



Annual Report  
2016/17



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# General Information

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## Administration Office

Office Hours: Monday – Friday, 9:00am – 4:00pm

### Street Address

80 Monger St  
BENCUBBIN WA 6477

### Postal Address

PO Box 20  
BENCUBBIN WA 6477

Tel: 08 9685 1202

Fax: 08 9685 1299

Email: [admin@mtmarshall.wa.gov.au](mailto:admin@mtmarshall.wa.gov.au)

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

Facebook: [www.facebook.com/ShireMtMarshall](https://www.facebook.com/ShireMtMarshall)

Twitter: <https://twitter.com/MtMarshallShire>

## Localities

Bencubbin, Beacon, Cleary, Gabbin, Welbungin and Wialki.

## Economy

The economic activity of the Shire is dominated by agriculture, including the growing of wheat, lupins, barley, peas, oats, canola and the breeding of sheep, pigs and cattle.

Local industries include retail, shearing, grain cleaning and servicing of farm machinery.

## Significant Local Events

- Australia Day Community Breakfast and Shire Citizen of the Year presentation, held in Bencubbin;
- Australia Day Community BBQ held in Beacon;
- Mt Marshall & Districts Agricultural Show held annually in March.
- WAORRA Off Road Rally held annually on the June long weekend.

## Tourist Attractions

Marshall Rock; Pergandes Granite Sheep Yards; Datjoin Well; Billiburning Rock; Wildflower season (August – September); Heritage Walk Trail (Bencubbin), Sandalwood Interpretation Centre (Bencubbin).

## Statistics (2016/17)

Distance from Perth (km)	273
Area (sq km)	10,134
Length of Sealed Roads (km)	307
Length of Unsealed Roads (km)	1,440
Population	527
Number of Electors	402
Number of Dwellings	350
Total Rates Levied (\$)	1,351,288
Total Revenue (\$)	7,070,181
Number of Employees (FTE)	27

# Shire History

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## **The Sandalwood Shire**

In September and November 1836 the Surveyor General Captain John Septimus Roe led a forty-day expedition out to the unknown east of the settled districts of the Avon Valley. Mt Marshall and Lake McDermott were named after Captain Marshall McDermott, an early settler to the Swan River Colony. Captain Roe was loathe to give any native names as he considered them unpronounceable and impossible to spell.

In 1889 Surveyor HS King fixed Trigg Station at Mt Marshall. When the Wyalkatchem-Mt Marshall Railway Line was built, the siding was not named as there was already a Mt Marshall in Tasmania.

Sandalwooders and graziers were the early settlers in the Mt Marshall area. The first grazing lease was taken up in 1868. Sandalwood was removed from this area from the 1880's through to the 1920's. Permanent settlement and the development and clearing of the land for farms commenced around 1910.

The Mt Marshall Roads Board was formed in 1923.



# The Council

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The Shire of Mt Marshall Council has an elected body of seven Councillors. The Council: govern the affairs of the shire; is responsible for the performance of the shire's functions; oversee the allocation of the Shire's finances and resources; and determine the Shire's policies.

Council is committed to providing open and accountable government that meets the needs of the community and protects and improves the Shire's assets and resources.

The Chief Executive Officer has the responsibility for ensuring all decisions of Council comply with the Local Government Act, other relevant legislation and local laws. The Chief Executive Officer and staff undertake the tasks necessary to implement the decisions of the Council.

## Elections

Elections for Councillors are conducted in October every second year with the term of office being four years. Approximately one half of Council's membership vacates each election. The next election is to be held in October 2017.

The President is elected by the members following each Local Government election, for a two year term.

## President

Cr Rachel Kirby

## Deputy President

Cr Stuart Faulkner

## Elected Members

Name	Contact	Years of Service	Term Expires
Cr John BEAGLEY	T: 08 9685 1247 <a href="mailto:crbeagley@mtmarshall.wa.gov.au">crbeagley@mtmarshall.wa.gov.au</a>	6	2017
Cr Stuart FAULKNER	T : 08 9686 1050 <a href="mailto:crfaulkner@mtmarshall.wa.gov.au">crfaulkner@mtmarshall.wa.gov.au</a>	2	2019
Cr Paul GILLET	T: 08 9686 2055 <a href="mailto:crgillett@mtmarshall.wa.gov.au">crgillett@mtmarshall.wa.gov.au</a>	13	2017
Cr Rachel KIRBY	T: 08 9686 1160 <a href="mailto:crkirby@mtmarshall.wa.gov.au">crkirby@mtmarshall.wa.gov.au</a>	2	2019
Cr Callum LUMSDEN	T: 08 9686 1100 <a href="mailto:crlumsden@mtmarshall.wa.gov.au">crlumsden@mtmarshall.wa.gov.au</a>	2	2017
Cr Tony SACHSE	T: 08 9685 1257 <a href="mailto:crsachse@mtmarshall.wa.gov.au">crsachse@mtmarshall.wa.gov.au</a>	2	2019
Cr Helen SHEMELD	T: 08 9686 1054 <a href="mailto:crshemeld@mtmarshall.wa.gov.au">crshemeld@mtmarshall.wa.gov.au</a>	2	2017
Cr Nick GILLET	T: 08 9686 2007 <a href="mailto:crgillett@mtmarshall.wa.gov.au">crgillett@mtmarshall.wa.gov.au</a>	1	2017

**Wards**

The Shire of Mt Marshall does not operate a ward structure ensuring all Councillors represent the whole of the shire instead of any particular ward which is considered outdated in modern local government environment.

**Council Meetings**

Ordinary meetings of Council are held on the third Tuesday of every month except January, and these meetings are open to the public. Meetings commence at the advertised times (generally 3:00pm) with a period of 15 minutes at the start of the meeting being set aside as public question time as required by the Local Government Act 1995.

**Electors' General Meeting**

An Electors' General Meeting is held each financial year typically in February with notification being provided in the local newspapers, shire notice boards and libraries.

**Committees**

The Shire of Mt Marshall has two standing committees: The Mt Marshall Audit Committee as required by the Local Government Act; and the Local Emergency Management Committee as required by the Emergency Management Act.

The Council has formally resolved to establish the following committees and working groups: Mt Marshall Safety Committee; Bush Fire Advisory Committee; The Gimlet Newspaper Committee; Beacon Bulletin Committee; History Working Group and Junior Council.

**Representation on External Organisations**

There are a number of external organisations on which the shire is represented including: Great Eastern Zone of WALGA; North Eastern Wheatbelt Organisation of Councils (NEWROC); North Eastern Wheatbelt Health Group Scheme; Wheatbelt North East Sub Regional Road Group; Rural Water Council; Kununoppin Medical Practice; Kununoppin Local Health Advisory Group; Mt Marshall Land Conservation District Committee and Central East Aged Care Alliance (CEACA).

# President's Report

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I am proud to present the President's Report to acknowledge the achievements of the Shire for the financial year ending 30th June 2017.

## *Appointment of CEO*

Council were pleased to announce the appointment of CEO, John Nuttall who commenced in February 2017. John quickly settled into the role, took the lead on existing projects and responded well to challenges that arose throughout the year. It has been a pleasure to work with John throughout the past few months. I would also like to express my appreciation again to Stephen Tindale for the professionalism, experience and wisdom he offered during his time as Acting CEO.

## *Capital Works*

The major capital outlay for the Shire, representing approximately 50% of operating expenditure for the year, was the road capital works program. Major projects for the year included the first stage of seal widening for the remaining narrow section of Mukinbudin/Wialki Rd, reseal of sections of Bencubbin/Beacon Rd and Koorda/Bullfinch Rd, and widening and gravel sheeting of sections of Cleary/Gabbin Rd, Gabbin/Trayning Rd and Faulkner Rd. A number of smaller works projects were also completed. I would like to congratulate Andrew Johnston and all of the works crew on the efficient delivery of this year's transport program.

In addition to the road program, substantial progress has been made on major ongoing projects. The most significant of these is the Bencubbin Recreation Complex upgrade. After a long period of negotiation, Council awarded the tender to Devlyn and construction is due to commence in September 2017. Further progress was made on projects to improve the capture of storm water for use on sporting grounds in Beacon and Bencubbin, and the power upgrade to the Beacon Sporting Complex. In addition, the Shire have delivered several important minor capital projects this year including the Welbungin tennis court resurfacing, fencing of the Beacon oval dam, installation of additional lighting at the Beacon hockey oval and the construction of a verandah on cabin C at the Beacon Caravan Park.

## *Regional Collaboration*

The Shire has participated in regional collaboration to achieve some excellent outcomes. A federal funding application has been submitted for the NEWROC Telecommunications project which will enable the rollout of fixed wireless internet, delivering business grade internet service across the NEWROC Shires. There has also been significant progress in the CEACA project to delivering aged care units across the region.

## *Developing projects*

The decision was made to close the swimming pool this year and there is ongoing investigation into the feasibility of an aquatic facility within the Shire. Planning commenced on a project for accommodation to replace the Beacon Barracks following notice of lease termination by the Public Transport Authority and also on a project to upgrade the Beacon airstrip. Work on these projects will be ongoing.

*Staff, Council and Community*

Thank you to all of the Shire staff. I would like to express appreciation to the outside crew who have worked hard to deliver the road program and maintain our towns to a high standard. My gratitude also to the administration and other staff for their professional and competent delivery of services to the community.

I would like to sincerely thank my fellow councillors for their dedication and commitment to governing the Shire. In particular, thank you to my Deputy Cr Faulkner for your valuable input and advice. Thank you to retiring Cr Paul Gillett for your thirteen years of service, including six years as President and welcome to Cr Nick Gillett who was elected in a by-election on 10th December 2016.

Finally, thank you to the volunteers whose efforts enrich our communities. It is a great privilege to experience the community spirit of the small towns in our Shire. Passionate volunteers along with motivated and engaged community members are our greatest asset. I encourage all community members to engage with Council and provide feedback to assist the decision making process so that we can all work together to achieve outcomes that benefit the community as a whole.

Cr Rachel Kirby  
President

# CEO's Report

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This is my first report as Chief Executive Officer for Mt Marshall, having taken up the role during the financial year (in February). My sincere thanks go to the Councillors who have given me this opportunity.

Firstly my thanks go to Mr Stephen Tindale who provided a steady and experienced set of hands as acting Chief Executive Officer through the first half of the financial year, and provided me with an invaluable hand over.

As would be expected given the size and demographic of the Shire, a substantial amount of the annual budget was spent on the road capital works program. With both several major road projects, and many smaller projects being undertaken throughout the year, the road network stood up to the rigours of harvest and it continues to serve the community well. All of the works crew, led by Works Supervisor Andrew Johnson, have worked incredibly hard to deliver such results, and should be congratulated.

Another major project which has been long in the planning finally got off the ground this financial year. The upgrade to the Bencubbin Recreation Complex was (after lengthy negotiation) awarded to Devlyn. This project will be a great example of what can be achieved by Shire and Community collaboration (both concept and financial) and construction is due to be completed by the end of next financial year. Other sporting capital upgrades included resurfacing the Welbungin Tennis Courts and upgrading the lighting at Beacon Hockey Oval. Unfortunately, however, the swimming pool had to be closed for the season due to the poor condition of the facility.

