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# SHIRE PRESIDENT'S REPORT

It is with mixed emotions that I present my report on the activities of the Shire of Mingenew for the 2016/17 financial year as this will be my final report before I step down from Council in October 2017. While it was a challenging year with an Organisational Review carried out in the second half of the financial year, the Shire is continually focussed on consolidating its financial position. This will ensure the Shire has the capacity to deliver community services and undertake projects of significance in future years to come. The Organisational Review was part of this process, as were the decisions to look at our current levels of service delivery, discretionary expenditure, refinance our old loans and review our insurance coverage, which have all resulted in favourable outcomes for the Shire and will assist the Council to remain sustainable in future years.

## **Road Program**

Council continued to deliver a comprehensive road maintenance and construction program throughout the year with \$833,779 spent on capital road works. Council delivered these projects on time and on budget, demonstrating the depth of skill and expertise within its workforce.

Some of the highlights of the road projects completed during the year included;

- 3.8km gravel sheeting on Depot Hill North Road including 1km of new seal
- 3km of widening and seal on the Mingenew Mullewa Road
- 5.5km gravel sheeting on Yandanooka Melara Road
- 2km gravel sheeting on Mooriary Road

These projects are major roads within the Shire that link visitors and residents to the region, enabling tourism and, importantly, supporting our agricultural industry and Council remains committed to maintaining and improving the road network within the Shire.

## **Independent Living Units**

The construction of the two new 2 bedroom/2 bathroom independent units on King Street is nearing completion. The two new units are being constructed beside the existing four units on the same street. Expressions of interest will now be called for eligible persons to move into the units, which we anticipate will be at the beginning of January 2018. The construction of the two independent living units was made possible by WA Country Health Services who provided \$435,000 towards the project.

## **Community Services**

The Shire is pleased to continue supporting various programs and initiatives in which Council see as providing a valuable service to our community members. The Council have been fortunate to maintain the services of Midwest Aero Medical Services for the provision of a visiting medical practitioner who comes to Mingenew on a weekly basis and the medical services continue to be well utilised by our residents. 2016/17 saw the introduction of bulk billing at the Medical Centre after the Shire negotiated an agreement with Midwest Aero to offer this service which has been well utilised during the year.

A regular dental service is also provided courtesy of an agreement between the Shire and Karara Mining Ltd and provides another invaluable health service to our community and Council are keen to pursue opportunities to work with other industry partners that will result in the provision of further services that can be well utilised by our community.



## **Finance**

Council is now in a solid financial position and was able to consolidate its financial position considerably during the financial year. The highlights of the 2016/17 financial year were Council's ability to improve its cash position while managing to reduce debt by \$95,904, increase cash reserves by 28% and maintain our current level of service delivery within the community.

In previous years regional local governments have been very fortunate to benefit greatly from the Country Local Government Fund, an initiative established through the Royalties for Regions program. Now that the Royalties for Regions funding has reduced significantly it is essential that Council explore new funding opportunities to continue to enhance the economic and social activities in our community. Working closely with our potential partners and stakeholders, Council are confident that new funding opportunities will be generated to allow our services and infrastructure to be maintained and grown within our community.

Council continues to work closely with our current and future partners and stakeholders to grow these relations with key stakeholders such as Main Roads, Mid West Development Commission, Department of Sport & Recreation, Lotterywest and other key funding bodies to enable the Shire to secure funding to implement the future infrastructure needs of our community as outlined within the Community Strategic Plan.

## **Volunteers**

Once again I would like to express my deepest gratitude to all our volunteers. The Mingenew community is privileged to have the quality of volunteers we have and the hard work put in by a range of community members is a testament to the number of quality services and events resulting from your efforts within the community.

## **Councillors & Staff**

To our dedicated Councillors and Shire staff, thank you very much for your support and efforts during the year as we continue to work together in making a positive difference to our Community.

## **Thank You & Farewell**

Finally, I would like to thank everyone for allowing me the opportunity to represent our wonderful community as your elected member for the past 18 years. It has been an interesting, challenging at times, yet rewarding and satisfying experience to see the changes and projects that have been implemented in my time on Council. Everyone has contributed in their own way along the way and for that I thank you all. To all future Councillors and Staff I wish you all the very best in the years to come and look forward to you all carrying on the good work.

**Michelle Bagley**  
Shire President



We'll see you in Mingenew!



It is with great pleasure that I report on the Shire's activities for the 2016/17 financial year. This year was a challenging, yet satisfying one as the Shire successfully managed to consolidate our financial position. Moving forward it is important that the Shire continues to manage our financial resources well and the Shire needs to explore other avenues to generate income, as well as managing our efficiencies to allow us to provide opportunities to sustain and grow our community. Below is a summary of the 2016/17 financial year.

### Finance

The Shire of Mingenew had a Total Operating Revenue of \$5.371m (including operating and capital grants) for the 2016/17 financial year. A total of 29% (\$1.558m) of the Shire's revenue for 2016/17 was Non-Operating Grants which helped to fund a number of key capital projects. Operating Grants and Contributions account for 21% of total revenue, while Rates (33%) and Fees & Charges (5%) are also significant contributing factors to the total revenue figure. The remaining revenue comes from interest received and other miscellaneous services carried out by the Shire and during the financial year. There was a total of 12% (\$657k) of revenue made up of Reimbursements & Other Income. This amount was predominately made up of police licensing (\$544k).

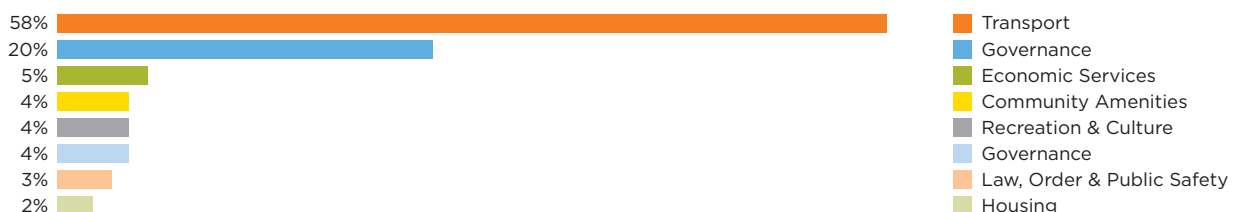
The revenue generated by the Shire is spent providing infrastructure and services for the community. The Shire provides many services including maintaining and improving roads, parks and gardens, leisure services, and other community projects. A significant amount of the Shire's resources (78%) are spent on maintaining road infrastructure and the provision of recreation services.

