2018/19

ANNUAL REPORT

SHIRE OF MINGENEW

SHIRE OF MINGENEW

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Shire President's Report

We commenced the 2018/19 year with a strong focus on reviewing the Strategic Community Plan. I thank our community members and stakeholders for proactively participating in the various consultation activities that have led to the development of this Plan. It captures well the aspirations and character of the community we are and wish to be. As a result, the Shire of Mingenew Strategic Community Plan (2019–2029) was adopted in May 2019 and further progress is being made to update and implement the various other integrated planning requirements that support the achievement of our strategic objectives.

One initiative that enables us to deliver on the social and economic wellbeing of our community is the introduction of a Community Assistance Scheme. The Community Assistance Scheme was endorsed by Council to provide financial assistance of up to $5,000 to contribute to community events or projects. Round 1 saw funding contributed towards CRC-run activities for seniors, a Historic Walk trail and further cattle static displays by the Mingenew Tourist & Promotions Committee. I look forward to these projects coming to fruition and seeing what the next round brings.

A major capital project undertaken by the Shire, in conjunction with the Mingenew Netball Club, was the replacement of two court surfaces, drainage work and the replacement of lights – completed in early 2019. The project was jointly funded by the Shire, Mingenew Netball Club and the State Government through its Community Sport and Recreation Facilities Fund (CSRFF). A great initiative that facilitates the provision of safe and functional sporting facilities to our local and regional clubs, thereby supporting community wellbeing, sport development and social inclusion.

The Shire's 'We'll see you in Mingenew' marketing campaign has grown significant traction this year, with an increased online and TV presence seeing a global increase in reach. I must acknowledge the efforts of and the support from our local businesses and community groups in contributing to the welcoming environment that adds to the attraction and promotion of our community.

A large portion of the Shire's role is to comply with and enact the requirements of the Local Government Act 1995 (the Act). Changes to the Act have recently been proposed and implemented to create future efficiencies and improve governance at the strategic and operational level, however, this continues to place resourcing pressure on us as a small rural local government. We will continue to advocate for scalable requirements through regional and state collaboration.

In the meantime, Council have also taken a more proactive and participative approach with regard to financial and organisational performance with the establishment of an Audit & Risk Committee.

The Committee has taken an interest in legislative compliance, financial management, risk management, and health and safety, over and above the traditional financial oversight, to ensure Councillors and staff are able to meet its statutory obligations, implement better practice and track performance against our Strategic Community Plan and Corporate Business Plan.

Congratulations and thanks to the CEO, Finance Manager and supporting staff for their work in delivering a clean audit report for the 2018/19 year, in which no adverse findings have been made. With the reduced corporate knowledge and experience within the workforce, it is an applaudable effort.

Whilst continuing to deliver the traditional 'roads, rates and rubbish', Council and staff are continually challenged with trying to prioritise and achieve community aspirations and deliver business efficiencies. I acknowledge the efforts and progress that we have made over the 2018/19 year and am heartened by the dedication and ability of our teams that promises more for 2019/20.

Finally, thank you to my fellow Elected Members; to those staying on after the October Elections, those who have retired in 2019, and newly elected members. Whilst the responsibility and commitment required in the role can be heavy at times, it is certainly a rewarding experience and it is a pleasure to represent such a passionate and active community.

Helen Newton
Shire President

CEO's Report

It's hard to believe that my first year in Mingenew has already come and gone. As with any new role, there has been a reasonable amount of time spent simply getting acclimatised to the organisation and meeting our many local and regional stakeholders. That said, the 2018–19 year saw the Shire embark on a number of important internal and external initiatives.

Our outward-facing projects will be outlined elsewhere in this report, so I wanted to use this chance to highlight some of the internal milestones we have achieved this year. Local Governments often face criticism about staffing levels in their offices, as there is generally a minimal understanding of what actually takes place outside of the interactions we have when people pay a rates notice, change a licence plate or arrange a planning application.

As a sector, we are responsible for the administration of over 50 pieces of State and Federal legislation, and it is ensuring that we meet this compliance and governance framework that generates a significant amount of the workload for our office staff. This is becoming increasingly important as the Office of the Auditor General assumes control of the external audit function for Local Government in WA, and the level of scrutiny that we face grows. Over the past 12 months, significant time and effort has been spent ensuring that our compliance environment will stand up to that scrutiny, that our systems and processes are robust and that we are managing the public resources which sustain us in an accountable and responsible manner. As part of this process, we have:

- Developed and adopted a new Corporate Business Plan (2019–2023) to guide operational activities and key projects for the coming four years.
- Completed the Shire's Disability Access & Inclusion Plan (DAIP).
- Developed a 3-year internal audit plan to improve our internal accountability and operational efficiency.
- Developed a 5-year road construction and maintenance plan to guide future investment in our most significant infrastructure asset.
- Completed a major review of the Shire's Asset Management Plan.
- Significantly progressed the Shire's Local Planning Scheme No. 4 (which should receive ministerial sign-off in late 2019/early 2020).
- Overhauled our Finance and Governance policy frameworks to provide greater clarity to staff, better procedural safeguards in key areas and a higher standard of legislative compliance.

Whilst these things may not be particularly exciting to the outside observer, they all help to ensure that the Shire of Mingenew is soundly managed and satisfies our numerous regulators – many of whom are also significant sources of funding for the Shire.

On the topic of funding, significant time is also spent in the pursuit of grants and other external funding to allow us to complete more projects. 2018–19 saw the Shire awarded almost $900,000 of unmatched funding as part of the Commodity Freight Route Fund to widen over 9.5 km of Coalseam Road. We also received an additional $700,000 from other sources (some of which require a Shire co-contribution) for further works on Coalseam and Yandanooka North East Roads. Indeed, it is expected that, given the progress made this year, the focus in 2019–2020 will shift from our internal operations to program delivery and process improvement in our external works.

Thanks to my fantastic team of staff, the support of our Councillors and the warmth of the Mingenew community I have thoroughly enjoyed my first 12 months as CEO and I am very much looking forward to what we can achieve in the years to come.

Staff

2018–2019 has seen a number of staffing changes within the organisation. In addition to the regular comings and goings that an organisation experiences, three long-serving outside employees retired and three of our staff have had children, departing either permanently or on maternity leave.

We would like to recognise the many years of service of Sam Greaves, Dicko Brennan and Noel Page. Their experience will take time to replace. We would also like to congratulate Hanna Wallace, Belinda Bow and Steph Lucken (and their families) on the births of their children.

The loss of corporate memory as a result of these departures (in addition to Martin Whitely and Durga Ohja moving on at the end of 2017–18) did create a number of challenges for the new team brought in to replace them. However, with time – and the strengthening of documented procedures – operational stability has been restored.

Structurally, there has been minimal change to the Shire workforce over the 2018–19 Financial Year. A part-time Finance Officer position was added to provide additional support to the Finance team. The positive impact from this additional capacity has been noticeable, with end-of-period and audit processes proceeding far more smoothly than this time last year.

Finance Statistics

The Shire of Mingenew had a Total Revenue of $7.96m (including operating and capital grants) for the 2018/19 financial year. A total of 52% ($4.13m) of the Shire's revenue for 2018/19 was Non-Operating Grants which helped to fund a number of key capital projects, in particular, the WANDRRA flooding event of 2017. Operating Grants and Contributions account for 10% of total revenue, while Rates (24%) and Fees & Charges (4%) 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 during the financial year. There was a total of 8% of revenue made up of Reimbursements & Other Income. This amount was predominately made up of police licensing.

Revenue

The revenue (Operating and Capital) 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 are spent on maintaining road infrastructure and the provision of recreation services.

In this financial year, there was a large (non-operating) grant received for the WANDRRA event, resulting from the floods in January and February 2017.

Operating Expenditure

When comparing the breakdown of these costs by nature and type, a significant 34% 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 $49m worth of assets, of which 79% is attributed to the Shire's road network and other related infrastructure, whilst the other 21% is attributed to Property, Plant & Equipment.

Total Revenue by Nature & Type

Operating Expenditure by Program

Operating Expenditure by Nature & Type

Reserve Funds

As at 30 June 2019, the balance in the Reserve Accounts was $308,324 as shown in Table 1.

There was a transfer from the Plant Replacement Reserve of $111k this year to assist with the funding of new plant. A new loader and a new tractor with a combined purchase price of $275k were purchased. Council has indicated a desire to increase the reserves going forward in order to provide for future acquisitions and proposed developments.

Capital

In addition to the normal operating activities, a number of significant capital works projects were undertaken during the 2018/19 financial year to the value of $5.26m. Some of this year's capital works highlights are shown in Table 2.

Loan Liability

As at 30 June 2019, the outstanding principal on all loans was $486,076, which represents a significant reduction in debt from the outstanding balance of $640,504 at the end of the last financial year and, if there is no need for any further loans, the Shire will be debt-free at the end of the 2022/23 financial year.

WANDRRA

A significant project that continued this year was the Western Australian Natural Disaster Relief and Recovery Arrangements (WANDRRA) flood event of early 2017. The Shire had successfully secured the authority to undertake the repair works itself, supplemented by contractors as required.

With $3.2m of grant funds provided for the project, it was a great opportunity to maximise revenue for the Shire and the roadwork crew priority has been to undertake as much of the work as was reasonably possible for it to achieve (whilst also undertaking its other standard roadworks commitments). The total project was well beyond the capacity of the Shire's small roadworks crew and its plant to undertake but, with contractor support, the work was completed before the end of June 2019.

Table 1

Reserve	Balance
Land & Building Reserve	$62,066
Plant Reserve	$45,977
Recreation Reserve	$12,900
Employee Entitlement Reserve	$66,544
Aged Persons Units Reserve	$12,444
Environmental Reserve	$19,156
Industrial Area Development Reserve	$5,626
RTC/PO/NAB Building Reserve	$21,688
Insurance Reserve	$42,171
Economic Development & Marketing Reserve	$19,919
Total	**$308,491**

Table 2

Project	Cost
Waste Transfer Station	$24,387
Littlewell Project	$30,459
Netball Court upgrade	$218,087
Plant & Equipment	$376,986
Yandanooka North East Road	$225,176
Special Purpose Grant – Yarragadee Bridge	$163,334
Special Purpose Grant – Coalseam Bridge	$398,000
Flood Damage WANDRRA	$3,034,912
Mingenew Mullewa Road Reseal (RRG)	$441,340
Mingenew Mullewa Road PN21115505	$106,147
Yandanooka Melara/Narandagy/Manarra Rd Intersection	$215,448

Mingenew Netball Courts

The Shire, in partnership with the Mingenew Netball Club, Department of Sport and Recreation and a number of smaller local contributors, rebuilt and resurfaced the netball courts at the Mingenew Recreation Centre this year. The project included new lighting as well as line-marking and goalposts for both netball and basketball.

Littlewell Heritage Development

The Littlewell heritage project was completed in 2018–19 with the installation of interpretive signage capturing the history of the Reserve. The works culminated in an official opening, including a smoking ceremony and the attendance of a number of the Reserve's former residents. The Littlewell Group, who helped to develop the project, were recognised in 2018–19 with numerous awards, including the Woolworths Community Group of the Year Award and 2019 NAIDOC Caring for Country Award.

Tourism

Through 2018–19 the Shire has continued with its 'We'll see you in Mingenew' campaign and added a seasonal 'Make Mingenew the middle of your wildflower season' campaign. A mixture of digital, television and billboard advertising, local businesses have reported the positive impact the campaign is having on visitor numbers, and recognition of the Mingenew 'brand' outside of the Shire has grown as a result. With a very strong wildflower season in 2018, significant marketing collateral (in the form of video and photographic assets) were captured to assist with future campaigns. The Shire also participated in a regional episode of the 'Our Town' television show.

