	0	839,416
Transfers from/(to) reserves		(266,056)	266,056	0	0
<b>Balance as at 30 June 2019</b>		<b>17,184,956</b>	<b>881,139</b>	<b>35,407,897</b>	<b>53,473,992</b>

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



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

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		1,004,462	941,290	900,784
Operating grants, subsidies and contributions		1,784,115	805,116	1,543,709
Fees and charges		922,616	260,850	316,597
Interest received		23,878	21,600	22,407
Goods and services tax received		(2,833)	0	0
Other revenue		46,812	42,117	42,620
		<b>3,779,050</b>	<b>2,070,973</b>	<b>2,826,117</b>
<b>Payments</b>				
Employee costs		(937,196)	(922,994)	(749,130)
Materials and contracts		(988,771)	(438,023)	(291,705)
Utility charges		(221,713)	(156,460)	(182,189)
Interest expenses		(10,678)	(8,711)	(14,306)
Insurance paid		(113,835)	(107,000)	(97,043)
Goods and services tax paid		0	0	45,961
Other expenditure		(33,952)	(49,873)	(45,900)
		<b>(2,306,145)</b>	<b>(1,683,061)</b>	<b>(1,334,312)</b>
<b>Net cash provided by (used in) operating activities</b>	14	<b>1,472,905</b>	<b>387,912</b>	<b>1,491,805</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment		(483,956)	(647,903)	(855,108)
Payments for construction of infrastructure		(796,447)	(1,221,000)	(1,015,401)
Non-operating grants, subsidies and contributions		382,326	575,243	744,479
Proceeds from self supporting loans		0	0	0
Proceeds from sale of property, plant & equipment		347,400	240,909	214,962
<b>Net cash provided by (used in) investment activities</b>		<b>(550,677)</b>	<b>(1,052,751)</b>	<b>(911,068)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings		(73,826)	(70,373)	(90,534)
Proceeds from new borrowings		0	0	4,250
<b>Net cash provided by (used in) financing activities</b>		<b>(73,826)</b>	<b>(70,373)</b>	<b>(86,284)</b>
<b>Net increase (decrease) in cash held</b>		<b>848,402</b>	<b>(735,212)</b>	<b>494,453</b>
Cash at beginning of year		1,991,299	1,899,424	1,496,846
Reclassification of trust funds to restricted cash		74,034	0	0
<b>Cash and cash equivalents at the end of the year</b>	14	<b>2,913,735</b>	<b>1,164,212</b>	<b>1,991,299</b>

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

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

	NOTE	2019 Actual	2019 Budget	2018 Actual
		\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
Net current assets at start of financial year - surplus/(deficit)	22 (b)	1,074,422	1,205,049	684,292
		1,074,422	1,205,049	684,292
<b>Revenue from operating activities (excluding rates)</b>				
Governance		562	1,150	2,013
General purpose funding		1,354,871	612,196	1,272,163
Law, order, public safety		46,301	43,400	56,226
Health		1,309	2,000	2,000
Education and welfare		10,670	2,000	23,886
Housing		164,804	172,200	152,701
Community amenities		8,250	10,300	9,396
Recreation and culture		44,459	61,800	103,643
Transport		413,850	68,000	68,342
Economic services		114,670	102,167	96,867
Other property and services		720,917	67,648	127,622
		2,880,663	1,142,861	1,914,859
<b>Expenditure from operating activities</b>				
Governance		(291,563)	(309,558)	(283,406)
General purpose funding		(34,079)	(42,000)	(44,867)
Law, order, public safety		(76,467)	(62,610)	(81,910)
Health		(31,543)	(33,890)	(30,191)
Education and welfare		(41,900)	(43,321)	(69,694)
Housing		(169,840)	(172,608)	(136,533)
Community amenities		(106,626)	(128,266)	(103,346)
Recreation and culture		(727,237)	(743,148)	(649,906)
Transport		(1,023,821)	(1,849,792)	(1,492,707)
Economic services		(378,432)	(332,217)	(329,740)
Other property and services		(535,878)	118,590	74,650
		(3,417,386)	(3,598,820)	(3,147,650)
Non-cash amounts excluded from operating activities	22(a)	1,200,639	1,907,111	1,724,769
<b>Amount attributable to operating activities</b>		1,738,338	656,201	1,176,270
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions		382,326	575,243	744,479
Proceeds from disposal of assets	9(a)	347,400	240,909	214,962
Purchase of property, plant and equipment	7(a)	(483,952)	(647,903)	(855,108)
Purchase and construction of infrastructure	8(a)	(796,447)	(1,221,000)	(1,015,401)
<b>Amount attributable to investing activities</b>		(550,673)	(1,052,751)	(911,068)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	12(b)	(73,826)	(70,373)	(90,534)
Proceeds from borrowings	12(c)	18,718	0	4,250
Transfers to reserves (restricted assets)	4	(266,057)	(264,800)	(63,005)
Transfers from reserves (restricted assets)	4	0	0	65,455
<b>Amount attributable to financing activities</b>		(321,165)	(335,173)	(83,834)
<b>Surplus/(deficit) before imposition of general rates</b>		866,501	(731,723)	181,368
<b>Total amount raised from general rates</b>	22	993,813	936,760	893,054
<b>Surplus/(deficit) after imposition of general rates</b>	22(b)	<b>1,860,314</b>	<b>205,037</b>	<b>1,074,422</b>

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

## 1. BASIS OF PREPARATION

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

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

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

### CRITICAL ACCOUNTING ESTIMATES

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

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

### THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 24 to these financial statements.

## 2. REVENUE AND EXPENSES

### (a) Revenue

#### Grant Revenue

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

	2019 Actual \$	2019 Budget \$	2018 Actual \$
<b>Operating grants, subsidies and contributions</b>			
General purpose funding	1,324,506	584,116	1,244,319
Law, order, public safety	40,548	38,500	50,431
Education and welfare	2,125	2,000	21,486
Housing	96	500	913
Recreation and culture	42,858	60,000	101,790
Transport	409,309	68,000	67,545
Economic services	35,988	52,000	33,101
Other property and services	234	0	0
	1,855,663	805,116	1,519,585
<b>Non-operating grants, subsidies and contributions</b>			
Transport	382,326	575,244	744,479
	382,326	575,244	744,479
<b>Total grants, subsidies and contributions</b>	2,237,989	1,380,360	2,264,064