The Shire continued to be involved in the NEWROC collaboration with our neighbours. This collaboration is very important as it will allow delivery of projects such as the proposed Telecommunications Upgrade, for which funding was sought (and subsequently granted). It is quite clear that this type of project would not be possible for our Shire alone, but with the strong collaborative ties we have with our neighbours such projects can come to fruition.

Finally, my acknowledgement to all of the staff and volunteers who have worked for and with the Shire throughout the year. You have all made me feel very welcome, and your knowledge, hard work and dedication are very much appreciated. I thank you all and wish us continued success in the future.

John Nuttall  
Chief Executive Officer

# Annual Financial Report

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## **SHIRE OF MT MARSHALL**

### **FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2017**

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Principal place of business:

80 Monger  
Street  
Bencubbin  
WA 6477


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

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

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

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

Signed as authorisation of issue on the 14th day of December 2017



John Nuttall  
Chief Executive Officer

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

	NOTE	2017 \$	2017 Budget \$	2016 \$
<b>Revenue</b>				
Rates	22	1,327,625	1,285,557	1,200,513
Operating grants, subsidies and	29	3,473,460	2,355,915	1,266,081
Fees and charges	28	524,373	552,246	706,713
Interest earnings	2(a)	81,775	90,488	114,262
Other revenue	2(a)	<u>193,429</u>	<u>37,777</u>	<u>113,222</u>
		5,600,662	4,321,983	3,400,791
<b>Expenses</b>				
Employee costs		(1,479,303)	(1,267,790)	(1,526,589)
Materials and contracts		(1,192,417)	(1,535,641)	(1,261,549)
Utility charges		(143,513)	(176,890)	(175,324)
Depreciation on non-current assets	2(a)	(2,946,659)	(2,265,658)	(2,857,711)
Interest expenses	2(a)	(18,989)	(17,650)	(16,575)
Insurance expenses		(145,905)	(150,069)	(155,338)
Other expenditure		<u>(172,018)</u>	<u>(112,444)</u>	<u>(162,138)</u>
		<u>(6,098,804)</u>	<u>(5,526,142)</u>	<u>(6,155,224)</u>
		(498,142)	(1,204,159)	(2,754,433)
Non-operating grants, subsidies and contributions	29	2,375,395	2,748,198	1,866,046
Profit on asset disposals	20	19,208	2,000	4,568
(Loss) on asset disposals	20	(235,242)	(78,396)	(21,623)
(Loss) on revaluation of motor vehicles	6(b)	0	0	(43,017)
Reversal of prior year loss on revaluation of plant and equipment	6(b)	<u>0</u>	<u>0</u>	<u>43,194</u>
<b>Net result</b>		<b>1,661,219</b>	<b>1,467,643</b>	<b>(905,265)</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	12	2,407,203	0	0
Reversal of Prior years revaluation of disposed Land and Buildings	12	<u>51,721</u>	<u>0</u>	<u>0</u>
<b>Total other comprehensive income</b>		<b><u>2,458,924</u></b>	<b><u>0</u></b>	<b><u>0</u></b>
<b>Total comprehensive income</b>		<b><u>4,120,144</u></b>	<b><u>1,467,643</u></b>	<b><u>(905,265)</u></b>

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

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

	NOTE	2017 \$	2017 Budget \$	2016 \$
<b>Revenue</b>	2(a)			
Governance		49,490	9,249	25,154
General purpose funding		4,836,924	3,589,641	2,393,345
Law, order, public safety		16,246	16,003	18,885
Education and welfare		80,434	77,674	62,202
Housing		172,430	163,020	161,945
Community amenities		134,683	90,890	174,703
Recreation and culture		45,688	56,523	73,967
Transport		6,753	34,720	2,555
Economic services		201,433	204,163	376,163
Other property and services		<u>56,581</u>	<u>80,100</u>	<u>111,872</u>
		5,600,662	4,321,983	3,400,791
<b>Expenses</b>	2(a)			
Governance		(354,798)	(387,232)	(422,497)
General purpose funding		(105,144)	(63,173)	(102,059)
Law, order, public safety		(90,872)	(113,226)	(51,728)
Health		(146,457)	(161,884)	(139,240)
Education and welfare		(219,609)	(230,311)	(268,518)
Housing		(326,167)	(303,204)	(265,235)
Community amenities		(249,870)	(231,053)	(279,094)
Recreation and culture		(761,292)	(897,116)	(878,554)
Transport		(3,431,45)	(2,687,490)	(3,322,066)
Economic services		(375,173)	(392,578)	(345,969)
Other property and services		<u>(18,975)</u>	<u>(41,225)</u>	<u>(63,689)</u>
		(6,079,81)	(5,508,492)	(6,138,649)
<b>Finance costs</b>	2(a)			
General purpose funding		(1,371)	(1,378)	(1,946)
Housing		(9,629)	(9,683)	(13,450)
Recreation and culture		(7,925)	(6,236)	0
Economic services		<u>(64)</u>	<u>(353)</u>	<u>(1,179)</u>
		<u>(18,989)</u>	<u>(17,650)</u>	<u>(16,575)</u>
		(498,142)	(1,204,159)	(2,754,433)
Non-operating grants, subsidies and contributions	29	2,375,395	2,748,198	1,866,046
Profit on disposal of assets	20	19,208	2,000	4,568
(Loss) on disposal of assets	20	(235,242)	(78,396)	(21,623)
(Loss) on revaluation of motor vehicles	6(b)	0	0	(43,017)
Reversal of prior year loss on revaluation of plant and equipment	6(b)	0	0	43,194
<b>Net result</b>		<b>1,661,219</b>	<b>1,467,643</b>	<b>(905,265)</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	12	2,407,203	0	0
Reversal of Prior years revaluation of disposed Land and Buildings	12	51,721		
<b>Total other comprehensive income</b>		<b>2,458,924</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income</b>		<b>4,120,144</b>	<b>1,467,643</b>	<b>(905,265)</b>

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

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

	NOTE	2017 \$	2016 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	5,971,278	2,770,734
Trade and other receivables	4	277,752	518,933
Inventories	5	21,963	19,388
<b>TOTAL CURRENT ASSETS</b>		<u>6,270,993</u>	<u>3,309,055</u>
<b>NON-CURRENT ASSETS</b>			
Other receivables	4	8,586	19,499
Property, plant and equipment	6	17,153,887	14,048,254
Infrastructure	7	90,476,261	90,854,221
<b>TOTAL NON-CURRENT ASSETS</b>		<u>107,638,734</u>	<u>104,921,974</u>
<b>TOTAL ASSETS</b>		<u>113,909,727</u>	<u>108,231,029</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	814,716	318,655
Current portion of long term borrowings	9	106,412	74,272
Provisions	10	228,574	215,624
<b>TOTAL CURRENT LIABILITIES</b>		<u>1,149,702</u>	<u>608,551</u>
<b>NON-CURRENT LIABILITIES</b>			
Long term borrowings	9	1,201,759	134,271
Provisions	10	17,382	15,745
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>1,219,141</u>	<u>150,016</u>
<b>TOTAL LIABILITIES</b>		<u>2,368,843</u>	<u>758,567</u>
<b>NET ASSETS</b>		<u>111,540,884</u>	<u>107,472,462</u>
<b>EQUITY</b>			
Retained surplus		77,607,676	77,294,455
Reserves - cash backed	11	3,523,240	2,123,521
Revaluation surplus	12	30,409,968	28,054,486
<b>TOTAL EQUITY</b>		<u>111,540,884</u>	<u>107,472,462</u>

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

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

		<b>RESERVES</b>			
	<b>NOTE</b>	<b>RETAINED SURPLUS \$</b>	<b>CASH BACKED \$</b>	<b>REVALUATION SURPLUS \$</b>	<b>TOTAL EQUITY \$</b>
<b>Balance as at 1 July 2015</b>		<b>78,226,222</b>	<b>2,097,019</b>	<b>28,054,486</b>	<b>108,377,727</b>
Comprehensive income					
Net result		(905,265)	0	0	(905,265)
Changes on revaluation of assets	12	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total comprehensive income		(905,265)	0	0	(905,265)
Transfers from/(to) reserves		<u>(26,502)</u>	<u>26,502</u>	<u>0</u>	<u>0</u>
<b>Balance as at 30 June 2016</b>		<b>77,294,455</b>	<b>2,123,521</b>	<b>28,054,486</b>	<b>107,472,462</b>
Comprehensive income					
Net result		1,661,219	0	0	1,661,219.46
Changes on revaluation of assets	12	<u>51,721.00</u>	<u>0</u>	<u>2,355,482.00</u>	<u>2,407,203.00</u>
Total comprehensive income		1,712,940	0	2,355,482	4,068,422
Transfers from/(to) reserves		<u>(1,399,719)</u>	<u>1,399,719</u>	<u>0</u>	<u>0</u>
<b>Balance as at 30 June 2017</b>		<b>77,607,676</b>	<b>3,523,240</b>	<b>30,409,968</b>	<b>111,540,884</b>

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

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

	NOTE	2017 Actual \$	2017 Budget \$	2016 Actual \$
<b>CASH FLOWS FROM OPERATING</b>				
<b>Receipts</b>				
Rates		1,316,911	1,291,705	1,168,494
Operating grants, subsidies and		3,725,766	2,544,826	
Fees and charges		524,373	552,246	992,631
Service charges		0	0	706,713
Interest earnings		81,775	90,488	116,727
Goods and services tax		0	16,461	0
Other revenue		193,429	37,777	73,552
		<u>5,842,254</u>	<u>4,533,503</u>	<u>3,058,117</u>
<b>Payments</b>				
Employee costs		(1,493,532)	(1,092,689)	(1,577,850)
Materials and contracts		(677,743)	(1,539,033)	(1,295,253)
Utility charges		(143,513)	(176,890)	(175,324)
Interest expenses		(11,413)	(16,129)	(17,868)
Insurance expenses		(145,905)	(150,069)	(155,338)
Goods and services tax		249	0	19,884
Other expenditure		(172,047)	(112,444)	(162,135)
		<u>(2,643,904)</u>	<u>(3,087,254)</u>	<u>(3,363,884)</u>
<b>Net cash provided by (used in)</b>				
<b>operating activities</b>	13(b)	<u>3,198,350</u>	<u>1,446,249</u>	<u>(305,767)</u>
<b>CASH FLOWS FROM INVESTING</b>				
Payments for purchase of				
property, plant & equipment		(1,590,699)	(3,407,600)	(824,417)
Payments for construction of				
infrastructure		(2,089,976)	(2,456,603)	(2,032,085)
Non-operating grants,				
subsidies and contributions		2,375,366	2,748,198	1,866,046
Proceeds from sale of fixed assets		197,542	115,000	77,937
<b>Net cash provided by (used in)</b>				
<b>investment activities</b>		<u>(1,107,767)</u>	<u>(3,001,005)</u>	<u>(912,519)</u>
<b>CASH FLOWS FROM FINANCING</b>				
Repayment of debentures		(74,272)	(83,019)	(113,145)
Proceeds from self supporting loans		10,333	(553)	12,926
Proceeds from new debentures		1,173,900	1,173,900	0
<b>Net cash provided by (used in)</b>				
<b>financing activities</b>		<u>1,109,961</u>	<u>1,090,328</u>	<u>(100,219)</u>
<b>Net increase (decrease) in cash held</b>		<u>3,200,544</u>	<u>(464,428)</u>	<u>(1,318,505)</u>
Cash at beginning of year		2,770,734	2,770,734	4,089,239
<b>Cash and cash equivalents</b>				
<b>at the end of the year</b>	13(a)	<u>5,971,278</u>	<u>2,306,306</u>	<u>2,770,734</u>

