SHIRE OF LAVERTON

MINUTES

OF THE ORDINARY MEETING OF COUNCIL

HELD AT 7:30PM ON THURSDAY 27 JUNE 2019
IN THE SHIRE COUNCIL CHAMBERS AT
9 MACPHERSON PLACE, LAVERTON WA 6440

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ATTACHMENTS

ATTACHMENT NO	DESCRIPTION	DISTRIBUTION
OMC190627-4.0.A	Cr R Ryles – Leave of Absence	Attached
OMC190627-8.1.A	Minutes of Ordinary Meeting of Council 23 May 2019	Previously
OMC190627-10.1.A	President's Report	Attached
OMC190627-11.1.1.A	Accounts Paid as at 31 May 2019	Attached
OMC190627-11.1.2.A	Statement of Financial Activity - Period ending 31/05/19	Attached
OMC190627-11.1.3.A	Certificate of Title	Attached
OMC190627-11.1.3.B	Bankruptcy Notices	Attached
OMC190627-11.1.3.C	National Australia Bank Letter	Attached
OMC190627-11.1.3.D	Form 2 Notification of Taking of Lands	Attached
OMC190627-11.1.5.A	List of Outstanding Debts to be Written Off	Attached
OMC190627-11.1.6.A	Draft Corporate Business Plan 2019-2023	Attached
OMC190627-11.4.1.A	GTNA Board Meeting Minutes of 17 May 2019	Attached

MINUTES

OF THE ORDINARY MEETING OF COUNCIL
HELD AT 7:30 PM ON THURSDAY 27 JUNE 2019
IN THE SHIRE OF LAVERTON COUNCIL CHAMBERS

1. DECLARATION OF OPENING

The Shire President, Cr Patrick Hill, declared the meeting open at 7:30pm and read aloud the disclaimer.

2. ANNOUNCEMENT OF VISITORS

There were no visitors present at this meeting.

3. RECORD OF ATTENDANCE

3.1 PRESENT

Cr Patrick Hill	President
Cr Shaneane Weldon	Deputy President
Cr Robin Prentice	Councillor
Cr Deanne Ross	Councillor
Mr Peter Naylor	Chief Executive Officer
Mr Les Vidovich	Executive Manager Technical Services
Mr Phil Marshall	Deputy Chief Executive Officer

3.2 APOLOGIES

Cr Rex Weldon	Councillor

3.3 LEAVE OF ABSENCE PREVIOUSLY APPROVED

Cr Rex Ryles	Councillor

4. APPLICATIONS FOR LEAVE OF ABSENCE

Cr R Ryles' request for Leave of Absence for the June Ordinary Meeting of Council was tabled (Attachment OMC190627-4.0.A).

Cr D Ross applied for Leave of Absence for the August Ordinary Meeting of Council on Thursday 29 August 2019.

VOTING REQUIREMENTS

Simple majority decision of Council required.

OMC190627.01 PROCEDURAL MOTION/COUNCIL DECISION

MOVED: **Cr R Prentice** **SECONDED:** **Cr D Ross**

That Cr R Ryles be granted Leave of Absence for the June Ordinary Meeting of Council (Attachment OMC190627-4.0.A).

SIMPLE MAJORITY	VOTES FOR	VOTES AGAINST
X	4	0

OMC190627.02 PROCEDURAL MOTION/COUNCIL DECISION

MOVED: **Cr S Weldon** **SECONDED:** **Cr R Prentice**

That Cr D Ross be granted Leave of Absence for the August Ordinary Meeting of Council on Thursday 29 August 2019.

SIMPLE MAJORITY	VOTES FOR	VOTES AGAINST
X	4	0

5. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil.

6. PUBLIC QUESTION TIME

There were no Public Questions.

7. NOTICE OF ITEMS TO BE DISCUSSED BEHIND CLOSED DOORS

Late item 14.1.1 CEO Performance Appraisal was listed for discussion behind closed doors.

8. CONFIRMATION OF MINUTES

8.1 ORDINARY MEETING OF COUNCIL 23 MAY 2019 (FILE REF: 0793)

VOTING REQUIREMENTS

Simple majority decision of Council required.

OMC190627.03 PROCEDURAL MOTION/COUNCIL DECISION

MOVED: **Cr P Hill** **SECONDED:** **Cr S Weldon**

That the Minutes of the Ordinary Meeting of Council held on 23 May 2019, be confirmed as a true and correct record of proceedings.

SIMPLE MAJORITY	VOTES FOR	VOTES AGAINST
X	4	0

9. PETITIONS/DEPUTATIONS/PRESENTATIONS

There were no petitions/deputations or presentations listed for hearing.

10. ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION

Cr P Hill, tabled his Shire President's report on activities since the previous meeting.

10.1 PRESIDENT'S REPORT (FILE REF: 0198)

OMC190627.04 PROCEDURAL MOTION/COUNCIL DECISION

MOVED: **Cr R Prentice** **SECONDED:** **Cr S Weldon**

That the President's report (Attachment OMC190627-10.1.A) as tabled, be received.

SIMPLE MAJORITY	X	VOTES FOR	4	VOTES AGAINST	0

10.2 ELECTED MEMBERS'S REPORTS (FILE REF: 198)

There were no Elected Members' Reports tabled.

11. COUNCIL BUSINESS

11.1 FINANCE AND ADMINISTRATION BUSINESS

11.1.1 ACCOUNTS PAID AS AT 31 MAY 2019 (FILE REF: 1276)

SUBMISSION TO:	Ordinary Meeting of Council, 27 June 2019
DISCLOSURE OF INTEREST:	The author has no financial interest in this matter
OWNER/APPLICANT:	Shire of Laverton
AUTHOR:	Isaac Stout, Accounts Officer
SENIOR OFFICER:	Phil Marshall, Deputy Chief Executive Officer
PREVIOUS MEETING REFERENCE:	Not applicable

MATTER FOR CONSIDERATION

The presentation of a list of accounts paid in May 2019 in accordance with Council Delegation 21.

ATTACHMENTS

OMC190627-11.1.1.A Accounts Paid as at 31 May 2019

APPLICANT'S SUBMISSION

Not applicable.

BACKGROUND

In accordance with Delegation 21, the Chief Executive Officer has approved the accounts listed in Attachment OMC190627–11.1.1.A for payment in May 2019.

STATUTORY ENVIRONMENT

Local Government (Financial Management) Regulations 1996)

Reg. 34(2)(c) – Each statement of financial activity is to be accompanied by documents containing such other supporting information as is considered relevant by the local government.

POLICY IMPLICATIONS

Council has no policies in respect to this matter.

FINANCIAL IMPLICATIONS

The recommendation of this report has no financial implications for Council.

STRATEGIC IMPLICATIONS

Civic Leadership Objective - A financially strong and knowledgeable Shire, leading an empowered community

CONSULTATION

Not applicable.

COMMENT

This report continues to "refine" processes as part of the implementation of the new Synergysoft accounting software to provide Council with the appropriate level of information in accordance with legislative requirements.

VOTING REQUIREMENTS

Simple majority decision of Council required.

OMC190627.5 OFFICER RECOMMENDATION/COUNCIL DECISION

MOVED: **Cr D Ross** **SECONDED:** **Cr R Prentice**

That Council endorses the list of payments for the month of May 2019 made under Delegation 21 as per Attachment OMC190627–11.1.1.A totalling $2,135,569.20 and summarised as follows:

Direct Debit Payments	**DD511.2, DD511.2, DD563.1-DD565.1, DD567.1, DD579.1, DD581.1, DD585.1, DD594.1-DD594.9, DD595.1-DD595.9, DD604.1-DD604.3, DD613.1, DD623.1, DD637.1**	**$242,597.68**
EFT Payments	**EFT1135-EFT1250**	**$1,873,838.67**
Cheques	**13323-13332**	**$7,076.85**
Trust Payments	**13324-13324**	**$12,056.00**
	Total Payments	**$2,135,569.20**

SIMPLE MAJORITY	X	VOTES FOR	4	VOTES AGAINST	0

11.1.2 STATEMENT OF FINANCIAL ACTIVITY FOR THE PERIOD ENDING 31 MAY 2019 (FILE REF: 1270)

SUBMISSION TO: Ordinary Meeting of Council, 27 June 2019

DISCLOSURE OF INTEREST: The author has no financial interest in this matter

OWNER/APPLICANT: Shire of Laverton

AUTHOR: Phil Marshall, Deputy Chief Executive

SENIOR OFFICER: Peter Naylor, Chief Executive Officer

PREVIOUS MEETING REFERENCE: Not applicable

MATTER FOR CONSIDERATION

To accept the Statement of Financial Activity for the period ending 31 May 2019.

ATTACHMENTS

OMC190627-11.1.2.A Statement of Financial Activity for the period ending 31 May 2019

APPLICANT'S SUBMISSION

Not applicable.

BACKGROUND

Regulation 34 of the *Local Government (Financial Management) Regulations 1996* requires the preparation of a statement of financial activity each month, reporting on revenue and expenditure. Material variances (as determined by the Council annually) between actual and budgeted figures must be commented on.

STATUTORY IMPLICATIONS

Local Government Act 1995

Section 2.7(2) – Provides that Council is to oversee the allocation of local government finances and resources and to determine the local government policies.

Section 3.1 – Provides that the general function of the local government is to provide for the good government of persons in its district.

Local Government (Financial Management) Regulations 1996

Section "34 – Financial activity statement required each month (Act s. 6.4)

(1A) In this regulation —

committed assets means revenue unspent but set aside under the annual budget for a specific purpose.

(1) A local government is to prepare each month a statement of financial activity reporting on the revenue and expenditure, as set out in the annual budget under regulation 22(1)(d), for that month.

(4) A statement of financial activity, and the accompanying documents referred to in subregulation (2), are to be —

(a) presented at an ordinary meeting of the council within 2 months after the end of the month to which the statement relates; and

(b) recorded in the minutes of the meeting at which it is presented.

(5) Each financial year, a local government is to adopt a percentage or value, calculated in accordance with the AAS, to be used in statements of financial activity for reporting material variances"

POLICY IMPLICATIONS

Council has no policies in respect to this matter.

FINANCIAL IMPLICATIONS

The recommendation of this report has no financial implications for Council.

STRATEGIC IMPLICATIONS

Civic Leadership Objective - A financially strong and knowledgeable Shire, leading an empowered community

CONSULTATION

Chief Executive Officer

COMMENT

The Statement of Financial Activity, having been generated and prepared by consultants Moore Stephens, is presented to Council in its entirety.

VOTING REQUIREMENTS

Simple majority decision of Council required.

OMC190627.06 OFFICER RECOMMENDATION/COUNCIL DECISION

MOVED: **Cr R Prentice** **SECONDED:** **Cr D Ross**

That Council in accordance with Clause 34 of the *Local Government (Financial Management) Regulations 1996* receives the Statement of Financial Activity for the period ending 31 May 2019 as shown in Attachment OMC190627–11.1.2.A.

SIMPLE MAJORITY	VOTES FOR	VOTES AGAINST
X	4	0

11.1.3 SALE OF PROPERTY FOR RECOVERY OF OUTSTANDING RATES AND CHARGES (FILE REF: 1003)

SUBMISSION TO:	Ordinary Meeting of Council, 27 June 2019
DISCLOSURE OF INTEREST:	The author has no financial interest in this matter
OWNER/APPLICANT:	Mr Esam El-Din Hassan/National Australia Bank
AUTHOR:	Nikki Watene. Rates Officer
SENIOR OFFICER:	Peter Naylor, Chief Executive Officer
PREVIOUS MEETING REFERENCE:	Not applicable

MATTER FOR CONSIDERATION

To sell property (No. 31 [Lot 236] Craiggie Street, Laverton, on Deposited Plan 213360) previously taken possession of by the Shire of Laverton, to recover outstanding rates and service charges to the value of $7,837.40.

ATTACHMENTS

OMC190627-11.1.3.A	Certificate of Title
OMC190627-11.1.3.B	Bankruptcy Notices
OMC190627-11.1.3.C	National Australia Bank Letter
OMC190627-11.1.3.D	Form 2 Notification of Taking of Land

APPLICANT'S SUBMISSION

Not applicable to this report.

BACKGROUND

The above property shown in the ownership of Mr Esam El-Din Hassan since 11 April 2011, has outstanding Rates and Service Charges to the value of $7,837.40.

The last payment received from the property owner was 16 September 2013. Original attempts to make contact with the owner failed and all correspondence for the previous three years have been returned to sender.

Recent Debt Recovery results from AMPAC sources revealed that the property owners Mr Hassan and his wife Nivan Hassan filed for bankruptcy on 20 August 2014 and were under the belief that the National Australian Bank had taken possession of the property, however the Certificate of Title details were never amended and the property remains in the name of Mr Esam El-Din Hassan.

Following contact with Mr Hassan, through the National Australia Bank representative, it was established that rightfully, he took no responsibility for the property or the continuing debt since the time of his bankruptcy.

The Shire contacted a representative of the National Australia Bank and in response was given a letter stating that the Bank does not intend to take any further legal action against the property and does not object to any recovery actions the Shire wishes to proceed with (Attachment OMC190627-11.1.3.C).

The Shire has since followed the correct proceedings in taking possession of the house and wishes to proceed with recovering the outstanding amount of $7,837.40 in accordance with section 6.56 of the *Local Government Act 1995*.

STATUTORY ENVIRONMENT

Local Government Act 1995

Section 6.64) – **Actions to be taken**

(1) If any rates or service charges which are due to a Local Government in respect of any rateable land have been unpaid for at least 3 years the local Government may, in accordance with the appropriate provisions of this Subdivision take possession of the land as against a person having an estate or interest in the land and -

(a) from time to time lease the land; or

(b) sell the land; or

(c) cause the land to be transferred to the Crown; or

(d) cause the land to be transferred to itself.

** Absolute majority required.*

Section 2.7(2) – Provides that Council is to oversee the allocation of local government finances and resources and to determine the local government policies.

Section 3.1 – Provides that the general function of the local government is to provide for the good government of persons in its district.

POLICY IMPLICATIONS

Policy 03.15 Rates Recovery - the process as outlined in this Policy was followed.

FINANCIAL IMPLICATIONS

The only foreseeable implication would be if the sale of the property did not recover the entire amount outstanding, in which case either the new property owner would be liable for the remaining amount or alternatively an agreement to write off the balance would be required.

STRATEGIC IMPLICATIONS

The recommendation of this report has no strategic implications for Council.

CONSULTATION

Chief Executive Officer
Deputy Chief Executive Officer
Rates Officer
Mr Esam El-Din Hassan
National Australia Bank

COMMENT

Consideration is given to the fact that the owner listed on the Certificate of Title had followed the correct proceedings in declaring bankruptcy on this property.

Given the fact that, an amendment of a name change was not completed (through an National Australia Bank administration error), both parties involved have agreed to not want claim on the land and.or property. It is believed the only solution to recover any monies owed is to proceed in accordance with provisions of the *Local Government Act 1995* and sell the property.

VOTING REQUIREMENTS

Absolute majority decision of Council required.

OMC190627.07 OFFICER RECOMMENDATION/COUNCIL DECISION

MOVED: **Cr S Weldon** **SECONDED:** **Cr D Ross**

That the Council, by absolute majority under Section 6.64 of the *Local Governemnt Act 1995*, authorises the Chief Executive Officer to proceed with the Sale of 31 Craiggie Street, Laverton, for the recovery of outstanding rates and charges amounting to $7,837.40.

ABSOLUTE MAJORITY	VOTES FOR	VOTES AGAINST
X	4	4

11.1.4 OUTSTANDING DEBTORS WRITE OFF (FILE REF: 1279)

SUBMISSION TO:	Ordinary Meeting of Council, 27 June 2019
DISCLOSURE OF INTEREST:	The author has no financial interest in this matter
OWNER/APPLICANT:	Not applicable
AUTHOR:	Isaac Stout, Accounts Officer
SENIOR OFFICER:	Phil Marshal, Deputy Chief Excutive Officer
PREVIOUS MEETING REFERENCE:	Not applicable

MATTER FOR CONSIDERATION

That the Council consider writing off the amount of $3,028.08.

ATTACHMENTS

OMC190627-11.1.4.A List of Outstanding Debts to be Written Off

APPLICANT'S SUBMISSION

Not applicable.

BACKGROUND

The Council has twenty outstanding debtors that are unlikey to pay their overdue accounts. Several attempts by phone, email and post have been made to try and recover these debts, with some debtors denying the invoice or not responding to the attempt. Attachment OMC190627-11.1.4.A details the amounts which are overdue.

STATUTORY ENVIRONMENT

Local Government Act 1995

Section 2.7(2) – Provides that Council is to oversee the allocation of local government finances and resources and to determine the local government policies.

Section 3.1 – Provides that the general function of the local government is to provide for the good government of persons in its district.

POLICY IMPLICATIONS

Policy 03.21 Charges Against Land – Fire Preventative Costs refers for some of these debts and this policy is being reviewed and will be brought to a future meeting of Council if necessary.

FINANCIAL IMPLICATIONS

The financial implicationfor the Council is:

- The amount of $3,028.08 is to be written off.

A provision has been made at the conclusion of the 2017/18 financial year to write off $336,838 which will reflect in the financial statements. The provision for bad and doubtful debts is based on an assumption on outstanding debtors which includes rates. An allowance for doubtful debts is raised when there is objective evidence that they will not be collected.

STRATEGIC IMPLICATIONS

The recommendation of this report has no strategic implications for Council.

CONSULTATION

Nil.

COMMENT

The lesson to be learned from these outstanding Invoices is that the Shire's policies and procedures, and in particular for payments, need to be followed. Any agreements made need to be put in writing and attached to invoices to help prove why the Shire is billing the Debtor.

Please note that the Fire Break Clearance infringement notices listed in Attachment OMC190627-11.1.4.A have not been added to the rates for those properties.

VOTING REQUIREMENTS

Absolute majority decision of Council required.

OMC190627.08 OFFICER RECOMMENDATION/COUNCIL DECISION

MOVED: **Cr S Weldon** **SECONDED:** **Cr R Prentice**

That the Council by absolute majority under Section 6.12 (c) of the *Local Governemnt Act 1995* write off $3,028.08 on the outstanding debtors as shown in Attachment OMC190627-11.1.4.A.

ABSOLUTE MAJORITY	X	VOTES FOR	4	VOTES AGAINST	0

11.1.5 DRAFT CORPORATE BUSINESS PLAN (CBP) 2019-2023 (FILE REF: 0010)

SUBMISSION TO:	Ordinary Meeting of Council, 27 June 2019
DISCLOSURE OF INTEREST:	The author has no financial interest in this matter
OWNER/APPLICANT:	Not applicable
AUTHOR:	Phil Marshall, Deputy Chief Executive Officer
SENIOR OFFICER:	Peter Naylor, Chief Executive Officer
PREVIOUS MEETING REFERENCE:	

MATTER FOR CONSIDERATION

That Council adopt the Draft Corporate Business Plan for 2019-23 to meet statutory requirements.

ATTACHMENTS

OMC190627-11.1.5.A Draft Corporate Business Plan 2019-2023

APPLICANT'S SUBMISSION

Not applicable.