#### 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 reporting period.

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

<b>(a) Revenue (Continued)</b>	<b>2019 Actual</b>	<b>2019 Budget</b>	<b>2018 Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Reimbursements and recoveries	40,585	32,667	32,612
Other	6,226	9,450	10,008
	<b>46,811</b>	<b>42,117</b>	<b>42,620</b>
<b>Fees and Charges</b>			
Governance	0	150	0
Law, order, public safety	903	900	914
Health	(91)	0	0
Education and welfare	7,546	0	1,227
Housing	159,848	169,200	151,788
Community amenities	8,250	10,300	9,396
Recreation and culture	1,601	1,800	1,853
Transport	0	0	146
Economic services	76,484	44,500	57,909
Other property and services	668,075	34,000	93,365
	<b>922,616</b>	<b>260,850</b>	<b>316,597</b>
There were no changes during the year to the amount of the fees or charges detailed in the original budget.			
<b>Interest earnings</b>			
Loans receivable - clubs/institutions	2,710	1,667	2,393
Reserve accounts interest	16,019	15,000	14,125
Rates instalment and penalty interest (refer Note 21(b))	2,809	3,500	3,505
Other interest earnings	2,340	1,433	2,384
	<b>23,878</b>	<b>21,600</b>	<b>22,407</b>

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

**(b) Expenses**

**Auditors remuneration**

- Audit of the Annual Financial Report

**Interest expenses (finance costs)**

Borrowings (refer Note 12(b))

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
	20,000	15,000	13,873
	20,000	15,000	13,873
	10,678	8,711	14,258
	10,678	8,711	14,258

### 3. CASH AND CASH EQUIVALENTS

	NOTE	2019 \$	2018 \$
Cash at bank and on hand		2,913,735	1,991,295
		2,913,735	1,991,295
<b>Comprises:</b>			
- Unrestricted cash and cash equivalents		1,958,562	1,376,212
- Restricted cash and cash equivalents		955,173	615,083
		2,913,735	1,991,295
The following restrictions have been imposed by regulations or other externally imposed requirements:			
<b>Reserve accounts</b>			
Long Service Leave Reserve	4	104,901	102,642
Plant Replacement	4	331,893	77,664
Building Reserve	4	281,522	275,460
Communication/It Reserve	4	27,706	27,109
Community Development Reserve	4	88,883	86,970
Waste Management Reserve	4	46,234	45,238
Swimming Pool Reserve	4	0	0
		881,139	615,083
<b>Other restricted cash and cash equivalents</b>			
Bonds & Deposits Held	24	74,034	0
<b>Total restricted cash and cash equivalents</b>		955,173	615,083

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

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4. RESERVES - CASH BACKED		2019	2019	2019	2019	2019	2019	2019	2018	2018	2018	2018	
		Actual	Actual	Actual	Actual	Budget	Budget	Budget	Budget	Actual	Actual	Actual	Actual
		Opening	Transfer	Transfer	Closing	Opening	Transfer	Transfer	Closing	Opening	Transfer	Transfer	Closing
		Balance	to	(from)	Balance	Balance	to	(from)	Balance	Balance	to	(from)	Balance
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a)	Long Service Leave Reserve	102,642	2,259	0	104,901	102,642	2,500	0	105,142	100,286	2,356	0	102,642
(b)	Plant Replacement	77,664	254,229	0	331,893	77,664	252,000	0	329,664	27,015	50,649	0	77,664
(c)	Building Reserve	275,460	6,062	0	281,522	275,460	6,500	0	281,960	269,114	6,346	0	275,460
(d)	Communication/It Reserve	27,109	597	0	27,706	27,109	800	0	27,909	26,487	622	0	27,109
(e)	Community Development Reserve	86,970	1,914	0	88,884	86,970	2,000	0	88,970	84,971	1,999	0	86,970
(f)	Waste Management Reserve	45,238	996	0	46,234	45,238	1,000	0	46,238	44,205	1,033	0	45,238
(g)	Swimming Pool Reserve	0	0	0	0	0	0	0	0	65,455	0	(65,455)	0
		615,083	266,057	0	881,140	615,083	264,800	0	879,883	617,533	63,005	(65,455)	615,083

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

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

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



## 5. TRADE RECEIVABLES

### Current

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

### Non-current

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

2019	2018
\$	\$
4,111	10,377
142,642	71,093
13,666	13,666
1,622	1,622
4,546	1,713
166,587	98,471
20,105	20,105
20,105	20,105

### SIGNIFICANT ACCOUNTING POLICIES

#### Trade and other receivables

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

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

#### Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 23.

#### Classification and subsequent measurement

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

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

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

## 6. INVENTORIES

### Current

Fuel and materials

### Non-current

Land held for resale - cost

Development costs

No movements in inventories occurred during the year:

**Carrying amount at 1 July**

**Carrying amount at 30 June**

	2019	2018
	\$	\$
	7,964	7,964
	7,964	7,964
	22,001	22,001
	22,001	22,001
	29,965	29,965
	29,965	29,965