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

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

	NOTE	2017 Actual \$	2017 Budget \$	2016 Actual \$
<b>Net current assets at start of financial year -</b>		<u>735,446</u>	<u>722,074</u>	<u>1,663,480</u>
		735,446	722,074	1,663,480
<b>Revenue from operating activities (excluding</b>				
Governance		49,490	9,249	25,154
General purpose funding		3,533,389	2,315,253	1,185,135
Law, order, public safety		16,246	16,003	18,885
Education and welfare		80,434	77,674	62,202
Housing		172,430	163,020	161,945
Community amenities		134,683	90,890	174,703
Recreation and culture		45,688	56,523	73,967
Transport		25,961	36,720	7,065
Economic services		201,433	204,163	376,163
Other property and services		<u>56,581</u>	<u>80,100</u>	<u>111,874</u>
		4,316,335	3,049,595	2,197,093
<b>Expenditure from operating activities</b>				
Governance		(357,127)	(387,232)	(422,497)
General purpose funding		(106,515)	(64,551)	(104,005)
Law, order, public safety		(132,004)	(113,226)	(51,728)
Health		(146,457)	(161,884)	(139,240)
Education and welfare		(219,609)	(230,311)	(268,518)
Housing		(389,369)	(367,283)	(278,685)
Community amenities		(249,870)	(231,053)	(279,094)
Recreation and culture		(869,037)	(903,352)	(878,554)
Transport		(3,469,846)	(2,711,490)	(3,343,689)
Economic services		(375,237)	(392,931)	(347,148)
Other property and services		<u>(18,977)</u>	<u>(41,225)</u>	<u>(63,690)</u>
		(6,334,048)	(5,604,538)	(6,176,848)
<b>Operating activities excluded from budget</b>				
(Profit) on disposal of assets	20	(19,208)	(2,000)	(4,568)
Loss on disposal of assets	20	235,242	78,396	21,623
Movement in employee benefit provisions (non-		1,607	(985)	7,985
Increased Employee Entitlements Reserve		2,035	0	0
Depreciation and amortisation on assets	2(a)	<u>2,946,659</u>	<u>2,265,658</u>	<u>2,857,711</u>
<b>Amount attributable to operating activities</b>		<u>1,884,068</u>	<u>508,200</u>	<u>566,476</u>
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions		2,375,395	2,748,198	1,866,046
Proceeds from disposal of assets	20	197,542	115,000	77,937
Purchase of property, plant and equipment	6(b)	(1,590,699)	(3,407,600)	(824,417)
Purchase and construction of infrastructure	7(b)	<u>(2,089,976)</u>	<u>(2,456,603)</u>	<u>(2,032,085)</u>
<b>Amount attributable to investing activities</b>		<u>(1,107,738)</u>	<u>(3,001,005)</u>	<u>(912,519)</u>
<b>FINANCING ACTIVITIES</b>				
Repayment of debentures	21(a)	(74,272)	(83,019)	(113,145)
Proceeds from new debentures	21(a)	1,173,900	1,173,900	0
Proceeds from self supporting loans		10,333	10,322	12,926
Transfers to reserves (restricted assets)	11	(1,466,958)	(228,086)	(226,502)
Transfers from reserves (restricted assets)	11	<u>67,239</u>	<u>345,300</u>	<u>200,000</u>
<b>Amount attributable to financing activities</b>		<u>(289,758)</u>	<u>1,218,417</u>	<u>(126,721)</u>
<b>Surplus(deficiency) before general rates</b>		<u>486,572</u>	<u>(1,274,388)</u>	<u>(472,764)</u>
<b>Total amount raised from general rates</b>	22	<u>1,303,535</u>	<u>1,274,388</u>	<u>1,208,210</u>

**Net current assets at June 30 c/fwd -  
surplus/(deficit)**

23

1,790,107

0

735,446

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

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**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),

Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. Material accounting policies which have been adopted in the preparation of this financial report are presented below and have been consistently applied unless stated otherwise.

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

**CRITICAL ACCOUNTING ESTIMATES**

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

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances;

the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

Actual results may differ from these estimates.

**THE LOCAL GOVERNMENT REPORTING ENTITY**

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 19 to these financial statements.

**(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) Cash and Cash Equivalents**

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

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

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(c) Trade and Other Receivables**

Trade and other receivables include amounts due from ratepayers for unpaid rates 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.

**(d) Inventories**

***General***

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

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

***Land held for sale***

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

until completion of development.

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

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

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

**(e) Fixed Assets**

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

***Mandatory requirement to revalue non-current assets***

Effective from 1 July 2012, the Local Government (Financial Management) Regulations were amended and the measurement of non-current assets at Fair Value became mandatory.

During the year ended 30 June 2013, the Shire commenced the process of adopting Fair Value in accordance with the Regulations.

Whilst the amendments initially allowed for a phasing in of fair value in relation to fixed assets over three years, as at 30 June 2015 all non-current assets were carried at Fair Value in accordance with the requirements.

Thereafter, each asset class must be revalued in accordance with the regulatory framework established and the Shire revalues its asset classes in accordance with this mandatory timetable.

Relevant disclosures, in accordance with the requirements of Australian Accounting Standards, have been made in the financial report as necessary.

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(e) Fixed Assets (Continued)**

***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.

***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 detailed above.

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 detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework detailed above.

***Revaluation***

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 asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

***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.

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(e) Fixed Assets (Continued)**

***Depreciation***

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

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

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

- a) Restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount; or
- b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

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

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

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.

***Capitalisation threshold***

Expenditure on items of equipment under \$5,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(f) Fair Value of Assets and Liabilities**

When performing a revaluation, the Shire uses a mix of both independent and management valuations using the following as a guide:

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.

***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.

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(f) Fair Value of Assets and Liabilities (Continued)**

**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 an asset at its current service capacity.

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.

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued in accordance with the regulatory framework.

**(g) Financial Instruments**

***Initial recognition and measurement***

Financial assets and financial liabilities are recognised when the Shire becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Shire commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

***Classification and subsequent measurement***

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or at cost.

Amortised cost is calculated as:

- (a) the amount in which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments and any reduction for impairment; and
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(g) Financial Instruments (Continued)**

***Classification and subsequent measurement (continued)***

*(i) Financial assets at fair value through profit and loss*

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss. Assets in this category are classified as current assets.

*(ii) Loans and receivables*

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.

*(iii) Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments that the Shire has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Held-to-maturity investments are included in current assets, where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as non-current.

*(iv) Available-for-sale financial assets*

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

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in current assets, where they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are reclassified as non-current.

*(v) Financial liabilities*

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

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(g) Financial Instruments (Continued)**

***Impairment***

A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which will have an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately.

Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

***Derecognition***

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the Shire no longer has any significant continual involvement in the risks and benefits associated with the asset.

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.

**(h) Impairment of Assets**

In accordance with Australian Accounting Standards the Shire's 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 assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

**(i) Trade and Other Payables**

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

***Other long-term employee benefits***

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other 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 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.

**(k) 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.

**(l) 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.

**(m) 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 amounts equal to 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.

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

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(n) Investment in Associates**

An associate is an entity over which the Shire has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Shire's share of net assets of the associate.

In addition, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss. The carrying amount of the investment includes, where applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Shire's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Shire and the associate are eliminated to the extent of the Shire's interest in the associate.

When the Shire's share of losses in an associate equals or exceeds its interest in the associate, the Shire discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Shire will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

**(o) 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 venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method. Refer to note 1(n) for a description of the equity method of accounting.

Joint venture 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. Information about the joint ventures is set out in Note 16.

**(p) Rates, Grants, Donations and Other Contributions**

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

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

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 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 2(c). That note also discloses the amount of contributions recognized as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current reporting period.

**(q) 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.

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(r) Current and Non-Current Classification**

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. 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 even if not expected to be realised in the next 12 months except for land held for sale where it is held as non-current based on the Shire's intentions to release for sale.

**(s) Rounding Off Figures**

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

**(t) 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 statement, 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.

**(u) 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.

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

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(v) New Accounting Standards and Interpretations for Application in Future Periods**

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:

	<b>Title</b>	<b>Issued / Compiled</b>	<b>Applicable <sup>(1)</sup></b>	<b>Impact</b>
(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 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 Customers 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 upon 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 onto their 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 once 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:

<sup>(1)</sup> Applicable to reporting periods commencing on or after the given date.

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

**1. SIGNIFICANT ACCOUNTING POLICIES**  
**(Continued)**

**(v) New Accounting Standards and Interpretations for Application in Future Periods (Continued)**

Title	Issued / Compiled	Applicable <sup>(1)</sup>	Impact
(iv) AASB 1058 Income of Not-for-Profit Entities (incorporating AASB 2016-7 and AASB 2016-8)	December 2016	1 January 2019	<p>These standards are likely to have a significant impact on the income recognition for NFP's. Key areas for consideration are:</p> <ul style="list-style-type: none"> <li>- Assets received below fair value;</li> <li>- Transfers received to acquire or construct non-financial assets;</li> <li>- Grants received;</li> <li>- Prepaid rates;</li> <li>- Leases entered into at below market rates; and</li> <li>- Volunteer services.</li> </ul> <p>Whilst it is not possible to quantify the financial impact (or if it is material) of these key areas until the details of future transactions are known, they will all have application to the Shire's operations.</p>

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

**(w) 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 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities	The objective of this Standard was to extend the scope of AASB 124 <i>Related Party Disclosures</i> to include not-for-profit sector entities
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[AASB 10, 124 & 1049]

The Standard has had a significant disclosure impact on the financial report of the Shire as both Elected Members and Senior Management are deemed to be Key Management Personnel and resultant disclosures in accordance to AASB 124 have been necessary.

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

2. REVENUE AND EXPENSES		2017	2016
		\$	\$
(a) Net Result			
The Net result includes:			
(i) Charging as an expense:			
<b>Auditors remuneration</b>			
- Audit of the Annual Financial Report		23,901	30,340
- Other services		3,062	11,290
<b>Depreciation</b>			
Buildings - non-specialised		91,912	90,095
Buildings - specialised		193,369	190,128
Furniture and equipment		8,027	9,273
Plant and equipment		154,030	204,079
Motor Vehicles		31,383	38,116
Infrastructure - Roads		2,347,796	2,205,349
Infrastructure - Footpaths		14,550	14,953
Infrastructure - parks and ovals		36,138	37,085
Playground Equipment		6,100	6,100
Airports		15,808	15,808
Infrastructure - other		47,546	46,725
		<u>2,946,659</u>	<u>2,857,711</u>
<b>Interest expenses (finance costs)</b>			
Debentures (refer Note 21 (a))		18,989	16,575
		<u>18,989</u>	<u>16,575</u>
(ii) Crediting as revenue:			
<b>Other revenue</b>			
Other		193,429	113,222
		<u>193,429</u>	<u>113,222</u>
	<b>2017</b>	<b>2017</b>	<b>2016</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Interest earnings</b>			
- Reserve funds	50,873	53,088	66,501
- Other funds	13,479	20,000	30,217
Other interest revenue (refer note 27)	17,423	17,400	17,544
	<u>81,775</u>	<u>90,488</u>	<u>114,262</u>

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

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

**(b) Statement of Objective**

In order to discharge its responsibilities to the community, the Shire has developed a set of operational and financial objectives. These objectives have been established both on an overall basis, reflected by the Shire's Community Vision, and for each of its broad activities/programs.