BACKGROUND

The Corporate Business Plan (CBP) is a part of the Integrated Planning and Reporting Framework and a key operational document that takes into consideration other planning documents including the Strategic Community Plan, Long Term Financial Plan and Asset Management Plans, Operational Plans and Business Unit Plans. The CBP identifies Council priorities and details current services, future operations and major projects expected to be undertaken by the Shire over the next four years. The CBP outlines the operational activities that will be undertaken to achieve the desired outcomes of the Strategic Community Plan.

An annual review is undertaken to ensure it retains a high level of relevancy to current community goals and aspirations and recognises the changes occurring in the local and broader environment. The Plans are reviewed annually to ensure they remain up to date, and continue to have full integration and provide a framework clearly outlining the current strategies.

STATUTORY IMPLICATIONS

Local Government Act 1995

Section 2.7(2) – Provides that Council is to oversee the allocation of local government finances and resources and to determine the local government policies.

Section 3.1 – Provides that the general function of the local government is to provide for the good government of persons in its district.

Section 5.56(1) & (2) – requires that each local government is 'to plan for the future of the district', by developing plans in accordance with the regulations. *Local Government (Administration) Regulations 1996* (s19DA) outlines what is required of a Corporate Business Plan and the requirement to develop asset management, workforce and long term financial plans.

Section 19DA – **Corporate business plans, requirements (Act s.5.56)**

(1) A local government is to ensure that a corporate business plan is made for its district in accordance with this regulation in respect of each financial year after the financial year ending 30 June 2013.

(2) A corporate business plan for a district is to cover the period specified in the plan, which is to be at least 4 financial years.

(3) A corporate business plan for a district is to —

(a) set out, consistently with any relevant priorities set out in the strategic community plan for the district, a local government's priorities for dealing with the objectives and aspirations of the community in the district; and

(b) govern a local government's internal business planning by expressing a local government's priorities by reference to operations that are within the capacity of the local government's resources; and

(c) develop and integrate matters relating to resources, including asset management, workforce planning and long-term financial planning.

(4) A local government is to review the current corporate business plan for its district every year.

(5) A local government may modify a corporate business plan, including extending the period the plan is made in respect of and modifying the plan if required because of modification of the local government's strategic community plan.

(6) A council is to consider a corporate business plan, or modifications of such a plan, submitted to it and is to determine* whether or not to adopt the plan or the modifications.

Absolute majority required.

(7) If a corporate business plan is, or modifications of a corporate business plan are, adopted by the council, the plan or modified plan applies to the district for the period specified in the plan.

POLICY IMPLICATIONS

Council has no policies in respect to this matter.

FINANCIAL IMPLICATIONS

The recommendation of this report has no financial implications for Council.

STRATEGIC IMPLICATIONS

The Council's Strategic Plan is part of the reference documents and is contained within the draft Corporate Business Plan.

CONSULTATION

The DCEO has undertaken a desktop review with staff at Moore Stephens as this forms part of the fee structure contained within the agreement for the Northern Goldfields Compliance Group to cover the statutory compliance requirements of the *Local Government Act 1955* and associated Regulations.

COMMENT

This Draft Corporate Business Plan 2019 – 2023, together with the Strategic Community Plan 2016 – 2026, is the Shire of Laverton's Plan for the Future and has been prepared to achieve compliance with the *Local Government (Administration) Regulations 1996.*

Under *Local Government (Administration) Regulations 1996* Regulation 19C (3), a Corporate Business Plan for a district is to:

a) set out, consistent with any relevant priorities set out in the strategic community plan for the district, a local government's priorities for dealing with the objectives and aspirations of the community in the district; and

b) govern a local government's internal business planning by expressing a local government's priorities by reference to operations that are within the capacity of the local government's resources; and

c) develop and integrate matters relating to resources, including asset management, workforce planning and long-term financial planning.

In the preparation of the annual budget the local government is to have regard to the contents of the Plan for the Future in terms of Section 6.2(2) of the *Local Government Act 1995*.

Development of the Plan has also been influenced by the Department of Local Government, Sport and Cultural Industries Framework and Guidelines for Integrated Planning and Reporting.

The key changes are considered below and include:

- The deletion of a dollar value to the Great Central Road as Main Roads will continue the management of the project. The facilitation and the lobbying to continually upgrade the road has not diminished and reflects in Strategy 3.1.1.
- The Airport has seen more of a focus with the planned increase in traffic and passenger numbers which starts with apron and parking upgrades. The planned terminal building upgrade focuses on the forthcoming years. Section 3.1.3 refers.
- The continuation of Roads, Parks and Gardens as a prime focus of the Council Strategies 3.1.2, 3.2.3 and 1.1.3 refers. The Main Street Program has been removed as this has been completed.
- The upgrade and support of the Community Resource Centre is handled within the 2019/20 financial year, however, it is envisioned that this may be held off to the 2020/21 financial year. Strategy 3.2.2 (well maintained service provision buildings) reflects this matter without being pointed and will become better known as events occur.

- The funding to complete Stage 2 of the Great Beyond is ongoing.
- The balance of the document has been amended to reflect various priorities contained within the Strategic Plan and is purely on timing of the strategy.

VOTING REQUIREMENTS

Absolute majority decision of Council required.

OMC190627.09 OFFICER RECOMMENDATION/COUNCIL DECISION

MOVED: **Cr D Ross** **SECONDED:** **Cr S Weldon**

That the Council by absolute majority adopt the Draft Corporate Business Plan 2019-2023 in accordance with section 19DA of the *Local Government (Administration) Regulations 1996* and Section 5.56 of the *Local Government Act 1995*.

ABSOLUTE MAJORITY	X	VOTES FOR	4	VOTES AGAINST	0

11.2 ENVIRONMENTAL HEALTH & BUILDING SERVICES BUSINESS

There is no Environmental Health & Building Services business listed for this meeting.

11.3 WORKS AND SERVICES BUSINESS

There is no Works and Services business listed for this meeting.

11.4 PLANNING AND DEVELOPMENT BUSINESS

11.4.1 GOLDFIELDS TOURISM NETWORK ASSOCIATION (GTNA) (FILE REF: 0320)

SUBMISSION TO:	Ordinary Meeting of Council, 27 June 2019
DISCLOSURE OF INTEREST:	Nil
OWNER/APPLICANT:	Goldfields Tourism Network Association
AUTHOR:	Peter Naylor, Chief Executive Officer
PREVIOUS MEETING REFERENCE:	Not applicable

MATTER FOR CONSIDERATION

For Council to consider recommendations from the Goldfields Tourism Network Association meeting held on Friday 17 May 2019.

ATTACHMENTS

OMC190627-11.4.1.A GTNA Board Meeting Minutes of 17 May 2019

APPLICANT'S SUBMISSION

Not applicable.

BACKGROUND

The Goldfields Tourism Network Association (GTNA) was established in 2010 as a not-for-profit organisation to oversee the promotion and marketing of tourist attractions and trails in the Goldfields region. It comprises of the Shires of Coolgardie, Dundas, Laverton, Leonora, Menzies & Wiluna, and the City of Kalgoorlie-Boulder. Unfortunately, it has been limited by financial constraints, culminating in the resignation of the current Chief Executive Officer, Mandy Reidy.

STATUTORY ENVIRONMENT

Local Government Act 1995

Section 2.7(2) – Provides that Council is to oversee the allocation of local government finances and resources and to determine the local government policies.

Section 3.1 – Provides that the general function of the local government is to provide for the good government of persons in its district.

POLICY IMPLICATIONS

Council has no policies in respect to this matter.

FINANCIAL IMPLICATIONS

The recommendation of this report has no financial implications for Council.

STRATEGIC IMPLICATIONS

Tourism has a strong reference in the Shire of Laverton Strategic Community Plan and the recommendation of this report is proposing the continuation of the work to align tourism in the Northern Goldfields.

CONSULTATION

There have been numerous meetings and discussions with the GTNA Member Councils as to the future of the GTNA.

COMMENT

The Shire President, Cr Patrick Hill, has been attending the GTNA Board Meetings on behalf of the Shire, and reporting back to Council on the matters that have been progressing.

At the most recent Board meeting held in Kalgoorlie on Friday 17 May 2019, recommendations were presented in relation to the future dissolution of the GTNA. The Minutes from this GTNA Board meeting are included as Attachment OMC190627-11.4.1.A.

VOTING REQUIREMENTS

Simple majority decision of Council required.

OMC190627.10 OFFICER RECOMMENDATION/COUNCIL DECISION

MOVED: **Cr R Prentice** **SECONDED:** **Cr S Weldon**

That Council resolves to endorse the recommendation to all Goldfields Tourism Network Association (GTNA) members that the pathway that the Board intends to take is:

1. **To take steps to change the name of the GTNA and revert back to the Golden Quest Discovery Trail as its main objective;**
2. **To engage Economic Transitions to draft a new constitution for the Golden Quest Discovery Trail based on model rules and updated objectives; and**
3. **To convene a Special General Meeting prior to 30 June 2019 with the current Goldfields Tourism Network Association membership.**

SIMPLE MAJORITY	VOTES FOR	VOTES AGAINST
X	4	0

11.4.2 SHIRE OF LAVERTON COMMON SEAL (FILE REF: 0664)

SUBMISSION TO:	Ordinary Meeting of Council, 27 June 2019
DISCLOSURE OF INTEREST:	Nil
OWNER/APPLICANT:	Shire of Laverton
AUTHOR:	Peter Naylor, Chief Executive Officer
PREVIOUS MEETING REFERENCE:	Not applicable

MATTER FOR CONSIDERATION

Seeking Council endorsement for the affixing of the Shire of Laverton Common Seal on a document in accordance with Council Policy 02.07 Execution of Documents.

ATTACHMENTS

Nil

APPLICANT'S SUBMISSION

Not applicable.

BACKGROUND

Shire of Laverton Policy 02.07 states:

It is Council's Policy that, for a document to be validly executed, the common seal is to be affixed to the document and the President and the Chief Executive Officer attest the affixing of the seal. Any documents executed in this manner must be endorsed by Council resolution.

STATUTORY ENVIRONMENT

Local Government Act 1995

Section 2.7(2) – Provides that Council is to oversee the allocation of local government finances and resources and to determine the local government policies.

Section 3.1 – Provides that the general function of the local government is to provide for the good government of persons in its district.

Section 9.49A - *Execution of documents*

(1) A document is duly executed by a local government if —

(a) the common seal of the local government is affixed to it in accordance with subsections (2) and (3); or

(b) it is signed on behalf of the local government by a person or persons authorised under subsection (4) to do so.

(2) The common seal of a local government is not to be affixed to any document except as authorised by the local government.

(3) The common seal of the local government is to be affixed to a document in the presence of —

(a) the mayor or president; and

(b) the chief executive officer or a senior employee authorised by the chief executive officer, each of whom is to sign the document to attest that the common seal was so affixed.

(4) A local government may, by resolution, authorise the chief executive officer, another employee or an agent of the local government to sign documents on behalf of the local government, either generally or subject to conditions or restrictions specified in the authorisation.

(5) A document executed by a person under an authority under subsection (4) is not to be regarded as a deed unless the person executes it as a deed and is permitted to do so by the authorisation.

(6) A document purporting to be executed in accordance with this section is to be presumed to be duly executed unless the contrary is shown.

(7) When a document is produced bearing a seal purporting to be the common seal of the local government, it is to be presumed that the seal is the common seal of the local government unless the contrary is shown.

POLICY IMPLICATIONS

Shire of Laverton Policy 02.07 Execution of Documents.

FINANCIAL IMPLICATIONS

The recommendation of this report has no financial implications for Council.

STRATEGIC IMPLICATIONS

The recommendation of this report has no strategic implications for Council.

CONSULTATION

Nil.

COMMENT

During the previous month the Shire President and/or the Chief Executive Officer witnessed the affixing of the Shire of Laverton Common Seal to the Financial Assistance Agreement dated 04 June 2019 for the Laverton Airfield Expansion (Apron) between the Shire of Laverton and the Department of Primary Industries & Regional Development.

VOTING REQUIREMENTS

Simple majority decision of Council required.

OMC190627.11 OFFICER RECOMMENDATION/COUNCIL DECISION

MOVED: Cr R Prentice SECONDED: Cr S Weldon

That Council:

1. **Endorses the affixing of the Shire of Laverton Common Seal to the Financial Assistance Agreement dated 04 June 2019 for the Laverton Airfield Expansion (Apron) between the Shire of Laverton and the Department of Primary Industries & Regional Development; and**

2. **Endorses the affixing of the Shire of Laverton Common Seal to the Emergency Services Levy (ESL) Administration 'Option B' Agreement with the Department of Fire and Emergency Services.**

SIMPLE MAJORITY	X	VOTES FOR	4	VOTES AGAINST	0

12. ELECTED MEMBERS' MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

There were no motions from Elected Members of which previous notice has been given at the time of preparing this Agenda.

13. NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF THE MEETING

There was no business of an urgent nature to be introduced by decision of the meeting at the time of preparing this Agenda.

14. ITEMS FOR CONSIDERATION BEHIND CLOSED DOORS

Items in this section of the Agenda are presented to Council for consideration behind closed doors in accordance with the provisions of Section 5.23 of the *Local Government Act 1995* as listed below:

Section 5.23 of the *Local Government Act 1995* - Meetings generally open to public

(1) Subject to subsection (2), the following are to be open to members of the public -

(a) all council meetings and

(b) all meetings of any committee to which a local government power or duty has been delegated.

are to be open to members of the public. Subsection (3) allows that if a meeting is being held by a council or a committee referred to in subsection (1)(b),

(2) If a meeting is being held by a council or by a committee referred to in subsection (1)(b), the council or committee may close to members of the public the meeting, or part of the meeting, if the meeting or the part of the meeting deals with any of the following —

(a) a matter affecting an employee or employees; and

(b) the personal affairs of any person; and

(c) a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting; and

(d) legal advice obtained, or which may be obtained, by the local government and which relates to a matter to be discussed at the meeting; and

(e) a matter that if disclosed, would reveal —

(i) a trade secret; or

(ii) information that has a commercial value to a person; or

(iii) information about the business, professional, commercial or financial affairs of a person,

where the trade secret or information is held by, or is about, a person other than the local government; and

(f) a matter that if disclosed, could be reasonably expected to —

(i) impair the effectiveness of any lawful method or procedure for preventing, detecting, investigating or dealing with any contravention or possible contravention of the law; or

(ii) endanger the security of the local government's property; or

(iii) prejudice the maintenance or enforcement of a lawful measure for protecting public safety;

and

(g) information which is the subject of a direction given under section 23(1a) of the Parliamentary Commissioner Act 1971; and

(h) such other matters as may be prescribed.

(3) A decision to close a meeting or part of a meeting and the reason for the decision are to be recorded in the minutes of the meeting.

14.1 APPROVAL TO CONSIDER ITEMS BEHIND CLOSED DOORS

OMC190627.12 COUNCIL DECISION/PROCEDURAL MOTION

MOVED: **Cr S Weldon** **SECONDED:** **Cr D Ross**

That this meeting be closed to members of the general public at 07:58pm and that Council move behind closed doors to consider:

14.1.1 Chief Executive Officer – Annual Performance Review (File Ref: 1187)

SIMPLE MAJORITY		VOTES FOR		VOTES AGAINST	
	X		4		0

Mr Peter Naylor declared a Financial Interest in Item 14.1.1 as Council were reviewing his employment contract and and there was a possible financial benefit to him following the review process.

07:58pm Mr P Naylor, Mr L Vidovich and Mr P Marshall left the meeting.

07:59pm The meeting moved behind closed doors.

14.1.1 CHIEF EXECUTIVE OFFICER, ANNUAL PERFORMANCE REVIEW (FILE REF: 1187)

OMC190627.13 COUNCIL DECISION/OFFICER RECOMMENDATION

MOVED: **Cr S Weldon** **SECONDED:** **Cr D Ross**

That Council:

1. **Endorses the Performance Review process recently completed for the Chief Executive Officer, for the review period 04 June 2018 to 04 June 2019.**
2. **Endorses the CEO's performance over the 12 month review period and unanimously agrees that he has satisfactorily completed all tasks as required in accordance with the contract of employment.**
3. **Convenes a Special Meeting of Council to review the CEO's Conditions of Employment and Reward Package.**

SIMPLE MAJORITY		VOTES FOR		VOTES AGAINST	
	X		4		0

08:13pm Mr P Naylor rejoined the meeting.

The President, Cr P Hill, advised Mr Naylor of Council's decision.

14.2 APPROVAL TO COME OUT FROM BEHIND CLOSED DOORS

OMC190627.14 COUNCIL DECISION/PROCEDURAL MOTION

MOVED: **Cr S Weldon** SECONDED: **Cr R Prentice**

That Council come out from behind closed doors and that this meeting be reopened to members of the general public at 8:16pm.

SIMPLE MAJORITY	X	VOTES FOR	4	VOTES AGAINST	0

15. NEXT MEETING

The next Ordinary Meeting of Council will be held on Thursday, 25 July 2019 at the Shire of Laverton Council Chambers, commencing at 5.00pm.

16. CLOSURE OF MEETING

There being no further business, the President declared the meeting closed at 8:17pm.

17. CERTIFICATION OF MINUTES

I, Patrick Hill, hereby certify that the Minutes of the Ordinary Meeting of Council held on 27 June 2019 are confirmed as a true and correct record, as per the Council resolution of the Ordinary Meeting of Council held on 25 July 2019.

SIGNED: _____ **DATED:** **25 JULY 2019**

ORDINARY MEETING OF COUNCIL
27 JUNE 2019

ATTACHMENTS

ATTACHMENT NO	DESCRIPTION	ATTACHED
OMC190627-4.0.A	Leave of Absence – Cr R Ryles	Attached
OMC190627-8.1.A	Minutes of Ordinary Meeting of Council 23 May 2019	Previously
OMC190627-10.1.A	President's Report	Attached
OMC190627-11.1.1.A	Accounts Paid as at 31 May 2019	Attached
OMC190627-11.1.2.A	Statement of Financial Activity for the period ending 31 May 2019	Attached
OMC190627-11.1.3.A	Certificate of Title	Attached
OMC190627-11.1.3.B	Bankruptcy Notices	Attached
OMC190627-11.1.3.C	National Australia Bank Letter	Attached
OMC190627-11.1.3.D	Form 2 Notification of Taking of Lands	Attached
OMC190627-11.1.4.A	List of Outstanding Debts to be Written Off	Attached
OMC190627-11.1.5.A	Draft Corporate Business Plan 2019-2023	Attached
OMC190627-11.4.1.A	GTNA Board Meeting Minutes of 17 May 2019	Attached

FILE: 207

SHIRE OF LAVERTON

AUDIT AND RISK COMMITTEE MEETING

AGENDA

To be held in
the Council Chambers of the Shire of Laverton
at 9 MacPherson Place, Laverton,
on Wednesday 24 April 2019,
commencing at 4:45 pm

SHIRE OF LAVERTON
NOTICE OF MEETING OF THE AUDIT AND RISK COMMITTEE

Dear Committee Member,

The next meeting of the Audit and Risk Committee of Shire of Laverton will take place on Wednesday 24 April 2019 in the Council Chambers, 9 MacPherson Place Laverton, commencing at 4.45 pm.