2018–19 has also seen an increase in the Shire's involvement with WA's Wildflower Country Inc.; a regional tourism body made up of nine Midwest local governments. Shire CEO, Nils Hay, has taken on the Chair role with this organisation.

Strategic Community Plan

One of the biggest deliverables for the 2018–19 year was the Shire's new Strategic Community Plan 2019–29. This document serves as the guiding instrument for organisational strategy and operations over the coming decade and we were very fortunate to have strong community interest and engagement in the drafting process. The adoption of this plan helps to ensure that Council is delivering on the priorities of our community and also allows us to effectively communicate our values, goals and strategic direction to our many stakeholders. Thank you to all who contributed to the development of this document.

Council and Councillors

2018–19 saw the resignation of Shire Deputy President, Cr Crispian Lucken, and election (at an extraordinary election) of Cr Anthony Smyth. We thank Cris for his six years of service to the Shire of Mingenew and look forward to working with Anthony in the coming years.

Nils Hay
Chief Executive Officer

Rebuilt, resurfaced netball courts at the Mingenew Recreation Centre

Wildflower season in Mingenew

Councillors and Staff

Councillors

Helen Newton
Shire President

Robert Newton
Deputy President

Gary Cosgrove
Councillor

Leah Eardley
Councillor

Kym McGlinn
Councillor

Justin Bagley
Councillor

Chris Lucken
Councillor (to March 2019)

Anthony Smyth
Councillor (from June 2019)

Staff

Leadership Team

Nils Hay
Chief Executive Officer

Jeremy Clapham
Finance Manager

Erin Greaves
Governance Officer

Ella Budrikis
Community Services Coordinator

Rocky Brennan
Works Supervisor

Harvest time in Mingenew

Organisational Charts

Shire of Mingenew staff

Strategic Community Plan Outcomes

We conducted a major review of our Strategic Community Plan over the 2018–19 financial year which was completed with the adoption of the plan on 1 May 2019. Given the timing of this adoption, the outcomes reported will be in relation to the superseded Plan, but we have utilised the pillars of the incoming plan to provide alignment into the new Financial Year.

2019–29 Pillar: Leading Mingenew

Council will provide accountable and transparent leadership with the Community to deliver on the Strategic Community Plan.

2012 Objective: Civic Leadership

A collaborative and innovative community with strong and vibrant leadership.

Key Outcome: Continue to support community groups. This year, we developed a new Community Assistance Scheme grant program to provide greater transparency for the delivery of Shire grants to community groups. The Shire committed 1.5% of its annual rates income to support this initiative. Projects arising from the first tranche of program are being delivered through the 2019–20 financial year.

Key Outcome: Improve our levels of engagement and communication with all sectors of our community. Over the year, Council has sought to improve its public communications with the introduction of monthly Shire newsletters, increased use of social media and improvement of its text messaging services.

Key Outcome: Community volunteers continue to be supported and acknowledged. Council was successful in obtaining grant funding to hold a 'Thank a Volunteer Day' event at which a number of long-serving Bushfire Brigade volunteers and other key community groups, including St. John's Ambulance and the Mingenew Branch of the WA Country Women's Association – who celebrated their 90th anniversary – were acknowledged.

Key Outcome: To be strong advocates representing the Shire's interests. We continue to engage at a regional level to ensure the interests of our Shire are upheld. Cr Gary Cosgrove has remained the Chair of the Midwest Regional Road Group and CEO Nils Hay has taken on Chair duties for WA's Wildflower Country.

Key Outcome: Provision of professional development opportunities for Councillors and staff. We maintain an annual budget for Councillor and staff training. This year has seen our staff take on a mixture of skills-based training, like traineeships and plant/vehicle operations and rates and payroll software management, as well as a number of more general training opportunities to enhance staff resilience and on-the-job safety.

Key Outcome: Develop and implement Asset Management Planning. The Shire of Mingenew 2012 Asset Management Plan underwent a significant review and rewrite this year.

It is now a more functional and current document and will continue to be improved as we undergo asset revaluations and an update of our long-term financial plan in the coming years.

Key Outcome: Develop a Corporate Business Plan. With the completion of our new Strategic Community Plan, Council adopted a new Corporate Business Plan 2019–2023 reflecting the aims of the updated SCP in June 2019.

Key Outcome: Maintain, review and ensure relevance of Council policies and local laws. Throughout the year, we conducted significant overhauls of our finance and governance policy and procedure frameworks to ensure that they are both legislatively compliant and practically implementable. Council has also strengthened its Audit and Risk Committee with the addition of an external member and adoption of a 3-year Internal Audit Plan.

Key Outcome: Ensure compliance with local, town planning, building and health and all other relevant legislation. We are incredibly proud of this year's audit results. After significant work from our team, we have addressed all management items raised during and prior to the 2018–19 Interim Audit. Whilst there always remains room for improvement, this result should give the community confidence that their Shire is being managed in a practical and prudent manner.

2012 Objective: Environment

A sustainable natural and built environment that meets current and future community needs.

Key Outcome: Continue to manage feral flora and fauna. The Shire continues to work with, and remains a Diamond Sponsor of, the Mingenew Irwin Group. MIG are active in this space and conduct an array of programs – including feral pig monitoring and baiting – to help to preserve our natural environment.

Key Outcome: Continue to liaise with the local indigenous and cultural groups. This year, we completed a number of improvements at the Littlewell Reserve, including the addition of interpretive signage to provide an insight into Mingenew's more recent indigenous history. The Littlewell Group has since received State and National recognition for this project and we see further partnership with them in our future.

Key Outcome: Maintain and enhance existing historical infrastructure. The Shire assisted with a number of building upgrades at the Mingenew Historical Museum this year. Our local volunteers do an exceptional job in keeping this facility running and open during the tourist season.

Key Outcome: Maintain and improve road assets. Transport infrastructure remains our largest expenditure line item, by some margin, and this year saw the completion of over $4m worth of flood damage works across the Shire, in addition to upgrades to Yandanooka North East, Narandagy and Mingenew–Morawa roads.

Image supplied by the Mingenew Irwin Group

MIG Spring Field Day 2019

Mingenew Museum

Image supplied by Capricorn Space

Capricorn Space facility

Image supplied by Angela Teale

Astrotourism in Mingenew

Mingenew Races

2019–29 Pillar: Growing Mingenew

Develop key enabling and underpinning investments to grow the community to a population of 500 by 2029.

2012 Objective: Economic

To be a diverse and innovative economy with a range of local employment opportunities.

Key Outcome: Improved telecommunications. The Shire supported the roll-out of the State Government's Digital Farms project which is providing enterprise-grade fixed wireless broadband to a number of farming properties within the Shire.

Key Outcome: Support sustainable farming and other industry developments including mining. This year, we have engaged with the Midwest Development Commission and existing Space Industry proponents to commence lobbying for infrastructure upgrades for the WA Space Centre.

During the year, Capricorn Space – a new commercial satellite tracking venture – commenced construction on their facility which is expected to be operational late in 2019.

2012 Objective: Social

A safe and welcoming community where everyone has the opportunity to contribute and belong.

Key Outcome: Develop new housing for the aged through a Joint Venture Program. This year has seen residents start moving into the new Independent Living Units on King Street following their completion and a public Expression of Interest Campaign.

Key Outcome: Continue to develop housing for Shire employees. With the ongoing employment of a Building Maintenance Officer, we have been able to conduct further ongoing maintenance on our Shire properties in a more cost-effective manner.

2019–29 Pillar: We'll See You in Mingenew

Attract visitors to Mingenew by making it a highly desirable and dynamic place to visit and live, resulting in an increase in population.

2012 Objective: Economic

To be a diverse and innovative economy with a range of local employment opportunities

Key Outcome: Support and encourage tourism development. The Shire has maintained its 'We'll see you in Mingenew' digital, billboard and television advertising campaign through this year. It has resulted in another strong tourist season buoyed by an abundant wildflower season. We have also signed on as an Astrotourism WA Astrotourism Town and held our first Astrotourism event at Yandanooka Hall with a turn-out of approximately 60 people.

Key Outcome: Continue to support local events and encourage new events. The Shire continues to support a range of local events, including the Mingenew Midwest Expo, Mingenew Races and Mingenew Christmas Tree.

Key Outcome: Participate and support the 'Wildflower Way'. Shire CEO, Nils Hay, has taken on the Chair role for WA's Wildflower Country and we continue to lead a number of projects for that group to deliver in the coming years.

2019–29 Pillar: Love Living in Mingenew

Maintain and build a healthy, connected and sustainable community with great public spaces and facilities and enable community volunteerism.

2012 Objective: Social

A safe and welcoming community where everyone has the opportunity to contribute and belong.

Key Outcome: Maintain and further develop the recreation complex. This year, with the support of the Mingenew Netball Club and Department of Sport and Recreation – along with local volunteers and sponsors – we completed the upgrade of the netball and basketball courts.

Key Outcome: Continue to support child care facilities. In partnership with the CRC, we have continued to support upgrades at Sister Cameron House to support the delivery of daycare services and playgroup activities for the children and families of Mingenew.

Key Outcome: Obtain and maintain a bus for community services. The Shire's community bus continues to be maintained for the use of local and regional community groups.

Key Outcome: Support and promote local traineeships. The Shire has two staff currently completing traineeships. They should both finish their training in the 2019–20 Financial Year.

Mingenew Visitors Centre

Key Outcome: Improved provision of home and community care support services. The Shire continues to provide funding to the Mingenew CRC to assist them to deliver a range of valuable senior's activities.

Key Outcome: Continuously improve emergency services. Over the course of the year, a Mingenew Shire Local Emergency Management Committee was reconstituted to deliver an improved local focus on emergency management. This improves our compliance with relevant emergency management legislation and also gives our local agencies regular opportunities to meet and share information.

2019–29 Pillar: Making Business Easy in Mingenew

Ensure Mingenew is supporting local businesses to grow and maintain employment within the community.

2012 Objective: Civic Leadership

A collaborative and innovative community with strong and vibrant leadership.

Key Outcome: Ensure compliance with local, town planning, building and health and all other relevant legislation. Following significant work this year, the Shire has almost completed its Local Planning Scheme No. 4 which is designed to modernise our Planning framework and continue to support business growth and new business development in Mingenew.

2012 Objective: Economic

To be a diverse and innovative economy with a range of local employment opportunities.

Key Outcome: Support and encourage business unity. In the lead-up to the 2019 Wildflower Season, Shire and Tourist and Promotions committee representatives met with local businesses to discuss the various ways that we could support each other to get the best possible outcome from the season.

Supporting Mingenew local business

Mingenew Child Care Centre

Mingenew Police Station

Governance

Elected Member Attendance

Table 3: Elected Member attendance – 1 July 2018 to 30 June 2019

Council [3]: Number of meetings held
N/A: Elected Member not required to attend

Elected Member	Term Commenced	Term Expires	Ward	Council (11)	Special Council (2)	Audit & Risk Committee (3)	Executive Management Committee (1)	Bush Fire Advisory Committee	Local Emergency Management Committee	Electors Meeting (1)
Cr H Newton	2017	2021	Town	11	2	3	1	-	2	1
Cr C Lucken*	2014	2021	Town	4 (of 8)	-	0 (of 1)	1	-	-	1
Cr G Cosgrove	2011	2019	Rural	11	2	3		-	-	1
Cr L Eardley	2015	2019	Town	10	1	1		-	-	1
Cr J Bagley	2017	2019	Rural	10	2	3		-	-	1
Cr R Newton	2017	2021	Rural	11	2	3	1	-	2	1
Cr K McGlinn	2017	2019	Town	9	2	3		-	-	1
Cr A Smyth**	2019	2021	Town	1 (of 1)	0	1 (of 1)		-	-	-

* Cr Lucken resigned in March 2019
** Cr Smyth was elected in June 2019

Employee Remuneration

In accordance with s19B of the Local Government (Administration) Regulations 1996, the number of Shire employees entitled to an annual salary of $100,000 or more during the 2018/19 year are shown in Table 4.