**COMMUNITY VISION**

The Shire of Mt Marshall is an active, safe and vibrant community that works together with honesty and is respectful of the values of all. We are committed to a progressive, diverse and profitable community that supports healthy lifestyles sustained by positive social values and engaged youth.

Our natural assets are valued, protected and enhanced for future generations.

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

**GOVERNANCE**

**Objective:** To provide a decision making process for the efficient allocation of scarce resources.

**Activities:**

Administration and operation of facilities and services to members of the Council.

Other costs that relate to the tasks of assisting elected members and ratepayers on matters

which are not directly related to specific Shire services.

**GENERAL PURPOSE FUNDING**

**Objective:** To collect revenue to allow for the provision of services.

**Activities:**

Rates, general purpose government grants and interest revenue.

**LAW, ORDER, PUBLIC SAFETY**

**Objective:** To provide services to help ensure a safer community.

**Activities:**

Supervision of various by-laws, fire prevention, emergency services and animal control.

**HEALTH**

**Objective:** To provide an operational framework for good community health.

**Activities:**

Food and water quality, pest control, immunisation services, child health services and health education.

**EDUCATION AND WELFARE**

**Objective:** To meet the needs of the community in these areas.

**Activities:**

Management and support for families, children, youth and the aged within the community by providing Youth, Aged and Family Centres, Home and Community Aged Care Programs and assistance to schools.

**HOUSING**

**Objective:** To help ensure adequate housing.

**Activities:**

Provision of residential housing for council staff. Provision of housing for aged persons, low income families, government and semi government employees.

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

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

**(b) Statement of Objective (Continued)**

**COMMUNITY AMENITIES**

**Objective:** Provide services required by the community.

**Activities:**

Rubbish collection services and disposal of waste, stormwater drainage, protection of environment, town planning & regional development and other community amenities (cemeteries and public toilets).

**RECREATION AND CULTURE**

**Objective:** To establish and manage efficiently infrastructure and resources which will help the social wellbeing of the community.

**Activities:**

Public halls, recreation and aquatic centres, parks and reserves, libraries, heritage and culture.

**TRANSPORT**

**Objective:** To provide effective and efficient transport services to the community.

**Activities:**

Construction and maintenance of roads, footpaths, bridges; street cleaning and lighting, road verges, streetscaping and depot maintenance.

**ECONOMIC SERVICES**

**Objective:** To help promote the Municipality and improve its economic wellbeing.

**Activities:**

The regulation and provision of tourism, area promotion, building control, noxious weeds, vermin control and standpipes.

**OTHER PROPERTY AND SERVICES**

**Activities:**

Private works, public works overheads, plant and equipment operations, town planning schemes and activities not reported in the above programs.

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

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

**(c) Conditions Over Grants/Contributions**

	Opening Balance (1) 1/07/15 \$	Received (2) 2015/16 \$	Expended (3) 2015/16 \$	Closing Balance (1) 30/06/16 \$	Received (2) 2016/17 \$	Expended (3) 2016/17 \$	Closing Balance 30/06/17 \$
<b>Grant/Contribution</b>							
<b>Education and welfare</b>							
Department of Regional Development Aged Friendly Communities Grant	40,000	0	(40,000)	0	0	0	0
<b>Community amenities</b>							
Department of Water Water Collection Projects	53,825	99,598	(40,771)	112,652	33,000	(106,686)	38,966
<b>Transport</b>							
Federal Government - Roads to Recovery Funding	65,210	1,133,121	(1,115,825)	82,506	872,415	(784,123)	170,798
State Government - Blackspot Funding	0	16,880	0	16,880	0	0	16,880
<b>Total</b>	<b>159,035</b>	<b>1,249,599</b>	<b>(1,196,596)</b>	<b>212,038</b>	<b>905,415</b>	<b>(890,809)</b>	<b>226,644</b>

**Notes:**

**(1)** - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.

**(2)** - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor

**(3)** - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.

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

	Note	2017 \$	2016 \$
<b>3. CASH AND CASH EQUIVALENTS</b>			
Unrestricted		2,221,394	435,175
Restricted		3,749,884	2,335,559
		<u>5,971,278</u>	<u>2,770,734</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Employee Entitlements Reserve	11	93,414	91,379
Plant Replacement Reserve	11	423,392	414,163
Aged Care Units Reserve	11	169,020	66,563
Community Housing Reserve	11	39,103	38,251
Council Staff Housing Reserve	11	33,500	32,771
Public Amentities & Bldgs Reserve	11	552,005	539,972
Bencubbin Aquatic Centre Development Reserve	11	868,179	740,929
Community Bus Reserve	11	115,072	112,565
Bencubbin Recreation Complex Reserve	11	1,138,653	7,968
Office Equipment Reserve	11	15,941	15,594
Integrated Plann/Financial Reporting Reserve	11	1,877	16,571
Beacon Barracks Replacement Reserve	11	68,834	42,639
Economic Development Reserve	11	4,250	4,156
Unspent grants	2(c)	226,644	212,038
Unspent loans (deposited in Bencubbin Recreation Complex Reserve)	21(c)	0	0
		<u>3,749,884</u>	<u>2,335,559</u>

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

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>4. TRADE AND OTHER RECEIVABLES</b>		
<b>Current</b>		
Rates outstanding	132,257	121,543
Sundry debtors	201,159	443,705
Provision For Doubtful Debts	(63,433)	(53,673)
Loans receivable - clubs/institutions	7,769	7,189
GST receivable	0	169
	<u>277,752</u>	<u>518,933</u>
<b>Non-current</b>		
Loans receivable - clubs/institutions	<u>8,586</u>	<u>19,499</u>
	<u>8,586</u>	<u>19,499</u>
Information with respect the impairment or otherwise of the totals of rates outstanding and sundry debtors is as follows:		
<b>Rates outstanding</b>	<u>132,257</u>	<u>121,543</u>
Includes:		
Past due and not impaired	115,156	111,413
Impaired	<u>17,101</u>	<u>10,130</u>
<b>Sundry debtors</b>	<u>201,159</u>	<u>443,705</u>
Includes:		
Past due and not impaired	8,150	95,284
Impaired	<u>50,193</u>	<u>43,543</u>
<b>5. INVENTORIES</b>		
<b>Current</b>		
Stock On Hand - Fuel & Materials	<u>21,963</u>	<u>19,388</u>
	<u>21,963</u>	<u>19,388</u>

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

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>6 (a). PROPERTY, PLANT AND EQUIPMENT</b>		
Land and buildings		
Land Fair Value - Independent Level 2	756,359	876,000
Land Fair Value - Independent Level 3	1,000	1,000
Land @ Cost	7,130	0
	<u>764,489</u>	<u>877,000</u>
Land - vested in and under the control of Council at:		
Land Fair Value - Independent Level 3	372,057	372,057
	<u>372,057</u>	<u>372,057</u>
	<u>1,136,546</u>	<u>1,249,057</u>
Buildings - non-specialised at:		
- Independent valuation 2017 - Level 2	2,336,000	2,418,000
- Additions after valuation - cost	0	148,479
Buildings - non-specialised - Less: accumulated depreciation	0	(172,399)
	<u>2,336,000</u>	<u>2,394,080</u>
Buildings - specialised at:		
- Independent valuation 2017 - Level 3	10,484,980	8,057,550
- Additions after valuation - cost	0	474,733
Buildings - specialised - Less: accumulated depreciation	0	(373,353)
	<u>10,484,980</u>	<u>8,158,930</u>
	<u>12,820,980</u>	<u>10,553,010</u>
Total land and buildings	<u>13,957,526</u>	<u>11,802,067</u>
Furniture and equipment at:		
Furniture & Equipment @ Cost	246,309	246,309
Less accumulated depreciation	(206,949)	(198,922)
	<u>39,360</u>	<u>47,387</u>
Plant and equipment at:		
FV Plant & Equipment - Independent Level 2	1,383,000	1,578,000
FV Plant & Equipment - Management Level 3	231,800	270,800
Plant & Equipment @ Cost	1,304,748	0
Less Prov Depc Plant & Equip	(141,401)	0
	<u>2,778,147</u>	<u>1,848,800</u>

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

	2017	2016
	\$	\$
<b>6 (a). PROPERTY, PLANT AND EQUIPMENT (Continued)</b>		
Motor Vehicles at:		
FV Motor Vehicles - Independent Level 2	327,000	350,000
Motor Vehicles @ Cost	82,566	0
User defined 1 - Less: accumulated depreciation	(30,712)	0
	<u>378,854</u>	<u>350,000</u>
	<u>17,153,887</u>	<u>14,048,254</u>

The fair value of property, plant and equipment is determined at least every three years in accordance with the regulatory framework. Additions since the date of valuation are shown as cost, given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening 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.

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

**7. 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.

	Balance as at the Beginning of the Year	Additions	(Disposals)	Revaluation Increments/ (Decrements) Transferred to Revaluation	Revaluation (Loss)/ Reversal Transferred to Profit or Loss	Impairment (Losses)/ Reversals	Depreciation (Expense)	Transfers	Carrying Amount at the End of the Year
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Infrastructure - Roads	86,085,542	1,869,516	0	0	0	0	(2,347,796)	0	85,607,262
Infrastructure - Footpaths	585,184	20,623	0	0	0	0	(14,550)	0	591,258
Infrastructure - parks and ovals	1,012,915	0	0	0	0	0	(36,138)	0	976,777
Playground Equipment	47,301	0	0	0	0	0	(6,100)	0	41,201
Airports	774,192	0	0	0	0	0	(15,808)	0	758,384
Infrastructure - other	2,349,087	199,837	0	0	0	0	(47,546)	0	2,501,379
<b>Total infrastructure</b>	<b>90,854,221</b>	<b>2,089,976</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(2,467,938)</b>	<b>0</b>	<b>90,476,261</b>

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

**7. INFRASTRUCTURE**  
**(Continued)**

**(c) Fair Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of valuation</b>	<b>Date of last Valuation</b>	<b>Inputs used</b>
<b>Infrastructure - Roads</b>	Level 3	Inventory and condition survey	Gross Replacement cost	30-Jun-15	Complete Roads pick up carried out by consultants, Talis, unit costs advised by Shire
<b>Infrastructure - Footpaths</b>	Level 3	Inventory and condition survey	Gross Replacement cost	30-Jun-15	Complete Roads pick up carried out by consultants, Talis, unit costs advised by Shire
<b>Infrastructure - parks and ovals</b>	Level 3	Inventory and condition survey	Replacement with New Value and Fair Value	30-Jun-15	Assets sighted by valuers, knowledge of industry average cost to replace
<b>Playground Equipment</b>	Level 3	Inventory and condition survey	Replacement with New Value and Fair Value	30-Jun-15	Assets sighted by valuers, knowledge of industry average cost to replace
<b>Airports</b>	Level 3	Inventory and condition survey	Replacement with New Value and Fair Value	30-Jun-15	Assets sighted by valuers, knowledge of industry average cost to replace
<b>Infrastructure - other</b>	Level 3	Inventory and condition survey	Replacement with New Value and Fair Value	30-Jun-15	Assets sighted by valuers, knowledge of industry average cost to replace

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.