18 April 2019

Les Vidovich
Acting Chief Executive Officer

Date

AGENDA

1. DECLARATION OF OPENING **1**

2. RECORD OF ATTENDANCE **1**

2.1 Present 1
2.2 Apologies 1
2.3 Leave of Absence 1
2.4 Visitors 1
2.5 Approval for Remote Councillor Attendance by Telephone (File Ref: 0793) 1

3. CONFIRMATION OF MINUTES OF PREVIOUS MEETING **3**

3.1 Minutes of Audit and Risk Committee Meeting held 28 February 2019 (File Ref: 0207) 3

4. REPORTS OF COMMITTEES & OFFICERS **4**

4.1 Deputy Chief Executive Officer 4
4.1.1 Audit Reports for the year ending 30 June 2018 (File Ref: 1229) 4
4.1.2 Annual Report for the year ending 30 June 2018 (File Ref: 1229) 6

5. CLOSURE OF MEETING **9**

6. CERTIFICATION OF MINUTES **10**

ATTACHMENTS

ARC190424-3.1.A	Minutes of Audit and Risk Committee Meeting 28 February 2019
ARC190424-4.1.A	Representation Letter for the year ended 30 June 2018
ARC190424-4.1.B	Independent Audit Report for the year ending 30 June 2018
ARC190424-4.1.2.A	Shire of Laverton Annual Report for the year ended 30 June 2018

AGENDA FOR AUDIT AND RISK COMMITTEE MEETING TO BE HELD IN THE SHIRE COUNCIL CHAMBERS, 9 MACPHERSON PLACE, LAVERTON ON WEDNESDAY 24 APRIL 2019 AT 4:45PM

1. DECLARATION OF OPENING

2. RECORD OF ATTENDANCE

2.1 PRESENT

Cr P Hill	Member
Cr S Weldon	Member
Cr D Ross	Member
Cr R Ryles	Member
Cr R Prentice	Member (via telephone from ____ pm)
Mr L Vidovich	Acting Chief Executive Officer

2.2 APOLOGIES

Cr R Weldon	Member
Mr P Naylor	Chief Executive Officer
Mr P Marshall	Deputy Chief Executive Officer

2.3 LEAVE OF ABSENCE

Nil

2.4 VISITORS

2.5 APPROVAL FOR REMOTE COUNCILLOR ATTENDANCE VIA TELEPHONE (FILE REF: 0793)

SUBMISSION TO:	Audit and Risk Committee Meeting, 24 April 2019
DISCLOSURE OF INTEREST:	The author has no financial interest in this matter
OWNER/APPLICANT:	Not applicable
AUTHOR:	Tiffany Farlow, Executive Assistant to the CEO
SENIOR OFFICER:	Les Vidovich, Acting Chief Executive Officer
PREVIOUS MEETING REFERENCE:	Not applicable

MATTER FOR CONSIDERATION

To approve the participation in this meeting of Cr Robin Prentice via telephone dial-in from Mandurah, WA.

ATTACHMENTS

Nil

APPLICANT'S SUBMISSION

Not applicable

BACKGROUND

From time to time, Councillors can find themselves unable to attend Committee Meetings in person, but may request permission of that Committee to participate remotely via telephone or video link.

STATUTORY ENVIRONMENT

Local Government Act 1995

Section 2.7(2) – Provides that Council is to oversee the allocation of local government finances and resources and to determine the local government policies.

Section 3.1 – Provides that the general function of the local government is to provide for the good government of persons in its district.

Section 5.25(ba) - Provides for regulations being able to make provision for the holding of council or committee meetings by telephone, video conference or other electronic means.

Local Government (Administration) Regulations 1996

Regulation 14A – Defines the requirements necessary for approval of remote attendance at a meeting of Council.

POLICY IMPLICATIONS

Council Policy 04.09 Remote Attendance at Meetings covers the requirements for a Committee to approve remote attendance at a Committee meeting if requested.

FINANCIAL IMPLICATIONS

The recommendation of this report has no financial implications for the Committee.

STRATEGIC IMPLICATIONS

The recommendation of this report has no strategic implications for Council.

CONSULTATION

Nil

COMMENT

Following recent unplanned surgery, Cr R Prentice is unable to be in Laverton to take part in this Meeting of the Audit and Risk Committee and wishes to take part remotely via teleconference as provided for in legislation and the Shire's adopted policy.

VOTING REQUIREMENTS

Absolute majority decision of the Committee required.

OFFICER RECOMMENDATION

MOVED: **Cr** _____ **SECONDED:** **Cr** _____

That the Committee:

1. **Approve Cr R Prentice's Mandurah residence as a 'suitable' place from which to conduct instantaneous communication with each other person present at this meeting, as it is located in a town site or residential area and is a residential dwelling, in accordance with Shire Policy 04.09; and**
2. **Approve that Cr R Prentice be taken to be present at this meeting for the duration of the time in which she is in instantaneous communication with each other person present at this meeting, in accordance with Shire Policy 04.09.**

ABSOLUTE MAJORITY		VOTES FOR		VOTES AGAINST	

3. CONFIRMATION OF MINUTES OF PREVIOUS MEETING

3.1 MINUTES OF AUDIT AND RISK COMMITTEE MEETING HELD 28 FEBRUARY 2019 (FILE REF: 207)

ATTACHMENT

AC190424-3.1.A Minutes of Audit and Risk Committee Meeting 28 February 2019

PROCEDURAL DECISION

MOVED: **Cr** **SECONDED:** **Cr**

That the Minutes of the Audit and Risk Committee Meeting (Attachment ARC190424-3.1.A) held on 28 February 2019, be confirmed as a true and accurate record of proceedings.

SIMPLE MAJORITY		VOTES FOR		VOTES AGAINST	

4. REPORTS OF COMMITTEE AND OFFICERS

4.1 DEPUTY CHIEF EXECUTIVE OFFICER

4.1.1 AUDIT REPORTS FOR THE YEAR ENDING 30 JUNE 2018 (FILE REF: 1229)

SUBMISSION TO:	Audit and Risk Committee Meeting, 24 April 2019
DISCLOSURE OF INTEREST:	The author has no financial interest in this matter
OWNER/APPLICANT:	Not applicable
AUTHOR:	Phil Marshall, Deputy Chief Executive Officer
SENIOR OFFICER:	Peter Naylor, Chief Executive Officer
PREVIOUS MEETING REFERENCE:	Not applicable

MATTER FOR CONSIDERATION

That the Audit and Risk Committee receive and consider the following documents:

- Representation Letter
- Independent Audit Report for the year ending 30 June 2018 – contained within the Annual Report shown as Attachment ARC190424-4.1.2.A under item 4.1.2.

ATTACHMENTS

ARC190424-4.1.1.A	Representation Letter for the year ended 30 June 2018
ARC190424-4.1.1.B	Independent Audit Report for the year ending 30 June 2018

APPLICANT'S SUBMISSION

Not applicable.

BACKGROUND

In accordance with section 7.9 of the *Local Government Act 1995*, the audit was conducted by the Shire's appointed Auditor, Billy-Joe Thomas of Anderson, Munroe and Wylie.

STATUTORY ENVIRONMENT

Local Government Act 1995

Section 2.7(2) – Provides that Council is to oversee the allocation of local government finances and resources and to determine the local government policies.

Section 3.1 – Provides that the general function of the local government is to provide for the good government of persons in its district.

Section 7.9 – **Audit to be conducted**

(1) An auditor is required to examine the accounts and annual financial report submitted for audit and, by the 31 December next following the financial year to which the accounts and report relate or such later date as may be prescribed, to prepare a report thereon and forward a copy of that report to —

(a) the mayor or president; and

(b) the CEO of the local government; and

(c) the Minister.

(2) Without limiting the generality of subsection (1), where the auditor considers that —

(a) there is any error or deficiency in an account or financial report submitted for audit; or

(b) any money paid from, or due to, any fund or account of a local government has been or may have been misapplied to purposes not authorised by law; or

(c) there is a matter arising from the examination of the accounts and annual financial report that needs to be addressed by the local government,

details of that error, deficiency, misapplication or matter, are to be included in the report by the auditor.

(3) The Minister may direct the auditor of a local government to examine a particular aspect of the accounts and the annual financial report submitted for audit by that local government and to —

(a) prepare a report thereon; and

(b) forward a copy of that report to the Minister,

and that direction has effect according to its terms.

(4) If the Minister considers it appropriate to do so, the Minister is to forward a copy of the report referred to in subsection (3), or part of that report, to the CEO of the local government.

Section 7.12A – **Duties of local government with respect to audits**

(1) A local government is to do everything in its power to —

(a) assist the auditor of the local government to conduct an audit and carry out the auditor's other duties under this Act in respect of the local government; and

(b) ensure that audits are conducted successfully and expeditiously.

(2) Without limiting the generality of subsection (1), a local government is to meet with the auditor of the local government at least once in every year.

(3) A local government must —

(aa) examine an audit report received by the local government; and

(a) determine if any matters raised by the audit report, require action to be taken by the local government; and

(b) ensure that appropriate action is taken in respect of those matters.

(4) A local government must —

(a) prepare a report addressing any matters identified as significant by the auditor in the audit report, and stating what action the local government has taken or intends to take with respect to each of those matters; and

(b) give a copy of that report to the Minister within 3 months after the audit report is received by the local government.

(5) Within 14 days after a local government gives a report to the Minister under subsection (4)(b), the CEO must publish a copy of the report on the local government's official website.

Local Government (Audit) Regulations 1996

Regulation 16 – **Functions of audit committee**

An audit committee has the following functions —

(a) to guide and assist the local government in carrying out —

(i) its functions under Part 6 of the Act; and

(ii) its functions relating to other audits and other matters related to financial management;

(b) to guide and assist the local government in carrying out the local government's functions in relation to audits conducted under Part 7 of the Act;

(c) to review a report given to it by the CEO under regulation 17(3), (the *CEO's report*) and is to —

(i) report to the council the results of that review; and

(ii) give a copy of the CEO's report to the council;

(d) to monitor and advise the CEO when the CEO is carrying out functions in relation to a review under —

(e) to support the auditor of the local government to conduct an audit and carry out the auditor's other duties under the Act in respect of the local government;

(f) to oversee the implementation of any action that the local government —

(i) is required to take by section 7.12A(3); and

(ii) has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a); and

(iii) has accepted should be taken following receipt of a report of a review conducted under regulation 17(1); and

(iv) has accepted should be taken following receipt of a report of a review conducted under the *Local Government (Financial Management) Regulations 1996* regulation 5(2)(c);

(g) to perform any other function conferred on the audit committee by these regulations or another written law.

POLICY IMPLICATIONS

Council has no policies in respect to this matter.

FINANCIAL IMPLICATIONS

The recommendation of this report has no financial implications for Council.

STRATEGIC IMPLICATIONS

Civic Leadership Objective - A financially strong and knowledgeable Shire, leading an empowered community

Outcome 4.3 Improved planning

4.3.1 Continue to review and improve organisational plans

4.3.2 Seek high level of statutory compliance

CONSULTATION

Chief Executive officer
Anderson, Munroe and Wylie – Auditor Mr Billy-Joe Thomas
Office of Auditor General

COMMENT

The purpose of the Representation Letter can be taken two ways, however, the administration believes that it is a tool to improve the standards of compliance and financial management for the Shire of Laverton and any items will be addressed and reported back through scheduled Audit and Risk Committee Meetings.

VOTING REQUIREMENTS

Simple majority of the Committee.

OFFICER RECOMMENDATION

MOVED: **Cr** **SECONDED:** **Cr**

That the Audit and Risk Committee recommends to the Council that the Annual Representation Letter and the Independent Auditors' Report for the year ending 30 June 2018 as prepared by Auditor, Billy-Joe Thomas of Anderson Munroe and Wylie, be accepted in accordance with the *Local Government Act 1995*.

SIMPLE MAJORITY		VOTES FOR		VOTES AGAINST	

4.1.2 ANNUAL REPORT FOR THE YEAR ENDING 30 JUNE 2018 (FILE REF: 1229)

SUBMISSION TO:	Audit and Risk Committee Meeting, 24 April 2019
DISCLOSURE OF INTEREST:	The author has no financial interest in this matter
OWNER/APPLICANT:	Not applicable
AUTHOR:	Phil Marshall, Deputy Chief Executive Officer
SENIOR OFFICER:	Peter Naylor, Chief Executive Officer
PREVIOUS MEETING REFERENCE:	Not applicable

MATTER FOR CONSIDERATION

That the Audit and Risk Committee receive and consider the Annual Report for the year ending 30 June 2018.

ATTACHMENTS

ARC190424-4.1.2.A Shire of Laverton Annual Report for the year ended 30 June 2018

APPLICANT'S SUBMISSION

Not applicable.

BACKGROUND

The Audit Report for the 2017/18 Annual Financial Statements were received from our Auditors on 14 April 2019. The Annual Report is to be accepted by the Shire of Laverton no later than two months after the Auditor's Report becomes available in accordance with the *Local Government Act 1995*, section 5.27(2) refers.

STATUTORY ENVIRONMENT

Local Government Act 1995

Section 2.7(2) – Provides that Council is to oversee the allocation of local government finances and resources and to determine the local government policies.

Section 3.1 – Provides that the general function of the local government is to provide for the good government of persons in its district.

Section 5.27 – **Electors' general meetings**

(1) A general meeting of the electors of a district is to be held once every financial year.

(2) A general meeting is to be held on a day selected by the local government but not more than 56 days after the local government accepts the annual report for the previous financial year.

Section 5.53 – **Annual reports**

Provides that the general function of the local government is to provide for the good government of persons in its district.

(1) The local government is to prepare an annual report for each financial year.

(2) The annual report is to contain —

(a) a report from the mayor or president; and

(b) a report from the CEO; and

(e) an overview of the plan for the future of the district made in accordance with section 5.56, including major initiatives that are proposed to commence or to continue in the next financial year; and

(f) the financial report for the financial year; and

(g) such information as may be prescribed in relation to the payments made to employees; and

(h) the auditor's report prepared under section 7.9(1) or 7.12AD(1) for the financial year; and

(ha) a matter on which a report must be made under section 29(2) of the *Disability Services Act 1993* ; and

(hb) details of entries made under section 5.121 during the financial year in the register of complaints, including —

(i) the number of complaints recorded in the register of complaints; and

(ii) how the recorded complaints were dealt with; and

(iii) any other details that the regulations may require;

and

(i) such other information as may be prescribed.

Section 5.54 – **Acceptance of annual reports**

(1) Subject to subsection (2), the annual report for a financial year is to be accepted* by the local government no later than 31 December after that financial year.

** Absolute majority required.*

(2) If the auditor's report is not available in time for the annual report for a financial year to be accepted by 31 December after that financial year, the annual report is to be accepted by the local government no later than 2 months after the auditor's report becomes available.

[Section 5.54 amended by No. 49 of 2004 s. 49.]

Section 5.55 – **Notice of annual reports**

The CEO is to give local public notice of the availability of the annual report as soon as practicable after the report has been accepted by the local government.

POLICY IMPLICATIONS

Council has no policies in respect to this matter.

FINANCIAL IMPLICATIONS

The recommendation of this report has no financial implications for Council.

STRATEGIC IMPLICATIONS

Civic Leadership Objective - A financially strong and knowledgeable Shire, leading an empowered community

Outcome 4.3 Improved planning

4.3.1 Continue to review and improve organisational plans

4.3.2 Seek high level of statutory compliance

CONSULTATION

Chief Executive Officer
Anderson, Munroe and Wylie – Auditor Mr Billy-Joe Thomas

COMMENT

The purpose of the Annual Report and acceptance is to meet statutory reporting requirements and to set a date for the Annual Electors' Meeting to be within 56 days of the 24 April 2019, and the intended date of 23 May 2019 is well within this timeline.

VOTING REQUIREMENTS

Absolute majority decision of the Committee required for Recommendation 1 and simple majority for Recommendation 2

OFFICER RECOMMENDATION 1

MOVED: **Cr** _____ **SECONDED:** **Cr** _____

That the Audit and Risk Committee by an absolute majority in accordance with section 5.54 of the *Local Government Act 1995* adopts the Annual Report for the year ending 30 June 2018 as shown as Attachment ARC190424-4.1.2.A.

ABSOLUTE MAJORITY		VOTES FOR		VOTES AGAINST	

OFFICER RECOMMENDATION 2

MOVED: **Cr** _____ **SECONDED:** **Cr** _____

That the Audit and Risk Committee set the Electors General Meeting in accordance with section 5.27 of the *Local Government Act 1995* to be held on Thursday 23 May 2019 at 4.00pm in the Council Chambers to present the Annual Report for the year ending 30 June 2018.

SIMPLE MAJORITY		VOTES FOR		VOTES AGAINST	

5. CLOSURE OF MEETING

The Presiding Person declared the meeting closed at _____ pm.

6. CERTIFICATION OF MINUTES

I, Patrick Hill, hereby certify that the Minutes of the Audit and Risk Committee Meeting held on 24 April 2019 are confirmed as a true and correct record, by resolution of the meeting of the Audit and Risk Committee held on

SIGNED: ..... **DATED:** .....

FILE: 207

UNCONFIRMED MINUTES

PLEASE NOTE: **These Minutes have yet to be confirmed by the Audit and Risk Committee as a true record of proceedings.**

SHIRE OF LAVERTON

AUDIT AND RISK COMMITTEE MEETING

MINUTES

Held in the
Council Chambers of the Shire of Laverton
at 9 MacPherson Place, Laverton,
on Thursday 28 February 2019,
commencing at 4:45 pm

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ARC190228-4.1.A Laverton – Compliance Audit Return 2018

MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING HELD IN THE SHIRE COUNCIL CHAMBERS, 9 MACPHERSON PLACE, LAVERTON ON THURSDAY 28 FEBRUARY 2019 AT 4:45PM

1. DECLARATION OF OPENING

The Presiding Person, Cr Patrick Hill, declared the meeting open at 04:45 pm.

2. RECORD OF ATTENDANCE

2.1 PRESENT

Cr P Hill	Member
Cr S Weldon	Member
Cr D Ross	Member
Cr R Prentice	Member
Cr R Weldon	Member
Cr R Street	Member
Mr P Naylor	Chief Executive Officer

2.2 APOLOGIES

Cr R Ryles	Member
Mr P Marshall	Deputy Chief Executive Officer

2.3 LEAVE OF ABSENCE

Nil

2.4 VISITORS

Nil

3. CONFIRMATION OF MINUTES OF PREVIOUS MEETING

3.1 MINUTES OF AUDIT COMMITTEE MEETING HELD 13 DECEMBER 2018 (FILE REF: 207)

ATTACHMENT

AC190228-3.1.A Minutes of Audit Committee Meeting 13 December 2018

ARC190228-01 PROCEDURAL DECISION

MOVED: **Cr R Prentice** **SECONDED:** **Cr S Weldon**

That the Minutes of the Audit Committee Meeting (Attachment ARC190228-3.1.A) held on 13 December 2018, be confirmed as a true and accurate record of proceedings.