When comparing the breakdown of these costs by nature and type a massive 43% of all operating expenditure is attributed to depreciation charges. Depreciation is a non cash item and is attributed to the Shire having in excess of \$40m worth of assets, of which 65% is attributed to the Shire's road network and other related infrastructure whilst the remaining 29% is Property Plant & Equipment. Other significant expenditure includes Employee Costs (22%), Materials & Contracts (14%) and Other Expenditure (13%). As with Revenue, the majority of these Other Expenditure costs are attributed to police licensing costs.

### Revenue



### Expenditure by Program



### Expenditure by Nature



## CHIEF EXECUTIVE OFFICER'S REPORT continued

In addition to the normal operating activities a number of significant capital works projects were undertaken during the 2016/17 financial year to the value of \$1.27m. Some of this year's capital works highlights include:

<b>Transport</b>	
Mingenew Mullewa Road – 3km Widen & Reseal	\$346,525
Depot Hill North Road – 3.8km Gravel Sheeting & 1km Bitumen Seal	\$154,149
Yandanooka Melara Road – 5.5km Gravel Sheeting	\$158,716
Depot Hill Road – 3.8km Reseal	\$84,717
Mooriary Road – 2.5km Gravel Sheeting	\$55,651
<b>Land &amp; Buildings</b>	
Independent Living Units	\$226,467
<b>Recreation &amp; Culture</b>	
Hockey Oval Lights	\$35,000

### Reserve Funds

During the year we were able to continue to replenish our reserve accounts. This will assist the Shire to fund major projects and plant and equipment purchases in the future. As at 30 June 2017 the balance in the Reserve Accounts was \$396,475 and comprised as listed below:

Reserve	Balance
Land & Building Reserve	\$58,767
Sportsground Improvement Reserve	\$2,725
Plant Replacement Reserve	\$148,058
Accrued Leave Reserve	\$64,065
Aged Persons Units Reserve	\$20,229
Economic Development & Marketing Reserve	\$18,718
Environmental Rehabilitation Reserve	\$18,001
Industrial Area Development Reserve	\$5,286
RTC/PO/NAB Reserve	\$20,382
Insurance Reserve	\$40,244
<b>TOTAL</b>	<b>\$396,475</b>

The above represents an increase of 28% from reserves held of \$308,617 at 30 June 2016. The Shire will continue to make a concerted effort to improve our cash reserves for the provision of future acquisitions and proposed developments.



### **Loan Liability**

As at 30 June 2017, the outstanding principal on all loans was \$791,276 which represents a significant reduction in debt from the outstanding balance of \$887,180 at the end of the last financial year. During the 2016/17 financial year Council also resolved to refinance our existing 11 loans into 1 loan. This decision will not only result in a saving of \$50,379 (after early payout penalties of \$75,183) but also mean that the Shire will be debt-free at the end of the 2022/23 financial year as opposed to paying out all previous loans in the 2029/30 financial year as was previously the situation.

### **Annual Audit**

The annual audit was successfully completed for the 2016/17 financial year and a copy of the report is included within this Annual Report. The audit process went very smoothly and there were no material findings noted within the Auditors Report, which is a credit to all those involved throughout the process.

### **Staff Restructure**

As most of you would be aware the Shire completed an Organisation Restructure in April 2017. The restructure came as the result of reviewing our current levels of service delivery and the staff structure of the organisation to look at ways of maintaining and increasing the current levels of service delivery and meeting the demands of increasing compliance within the organisation. The purpose of the Shire's Organisational Restructure review was to address the gaps identified and to enhance the Shire's sustainability into the future.

Some of the highlights of the Restructure being;

- Levels of service have been maintained and in some cases improved
- Our salaries budget was reduced by more than 25% meaning that our forecast salaries budget in 2022/23 will be the same as our budgeted salaries budget were in the 2016/17 financial year
- Forecast savings well in excess of \$1m for the next 7 year period
- Cost savings were made across the organisation by reviewing our current work practices
- The Shire is able to address our Asset Management and Workforce Plans as well as addressing other compliance matters with the appointment of a Governance Officer
- The Shire is now much better positioned to remain a sustainable organisation in the years ahead

While there was a cost involved with the restructure of \$122,875 in the 2016/17 financial year, these costs will be recouped in full as a result of the restructure in the 2017/18 financial year and these cost savings will flow into future years with the savings conservatively forecast to be in excess of \$1m in the next 7 year period.

### **Strategic Direction**

The Shire's Strategic Plan, Long-Term Financial Plan and Asset Management Plan will be the key focus for further development and community consultation over the next 12 months. A series of workshops will be held in the 2017/18 financial year to gather input into the Shire's Community Strategic Plan, which will assist the Shire in striving to meet the community's hopes and aspirations into the future.



## CHIEF EXECUTIVE OFFICER'S REPORT continued

### WANDRRA

The Shire of Mingenew, along with other shires in the Mid West region, was declared as an affected Shire in the storm events that took place in January/February 2017 under the Western Australian Natural Disaster Relief and Recovery Arrangements (WANDRRA). As a result, the Shire engaged an independent engineer to undertake a review of the road network and make a submission to Main Roads to allow the Shire to complete any restoration works required. The submission has been reviewed and approved by Main Roads and it is likely that works will now commence in the first half of the 2017/18 financial year.