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

	2017 \$	2016 \$
<b>8. TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Sundry Creditors Control	801,178	283,929
Accrued Interest on Loans	8,055	479
Accrued Wages	4,823	34,247
GST Payable	80	0
Housing Bonds	580	0
	<u>814,716</u>	<u>318,655</u>

**9. LONG-TERM BORROWINGS**

<b>Current</b>		
Secured by floating charge Debentures	<u>106,412</u>	<u>74,272</u>
	<u>106,412</u>	<u>74,272</u>
<b>Non-current</b>		
Secured by floating charge Debentures	<u>1,201,759</u>	<u>134,271</u>
	<u>1,201,759</u>	<u>134,271</u>

Additional detail on borrowings is provided in Note 21.

**10. PROVISIONS**

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
<b>Opening balance at 1 July 2016</b>			
Current provisions	108,905	106,719	215,624
Non-current provisions	<u>0</u>	<u>15,745</u>	<u>15,745</u>
	108,905	122,464	231,369
Additional provision	118,049	23,275	141,324
Amounts used	(114,513)	(7,806)	(122,319)
Increase in the discounted amount arising because of time and the effect of any change in the discounted rate	<u>0</u>	<u>(4,418)</u>	<u>(4,418)</u>
<b>Balance at 30 June 2017</b>	<u>112,441</u>	<u>133,515</u>	<u>245,956</u>
<b>Comprises</b>			
Current	112,441	116,133	228,574
Non-current	<u>0</u>	<u>17,382</u>	<u>17,382</u>
	<u>112,441</u>	<u>133,515</u>	<u>245,956</u>

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

**11. RESERVES - CASH BACKED**

	<b>Actual 2017 Opening Balance \$</b>	<b>Actual 2017 Transfer \$</b>	<b>Actual 2017 Transfer (from) \$</b>	<b>Actual 2017 Closing Balance \$</b>	<b>Budget 2017 Opening Balance \$</b>	<b>Budget 2017 Transfer \$</b>	<b>Budget 2017 Transfer (from) \$</b>	<b>Budget 2017 Closing Balance \$</b>	<b>Actual 2016 Opening Balance \$</b>	<b>Actual 2016 Transfer \$</b>	<b>Actual 2016 Transfer (from) \$</b>	<b>Actual 2016 Closing Balance \$</b>
Employee Entitlements Reserve	91,379	2,035		93,414	91,379	2,284	0	93,663	88,157	3,222	0	91,379
Plant Replacement Reserve	414,163	9,229		423,392	414,163	10,354	0	424,517	321,880	92,283	0	414,163
Aged Care Units Reserve	66,563	102,457		169,020	66,563	101,664	(21,600)	146,627	64,386	2,177	0	66,563
Community Housing Reserve	38,250	853		39,103	38,250	956	0	39,206	37,001	1,249	0	38,250
Council Staff Housing Reserve	32,771	729		33,500	32,771	819	0	33,590	31,158	1,613	0	32,771
Public Amentities & Bldgs Reserve	539,973	12,032		552,005	539,974	13,499	(308,700)	244,773	621,407	18,566	(100,000)	539,973
Bencubbin Aquatic Centre Devel	740,930	127,249		868,179	740,929	68,523	0	809,452	641,045	99,885	0	740,930
Community Bus Reserve	112,565	2,507		115,072	112,565	2,814	0	115,379	108,974	3,591	0	112,565
Bencubbin Recreation Complex	7,967	1,182,925	(52,239)	1,138,653	7,967	199	0	8,166	7,537	430	0	7,967
Office Equipment Reserve	15,594	347		15,941	15,594	390	0	15,984	15,085	509	0	15,594
Integrated Plann/Financial	16,571	306	(15,000)	1,877	16,571	414	(15,000)	1,985	16,029	542	0	16,571
Beacon Barracks Replacement	42,639	26,195		68,834	42,639	26,066	0	68,705	41,244	1,395	0	42,639
Economic Development Reserve	4,156	94		4,250	4,156	104	0	4,260	103,116	1,040	(100,000)	4,156
	<u>2,123,521</u>	<u>1,466,958</u>	<u>(67,239)</u>	<u>3,523,240</u>	<u>2,123,521</u>	<u>228,086</u>	<u>(345,300)</u>	<u>2,006,307</u>	<u>2,097,019</u>	<u>226,502</u>	<u>(200,000)</u>	<u>2,123,521</u>

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:

<b>Name of Reserve</b>	<b>Anticipated date of use</b>	<b>Purpose of the reserve</b>
Employee Entitlements Reserve	Note 1	to fund Long Service Leave required/other accrued leave.
Plant Replacement Reserve	Note 1	to fund the purchase of road construction plant, so as to avoid undue heavy burden in a single year.
Aged Care Units Reserve	Note 1	to be used for future maintenance costs (Funds of \$500 per unit per year).
Community Housing Reserve	Note 1	to fund future maintenance of Homeswest Joint Venture/Community Housing projects.
Council Staff Housing Reserve	Note 1	to fund the replacement of staff housing and any major maintenance.
Public Amentities & Bldgs Reserve	Note 1	to help fund future building maintenance requirements to the shire's buildings.
Bencubbin Aquatic Centre Devel Reserve	30/Jun/19	to finance future capital and maintenance upgrades for the Bencubbin Aquatic centre.

Community Bus Reserve	30/Jun/18	to finance the replacement of the community bus.
Bencubbin Recreation Complex Reserve	30/Jun/18	to provide funding for future extensions to the Bencubbin Complex.
Office Equipment Reserve	Note 1	to replace office equipment as required.
Integrated Plann/Financial Reporting Res	30/Jun/17	to set aside funds for expenditure on Council's integrated planning process.
Beacon Barracks Replacement Reserve	30/Jun/19	to set aside funds for reconstruction or major maintenance on the Beacon Barracks.
Economic Development Reserve	Note 1	to set aside funds for Economic Development initiatives.

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.

**SHIRE OF MOUNT MARSHALL**  
**NOTES TO AND FORMING PART OF THE**  
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**12. REVALUATION SURPLUS**

	2017 Opening Balance	2017 Revaluation Increment	2017 Revaluation (Decrement)	2017 Total Movement on Revaluation	2017 Closing Balance	2016 Opening Balance	2016 Revaluation Increment	2016 Revaluation (Decrement)	2016 Total Movement on Revaluation	2016 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land and buildings	4,429,176	2,407,203	(51,721)	2,355,482	6,784,658	4,429,175	0	0	0	4,429,176
Revaluation surplus - Infrastructure - Roads	20,756,279	0	0	0	20,756,279	20,756,279	0	0	0	20,756,279
Revaluation surplus - Infrastructure - Footpaths	196,272	0	0	0	196,272	196,272	0	0	0	196,272
Revaluation surplus - Infrastructure - Parks &	849,859	0	0	0	849,859	849,859	0	0	0	849,859
Revaluation surplus - Infrastructure - Playground	50,909	0	0	0	50,909	50,909	0	0	0	50,909
Revaluation surplus - Infrastructure - Airstrips	790,000	0	0	0	790,000	790,000	0	0	0	790,000
Revaluation surplus - Infrastructure – Infrastructure Other	981,992	0	0	0	981,992	981,992	0	0	0	981,992
	<u>28,054,486</u>	<u>2,407,203</u>	<u>(51,721)</u>	<u>2,355,482</u>	<u>30,409,968</u>	<u>28,054,485</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>28,054,486</u>

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.

# SHIRE OF MOUNT MARSHALL

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

### 13. NOTES TO THE STATEMENT OF CASH FLOWS

#### (a) 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:

	2017	2017	2016
	\$	Budget	\$
		\$	
Cash and cash equivalents	5,971,278	2,306,306	<u>2,770,734</u>

#### (b) Reconciliation of Net Cash Provided By Operating Activities to Net Result

Net result	1,661,219	1,467,643	(905,265)
Non-cash flows in Net result:			
Depreciation	2,946,659	2,265,658	2,857,711
(Profit)/Loss on sale of asset	216,033		17,055
	76,396	Fair value	(177)
adjustments to fixed assets			
at fair value through profit or loss	0	0	
(Increase)/Decrease in receivables	241,761	211,520	(283,120)
(Increase)/Decrease in inventories	(2,575)	0	(8,639)
Increase/(Decrease) in payables	496,061	4,466	(80,540)
Increase/(Decrease) in provisions	14,587	168,764	(36,746)
the development of assets	(2,375,395)	(2,748,198)	(1,866,046)
Net cash from operating activities	<u>3,198,350</u>	<u>1,446,249</u>	<u>(305,767)</u>

	2017	2016
	\$	\$
<b>(c) Undrawn Borrowing Facilities</b>		
<b>Credit Standby Arrangements</b>		
Bank overdraft limit (Pre Approved)	0	500,000
Bank overdraft at balance date	0	0
Credit card limit	20,000	20,000
Credit card balance at balance date	0	(690)
<b>Total amount of credit unused</b>	<u>20,000</u>	<u>519,310</u>
<b>Loan facilities</b>		
Loan facilities - current	106,412	74,272
Loan facilities - non-current	1,201,759	134,271
<b>Total facilities in use at balance date</b>	<u>1,308,171</u>	<u>208,543</u>
<b>Unused loan facilities at balance date</b>	<u>1,121,661</u>	<u>NIL</u>
(deposited in Bencubbin Recreation Complex cash backed Reserve refer note 11)		

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

**14. CONTINGENT LIABILITIES**

The Shire is not aware of any contingent liabilities at 30 June 2017.

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>

**15. CAPITAL AND LEASING COMMITMENTS**

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

**(b) Capital Expenditure Commitments**

Contracted for:

- capital expenditure projects	83,051	0
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Payable:

- not later than one year	83,051	0
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The Shire is conducting an upgrade of the Bencubbin Recreation Complex. This project is being funded through loans outlined in note 21, and a Federal Government grant.

As at 30 June, 2017, architectural services had been secured to design and manage the project.

The balance committed as at 30 June 2017 was \$83,051.

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

**16. JOINT VENTURE ARRANGEMENTS**

The Shire of Mount Marshall is part of the NEW Health group which provides health services in the North East Wheatbelt. From 1 July 2017, the Shire of Mount Marshall is managing the income and expenditure for this arrangement.

The Shire of Mt Marshall participates in the following joint ventures:

1. NEW Health joint venture which employs an Environmental Health/Building Surveyor to provide regulatory health and building assessment services to the member shires: Wyalkatchem, Trayning, Mukinbudin, Koorda, Nungarin and Mount Marshall. Shire of Mount Marshall expenses in relation to this joint venture amounted to \$33,182 in 2016/17.
2. The Kununoppin Medical Practice employs a General Practitioner to provide medical consultation and accident and emergency services to the member shires: Mount Marshall, Trayning, Mukinbudin and Nungarin. Shire of Mount Marshall expenses in relation to this joint venture amounted to \$60,781 in 2016/17.