SIMPLE MAJORITY	X	VOTES FOR	6	VOTES AGAINST	0

4. REPORTS OF COMMITTEE AND OFFICERS

4.1 CHIEF EXECUTIVE OFFICER

4.1.1 COMPLIANCE AUDIT RETURN 2018 (FILE REF: 568)

SUBMISSION TO:	Audit and Risk Committee Meeting, 28 February 2019
DISCLOSURE OF INTEREST:	The author has no financial interest in this matter
OWNER/APPLICANT:	Shire of Laverton
AUTHOR:	Tanya Browning, Moore Stephens Consultants
SENIOR OFFICER:	Peter Naylor, Chief Executive Officer
PREVIOUS MEETING REFERENCE:	Not applicable

MATTER FOR CONSIDERATION

Endorsement of a revised Risk Management Strategy.

ATTACHMENTS

ARC181213-4.1.1A Laverton – Compliance Audit Return 2018

APPLICANT'S SUBMISSION

Not applicable.

BACKGROUND

Each year, Council is required to complete an annual compliance audit return (CAR) for the calendar year immediately preceding (01 January to 31 December) as published by the Department for Local Government and Communities. The CAR is then to be reviewed by the Audit and Risk Committee and a report presented to Council prior to the adoption of the CAR.

This year, the CAR was reviewed and completed by Moore Stephens, as part of the four year Shared Statutory Compliance Services agreement established through the Northern Goldfields Collaborative Group. Tanya Browning, Manager Local Government Advisory from Moore Stephens, attended the Shire offices on Wednesday 20 February 2019, and completed the CAR through interviews with senior staff and the inspection of various documents and records including:

- Minute books
- Tender Register
- Financial Interest & Return Register
- Complaints Register
- Delegations Register

The CAR is one of the tools that allows Council to monitor how the organisation is functioning in regards to compliance with the *Local Government Act 1995* and provides the Audit and Risk Committee the opportunity to report to Council any cases of non-compliance or where full compliance was not achieved.

This process also provides opportunity for the Audit and Risk Committee to consider matters that may require further review within ongoing risk framework assessments and actions.

STATUTORY ENVIRONMENT

Local Government (Audit) Regulations 1996

Regulation 14 – provides that:

(1) A local government is to carry out a compliance audit for the period 1 January to 31 December in each year.

(2) After carrying out a compliance audit the local government is to prepare a compliance audit return in a form approved by the Minister.

(3A) The local government's audit committee is to review the compliance audit return and is to report to the council the results of that review.

(3) After the audit committee has reported to the council under subregulation (3A), the compliance audit return is to be —

(a) presented to the council at a meeting of the council; and

(b) adopted by the council; and

(c) recorded in the minutes of the meeting at which it is adopted.

Regulation 15 – details the requirements with regard to certifying the CAR and issuing to the Departmental CEO.

Local Government Act 1996

Section 7.13(1)(i) – Refers to the provisions within regulations with regard to audits.

POLICY IMPLICATIONS

There are no policy implications resulting from the recommendation of this report

FINANCIAL IMPLICATIONS

There are no financial implications resulting from the recommendation of this report

STRATEGIC IMPLICATIONS

There are no strategic implications resulting from the recommendation of this report.

RISK MANAGEMENT

This item has been evaluated against the Shire's Risk Management Strategy, Risk Assessment Matrix. The perceived level of risk is medium prior to treatment.

CONSULTATION

Moore Stephens Consultants

VOTING REQUIREMENTS

Simple majority decision of Council required.

ARC190228-02 COMMITTEE DECISION/OFFICER RECOMMENDATION

MOVED: **Cr S Weldon** **SECONDED:** **Cr R Street**

That the Audit and Risk Committee resolve to recommend to Council the adoption of the 2018 Compliance Audit Return.

SIMPLE MAJORITY	VOTES FOR	VOTES AGAINST
X	6	0

VOTING REQUIREMENTS

Simple majority decision of Council required.

ARC190228-03 COMMITTEE DECISION/OFFICER RECOMMENDATION

MOVED: **Cr S Weldon** **SECONDED:** **Cr R Street**

That the Audit and Risk Committee resolve to recommend to Council that the Shire President and Chief Executive Officer be authorised to sign the Compliance Audit Return for submission to the Department of Local Government.

SIMPLE MAJORITY	VOTES FOR	VOTES AGAINST
X	6	0

5. CLOSURE OF MEETING

The Presiding Person declared the meeting closed at 04:55 pm.

6. CERTIFICATION OF MINUTES

I, Patrick Hill, hereby certify that the Minutes of the Audit and Risk Committee Meeting held on 13 December 2018 are confirmed as a true and correct record, by resolution of the meeting of the Audit and Risk Committee held on

SIGNED: ..... **DATED:** .....

SHIRE OF LAVERTON
9 MacPherson Place
PO Box 42
Laverton WA 6440
P (08) 9031 1202 F (08) 9031 1340
www.laverton.wa.gov.au
ABN: 50 942 408 557

OUR REF: 1229
YOUR REF:

09 April 2019

Ms Caroline Spencer
Auditor General
Office of the Auditor General
7th Floor, Albert Facey House
469 Wellington Street
PERTH WA 6000

Dear Ms Spencer,

REPRESENTATION LETTER IN RESPECT OF THE SHIRE OF LAVERTON'S ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

This representation letter is provided in connection with your audit of the Shire of Laverton's annual financial report for the year ended 30 June 2018 for the purpose of expressing an opinion as to whether the annual financial report is fairly presented in accordance with the *Local Government Act 1995* (the Act), the *Local Government (Financial Management) Regulations 1996* and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

We submit the following representations for the year ended 30 June 2018 after making appropriate enquiries and according to the best of our knowledge and belief. This representation covers all material items in each of the categories listed below.

1. GENERAL

(a) We have fulfilled our responsibilities for the preparation and fair presentation of the annual financial report in accordance with the *Local Government Act 1995* (the Act), the *Local Government (Financial Management) Regulations 1996* and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

(b) We have advised your auditors of all material contentious methods used in the presentation of the financial report.

(c) There have been no changes in accounting policies or application of those policies that would have a material effect on the financial report.

(d) The prior period comparative information in the financial report has not been restated.

(e) Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. We confirm the disclosures related to accounting estimates are complete and appropriate.

(f) We have established and maintained an adequate internal control structure and adequate financial records as we have determined are necessary to facilitate the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

(g) We have provided your auditors with:

(i) Access to all information of which we are aware that is relevant to the preparation of the financial report, such as records, documentation and other matters.

(ii) Additional information that your auditors have requested for the purpose of the audit.

(iii) Unrestricted access to persons within the Shire from whom your auditors determined it necessary to obtain audit evidence.

(h) All transactions have been recorded in the accounting and other records and are reflected in the financial report.

(i) All internal audit reports and reports resulting from other management reviews, including legal issues and legal opinions which have the capacity to be relevant to the fair presentation of the financial report including, where relevant, minutes of meetings, have been brought to your auditors' attention and made available to them.

(j) We have advised your auditors of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial report.

(k) We have provided to your auditors the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud.

(l) No frauds or suspected frauds affecting the Shire involving:

(i) Management;

(ii) Employees who have significant roles in internal control; or

(iii) Others where the fraud could have a material effect on the financial report

have occurred to the knowledge of management of the Shire.

(m) To our knowledge no allegations of fraud or suspected fraud affecting the Shire's financial report has been communicated to us by employees, former employees, analysts, regulators or others.

(n) We have disclosed to your auditors all known actual or possible litigation and claims whose effects should be considered when preparing the financial report, and they have been accounted for and disclosed in accordance with Australian Accounting Standards.

2. FAIR VALUE MEASUREMENTS AND DISCLOSURES

We confirm that where assets and liabilities are recorded at fair value, the value attributed to these assets and liabilities is the fair value.

We confirm that the carrying amount of each physical non-current asset does not materially differ from its fair value at the end of the reporting period. Significant fair value assumptions, including those with high estimation uncertainty, are reasonable.

We confirm the measurement methods, including related assumptions, used by management in determining fair values are appropriate and have been consistently applied.

We confirm that the fair value disclosures in the financial report are complete and appropriate.

3. GOING CONCERN

We confirm that the going concern basis of accounting is appropriate for the annual financial report.

4. CONTINGENT LIABILITIES

There are no material contingent liabilities at year end that have not been completely and adequately disclosed in the Notes to the financial report.

5. COMMITMENTS FOR CAPITAL AND OTHER EXPENDITURE

Other than those commitments reported in the Notes to the financial report, there were no significant commitments for capital or other expenditure contracts carrying over at year end.

6. FINANCIAL LIABILITY FOR CONTAMINATED SITES

We are aware of our obligations under the *Contaminated Sites Act 2003* and have reported to the Department of Water and Environmental Regulation, all land owned, vested or leased by the Shire that is known to be, or is suspected of being, contaminated. All actual liabilities or contingent liabilities, if any, have been recognised and/or disclosed in the financial report as appropriate.

7. RELATED ENTITIES

We acknowledge our responsibility under section 17(1) of the *Auditor General Act 2006* (as applied by section 7.12AL of the *Local Government Act 1995)* to give written notice to the Auditor General if any of the Shire's functions are being performed in partnership or jointly with another person or body, through the instrumentality of another person or body, and/or by means of a trust. We confirm that we have provided the Auditor General with details of all related entities in existence at 30 June 2018.

8. RELATED PARTIES

We have disclosed to your auditors the identity of the Shire's related parties, as defined in Australian Accounting Standards, of which we are aware, and all the related party relationships and transactions of which we are aware. These include the Shire's key management personnel (KMP) and their related parties, including their close family members and their controlled and jointly controlled entities.

We have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of Australian Accounting Standards.

9. KEY MANAGEMENT PERSONNEL COMPENSATION

We confirm the Shire's key management personnel (KMP) have not received any other money, consideration or benefit (except amounts being reimbursements for out of pocket expenses) which has not been included in the compensation disclosed in the Notes to the financial report.

10. SUBSEQUENT EVENTS

No matters or occurrences have come to our attention between the date of the financial report and the date of this letter which would materially affect the financial report or disclosures therein, or which are likely to materially affect the future results or operations of the Shire.

11. INTERNAL CONTROL

We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.

12. INSURANCE

We have established procedures to assess the adequacy of insurance cover on all assets and insurable risks. We believe, where appropriate, assets and insurable risks are adequately covered by insurance.

13. RISK MANAGEMENT

We confirm that we have established and maintained a risk management framework that is appropriate to the Shire.

14. FINANCIAL RATIOS

We confirm that the financial ratios included in the annual financial report have been prepared and fairly presented in accordance with the *Local Government (Financial Management) Regulations 1996.*

We confirm that the asset consumption ratio and the asset renewal funding ratio are supported by verifiable information and reliable assumptions.

15. ACCOUNTING MISSTATEMENTS

The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial report taken as a whole. A summary of these uncorrected misstatements is listed below.

Account	Dr	Cr	Effect on Accumulated Net Result (Cr)
Equity in LGHT units	61,867.08		
Fair value reserve (or similar)		61,867.08	61,867.08
(Not recording the value of the LGHT units)			
Provision for Doubtful Debts	108,102.00		108,102.00
Doubtful Debts expense		108,102.00	
(Provision for doubtful debts over-provided for)			
Long Service Leave Expense	7,957.00		(14,096.00)
Provision for Long Service Leave		7,957.00	
Annual Leave Expense	6,139.00		

Account	Dr	Cr	Effect on Accumulated Net Result (Cr)
Provision for Annual Leave		6,139.00	
(On-costs over-provided for in employee entitlement provisions)			
Land & Buildings	75,500.00		
Accumulated Depreciation – Land & Buildings		6,000.00	
Plant & Equipment	4,182.00		
Accumulated Depreciation – Plant & Equipment		600.00	
Furniture & Equipment	8,204.00		
Accumulated Depreciation – Furniture & Equipment		1,000.00	
Light Vehicles	3,200.00		
Accumulated Depreciation – Light Vehicles		550.00	
Retained Surplus		82,936.00	82,936.00
(Being 1/10th share of joint venture assets not recorded)			

16. ELECTRONIC PRESENTATION OF THE AUDITED ANNUAL FINANCIAL REPORT AND AUDITOR'S REPORT

(a) We acknowledge that we are responsible for the electronic presentation of the annual financial report.

(b) We will ensure that the electronic version of the audited annual financial report and the auditor's report presented on the Shire's website is the same as the final signed versions of the audited annual financial report and the auditor's report.

(c) We have clearly differentiated between audited and unaudited information in the construction of Shire's website and understand the risk of potential misrepresentation in the absence of appropriate controls.

(d) We have assessed the security controls over the audited annual financial report and the auditor's report and are satisfied that procedures in place are adequate to ensure the integrity of the information provided.

(e) We will ensure that where the auditor's report on the annual financial report is provided on the website, the annual financial report is also provided in full.

17. OTHER (UNAUDITED) INFORMATION IN THE ANNUAL REPORT

We will provide the final version of the annual report to you when available, to enable you to complete your required procedures.

9/4/19

Les Vidovich
Acting Chief Executive Officer

Date

9/4/2019.

Darren Friend
for
Deputy Chief Executive Officer

Date

Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Councillors of the Shire of Laverton

Report on the Audit of the Financial Report

Qualified Opinion

I have audited the annual financial report of the Shire of Laverton which comprises the Statement of Financial Position as at 30 June 2018, 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, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the annual financial report of the Shire of Laverton:

(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 2018 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 Qualified Opinion

Comparative information for infrastructure assets totalling $42,446,654 at 30 June 2017, was measured on the cost basis, and not at fair value as required by Regulation 17A of the Local Government (Financial Management) Regulations 1996. In addition, property, plant and equipment of $13,204,889 at 30 June 2017 was not revalued for more than 3 years. The previous auditor issued a qualified opinion for the year ended 30 June 2017 in relation to these matters.

I am therefore unable to obtain sufficient appropriate audit evidence to confirm that the 30 June 2017 comparative information for infrastructure and for property, plant and equipment represents fair value, or whether any adjustments to the values were necessary. Consequently, the balances at 30 June 2018 may not be comparable to the balances at 30 June 2017.

Emphasis of Matter – Basis of Accounting

I draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Shire's financial reporting responsibilities under the Act. Regulation 16 of the Local Government (Financial Management) Regulations 1996 (Regulations), 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 a financial report that is free from material misstatement, whether due to fraud or error.

7th Floor Albert Facey House 469 Wellington Street Perth MAIL TO: Perth BC PO Box 8489 Perth WA 6849 TEL: 08 6557 7500 FAX: 08 6557 7600

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

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

Auditor's Responsibility for the Audit of the Financial Report

The objectives of my audit are to obtain reasonable assurance about whether the 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 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 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 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 financial report, including the disclosures, and whether the 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 matters indicate significant adverse trends in the financial position of the Shire:
   a. The Asset Renewal Funding Ratio has been below the Department of Local Government, Sport and Cultural Industries (DLGSCI) standard for the past 3 years.

(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 the asset renewal funding ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

Other Matter

The financial ratios for 2017 in Note 28 of the financial report were audited by another auditor when performing their audit of the Shire for the year ending 30 June 2017. The auditor expressed a qualified opinion on the financial report for that year.

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 Laverton for the year ended 30 June 2018 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 financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the 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 financial report to confirm the information contained in this website version of the financial report.

SANDRA LABUSCHAGNE
DEPUTY AUDITOR GENERAL
Delegate of the Auditor General for Western Australia
Perth, Western Australia
12 April 2019

SHIRE OF
LAVERTON
Discover the Outback Spirit

ANNUAL REPORT

FOR YEAR ENDED 30 JUNE 2018

ANNUAL REPORT
YEAR ENDED 30 JUNE 2018

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ABOUT US

Welcome to the Shire of Laverton – Discover the Outback Spirit!

Covering some 183,198km2 of predominantly desert and pastoral country, Laverton has something for everyone, from spinifex plains, mulga woodlands and unique granite rock outcrops to rich Aboriginal and European history and Culture.

Wongi people, collectively known as Wongutha or Wankatja people, have occupied the Laverton area for thousands of years. Their first known contact with Europeans was around 1860 when Sir John Forrest travelled through the area on an expedition to search for the remains of Ludwig Leichardt.
Many other explorers followed Forrest, including Frank Hann and David Carnegie, surviving by the teachings and knowledge of the Aboriginal people.

These early explorers are recognised in the Great Beyond Visitor Centre – Home Of the Explorers Hall of Fame.

During the 1880's, sandalwood cutters travelled through the area looking for the valuable aromatic timber and their tracks opened up much of the region. In the decades since, many tonnes of sandalwood have been exported from the Laverton district.

In 1886 gold was discovered in the area – suddenly eager prospectors arrived in droves from Coolgardie, eager to strike it rich. The rapidly growing settlement was soon called British Flag after the first successful mine.

One such keen prospector was Dr Charles Laver, a British doctor who rode his bicycle from Coolgardie to the Laverton area the same year. He soon became an enthusiastic promoter of the region and travelled back to Britain a number of times to raise funds for local mining ventures, however his priority remained to attend to the sick and injured. He had an excellent rapport with his coworkers and patients and got on very well with the local Aboriginal people.

Without his energy (and his capital) Laverton may well have faded away at this point.

By 1897 an informal town had sprung up to the west side of the Craiggiemore mine. This proved an unsuitable location for the permanent settlement, so an alternate site was chosen about three kilometers away. In July 1900 the new town was gazetted as Laverton, in honour of Dr Laver who had done so much to ensure the prosperity of the area.

Today the town is an important service centre for a range of mines that operate in the area, for the continuing pastoral industry and for the people of the Western desert regions. Laverton is also an important tourism hub, acting as a True gateway to Australia's outback.

OUR VISION

The Shire of Laverton will strive to work with the community to fulfil their needs and support their aspirations while acting with fairness and demonstrating leadership.

Aspirations and Values

Our community identified the following aspirations and values:

- An oasis for locals and visitors;
- Oasis in the desert;
- A harmonious and sustainable community;
- A healthy and vibrant place to live, work and visit;
- A place we are proud of;
- A memorable destination; and
- A thriving green and attractive hub

Community Strategic Plan - Summary of Objectives and Outcomes

The Shire of Laverton delivers services to its community in line with four key objectives set out within this Plan, being: social, economic, environment and civic leadership.

Each of the four objectives has a number of desired outcomes Council is aiming to achieve over the 10+ years of this Plan.

The following table summarises the strategic objectives of achieving the vision and the desired outcomes of working towards these objectives.

	Objectives	Outcomes
SOCIAL	*Proud, spirited, harmonious and connected community*	• A strong sense of community pride and ownership
ECONOMIC	*Prosperous local economy attracting businesses, opportunities and people*	• Sustainable tourism • Improved economic development opportunities
ENVIRONMENT	*Revitalised, green, welcoming and safe natural and built environment*	• Safe and efficient transport network • Modern, well maintained Other Built Infrastructure • Clean, safe and tidy environment
CIVIC LEADERSHIP	*A financially strong and knowledgeable Shire, leading an empowered community*	• Effective communication and stakeholder engagement • Organisational Development • Improved planning

SHIRE PRESIDENTS REPORT

In opening, I would like to thank my fellow Councillors in their support and allowing us as a group to ensure that the Shire of Laverton is seen in a positive light in so many circles. It is a pleasure to represent the Council.

I would like to welcome our new Chief Executive Officer Peter Naylor who joined us in December 2017 and farewell to Steve Deckert after two stints with the Council as the Chief Executive Officer. We wish Steve and his family all the best for their future.