The WANDRRA declaration is a very favourable outcome for the Shire for several reasons;

- The Shire will be reimbursed for all but \$153k of the estimated \$3m damage
- The works will result in significant road infrastructure improvements on the current condition of the affected roads
- The Shire has been authorised to undertake much of the work in-house, and
- The Shire will be well placed to engage local contractors to assist with the restoration works

### Staff

We only have a small team at the Shire and at times we are resource challenged, so I would like to acknowledge the efforts of all inside and outside staff for their efforts during the year as we strive to provide a high level of service for the community.

### Council

Finally, I would like to acknowledge the President, Deputy President and Councillors for their efforts over the past 12 months. The contribution of a Councillor to the Mingenew Community is a significant one and I look forward to continuing our successful working relationship into the future.

I would also like to take this opportunity to acknowledge the efforts of President Michelle Bagley as this will be her final Annual Report before she steps down in October 2017 after 18 years of dedicated service to the Shire of Mingenew.

During her 18 years on Council, Michelle served as a Councillor when first elected to Council in 1999 before stepping into the Deputy President role in 2003 for a period of two years. Following this, Michelle has been the President of the Shire of Mingenew for 12 consecutive years since 2005. During this time Michelle has served on many Council Committees and has been influential in obtaining regional support for many infrastructure projects that have benefited Mingenew.

Thank you, Michelle, your efforts and dedication to the Mingenew community for the past 18 years on Council are greatly appreciated and you will be missed.

### Martin Whitely

Chief Executive Officer







# COUNCILLORS & STAFF



**Shire President**  
Michelle Bagley



**Deputy President**  
Helen Newton  
(July 2016 – May 2017)



**Deputy President  
Councillor**  
Gary Cosgrove  
(May 2017 – June 2017)



**Councillor**  
Crispian Lucken



**Councillor**  
Marguerite Pearce  
(July 2016 – May 2017)



**Councillor**  
Karl Criddle



**Councillor**  
Leah Eardley



## Administration Staff

Chief Executive Officer	Martin Whitely
Finance Manager	Durga Ojha
Governance Officer	Belinda Bow
Community Development Officer	Ella Budrikis
Records Officer	Vacant
Cleaner	Stephanie Lucken
Trainee	Sarah Kempton

## Road Construction & Maintenance Crew

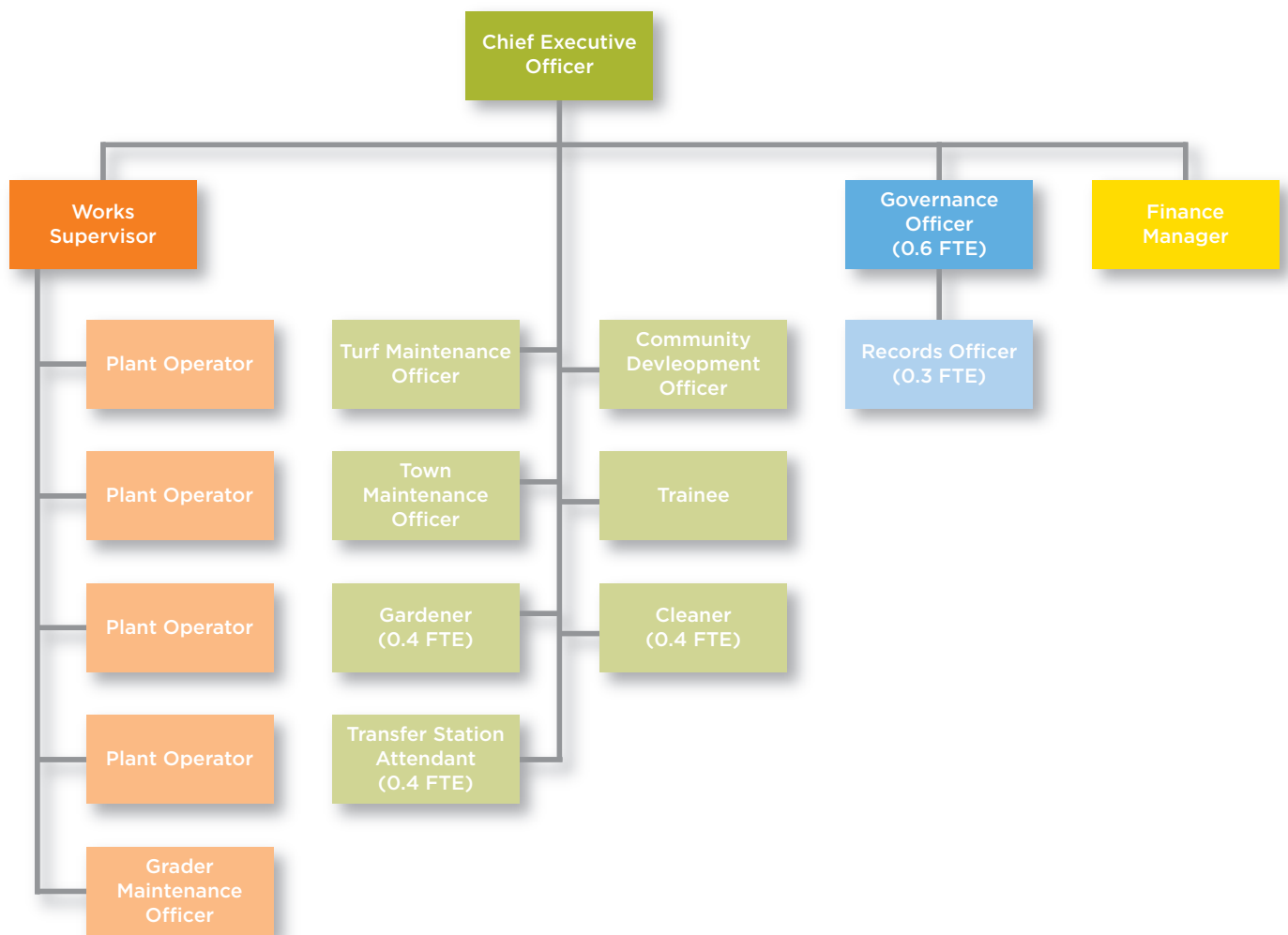
Works Supervisor	Rocky Brennan
Maintenance Grader Operator	Noel Page
Plant Operator	Edward Brennan
Plant Operator	Brady Brennan
Plant Operator	Phillip Greaves
Plant Operator	Rod Beattie

## Town Maintenance Crew

Turf Maintenance Officer	Robert Stephens
Town Maintenance Officer	George Whitecross
Gardener	Clara Eaton



Organisational Chart





# THE 2016/17 YEAR IN REVIEW



Community Day



Movie Night



Mingenew Photo Shoot



Senior of the Year Luncheon



Senior of the Year MM



Skate Jam



Students and Seniors



Shire EXPO Stand





# STRATEGIC COMMUNITY PLAN

## Community Strategic Plan 2013–2023

The Shire of Mingenew Strategic Community Plan reflects a vision for the future and is the principal strategic guide for planning and activities. Based on community engagement, the Shire has set out a vision for the future and captured the community's aspirations and values.