**17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Governance	1,183,318	787,775
General purpose funding	2,571,780	583,406
Law, order, public safety	1,172,007	435,357
Health	75,000	73,984
Education and welfare	1,505,123	1,267,086
Housing	1,962,000	2,276,088
Community amenities	641,107	1,105,283
Recreation and culture	12,280,612	8,944,123
Transport	87,192,580	85,536,963
Economic services	1,166,764	1,276,504
Other property and services	1,553,827	1,901,441
Unallocated	2,261,552	4,043,019
	<u>113,565,670</u>	<u>108,231,029</u>

**SHIRE OF MOUNT MARSHALL**  
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	2017	2016	2015
<b>18. FINANCIAL RATIOS</b>			
Current ratio	2.60	1.88	3.06
Asset sustainability ratio	1.18	0.96	0.58
Debt service cover ratio	24.14	0.79	14.54
Operating surplus ratio	(0.33)	(1.36)	(0.43)
Own source revenue coverage ratio	0.34	0.33	0.28
The above ratios are calculated as follows:			
Current ratio	current assets minus restricted assets current liabilities minus liabilities associated with restricted assets		
Asset sustainability ratio	capital renewal and replacement expenditure Depreciation expenses		
Debt service cover ratio	annual operating surplus before interest and depreciation		
	<hr/> principal and interest		
Operating surplus ratio	operating revenue minus operating expenses own source operating revenue		
Own source revenue coverage ratio	own source operating revenue		
	<hr/> operating expenses		

**Notes:**

Information relating to the **asset consumption ratio** and the **asset renewal funding ratio** can be found at Supplementary Ratio Information on Page 58 of this document.

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

The early payment of the grant increased operating revenue in 2017 by \$1,178,694.

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

The early payment of the grant increased operating revenue in 2015 and decreased operating revenue in 2016 by \$1,139,984.

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

	2017	2016	2015
Current ratio	1.49	No change	1.38
Debt service cover ratio	11.50	9.28	6.76
Operating surplus ratio	(0.88)	(0.08)	(1.11)

## 19. TRUST FUNDS

the financial statements are as follows:

	1 July 2016	Amounts Received	Amounts Paid	30 June 2017
	\$	\$	(\$)	\$
Police Licensing	9,515	207,424	(180,916)	36,023
Aged Care Beautification	829	0	0	829
Unclaimed Monies	159	0	(100)	59
Nomination Deposits	0	160	(160)	0
Tree Planting Nursery	1,000	0	0	1,000
Sundry Creditors	745	0	(745)	0
Housing Bonds	11,060	580	(2,060)	9,580
Staff Social Club	5,732	3,295	(4,747)	4,280
Deposit on Land	1,000	0	0	1,000
Rehabilitation Bonds	0	5,000	0	5,000
	<u>30,040</u>			<u>57,771</u>

## 20. DISPOSALS OF ASSETS - 2016/17 FINANCIAL YEAR

	Actual Net Book Value \$	Actual Sale Proceeds \$	Actual Profit \$	Actual Loss \$	Budget Net Book Value \$	Budget Sale Proceeds \$	Budget Profit \$	Budget Loss \$
<b>Property, Plant and Equipment</b>								
Governance								
Admin Vehicle	22,329	20,000	0	(2,329)	0	0	0	0
Law & Order -								
L'cruiser Fire Tender	44,765	22,954	0	(21,811)	0	0	0	0
Wellbungan								
L'cruiser Fire Tender Tampu	27,181	23,405	0	(3,776)	0	0	0	0
Hino 2.4 Fire Appliance	36,000	20,454	0	(15,546)	0	0	0	0
Housing								
Lot 168 Collin St Bencubbin	70,028	16,456	0	(53,572)	74,396	20,000	0	(54,396)
Recreation & Culture								
Change/Tea Rooms	99,320	0	0	(99,320)	0	0	0	0
Shearing Shed	500	0	0	(500)	0	0	0	0
Transport								
Grader	105,388	67,000	0	(38,388)	102,000	80,000	0	(22,000)
Mitsubishi Triton MM170	0	0	0	0	12,000	10,000	0	(2,000)
Bomag Roller	8,679	27,273	18,594	0	3,000	5,000	2,000	0
Sundry scrapped Items	(615)	0	615	0	0	0	0	0
	<u>413,573</u>	<u>197,542</u>	<u>19,208</u>	<u>(235,242)</u>	<u>191,396</u>	<u>115,000</u>	<u>2,000</u>	<u>(78,396)</u>

**SHIRE OF MOUNT MARSHALL**  
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**21. INFORMATION ON BORROWINGS**

(a) Repayments - Debentures

Particulars	Principal 1 July 2016 \$	New Loans \$	Principal Repayments Actual \$	Budget \$	Principal 30 June 2017 Actual \$	Budget \$	Interest Repayments Actual \$	Budget \$
<b>Housing</b>								
Loan 118 - Staff Housing	167,051	0	52,278	52,278	114,772	114,773	9,629	9,683
<b>Recreation and culture</b>								
Loan 120 - Bencubbin Rec Complex Shire	0	432,600	0	4,096	432,600	428,504	2,920	2,920
Loan 121 - Bencubbin Rec SAR	0	491,300	0	4,652	491,300	486,648	3,317	3,316
<b>Economic services</b>								
Loan 117 - Accommodation Units	11,661	0	11,661	11,661	0	0	64	353
	<u>178,712</u>	<u>923,900</u>	<u>63,939</u>	<u>72,687</u>	<u>1,038,672</u>	<u>1,029,925</u>	<u>15,930</u>	<u>16,272</u>
<b>Self Supporting Loans</b>								
<b>General purpose funding</b>								
Loan 119 - Benny Mart	29,831	0	10,332	10,332	19,499	19,499	1,371	1,378
<b>Recreation and culture</b>								
Loan 122 - Bencubbin Rec Complex CRC	0	250,000	0	0	250,000	250,000	1,688	0
	<u>29,831</u>	<u>250,000</u>	<u>10,332</u>	<u>10,332</u>	<u>269,499</u>	<u>269,499</u>	<u>3,059</u>	<u>1,378</u>
	<u>208,543</u>	<u>1,173,900</u>	<u>74,271</u>	<u>83,019</u>	<u>1,308,171</u>	<u>1,299,424</u>	<u>18,989</u>	<u>17,650</u>

Self supporting loans are financed by payments from third parties.

All other loan repayments were financed by general purpose revenue.

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

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

(b) New Debentures - 2016/17

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term Years	Total	Interest Rate %	Amount Used		Balance Unspent
	Actual \$	Budget \$				Interest & Charges \$		Actual \$	Budget \$	
Loan 120 – Bencubbin Rec Complex Shire	432,600	432,600	WATC	Principal	20	624,270	3.85%	52,239	432,600	380,361
Loan 121 – Bencubbin Rec SAR	491,300	491,300	WATC	&	20	708,978	3.85%	0	491,300	491,300
Loan 122 – Bencubbin Rec Complex CRC	250,000	250,000	WATC	Interest	20	360,766	3.85%	0	250,000	250,000
	<u>1,173,900</u>	<u>1,173,900</u>				<u>1,694,014</u>		<u>52,239</u>	<u>1,173,900</u>	<u>1,121,661</u>

(c) Unspent Debentures

Particulars/Purpose	Date Borrowed	Balance	Borrowed	Expended	Balance
		1 July 16 \$	During Year \$	During Year \$	30 June 17 \$
Loan 120 – Bencubbin Rec Complex Shire	Apr 2017	0	432,600	52,239	380,361
Loan 121 – Bencubbin Rec SAR	Apr 2017	0	491,300	0	491,300
Loan 122 – Bencubbin Rec Complex CRC	Apr 2017	0	250,000	0	250,000
		<u>0</u>	<u>1,173,900</u>	<u>52,239</u>	<u>1,121,661</u>

(c) Overdraft

The Shire has a pre approved bank overdraft facility of \$500,000 throughout 2016/17. This facility was not used during 2016/17.

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

**22. RATING INFORMATION - 2016/17 FINANCIAL YEAR**

<b>RATE TYPE</b>	<b>Rate in \$</b>	<b>Number of Properties</b>	<b>Rateable Value \$</b>	<b>Rate Revenue \$</b>	<b>Interim Rates \$</b>	<b>Back Rates \$</b>	<b>Total Revenue \$</b>	<b>Budget Rate Revenue \$</b>
<b>General Rate</b>								
GRV	0.11849	131	789,070	93,497			93,497	93,497
UV	0.02027	317	60,681,998	1,229,670	250		1,229,920	1,230,025
Mining	0.02027	1	38,801	786	307		1,093	786
<b>Sub-Total</b>		449	61,509,869	1,323,953	557	0	1,324,510	1,324,308
<b>Minimum Rate</b>	<b>Minimum \$</b>	0						
GRV Residential	380	42	30,635	15,960			15,960	15,960
UV	380	23	184,749	8,740			8,740	8,740
Mining	380	6	12,875	2,280			2,280	2,280
<b>Sub-Total</b>		71	228,259	26,980	0	0	26,980	26,980
Discounts/concessions (refer note 26)							1,351,100 (47,747)	1,351,388 (75,000)
Rates Written off							(208)	(1,900)
<b>Total amount raised from general rate</b>							<b>1,303,535</b>	<b>1,274,388</b>
Movement in Excess Rates							2,347	(11,099)
Specified Area Rate (refer note 24)							7,186	7,968
Pensioner deferred Rates Interest Grant							15	0
Ex-gratia rates							14,542	14,300
<b>Total Rates Income</b>							<b>1,327,625</b>	<b>1,285,557</b>

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

**23. NET CURRENT ASSETS**

Composition of net current assets

	<b>2017</b> <b>(30 June 2017</b> <b>Carried</b> <b>Forward)</b> <b>\$</b>	<b>2017</b> <b>(1 July 2016</b> <b>Brought</b> <b>Forward)</b> <b>\$</b>	<b>2016</b> <b>(30 June 2016</b> <b>Carried</b> <b>Forward)</b> <b>\$</b>
<b>Surplus/(Deficit) 1 July 16 brought forward</b>	1,790,107	735,446	735,446
<hr/>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents			
Unrestricted	2,221,394	435,175	435,175
Restricted	3,749,884	2,335,559	2,335,559
Receivables			
Rates outstanding	132,257	121,543	121,543
Sundry debtors	137,726	390,032	390,032
GST receivable	0	169	169
Loans receivable - clubs/institutions	7,769	10,332	10,332
Inventories			
Stock On Hand - Fuel & Materials	21,963	19,388	19,388
<b>LESS: CURRENT LIABILITIES</b>			
Trade and other payables			
Sundry Creditors Control	(801,179)	(283,929)	(283,929)
Accrued Interest on Loans	(8,055)	(479)	(479)
Accrued Wages	(4,823)	(34,247)	(34,247)
GST Payable	(80)	0	0
Housing Bonds	(580)	0	0
Current portion of long term borrowings			
Secured by floating charge	(106,413)	(74,272)	(74,272)
Provisions			
Prov for Annual Leave	(112,441)	(108,905)	(108,905)
Prov Long Service Leave Current	(116,133)	(106,719)	(106,719)
<b>Unadjusted net current assets</b>	<b>5,121,289</b>	<b>2,703,647</b>	<b>2,703,647</b>
<b>Adjustments</b>			
Less: Reserves - restricted cash	(3,523,240)	(2,123,520)	(2,123,520)
Less: Loans receivable - clubs/institutions	(7,769)	(10,332)	(10,332)
Add: Current Portion of Long Term Borrowings	106,413	74,272	74,272
Add: Portion of leave provision funded by Employee Entitlements Reserve	93,414	91,379	91,379
<b>Adjusted net current assets - surplus/(deficit)</b>	<b>1,790,107</b>	<b>735,446</b>	<b>735,446</b>

**Difference**

There was no difference between the surplus/(deficit) 1 July 2016 brought forward position used in the 2017 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2016 audited financial report.