## SIGNIFICANT ACCOUNTING POLICIES

### General

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

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

### Land held for resale

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

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

## 7. PROPERTY, PLANT AND EQUIPMENT

### (a) Movements in Carrying Amounts

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

	Land - freehold land	Total land	Buildings - specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2017</b>	174,000	174,000	8,992,658	8,992,658	9,166,658	547,034	2,646,704	12,360,396
Prior period adjustment	0	0	(238,675)	(238,675)	(238,675)	0	0	(238,675)
Correction of Error (Note 26)								
<b>Restated Balance</b>	174,000	174,000	8,753,983	8,753,983	8,927,983	547,034	2,646,704	12,121,721
Additions	0	0	50,298	50,298	50,298	82,348	722,462	855,108
(Disposals)	0	0	0	0	0	0	(225,227)	(225,227)
Prior Period Adjustment - correction of error	0	0	5,967	5,967	5,967	0	0	5,967
Depreciation (expense)	0	0	(363,899)	(363,899)	(363,899)	(52,427)	(39,642)	(455,968)
<b>Restated Carrying amount at 30 June 2018</b>	174,000	174,000	8,446,349	8,446,349	8,620,349	576,955	3,104,297	12,301,601
<b>Comprises:</b>								
Gross carrying amount at 30 June 2018	174,000	174,000	8,804,281	8,804,281	8,978,281	678,941	3,272,534	12,929,756
Accumulated depreciation at 30 June 2018	0	0	(357,932)	(357,932)	(357,932)	(101,986)	(168,237)	(628,155)
<b>Restated Carrying amount at 30 June 2018</b>	174,000	174,000	8,446,349	8,446,349	8,620,349	576,955	3,104,297	12,301,601
Additions	0	0	27,449	27,449	27,449	104,539	351,964	483,952
(Disposals)	0	0	0	0	0	0	(320,141)	(320,141)
Write-off of Assets below \$5K Threshold	0	0	0	0	0	(5,923)	(12,341)	(18,264)
Depreciation (expense)	0	0	(359,441)	(359,441)	(359,441)	(60,396)	(183,247)	(603,084)
<b>Carrying amount at 30 June 2019</b>	174,000	174,000	8,114,357	8,114,357	8,288,357	615,175	2,940,532	11,844,064
<b>Comprises:</b>								
Gross carrying amount at 30 June 2019	174,000	174,000	8,831,730	8,831,730	9,005,730	777,557	3,292,016	13,075,303
Accumulated depreciation at 30 June 2019	0	0	(717,373)	(717,373)	(717,373)	(162,382)	(351,484)	(1,231,239)
Carrying amount at 30 June 2019	174,000	174,000	8,114,357	8,114,357	8,288,357	615,175	2,940,532	11,844,064

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

### (b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
<b>Land and buildings</b>					
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
<b>Furniture and equipment</b>	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.
<b>Plant and equipment</b>	2	Market approach using recent observable market data for similar items ( Net revaluation method)	Independent Registered Valuer	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.

## 8. INFRASTRUCTURE

### (a) Movements in Carrying Amounts

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

	Infrastructure - Roads	Infrastructure - Footpaths	Infrastructure - Parks & Ovals	Total Infrastructure
	\$	\$	\$	\$
<b>Balance at 1 July 2017</b>	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)
<b>Carrying amount at 30 June 2018</b>	37,241,720	213,588	1,332,025	38,787,333
<b>Comprises:</b>				
Gross carrying amount at 30 June 2018	38,446,804	226,585	1,365,163	40,038,552
Accumulated depreciation at 30 June 2018	(1,205,084)	(12,997)	(33,138)	(1,251,219)
<b>Carrying amount at 30 June 2018</b>	37,241,720	213,588	1,332,025	38,787,333
Additions	796,447	0	0	796,447
Depreciation (expense)	(576,039)	(10,591)	(34,224)	(620,854)
<b>Carrying amount at 30 June 2019</b>	37,462,128	202,997	1,279,083	38,944,208
<b>Comprises:</b>				
Gross carrying amount at 30 June 2019	39,243,251	226,585	1,346,445	40,816,281
Accumulated depreciation at 30 June 2019	(1,781,123)	(23,588)	(67,362)	(1,872,073)
<b>Carrying amount at 30 June 2019</b>	37,462,128	202,997	1,279,083	38,944,208

**8. INFRASTRUCTURE (Continued)**

**(b) Fair Value Measurements**

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - Roads	3	Cost approach using depreciated replacement cost (Gross revaluation method)	Independent Registered Valuer	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)	Independent Registered Valuer	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)	Independent Registered Valuer	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.

## 8. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE)

### SIGNIFICANT ACCOUNTING POLICIES

#### Fixed assets

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

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

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

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

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

#### Revaluation

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

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

### AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

#### Land under control

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

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

#### Land under roads

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

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

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

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

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

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

(a) Disposals of Assets

	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss	2019 Budget Net Book Value	2019 Budget Sale Proceeds	2019 Budget Profit	2019 Budget Loss	2018 Actual Net Book Value	2018 Actual Sale Proceeds	2018 Actual Profit	2018 Actual Loss
Plant and equipment	\$ 320,141	\$ 347,400	\$ 27,311	\$ (54)	235,181	240,909	8,648	(2,920)	225,227	214,962	8,783	(19,048)
<b>Disposal of Assets below \$5K Threshold</b>												
Furniture and equipment	5,923	0	0	(5,923)	0	0	0	0	0	0	0	0
Plant and equipment	12,341	0	0	(12,341)	0	0	0	0	0	0	0	0
	338,405	347,400	27,311	(18,318)	235,181	240,909	8,648	(2,920)	225,227	214,962	8,783	(19,048)

The following assets were disposed of during the year.

	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss
<b>Plant and Equipment</b>				
<b>Transport</b>				
Toyota Pardo (Ass #488)	50,459	55,000	4,541	0
Toyota Pardo (Ass #496)	56,053	56,000	0	(54)
<b>Other property and services</b>				
Toyota LC200 GXL (Ass #489)	72,825	78,800	5,976	0
Toyota LC200 GXL (Ass #495)	66,251	78,800	12,549	0
Toyota LC200 GXL (Ass #497)	74,554	78,800	4,246	0
	320,142	347,400	27,312	(54)
<b>Disposal of Assets below \$5K Threshold</b>				
<b>Education and welfare</b>				
School Fixtures (Ass #493)	4,348	0	0	(4,348)
<b>Economic services</b>				
Caravan Park Dump Point (Ass #3)	1,575	0	0	(1,575)
<b>Transport</b>				
Fossil Fuel Trailer (WT0337)	2,050	0	0	(2,050)
BBQ Trailer (WESSYBBQ)	1,476	0	0	(1,476)
Tandem Water Trailer (WT027)	1,476	0	0	(1,476)
2000lt Water Tank	1,722	0	0	(1,722)
Mobile Wood Saw	3,977	0	0	(3,977)
3Tonne Fuel Trailer (WT03)	1,640	0	0	(1,640)
	18,264	0	0	(18,264)
	338,406	347,400	27,312	(18,318)