A strategic objective has been developed for each of the four key areas of community interest:

- Economic
- Environmental
- Social
- Civic leadership

Desired outcomes have been determined to achieve each of the four objectives after considering the Shire's current and future resources along with demographic trends.

Strategic plans are only effective if resourced adequately to ensure an outcome. The strategies will be prioritised and actions applied (after an assessment of available resources) through the development of the Corporate Business Plan and subsequently the Annual Budget.

Copies of the Strategic Community Plan 2013–2023 are available from the Shire's Administration Office or on Council's website at [www.mingenew.wa.gov.au](http://www.mingenew.wa.gov.au)

## Objectives & Outcomes

### **Economic** | *To be a diverse and innovative economy with a range of local employment opportunities*

The Shire of Mingenew is fortunate to be supported by one of Western Australia's most productive agricultural regions. The Shire acknowledges the need to proactively stem any population decline and ensure the continued provision of an adequate level of services and infrastructure. The Shire will promote managed growth ensuring Mingenew continues to be recognised as an attractive place to live, work and invest as Council seek to maximise its advantages to secure future economic stability. In addition to supporting existing businesses, the Shire will help facilitate the provision of adequate services to support economic growth and leverage opportunities such as tourism, mining and improved telecommunications.

During the year Council embarked on a branding campaign with the view to increasing awareness of the attractions Mingenew has to offer and promote additional tourism to the region. The Shire is committed to finding new and innovative ways of increasing the number of people travelling through Mingenew and implementing new ideas to attract these visitors to spend time in town and support our local businesses. Council are also committed to supporting a buy local policy and implementing campaigns to encourage local residents to do the same.

During the year we saw the completion of two Recreational Vehicle friendly sites at Yandanooka and Enanty Barn as well as implementing the Midlands Wildflower Route, which resulted in interpretative signage being installed at Yandanooka, Mingenew Town and the Tracking Station. Funds have also been committed to improving the access to Mingenew Hill and making this a tourism attraction in the 2017/18 financial year.

The Shire was fortunate to obtain funding during the year to undertake a historical and interpretative trails project located in the Littlewell Reserve. The project aims to preserve the history of the Littlewell Reserve for the previous residents and future generations as well as sharing these memories with tourists and residents of Mingenew. The project will be completed in the 2017/18 financial year.



Another key aspect identified by the community is the need for improved telecommunications to help support our existing businesses and to enable future business opportunities. During the year a mobile telephone tower was installed in Yandanooka and the Shire is actively pursuing opportunities to improve Mingenew's telecommunications and internet coverage and will continue to lobby state agencies to have new infrastructure implemented within the Mingenew community.

### **Environment** | *A sustainable natural and built environment that meets current and future community needs*

Mingenew is a well presented and appealing town, which the community is proud to be a part of and Council are continuously looking at opportunities to enhance and improve our heritage assets and ancillary infrastructure. Council also remain proactive in looking to implement sustainable work practises in the maintenance and management of the town's environmental assets whilst continuing to acknowledge our cultural and indigenous heritage.

During the year the Shire implemented a Waste Management Plan and are in the process of developing a transfer station at the front entrance to the existing landfill site to allow a designated point for the public to drop off waste without the need for them to access the tip face. The construction of the transfer station will allow for better waste control and public safety at the existing landfill site and support better recycling and the reduction of waste committed to landfill. A strategy to rehabilitate the existing waste site will also be implemented as part of the Shire's environmental management practises.

Council are also committed to maintaining and enhancing the historical infrastructure in Mingenew. During the year a community survey was conducted to measure the enthusiasm for refurbishing the Mingenew Town Hall. There was an overwhelming response from the community to restore the Mingenew Hall, as such Council have been actively pursuing funding opportunities to make this happen. Funds have also been allocated in the 2017/18 Budget to carry out works on the Old Roads Board and Railway Station, and funding will also be sought to carry out similar projects in future years.

Council continued to deliver a comprehensive road maintenance and construction program throughout the year with \$833,779 spent on capital road works. Council delivered these projects on time and on budget, demonstrating the depth of skill and expertise within its workforce.

Some of the highlights of the road projects completed during the year included;

- 3.8km gravel sheeting on Depot Hill North Road including 1km of new seal
- 3km of widening and seal on the Mingenew Mullewa Road
- 5.5km gravel sheeting on Yandanooka Melara Road
- 2km gravel sheeting on Mooriary Road

These projects are major roads within the Shire that link visitors and residents to the region, enabling tourism and, importantly, supporting our agricultural industry and Council remains committed to maintaining and improving the road network within the Shire.



**Social** | *A safe and welcoming community where everyone has the opportunity to contribute and belong*

Mingenew's strength is the strong sense of stewardship held by local residents and businesses. Continuing to support and encourage such a proactive communal spirit will ensure the Town remains an attractive, comfortable and welcoming place to live and visit. Opportunities exist for Mingenew over the next decade to retain and increase the population base, ensuring services and infrastructure are maintained and enhanced. The Shire acknowledges that nurturing this strong sense of community and local pride and maintaining high-quality infrastructure will be vital to Mingenew's future survival.