**SHIRE OF MOUNT MARSHALL  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**24. SPECIFIED AREA RATE - 2016/17 FINANCIAL YEAR**

<b>Specified Area Rate</b>	<b>Actual \$</b>	<b>Budget \$</b>
<b>(a)</b> Where the Specified Area Rate for the Bencubbin area is to apply, for all rateable properties with Gross Rental Valuations, a rate of 0.1309 cents, in the dollar.	627	627
<b>(b)</b> Where the Specified Area Rate for the Bencubbin area is to apply, for all rateable properties with Unimproved Valuations, a rate of .0222 cents in the dollar.	6,559	7,341
	7,186	7,968

**25. SERVICE CHARGES - 2016/17 FINANCIAL YEAR**

No service charges were imposed by the Shire during the year ended 2017.

**26. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS  
- 2016/17 FINANCIAL YEAR**

**Rates Discounts**

<b>Rate or Fee Discount Granted</b>	<b>Discount</b>	<b>Actual</b>	<b>Budget</b>
	<b>% or \$</b>	<b>\$</b>	<b>\$</b>
Discount	0	47,747	75,000
		47,747	75,000

**Waivers or Concessions**

There were no other waivers or concessions in relation to rates in 2016/17.

## 27. INTEREST CHARGES AND INSTALMENTS - 2016/17 FINANCIAL YEAR

	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Unpaid Rates Interest Rate
<b>Instalment Options</b>		\$	%	%
<b>Option One</b>				
Single full payment	14-Oct-16		0.00%	11.00%
<b>Option Two</b>				
First Instalment	14-Oct-16	0	0	11.00%
Second Instalment	16-Dec-16	11	0	11.00%
Third Instalment	17-Feb-17	11	0	11.00%
Fourth Instalment	21-Apr-17	11	0	11.00%
			<b>Revenue</b>	<b>Budgeted Revenue</b>
			\$	\$
Interest on unpaid rates			15,417	16,900
Interest on unpaid DFES Collections			497	500
Interest on instalment plan			1,509	0
Charges on instalment plan			1,155	0
			<hr/>	<hr/>
			18,578	17,400

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

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>28. FEES &amp; CHARGES</b>		
Governance	1,807	870
General purpose funding	1,155	1,851
Law, order, public safety	1,446	1,226
Education and welfare	40,495	21,390
Housing	167,501	158,803
Community amenities	96,744	73,438
Recreation and culture	7,032	27,768
Economic services	201,147	375,763
Other property and services	7,046	45,604
	<u>524,373</u>	<u>706,713</u>

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

**29. GRANT REVENUE**

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

**By Nature or Type:**

**Operating grants, subsidies and contributions**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Governance	3,386,783	1,075,640
Law, order, public safety	14,303	17,031
Education and welfare	39,374	40,812
Community amenities	33,000	99,598
Recreation and culture	0	33,000
	<u>3,473,460</u>	<u>1,266,081</u>

**Non-operating grants, subsidies and contributions**

Law, order, public safety	726,348	0
Recreation and culture	15,206	0
Transport	1,633,841	1,866,046
	<u>2,375,395</u>	<u>1,866,046</u>
	<u>5,848,855</u>	<u>3,132,127</u>

**30. EMPLOYEE NUMBERS**

The number of full time equivalent employees at balance date

27	24
<u>          </u>	<u>          </u>

**31. ELECTED MEMBERS REMUNERATION**

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

	<b>2017</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
Meeting Fees	31,821	33,000	30,515
President's allowance	5,250	5,250	5,250
Deputy President's allowance	1,313	1,313	1,313
Travelling expenses	12,157	14,000	8,071
Telecommunications allowance	11,903	16,600	11,128
	<u>62,444</u>	<u>70,163</u>	<u>56,277</u>

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

**32. RELATED PARTY TRANSACTIONS**

**Key Management Personnel (KMP) Compensation Disclosure**

	<b>2017</b>
	<b>\$</b>
The total of remuneration paid to KMP of the Shire during the year are as follows:	
Short-term employee benefits	426,984
Post-employment benefits	53,323
Other long-term benefits	5,090
	<u>485,397</u>

**Short-term employee benefits**

These amounts include all salary, paid leave, fringe benefits and cash bonuses awarded to KMP except for details in respect to fees and benefits paid to elected members which may be found at Note 31.

**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.

**Related Parties**

**The Shire's main related parties are as follows:**

*i. Key management personnel*

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

*ii. Entities subject to significant influence by the Shire*

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence.

Significant influence may be gained by share ownership, statute or agreement.

*iii. Joint venture entities accounted for under the equity method*

The Shire has interests as outlined in Note 16.

The joint venture entities are accounted for in these financial statements using the equity method of accounting. For details of interests held in joint venture entities, refer to Note 16.

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

**32. RELATED PARTY TRANSACTIONS (Continued)**

**Transactions with related parties**

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

The following transactions occurred with related parties:

**2017**  
**\$**

**Associated companies/individuals:**

Purchase of goods and services	197,664
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Joint venture entities:	0
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Amounts outstanding from related parties:	0
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Amounts payable to related parties:	0
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Note: Transitional provisions contained within AASB 2015-6 do not require comparative related party disclosures to be presented in the period of initial application. As a consequence, only disclosures in relation to the current year have been presented.

**33. MAJOR LAND TRANSACTIONS**

The Shire did not participate in any major land transactions during the 2016/2017.

**34. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

The Shire did not participate in any trading undertakings or major trading undertakings during the 2016/2017 financial year.

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

**35. 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:*

	<b>Carrying Value</b>		<b>Fair Value</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial assets</b>				
Cash and cash equivalents	5,971,278	2,770,734	5,971,278	2,770,734
Receivables	<u>286,338</u>	<u>538,432</u>	<u>286,338</u>	<u>538,432</u>
	<u>6,257,616</u>	<u>3,309,166</u>	<u>6,257,616</u>	<u>3,309,166</u>
<b>Financial liabilities</b>				
Payables	814,716	318,655	814,716	318,655
Borrowings	<u>1,308,171</u>	<u>208,543</u>	<u>1,334,701</u>	<u>222,674</u>
	<u>2,122,887</u>	<u>527,198</u>	<u>2,149,417</u>	<u>541,329</u>

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.

Financial assets at fair value through profit and loss, available for sale financial assets - based on quoted market prices at the reporting date or independent valuation.

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

**35. FINANCIAL RISK MANAGEMENT (Continued)**

**(a) Cash and Cash Equivalents**

**Financial assets at fair value through profit and loss**

**Available-for-sale financial assets**

**Held-to-maturity investments**

The Shire's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital.

The finance area manages the cash and investments portfolio with the assistance of independent advisers (where applicable).

Council has an investment policy and the policy is subject to review by Council. An Investment Report is provided to Council on a monthly basis setting out the make-up and performance of the portfolio.

The major risk associated with investments is price risk - the risk that the capital value of investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments of their issuers or factors affecting similar instruments traded in a market.

Cash and investments are also 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 authorized by *Local Government (Financial Management) Regulation 19C*. Council also seeks advice from independent advisers (where considered necessary) before placing any cash and investments.

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Impact of a 1% <sup>(1)</sup> movement in interest rates on cash		
- Equity	36,748	37,246
- Statement of Comprehensive Income	36,748	37,246

**Notes:**

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

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

**35. 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:

	<b>2017</b>	<b>2016</b>
Percentage of rates and annual charges		
- Current	0%	0%
- Overdue	100%	100%
Percentage of other receivables		
- Current	71%	69%
- Overdue	29%	31%

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

**35. FINANCIAL RISK MANAGEMENT (Continued)**

**(c) Payables**

**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 Sensitivity Table below:

	<b>Due within 1 year</b>	<b>Due between 1 &amp; 5 years</b>	<b>Due after 5 years</b>	<b>Total contractual cash flows</b>	<b>Carrying values</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b><u>2017</u></b>					
Payables	814,716	0	0	814,716	814,716
Borrowings	158,371	338,803	1,270,511	1,767,685	1,308,171
	<u>973,087</u>	<u>338,803</u>	<u>1,270,511</u>	<u>2,582,401</u>	<u>2,122,887</u>
<b><u>2016</u></b>					
Payables	318,655	0	0	318,655	318,655
Borrowings	86,686	144,414	0	231,100	208,543
	<u>405,341</u>	<u>144,414</u>	<u>0</u>	<u>549,755</u>	<u>527,198</u>

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

**35. FINANCIAL RISK MANAGEMENT (Continued)**

**(c) Payables**

**Borrowings (continued)**

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:

	<1 year	>1<2 years	>2<3 years	>3<4 years	>4<5 years	>5 years	Total	Weighted Average Effective Interest Rate
	\$	\$	\$	\$	\$	\$	\$	%
<b>Year ended 30 June 2017</b>								
<b>Borrowings</b>								
<b>Fixed rate</b>								
Debentures	0	134,272	0	0	0	1,173,899	1,308,171	4.09%
Weighted average								
Effective interest rate		6.16%				3.85%		
<b>Year ended 30 June 2016</b>								
<b>Borrowings</b>								
<b>Fixed rate</b>								
Debentures	0	11,661	0	196,882	0	0	208,543	6.15%
Weighted average								
Effective interest rate		6.06%		6.16%				

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

**RATIO INFORMATION**

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

	<b>2017</b>	<b>2016</b>	<b>2015</b>
Asset consumption ratio	0.53	0.69	0.57
Asset renewal funding ratio	0.83	0.98	1.02

The above ratios are calculated as follows:

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

# Auditor's Report



## MOORE STEPHENS

### INDEPENDENT AUDITOR'S REPORT TO THE ELECTORS OF THE SHIRE OF MT MARSHALL

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#### **Opinion on the Audit of the Financial Report**

We have audited the accompanying financial report of the Shire of Mt Marshall (the Shire), which comprises the statement of financial position as at 30 June 2017, statement of comprehensive income by nature or type, statement of comprehensive income by program, statement of changes in equity, statement of cash flows and the rate setting statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by Chief Executive Officer.

In our opinion, the financial report of the Shire of Mt Marshall is in accordance with the *Local Government Act 1995 (as amended)* and the *Local Government (Financial Management) Regulations 1996 (as amended)*, including:

- a) giving a true and fair view of the Shire's financial position as at 30 June 2017 and of its financial performance and its cash flows for the year ended on that date; and
- b) complying with Australian Accounting Standards (including Australian Accounting Interpretations).