Table 4

Salary Range	# Employees
$100 000 to $109 999	-
$110 000 to $119 999	-
$120 000 to $129 999	-
$130 000 to $139 999	-
$140 000 to $149 999	-
$150 000 to $159 999	1
$160 000 to $169 999	-

Freedom of Information

The Shire aims to make information available, whenever possible, outside the freedom of information process. However, on occasion, access to documents may require an application in accordance with the Freedom of Information Act 1992. Should members of the public wish to access information and documents held by the Shire, please access the annually updated Shire of Mingenew Information Statement located on the Shire website to guide you in this process.

The Shire did not receive any applications under the Freedom of Information Act in 2018/19.

Disability and Access Inclusion Plan

The Shire's Disability Access and Inclusion Plan (DAIP) 2013–18, last reviewed in 2016, is a key strategic document that outlines the Shire's approach to working towards a more accessible and inclusive community. The DAIP ensures that services, facilities and information meet the needs of people with disability, their families and carers and supports an environment in which people with disability have the same opportunities, rights and responsibilities enjoyed by all other people in the community. Key strategies include the following:

I. Ensuring that staff, volunteers, agents and contractors are aware of, and comply with, the requirements of the DAIP.
II. Ensuring occupational safety and health procedures are in place to safeguard people with disability in the workplace, in the event of a fire, evacuation or other critical incident or while attending an event organised by the department.
III. Ensuring all new content meets Web Content Accessibility Guidelines (WCAG) 2.0 Level A accessibility standards and publications, templates and relevant documentation are available in alternative formats.
IV. Ensuring the Shire's complaints management system processes are accessible for people with disability and that systems are reviewed annually.
V. Ensuring information regarding consultation is available in alternative formats for people with disability, upon request.

The Shire of Mingenew commenced the process of community consultation and review of its Disability Access and Inclusion Plan in May 2019 with the intent of providing an updated five-year Disability Access and Inclusion Plan in the first quarter of the new financial year.

Complaints Register

The Shire reports no complaints, as defined under s5.105 of the Act – 'Breaches by council members', for the period ending 30 June 2019.

The complaints officer (CEO for the Shire of Mingenew) is required to maintain a register of complaints that result in a finding under s5.110(2)(a) that a minor breach has occurred. A copy of the Register is available on the Shire's website.

Public Disclosures

The Public Interest Disclosure Act 2013 (Commonwealth) aims to ensure openness and accountability in government. Disclosures are treated in confidence and persons making a disclosure are protected from detrimental action. The Chief Executive Officer is the appointed Public Interest Disclosure (PID) Officer for the Shire. During 2018/19 the Shire did not receive any disclosures.

Recordkeeping Plan

The Shire of Mingenew is committed to the reliable and systematic management of government records in accordance with legislative requirements and best practice standards. Council adopted the Shire's Recordkeeping Plan in 2015.

The Shire of Mingenew will be commencing a review of its Recordkeeping Plan in the second quarter of 2019/20 with a view to adopting a new/revised Plan by June 2020. This review will include the development of strategies to address the appropriate capture of digital data and improve employee and elected member awareness of the Plan, associated procedures and statutory requirements. A review of employee and Councillor Induction programs are to specifically be reviewed to ensure personnel are aware of their responsibilities with regard to recordkeeping.

Town of Mingenew

Mingenew at sunset

National Competition Policy

The Federal and State governments have a Competition Principals Agreement in place which is binding on local government.

The Agreement requires the Shire to carry out activities, including a report on those activities in each year's Annual Report. The three areas that affect local government are:

1. Competitive Neutrality

To remove benefits (and costs) that accrue to government business as a result of their public ownership. The objective of competitive neutrality policy is the elimination of resource allocation distortions arising out of the public ownership of entities engaged in significant business activities: Government businesses should not enjoy any net competitive advantage simply as a result of their public sector ownership. There are several tests to apply that assist in determining if there is a 'significant business enterprise':

- Does the activity receive revenue from external sources that exceeds $200,000 per annum? (In determining this amount, Council should disregard grant income, internal charges, and statutory fees.)
- Would the benefits to be realised from the implementation of competitive neutrality exceed the costs?

From an examination of the revenue statement of the Shire for the preceding period, there is no activity that satisfies this first part of the test and, accordingly, the principles of competitive neutrality do not apply to any Shire of Mingenew activities.

2. Structural Reform

Local government is required to reform the structure of publicly owned monopoly businesses where it is proposed to introduce competition. In this area, Council has no monopoly activities.

What is basic to the function of restructuring public monopolies is the splitting or division of the regulatory role from the service provision role. To address the question of monopoly, the following test has been applied to each activity:

- Definition: In regard to this service, does Council have 'exclusive or near exclusive control of the market supply of this service'?
- Dual function: Does Council have both a regulatory and supply function in this area of activity?

3. Legislation Review

To review legislation that restricts competition. Council does not have any local laws that relate to competition. Council has a portfolio of local laws (previously known as by-laws). The Shire last conducted a review of its local laws in 2017 and have since adopted new local laws relating to Standing Orders (meeting procedures) and Cemeteries.

Freedom of Information (FOI)

The Shire aims to make information available, wherever possible, outside of the freedom of information process. However, on occasion, the request to access documents may need to be made by application in accordance with the Freedom of Information Act 1992. The Shire's Information Statement is available on the Shire's website, which outlines how and where information may be accessed, including the FOI application process. The Shire received zero valid FOI applications in 2017/18.

Coalseam Conservation Park

Appendix: Annual Financial Statements

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SHIRE OF MINGENEW

FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2019

COMMUNITY VISION

Mingenew Shire is a safe, inclusive and connected community with a thriving local economy that provides opportunity for all to succeed.

Principal place of business:
21 Victoria Street
Mingenew WA 6522

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Mingenew 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 Mingenew 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 19th day of NOVEMBER 2019

Nils Hay
Chief Executive Officer

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

	NOTE	2019 Actual	2019 Budget	2018 Actual (Restated)
		$	$	$
Revenue				
Rates	24(a)	1,865,935	1,857,912	1,812,113
Operating grants, subsidies and contributions	2(a)	778,421	224,532	760,958
Fees and charges	2(a)	279,884	237,487	224,011
Interest earnings	2(a)	56,917	58,710	71,031
Other revenue	2(a)	598,943	556,800	508,947
		3,580,100	2,935,441	3,377,060
Expenses				
Employee costs		(1,027,186)	(1,083,085)	(859,291)
Materials and contracts		(824,287)	(3,150,044)	(784,255)
Utility charges		(113,687)	(124,853)	(99,837)
Depreciation on non-current assets	11(b)	(1,427,014)	(1,850,261)	(1,754,977)
Interest expenses	2(b)	(20,635)	(17,799)	(23,006)
Insurance expenses		(124,537)	(129,616)	(106,984)
Other expenditure		(652,741)	(578,601)	(537,099)
		(4,190,087)	(6,934,259)	(4,165,449)
		(609,987)	(3,998,818)	(788,389)
Non-operating grants, subsidies and contributions	2(a)	4,132,897	3,665,281	1,068,271
Profit on asset disposals	11(a)	48,551	50,000	0
(Loss) on asset disposals	11(a)	0	0	(15,098)
Fair value adjustments to financial assets at fair value through profit or loss	8	52,543	0	0
		4,233,991	3,715,281	1,053,173
Net result for the period		**3,624,004**	**(283,537)**	**264,784**
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Changes in asset revaluation surplus	12	0	0	8,170,163
Total other comprehensive income for the period		**0**	**0**	**8,170,163**
Total comprehensive income for the period		**3,624,004**	**(283,537)**	**8,434,947**

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

OAG AUDITED 30

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

	NOTE	2019 Actual	2019 Budget	2018 Actual (Restated)
		$	$	$
Revenue	2(a)			
Governance		38,310	15,669	69,010
General purpose funding		2,539,182	2,037,243	2,474,407
Law, order, public safety		25,420	33,037	74,280
Health		461	371	361
Education and welfare		801	3,755	3,768
Housing		119,163	102,729	104,375
Community amenities		87,409	73,722	66,802
Recreation and culture		30,574	33,960	37,670
Transport		641,504	511,585	464,805
Economic services		15,517	10,445	6,441
Other property and services		81,759	112,925	75,141
		3,580,100	2,935,441	3,377,060
Expenses	2(b)			
Governance		(337,605)	(218,578)	(280,211)
General purpose funding		(92,654)	(100,797)	(58,319)
Law, order, public safety		(133,701)	(154,914)	(124,212)
Health		(124,942)	(138,237)	(73,328)
Education and welfare		(60,718)	(79,712)	(59,197)
Housing		(164,636)	(173,150)	(192,816)
Community amenities		(216,941)	(271,710)	(238,246)
Recreation and culture		(1,056,955)	(940,133)	(1,051,889)
Transport		(1,578,499)	(4,342,582)	(2,081,038)
Economic services		(322,574)	(387,508)	(279,431)
Other property and services		(80,227)	(109,139)	296,244
		(4,169,452)	(6,916,460)	(4,142,443)
Finance Costs	2(b)			
General purpose funding		(149)	0	0
Education and welfare		(2,809)	(2,440)	(3,041)
Housing		(8,123)	(7,058)	(9,005)
Recreation and culture		(2,696)	(2,342)	(2,920)
Transport		(6,858)	(5,959)	(8,040)
		(20,635)	(17,799)	(23,006)
		(609,987)	(3,998,818)	(788,389)
Non-operating grants, subsidies and Contributions	2(a)	4,132,897	3,665,281	1,068,271
Profit on disposal of assets	11(a)	48,551	50,000	0
(Loss) on disposal of assets	11(a)	0	0	(15,098)
Fair value adjustments to financial assets at fair value through profit or loss	8	52,543	0	0
		4,233,991	3,715,281	1,053,173
Net result for the period		**3,624,004**	**(283,537)**	**264,784**
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Changes in asset revaluation surplus	12	0	0	8,170,163
Total other comprehensive income for the period		**0**	**0**	**8,170,163**
Total comprehensive income for the period		**3,624,004**	**(283,537)**	**8,434,947**

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

OAG AUDITED 30

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

	NOTE	2019	2018 (Restated)	2017 (Restated)
		$	$	$
CURRENT ASSETS				
Cash and cash equivalents	3	1,508,858	2,034,227	2,241,222
Trade receivables	5	309,534	85,181	192,197
Inventories	6	40,394	43,459	43,591
Other current assets	7	18,937	0	0
TOTAL CURRENT ASSETS		1,877,723	2,162,867	2,477,010
NON-CURRENT ASSETS				
Trade receivables	5	7,907	8,068	0
Other financial assets	8	52,551	8	0
Inventories	6	35,000	35,000	35,000
Property, plant and equipment	9	10,586,256	11,103,126	11,153,366
Infrastructure	10	38,811,085	34,565,370	26,052,139
TOTAL NON-CURRENT ASSETS		49,492,799	45,711,572	37,240,505
TOTAL ASSETS	17	51,370,522	47,874,439	39,717,515
CURRENT LIABILITIES				
Trade and other payables	13	332,783	217,235	318,736
Borrowings	14(a)	158,166	115,473	150,775
Employee related provisions	15	135,960	214,319	231,014
TOTAL CURRENT LIABILITIES		626,909	547,027	700,525
NON-CURRENT LIABILITIES				
Borrowings	14(a)	327,910	525,031	640,502
Employee related provisions	15	4,816	15,497	24,552
TOTAL NON-CURRENT LIABILITIES		332,726	540,528	665,054
TOTAL LIABILITIES		959,635	1,087,555	1,365,579
NET ASSETS		50,410,886	46,786,884	38,351,936
EQUITY				
Retained surplus		31,665,138	27,943,302	27,688,366
Reserves - cash backed	4	308,491	406,325	396,477
Revaluation surplus	12	18,437,257	18,437,257	10,267,093
TOTAL EQUITY		50,410,886	46,786,884	38,351,936

See Note 30 for details regarding the prior period restatement as a result of an error and change in accounting policy.