The following is a brief summary of what has occurred in the last 12 months and the major issues which have impacted on the Council along with the myriad of meetings and representations made on behalf of Council.

In October 2017, Council swore in the newly elected Councillors of Shaneane Weldon, Rosemary Street and Myself.

I was pleased to again represent the Council as the Shire President after the Council confirmed my nomination and Shaneane as the Deputy Shire President.

Council approved a new Agreement with the Pier Street Medical practice to provide medical services to the town and district for the next two years. This is essential to ensure that there is medical services at the hospital and the community. The support to the medical services is supplemented by contributions from the mining companies within the Shire area.

Following approval of Government funding for up to 50km of roadworks upgrading between 385 SLK and 435 SLK on Great Central Road, as part of the Outback Way Highway project. The Outback Way continues to gather interest and funding of $11 million was received to seal sections of the Great Central Road

The Shire of Laverton has now fully spent its allocation and with its funds constructed approximately 40km's of sealed road. This resulted in a shortfall of 10km's between the end of seal and the Shire of Laverton's boundary that still required construction. Discussions were held with the Shire of Ngaanyatjarraku and Main Roads WA for the Shire of Laverton to access a proportion of Ngaanyatjarraku's unspent allocation (approx $3.6 million) to continue the seal through to the Shire boundary. This was supported and endorsed by the Shire of Ngaanyatjarraku on 28 February 2018

The 2017 Sheila Laver Award was presented to Rob Wedge in recognition of his dedicated to service to the community of Laverton, including the Lands.

Other notable roadworks was the installation of culverts on Bandya Road following a road safety audit.

The Shire of Laverton suffered major damage on various roads following a significant flooding event in January 2017. As a result, staff made an application through the Western Australia Natural Disaster Relief and Recovery Arrangements (WANDRRA) program to recover repair costs. WANDRRA is jointly funded by the State and Commonwealth Governments and is administered by the Office of Emergency Management (OEM). The Shire of Laverton was successful in gaining approximately $7.2 million dollars through the WANDRRA program for the reinstatement work. Unfortunately through another weather event, the Council's road system encountered further damage.

The Department of Social Services is responsible for the rollout of the Cashless Debit Card Program. The Council provided space at the Community Development Office and employed three staff members (funded by DSS) to assist in the roll out. It has been a success to date and hopefully this initiative continues.

The Council allocated $450,000.00 in its budget to upgrade the lighting at the Laverton Airport, with 50% funded by the Department of Transport through the Regional Airport Development Scheme in accordance with the Shire of Laverton Airport Master Plan.

Council endorsed the flying of the Australian Aboriginal Flag at the front of the Shire of Laverton Administration Building along with the Australian flag.

The Council continues to monitor Native Title Claims within the Shire and this year a claim (WAD453/2017) was filed with the Federal Court, pursuant to the provisions of the Native Title Act 1993, on the 15th September 2017 by Kado Muir & Others over land in the north-eastern part of the Shire.

The Council considered the expansion of the Great Beyond with an extension of this wonderful facility looking at a building cost of $2,489 million with the aim of not only leveraging Council funds but support from State Government grants and to future proof the Council and capture the market as the travel along the Outback Highway increases.

The Laverton Community Hub Project was a $12.8M project of which the Shire was seeking $8M from Royalties for Regions. The balance of the project was being met by LotteryWest ($678,272), the Department of Sport and Recreation ($850,000) and the Shire ($3.3M). The Department for Regional Development funding application was approved in June 2016, with the Financial Assistance Agreement (FAA) being signed off by the Shire and State Government on 28 June 2016.

It has been a saga from the initial approvals with the Council accepting the Minister's offer for redirection of $4M from the Laverton Community Hub Project with these funds moved to the Laverton Hospital Project. Unfortunately the Laverton Hospital project has not progressed, however the Council is making determined representations to ensure that these promises are kept to see a new hospital for Laverton.

The design of the Community Hub was modified with a proposed budget of approximately $6 million dollars and the works have begun and in 2019 the community will be enjoying the facilities.

The economic output from the mining industry continues to be a powerhouse within the local community as the following table shows.

Goldfields-Esperance Region			
	2016/17	**2017/18**	Growth
Coolgardie	2,514,162,807	3,138,043,635	24.8%
Kalgoorlie-Boulder	2,360,048,000	2,410,448,894	2.1%
Laverton	**1,913,734,083**	**2,499,394,044**	**30.6%**
Leonora	1,771,463,747	1,906,901,062	7.6%
Ravensthorpe and Dundas	509,529,085	885,197,381	73.7%
Menzies and Esperance	634,106,950	664,914,669	4.9%
Goldfields-Esperance Total	9,703,044,672	11,504,899,684	18.6%

Source: Department of Mines, Industry Regulation and Safety, Statistics Digest 2017/18

In closing for this financial year, there is so much optimism for the future and the Council is ready and willing to lead the community into another fruitful year where the many projects being considered with come to fruition.

I again personally thank all the councilors for their support and the Chief Executive Officer Peter Naylor who admirably leads the administration to achieve for the community.

Patrick Hill

Shire President

Top row from the left: Peter Naylor CEO, Cr Rex Weldon, Cr Patrick Hill, Cr Rex Ryles and Les Vidovich EMTS

Front Row from the left: Cr Shaneane Weldon, Cr Robin Prentice, Cr Rosemary Street and Cr Deanne Ross

OUR COUNCIL

Cr Patrick Hill

Shire President

Cr Shaneane Weldon

Deputy Shire President

Cr Robin Prentice

Cr Deanne Ross

Cr Rex Ryles

Cr Rosemary Street

Cr Rex Weldon

COUNCILLOR RENUMERATION

In accordance with the Local government Act 1995 and under the guidelines of the State Salaries & Allowances Tribunal, the following allowances were paid to Councillors in 2017/18 financial year.

President (including Presidents Allowance)	**$35,400.00**
Deputy President (including Deputy Presidents Allowance)	**$13,825.00**
Councillors	**$ 9,400.00**

CHIEF EXECUTIVE OFFICERS REPORT

In opening, it is my pleasure that I have been appointed to the position of Chief Executive Officer with the Shire of Laverton. I take this opportunity to thank Steve Deckert and Pascoe Durtanovich for their efforts prior to joining the Council in December 2017.

I find that Council has a dedicated work force and they produce excellent results through trying conditions of being a remote community.

The Council and especially the leadership of the Shire President has been refreshing in the support of undertaking initiatives for the community.

The challenges ahead include ensuing that the governance of the Council is returned to an excellent state and that the ire of the local government department is stayed as the Council shows exactly what it can do and meet all of its commitments.

Council has been dealing with a number of Legislative changes including Regulation 17 of the Local Government (Audit) Regulations 1996. This Regulation requires a review of the appropriateness and effectiveness of systems and procedures in relation to risk management, internal control and legislative compliance at least once every two calendar years and to report the results of that review to the Audit Committee. This report provides draft policies to cover these three areas. These policies have been developed based on Departmental guidelines and in consultation with senior staff. In addition to this, Council has approved a joint initiative with the Shires of Menzies, Leonora and Wiluna.

Council has also considered possible amendments to the current Local Government Act 1995, and associated regulations, that would reduce red tape, make the operations of the Shire less bureaucratic, and provide greater clarity in understanding the various functions relating to the enforcement of the Act.

In august 2017, Council approved and endorsed the renewal of the Enterprise Bargaining Agreement for shire staff for the next three years.

Some notable projects among the many which Council undertakes each year was for the Council to consider the future of the former Water Corporation Water Tank and entering into an Asset Transfer Agreement (Deed) with the Corporation to assume ownership of the Tank and associated infrastructure at Hawks Place.

The administration also considered the relocation of the skate park with a view to possibly moving it to Leahy Park. Leahy Park, apart from the ablutions, is seldom used as a community space, especially with the recent main street upgrade which provides a more comfortable environment along Augusta Street.

This relocation would allow the current skate park to be used for possible aged care accommodation which a grant of $100,000 was received to review and develop plans for the facilities.

In closing, I would like to thank the community, councillors and staff for their assistance and commitment to the future of Laverton.

Peter Naylor

Chief Executive Officer

The following is a brief summary of items of interest which have been undertaken for and with the Laverton Community over the last 12 months.

Great Beyond

Stage 2 Expansion of the Great Beyond Visitor Centre

During 2016, the Shire received funding of $72,500 for the development of plans for the Stage 2 Expansion of the Great Beyond Visitor Centre. At the Ordinary Meeting of Council Meeting in November 2017, Council;

- received the architectural drawings and costings for the expansion, prepared by MCG Architects
- determined a Shire contribution to the project and,
- agreed to appoint a consultant to prepare funding applications for the project.

Various funding options are being explored to raise funds for the $1M project.

Laverton Men's Shed

Volunteers of the Laverton Men's Shed have worked very hard to secure $57,000 in sponsorship and grant funding to build a new, purpose built workshop for it members. Council approved a planning application to build a 12m x 15m x 3m Colourbond shed on Shire land behind the Old Court House. Shire staff have endeavoured to assist the Men's Shed wherever possible to ensure this project is completed.

Solar Panel Installation

In late 2017 – The roofs of the Shire Administration Building and the Great Beyond Visitor Centre were installed with solar panels to provide power for the two buildings and help offset the power costs. The Solar Power equipment has been commissioned and is now in use.

Laverfest

May 2018 saw the Shire host a very successful Laverfest Celebrations. Thanks to the many local volunteer organisations and the generosity of a number of sponsors, the Shire was able to facilitate a three day event to share and celebrate Laverton's multiculturalism.

The event included night food markets, fireworks, live entertainment, market stalls, kid's activities, sports and exhibitions.

The Shire would like to thank the many volunteers who dedicated their time and skills to help make this event enjoyable to all residents and visitors.

See following Pictures

MT MARGARET
Mission Market
Face masks $3.00
Face scrubs $3.00
Sunflowers $3.00
Candles $3.00
Slices $3.00
Cookies $1.00
2 for $1.00

Community Resource Centre

AMERICAN CONCERT PIANIST- ROMAN RUDNYTSKY

On Friday evening, 25th August 2017- the famous American Concert Pianist Roman Rudnytsky visited Laverton to perform his master piano skills in a 2 hour recital at the Shire Hall. The audience sipped wine and nibbled on cheese while having the immense pleasure of listening to six recitals including pieces by famous composers Josef Haydn, Ludwig Van Beethoven, Sergei Prokofieff, Isaac Albeinz, Frywdryk Chopin, Claude Debussy and Franz Liszt.

Although some might argue the evening was only for a 'select 'audience there were a few 'first timers' who embraced the opportunity and could only be impressed with the finesse of Roman's skill. The evening provided Laverton with a little bit of elegance and culture.

BOOK WEEK 2017

On Wednesday 23rd August 2017 the Laverton Community Resource Centre celebrated Book Week 2017 through the Better Beginnings Story and Rhyme Time Program. Parents brought their Children along and enjoyed a morning filled with music, books, craft and lunch. With full tummies the children all left with smiles on their faces, a balloon and their own special Better Beginnings gift bag.

LAVERTON SENIORS CHRISTMAS DINNER

On the evening of Tuesday 12th December 2017 the first Seniors Christmas Dinner was held at the Great Beyond Visitor Centre. The evening was sponsored by Murrin Murrin Operations and was coordinated by the Laverton Community Resource Centre .
The evening provided an opportunity for local Seniors to come together in a social setting, enjoy a meal, a conversation and enjoy being watered upon. It also provided the opportunity for new Shire CEO Peter Naylor and his wife Heather to meet some of our local Elders and long term residents.

LAVERTON CHRISTMAS LIGHTS COMPETITION

On the evening of Wednesday 6th December 2017, the Laverton Community came together to celebrate the 3rd annual Christmas Lights Competition which was sponsored by Horizon Power and co-ordinated by the Laverton Community Resource Centre. The evening commenced with a community BBQ and thanks to staff from Gold Fields and Lynas Corporation for volunteering to cook the BBQ. More than 90 people turned out.

The panel of Judges were Debbie O'Shaughnessy, representing Horizon Power, Patrick Hill Shire President, and Gary Buckmaster representing the Laverton Community.

There were 12 entrants, 7 business and 5 residential.

The results: Business - Laverton School – the magical walkway of lights was designed and put together by some students.

Runner Up – Laverton Supplies Motors

Highly Commended – Laverton Sports Club

Residential – Christopher Hedlam – a huge arrangement of lights were able to be seen from across town, not to mention the giant inflatable Santa standing taller than the house which was a huge hit with the children.

Runner up – Ovans family

Highly commended – Nikki Tuhakarain

NAIDOC 2017

The 2017 Laverton NAIDOC Celebrations were a big success and provided an opportunity for Community to come together and celebrate Aboriginal and Torres Strait Islander Culture. The theme for 2017 NAIDOC was “Our Languages Matter” and Laverton recognised this theme throughout the week through a Welcome Song in Language, performed by the local children at the NAIDOC Opening Ceremony and through the opening speech by Aboriginal Elder, Mrs Doreen Harris who spoke of the link between language and culture and the importance of teaching children their local tongue so it can continue to be passed down from generation to generation and not be lost.

This year’s activities hosted by the Shire of Laverton included the Community Opening Ceremony, Auskick and Netball Community Games, an Elders Dinner, Cultural Day Out Bush, and a Superhero’s Costume Parade for the young children. Other activities included a Women’s Cook-Up hosted by One Tree and a closing Ceremony hosted by the Laverton, Leonora Cross Cultural Association.

Works and Services

Flood Damage

(Photos of Great Central Road, 7 kms east of the Mount Shenton Yamara Road turnoff. The water level of the road is at places over the top of a 4wd vehicle)

The Following projects were completed in the 2017/18 financial year.

Roadworks including sealing, gravel re-sheeting etc.

- Mount Margaret Road SLK 4.2 -9.6
- Bandya Road SLK 7.2 – 12
- Bandya Road Creek Crossing SLK 46
- Old Laverton Road SLK 7.5 – 27 and 6.2 – 7.5
- Great Central Road SLK 37 – 43 and 67.9 - 70

Flood Damage

- Laverton Bypass Road
- Lancefield Diversion Road
- Mount Margaret Road
- Bandya Road

Plant Replacement

- Rubbish Truck Compactor
- Various Council vehicles
- Bobcat

Other projects included the supply of bore water to the tank for the town oval and the completion of the main street program.

Entrance statements have been produced and installed at the shire boundaries.

Youth Services

Laverton's Youth Services Team provide a structured program of interactive, cultural, creative, artistic, educational, healthy, challenging and fun activities for children and young people. The service operates every day after school in term time, and selected weekends. In addition to this, an extensive and exciting package of activities and events are run during school and public holidays.

The popular weekly, Science, Technology, Engineering and Maths (STEM) Club, was initiated in February 2018, providing progression following the Youth Service's successful delivery of summer holiday science themed activities.

Working in collaboration with, and complementing the curriculum within Laverton and Mount Margaret schools, STEM Club has been able to introduce new and exciting concepts that the young people would not normally have access to.

Science based activities and participation have been embedded into this year's youth activity programs and include, investigating, building, constructing and learning about circuits, electronics, robotics, hydraulics, and green energy such as solar, wind, and water power.

The joint collaborative work between the Crisis Centre, and the Youth Centre has been particularly successful in providing gender specific preventative work with young people. Fortnightly Kungka, (Girls night), and Minarli, (Boys night), offer a range of different activities and a safe space to discuss issues and concerns, such as tackling peer pressure, anger management, bullying, identifying positive and protective behaviours.

The 'Camping –Connections to Culture and Community' program has provided opportunities in:

- Development and leadership skills, collaborative, co-operative team working
- Encouraging confidence building, self-esteem and resilience
- Maintaining links to country and culture
- Working across intergenerational groups, and learning from respected elders

The Youth Services Team worked through an informal partnership with Carers WA, in providing an extremely successful camp 'out bush' with 28 young people who participated in a range of activities.

Attendance of youth sessions has been increasing as the programs develop, and we usually work with up 25 young people each day during term time, which can rise to 30-50 during the school holidays.

In August 2017 the Youth Council was established, to enable, empower and provide a representative voice for the children of Laverton. From those that applied, sixteen young people were appointed to take on these leadership roles. The Youth Council have been busy approving the relocation and design of a new all-purpose BMX modular pump track, identifying program activities and writing letters of support for grant applications.

June 2018 showcased all the positive work and effort by the amazing kids of Laverton through an exhibition of photos, arts and craft. This was followed by an award ceremony of thanks and best improved for the year.

The recent introduction of a Youth Community Services initiative, was a response to community need that the youth could help and support, and get recognition through a points system and be rewarded with special trips and events..

The Fire Wood program has involved going ‘out bush’ to collect fire wood to distribute to the elders so that they could keep warm and cook throughout the cold winter months. The youth group, who love baking, also suggested making damper bread to give out. This scheme has been very well received.

https://youtu.be/Qjtf0EB_GZE

Young ‘bike champions’ have emerged through our successful Bike Maintenance workshops. These support and help younger children to repair and fix their bikes, change wheels and patch tyres.

Cashless Debit Card

The Cashless Debit Card (CDC), aims to reduce the levels of harm underpinned by alcohol consumption, illicit drug use and gambling by limiting participants’ access to cash and by preventing the purchase of alcohol or gambling products.

Eighty per cent of CDC participants’ Income Support Payments, as well as other supplementary payments, are directed to a restricted bank account, accessed by the Indue debit card, with the remainder of these payments accessible through a normal (unrestricted) bank account.

The CDC is being trialled in the Goldfields region, during the period April 2018 – June 2019. The Shire of Laverton has a local partner agreement with Indue to operate a front facing service to co-ordinate and implement the roll out of the Cashless Debit Card.

Since the Laverton CDC office opened in April 2018, the CDC Team have been busy:

- Helping participants in activating the Indue debit card

- Supporting customers in setting up an email address, My Gov account, how to check bank balances, setting up rent and Bill payments, fund transfers etc.
- Providing information and referrals for customers on support services such as money management and budgeting
- Between April – June 2018 a total of 80 cards have been activated through the CDC office
- The CDC Team have dealt with a total of 748 queries relating to the implementation and activation of accounts

Community Development

The Laverton Community Wellbeing Strategy is nearing completion and has been informed through the monthly Laverton Inter-agency Working Group meetings as well as community engagement.

As part of the Community Services Team support has been provided at a number of community events that include, NAIDOC Week, Laverfest, Remembrance Day, ANZAC Day, Australia Day and other local occasions.

Working collaboratively with Department of Local Government, Sport and Cultural Industries, the Shire have been exploring opportunities to expand tourism to Laverton. This has included early discussions on the potential implementation of Bush trails and BMX bike trails.

COMPLIANCE

Freedom of Information

Sections 96 and 97 of the *Freedom of Information Act 1992* require local governments to publish an information statement annually.

In summary, the Shire of Laverton's Statement indicates that the Shire of Laverton is responsible for the good governance of the Shire and carries out functions as required including statutory compliance and provision of services and facilities.

All Council meetings are open to the public and meeting dates and venues are advertised on a regular basis. Members of the public are invited to ask questions during Public Question Time shortly after the commencement of each meeting.

The Shire of Laverton maintains records relating to the function and administration of the Shire and includes such documents as the Minutes of Meetings, Rate Book, Town Planning Scheme, Local Laws, Codes of Conduct, Register of Financial Interests, Register of Delegated Authority, Financial

Statements and Electoral Rolls.