## 9. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE) (Continued)

### (b) Depreciation

	2019 Actual	2019 Budget	2018 Actual (Restated *)
	\$	\$	\$
Buildings - specialised	359,441	394,140	357,932
Furniture and equipment	60,396	53,000	52,427
Plant and equipment	183,247	35,000	39,642
Infrastructure - Roads	576,034	1,400,000	1,205,084
Infrastructure - Footpaths	10,591	12,000	12,997
Infrastructure - Parks & Ovals	34,224	18,700	33,138
	<b>1,223,933</b>	<b>1,912,840</b>	<b>1,701,220</b>

### SIGNIFICANT ACCOUNTING POLICIES

#### Depreciation

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

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

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

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

#### Depreciation rates

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

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

#### Depreciation (Continued)

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

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

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10 REVALUATION SURPLUS

	2019 Opening Balance	2019 Closing Balance	2018 Opening Balance (Previously Reported)	2017 Correction of Error	2018 Opening Balance (Restated)	2018 Revaluation Increment	2018 Revaluation (Decrement)	Total Movement on Revaluation	2018 Closing Balance (Restated)
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land	132,242	132,242	132,242	0	132,242	0	0	0	132,242
Buildings	1,877,619	1,877,619	2,116,294	(238,675)	1,877,619	0	0	0	1,877,619
Plant & Equipment	569,582	569,582	569,582	0	569,582	0	0	0	569,582
Furniture & Equipment	388,287	388,287	388,287	0	388,287	0	0	0	388,287
Infrastructure - Roads	108,718,360	108,718,360	108,718,360	0	108,718,360	0	0	0	108,718,360
Infrastructure - Footpaths	122,315	122,315	122,315	0	122,315	0	0	0	122,315
Infrastructure - Parks & Ovals	(77,292,108)	(77,292,108)	276,536	0	276,536	0	(77,568,644)	(77,568,644)	(77,292,108)
Revaluation surplus - Infrastructure - Footpaths	5,885	5,885	0	0	0	5,885	0	5,885	5,885
Revaluation surplus - Infrastructure - Parks & Ovals	885,715	885,715	0	0	0	885,715	0	885,715	885,715
	35,407,897	35,407,897	112,323,616	(238,675)	112,084,941	891,600	(77,568,644)	(76,677,044)	35,407,897

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

**11. TRADE AND OTHER PAYABLES**

**Current**

Sundry creditors	
Bonds & Deposits Held (refer to Note 24)	
Accrued interest on debentures	
Accrued salaries and wages	
GST due to ATO	
Payroll Creditors	

	2019	2018
	\$	\$
	49,697	237,728
	74,034	0
	2,784	2,784
	18,437	17,656
	1,451	4,657
	7,923	9,023
	154,326	271,848

**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.

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12. INFORMATION ON BORROWINGS

(a) Borrowings	2019	2018
	\$	\$
Current	71,431	70,372
Non-current	10,357	85,242
	<b>81,788</b>	<b>155,614</b>

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	Actual	30 June 2019	30 June 2019	30 June 2019	Budget	30 June 2019	30 June 2019	30 June 2019	Actual	30 June 2018	30 June 2018	30 June 2018
				Principal	Actual	Actual	Actual	Principal	Budget	Budget	Budget	Budget	Principal	Actual	Actual
				1 July 2018	repayments	repayments	outstanding	1 July 2018	repayments	repayments	outstanding	1 July 2017	repayments	repayments	outstanding
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Housing</b>															
Lifestyle Village	5	WA Treasury	3.165%	126,338	60,277	7,968	66,061	126,338	61,201	7,044	65,137	183,842	57,504	10,508	126,338
<b>Transport</b>															
Depot	4	WA Treasury	3.685%	0	0	0	0	0	0	0	0	24,399	24,399	1,357	0
<b>Economic services</b>															
School Bus	6	WA Treasury	3.085%	29,276	13,549	2,710	15,727	29,277	9,172	1,667	20,105	37,907	8,631	2,393	29,276
				126,338	60,277	7,968	66,061	126,338	61,201	7,044	65,137	208,241	81,903	11,865	126,338
<b>Self Supporting Loans</b>															
<b>Economic services</b>															
School Bus	6	WA Treasury	3.085	29,276	13,549	2,710	15,727	29,277	9,172	1,667	20,105	37,907	8,631	2,393	29,276
				29,276	13,549	2,710	15,727	29,277	9,172	1,667	20,105	37,907	8,631	2,393	29,276
				155,614	73,826	10,678	81,788	155,615	70,373	8,711	85,242	246,148	90,534	14,258	155,614

\* WA Treasury Corporation

Self supporting loans are financed by payments from third parties. These are shown in Note 6 as other financial assets at amortised cost.  
All other loan repayments were financed by general purpose revenue.

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

	2019	2018
<b>(c) Undrawn Borrowing Facilities</b>	<b>\$</b>	<b>\$</b>
<b>Credit Standby Arrangements</b>		
Credit card limit	13,000	13,000
<b>Total amount of credit unused</b>	<b>13,000</b>	<b>13,000</b>
<b>Loan facilities</b>		
Loan facilities - current	(3,454)	70,372
Loan facilities - non-current	85,242	85,242
<b>Total facilities in use at balance date</b>	<b>81,788</b>	<b>155,614</b>
<b>Unused loan facilities at balance date</b>	<b>NIL</b>	<b>NIL</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Financial liabilities**

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

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

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

**Borrowing costs**

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

**Risk**

Information regarding exposure to risk can be found at Note 23.