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

OAG AUDITED 30

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

	NOTE	RETAINED SURPLUS	RESERVES CASH BACKED	REVALUATION SURPLUS	TOTAL EQUITY
		$	$	$	$
Balance as at 1 July 2017		**28,653,488**	**396,477**	**9,960,129**	**39,010,094**
Prior period adjustments					
- change in accounting policy - restatement	30	(965,122)	0	665,683	(299,439)
- correction of error	30	0	0	(358,719)	(358,719)
Restated total equity at the beginning of the financial year		**27,688,366**	**396,477**	**10,267,093**	**38,351,936**
Comprehensive income					
Net result for the period		264,784	0	0	264,784
Changes on revaluation of assets	12	0	0	8,170,164	8,170,164
Total comprehensive income		264,784	0	8,170,164	8,434,948
Transfers from/(to) reserves		(9,848)	9,848	0	0
Balance as at 30 June 2018 (Restated)		**27,943,302**	**406,325**	**18,437,257**	**46,786,884**
Comprehensive income					
Net result for the period		3,624,004	0	0	3,624,004
Total comprehensive income		3,624,004	0	0	3,624,004
Transfers from/(to) reserves		97,832	(97,832)	0	0
Balance as at 30 June 2019		**31,665,138**	**308,491**	**18,437,257**	**50,410,886**

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 2019

	NOTE	2019 Actual	2019 Budget	2018 Actual
		$	$	$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		1,889,986	1,877,912	1,851,170
Operating grants, subsidies and contributions		783,692	224,532	819,163
Fees and charges		289,206	237,487	224,011
Interest received		56,917	58,710	71,031
Goods and services tax received		486,620	0	239,195
Other revenue		598,943	556,800	508,947
		4,105,364	2,955,441	3,713,517
Payments				
Employee costs		(1,076,627)	(1,083,085)	(889,311)
Materials and contracts		(776,195)	(3,201,285)	(1,044,421)
Utility charges		(113,687)	(124,653)	(99,837)
Interest expenses		(24,015)	(17,799)	(33,924)
Insurance paid		(124,537)	(129,616)	(106,984)
Goods and services tax paid		(569,854)	0	(63,522)
Other expenditure		(652,741)	(578,601)	(537,101)
		(3,337,656)	(5,135,239)	(2,775,100)
Net cash provided by (used in) operating activities	16	767,708	(2,179,798)	938,417
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment		(376,986)	(623,320)	(760,995)
Payments for construction of infrastructure		(4,880,740)	(2,485,700)	(1,346,464)
Non-operating grants, subsidies and contributions		3,953,295	3,665,281	1,068,276
Proceeds from sale of property, plant & equipment		150,418	157,000	44,545
Net cash provided by (used in) investment activities		(1,154,013)	713,261	(994,638)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings		(154,427)	(154,525)	(150,774)
Net cash provided by (used in) financing activities		(154,427)	(154,525)	(150,774)
Net increase (decrease) in cash held		(540,732)	(1,621,062)	(206,995)
Cash at beginning of year		2,034,227	2,014,490	2,241,222
Reclassification of trust fund to restricted cash		15,364	0	0
Cash and cash equivalents at the end of the year	16	1,508,858	393,428	2,034,227

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

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

	NOTE	2019 Actual	2019 Budget	2018 Actual (Restated)
		$	$	$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	25 (b)	1,498,911	1,491,987	1,721,405
		1,498,911	1,491,987	1,721,405
Revenue from operating activities (excluding rates)				
Governance		40,301	16,669	69,010
General purpose funding		710,833	215,744	697,818
Law, order, public safety		25,420	33,037	74,280
Health		461	371	361
Education and welfare		801	3,755	3,768
Housing		119,163	102,729	104,375
Community amenities		87,409	73,722	66,802
Recreation and culture		30,574	33,960	37,670
Transport		688,064	560,585	464,805
Economic services		15,517	10,445	6,441
Other property and services		134,302	112,925	75,140
		1,852,845	1,163,942	1,600,470
Expenditure from operating activities				
Governance		(337,605)	(218,578)	(280,211)
General purpose funding		(92,803)	(100,797)	(58,319)
Law, order, public safety		(133,701)	(154,914)	(127,253)
Health		(124,942)	(138,237)	(73,328)
Education and welfare		(63,527)	(82,152)	(59,197)
Housing		(172,759)	(180,208)	(216,919)
Community amenities		(216,941)	(271,710)	(238,246)
Recreation and culture		(1,059,651)	(942,475)	(1,054,809)
Transport		(1,585,357)	(4,348,541)	(2,089,078)
Economic services		(322,574)	(387,508)	(279,431)
Other property and services		(80,226)	(109,139)	296,245
		(4,190,086)	(6,934,259)	(4,180,546)
Non-cash amounts excluded from operating activities	25(a)	1,237,041	1,800,261	1,736,258
Amount attributable to operating activities		398,711	(2,478,069)	877,587
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		4,132,897	3,665,281	1,068,271
Proceeds from disposal of assets	11(a)	150,418	157,000	44,545
Purchase of property, plant and equipment	9(a)	(376,986)	(623,320)	(760,995)
Purchase and construction of infrastructure	10(a)	(4,880,740)	(2,485,700)	(1,346,464)
Amount attributable to investing activities		(974,411)	713,261	(994,643)
FINANCING ACTIVITIES				
Repayment of borrowings	14(b)	(154,427)	(154,525)	(150,774)
Transfers to reserves (restricted assets)	4	(22,812)	(22,710)	(9,848)
Transfers from reserves (restricted assets)	4	120,646	120,544	0
Amount attributable to financing activities		(56,593)	(56,691)	(160,622)
Surplus/(deficit) before imposition of general rates		(632,293)	(1,821,499)	(277,678)
Total amount raised from general rates	24	1,828,349	1,821,499	1,776,589
Surplus/(deficit) after imposition of general rates	25(b)	1,196,056	0	1,498,911

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 2019

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 27 to these financial statements.

2. REVENUE AND EXPENSES

(a) Revenue

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

	2019 Actual	2019 Budget	2018 Actual
	$	$	$
Operating grants, subsidies and contributions			
Governance	21,357	12,154	62,223
General purpose funding	625,555	129,381	597,435
Law, order, public safety	23,450	29,287	67,781
Education and welfare	455	3,000	3,568
Housing	153	0	0
Community amenities	1,000	2,000	0
Recreation and culture	(2,245)	0	5,000
Transport	75,829	47,710	2,399
Economic services	5,420	1,000	0
Other property and services	27,447	0	22,552
	778,421	224,532	760,958
Non-operating grants, subsidies and contributions			
Governance	0	139,866	0
General purpose funding	0	0	498,000
Community amenities	5,000	5,000	0
Recreation and culture	121,458	121,667	45,000
Transport	4,006,439	3,398,748	525,271
	4,132,897	3,665,281	1,068,271
Total grants, subsidies and contributions	4,911,318	3,889,813	1,829,229

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 contribution.

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 23. 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.

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

	2019 Actual	2019 Budget	2018 Actual
	$	$	$
Significant revenue			
Advance Financial Assistance Grants	330,005	0	318,719
Other revenue			
Reimbursements and recoveries	36,440	0	77,265
Police Licensing	549,113	450,000	379,580
Other	13,390	106,800	52,102
	598,943	556,800	508,947
Fees and Charges			
Governance	9,373	240	131
General purpose funding	3,085	4,200	2,635
Law, order, public safety	1,817	3,500	1,858
Health	461	371	361
Education and welfare	183	755	200
Housing	116,455	91,004	102,335
Community amenities	75,696	71,272	66,234
Recreation and culture	32,731	33,900	32,584
Transport	11,746	10,000	890
Economic services	6,825	8,445	5,207
Other property and services	19,512	13,800	11,576
	279,884	237,487	224,011

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

Interest earnings			
Reserve accounts interest	12,812	12,710	9,848
Rates instalment and penalty interest (refer Note 24(c))	13,508	12,250	19,335
Other interest earnings	30,597	33,750	41,848
	56,917	58,710	71,031

(b) Expenses

	2019 Actual	2019 Budget	2018 Actual
	$	$	$
Auditors remuneration			
- Audit of the Annual Financial Report	22,000	13,620	10,480
- Other services	800	0	3,592
	22,800	13,620	14,072
Interest expenses (finance costs)			
Borrowings (refer Note 14(b))	20,487	17,799	23,006
Other	148	0	0
	20,635	17,799	23,006
Rental charges			
- Operating leases	5,711	0	0
	5,711	0	0

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

3. CASH AND CASH EQUIVALENTS

	NOTE	2019	2018
		$	$
Cash at bank and on hand		956,913	1,450,727
Term deposits		551,945	583,500
		1,508,858	2,034,227
Comprises:			
- Unrestricted cash and cash equivalents		867,279	906,323
- Restricted cash and cash equivalents		641,579	1,127,904
		1,508,858	2,034,227
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Reserve accounts			
Reserves cash backed - Land & Building Reserve	4	62,066	60,169
Reserves cash backed - Plant Reserve	4	45,977	152,727
Reserves cash backed - Recreation Reserve	4	12,900	2,811
Reserves cash backed - Employee Entitlement Reserve	4	66,544	64,509
Reserves cash backed - Aged Persons Units Reserve	4	12,444	20,868
Reserves cash backed - Environmental Reserve	4	19,156	18,570
Reserves cash backed - Industrial Area Development Reserve	4	5,626	5,454
Reserves cash backed - RTC/PO/NAB Building Reserve	4	21,688	21,025
Reserves cash backed - Insurance Reserve	4	42,171	40,882
Reserves cash backed - Economic Development & Marketing Re	4	19,919	19,310
		308,491	406,325
Other restricted cash and cash equivalents			
Unspent grants/contributions	23	317,724	721,580
Bonds and Deposits Held	27	15,364	0
Total restricted cash and cash equivalents		641,579	1,127,904

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank deposits available on demand with banks and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