These documents can be inspected free of charge at the Shire Office, 9 MacPherson place, Laverton during office hours.

Where ever possible and practical, and in line with privacy laws, the Shire of Laverton makes personal information readily available free of charge.

No Freedom of Information requests were made during the reporting period.

Record Keeping

The *State Records Act 2000* is an Act to provide for the keeping of State records and for related purposes. Section 19 of the Act requires each government organisation to have a Record Keeping Plan that has been approved by the State Records Commission.

The Shire of Laverton's Recordkeeping Plan 2011 was adopted by Council in April 2011. After some minor changes were made, approval was received by the State Records Commission in December 2011. The registration number of the recordkeeping plan is 2011029.

On 17 March 2017, the State Records Commission approved the continuation of the Shire of Laverton Record Keeping Plan with the next review due to be completed and submitted to the State Records Office no later than 2 December 2021.

The objectives of the Shire of Laverton's Record Keeping Plan are to ensure:

- Compliance with Section 28 of the *State Records Act 2000*,
- Shire of Laverton 2016-2017 Annual Report Page 13
- Record keeping within the Local Government is moving toward
- compliance with State Records Commission Standards and Record
- Management Standard AS ISO15489,
- Processes are in place to facilitate the complete and accurate record
- of business transactions and decisions,
- Recorded information can be retrieved quickly, accurately and
- cheaply when required; and the
- Protection and preservation of the local government's records.

Register of Minor Complaints

Section 5.121 of the *Local Government Act 1995* (Register of certain complaints of minor breaches) requires the complaints officer for each local government to maintain a Register of Complaints which records all complaints that result in

action under section 5.110(6) (b) or (c) of the Act (Conduct of Certain Officials).

Section 5.53 (2) (b) of the *Local Government Act 1995* requires that details of entries made under section 5.121 during the year in the Register of Complaints, including:

- The number of complaints recorded on the Register of Complaints;
- How the recorded complaints were dealt with, and;
- Any other details that the regulations may require be disclosed in the Annual Report

In accordance with these requirements, a complaints register has been maintained.

As at 30 June 2017, no complaints were recorded, therefore no action was required.

Public Interest Disclosure

The Public Interest Disclosure Code was established by the Commissioner for Public Standards under section 20 of the *Public Interest Disclosure Act 2003*.

One of the principles of the Code is not just to provide protection of those who make disclosures (and those who are the subject of disclosures), but also to encourage a system of transparency and accountability in the way government officials act and utilise public monies.

Shire of Laverton 2017/2018 Annual Report Page 11 Matters that fall into the category of public interest include:

- Improper conduct (irregular or unauthorised use of public resources);
- An offence under State Law including corruption (substantial unauthorised or irregular use of, or substantial mismanagement of, public monies)
- Administration matters generally (conduct involving substantial risk of injury to public health, prejudice to public safety or harm to the environment)

Matters that relate to the Shire of Laverton should be referred to the Shire of Laverton's Public Interest Disclosure Officer. Disclosures to the Public Interest Disclosure Officer can be made not just about officers of the Shire of Laverton but also its elected officials.

There is an obligation of the Public Interest Disclosure Officer in the *Public Interest Disclosure Act 2003* to ensure that the disclosure is confidential and that the person making a disclosure is provided adequate protection from reprisals, civil and criminal liability or breach of confidentiality.

More information can be found at www.publicsector.wa.gov.au.

The Shire of Laverton had no Public Interest Disclosures during the reporting Period.

Disability Access and Inclusion Plan

The Shire of Laverton revised the Disability Access and Inclusion Plan during 2013 and the Shire of Laverton Disability Access and Inclusion Plan 2013-2017 was formally adopted by Council on 12 December 2013. The Council is reviewing the existing plan in the 2018/2019 financial year. The Council is incorporating Disabled Access into the Community Hub to meet building requirements.

The *Disabilities Services Act 1993* requires Council to report on its Access and Inclusion Plan achievements within its Annual Report. Works completed during 2017/2018 mainly centered on access in the main street including access ramps And the extension of footpath areas.

Payments to Employees

Section 5.53 (2) (g) of the *Local Government Act 1995* and Regulation 19B of The *Local Government (Administration) Regulations 1996* require all local Governments to report in their Annual Report, any employees receiving a salary in excess of $100,000 per annum.

Set out below (in bands of $10,000) is the number of Shire employees entitled to an annual salary of $100,000 or more:

Employees with employment under the Councils Enterprise Bargaining Agreement and under a fixed term contract.

Salary Range $	No of Employees
$130,000 to $150,000	**2**
$180,000 to $220,000	**1**

Integrated Planning and Reporting

In 2015/2016, Council undertook a comprehensive review of the Strategic Community Plan following which the Corporate Business Plan was reviewed and updated.
The Corporate Business Plan was again reviewed in 2016/2017 resulting in only minimal change to the Plan.
The Corporate Business Plan aims to fulfil the strategic direction set by Council and progress the Council's vision while keeping with the community's aspirations and values.
Copies of both documents are available at the Shire Administration Office and are also on the Shire of Laverton's website.
Actions identified in the CBP are ongoing and include:

- 3.1.1.3 Continue the sealing and upgrade program of Outback Way in accordance with funding availability.
- 3.1.2.1 Maintain and improve rural road network.
- 3.1.3.1 Continue implementation of Airport Master Plan.
- 3.2.2.3 Seek funding for Great Beyond Visitor Centre Stage 2.

SHIRE OF LAVERTON

FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2018

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COMMUNITY VISION

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

Principal place of business:
9 MacPherson Place
PO Box 42
Laverton WA 6440

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

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

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

Signed on the day of 2018

Chief Executive Officer

Peter Naylor
Name of Chief Executive Officer

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

	NOTE	2018 Actual	2018 Budget	2017 Actual
		$	$	$
Revenue				
Rates	21(a)	3,917,366	3,912,851	3,701,653
Operating grants, subsidies and contributions	2	2,950,883	1,554,839	4,064,318
Fees and charges	2	1,337,835	738,124	862,525
Interest earnings	2(a)	203,627	237,932	292,926
Other revenue	2(a)	1,683,956	142,666	202,336
		10,093,667	6,586,412	9,123,758
Expenses				
Employee costs		(3,299,198)	(3,309,601)	(2,625,425)
Materials and contracts		(2,694,494)	(1,916,245)	(1,670,323)
Utility charges		(323,137)	(337,922)	(327,177)
Depreciation on non-current assets	10(b)	(2,136,109)	(2,273,070)	(2,633,113)
Interest expenses	2(b)	(35,394)	(39,176)	(42,739)
Insurance expenses		(174,870)	(193,841)	(187,529)
Other expenditure		(2,047,088)	(641,382)	(475,797)
		(10,710,290)	(8,711,237)	(7,962,103)
		(616,623)	(2,124,825)	1,161,655
Non-operating grants, subsidies and contributions	2(a)	12,333,032	15,066,260	3,375,104
Profit on asset disposals	10(a)	32,660	0	41,860
(Loss) on asset disposals	10(a)	(1,433,738)	0	(142,280)
(Loss) on revaluation of fixed assets	8(a) & 9(a)	(2,020,529)	0	0
		8,911,425	15,066,260	3,274,684
Net result		**8,294,802**	**12,941,435**	**4,436,339**
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Changes on revaluation of non-current assets	11	69,068,903	0	0
Total other comprehensive income		**69,068,903**	**0**	**0**
Total comprehensive income		**77,363,705**	**12,941,435**	**4,436,339**

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

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

	NOTE	2018 Actual	2018 Budget	2017 Actual
		$	$	$
Revenue	2(a)			
Governance		2,027	500	3,064
General purpose funding		6,397,875	5,140,361	7,682,995
Law, order, public safety		48,479	60,800	36,754
Health		105,641	102,800	105,495
Education and welfare		161,973	152,524	93,081
Housing		42,853	45,384	75,115
Community amenities		157,649	124,208	104,535
Recreation and culture		159,080	50,335	102,223
Transport		2,359,780	422,176	342,240
Economic services		487,304	360,738	381,249
Other property and services		171,006	126,586	197,007
		10,093,667	6,586,412	9,123,758
Expenses	2(b)			
Governance		(939,638)	(1,002,157)	(796,624)
General purpose funding		(523,067)	(496,060)	(386,861)
Law, order, public safety		(182,035)	(268,041)	(231,154)
Health		(335,062)	(306,657)	(289,636)
Education and welfare		(244,173)	(246,131)	(189,276)
Housing		(42,559)	(92,559)	(59,395)
Community amenities		(379,837)	(426,162)	(384,636)
Recreation and culture		(2,253,056)	(956,940)	(933,493)
Transport		(4,716,161)	(3,380,710)	(3,308,947)
Economic services		(1,290,732)	(1,481,012)	(1,251,484)
Other property and services		231,424	(15,632)	(87,858)
		(10,674,896)	(8,672,061)	(7,919,364)
Finance Costs	2(b)			
Housing		(14,449)	(21,720)	(22,529)
Economic services		(17,492)	(17,456)	(20,210)
Other property and services		(3,453)	0	0
		(35,394)	(39,176)	(42,739)
		(616,623)	(2,124,825)	1,161,655
Non-operating grants, subsidies and contributions	2(a)	12,333,032	15,066,260	3,375,104
Profit on disposal of assets	10(a)	32,660	0	41,860
(Loss) on disposal of assets	10(a)	(1,433,738)	0	(142,280)
(Loss) on revaluation of fixed assets	8(a) & 9(a)	(2,020,529)	0	0
		8,911,425	15,066,260	3,274,684
Net result		**8,294,802**	**12,941,435**	**4,436,339**
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Total other comprehensive income		**69,068,903**	**0**	**0**
Total comprehensive income		**77,363,705**	**12,941,435**	**4,436,339**

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

STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2018

	NOTE	2018	2017
		$	$
CURRENT ASSETS			
Cash and cash equivalents	3	8,117,573	12,650,657
Trade and other receivables	6	2,408,280	2,748,445
Inventories	7	175,760	116,641
TOTAL CURRENT ASSETS		10,701,613	15,515,743
NON-CURRENT ASSETS			
Other receivables	6	1,574	1,574
Property, plant and equipment	8	11,774,469	13,204,889
Infrastructure	9	124,062,595	42,446,654
TOTAL NON-CURRENT ASSETS		135,838,638	55,653,117
TOTAL ASSETS		146,540,251	71,168,860
CURRENT LIABILITIES			
Trade and other payables	12	903,360	2,617,626
Current portion of long term borrowings	13(a)	140,087	133,839
Provisions	14	295,410	471,644
TOTAL CURRENT LIABILITIES		1,338,857	3,223,109
NON-CURRENT LIABILITIES			
Long term borrowings	13(a)	608,108	748,195
Provisions	14	90,983	58,958
TOTAL NON-CURRENT LIABILITIES		699,091	807,153
TOTAL LIABILITIES		2,037,948	4,030,262
NET ASSETS		144,502,303	67,138,598
EQUITY			
Retained surplus		68,557,638	59,663,170
Reserves - cash backed	5	2,766,336	3,366,001
Revaluation surplus	11	73,178,329	4,109,427
TOTAL EQUITY		144,502,303	67,138,598

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

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

	NOTE	RETAINED SURPLUS	RESERVES CASH BACKED	REVALUATION SURPLUS	TOTAL EQUITY
		$	$	$	$
Balance as at 1 July 2016		**54,957,165**	**3,635,667**	**4,109,427**	**62,702,259**
Comprehensive income					
Net result		4,436,339	0	0	4,436,339
Total comprehensive income		4,436,339	0	0	4,436,339
Transfers from/(to) reserves		269,666	(269,666)	0	0
Balance as at 30 June 2017		**59,663,170**	**3,366,001**	**4,109,427**	**67,138,598**
Comprehensive income					
Net result		8,294,802	0	0	8,294,802
Other comprehensive income					
Changes on revaluation of assets	11	0	0	69,068,903	69,068,903
Total comprehensive income		8,294,802	0	69,068,903	77,363,705
Transfers from/(to) reserves		599,665	(599,665)	0	0
Balance as at 30 June 2018		**68,557,638**	**2,766,336**	**73,178,329**	**144,502,303**

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

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

	NOTE	2018 Actual	2018 Budget	2017 Actual
CASH FLOWS FROM OPERATING ACTIVITIES		$	$	$
Receipts				
Rates		4,127,777	3,912,851	3,652,068
Operating grants, subsidies and contributions		3,005,814	3,454,839	4,125,553
Fees and charges		1,337,835	738,124	862,525
Interest earnings		203,627	237,932	292,926
Goods and services tax		536,228	4,233,900	(74,823)
Other revenue		1,683,956	142,666	202,336
		10,895,237	12,720,312	9,060,585
Payments				
Employee costs		(3,510,608)	(3,217,497)	(2,966,408)
Materials and contracts		(4,564,276)	(3,496,211)	(105,220)
Utility charges		(323,137)	(337,922)	(327,177)
Interest expenses		(37,028)	(39,176)	(44,275)
Insurance expenses		(174,870)	(193,841)	(187,529)
Goods and services tax		(461,405)	(4,233,900)	0
Other expenditure		(2,047,088)	(641,382)	(475,797)
		(11,118,412)	(12,159,929)	(4,106,406)
Net cash provided by (used in) operating activities	15	(223,175)	560,383	4,954,179
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment		(2,008,915)	(8,766,751)	(2,100,577)
Payments for construction of infrastructure		(14,861,238)	(18,408,843)	(4,303,806)
Transfer of work in progress		165,233	0	0
Non-operating grants, subsidies and contributions		12,333,032	15,066,260	3,375,104
Proceeds from sale of fixed assets		195,818	395,909	327,497
Net cash provided by (used in) investment activities		(4,176,070)	(11,713,425)	(2,701,782)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of long term borrowings		(133,839)	(133,839)	(127,877)
Proceeds from new long term borrowings		0	250,000	0
Net cash provided by (used In) financing activities		(133,839)	116,161	(127,877)
Net increase (decrease) in cash held		(4,533,084)	(11,036,881)	2,124,520
Cash at beginning of year		12,650,657	12,648,101	10,526,137
Cash and cash equivalents at the end of the year	15	8,117,573	1,611,220	12,650,657

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

RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2018

	NOTE	2018 Actual	2018 Budget	2017 Actual
		$	$	$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)		9,634,626	9,694,239	8,421,294
		9,634,626	9,694,239	8,421,294
Revenue from operating activities (excluding rates)				
Governance		2,027	500	3,064
General purpose funding		2,560,509	1,227,510	3,981,342
Law, order, public safety		48,479	60,800	36,754
Health		105,641	102,800	105,495
Education and welfare		161,973	152,524	93,081
Housing		42,853	45,384	75,115
Community amenities		157,649	124,208	104,535
Recreation and culture		159,080	50,335	102,223
Transport		2,359,780	422,176	384,100
Economic services		491,622	360,738	381,249
Other property and services		199,348	126,586	197,007
		6,288,961	2,673,561	5,463,965
Expenditure from operating activities				
Governance		(940,887)	(1,002,157)	(796,624)
General purpose funding		(523,067)	(496,060)	(386,861)
Law, order, public safety		(186,594)	(268,041)	(231,154)
Health		(335,062)	(306,657)	(289,636)
Education and welfare		(268,685)	(246,131)	(189,276)
Housing		(57,008)	(114,279)	(81,924)
Community amenities		(409,991)	(426,162)	(384,636)
Recreation and culture		(4,279,086)	(956,940)	(933,493)
Transport		(5,467,804)	(3,380,710)	(3,451,227)
Economic services		(1,728,013)	(1,498,468)	(1,271,694)
Other property and services		31,640	(15,632)	(87,858)
		(14,164,557)	(8,711,237)	(8,104,383)
Operating activities excluded				
(Profit) on disposal of assets	10(a)	(32,660)	0	(41,860)
Loss on disposal of assets	10(a)	1,433,738	0	142,280
Loss on revaluation of fixed assets	9(b)	2,020,529	0	0
Movement in deferred pensioner rates (non-current)		0	0	803
Movement in employee benefit provisions		(581,331)	0	(22,246)
Depreciation and amortisation on assets	10(b)	2,136,109	2,273,070	2,633,113
Amount attributable to operating activities		6,735,415	5,929,633	8,492,966
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		12,333,032	15,066,260	3,375,104
Proceeds from disposal of assets	10(a)	195,818	395,909	327,497
Transfer of work in progress		165,233	0	0
Purchase of property, plant and equipment	8(b)	(2,008,915)	(8,766,751)	(2,100,577)
Purchase and construction of infrastructure	9(b)	(14,861,238)	(18,408,843)	(4,303,806)
Amount attributable to investing activities		(4,176,070)	(11,713,425)	(2,701,782)
FINANCING ACTIVITIES				
Repayment of long term borrowings	13(a)	(133,839)	(133,839)	(127,877)
Proceeds from new long term borrowings	13(b)	0	250,000	0
Transfers to reserves (restricted assets)	5	(86,770)	(105,931)	(104,841)
Transfers from reserves (restricted assets)	5	686,435	1,860,711	374,507
Amount attributable to financing activities		465,826	1,870,941	141,789
Surplus(deficiency) before general rates		3,025,171	(3,912,851)	5,932,973
Total amount raised from general rates	21	3,917,366	3,912,851	3,701,653
Net current assets at June 30 c/fwd - surplus/(deficit)	22	**6,942,537**	**0**	**9,634,626**

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

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

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 Governemtn 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 ownned 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 consistantly 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.

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

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY
All funds through which the Shire controls resources to carry on its functions have been included in the financial statements forming part of this financial report.
In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between funds) have been eliminated.

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

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

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

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

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

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

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

2. REVENUE AND EXPENSES

(a) Revenue

	2018 Actual	2017 Actual
	$	$
Other revenue		
Reimbursements and recoveries	1,325,475	64,481
Other	358,481	137,855
	1,683,956	202,336
Fees and Charges		
Governance	195	152
General purpose funding	15,691	30,137
Law, order, public safety	5,783	15,793
Health	2,120	618
Education and welfare	0	45
Housing	28,149	31,959
Community amenities	144,598	107,323
Recreation and culture	51,005	69,560
Transport	821,237	370,646
Economic services	250,921	210,337
Other property and services	18,136	25,955
	1,337,835	862,525

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

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Grant Revenue

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

	2018	2017
	$	$
Operating grants, subsidies and contributions		
Governance	0	900
General purpose funding	2,261,192	3,658,519
Law, order, public safety	42,651	20,960
Health	102,471	99,919
Education and welfare	160,727	93,035
Community amenities	75,000	0
Recreation and culture	32,000	32,000
Transport	102,176	0
Economic services	174,666	158,985
	2,950,883	4,064,318
Non-operating grants, subsidies and contributions		
General purpose funding	80,000	0
Law, order, public safety	69,382	109,382
Recreation and culture	50,000	0
Transport	11,800,797	3,253,500
Economic services	332,853	12,222
	12,333,032	3,375,104
Total grants, subsidies and contributions	15,283,915	7,439,422

SIGNIFICANT ACCOUNTING POLICIES

Grants, Donations and Other Contributions

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

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

Grants, Donations and Other Contributions (Continued)

a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 20. That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current period.