### 13. EMPLOYEE RELATED PROVISIONS

#### Employee Related Provisions

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
<b>Opening balance at 1 July 2018</b>			
Current provisions	76,070	46,641	122,711
Non-current provisions	0	44,017	44,017
	<b>76,070</b>	<b>90,658</b>	<b>166,728</b>
Additional provision	18,223	23,607	41,830
<b>Balance at 30 June 2019</b>	<b>94,293</b>	<b>114,265</b>	<b>208,558</b>
<b>Comprises</b>			
Current	94,293	84,549	178,842
Non-current	0	29,716	29,716
	<b>94,293</b>	<b>114,265</b>	<b>208,558</b>

#### Amounts are expected to be settled on the following basis:

	2019	2018
	\$	\$
Less than 12 months after the reporting date	125,612	0
More than 12 months from reporting date	97,600	166,728
Expected reimbursements from other WA local governments	(14,654)	0
	<b>208,558</b>	<b>166,728</b>

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

#### SIGNIFICANT ACCOUNTING POLICIES

##### Employee benefits

##### Short-term employee benefits

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

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

##### Other long-term employee benefits

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

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

##### Other long-term employee benefits (Continued)

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

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

##### Provisions

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

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

## 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:

	2019 Actual	2019 Budget	2018 Actual (Restated *)
	\$	\$	\$
Cash and cash equivalents	2,913,735	1,164,212	1,991,295
<b>Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>			
Net result	839,416	(943,956)	404,742
Non-cash flows in Net result:			
Depreciation	1,223,933	1,912,840	1,701,220
(Profit)/loss on sale of asset	(8,993)	(5,728)	10,265
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(68,116)	0	72,948
Increase/(decrease) in payables	(172,839)	0	70,823
Increase/(decrease) in provisions	41,830	0	(23,717)
Grants contributions for the development of assets	(382,326)	(575,243)	(744,479)
Net cash from operating activities	1,472,905	387,913	1,491,802

## 15. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2019	2018
	\$	\$
Governance	30,547	32,251
General purpose funding	301,745	307,020
Law, order, public safety	2,601,800	276,290
Health	34,960	36,480
Education and welfare	291,593	300,894
Housing	2,041,752	2,098,368
Community amenities	637,917	673,553
Recreation and culture	3,138,154	3,041,412
Transport	41,430,050	43,794,648
Economic services	2,464,519	1,685,353
Other property and services	945,627	982,497
	53,918,664	53,228,766



## 16. CONTINGENT LIABILITIES

The Shire is not aware of any contingent liabilities at year end

## 17. RELATED PARTY TRANSACTIONS

### (a) Elected Members Remuneration

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

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Meeting Fees	21,320	21,320	21,318
President's allowance	5,553	5,553	5,553
Travelling expenses	75	1,500	889
Telecommunications allowance	1,091	4,000	4,045
	<u>28,039</u>	<u>32,373</u>	<u>31,805</u>

### (b) Key Management Personnel (KMP) Compensation Disclosure

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

	2019 Actual	2018 Actual
	\$	\$
Short-term employee benefits	336,214	383,804
Post-employment benefits	34,100	67,215
Other long-term benefits	105,077	65,660
	<u>475,391</u>	<u>516,679</u>

#### *Short-term employee benefits*

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

#### *Post-employment benefits*

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

#### *Other long-term benefits*

These amounts represent annual leave and long service leave benefits accruing during the year.

#### *Termination benefits*

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

## 17. RELATED PARTY TRANSACTIONS (Continued)

### (c) Transactions with related parties

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

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

The following transactions occurred with related parties:	2019 Actual	2018 Actual
	\$	\$
Purchase of goods and services - Other related parties	\$ 332,292	68,198

### 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.

KMP were employed by the Shire under normal employment terms and conditions.

#### ii. Other Related Parties

Any entity that is controlled by or over which KMP, or close family members of KMP have authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly are considered parties in relation to the Shire."

#### iii. Entities subject to significant influence by the Shire

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

## 18 JOINT ARRANGEMENTS

In 2003/04, Council, in conjunction with the Housing Authority (previously Homewest), entered into a Joint Venture Housing Agreement to construct 3 x 2 bedroom Young Singles and Childless Couples' units on Lot 1, Pyrites Street on Deposited Plan 33835 in Westonia. The terms of the joint arrangement estimated for council to contribute \$28,250 in Land Costs and \$70,000 in cash contribution and construction costs out of a total estimated project cost of \$406,922 which equated to an estimated equity of 24.14%. The actual costs borne by the Council were \$48,508 in land and siteworks, \$60,000 in cash contribution and \$5,786 for additional amenities and landscaping out of a total GST inclusive project cost of \$467,056, which equated to an actual equity of 24.47%. In 2007/2008 Council constructed a patio for the cost of \$8,876 and in 2009/10 a carport for \$9,023.

The agreement with the Housing Authority (previously Homeswest) represents a joint operation and requires the Shire to account for its share of the assets and related liabilities as well as the Shires' share of all expenses and revenue relating to the arrangement. Fair Value assessment of the property was undertaken in 2016/17 along with all other Council Land and Building Assets. The amount shown below is 24.47% of the fair value of \$316,000 and is included in Note 7.

The initial term of the agreement is 25 years, expiring on 28 April 2028.

### Statement of Financial Position

Land and Building

Less- accumulated depreciation

### Statement of comprehensive income

Housing revenue

Housing expenditure

Net result for the period

### Total comprehensive income for the period

	2019	2018
	\$	\$
Land and Building	77,325	77,325
Less- accumulated depreciation	(3,866)	(1,933)
	<u>73,459</u>	<u>75,392</u>
Housing revenue	13,260	13,260
Housing expenditure	(9,980)	(6,254)
Net result for the period	<u>3,280</u>	<u>7,006</u>
Total comprehensive income for the period	3,280	7,006

## 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. 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.

### 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.

## 19. MAJOR LAND TRANSACTIONS

No Major Land Transactions were undertaken in the 2018/19 Financial Year

## 20. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

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

## 21. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	Opening	Received <sup>(2)</sup>	Expended <sup>(3)</sup>	Closing	Received <sup>(2)</sup>	Expended <sup>(3)</sup>	Closing
	Balance <sup>(1)</sup>			Balance <sup>(1)</sup>			Balance
	1/07/17	2017/18	2017/18	30/06/18	2018/19	2018/19	30/06/19
	\$	\$	\$	\$	\$	\$	\$
<b>Law, order, public safety</b>							
FESA Grant - Operating Bush Fire		23,625	(23,625)	0	26,912	(26,912)	0
Ramelious MOU Emergency Services		13,636	(13,636)	0	13,636	(13,636)	0
<b>Recreation and culture</b>							
Stronger Communities				0	11,363	(11,363)	0
<b>Transport</b>							
Main Roads - Specific		278,000	(278,000)	0			0
Roads to Recovery		466,479	(466,479)	0	275,243	(275,243)	0
<b>Economic services</b>							
Ramelius MOU 33%		23,031	(23,031)	0	14,143	(14,143)	0
Ramelious MOU WPA 67%		46,759	(46,759)	0	28,714	(28,714)	0
NRM - Grant Funds				0	24,624	(24,624)	0
<b>Total</b>	<b>0</b>	<b>851,530</b>	<b>(851,530)</b>	<b>0</b>	<b>394,635</b>	<b>(394,635)</b>	<b>0</b>

**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.

**21. RATING INFORMATION (Continued)**

**(b) Specified Area Rate**

No specified area rates were imposed by the Shire during the year ended 2019.