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

4. RESERVES - CASH BACKED

		2018 Actual Opening Balance	2018 Actual Transfer to	2018 Actual Transfer (from)	2018 Actual Closing Balance	2019 Budget Opening Balance	2019 Budget Transfer to	2019 Budget Transfer (from)	2019 Budget Closing Balance	2018 Actual Opening Balance	2018 Actual Transfer to	2018 Actual Transfer (from)	2018 Actual Closing Balance
		$	$	$	$	$	$	$	$	$	$	$	$
(a)	Reserves cash backed - Land & Building Reserve	60,169	1,897	0	62,066	59,535	3,425	0	62,960	58,767	1,402	0	60,169
(b)	Reserves cash backed - Plant Reserve	152,727	4,815	(111,565)	45,977	150,618	3,875	(111,463)	43,028	148,059	4,671	0	152,727
(c)	Reserves cash backed - Recreation Reserve	2,811	10,089	0	12,900	2,772	10,060	0	12,832	2,725	86	0	2,811
(d)	Reserves cash backed - Employee Entitlement Reserve	64,509	2,035	0	66,544	64,308	1,250	0	65,558	64,065	444	0	64,509
(e)	Reserves cash backed - Aged Persons Units Reserve	20,868	557	(9,081)	12,444	20,579	500	(9,081)	11,998	20,239	638	0	20,868
(f)	Reserves cash backed - Environmental Reserve	18,570	586	0	19,156	18,313	450	0	18,763	18,002	568	0	18,570
(g)	Reserves cash backed - Industrial Area Development Reserve	5,454	172	0	5,626	5,378	125	0	5,503	5,287	167	0	5,454
(h)	Reserves cash backed - RTC/PO/NAB Building Reserve	21,025	663	0	21,688	20,734	500	0	21,234	20,382	643	0	21,025
(i)	Reserves cash backed - Insurance Reserve	40,882	1,289	0	42,171	40,393	2,025	0	42,418	40,243	639	0	40,882
(j)	Reserves cash backed - Economic Development & Marketing Re	19,310	609	0	19,919	19,042	500	0	19,542	18,721	590	0	19,310
		406,325	22,812	(120,646)	308,491	401,670	22,710	(120,544)	304,036	396,478	9,848	0	406,325

All of the reserve accounts are supported by money held in financial institutions and match the amounts 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)	Reserves cash backed - Land & Building Reserve	Ongoing	To be used for the acquisition, construction and maintenance of land and buildings.
(b)	Reserves cash backed - Plant Reserve	Ongoing	To be used for the purchase of plant and equipment.
(c)	Reserves cash backed - Recreation Reserve	Ongoing	To be used for the improvement of the sportsground.
(d)	Reserves cash backed - Employee Entitlement Reserve	Ongoing	To be used to fund annual, sick and long service leave and accrued staff bonuses.
(e)	Reserves cash backed - Aged Persons Units Reserve	Ongoing	To be used for the funding of future operating shortfalls of the aged persons units in accordance with the Homestead Joint Venture arrangement.
(f)	Reserves cash backed - Environmental Reserve	Ongoing	To be used for the rehabilitation of sites such as gravel pits, refuse and contaminated sites.
(g)	Reserves cash backed - Industrial Area Development Reserve	Ongoing	To be used for the development of the industrial area.
(h)	Reserves cash backed - RTC/PO/NAB Building Reserve	Ongoing	To be used for the maintenance of the buildings.
(i)	Reserves cash backed - Insurance Reserve	Ongoing	To be used for the settlement of minor property expenses under $5,000 that would otherwise be insurance claims.
(j)	Reserves cash backed - Economic Development & Marketing Re	Ongoing	To be used for Economic Development and Marketing of the Shire of Mingenew.

5. TRADE RECEIVABLES

	2019	2018
	$	$
Current		
Rates receivable	22,809	46,699
Sundry receivables	190,213	21,668
GST receivable	101,633	18,399
Allowance for impairment of receivables	(5,121)	(1,585)
	309,534	85,181
Non-current		
Pensioner's rates and ESL deferred	7,907	8,068
	7,907	8,068

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 28.

Movement of allowance for impairment of receivables

	2019	2018
	$	$
Opening balance	1,585	1,585
Additions	6,352	0
Write off	(1,231)	0
Reversal	(1,585)	0
Closing balance	5,121	1,585

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.

SHIRE OF MINGENEW
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6. INVENTORIES

	2019	2018
	$	$
Current		
Fuels & Materials	0	3,065
Land held for resale - cost - Lot 1 and Lot 4 Eleanor Street		
Cost of acquisition	40,394	40,394
	40,394	43,459
Non-current		
Land held for resale - cost - Lot 7 Ernest Street		
Cost of acquisition	35,000	35,000
	35,000	35,000

The following movements in inventories occurred during the year:

Carrying amount at 1 July	78,459	78,591
Movements in inventory - expensed	(3,065)	(132)
Carrying amount at 30 June	75,394	78,459

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

Land held for resale

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

Land held for resale (Continued)

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

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

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

7. OTHER ASSETS

	2019	2018
	$	$
Other current assets		
Prepayments	18,937	0
	18,937	0

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

8. OTHER FINANCIAL ASSETS

	2019	2018
	$	$
Non-current assets		
Other financial assets at amortised cost	0	8
Financial assets at fair value through profit and loss	52,551	0
	52,551	8
Other financial assets at amortised cost		
Other financial assets at amortised cost - Units in Local Government House Trust		8
	0	8
Financial assets at fair value through profit and loss		
- Unlisted equity investments		
Units in Local Government House Trust	52,551	
	52,551	0
During the year, the following gains/(losses) were recognised in profit and loss:		
Fair value gains/(losses) on equity investments at fair value through profit and loss are recognised in other gains/(losses) and classified as other property and services	52,543	0
	52,543	0

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Financial assets at fair value through profit and loss

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

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

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 25.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Previous accounting policy: available for sale financial assets

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

Previous accounting policy: Loans and receivables

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

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

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9. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Carrying Amounts

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

	Land - freehold land	Land - vested in and under the control of Council	Total land	Buildings - non-specialised	Buildings - specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Tools	Bushfire Equipment	Total property, plant and equipment
	$	$	$	$	$	$	$	$	$	$	$	$
Balance at 1 July 2017	1,112,100	200,000	1,312,100	625,000	8,188,710	8,813,710	10,125,810	71,811	1,042,458	4,139	415,486	11,659,704
Prior period adjustment - change in accounting policy	(10,343)	0	(10,343)	(34,978)	(5,595)	(40,573)	(50,916)	(53,984)	(35,891)	(4,139)	(2,689)	(147,619)
Prior period adjustment - correction of error	0	0	0	(358,719)	0	(358,719)	(358,719)	0	0	0	0	(358,719)
Restated balance	1,101,757	200,000	1,301,757	231,303	8,183,115	8,414,418	9,716,175	17,827	1,006,567	0	412,797	11,153,366
Additions	0	0	0	0	364,105	364,105	364,105	0	396,890	0	0	760,995
(Disposals)	0	0	0	0	0	0	0	0	(59,643)	0	0	(59,643)
Depreciation (expense)	0	0	0	(29,223)	(530,091)	(559,314)	(559,314)	(14,085)	(151,516)	(478)	(45,399)	(770,792)
Prior period adjustment - change in accounting policy	0	0	0	2,938	387	3,325	3,325	9,774	5,331	478	299	19,207
Reclassification to Other Financial Assets	0	0	0	0	(8)	(8)	(8)	0	0	0	0	(8)
Restated carrying amount at 30 June 2018	1,101,757	200,000	1,301,757	205,018	8,017,508	8,222,526	9,524,283	13,516	1,197,630	0	367,697	11,103,126
Comprises:												
Gross carrying amount at 30 June 2018	1,101,757	200,000	1,301,757	231,303	8,547,212	8,778,515	10,080,272	22,138	1,454,569	0	457,898	12,014,877
Accumulated depreciation at 30 June 2018	0	0	0	(26,285)	(529,704)	(555,989)	(555,989)	(8,622)	(256,939)	0	(90,201)	(911,751)
Restated carrying amount at 30 June 2018	1,101,757	200,000	1,301,757	205,018	8,017,508	8,222,526	9,524,283	13,516	1,197,630	0	367,697	11,103,126
Additions	0	0	0	0	0	0	0	0	376,986	0	0	376,986
(Disposals)	0		0	0	0	0	0	0	(101,867)	0	0	(101,867)
Depreciation (expense)	0	0	0	(45,946)	(518,414)	(564,360)	(564,360)	(4,311)	(178,218)	0	(45,100)	(791,989)
Carrying amount at 30 June 2019	1,101,757	200,000	1,301,757	159,072	7,499,094	7,658,166	8,959,923	9,205	1,294,531	0	322,597	10,586,256
Comprises:												
Gross carrying amount at 30 June 2019	1,101,757	200,000	1,301,757	231,303	8,523,258	8,754,561	10,056,318	22,138	1,663,834	0	457,898	12,200,188
Accumulated depreciation at 30 June 2019	0	0	0	(72,231)	(1,024,164)	(1,096,395)	(1,096,395)	(12,933)	(369,303)	0	(135,301)	(1,613,932)
Carrying amount at 30 June 2019	1,101,757	200,000	1,301,757	159,072	7,499,094	7,658,166	8,959,923	9,205	1,294,531	0	322,597	10,586,256

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

9. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Land and buildings					
Land - freehold land	2	Market approach using recent observable market data for similar properties	Independent Registered Valuer	June 2017	Price per hectare
Land - vested in and under the control of Council	3	Market approach using recent observable market data for similar properties	Independent Registered Valuer	June 2017	Market data/improvements to land using construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs.
Buildings - specialised	3	Cost approach using depreciated replacement cost	Independent Registered Valuer	June 2017	Market data/improvements to land using construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs.
Buildings - non-specialised	2	Market approach using recent observable market data for similar properties	Independent Registered Valuer	June 2017	Market data/improvements to land using construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs.
Furniture and equipment	2	Market approach using recent observable market data for similar properties	Management Valuation	June 2016	Market data/costs and current condition (level 2), residual values and remaining useful life assessments.
Plant and equipment	2	Market approach using recent observable market data for similar properties	Independent Registered Valuer	June 2016	Market data/costs and current condition (level 2), residual values and remaining useful life assessments.
Tools	2	Market approach using recent observable market data for similar properties	Management Valuation	June 2016	Market data/costs and current condition (level 2), residual values and remaining useful life assessments.
Bushfire Equipment	2	Market approach using recent observable market data for similar properties	Management Valuation	June 2016	Market data/costs and current condition (level 2), residual values and remaining useful life assessments.