	2018 Actual	2018 Budget	2017 Actual
	$	$	$
Interest earnings			
- Reserve funds	93,759	95,931	95,641
- Other funds	76,770	117,001	134,172
Other interest revenue (refer note 21(c))	33,098	25,000	63,113
	203,627	237,932	292,926

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

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

	2018	2017
	$	$
Auditors remuneration		
- Audit of the Annual Financial Report	23,862	22,135
- Other Services	4,150	0
- Disbursements	2,602	0
	30,614	22,135
Interest expenses (finance costs)		
Long term borrowings (refer Note 13(a))	31,941	42,739
Interest charges on late tax lodgement	3,453	0
	35,394	42,739
Rental charges		
- Operating leases	22,800	51,342
	22,800	51,342

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

3. CASH AND CASH EQUIVALENTS

	NOTE	2018	2017
		$	$
Unrestricted		1,906,141	3,763,107
Restricted		6,211,432	8,887,550
		8,117,573	12,650,657
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Leave reserve	5	181,379	234,665
Plant reserve	5	93,014	189,555
Council building reserve	5	838,718	843,999
Aerodrome reserve	5	33,223	160,076
Road reserve	5	358,375	542,125
Swimming pool reserve	5	227,645	222,149
Great beyond reserve	5	79,066	106,616
Community bus reserve	5	55,656	44,554
Townsite revitalisation reserve	5	130,069	146,507
Community loan and grant reserve	5	20,638	20,140
Economic development reserve	5	291,006	382,767
Coach House renovation reserve	5	240,825	235,010
GCR\Skull Creek floodway reserve	5	216,722	237,838
Unspent grants	20	3,445,096	5,521,549
		6,211,432	8,887,550

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 cash equivalents (Continued)

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.

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

5. RESERVES - CASH BACKED

	2018 Actual Opening Balance	2018 Actual Transfer to	2018 Actual Transfer (from)	2018 Actual	2018 Budget Opening Balance	2018 Budget Transfer to	2018 Budget Transfer (from)	2018 Budget Closing Balance	2017 Actual Opening Balance	2017 Actual Transfer to	2017 Actual Transfer (from)	2017 Actual Closing Balance
	$	$	$	$	$	$	$	$	$	$	$	$
Leave reserve	234,665	5,438	(58,724)	181,379	234,665	6,688	0	241,353	228,650	6,015	0	234,665
Plant reserve	189,555	3,459	(100,000)	93,014	189,555	5,402	(138,000)	56,957	282,133	7,422	(100,000)	189,555
Council building reserve	843,999	20,719	(26,000)	838,718	843,999	24,054	(676,000)	192,053	860,485	22,636	(39,122)	843,999
Aerodrome reserve	160,076	3,147	(130,000)	33,223	160,076	4,562	(130,000)	34,638	155,973	4,103	0	160,076
Road reserve	542,125	10,961	(194,711)	358,375	542,125	15,451	(294,711)	262,865	625,809	16,463	(100,147)	542,125
Swimming pool reserve	222,149	5,496	0	227,645	222,149	6,331	(200,000)	28,480	216,455	5,694	0	222,149
Great beyond reserve	106,616	2,450	(30,000)	79,066	106,617	3,039	(60,000)	49,656	113,579	2,987	(9,950)	106,616
Community bus reserve	44,554	11,102	0	55,656	44,553	11,270	0	55,823	34,447	10,107	0	44,554
Townsite revitalisation reserve	146,507	3,562	(20,000)	130,069	146,507	4,175	(30,000)	120,682	264,828	6,967	(125,288)	146,507
Community loan and grant reserve	20,140	498	0	20,638	20,140	574	(10,000)	10,714	19,624	516	0	20,140
Economic development reserve	382,767	8,239	(100,000)	291,006	382,767	10,909	(210,000)	183,676	372,956	9,811	0	382,767
Coach House renovation reserve	235,010	5,815	0	240,825	235,010	6,698	(85,000)	156,708	228,987	6,023	0	235,010
GCR\Skull Creek floodway reserve	237,838	5,884	(27,000)	216,722	237,837	6,778	(27,000)	217,615	231,741	6,097	0	237,838
	3,366,001	86,770	(686,435)	2,766,336	3,366,000	105,931	(1,860,711)	1,611,220	3,635,667	104,841	(374,507)	3,366,001

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
Leave reserve	Ongoing	To be used to fund annual, RDO and long service leave requirements
Plant reserve	Ongoing	To be used for the purpose of major plant
Council building reserve	Ongoing	To be used to maintain and construct buildings owned by the local government
Aerodrome reserve	Ongoing	To be used for the upkeep and major upgrade works to the Laverton Airport
Road reserve	Ongoing	To be used for the upkeep and major improvements/re-sealing programmes within the Shire of Laverton
Swimming pool reserve	Ongoing	To be used for the renovation and upgrading works to the swimming pool
Great beyond reserve	Ongoing	To be used to plan, develop, expend or construct facilities for an improved tourism information centre
Community bus reserve	Ongoing	To be used for the maintenance and replacement of the community bus
Townsite revitalisation reserve	Ongoing	To be used to hold funds pertaining to the Laverton Town Site Revitalisation and Enhancement project
Community loan and grant reserve	Ongoing	To be used to hold monies that may be made available to community groups as a low interest loan to assist community groups
Economic development reserve	Ongoing	To be used to purchase town site land
Coach House renovation reserve	Ongoing	To be used to fund Coach House renovations
GCR\Skull Creek floodway reserve	Ongoing	To be used to fund floodway construction

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

6. TRADE AND OTHER RECEIVABLES

	2018	2017
	$	$
Current		
Rates outstanding	261,744	472,155
Sundry debtors	2,464,293	2,129,341
GST receivable	0	74,823
Provision for doubtful debts	(336,838)	(329,000)
Prepayments	0	57,624
Accrued income	19,081	343,502
	2,408,280	2,748,445
Non-current		
Rates outstanding - pensioners	1,574	1,574
	1,574	1,574
Information with respect the impairment or otherwise of the totals of rates outstanding and sundry debtors is as follows:		
Rates outstanding		
Includes:		
Past due and not impaired	0	97,207
Impaired	263,318	329,000
Sundry debtors		
Includes:		
Past due and not impaired	2,390,773	269,749
Impaired	73,520	0

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

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

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

Classification and subsequent measurement

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

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

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

7. INVENTORIES

	2018	2017
	$	$
Current		
Fuel and materials	175,760	116,641
	175,760	116,641

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.

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

8 (a). PROPERTY, PLANT AND EQUIPMENT

Land and buildings	2018	2017
	$	$
Land - freehold land at:		
- Independent valuation 2018 - level 2	1,072,896	0
- Independent valuation 2014 - level 2	0	903,000
- Additions after valuation - cost	0	176,316
	1,072,896	1,079,316
Total land	1,072,896	1,079,316
Buildings at:		
- Independent valuation 2018 - level 2	6,858,789	0
- Independent valuation 2014 - level 2	0	8,307,000
- Additions after caluation - at cost	0	1,808,650
Less: accumulated depreciation	(347,435)	(1,847,092)
	6,511,354	8,268,558
Total buildings	6,511,354	8,268,558
Total land and buildings	7,584,250	9,347,874
Furniture and equipment at:		
- Management valuation 2018 - level 3	182,442	0
- Management valuation 2013 - level 3	0	53,694
- Additions after valuation - at cost	0	385,519
Less: accumulated depreciation	(12,835)	(92,015)
	169,607	347,198
Plant and equipment at:		
- Management valuation 2018 - level 3	4,363,096	0
- Management valuation 2013 - level 3	0	2,075,215
- Additions after valuation - at cost	0	2,616,069
Less: accumulated depreciation	(405,404)	(1,463,161)
	3,957,692	3,228,123
Golf course at:		
- Independent valuation 2018 - level 2	12,000	0
- Independent valuation 2014 - level 2	0	52,000
	12,000	52,000
Tools at:		
- Management valuation 2013 - level 3	0	4,050
Less: accumulated depreciation	0	(3,075)
	0	975
Race course at:		
- Independent valuation 2018 - level 2	14,000	0
- Independent valuation 2014 - level 2	0	28,000
	14,000	28,000
Playground at:		
- Independent valuation 2018 - level 2	21,800	0
- Independent valuation 2014 - level 3	0	39,000
Less: accumulated depreciation	0	(10,890)
	21,800	28,110
Buildings (Work in Progress) at:		
- at cost	15,120	172,609
	15,120	172,609
Total property, plant and equipment	11,774,469	13,204,889

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

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Movements in Carrying Amounts

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

	Land - freehold land	Buildings	Furniture and equipment	Plant and equipment	Golf course	Tools	Race course	Playground	Buildings (Work in Progress)	Total property, plant and equipment
	$	$	$	$	$	$	$	$	$	$
Balance at 1 July 2016	1,021,228	8,494,992	298,030	2,533,902	52,000	1,590	28,000	31,741	172,609	12,634,092
Additions	0	458,599	85,961	1,556,017	0	0	0	0	0	2,100,577
(Disposals)	0	0	0	(427,917)	0	0	0	0	0	(427,917)
Depreciation (expense)	0	(626,945)	(36,793)	(433,879)	0	(615)	0	(3,631)	0	(1,101,863)
Transfers	58,088	(58,088)	0	0	0	0	0	0	0	0
Carrying amount at 30 June 2017	1,079,316	8,268,558	347,198	3,228,123	52,000	975	28,000	28,110	172,609	13,204,889
Additions	2,096	1,207,014	121,191	664,096	0	0	0	0	14,518	2,008,915
(Disposals)	0	(1,233,625)	(155,878)	(206,143)	0	0	0	(1,250)	0	(1,596,896)
Revaluation increments/ (decrements) transferred to revaluation surplus	49,571	385,184	0	703,549	0	0	0	0	0	1,138,304
Revaluation (loss)/ reversals transferred to profit or loss	0	(1,833,205)	(130,069)	0	(40,000)	(975)	(14,000)	(2,280)	0	(2,020,529)
Depreciation (expense)	0	(347,434)	(12,835)	(431,933)	0	0	0	(2,780)	0	(794,982)
Transfers	(58,087)	64,862	0	0	0	0	0	0	(172,007)	(165,232)
Carrying amount at 30 June 2018	1,072,896	6,511,353	169,607	3,957,692	12,000	0	14,000	21,800	15,120	11,774,468

Work in progress capitalised at 30 June 2018 amounted to $6,775 to Buildings, $165,232 to Other Infrastructure and $602 was transferred to expenses.

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

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Land and buildings					
Land - freehold land	2	Market approach using recent observable market data for similar properties/income approach using discounted cashflow methodology.	Independent registered valuers	June 2018	Price per hectare/market borrowing rate
Buildings - non specialised	2	Market approach using recent observable market data for similar properties/income approach using discounted cashflow methodology.	Independent registered valuers	June 2018	Price per square metre/market borrowing rate
Furniture and equipment	3	Cost approach using depreciated replacement cost.	Management valuation	June 2018	Residual values and remaining useful life assessments inputs
Plant and equipment	3	Cost approach using depreciated replacement cost.	Management valuation	June 2018	Residual values and remaining useful life assessments inputs
Golf course	3	Cost approach using depreciated replacement cost.	Independent registered valuers	June 2018	Residual values and remaining useful life assessments inputs
Race course	2	Market approach using recent observable market data for similar properties/income approach using discounted cashflow methodology.	Independent registered valuers	June 2018	Price per hectare/market borrowing rate
Playground	3	Cost approach using depreciated replacement cost.	Management valuation	June 2018	Residual values and remaining useful life assessments inputs

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

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

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

9 (a). INFRASTRUCTURE

	2018	2017
	$	$
Infrastructure - Roads		
- Management valuation 2018 - level 3	137,924,644	0
- Management valuation additions	0	69,417,565
Less: accumulated depreciation	(21,868,820)	(32,168,281)
	116,055,824	37,249,284
Infrastructure - Other		
- Management valuation 2018 - level 3	3,862,000	0
- Management valuation additions	4,144,771	9,464,269
Less: accumulated depreciation	0	(4,266,899)
	8,006,771	5,197,370
Total infrastructure	124,062,595	42,446,654

As part of the revaluation of Infrastructure at 30 June 2018 Footpaths assets were reclassified as within Roads and Airport assets were reclassified as Other Infrastructure, and $165,232 Buildings, work in progress was reclassified as Other Infrastructure.

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

9. INFRASTRUCTURE (Continued)

(b) Movements in Carrying Amounts

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

	Infrastructure - Roads	Footpaths	Airport	Infrastructure - Other	Total Infrastructure
	$	$	$	$	$
Balance at 1 July 2016	35,265,163	10,299	118,580	4,280,056	39,674,098
Additions	3,182,932			1,120,874	4,303,806
Depreciation (expense)	(1,198,811)	(10,299)	(118,580)	(203,560)	(1,531,250)
Carrying amount at 30 June 2017	37,249,284	0	0	5,197,370	42,446,654
Additions	10,881,739			3,979,499	14,861,238
Revaluation increments/ (decrements) transferred to revaluation surplus	67,650,821	0	0	279,777	67,930,598
Revaluation (loss)/ reversals transferred to profit or loss	0	0	0		0
Depreciation (expense)	(1,105,156)	0	0	(235,971)	(1,341,127)
Transfers	1,379,136	0	0	(1,213,904)	165,232
Carrying amount at 30 June 2018	116,055,824	0	0	8,006,771	124,062,595

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

9. INFRASTRUCTURE (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - Roads	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition residual values and remaining useful life assessments inputs
Footpaths	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition residual values and remaining useful life assessments inputs
Airport	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition residual values and remaining useful life assessments inputs
Infrastructure - Other	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition residual values and remaining useful life assessments inputs

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

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

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

10. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

Revaluation

The fair value of fixed assets is determined at least every three years and not 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.

Land under control

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

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

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

10. FIXED ASSETS (Continued)

(a) Disposals of Assets

The following assets were disposed of during the year.

	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss	Budget Net Book Value	Budget Sale Proceeds	Budget Profit	Budget Loss
Plant and Equipment	$	$	$	$	$	$	$	$
Education and welfare								
Cruze youth vehicle	0	4,318	4,318	0	5,000	5,000	0	0
Community amenities								
Rubbish truck and compactor	36,800	30,000	0	(6,800)	40,000	40,000	0	0
Recreation and culture								
Chemical dosing system	15,379	6,000	0	(9,379)	0	0	0	0
Front deck Toro mower	3,465	3,000	0	(465)	1,000	1,000	0	0
Utility	11,974	5,227	0	(6,747)	5,227	5,227	0	0
Transport								
Accommodation trailer	0	0	0	0	5,000	5,000	0	0
Accommodation trailer	0	0	0	0	5,000	5,000	0	0
Prime mover	0	0	0	0	55,000	55,000	0	0
Water tanker					31,500	31,500	0	0
Grader	0	0	0	0	90,000	90,000	0	0
Bobcat	0	20,000	20,000	0	0	0	0	0
Economic services								
X-trail CDO	6,505	3,636	0	(2,869)	5,000	5,000	0	0
Other property and services								
Toyota Landcruiser CEO	84,907	68,182	0	(16,725)	68,182	68,182	0	0
Executive vehicle EMTS	47,113	55,455	8,342	0	55,000	55,000	0	0
Admin Vehicle	0	0	0	0	30,000	30,000	0	0
Buildings								
Assets written off on valuation	1,233,625	0	0	(1,233,625)	0	0	0	0
Furniture and Equipment								
Assets written off on valuation	155,878	0	0	(155,878)	0	0	0	0
Plaground Equipment								
Assets written off on valuation	1,250	0	0	(1,250)	0	0	0	0
	1,596,896	195,818	32,660	(1,433,738)	395,909	395,909	0	0

(b) Depreciation

	2018	2017
	$	$
Buildings	347,434	626,945
Furniture and equipment	12,835	36,793
Plant and equipment	431,933	433,879
Tools	0	615
Playground	2,780	3,631
Infrastructure - Roads	1,105,156	1,198,811
Footpaths	0	10,299
Airport	0	118,580
Infrastructure - Other	235,971	203,560
	2,136,109	2,633,113

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

10. FIXED ASSETS (Continued)

(b) Depreciation (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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

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

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

Depreciation rates

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

Buildings	40 years
Furniture and Equipment	10 years
Plant and Equipment	3-10 years
Roads and Streets	35 years
Footpaths - slab	20 years
Airport	20 years
Parks and gardens equipment	35 years
Information Bay	35 years
Town Centre Facilities	35 years
Tools	10 years

Depreciation (Continued)

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

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

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

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

11. REVALUATION SURPLUS

	2018 Opening Balance	2018 Revaluation Increment	2018 Revaluation (Decrement)	2018 Total Movement on Revaluation	2018 Closing Balance	2017 Opening Balance	2017 Revaluation Increment	2017 Revaluation (Decrement)	2017 Total Movement on Revaluation	2017 Closing Balance
	$	$	$	$	$	$	$	$	$	$
Revaluation surplus - Land - freehold land	606,553	434,755	0	434,755	1,041,308	606,553	0	0	0	606,553
Revaluation surplus -Buildings	3,370,915	0	0	0	3,370,915	3,370,915			0	3,370,915
Revaluation surplus - Plant and equipment	131,959	703,549	0	703,549	835,508	131,959	0	0	0	131,959
Revaluation surplus - Infrastructure - Roads	0	67,650,821	0	67,650,821	67,650,821	0	0	0	0	0
Revaluation surplus - Infrastructure - Other	0	279,777	0	279,777	279,777	0	0	0	0	0
	4,109,427	69,068,902	0	69,068,902	73,178,329	4,109,427	0	0	0	4,109,427

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

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

12. TRADE AND OTHER PAYABLES

	2018	2017
	$	$
Current		
Sundry creditors	710,189	1,870,000
Accrued interest on long term borrowings	8,772	10,406
Accrued salaries and wages	98,152	92,104
ATO liabilities	36,563	109,812
Other liabilities	49,684	535,304
	903,360	2,617,626

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

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

Trade and other payables (Continued)

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

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

13. INFORMATION ON BORROWINGS

(a) Repayments - Borrowings

	Principal 1 July 2017	New Loans	Principal Repayments Actual	Principal Repayments Budget	Principal 30 June 2018 Actual	Principal 30 June 2018 Budget	Interest Repayments Actual	Interest Repayments Budget
Particulars	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Housing								
Loan 79B Two Executive Houses	116,793		26,606	26,606	90,187	90,187	4,391	6,227
Loan 81 Burt St Group Housing	298,914		36,963	36,963	261,951	261,951	10,058	13,678
Loan 82 Staff House New					0	0		1,815
Economic services								
Loan 80 Main St Underground Power	466,327		70,270	70,270	396,057	396,057	17,492	17,456
	882,034	0	133,839	133,839	748,195	748,195	31,941	39,176

All loan repayments were financed by general purpose revenue.