**(b) Service Charges**

No service charges were imposed by the Shire during the year ended 2019.

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

No discount on Rates is available.

## 21. RATING INFORMATION (Continued)

### (b) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
<b>Option one</b>				
Single full payment	3/09/2018	0	0.00%	11.00%
<b>Option two</b>				
First instalment	3/09/2018	10	5.50%	11.00%
Second instalment	11/01/2019	10	5.50%	11.00%
<b>Option three</b>				
First instalment	3/09/2018	10	5.50%	11.00%
Second instalment	7/11/2018	10	5.50%	11.00%
Third instalment	11/01/2019	10	5.50%	11.00%
Fourth instalment	13/03/2019	10	5.50%	11.00%

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Interest on unpaid rates			
Interest on instalment plan	2,809	3,500	3,505
Charges on instalment plan	2,597	2,000	2,915
	5,406	5,500	6,420



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22. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	2018/19 Actual Rateable Value \$	2018/19 Actual Rate Revenue \$	2018/19 Actual Interim Rates \$	2018/19 Actual Back Rates \$	2018/19 Actual Total Revenue \$	2018/19 Budget Rate Revenue \$	2018/19 Budget Interim Rate \$	2018/19 Budget Back Rate \$	2018/19 Budget Total Revenue \$	2017/18 Actual Total Revenue \$
<b>Differential general rate / general rate</b>												
<b>Gross rental valuations</b>												
GRV- Residential	0.068641	51	700,388	48,075	0	0	48,075	43,026	0	0	43,026	41,169
GRV- Mining	0.195194	2	1,591,500	310,651	0	0	310,651	254,884	0	0	254,884	242,780
<b>Unimproved valuations</b>												
UV - Rural/Pastoral	0.014677	131	42,187,506	619,186	0	0	619,186	622,818	0	0	622,818	592,874
UV - Mining	0.014677	6	137,939	2,025	716	0	2,741	2,162	0	0	2,162	2,206
<b>Sub-Total</b>		190	44,617,333	979,937	716	0	980,653	922,890	0	0	922,890	879,029
<b>Minimum payment</b>												
<b>Gross rental valuations</b>												
GRV- Residential	355	14	14,001	4,970	0	0	4,970	5,680	0	0	5,680	6,035
<b>Unimproved valuations</b>												
UV - Rural/Pastoral	355	18	211,194	6,390	0	0	6,390	6,390	0	0	6,390	6,390
UV - Mining	200	9	37,311	1,800	0	0	1,800	1,800	0	0	1,800	1,600
<b>Sub-Total</b>		41	262,506	13,160	0	0	13,160	13,870	0	0	13,870	14,025
<b>Total amount raised from general rate</b>		231	44,879,839	993,097	716	0	993,813	936,760	0	0	936,760	893,054
Ex-gratia rates							4,383				4,530	4,866
<b>Totals</b>							998,196				941,290	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.

## 22. RATE SETTING STATEMENT INFORMATION

	2018/19 (30 June 2019 Carried Forward)	2018/19 Budget (30 June 2019 Carried Forward)	2018/19 (1 July 2018 Brought Forward)
Note	\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>			
<p>The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i>.</p>			
<b>Adjustments to operating activities</b>			
Less: Profit on asset disposals	9(a) (27,311)	(8,648)	(8,782)
Movement in employee benefit provisions (non-current)	(14,301)	0	13,283
Add: Loss on disposal of assets	9(a) 18,318	2,919	19,048
Add: Depreciation on assets	9(b) 1,223,933	1,912,840	1,701,220
<b>Non cash amounts excluded from operating activities</b>	<b>1,200,639</b>	<b>1,907,111</b>	<b>1,724,769</b>
<b>(b) Surplus/(deficit) after imposition of general rates</b>			
<p>The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.</p>			
<b>Adjustments to net current assets</b>			
Less: Reserves - restricted cash	3 (881,139)	(879,883)	(615,083)
Less: Loans receivable - clubs/institutions	(13,666)	(4,633)	(13,666)
Less: Borrowings	12(a) 71,431	81,788	70,372
<b>Total adjustments to net current assets</b>	<b>(823,374)</b>	<b>(802,728)</b>	<b>(558,377)</b>
<b>Net current assets used in the Rate Setting Statement</b>			
Total current assets	3,088,286	1,345,352	2,097,730
Less: Total current liabilities	(404,599)	(337,587)	(464,931)
Less: Total adjustments to net current assets	(823,374)	(802,728)	(558,377)
<b>Net current assets used in the Rate Setting Statement</b>	<b>1,860,313</b>	<b>205,037</b>	<b>1,074,422</b>

## 23. FINANCIAL RISK MANAGEMENT

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

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

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

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

### (a) Interest rate risk

#### Cash and cash equivalents

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
<b>2019</b>					
Cash and cash equivalents	0.70%	2,913,735	955,173	1,958,562	0
<b>2018</b>					
Cash and cash equivalents	0.79%	1,991,295	615,083	1,376,212	0

#### Sensitivity

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

	2019	2018
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	19,586	13,762

\* Holding all other variables constant

#### Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 12(b).

## 23. FINANCIAL RISK MANAGEMENT (Continued)

### (b) Credit risk

#### Trade Receivables

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

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

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

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

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2018 or 1 July 2019 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors. There are no material receivables that have been subject to a re-negotiation of repayment terms.