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

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

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

10. 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 - Airfields	Infrastructure - Drainage	Infrastructure - Bridges	Infrastructure - Recreation Areas	Infrastructure - Other	Total Infrastructure
	$	$	$	$	$	$	$	$
Balance at 1 July 2017	20,845,865	225,566	83,916	158,246	3,013,969	1,593,538	282,857	26,203,957
Prior period adjustment - change in accounting policy	0	0	0	0	0	(97,739)	(54,084)	(151,823)
Restated balance	20,845,865	225,566	83,916	158,246	3,013,969	1,495,799	228,773	26,052,139
Additions	975,413	0	0	0	0	199,919	171,132	1,346,464
Revaluation increments / (decrements) transferred to revaluation surplus	7,947,747	48,903	0	(161,639)	317,859	0	0	8,152,870
Depreciation (expense)	(670,234)	(17,791)	(9,072)	(2,613)	(136,245)	(142,730)	(15,827)	(994,512)
Prior period adjustment - change in accounting policy	(148,722)	(2,688)	0	144,225	0	10,198	5,401	8,414
Restated carrying amount at 30 June 2018	28,950,069	253,990	74,844	138,219	3,195,583	1,563,186	389,479	34,565,370
Comprises:								
Gross carrying amount at 30 June 2018	28,950,069	253,990	147,420	138,219	3,195,583	1,705,916	406,965	34,798,162
Accumulated depreciation at 30 June 2018	0	0	(72,576)	0	0	(142,730)	(17,486)	(232,792)
Restated carrying amount at 30 June 2018	28,950,069	253,990	74,844	138,219	3,195,583	1,563,186	389,479	34,565,370
Additions	4,046,472	0	0	0	561,334	248,547	24,387	4,880,740
Depreciation (expense)	(406,707)	(6,436)	(9,072)	(1,728)	(64,834)	(135,823)	(10,425)	(635,025)
Carrying amount at 30 June 2019	32,589,834	247,554	65,772	136,491	3,692,083	1,675,910	403,441	38,811,085
Comprises:								
Gross carrying amount at 30 June 2019	32,996,541	253,990	147,420	138,219	3,756,917	1,944,648	424,292	39,662,027
Accumulated depreciation at 30 June 2019	(406,707)	(6,436)	(81,648)	(1,728)	(64,834)	(268,738)	(20,851)	(850,942)
Carrying amount at 30 June 2019	32,589,834	247,554	65,772	136,491	3,692,083	1,675,910	403,441	38,811,085

SHIRE OF MINGENEW
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10. 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	Depreciated Cost	Independent specialist valuer	June 2018	Depreciated cost value of similar assets adjusted for condition and comparability.
Infrastructure - Footpaths	3	Depreciated Cost	Independent specialist valuer	June 2018	Depreciated cost value of similar assets adjusted for condition and comparability.
Infrastructure - Airfields	3	Depreciated Cost	Independent specialist valuer	June 2018	Depreciated cost value of similar assets adjusted for condition and comparability.
Infrastructure - Drainage	3	Depreciated Cost	Independent specialist valuer	June 2018	Depreciated cost value of similar assets adjusted for condition and comparability.
Infrastructure - Bridges	3	Depreciated Cost	Independent specialist valuer	June 2018	Depreciated cost value of similar assets adjusted for condition and comparability.
Infrastructure - Recreation Areas	3	Depreciated Cost	Independent specialist valuer	June 2017	Depreciated cost value of similar assets adjusted for condition and comparability.
Infrastructure - Other	3	Depreciated Cost	Independent specialist valuer	June 2017	Depreciated cost value of similar assets adjusted for condition and comparability.

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.

11. 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)(ii)* 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)(ii)* 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)*

the *Local Government (Financial Management) Regulations* prevail.

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

SHIRE OF MINGENEW
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11. 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	101,867	150,418	48,551	0	107,000	157,000	50,000	0	59,643	44,545	0	(15,098)
	101,867	150,418	48,551	0	107,000	157,000	50,000	0	59,643	44,545	0	(15,098)

The following assets were disposed of during the year.

Plant and Equipment	2019 Actual Net Book Value	Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss
Governance	$	$	$	$
CEO Vehicle	29,827	31,818	1,991	0
Transport				
Case JC65 Tractor	7,269	10,455	3,186	0
Volvo Loader	39,764	70,000	30,236	0
Works Manager Vehicle	25,007	38,145	13,138	0
	101,867	150,418	48,551	0
	101,867	150,418	48,551	0

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

(b) Depreciation

	2019 Actual	2019 Budget	2018 Actual (Restated)
	$	$	$
Buildings - non-specialised	45,946	0	26,285
Buildings - specialised	518,414	572,212	529,704
Furniture and equipment	4,311	15,000	4,311
Plant and equipment	178,218	190,445	146,185
Tools	0	478	0
Bushfire Equipment	45,100	47,403	45,100
Infrastructure - Roads	406,707	700,000	669,852
Infrastructure - Footpaths	6,436	17,791	42,271
Infrastructure - Airfields	9,072	9,072	9,072
Infrastructure - Drainage	1,728	2,615	2,613
Infrastructure - Bridges	64,834	136,245	136,245
Infrastructure - Recreation Areas	135,823	143,000	132,914
Infrastructure - Other	10,425	16,000	10,425
	1,427,014	1,850,261	1,754,977

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 amounts. 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
Tools	5 to 10 years
Bushfire equipment	5 to 10 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
Airfields	10 years
Bridges	50 years
Recreational areas	6 to 50 years
Other	6 to 50 years

Depreciation (Continued)

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

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

(b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

12. REVALUATION SURPLUS

	2019 Opening Balance	2019 Closing Balance	2018 Opening Balance (Previously Reported)	2017 Transfers	2017 Correction of error	2017 Change in Accounting Policy	2018 Opening Balance (Restated)	2018 Change in Accounting Policy	2018 Revaluation Increment	2018 Revaluation (Decrements)	2018 Total Movement on Revaluation	2018 Closing Balance
	$	$	$				$		$	$	$	$
Revaluation surplus - Land - freehold land	983,119	983,119	4,496,433	(3,604,496)	0	301,182	983,119	0	0	0	0	983,119
Revaluation surplus - Land - vested in and under the control of Council	200,000	200,000	185,000	15,000	0	0	200,000	0	0	0	0	200,000
Revaluation surplus - Buildings - non-specialised	3,778,002	3,778,002	(199,017)	4,088,053	(358,719)	246,685	3,778,002	0	0	0	0	3,778,002
Revaluation surplus - Buildings - specialised	1,663,917	1,663,917	1,855,637	(298,557)	0	106,837	1,663,917	0	0	0	0	1,663,917
Revaluation surplus - Plant and equipment	232,384	232,384	116,197	0	0	116,187	232,384	0	0	0	0	232,384
Revaluation surplus - Bushfire Equipment	40,733	40,733	40,401	0	0	332	40,733	0	0	0	0	40,733
Revaluation surplus - Infrastructure - Roads	8,613,990	8,613,990	670,741	0	0	0	670,741	(4,499)	7,947,748	0	7,943,249	8,613,990
Revaluation surplus - Infrastructure - Footpaths	169,780	169,780	99,085	0	0	0	99,085	21,792	48,903	0	70,695	169,780
Revaluation surplus - Infrastructure - Airfields	102,060	102,060	102,060	0	0	0	102,060	0	0	0	0	102,060
Revaluation surplus - Infrastructure - Drainage	768,269	768,269	929,908	0	0	0	929,908	0	0	(161,639)	(161,639)	768,269
Revaluation surplus - Infrastructure - Bridges	1,487,183	1,487,183	1,169,324	0	0	0	1,169,324	0	317,859	0	317,859	1,487,183
Revaluation surplus - Infrastructure - Recreation Areas	344,620	344,620	415,483	0	0	(70,863)	344,620	0	0	0	0	344,620
Revaluation surplus - Infrastructure - Other	73,200	73,200	107,897	0	0	(34,697)	73,200	0	0	0	0	73,200
	18,437,257	18,437,257	9,980,129	0	(358,719)	665,583	10,287,993	17,293	8,314,510	(161,639)	8,170,164	18,437,257

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.

13. TRADE AND OTHER PAYABLES

	2019	2018
	$	$
Current		
Sundry creditors	231,779	165,319
Rates paid in advance	6,612	9,992
Accrued salaries and wages	21,789	1,977
ATO liabilities	57,239	37,451
Accrued interest on long term borrowings	0	2,496
Bonds & Deposits Held (refer to Note 27)	15,364	0
	332,783	217,235

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 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.

Trade and other payables (Continued)

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14. INFORMATION ON BORROWINGS

(a) Borrowings

	2019	2018
	$	$
Current	156,166	118,473
Non-current	327,919	522,031
	484,076	640,504

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	Actual Principal 1 July 2018	30 June 2018 Actual Principal repayments	30 June 2019 Actual Interest repayments	30 June 2019 Actual Principal outstanding	Budget Principal 1 July 2018	30 June 2019 Budget Principal repayments	30 June 2019 Budget Interest repayments	30 June 2019 Budget Principal outstanding	Actual Principal 1 July 2017	30 June 2017 Actual Principal repayments	30 June 2017 Actual Interest repayments	30 June 2016 Actual Principal outstanding
				$	$	$	$	$	$	$	$	$	$	$	$
Education and welfare															
Senior Citizen Building	137	WATC*	2.40%	82,065	21,169	2,800	60,896	87,814	21,172	2,440	66,642	102,735	20,671	3,042	82,065
Housing															
Triplex	133	WATC*	2.40%	53,678	13,489	1,790	42,189	55,922	13,490	1,555	42,432	66,845	13,171	1,978	55,678
Phillip Street	134	WATC*	2.40%	42,079	10,278	1,363	31,804	42,823	10,276	1,185	32,547	52,112	10,033	1,501	42,079
Moore Street	138	WATC*	2.40%	96,930	25,623	3,400	71,307	100,264	25,627	2,954	80,637	121,951	23,021	3,377	96,930
15 Field Street	142	WATC*	2.40%	51,401	11,858	1,570	39,543	49,085	11,905	1,364	37,181	62,955	11,555	1,749	51,401
Recreation and culture															
Pavilion Flood	136	WATC*	2.40%	81,381	20,322	2,695	61,059	84,301	20,325	2,342	63,976	101,225	19,845	2,620	81,381
Transport															
Roller	139	WATC*	2.40%	22,329	4,582	661	17,747	20,605	4,582	574	15,683	27,194	4,865	709	22,329
Grader	141	WATC*	2.40%	75,316	17,297	2,295	58,019	71,754	17,300	1,994	54,454	92,207	16,891	2,610	75,316
2 x Trucks	143	WATC*	2.40%	0	0	0	0	0	0	0	0	0	0	120	0
Side Tipper	144	WATC*	2.40%	51,401	11,833	1,570	39,568	49,069	11,836	1,364	37,231	62,955	11,553	1,749	51,401
Drum Roller	145	WATC*	2.40%	81,923	17,090	2,333	64,833	72,529	17,093	2,027	55,343	90,990	17,107	2,781	81,923
				640,503	154,427	20,487	486,076	640,501	154,525	17,799	485,976	791,270	150,774	23,008	640,503
				640,503	154,427										

* WA Treasury Corporation

Self supporting loans are financed by payments from third parties. These are shown at Note 8 as other financial assets at amortised cost.
All other loan repayments were financed by general purpose revenue.

14. INFORMATION ON BORROWINGS (Continued)

The Shire did not take up any new borrowings during the year ended 30 June 2019.
The Shire did not have any unspent borrowings as at 30 June 2019.

(c) Undrawn Borrowing Facilities	2019	2018
	$	$
Credit Standby Arrangements		
Bank overdraft limit	500,000	500,000
Bank overdraft at balance date	0	0
Credit card limit	14,500	14,500
Credit card balance at balance date	(1,131)	(259)
Total amount of credit unused	513,369	514,241
Loan facilities		
Loan facilities - current	158,166	115,473
Loan facilities - non-current	327,910	525,031
Total facilities in use at balance date	486,076	640,504
Unused loan facilities at balance date	0	0

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

Financial liabilities are recognised in the net of which the Shire becomes party to the contractual obligations of 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 derecognised 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 in an accounting period incurred in which they are directly attributable to the acquisition, construction or production of a qualifying asset. Where there are one, they are capitalised as part of the cost of the particular asset with 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 17.

15. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions	Provision for Annual Leave	Provision for Long Service Leave	Total
	$	$	$
Opening balance at 1 July 2018			
Current provisions	77,168	137,151	214,319
Non-current provisions	0	15,497	15,497
	77,168	152,648	229,816
Additional provision	112,730	(46,836)	65,894
Amounts used	(115,242)	(39,692)	(154,934)
Balance at 30 June 2019	74,656	66,120	140,776
Comprises			
Current	74,656	61,304	135,960
Non-current	0	4,816	4,816
	74,656	66,120	140,776

Amounts are expected to be settled on the following basis:	2019 $	2018 $
Within 12 months of the end of the reporting period	135,960	214,319
More than 12 months after the end of the reporting period	4,816	15,497
	140,776	229,816

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.