The Shire is pleased to continue supporting various programs and initiatives which Council see as providing a valuable service to our community members. The Council have been fortunate to maintain the services of Midwest Aero Medical Services for the provision of a visiting medical practitioner who comes to Mingenew on a weekly basis and the medical services continue to be well utilised by our residents. 2016/17 saw the introduction of bulk billing at the Medical Centre after the Shire negotiated an agreement with Midwest Aero Medical Services to offer this service which has been well utilised during the year.

A regular dental service is also provided courtesy of an agreement between the Shire and Karara Mining Ltd and provides another invaluable health service to our community. Council is keen to pursue opportunities to work with other industry partners that will result in the provision of further services that can be well utilised by our community.

The Shire is committed to enhancing the appeal of the Mingenew Community and aims to achieve this by facilitating events, services and activities that encourage a high level of participation and inclusion. The Shire aims to deliver this outcome through their strong linkages and partnerships with the local community groups and clubs and together with the Mingenew Community Resource Centre offers a range of diverse activities to the community. The Shire, together with the Mingenew Community Resource Centre, has worked diligently to provide regular weekly activities and tours for the seniors and these activities will continue to be run throughout the duration of the 2017/18 financial year.

The construction of two 2 bedroom/2 bathroom independent units on King Street is nearing completion. The two new units are being constructed beside the existing four units on the same street. The construction of the two independent living units was made possible by WA Country Health Services who provided \$435,000 towards the project and will assist the Shire in meeting our obligation to the community with the provision of quality housing for our seniors.

Other areas identified under the Community Strategic Plan that have been addressed by the Shire during the year include the provision of youth services, supporting and promoting local traineeships, maintaining our police services, continuing to support and improve our emergency services, providing quality facilities for events and continuing to provide administrative support for event organisations.

## STRATEGIC COMMUNITY PLAN continued



### **Civic Leadership** | *A collaborative and innovative community with strong and vibrant leadership*

Mingenew's volunteers are the backbone of the community and the Shire will continue to encourage young leaders to step up to ensure civic and volunteer leadership remains as robust and proactive in the future as it is today. The Community encourages the Shire to continue to be a respected, professional and trusted organisation and the Shire aims to continue to lead by example and strive to be forward thinking, have strong representation and provide good leadership and planning.

The Mingenew community is privileged to have the quality of volunteers we have and the hard work put in by a range of community members is a testament to the number of quality services and events resulting from their efforts within the community. The Shire will continue to support and recognise our volunteers in the community and encourage new volunteers to help share the burden.

The Shire completed an Organisation Restructure in April 2017. The restructure came as the result of reviewing our current levels of service delivery and the staff structure of the organisation to look at ways of maintaining and increasing the current levels of service delivery and meeting the demands of increasing compliance within the organisation. The purpose of the Shire's Organisational Restructure review was to address the gaps identified and to enhance the Shire's sustainability into the future. While there was a cost involved with the restructure in the 2016/17 financial year, these costs will be recouped in full as a result of the restructure in the 2017/18 financial year and these cost savings will flow into future years with the savings conservatively forecast to be in excess of \$1m in the next seven year period as Council continue to implement strategies to maintain the sustainability of the organisation.



The Shire's Strategic Plan, Long-Term Financial Plan and Asset Management Plan will be the key focus for further development and community consultation over the next 12 months. A series of workshops will be held in the 2017/18 financial year to gather input into the Shire's Community Strategic Plan, which will assist the Shire in striving to meet the community's hopes and aspirations into the future. Council will also be reviewing our Local Laws and Policies & Procedures in the 2017/18 financial year to ensure compliance with the relevant compliance and legislative requirements of the Shire.

Council continues to work closely with our current and future partners and stakeholders to grow these relations with key stakeholders to enable the Shire to secure funding to implement the future infrastructure needs of our community as outlined within the Community Strategic Plan. The Shire will also continue to investigate resource sharing opportunities with our neighbouring Shires as a potential solution to meet our increasing governance requirements and to improve on our levels of service to the community without having to incur exorbitant costs in addressing such needs.







# STATUTORY REPORTING

## Employees Remuneration

For the purpose of Regulation 19B of the Local Government (Administration) Regulations 1996 the following is required to be contained in Council's Annual Report.

The number of employees of the Local Government entitled to an annual salary of \$100,000 or more and the number of those employees with an annual salary entitlement that falls within each band of \$10,000 over \$100,000.

Salary Range	2017	2016
\$140,000 - \$149,999	1	1

## National Competition Policy

In 1995 the Council of Australian Governments entered into a number of agreements, collectively known as the National Competition Policy.

Local government is affected mainly where it operates significant business activities which compete, or could compete, with private sector businesses. Local government will also be affected where local laws unnecessarily affect competition.

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

The Shire of Mingenew is not considered a natural monopoly, nor does it conduct any business activities that can be considered a public monopoly. Therefore the principle of Structural Reform of Public Monopolies does not apply to the Shire of Mingenew.

## Competitive Neutrality

These principles have been designed to ensure that a Local Authority has no unfair advantage over any competitor in the marketplace.

The principles also only apply to business activities that receive more than \$200,000 in annual income, of which the Shire of Mingenew has none, and therefore do not apply the Shire of Mingenew.

## Legislative Review

All Local Governments are required to assess which of their Local Laws might impact on competition and conduct a review of each to determine how any restrictive practices might be overcome.

The Annual Report is to include a statement of which Local Laws have been reviewed, the conclusions of those reviews, and a forward strategy for all Local Laws still to be reviewed. No new Local Laws were created during 2016/17 nor any existing Local Laws reviewed. A comprehensive review of the Shire's local laws will be carried out in the 2017/18 financial year.

### **Freedom of Information**

The Shire of Mingenew has a requirement to comply with the Freedom of Information Act. The Information Statement is published by Council in accordance with the requirements of Section 96 of the Freedom of Information Act 1992 (Western Australia). The Council is pleased to comply with the legislation and welcomes enquiries. A copy of this statement is available from the Shire's Administration Office.

During the 2016/17 financial year no applications were received for information under the terms of this legislation.