#### **Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

- a) There are no matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- b) No matters indicating non-compliance with Part 6 of the *Local Government Act 1995 (as amended)*, the *Local Government (Financial Management) Regulations 1996 (as amended)* or applicable financial controls of any other written law were noted during the course of our audit.
- c) In relation to the Supplementary Ratio Information presented at page 58 of this report, we have reviewed the calculations as presented and nothing has come to our attention to suggest it is not supported by:
  - i. verifiable information; and
  - ii. reasonable assumptions.
- d) All necessary information and explanations were obtained by us.
- e) All audit procedures were satisfactorily completed in conducting our audit

**INDEPENDENT AUDITOR'S REPORT  
TO THE ELECTORS OF THE SHIRE OF MT MARSHALL (CONTINUED)**

**MOORE STEPHENS**

***Other Information***

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

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

***Responsibilities of Management and Council for the Financial Report***

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

In preparing the financial report, management 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.

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

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

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_files/ar3.pdf](http://www.auasb.gov.au/auditors_files/ar3.pdf). This description forms part of our auditor's report.

MOORE STEPHENS  
CHARTERED ACCOUNTANTS

  
GREG GODWIN  
PARTNER

Date: 14 December 2017  
Perth, WA

# Notice of Meeting

## Annual General Meeting of Electors

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Notice is hereby given that the Annual General Meeting of Electors of the Shire of Mt Marshall will be held on Monday 12 February 2018, in the Council Chambers, Bencubbin, commencing at 6:00pm.

### Order of Business

1. Attendance and Apologies.
2. Confirmation of Minutes of the Annual General Meeting of electors held on Tuesday, 14 February 2017
3. Reading of the Auditors Report for 2016/2017.
4. Reading of the President's Report for the year ended 30 June 2017.
5. Receiving of the Annual Report for 2016/2017.
6. General Business as the President thinks fit or as the majority of the electors present may decide.

By order of Council

John Nuttall  
Chief Executive Officer

# Minutes of the Annual General Meeting of Electors

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## SHIRE OF MT MARSHALL



## MINUTES

## Electors' General Meeting

**Minutes of Annual General Meeting of Electors  
held on Tuesday 14 February 2017,  
in Council Chambers, 80 Monger Street,  
Bencubbin commencing at 6:02pm**

## **TABLE OF CONTENTS**

- 1. Declaration Of Opening**
- 2. Attendance and Apologies**
- 3. Confirmation of Minutes of the Electors' General Meeting held on Tuesday 22 March 2016**
- 4. Receiving of Annual Report for the year ending 30 June 2016**
- 5. General business as the President thinks fit or as the majority of the electors present may decide**
- 6. Closure of Meeting**

## **1.0 Declaration of Opening / Announcement of Visitors**

The Presiding Member declared the meeting open at 6:02pm

## **2.0 Record of Attendance / Apologies / Approved Leave of Absence**

### **In Attendance**

Cr RM Kirby	President / Presiding Member/Elector
Cr SE Faulkner	Deputy President/Elector
Cr ARC Sachse	Councillor/Elector
Cr WJ Beagley	Councillor/Elector
Cr NR Gillett	Councillor/Elector
Mr John Nuttall	Chief Executive Officer
Ms Nadine Richmond	Executive Assistant / Elector
Ms Tanika McLennan	Finance Administration Manager / Elector
Mr Desmond Miguel	Elector
Mrs Vicki Miguel	Elector
Mrs Tanya Gibson	Elector
Mrs Jenni Bunce	Elector
Mrs Michelle Kirby	Elector
Mrs Megan Beagley	Elector

### **Apologies**

Cr HJ Shemeld	Councillor/Elector
Cr CT Lumsden	Councillor/Elector
Mr Chris Kirby	Elector
Mr Noel Miguel	Elector

## **3.0 Confirmation of Minutes of Previous Electors' General Meeting**

### **3.1 Minutes of the Electors' General Meeting held 22 March 2016**

#### **2017/001 ELECTORS RESOLUTION:**

**That the Minutes of the Electors' General Meeting held on Tuesday 22 March 2016 be confirmed as a true and correct record of proceedings.**

**Moved Mrs Vicki Miguel                      Seconded Mrs Tanya Gibson                      Carried**

## **4.0 Receiving of Annual Report for the year ending 30 June 2016**

**2017/002 ELECTORS RESOLUTION:**

**That the Annual Report for the year ended 30 June 2016 as previously adopted by Council incorporating;**

- **The Financial Statements**
- **Auditors Report**
- **President's Report**
- **CEO's Report**

**Be received by the Electors of the Shire of Mt Marshall.**

**Moved Mrs Tanya Gibson**

**Seconded Mrs Megan Beagley**

**Carried**

**5.0 General business as the President thinks fit or as the majority of the Electors present may decide**

The Presiding Member allowed for general discussion amongst Council and Electors and took questions covering the following topics:

- Location of the future Telstra communications tower in Beacon; and
- Keeping health services in our communities.

**6.0 Closure of Meeting**

The Presiding Member thanked everyone for their attendance and declared the meeting closed at 6:21pm.

These Minutes were confirmed at the Electors' General Meeting held on

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Date

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President

# Freedom of Information Statement

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The Shire of Mt Marshall maintains records relating to each property within the Shire and also records relating to the function and administration of the Shire including minutes of meetings, a financial interests register, register of delegations, rates book, electoral roll, financial statements, and local laws. These documents amongst others, can be inspected (or copies of which may be made available for purchase) at the Shire Office, 80 Monger St, Bencubbin during business hours.

The Shire of Mt Marshall will provide information held by Council to people requesting it. Should a request not be met satisfactorily, then a more Freedom of Information Application can be lodged. Requests for information under the Freedom of Information Act can be lodged with the Freedom of Information Co-ordinator, Ms Nadine Richmond – Executive Assistant, Shire of Mt Marshall, 80 Monger St, Bencubbin.

Requests for changes to personal information must be made in writing.

The Shire's full Freedom of Information Statement may be found on the Shire's website [www.mtmarshall.wa.gov.au](http://www.mtmarshall.wa.gov.au) or a copy may be obtained by contacting the Shire Office by telephone on 08 9685 1202 or via email to [admin@mtmarshall.wa.gov.au](mailto:admin@mtmarshall.wa.gov.au)

During the year ended 30 June 2017, no Freedom of Information applications were received.

# National Competition Policy

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

## **1. Competitive Neutrality**

The principle of competitive neutrality is that government businesses should not enjoy a competitive advantage, or disadvantage, simply as a result of their public sector ownership. Measures should be introduced to effectively neutralise any net competitive advantage flowing from government ownership.

Competitive neutrality should apply to all business activities, which generate a users-pay income of over \$200,000 unless it can be shown it is not in the public interest. Public benefit tests are used to determine if competitive neutrality is in the public interest.

The Shire of Mt Marshall does not operate a business activity, which generates a user-pays income over \$200,000 per annum.

Consequently, the Shire of Mt Marshall is not required to implement competitive neutrality.

## **2. Legislation Review**

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

Where necessary Clause 7 legislation review principles will be complied with and the Shire of Mt Marshall remains committed to reviewing its existing local laws, as well as proposed local laws.

## **3. Structural Reform**

Before local governments privatise a monopoly business or introduce competition into a sector dominated by a monopoly or near monopoly, the regulatory and commercial activities must be separated and a review undertaken.

The Shire of Mt Marshall did not privatise any activities in 2014/15, consequently there were no obligations for structural reform. Nevertheless, the Shire of Mt Marshall is committed to the principles of structural reform under National Competition Policy.

# Disability Access & Inclusion Plan

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The Shire of Mt Marshall Disability Plan has been in place since 1996. The Shire of Mt Marshall Disability Access & Inclusion Plan (DAIP) was adopted in June 2007. Review of the Plan commenced in mid 2012 leading to the adoption of the Shire of Mt Marshall Disability and Access Plan 2012-2017 in September 2012. A new plan will be formulated and lodged with the Disability Services Commission in 2017/2018.

All the Shire's functions, facilities and services are reviewed annually to ensure they meet the needs of people with disabilities.

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

The Shire of Mt Marshall believes that people with disabilities, their families and carers who live in country areas should be supported to remain in the community of their choice.

The Shire of Mt Marshall is committed to consulting with people with disabilities, their families and carers and where required, disability organizations to ensure that barriers to access are addressed appropriately.

The Shire of Mt Marshall aims to ensure that all new constructions are designed incorporating disability access.

The Shire of Mt Marshall is committed to achieving the following outcomes:

- Outcome 1: Existing functions, facilities and services are adapted to meet the needs of people with disabilities.
- Outcome 2: Access to buildings and facilities is improved.
- Outcome 3: Information about functions, facilities and services is provided in formats, which meet the communication requirements of people with disabilities.
- Outcome 4: Staff awareness of the needs of people with disabilities and skill in delivering advice and services are improved.
- Outcome 5: Opportunities for people with disabilities to participate in public consultation, grievance mechanisms and decision-making processes are provided.
- Outcome 6: People with disabilities have the same opportunities as other people to participate in any public consultation by the Shire of Mt Marshall.
- Outcome 7: People with disabilities have the same opportunities as other people to obtain and maintain employment with a public authority.

Copies of the Disability Services Plan and the Disability Access & Inclusion Plan (DAIP) are available upon request by contacting the Shire Office by telephone on 08 9685 1202 or via email to [admin@mtmarshall.wa.gov.au](mailto:admin@mtmarshall.wa.gov.au)

# Record Keeping Plan

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The State Records Act 2000 requires that the Shire maintains and disposes of all records in the prescribed manner. The Shire of Mt Marshall maintains a Record Keeping Plan, approved by the State Records Office until March 2018.

## **Evaluation**

Evaluation of the efficiency and effectiveness of the shire's record keeping plan is ongoing and considered each time a function is carried out. Internal performance indicators such as spot checks for accuracy of stored records are undertaken, and on the basis of response times the record keeping system is assessed as being appropriate.

The Shire's Record Keeping Plan underwent a full review in March 2013 and will be fully reviewed again before the current plan expires.

## **Staff Training**

Staff members responsible for the management of records receive external record keeping training with a focus on local government records, including the retention and disposal methods.

All administrative staff receive an introduction to record keeping and the shire's record keeping system as part of their induction program ensuring compliance with the record keeping plan. In addition, staff information sessions and presentations are conducted as required.

Internal performance indicators such as spot checks for accuracy of stored records are undertaken, and on the basis of response times the effectiveness of staff training is assessed as being appropriate.

# Employee Remuneration

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As per Section 19B of the Local Government (Administration) Regulations 1996, the annual report must contain information on the number of employees entitled to an annual salary of \$100,000 or more. It also must be reported the number of employees in each band of \$10,000 over \$100,000.

One employee received a salary between \$110,000 and \$120,000 during the year ended 30 June 2017.

Three employees received a salary between \$130,000 and \$140,000 during the year ended 30 June 2017.

# Complaints Register

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As per Section 5.53(2)(hb) of the Local Government Act 1995, the annual report must contain 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.

During the year ended 30 June 2017, no complaints were recorded in the register of complaints.