16. 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	1,508,858	393,428	2,034,227
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	3,624,004	(283,537)	264,784
Non-cash flows in Net result:			
Adjustments to fair value of financial assets	(52,543)	0	0
Depreciation	1,427,014	1,850,261	1,754,977
(Profit)/loss on sale of asset	(48,551)	(50,000)	15,098
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(224,192)	20,000	108,940
(Increase)/decrease in other assets	(18,937)	0	0
(Increase)/decrease in inventories	3,065	0	132
Increase/(decrease) in payables	100,183	(51,241)	(111,493)
Increase/(decrease) in provisions	(89,040)	0	(25,750)
Grants contributions for the development of assets	(3,953,295)	(3,665,281)	(1,068,271)
Net cash from operating activities	767,708	(2,179,798)	938,417

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17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2019	2018
	$	$
Governance	897,882	1,358,613
General purpose funding	1,202,920	1,662,039
Law, order, public safety	373,684	422,816
Health	0	102,353
Education and welfare	716,152	517,087
Housing	2,926,716	2,561,569
Community amenities	495,196	1,494,774
Recreation and culture	4,809,481	4,035,248
Transport	38,712,604	34,091,884
Economic services	975,369	1,110,752
Other property and services	260,518	517,305
	51,370,522	47,874,439

18. CAPITAL AND LEASING COMMITMENTS

	2019	2018
	$	$
(a) Capital Expenditure Commitments		
Contracted for:		
- capital expenditure projects	142,798	0
	142,798	0
Payable:		
- not later than one year	142,798	

The capital expenditure project outstanding at the end of the current reporting period represents the bitumen expenditure on Mingenew-Mullewa Road.

(b) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the accounts.

	2019	2018
Payable:	$	$
- not later than one year	11,055	843
- later than one year but not later than five years	23,667	0
	34,722	843

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

Leases (Continued)

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

Lease payments for operating leases, where

with the lessor, are charged as expenses on a straight line basis over the lease term.

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

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19. RELATED PARTY TRANSACTIONS

Elected Members Remuneration

The following fees, expenses and allowances were paid to council members and/or the President.	2019 Actual	2019 Budget	2018 Actual
	$	$	$
Meeting Fees	27,760	28,691	27,295
President's Allowance	7,285	7,288	7,824
Deputy President's Allowance	1,824	1,822	1,359
Travelling expenses	0	1,500	0
	36,869	39,301	36,478

Key Management Personnel (KMP) Compensation Disclosure

The total remuneration of KMP of the Shire during the year are as follows:	2019 Actual	2018 Actual
	$	$
Short-term employee benefits	462,960	384,140
Post-employment benefits	53,593	46,979
Other long-term benefits	2,452	0
Termination benefits	1,721	77,388
	520,726	508,507

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).

19. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

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

No 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	20,226	22,199
Amounts outstanding from related parties:		
Trade and other receivables - other related parties	1,268	0
Amounts payable to related parties:		
Trade and other payables - other related parties	110	373

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).

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.

20. JOINT ARRANGEMENTS

	2019 $	2018 $
(a) Carrying amount of investment in joint operation		
In 1997/98, Council, in conjunction with Homeswest, constructed 3 x 2 bedroom and 1 x 1 bedroom Aged Persons' Units in Mingenew townsite. The terms of the joint agreement provided for Council to contribute $54,777 which equates to an equity of 15.34%. Council has subsequently capitalised expenditure on the units. The recalculated equity for Council is 18.58%. The agreement with Housing Authority (previously Homeswest) 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 18.58% of the fair value of $470,000 and is included in Note 9. The initial term of the agreement is 25 years, expiring on 20 August 2022.		
Non-current assets		
Land and buildings (Asset number 0254)	87,326	87,326
Less: accumulated depreciation	(5,467)	(2,733)
	81,859	84,593
Carrying amount at 30 June	81,859	84,593

Share of joint operations

Statement of comprehensive income		
Housing revenue	28,561	24,970
Housing expenditure	(22,565)	(36,896)
Net result for the period	5,996	(11,926)
Total comprehensive income for the period	5,996	(11,926)

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.

21. MAJOR LAND TRANSACTIONS

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

22. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

No Trading Undertakings and Major Trading Undertakings were undertaken in the 2018/19 Financial Year.

23. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	Opening Balance [1] 1/07/17	Received [2] 2017/18	Expended [3] 2017/18	Closing Balance [1] 30/06/18	Received [2] 2018/19	Expended [3] 2018/19	Closing Balance 30/06/19
	$	$	$	$	$	$	$
General purpose funding							
Grants Commission - Special Purpose Grant	210,000	0	0	210,000	0	(163,334)	46,666
Grants Commission - Special Purpose Grant	0	498,000	0	498,000	0	(398,000)	100,000
Community amenities							
Department of Planning - Town Revitalisation Plan	60,000	0	(60,000)	0	0	0	0
Department of Planning - Town Planning Scheme	25,000	0	(25,000)	0	0	0	0
MidWest Development Commission - Transfer Station	45,000	0	(45,000)	0	0	0	0
Recreation and culture							
MidWest Development Commission - Museum Upgrade	13,712	0	(13,712)	0	0	0	0
Lotterywest - Little Well Project	13,580	0	0	13,580	0	(13,580)	0
Department of LG & Communities - Oval Lighting	50,000	0	(50,000)	0	0	0	0
Transport							
Department of Infrastructure - Roads to Recovery	151,206	983	(152,189)	0	0	0	0
Main Roads WA - RRG Mingenew Mullewa Road	0	0	0	0	238,934	(70,765)	168,169
Economic services							
Department Local Government, Sport & Cultural Industries - North Midlands Trails Master Plan	0	0	0	0	5,000	(2,111)	2,889
Total	568,498	498,983	(345,901)	721,580	243,934	(647,790)	317,724

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.

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24. RATING INFORMATION

(a) Rates

RATE TYPE Differential general rate / general rate	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 Total Revenue	2017/18 Actual Total Revenue
			$	$	$	$	$	$	$	$
Gross rental valuations										
GRV - Mingenew	0.149035	127	1,103,699	164,490	3,453	(325)	167,618	164,490	164,490	162,135
GRV - Yandanooka	0.149035	2	13,884	2,069	0	0	2,069	2,069	2,069	2,019
GRV - Commercial	0.149035	14	349,700	52,118	349	0	52,467	52,118	52,118	50,846
GRV - Industrial	0.149035	1	12,480	1,860	0	198	2,058	1,860	1,860	1,815
Unimproved valuations										
UV - Rural & Mining	0.013684	115	110,855,505	1,517,398	102	0	1,517,500	1,516,947	1,516,947	1,479,325
UV - Mining	0.013684	0	0	0	0	0	0	0	0	0
Sub-Total		259	112,335,268	1,737,935	3,904	(127)	1,741,712	1,737,484	1,737,484	1,696,140
Minimum payment	Minimum $									
Gross rental valuations										
GRV - Mingenew	700	64	28,162	44,800	1,400	(235)	45,965	44,800	44,800	43,648
GRV - Yandanooka	700	0	0	0	0	0	0	0	0	0
GRV - Commercial	700	9	6,200	6,300	0	0	6,300	6,300	6,300	6,138
GRV - Industrial	700	2	1,850	1,400	0	0	1,400	1,400	1,400	1,364
Unimproved valuations										
UV - Rural & Mining	1,050	23	691,595	24,150	0	0	24,150	24,150	24,150	23,575
UV - Mining	1,050	8	27,199	8,400	1,050	407	9,857	8,400	8,400	8,200
Sub-Total		106	755,006	85,050	2,450	172	87,672	85,050	85,050	82,925
		365	113,090,274	1,822,985	6,354	45	1,829,384	1,822,534	1,822,534	1,779,065
Discounts/concessions (refer Note 24(b))							(1,035)		(1,035)	(2,476)
Total amount raised from general rate							1,828,349		1,821,499	1,776,589
Ex-gratia rates							37,586		36,412	35,524
Totals							1,865,935		1,857,912	1,812,113

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.

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24. RATING INFORMATION (Continued)

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

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount %	Discount $	2019 Actual $	2019 Budget $	2018 Actual $
Yandanooka Townsite	Concession	50.00%	1,035	1,035	1,035	1,009
Murchison Regional Aboriginal Corporation	Concession	80.00%	0	0	0	1,467
				1,035	1,035	2,476

Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available	Objects and/or Reasons for the Waiver or Concession
Yandanooka Townsite	Recognise the reduced level of services	Recognise the reduced level of services
Murchison Regional Aboriginal Corporation	Charitable organisation	Compliance with the Local Government Act 1995

24. RATING INFORMATION (Continued)

(c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Unpaid Rates Interest Rate
		$	%	%
Option One				
Single full payment	05 Oct 2018	0.00	0.00%	11.00%
Option Two				
First instalment	05 Oct 2018	0.00	5.50%	11.00%
Second instalment	06 Dec 2018	15.00	5.50%	11.00%
Option Three				
First instalment	05 Oct 2018	0.00	5.50%	11.00%
Second instalment	06 Dec 2018	15.00	5.50%	11.00%
Third instalment	07 Feb 2019	15.00	5.50%	11.00%
Fourth instalment	08 Apr 2019	15.00	5.50%	11.00%

	2019 Actual	2019 Budget	2018 Actual
	$	$	$
Interest on unpaid rates	13,508	12,250	19,335
Charges on instalment plan	2,625	3,200	2,490
	16,133	15,450	21,825

25. RATE SETTING STATEMENT INFORMATION

	Note	2018/19 (30 June 2019 Carried Forward)	2018/19 Budget (30 June 2019 Carried Forward)	2018/19 (1 July 2018 Brought Forward)
		$	$	$
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with *Financial Management Regulation 32*.				
Adjustments to operating activities				
Less: Profit on asset disposals	11(a)	(48,551)	(50,000)	0
Less: Fair value adjustments to financial assets through profit or loss		(52,543)	0	0
Movement in pensioner deferred rates (non-current)		161	0	(8,068)
Movement in employee benefit provisions		(89,040)	0	(25,749)
Add: Loss on disposal of assets	11(a)	0	0	15,098
Add: Depreciation on assets	11(b)	1,427,014	1,850,261	1,754,977
Non cash amounts excluded from operating activities		1,237,041	1,800,261	1,736,258
(b) Surplus/(deficit) after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
Less: Reserves - restricted cash	3	(308,491)	(304,036)	(406,325)
Less: Cost of acquisition	6	(40,394)	(40,394)	(40,394)
Add: Borrowings	14(a)	158,166	155,204	115,473
Add: Provision for Annual Leave	15	74,656	77,168	77,168
Add: Provision for Long Service Leave	15	61,305	153,846	137,151
Total adjustments to net current assets		(54,758)	41,788	(116,927)
Net current assets used in the Rate Setting Statement				
Total current assets		1,877,723	500,144	2,162,867
Less: Total current liabilities		(626,909)	(541,932)	(547,029)
Less: Total adjustments to net current assets		(54,758)	41,788	(116,927)
Net current assets used in the Rate Setting Statement		1,196,056	0	1,498,911

26. 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	Cash and cash equivalents and long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings and term deposits
Credit risk	Cash and cash equivalents, trade receivables, other financial assets and debt investments	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of commited credit lines and borrowing facilities

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%		$	$	$
2019					
Cash and cash equivalents	1.68%	1,508,858	860,436	648,422	0
2018					
Cash and cash equivalents	1.25%	2,034,227	989,824	1,044,403	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*	6,484	10,444

* 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 14(b).