### **Record-Keeping Plan**

The State Records Act 2000 requires all government organisations to include in their Annual Report, a statement on that organisation's compliance with its Record-Keeping Plan. Council adopted our Record-Keeping Plan in 2015 and has incorporated the plan within the Shire's day to day operational activities through regular reviews of the plan, regular training and inclusion within each employee's roles and responsibilities. It is a requirement of the Record-Keeping Plan that the effectiveness of the Shire's record-keeping practises are reviewed at least once in every five year period.

### **Public Interest Disclosures**

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

There were no Public Interest Disclosures reported to the Shire of Mingenew during the reporting period.

### **Disability Access and Inclusion Plan**

Under the Disability Services Act 1993, all Western Australian local governments are required to develop and implement a Disability Access and Inclusion Plan (DAIP) addressing six desired outcomes and to be reviewed on an annual basis and reported on to the Disability Services Commission (DSC) by 31 July each year. Council adopted a DAIP in July 2013, reviewed the plan in August 2014 and made an amendment to the plan in May 2016 to include Outcome seven.

The DAIP is now a document for ongoing assessment and implementation of the activities that have been listed.

### **Register of Complaints**

The Shire of Mingenew did not receive any complaints in the 2016/17 financial year and therefore has no entries in the Register of Complaints, as required under section 5.121 of the Local Government Act 1995.

### **Local Laws**

The Local Government Act 1995 requires all existing Local Laws to be reviewed every eight years. A review is now due and will be completed during the 2017/18 financial year.







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

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

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

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

Signed as authorisation of issue on the 16<sup>th</sup> day of OCTOBER 2017

  
\_\_\_\_\_  
Martin Whitely  
Chief Executive Officer



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

	NOTE	2017 \$	2017 Budget \$	2016 \$
<b>Revenue</b>				
Rates	23	1,757,549	1,786,567	1,709,615
Operating grants, subsidies and contributions	30	1,132,003	834,184	462,647
Fees and charges	29	266,510	264,486	270,945
Interest earnings	2(a)	36,577	22,152	34,300
Other revenue	2(a)	615,808	566,000	718,861
		<u>3,808,447</u>	<u>3,473,389</u>	<u>3,196,368</u>
<b>Expenses</b>				
Employee costs		(1,066,022)	(1,017,429)	(930,317)
Materials and contracts		(701,171)	(1,119,309)	(625,411)
Utility charges		(99,315)	(123,768)	(110,352)
Depreciation on non-current assets	2(a)	(2,100,736)	(2,360,651)	(2,370,889)
Interest expenses	2(a)	(121,634)	(54,270)	(60,064)
Insurance expenses		(127,662)	(143,612)	(138,975)
Other expenditure		(611,374)	(649,328)	(609,530)
		<u>(4,827,914)</u>	<u>(5,468,367)</u>	<u>(4,845,538)</u>
		<u>(1,019,468)</u>	<u>(1,994,978)</u>	<u>(1,649,170)</u>
Non-operating grants, subsidies and contributions	30	1,557,937	1,795,921	823,830
Profit on asset disposals	21	5,060	43,000	16,566
(Loss) on asset disposals	21	(5,340)	(6,235)	(8,543)
Fair value adjustments to financial assets at fair value through profit or loss	4	0	0	0
Financial Ratios fair value through profit or loss		0	0	9
		<u>0</u>	<u>0</u>	<u>0</u>
<b>Net result</b>		<b>538,190</b>	<b>(162,292)</b>	<b>(817,295)</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	13	(434,800)	0	(139,829)
<b>Total other comprehensive income</b>		<b>(434,800)</b>	<b>0</b>	<b>(139,829)</b>
<b>Total comprehensive income</b>		<b>103,390</b>	<b>(162,292)</b>	<b>(957,124)</b>

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

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

	NOTE	2017 \$	2017 Budget \$	2016 \$
<b>Revenue</b>	2(a)			
Governance		22,145	7,099	8,718
General purpose funding		2,678,184	2,384,752	2,019,573
Law, order, public safety		31,522	79,070	35,864
Health		2,870	301	436
Education and welfare		2,197	3,745	5,532
Housing		113,631	118,733	108,001
Community amenities		82,713	85,662	160,551
Recreation and culture		57,012	31,619	31,014
Transport		632,685	641,827	641,686
Economic services		6,373	6,824	7,300
Other property and services		179,114	113,757	177,692
		<u>3,808,446</u>	<u>3,473,389</u>	<u>3,196,367</u>
<b>Expenses</b>	2(a)			
Governance		(175,998)	(289,736)	(241,390)
General purpose funding		(63,516)	(88,815)	(54,489)
Law, order, public safety		(135,091)	(170,044)	(116,405)
Health		(66,221)	(75,539)	(88,430)
Education and welfare		(54,768)	(65,336)	(51,739)
Housing		(77,680)	(97,680)	(101,104)
Community amenities		(202,149)	(372,924)	(164,488)
Recreation and culture		(951,002)	(1,116,780)	(990,652)
Transport		(2,748,194)	(2,635,420)	(2,650,701)
Economic services		(248,211)	(395,022)	(210,974)
Other property and services		16,550	(106,801)	(115,102)
		<u>(4,706,280)</u>	<u>(5,414,097)</u>	<u>(4,785,474)</u>
<b>Finance costs</b>	2(a)			
General purpose funding		0	(1,000)	(76)
Education and welfare		(16,063)	(6,424)	(6,659)
Housing		(47,140)	(20,702)	(22,044)
Recreation and culture		(15,421)	(6,167)	(6,393)
Transport		(43,010)	(19,977)	(24,891)
		<u>(121,634)</u>	<u>(54,270)</u>	<u>(60,063)</u>
		<u>(1,019,468)</u>	<u>(1,994,978)</u>	<u>(1,649,170)</u>
Non-operating grants, subsidies and contributions	30	1,557,937	1,795,921	823,830
Profit on disposal of assets	21	5,060	43,000	16,566
(Loss) on disposal of assets	21	(5,340)	(6,233)	(8,543)
<b>Net result</b>		<u><b>538,190</b></u>	<u><b>(162,292)</b></u>	<u><b>(817,304)</b></u>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	13	(434,800)	0	(139,829)
<b>Total other comprehensive income</b>		<u><b>(434,800)</b></u>	<u><b>0</b></u>	<u><b>(139,829)</b></u>
<b>Total comprehensive income</b>		<u><u><b>103,390</b></u></u>	<u><u><b>(162,292)</b></u></u>	<u><u><b>(957,133)</b></u></u>