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

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
<b>30 June 2019</b>					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	0	0	4,111	0	4,111
Loss allowance	0	0	0	0	0

#### 01 July 2018

Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	6,267	4,110	0	0	10,377
Loss allowance	0	0	0	0	0

The loss allowance as at 30 June 2019 and 1 July 2018 (on adoption of AASB 9) was determined as follows for sundry receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
<b>30 June 2019</b>					
Sundry Receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	134,931	0	0	7,711	142,642
Loss allowance	0	0	0	0	0

#### 01 July 2018

Sundry Receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	67,742	0	0	3,351	71,093
Loss allowance	0	0	0	0	0

## 23. FINANCIAL RISK MANAGEMENT (Continued)

### (c) Liquidity risk

#### Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 12(c).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<b>2019</b>					
Payables	154,326	0	0	154,326	154,326
Borrowings	79,084	10,839	0	89,923	81,788
	233,410	10,839	0	244,249	236,114
<b>2018</b>					
Payables	267,191	0	0	267,191	267,191
Borrowings	79,084	89,924	0	169,008	155,614
	346,275	89,924	0	436,199	422,805

## 24. TRUST FUNDS

There are no funds held at the balance date which are required to be held in the trust fund.

In previous years, bonds and deposits were held as trust monies. They are now included in Restricted cash at Note 3 and shown as a current liability at Note 12.

	1 July 2018	Amounts Received	Amounts Paid	Reclassification to Restricted Cash	30 June 2019
	\$	\$	\$	\$	\$
Police Licensing	(6,738)	134,202	(134,476)	7,011	0
BCITF Training Levy - Now CTF Levy	411	593	(1,004)	0	0
BRB Building Levy - Now BSL Levy	67	190	(257)	0	0
Nomination Deposits	0	0	0	0	0
Bonds	1,820	161	0	(1,981)	0
George Rd Water Extensions	20,545	9	0	(20,554)	0
St John's Westonia	2,047	1	0	(2,048)	0
Westonia Sports Council	122	1	0	(123)	0
Westonia Progress Association	3,135	1	0	(3,136)	0
Accommodation Units	2,900	1	0	(2,901)	0
WEIRA - Booderockin Water Scheme	646	0	0	(646)	0
Warralakin Hall	171	1	0	(171)	0
Social Club	2,903	1,462	0	(4,365)	0
Walgoolan History Group	12,065	5	0	(12,070)	0
Community Project	1,000	0	0	(1,000)	0
Rural Youth	4,637	2	0	(4,639)	0
Westonia P & C	909	0	0	(909)	0
LGMA - Receipts	5,382	1,018	(1,751)	(4,649)	0
Donations J Townrow	3	70		(73)	0
Rates Incentive Prize	1,300	701	(250)	(1,751)	0
Rent Pre Payment	835	0	0	(835)	0
Westonia Historical Society	7,792	2,004	0	(9,796)	0
Cemetery Committee	10,079	1,990	(2,673)	(9,396)	0
	72,031	142,414	(140,411)	(74,034)	0

## 25. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

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

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

### AASB 9 Financial instruments

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

The Shire applied AASB 9 prospectively, with an initial application date of 1 July 2018. The adoption of AASB 9 has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with AASB 9.7.2.15, the Shire has not restated the comparative information which continues to be reported under AASB 139. There were no adjustments as a result of adopting AASB9.

#### (a) Classification and measurement

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

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

## 25. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS (Continued)

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

- Trade receivables and Loans and advances (i.e. Other debtors) classified as Loans and receivables as at 30 June 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Financial assets at amortised cost beginning 1 July 2018.
- The Shire did not designate any financial assets as at fair value through profit and loss.

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

AASB 139 category	AASB 139 value	[AASB 9 category] Amortised cost	Fair value through OCI	Fair value through P/L
	\$	\$	\$	\$
<b>Loans and receivables</b>				
Trade receivables*	118,576	118,576	0	0
	118,576	118,576	0	0

### (b) Impairment

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



## 26 PRIOR PERIOD ERROR

### (a) Correction of Prior Period Error

The error relates to the value of the property shown in the Joint Arrangement (see Note 18) with the Housing Authority that was incorrectly shown at 100% of the value instead of the Shire's portion of 24.47% when the property was revalued in 2017.

The error has been corrected by restating each of the financial statement line items for the prior periods as outlined in the table above.

The Shire has retrospectively adjusted prior year balances by restating each of the affected financial statement line items for the prior periods as outlined in the table below:

Statement of Financial Position (Extract)	30 June 2018	Correction	Correction	30 June 2018	30 June 2017	Correction	01 July 2017
	(Previously Reported)	of Error Increase/ (Decrease) 2017	of Error Increase/ (Decrease) 2018	(Restated)	(Previously Reported)	of Error Increase/ (Decrease)	(Restated)
	\$		\$	\$	\$	\$	\$
Property, plant and equipment	12,534,305	(238,675)	5,967	12,301,597	12,360,396	(238,675)	12,121,721
Net assets	52,867,284	(238,675)	5,967	52,634,576	129,145,545	(238,675)	128,906,870
Revaluation Surplus	35,646,572	(238,675)	0	35,407,897	112,323,608	(238,675)	112,084,933
Retained earnings	16,605,629	0	5,967	16,611,596	16,204,404	0	16,204,404
Total equity	52,867,284	(238,675)	5,967	52,634,576	129,145,545	(238,675)	128,906,870

Statement of Comprehensive Income (Extract)	2018	(Decrease)	(Restated)
	\$	\$	\$
<i>By Nature or Type</i>			
Depreciation	(1,707,187)	5,967	(1,701,220)
<i>By program</i>			
<b>Expenses</b>			
Governance	(283,406)	0	(283,406)
General purpose funding	(44,867)	0	(44,867)
Law, order, public safety	(81,910)	0	(81,910)
Health	(30,191)	0	(30,191)
Education and welfare	(69,694)	0	(69,694)
Housing	(131,992)	5,967	(126,025)
Community amenities	(103,346)	0	(103,346)
Recreation and culture	(649,906)	0	(649,906)
Transport	(1,472,302)	0	(1,472,302)
Economic services	(327,348)	0	(327,348)
Other property and services	74,650	0	74,650
Net result for the period	(1,707,187)	5967	(1,701,220)
<b>Total comprehensive income for the period</b>	<b>(1,707,187)</b>	<b>5967</b>	<b>(1,701,220)</b>

## 27 CHANGE IN ACCOUNTING POLICY

On 1 July 2018 Paragraph 17A (5) was inserted into Local Government (Financial Management) Regulations 1996

The regulation stated an asset is to be excluded from the assets of a local government if the fair value of the asset at the date of acquisition by the local government is under \$5 000.