26. 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 (12 months for 2018/19) 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
30 June 2019					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	3,676	10,896	8,067	8,076	30,715
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	4,038	32,437	9,884	8,408	54,767
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
30 June 2019					
Sundry Receivables					
Expected credit loss	0.52%	0.56%	91.91%	50.95%	
Gross carrying amount	182,521	1,076	1,941	4,675	190,213
Loss allowance	949	6	1,784	2,382	5,121
01 July 2018					
Sundry Receivables					
Expected credit loss	0.00%	24.38%	0.00%	29.52%	
Gross carrying amount	16,073	1,300	0	4,295	21,668
Loss allowance	0	317	0	1,268	1,585

26. 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 14(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.

The amount of payables excludes payables to the ATO (statutory payable).

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
2019	$	$	$	$	$
Payables	275,546	0	0	275,546	275,546
Borrowings	168,414	336,828	0	505,242	486,076
	443,960	336,828	0	780,788	761,622
2018					
Payables	179,784	0	0	179,784	179,784
Borrowings	168,414	505,243	0	673,657	640,504
	348,198	505,243	0	853,441	820,288

27. 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 13.

	1 July 2018	Amounts Received	Amounts Paid	Reclassification to Restricted Cash	30 June 2019
	$	$	$		$
BCITF Levy	495	754	0	(1,249)	0
BRB Levy	1	1,035	(401)	(635)	0
Councillor Nomination Deposit	0	160	0	(160)	0
Autumn Committee	974	0	0	(974)	0
Community Bus	2,200	1,245	(400)	(3,045)	0
ANZAC Day Breakfast Donation	501	0	0	(501)	0
Building Relocation Bond	1,000	0	0	(1,000)	0
MidWest Industry Road Safety Alliance	38,009	0	(38,009)	0	0
Mingenew Cemetry Group	4,314	0	0	(4,314)	0
Housing Bonds	1,428	0	(1,428)	0	0
Cool Room Bonds	530	0	0	(530)	0
Outdoor Camera Bonds	350	0	0	(350)	0
Other Bonds	200	0	0	(200)	0
Rates Incentive Prizes	100	0	0	(100)	0
Tree Planter - LCDC	88	0	0	(88)	0
Weary Dunlop Memorial	87	0	0	(87)	0
Mingenew P&C - NBN Rental	6,376	0	(6,376)	0	0
Joan Trust	6	0	0	(6)	0
Youth Advisory Council	746	0	0	(746)	0
Centenary Committee	897	0	0	(897)	0
Community Christmas Tree	432	0	0	(432)	0
Seniors Donations	50	0	0	(50)	0
	58,784	3,194	(46,614)	(15,364)	0

28. 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. Differences arising from adoption have been recognised directly in accumulated surplus/(deficit).

(a) Classification and measurement

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

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

The classification and measurement requirements of AASB 9 did not have a significant impact on the Shire. The following are the changes in the classification of the Shire's financial assets:
- Trade receivables and Loans and advances (i.e. Other debtors) classified as Loans and receivables as at 30 June 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Financial assets at amortised cost beginning 1 July 2018.

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

AASB 139 category	AASB 139 value	AASB 9 category amortised cost	Fair value through OCI	Fair value through P/L
	$	$	$	$
Loans and receivables				
Trade receivables*	74,850	74,850	0	0
Other financial assets	8	0	0	8
	74,858	74,850	0	8

* Excludes GST receivable

(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, there are immaterial changes to the impairment on the Shire's Trade Receivables.

29. 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 appply this Standard to its leases retrospectively, with the cumulative effect of initially applying AASB16 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.

30. PRIOR PERIOD ADJUSTMENTS

(a) Change in Accounting Policy

On the 26 June 2018 Paragraph 17A (3) 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. The adoption of the regulation constitutes a change in accounting policy.

The Shire has previously included assets with a fair value of under $5,000 at the time of acquisition within the assets of the Shire.

(b) Correction of Prior Period Error

The error relates to the value of the property shown in the Joint Arrangement (see Note 20) with the Housing Authority that was incorrectly shown at 100% of the value instead of the Shire's portion of 18.58% when the property was revalued in 2017.

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 2016 (Previously Reported) $	Correction of Error Increase/ (Decrease) 2017	Change in Accounting Policy Increase/ (Decrease) Relating to 2017	Change in Accounting Policy Increase/ (Decrease) Relating to 2016 $	30 June 2016 (Restated) $	30 June 2017 (Previously Reported) $	Correction of Error Increase/ (Decrease) $	Change in Accounting Policy Increase/ (Decrease) $	01 July 2017 (Restated) $
Property, plant and equipment	11,590,264	(358,719)	(147,817)	19,207	11,103,135	11,659,704	(358,719)	(147,817)	11,153,368
Infrastructure	34,708,778	0	(151,622)	8,414	34,565,570	26,203,959	0	(151,622)	26,052,137
Net assets	47,417,422	(358,719)	(299,439)	27,620	46,786,884	38,010,094	(358,719)	(299,439)	38,351,036
Revaluation Surplus	18,113,000	(358,719)	965,682	17,292	18,437,256	9,960,129	(358,719)	965,683	10,267,093
Retained earnings	28,898,097	0	(965,122)	10,328	27,943,303	28,653,488	0	(965,122)	27,888,366
Total equity	47,417,422	(358,719)	(299,439)	27,620	46,786,884	38,010,094	(358,719)	(299,439)	38,351,036

Statement of Comprehensive Income (Extract)	2018 (Previously Reported) $	Change in Accounting Policy Increase/ (Decrease) $	2018 (Restated) $
By Nature or Type			
Depreciation	(1,765,304)	(10,327)	(1,754,977)
By program			
Expenses			
Governance	(286,110)	(5,900)	(280,211)
General purpose funding	(58,310)	0	(58,310)
Law, order, public safety	(124,550)	(347)	(124,212)
Health	(73,570)	(242)	(73,328)
Education and welfare	(59,532)	(335)	(59,197)
Housing	(194,969)	(2,153)	(192,816)
Community amenities	(240,644)	(2,398)	(238,246)
Recreation and culture	(1,063,348)	(11,457)	(1,051,889)
Transport	(2,061,910)	19,110	(2,081,038)
Economic services	(283,353)	(3,922)	(279,431)
Other property and services	202,561	(2,684)	206,244
Net result for the period	254,459	(10,327)	264,784
Other Comprehensive Income			
Changes in revaluation of Non-Current Assets	8,152,870	17,292	8,170,162
Total Other Comprehensive Income	8,152,870	17,292	8,170,162

31. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) GST and Taxes (by [illegible])

[illegible]

Receivables and payables are stated inclusive of GST. 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 and financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

b) Current and non-current classifications

The asset or liability is classified as current if it is expected to be realised or paid 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, it is classified as current even if not expected to be realised within 12 months. In the case of land held for trading, the classification is based on the intention of management to realise the asset.

c) Rounding of figures

All figures shown in the financial statements are rounded to the nearest dollar. Amounts in the statement of Australian Dollars.

d) Comparative figures

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

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

e) Budget comparative figures

Unless otherwise stated, the budget comparative figures shown in this 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 approximation to observable market private information is used to determine the 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 disclosure of fair value measurements by level of fair value hierarchy, which categorises fair value measurements into three levels based on the extent to which inputs used in determining the fair value are observable and significant to the overall measurement.

Fair value measurements using significant inputs that are not based on observable market data (unobservable inputs) are categorised as Level 3 fair value measurements, with the lowest level of input that is significant to the measurement being classified as Level 3.

Level 1

Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Unobservable inputs for the asset or liability.

The fair values of land and buildings classified as Level 3 are determined using various valuation techniques. These valuation techniques include the use of recent market transactions, the application of indexation to prior valuations, and the application of other relevant factors to observable market data. For buildings classified in Level 3 [illegible]

Valuation techniques

The Shire adopted valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of valuations and relevant inputs for assets and liabilities measured at fair value may be affected by the nature of the asset or liability being measured. The suitability of the valuation techniques applied to each class of asset or liability is reviewed on an annual basis to ensure they continue to be appropriate in the current market conditions and circumstances.

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 future amounts to a single present amount based on market expectations.

Cost approach

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

Each valuation to Market requires input that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risk. 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 the buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

i) Impairment of assets

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

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

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

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

32. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
GOVERNANCE To provide a decision making process for the efficient allocation of scarce resources.	Administration and operation of facilities and services to members of council, other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific Council services.
GENERAL PURPOSE FUNDING To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
LAW, ORDER, PUBLIC SAFETY To provide services to help ensure a safer community.	Fire prevention, animal control and inspections.
HEALTH To provide services to help ensure a safer community.	Food quality, pest control and inspections.
EDUCATION AND WELFARE To meet the needs of the community in these areas.	Includes education programs, youth based activities, care of families, the aged and disabled.
HOUSING Provide housing services required by the community and for staff.	Maintenance of staff, aged and rental housing.
COMMUNITY AMENITIES Provide services required by the community.	Rubbish collection services, landfill maintenance, townsite storm water drainage control and maintenance, administration of the Town Planning Scheme and maintenance of cemeteries.
RECREATION AND CULTURE To establish and manage efficiently, infrastructure and resources which will help the social wellbeing of the community.	Maintenance of halls, recreation centres and various reserves, operation of library, support of community events and matters relating to heritage.
TRANSPORT To provide effective and efficient transport services to the community.	Construction and maintenance of streets, roads and footpaths, traffic signs and depot maintenance.
ECONOMIC SERVICES To help promote the Shire and improve its economic wellbeing.	The regulation and provision of tourism, area promotion, building control and noxious weeds.
OTHER PROPERTY AND SERVICES To provide effective and efficient administration, works operations and plant and fleet services.	Private works operations, plant repairs and operational costs. Administration overheads.

33. FINANCIAL RATIOS

	2019 Actual	2018 Actual (Restated)	2017 Actual (Restated)
Current ratio	2.21	2.13	2.38
Asset consumption ratio	0.95	0.98	0.63
Asset renewal funding ratio	0.87	0.38	0.39
Asset sustainability ratio	2.68	1.18	0.83
Debt service cover ratio	5.37	5.61	3.97
Operating surplus ratio	(0.18)	(0.31)	(0.39)
Own source revenue coverage ratio	0.69	0.63	0.54

The above ratios are calculated as follows:

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

Three of the ratios disclosed above were distorted by the early receipt of Financial Assistance Grant

	2019 $	2018 $	2017 $
Amount of Financial Assistance Grant received during the year relating to the subsequent year.	330,005	318,719	309,762
Amount of Financial Assistance Grant received in prior year relating to the current year.	318,719	309,762	0

	2019	2018 (Restated)	2017 (Restated)
Current ratio	2.23	2.11	1.89
Debt service cover ratio	5.30	5.66	2.95
Operating surplus ratio	(0.18)	(0.33)	(0.50)

Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Councillors of the Shire of Mingenew

Report on the Audit of the Financial Report

Opinion
I have audited the annual financial report of the Shire of Mingenew 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 Mingenew:
(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.

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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) In my opinion, the following material matter indicates significant adverse trend in the financial position of the Shire:
   a. The Operating Surplus Ratio has been below the Department of Local Government, Sport and Cultural Industries standard for the past three years.
   The financial ratios are reported in Note 33 of the financial report.
(ii) All required information and explanations were obtained by me.
(iii) All audit procedures were satisfactorily completed.
(iv) In my opinion, the Asset Consumption Ratio and 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 supplementary information and/or 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 Mingenew 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.

DON CUNNINGHAME
ASSISTANT AUDITOR GENERAL FINANCIAL AUDIT
Delegate of the Auditor General for Western Australia
Perth, Western Australia
24 November 2019

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SHIRE
OF MINGENEW

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