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

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

	NOTE	2017 \$	2016 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	2,241,222	1,146,578
Trade and other receivables	5	192,197	46,466
Inventories	6	43,591	53,679
<b>TOTAL CURRENT ASSETS</b>		<b>2,477,010</b>	<b>1,246,723</b>
<b>NON-CURRENT ASSETS</b>			
Inventories	6	35,000	50,000
Property, plant and equipment	7	11,659,704	10,380,613
Infrastructure	8	26,203,959	28,726,661
<b>TOTAL NON-CURRENT ASSETS</b>		<b>37,898,663</b>	<b>39,157,274</b>
<b>TOTAL ASSETS</b>		<b>40,375,673</b>	<b>40,403,997</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	318,736	244,106
Current portion of long term borrowings	10	150,775	181,410
Provisions	11	231,014	261,493
<b>TOTAL CURRENT LIABILITIES</b>		<b>700,525</b>	<b>687,009</b>
<b>NON-CURRENT LIABILITIES</b>			
Long term borrowings	10	640,502	705,769
<b>Financial Ratios</b>			9
Long term borrowings	0	0	0
Provisions	11	24,552	10 - 12
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>665,054</b>	<b>705,778</b>
<b>TOTAL LIABILITIES</b>		<b>1,365,579</b>	<b>1,392,787</b>
<b>NET ASSETS</b>		<b>39,010,094</b>	<b>39,011,210</b>
<b>EQUITY</b>			
Retained surplus		28,653,488	28,203,154
Reserves - cash backed	12	396,477	308,621
Revaluation surplus	13	9,960,129	10,394,929
<b>TOTAL EQUITY</b>		<b>39,010,094</b>	<b>38,906,704</b>

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



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

	NOTE	RETAINED SURPLUS \$	CASH/INVESTMENT BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2015</b>		29,057,111	271,968	10,534,758	39,863,837
Comprehensive income					
Net result		(817,304)	0	0	(817,304)
Changes on revaluation of assets	13	0	0	(139,829)	(139,829)
Total comprehensive income		(817,304)	0	(139,829)	(957,133)
Transfers from/(to) reserves		(36,653)	36,653	0	0
<b>Balance as at 30 June 2016</b>		<b>28,203,154</b>	<b>308,621</b>	<b>10,394,929</b>	<b>38,906,704</b>
Comprehensive income					
Net result		538,190	0	0	538,190
Changes on revaluation of assets	13	0	0	(434,800)	(434,800)
Total comprehensive income		538,190	0	(434,800)	103,390
Transfers from/(to) reserves		(87,856)	87,856	0	0
<b>Balance as at 30 June 2017</b>		<b>28,653,488</b>	<b>396,477</b>	<b>9,960,129</b>	<b>39,010,094</b>
Financial Ratios					
<b>Balance as at 30 June 2017</b>		<b>(87,856)</b>	<b>87,856</b>	<b>0</b>	<b>0</b>
			10 - 12		

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

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

	NOTE	2017 Actual \$	2017 Budget \$	2016 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		1,711,326	1,786,567	1,706,991
Operating grants, subsidies and contributions		1,054,081	834,184	515,434
Fees and charges		270,941	264,486	270,945
Interest earnings		36,577	22,152	34,300
Goods and services tax		(26,017)	0	0
Other revenue		615,808	566,000	718,861
		<u>3,662,716</u>	<u>3,473,389</u>	<u>3,246,531</u>
<b>Payments</b>				
Employee costs		(1,140,269)	(1,017,429)	(903,429)
Materials and contracts		(631,989)	(1,088,256)	(782,584)
Utility charges		(99,315)	(123,768)	(110,352)
Interest expenses		(142,294)	(54,270)	(62,730)
Insurance expenses		(127,662)	(143,612)	(138,975)
Goods and services tax		0	0	(4,060)
Other expenditure		(611,374)	(649,328)	(609,533)
		<u>(2,752,903)</u>	<u>(3,076,663)</u>	<u>(2,611,663)</u>
<b>Net cash provided by (used in) operating activities</b>	14(b)	<u>909,813</u>	<u>396,726</u>	<u>634,868</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for development of				
Land held for resale		0	(200,000)	0
Payments for purchase of				
Financial Ratios		0	(200,000)	9
Payments for purchase of				
property, plant & equipment		(735,396)	(1,337,500)	10 - 12
Payments for construction of				
infrastructure		(998,428)	(1,681,362)	13
Non-operating grants, subsidies and contributions		1,557,937	1,795,921	823,830
Proceeds from sale of fixed assets		456,621	447,000	111,364
<b>Net cash provided by (used in) investment activities</b>		<u>280,734</u>	<u>(1,175,941)</u>	<u>935,216</u>
				935,216
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of debentures		(181,409)	(181,409)	(172,462)
Proceeds on re-financing of debentures		85,507	0	0
<b>Net cash provided by (used in) financing activities</b>		<u>(95,902)</u>	<u>(181,409)</u>	<u>(172,462)</u>
<b>Net increase (decrease) in cash held</b>		1,094,645	(960,624)	1,397,622
Cash at beginning of year		1,146,578	1,156,788	1,084,154
<b>Cash and cash equivalents at the end of the year</b>	14(a)	<u>2,241,222</u>	<u>196,164</u>	<u>2,481,776</u>