To comply with the change in regulation and the Accounting Standards, the Shire has made a voluntary change in accounting policy to remove all assets acquired below \$5,000 from the assets of the Shire.

The total carrying amount of assets identified was \$18,264 which the Shire has deemed to be immaterial, as such the Shire did not retrospectively apply the change in accounting policy and has not restated comparative figures.

These assets have been disposed from the Shire's assets in the current period, see Note 9(a) for further detail of these asset disposals.

## 28 NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE YEARS

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

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

The Shire is in the process of assessing the impact of these standards.

### (a) Revenue from Contracts with Customers

The Shire will adopt AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income for Not for Profit Entities* (issued December 2014) on 1 July 2019 resulting in changes in accounting policies.

In accordance with the transition provisions AASB 15, the Shire will adopt the new rules retrospectively with the cumulative effect of initially applying these rules recognised on 1 July 2019.

AASB 15 introduces a five step process for revenue recognition with the core principle of the new Standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services as performance obligations have been met as specified in the contracts with customers.

### (b) Leases

The Shire will adopt AASB 16 from 1 July 2019 resulting in changes in accounting policies. In accordance with the transition provisions of AASB 16, the Shire will apply this Standard to its leases retrospectively, with the cumulative effect of initially applying AASB 16 recognised on 1 July 2019.

AASB 16 will cause the majority of leases of an entity to be brought onto the statement of financial position. There are limited exceptions relating to short term leases and low value assets which may remain off balance sheet. The calculation of the lease liability will take into account appropriate discount rates, assumptions about lease term and increases in lease payments.

A corresponding right to use asset will be recognised which will be amortised over the term of the lease. Rent expenses will no longer be shown, the profit and loss impact of the leases will be through amortisation and interest charges.

## 28. 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.

## 29. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
<b>GOVERNANCE</b> 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.
<b>GENERAL PURPOSE FUNDING</b> To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
<b>LAW, ORDER, PUBLIC SAFETY</b> 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.
<b>HEALTH</b> 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.
<b>EDUCATION AND WELFARE</b> 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.
<b>HOUSING</b> To provide and maintain elderly residents housing.	Provision and maintenance of elderly residents housing.
<b>COMMUNITY AMENITIES</b> 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.
<b>RECREATION AND CULTURE</b> 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.
<b>TRANSPORT</b> 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.
<b>ECONOMIC SERVICES</b> 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.
<b>OTHER PROPERTY AND SERVICES</b> To monitor and control Shire's overheads operating accounts.	Private works operation, plant repair and operation costs and engineering operation costs.

### 30. FINANCIAL RATIOS

	2019 Actual	2018 Actual Restated	2017 Actual Restated
Current ratio	7.12	4.09	3.00
Asset consumption ratio	0.94	0.96	0.97
Asset renewal funding ratio	0.59	1.60	1.34
Asset sustainability ratio	0.76	0.97	1.63
Debt service cover ratio	20.02	13.13	15.45
Operating surplus ratio	0.23	(0.27)	0.09
Own source revenue coverage ratio	0.59	0.41	0.38

The above ratios are calculated as follows:

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



## Auditor General

### INDEPENDENT AUDITOR'S REPORT

To the Councillors of the Shire of Westonia

Report on the Audit of the Financial Report

#### **Opinion**

I have audited the annual financial report of the Shire of Westonia which comprises the Statement of Financial Position as at 30 June 2019, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Chief Executive Officer.

In my opinion the annual financial report of the Shire of Westonia:

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

#### **Basis for Opinion**

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Shire in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the annual financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Emphasis of Matter – Basis of Accounting**

I draw attention to Note 1 to the annual financial report, which describes the basis of accounting. The annual financial report has been prepared for the purpose of fulfilling the Shire's annual financial reporting responsibilities under the Act. Regulation 16 of the Local Government (Financial Management) Regulations 1996, does not allow a local government to recognise some categories of land, including land under roads, as assets in the annual financial report. My opinion is not modified in respect of this matter.

#### **Responsibilities of the Chief Executive Officer and Council for the Financial Report**

The Chief Executive Officer (CEO) of the Shire is responsible for the preparation and fair presentation of the annual financial report in accordance with the requirements of the Act, the Regulations and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards. The CEO is also responsible for such internal control as the CEO determines is necessary to enable the preparation of an annual financial report that is free from material misstatement, whether due to fraud or error.

In preparing the annual financial report, the CEO is responsible for assessing the Shire's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the State government has made decisions affecting the continued existence of the Shire.

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

***Auditor's Responsibility for the Audit of the Financial Report***

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

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

- Identify and assess the risks of material misstatement of the annual 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 my 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 CEO.
- Conclude on the appropriateness of the CEO's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Shire's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the annual financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report, as we cannot predict future events or conditions that may have an impact.
- Evaluate the overall presentation, structure and content of the annual financial report, including the disclosures, and whether the annual financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Council and the CEO regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

**Report on Other Legal and Regulatory Requirements**

In accordance with the Local Government (Audit) Regulations 1996 I report that:

- (i) All required information and explanations were obtained by me.
- (ii) All audit procedures were satisfactorily completed.
- (iii) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

**Other Matter**

The annual financial report of the Shire for the year ended 30 June 2018 was audited by another auditor who expressed an unmodified opinion on that annual financial report. The financial ratios for 2017 and 2018 in Note 33 of the audited annual financial report were included in the audited annual financial report for those years.

**Matters Relating to the Electronic Publication of the Audited Financial Report**

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



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12 December 2019