Borrowings

	2018	2017
	$	$
Current	140,087	133,839
Non-current	608,108	748,195
	748,195	882,034

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

13. INFORMATION ON BORROWINGS (Continued)

(b) New Borrowings - 2017/18

	Amount Borrowed			Loan	Term	Total Interest &	Interest	Amount (Used)		Balance
	Actual	Budget	Institution	Type	Years	Charges	Rate	Actual	Budget	Unspent
Particulars/Purpose	$	$				$	%	$	$	$
Staff House Loan 82		250,000	WATC	Debenture	10	0	3.28%		(250,000)	
	0	250,000				0		0	(250,000)	0

(c) Undrawn Borrowing Facilities

	2018	2017
	$	$
Credit Standby Arrangements		
Bank overdraft limit	0	0
Bank overdraft at balance date	0	0
Credit card limit	25,000	25,000
Credit card balance at balance date	(9,520)	(7,072)
Total amount of credit unused	15,480	17,928
Loan facilities		
Loan facilities - current	140,087	133,839
Loan facilities - non-current	608,108	748,195
Total facilities in use at balance date	748,195	882,034
Unused loan facilities at balance date	NIL	NIL

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Borrowing costs

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

14. PROVISIONS

	Provision for Annual Leave	Provision for Long Service Leave	Total
	$	$	$
Opening balance at 1 July 2017			
Current provisions	289,576	182,068	471,644
Non-current provisions	0	58,958	58,958
	289,576	241,026	530,602
Additional provision	21,716	22,046	43,762
Amounts used	(144,877)	(43,094)	(187,971)
Balance at 30 June 2018	166,415	219,978	386,393
Comprises			
Current	166,415	128,995	295,410
Non-current	0	90,983	90,983
	166,415	219,978	386,393

(a) Annual leave liabilities: Assessments indicate that actual settlement of the liabilities is expected to occue as occur as follows:

	2018	2017
	$	$
Within 12 months of the end of the reporting period	112,415	263,407
More than 12 months after the end of the reporting period	54,000	26,169
	166,415	289,576

(b) Long service leave liabilities: Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2018	2017
	$	$
Within 12 months of the end of the reporting period	209,978	182,068
More than 12 months after the end of the reporting period	10,000	58,958
	219,978	241,026

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

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

Other long-term employee benefits (Continued)

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

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

Provisions

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

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

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

15. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

	2018 Actual	2018 Budget	2017 Actual
	$	$	$
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	8,294,802	12,941,435	4,436,339
Non-cash flows in Net result:			
Depreciation	2,136,109	2,273,070	2,633,113
(Profit)/loss on sale of asset	1,401,078	0	100,420
Changes in assets and liabilities:			
(Increase)/decrease in receivables	340,165	1,900,000	(63,173)
(Increase)/decrease in inventories	(59,119)	0	3,604
Increase/(decrease) in payables	(1,714,266)	(1,579,966)	1,240,344
Increase/(decrease) in provisions	(144,209)	92,104	(21,364)
Transfer work in progress to fixed assets	(165,232)	0	0
Grants contributions for the development of assets	(12,333,032)	(15,066,260)	(3,375,104)
Net cash from operating activities	(223,175)	560,383	4,954,179

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

16. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2018	2017
	$	$
Governance	1,980	144,729
General purpose funding	(72,820)	5,040
Law, order, public safety	107,902	102,873
Health	571,254	384,035
Education and welfare	105,397	162,671
Housing	2,810,335	3,220,565
Community amenities	357,623	5,883,097
Recreation and culture	3,653,577	2,955,921
Transport	122,274,651	48,224,900
Economic services	5,402,239	2,356,621
Other property and services	3,210,538	3,798,665
Unallocated	8,117,575	3,929,743
	146,540,251	71,168,860

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

17. CAPITAL AND LEASING COMMITMENTS

	2018	2017
	$	$
(a) Capital Expenditure Commitments		
Contracted for:		
- capital expenditure projects	3,553,000	125,266
- plant & equipment purchases	64,880	0
Payable:		
- not later than one year	3,617,880	125,266

The capital expenditure project outstanding at the end of the current reporting period represents contracts associated with the Community Hub Project, runway lighting contract, contracts to upgrade the playgorup and old police station, and contracts to provide new staff housing. The plant and equipment commitment is for the purchase of maintenance crew accommodation for which a deposit of $15,120 has already been paid.

The prior year commitment represents contracts associated with the Community Hub Project.

(b) Operating Lease Commitments		
Non-cancellable operating leases contracted for but		
Payable:		
- not later than one year	0	16,705
- later than one year but not later than five years	0	0
- later than five years	0	0
	0	16,705

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

Leases (Continued)

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

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

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

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

18. JOINT ARRANGEMENTS

The Shire together with the Shire of Coolgardie, Dundas, Esperance, Laverton, Menzies, Ngaanyatjarraku, Ravensthorpe,Wiluna and the City of Kalgoorlie-Boulder have a joint venture arrangement with regards to the provision of a Regional Records Service.

The assets included in the joint venture as the Shire's one-tenth share are as follows:

	2018	2017
	$	$
Non-current assets		
Land and buildings	75,500	75,500
Less: accumulated depreciation	(6,000)	(5,662)
	69,500	69,838
Plant and equipment	4,182	4,182
Less: accumulated depreciation	(600)	(504)
	3,582	3,678
Furniture and equipment	8,204	8,204
Less: accumulated depreciation	(1,000)	(902)
	7,204	7,302
Light vehicles	3,200	3,200
Less: accumulated depreciation	(550)	(480)
	2,650	2,720

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.

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.

Equity method of accounting

Interest in joint arrangements are accounted for by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Shire's share of net assets of the associate. In additon, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss.

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

19. RELATED PARTY TRANSACTIONS

Elected Members Remuneration

The following fees, expenses and allowances were paid to council members and/or the President.	Actual	Budget	Actual
	$	$	$
Meeting Fees	64,068	71,750	68,812
President's allowance	17,700	17,700	17,700
Deputy President'sallowance	4,500	4,425	4,500
Travelling expenses	7,071	4,000	2,232
	93,339	97,875	93,244

Key Management Personnel (KMP) Compensation Disclosure

The total of remuneration paid to KMP of the Shire during the year are as follows:	2018	2017
	$	$
Short-term employee benefits	723,545	518,446
Post-employment benefits	78,315	74,637
Other long-term benefits	2,810	15,233
Termination benefits	40,513	41,666
	845,183	649,982

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

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

Other long-term benefits
These amounts represent long service benefits accruing during the year.

Termination benefits

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

Transactions with related parties

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

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

The following transactions occurred with related parties:	2018	2017
	$	$
Purchase of goods and services	2,324,337	454,286
Amounts outstanding from related parties:		
Trade and other receivables	527	330
Amounts payable to related parties:		
Trade and other payables	232,280	30,680

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.

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

20. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	Opening Balance [1] 1/07/16	Received [2] 2016/17	Expended [3] 2016/17	Closing Balance [1] 30/06/17	Received [2] 2017/18	Expended [3] 2017/18	Closing Balance 30/06/18
	$	$	$	$	$	$	$
Law, order, public safety							
G.E.D.C solar lighting grant	0	40,000	0	40,000	0	(33,404)	6,596
Health							
Nthn & remote city health services	3,282	0	(3,282)	0	0	0	0
Education and welfare							
Minara comm. foundation	50,000	0	(50,000)	0	0	0	0
Recreation and culture							
CPRC Swimming Pool Grant	0	32,000	0	32,000	0	(32,000)	0
Transport							
MRWA - Grt Central Road	86,449	200,000	(286,449)	0	0	0	0
MRWA - Grt Central Road (RAAR)	16,000	24,000	(40,000)	0	0	0	0
Roads to Recovery	0	285,726	(228,910)	56,816	0	(56,816)	0
Roads to Recovery	0	0	0	0	167,500	(43,069)	124,431
Roads to Recovery	0	0	0	0	167,500	0	167,500
Economic services							
Dept. of Regional Development	5,359,280	0	0	5,359,280	146,569	(2,359,280)	3,146,569
Tourism WA	72,500	0	(39,047)	33,453	0	(33,453)	0
Total	5,587,511	581,726	(647,688)	5,521,549	481,569	(2,558,022)	3,445,096

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.

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

21. RATING INFORMATION

(a) Rates

RATE TYPE Differential general rate / general rate	Rate in $	Number of Properties	Value	Rate Revenue	Interim Rates	Total Revenue	Budget Rate Revenue	Budget Interim Rate	Budget Total Revenue
			$	$	$	$	$	$	$
Gross rental valuations									
GRV Townsite	0.0000	180	2,420,452	261,908	29,861	291,769	264,797	0	264,797
GRV Mining		12	12,580,500	1,063,052	0	1,063,052	1,063,053	0	1,063,053
Unimproved valuations									
UV Pastoral		17	581,775	53,698	0	53,698	53,698	0	53,698
UV Mining		729	16,313,233	2,445,022	104,692	2,549,714	2,473,086	73,410	2,546,496
Sub-Total		938	31,895,960	3,823,680	134,553	3,958,233	3,854,634	73,410	3,928,044
Minimum payment	**Minimum $**								
Gross rental valuations									
GRV Townsite	294	49	17,014	14,700	0	14,700	14,406	0	14,406
GRV Mining	294	1	20	294	0	294	294	0	294
Unimproved valuations									
UV Pastoral	294	1	0	0	0	0	294	0	294
UV Mining	294	334	330,328	98,196	0	98,196	98,196	0	98,196
UV Shared tenements	147	11	1,420	1,617	0	1,617	1,617	0	1,617
Sub-Total		396	348,782	114,807	0	114,807	114,807	0	114,807
		1,334	32,244,742	3,938,487	134,553	4,073,040	3,969,441	73,410	4,042,851
Discounts/concessions (refer note 21(b))						(155,674)			(130,000)
Total amount raised from general rate						3,917,366			3,912,851

SIGNIFICANT ACCOUNTING POLICIES

Rates

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

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

21. RATING INFORMATION (Continued)

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

Rates Discounts

Rate or Fee Discount Granted	Discount %	Discount $	Actual $	Budget $	2017 $	Circumstances in which Discount is Granted
Council Rates Discount	10.00%		155,674	125,000	150,874	
			155,674	125,000	150,874	

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount %	Discount $	Actual $	Budget $	2017 $
Council Rates Concession			0	5,000	0	
			0	5,000	0	

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 of the Waiver or Concession	Reasons for the Waiver or Concession
Council rates	At discretion of Council	In case of hardship or unusual circumstances	Compassionate grounds

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

21. 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	10-Oct-17			11.00%
Option Three				
First instalment	17/10/2017			11.00%
Second instalment	18/12/2017	5	5.50%	
Third instalment	19/02/2018	5	5.50%	
Fourth instalment	19/04/2018	5	5.50%	

	2018	2018 Budget	2017
	$	$	$
Interest on unpaid rates	23,249	15,000	55,925
Interest on instalment plan	9,849	10,000	7,188
Charges on instalment plan	945	750	3,195
	34,043	25,750	66,308

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

22. NET CURRENT ASSETS

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

	2018 (30 June 2018 Carried Forward)	2018 (1 July 2017 Brought Forward)	2017 (30 June 2017 Carried Forward)
	$	$	$
Surplus/(Deficit) 1 July brought forward	6,942,537	9,634,626	9,634,626
CURRENT ASSETS			
Cash and cash equivalents			
Unrestricted	1,906,141	3,763,107	3,763,107
Restricted	6,211,432	8,887,550	8,887,550
Receivables			
Rates outstanding	261,744	472,155	472,155
Sundry debtors	2,464,293	2,129,341	2,129,341
GST receivable	0	74,823	74,823
Provision for doubtful debts	(336,838)	(329,000)	(329,000)
Prepayments	0	57,624	57,624
Accrued income	19,081	343,502	343,502
Inventories			
Fuel and materials	175,760	116,641	116,641
LESS: CURRENT LIABILITIES			
Trade and other payables			
Sundry creditors	(710,189)	(1,870,000)	(1,870,000)
Accrued interest on long term borrowings	(8,772)	(10,406)	(10,406)
Accrued salaries and wages	(98,152)	(92,104)	(92,104)
ATO liabilities	(36,563)	(109,812)	(109,812)
Other liabilities	(49,684)	(535,304)	(535,304)
Current portion of long term borrowings	(140,087)	(133,839)	(133,839)
Provisions			
Provision for annual leave	(166,415)	(289,576)	(289,576)
Provision for long service leave	(128,995)	(182,068)	(182,068)
Unadjusted net current assets	9,362,756	12,292,634	12,292,634
Adjustments			
Less: Reserves - restricted cash	(2,766,336)	(3,366,001)	(3,366,001)
Add: Current portion of long term borrowings	140,087	133,839	133,839
Add: Current liabilities not expected to be cleared	206,030	574,154	574,154
Adjusted net current assets - surplus/(deficit)	6,942,537	9,634,626	9,634,626

Difference

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

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

23. FINANCIAL RISK MANAGEMENT

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

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

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

The Shire held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2018	2017	2018	2017
	$	$	$	$
Financial assets				
Cash and cash equivalents	8,117,573	12,650,657	8,117,101	12,650,657
Receivables	2,409,854	2,750,019	3,409,854	2,750,019
	10,527,427	15,400,676	11,526,955	15,400,676
Financial liabilities				
Payables	903,360	3,919,157	906,704	3,919,157
Borrowings	748,195	882,034	887,919	1,019,301
	1,651,555	4,801,191	1,794,623	4,938,458

Fair value is determined as follows:
Cash and cash equivalents, receivables, payables - estimated to the carrying value which approximates net market value.

Borrowings, held to maturity investments, estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

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

23. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

The Shire's objective is to maximise its return on cash whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash portfolio. Council has an Investment Policy and the Policy is subject to review by Council. An Investment Report is provided to Council on a monthly basis setting out the make-up and performance of the portfolio.

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

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

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

	2018	2017
	$	$
Impact of a 1% (1) movement in interest rates on cash		
- Equity	51,176	126,507
- Statement of Comprehensive Income	51,176	126,507

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

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

23. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

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

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

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

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

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

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

	2018	2017
Percentage of rates and annual charges	%	%
- Current	0.00%	10.03%
- Overdue	100.00%	89.97%
Percentage of other receivables		
- Current	78.78%	89.65%
- Overdue	21.19%	10.35%

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

23. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables and borrowings

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

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
2018	$	$	$	$	$
Payables	906,704	0	0	906,704	903,360
Borrowings	172,153	795,019	50,642	1,017,814	748,195
	1,078,857	795,019	50,642	1,924,518	1,651,555
2017					
Payables	2,617,626	0	0	2,617,626	2,617,626
Borrowings	172,153	827,393	190,421	1,189,967	882,034
	2,789,779	827,393	190,421	3,807,593	3,499,660

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

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

Year ended 30 June 2018	<1 year	>1<2 years	>2<3 years	>3<4 years	>4<5 years	>5 years	Total	Weighted Average Effective Interest Rate
	$	$	$	$	$	$	$	%
Borrowings								
Fixed rate								
Long term borrowings	0	90,188	0	396,057	261,950	0	748,195	4.50%
Weighted average Effective interest rate	0.00%	6.14%	0.00%	3.98%	4.72%	0.00%		
Year ended 30 June 2017								
Borrowings								
Fixed rate								
Long term borrowings	0	0	116,793	0	466,327	298,914	882,034	2.41%
Weighted average Effective interest rate	0.00%	0.00%	6.14%	0.00%	3.98%	4.72%		

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

24. TRUST FUNDS

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

	1 July 2017	Amounts Received	Amounts Paid	30 June 2018
	$	$	$	$
Housing bonds	5,190	2,160	(4,690)	2,660
BCITF	2,385	0	0	2,385
Unclaimed monies	261	739	0	1,000
Youth advisory council	1,029	0	0	1,029
Clubs and discos	1,530	0	0	1,530
North East Goldfields LCDC	14,333	0	0	14,333
Sport & Recreation Grant Funds	6,000	0	0	6,000
Donations received	9,044	0	0	9,044
Outback Highway development fund	172,206	4,158	0	176,364
	211,978			214,345

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

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

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

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

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

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

	Title	Issued / Compiled	Applicable (1)	Impact
(iv)	AASB 1058 Income of Not-for-Profit Entities	December 2016	1 January 2019	These standards are likely to have a significant impact on the income recognition for NFP's. Key areas for consideration are: - Assets received below fair value; - Transfers received to acquire or construct non-financial assets; - Grants received; - Prepaid rates; - Leases entered into at below market rates; and - Volunteer services. Whilst it is not possible to quantify the financial impact (or if it is material) of these key areas until the details of future transactions are known, they will all have application to the Shire's operations.

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

Adoption of New and Revised Accounting Standards

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

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

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

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

26. OTHER SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Level 1
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2
Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3
Measurements based on unobservable inputs for the asset or liability.

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

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

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

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

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

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

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

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

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

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

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

27. ACTIVITIES/PROGRAMS

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

	ACTIVITIES
GOVERNANCE	Administration and operation facilities and services to members of Council. Other costs that relate to the tasks of assessing Elected Members and Ratepayers on matters which do not concern specific Council Services
GENERAL PURPOSE FUNDING	Rates, General Purpose Government Grants and interest revenue.
LAW, ORDER, PUBLIC SAFETY	Supervision of various laws, fire prevention, emergency services and animal control.
HEALTH	Food control, maintenance of child health clinics and health administration, and the retention of a full time doctor in Laverton. Maintenance of pre-school facilities, day care centre, donations to school and assistance to welfare groups and the Youth Development Program are reported under this objective.
HOUSING	Provision of staff housing as well as private housing for the retention of professionals in Laverton.
COMMUNITY AMENITIES	Rubbish collection services, operation of rubbish tip site, noise control, administration of town planning, operation of cemeteries and maintenance of public conveniences.
RECREATION AND CULTURE	Provision of public hall, swimming pool, recreational facilities, various reserves, operation of library together with television and radio re-broadcasting facilities.
TRANSPORT	Construction and maintenance of roads, drainage, footpaths, parking facilities, traffic signs, street cleaning and operation of Laverton Airport.
ECONOMIC SERVICES	Community Development, Tourism and Area Promotion, Heritage Development and Maintenance, Great Beyond Visitor Centre & Explorer's Hall of Fame, Community Resource Centre and building control.
OTHER PROPERTY AND SERVICES	Private Works, Community Bus, Technical Services, administration, plant operations control and miscellaneous services not able to be classified elsewhere.

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

28. FINANCIAL RATIOS

	2018	2017	2016
Current ratio	3.88	2.22	2.30
Asset consumption ratio	0.86	0.58	0.58
Asset renewal funding ratio	0.27	0.44	0.49
Asset sustainability ratio	7.65	2.13	1.09
Debt service cover ratio	(11.26)	21.90	(5.69)
Operating surplus ratio	(0.59)	0.21	(0.83)
Own source revenue coverage ratio	0.56	0.61	0.43

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 expenses

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 expenses

Notes:

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

	2017/18	2016/17	2015/16
	$	$	$
Amount of Financial Assistance Grant received during the year relating to the subsequent year.	1,232,914	1,215,032	0
Amount of Financial Assistance Grant received in prior year relating to current year.	1,215,032	0	1,174,993
Amount of reimbursement for flood damage received	1,247,245	0	2,065,582
Expenditure on flood damage re-instatement	1,277,215	0	2,210,806

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

	2018	2017	2016
Current ratio	3.90	2.62	1.65
Debt service cover ratio	(11.37)	14.78	1.06
Operating surplus ratio	(0.73)	(0.03)	(0.57)