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



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

	NOTE	2017 Actual \$	2017 Budget \$	2016 Actual \$
<b>Net current assets at start of financial year - surplus/(deficit)</b>		<u>653,606</u>	<u>688,089</u>	<u>505,333</u>
		653,606	688,089	505,333
<b>Revenue from operating activities (excluding rates)</b>				
Governance		22,145	7,099	8,718
General purpose funding		955,293	598,185	343,452
Law, order, public safety		31,522	79,070	35,864
Health		2,870	301	436
Education and welfare		2,197	3,745	5,532
Housing		113,631	118,733	108,001
Community amenities		82,713	85,662	160,551
Recreation and culture		57,012	31,619	31,014
Transport		637,745	684,827	658,252
Economic services		6,373	6,824	7,300
Other property and services		179,114	113,757	177,692
		<u>2,090,615</u>	<u>1,729,822</u>	<u>1,536,812</u>
<b>Expenditure from operating activities</b>				
Governance		(175,998)	(289,736)	(241,390)
General purpose funding		(63,516)	(89,815)	(54,565)
Law, order, public safety		(135,091)	(170,044)	(116,405)
Health		(66,221)	(75,539)	(88,430)
Education and welfare		(70,831)	(71,760)	(58,398)
Housing		(124,820)	(118,382)	(123,148)
Community amenities		(202,149)	(372,924)	(164,488)
Recreation and culture		(966,423)	(1,122,947)	(997,045)
Financial Ratios		(2,796,544)	(2,661,632) 9	(2,684,135)
Recreation and culture		(248,211)	(395,022)	(210,974)
Transport		(2,796,544)	(2,661,632) 10	(2,684,135)
Economic services		(248,211)	(395,022)	(210,974)
Other property and services		16,550	(106,801) #	(115,102)
		<u>(7,878,009)</u>	<u>(8,531,256)</u>	<u>(7,749,189)</u>
<b>Operating activities excluded from budget</b>				
(Profit) on disposal of assets	21	(5,060)	(43,000)	(16,566)
Loss on disposal of assets	21	5,340	6,235	8,543
Movement in employee benefit provisions (non-current)		(49,006)	0	35,651
Depreciation and amortisation on assets	2(a)	2,100,736	2,360,651	2,370,889
<b>Amount attributable to operating activities</b>		<u>(3,081,778)</u>	<u>(3,789,459)</u>	<u>(3,308,527)</u>
			0	
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions		1,557,937	1,795,921	823,830
Proceeds from disposal of assets	21	456,621	447,000	111,364
Purchase of land held for resale		0	(200,000)	0
Purchase of property, plant and equipment	7(b)	(735,396)	(1,337,500)	(216,654)
Purchase and construction of infrastructure	8(b)	(998,428)	(1,681,362)	(1,118,522)
<b>Amount attributable to investing activities</b>		<u>280,734</u>	<u>(975,941)</u>	<u>(399,982)</u>
<b>FINANCING ACTIVITIES</b>				
Repayment of debentures	22(a)	(181,409)	(181,409)	(172,462)
Transfers to reserves (restricted assets)	12	(106,453)	(91,775)	(36,653)
Transfers from reserves (restricted assets)	12	18,597	195,362	0
<b>Amount attributable to financing activities</b>		<u>(183,758)</u>	<u>(77,822)</u>	<u>(209,115)</u>
<b>Surplus(deficiency) before general rates</b>		<u>(2,984,801)</u>	<u>(4,843,222)</u>	<u>(3,917,624)</u>
<b>Total amount raised from general rates</b>	23	<u>1,722,892</u>	<u>1,786,567</u>	<u>1,676,121</u>
<b>Net current assets at June 30 c/fwd - surplus/(deficit)</b>	24	<u><u>(1,261,911)</u></u>	<u><u>(3,056,655)</u></u>	<u><u>(2,241,503)</u></u>

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

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

	2017	2016	2015
<b>FINANCIAL RATIOS</b>			
Current ratio	2.38	1.07	0.75
Asset sustainability ratio	0.83	0.49	1.10
Debt service cover ratio	3.97	3.40	5.33
Operating surplus ratio	(0.39)	(0.60)	(0.32)
Own source revenue coverage ratio	0.54	0.57	0.57

The above ratios are calculated as follows:

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

**Notes:**

10 - 12

Information relating to the **asset consumption ratio** and the **asset renewal funding ratio** 13 can be found at Supplementary Ratio Information on Page 62 of this document.

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

The early payment of the grant increased operating revenue in 2017 by \$309,762.

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

The early payment of the grant increased operating revenue in 2015 and decreased operating revenue in 2016 by \$(300,764).

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

	2017	2016	2015
Current ratio	1.89	1.5	0.8
Debt service cover ratio	2.95	4.69	3.9
Operating surplus ratio	(0.50)	(0.49)	(0.3)





## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SHIRE OF MINGENEW

### Report on the Financial Report

#### Opinion

We have audited the financial report of the Shire of Mingenew, which comprises the statement of financial position as at 30 June 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by the Chief Executive Officer.

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

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

#### Basis for Opinion

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

We are independent of the Shire in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our ethical requirements in accordance with the Code.

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

#### Other Information

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

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

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

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If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Council's Responsibility for the Financial Report**

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

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

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

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

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

- Identify and assess risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Shire's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors.
- Conclude on the appropriateness of Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Shire's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Shire to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

### **Emphasis of Matter**

Without modifying our opinion, we draw attention to page 63 of the financial report "Supplementary Ratio Information", which describes certain ratio information relating to the financial report. Management's calculation of these ratios includes assumptions about future capital expenditure and hence falls outside our audit scope. We do not therefore express an opinion on these ratios.

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

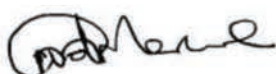
### **Reporting on Other Legal and Regulatory Requirements**

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

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

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

BUTLER SETTINERI (AUDIT) PTY LTD



MARIUS VAN DER MERWE  
Director

Perth

Date: 16 October 2017



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

**RATIO INFORMATION**

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

	2017	2016	2015
Asset consumption ratio	0.63	0.50	0.51
Asset renewal funding ratio	0.39	0.95	0.92

The above ratios are calculated as follows:

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







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